



Our people Our business is about brains and brands so we rely heavily on the skills and talents of our 30,000 people. Last year we conducted an employee survey across Pearson. The feedback shaped our action plan for last year and here's some of our progress:

Performance reviews We've put in place a framework for performance reviews across the entire company and trained managers on how to conduct them;

Internal promotion We remain committed to promoting internally rather than hiring from outside where that's possible – in fact, over 22% of our senior managers have worked in more than one country, division or function within Pearson. We introduced career discussions across Pearson and relaunched Pearson Partners, a website which gives details of all the vacancies across the Pearson businesses worldwide;

Staff roadshows Once a year we run a series of staff roadshows where our management team meet our employees and update them on the business. In 2004 we will run these in 50 locations around the world. We also post regular messages and announcements on our intranets and Marjorie e-mails everyone through the year with important news. Staff are encouraged to e-mail her with their comments and questions;



Code of Business Conduct In 2003 we launched our new Code of Business Conduct. A confidential hot line allows employees to raise any issue covered in it in complete privacy. Each year we will e-mail our employees to confirm that they are happy with the way we are operating it. Any breaches or concerns are followed up by our group control team and reported to the audit committee;

Job benefits We offer a range of benefits tailored to location and we've worked hard to make them even easier to understand – over 80% of our people can now go online to our new My Pay and Benefits site.

Management leadership evaluations We have introduced the Pearson leadership profile which sets out the most important attributes for leadership in Pearson. We use this to evaluate the performance and potential of our senior management and aspiring leaders and it forms the basis of our new leadership programme launched in August 2003. More than 25% of senior managers have gone through this in less than five months and by the end of 2004, all our senior managers will have attended.

Functional forums Over 350 of our people have come together cross-company and cross-region in functional or learning forums to share information and best practice. These forums have been held in finance, HR, technology, design, marketing, communications and editorial. We also hold an annual meeting of over 100 of our talented managers across Pearson to listen to their ideas and for them to hear more about the businesses we're in.

Diversity and the future Last year we launched a four year diversity programme to make sure diversity is at the centre of everything we do. We are not in favour of setting specific targets for recruitment, retention or promotion. But our goal is clear: we want to be at least the best in our industry for diversity.

Our plan falls into three phases:

Phase 1 The first phase, now complete, involved a systematic analysis of our workforce by gender, age and ethnicity. The headline results of this are set out here and we have benchmarked our performance in the key areas of the US and the UK where we operate.