The
Pearson
Pension Plan

Your 2026 Annual Report

Building for tomorrow, today

Pearson

Welcome to the 2026 Annual Report

CHAIR OF THE PEARSON PENSION PLAN

This report provides a summary of the Plan's finances and investments. However, if you would like to read the full Report and Financial Statements 2025, it can be found on our website – simply scan the code below. In the Library section of the website, you can also find copies of the Chair's Statement, Statement of Investment Principles, the Implementation Statement, and our Climate change report. These documents detail how the Plan is governed and how the Trustee manages the investments of the Plan.

We have recently received an update from the Plan's actuary on our funding position as of 1 January 2026 and I am pleased to report that the Plan is 111% funded against the amount it would need to pay all liabilities. You can find details of the Summary Funding Statement on page 3.

There is a rise in the number and sophistication of pension scams. Please see the article in this report that will give you more details.

After 15 years, Nim Maradas decided not to stand for re-selection and stepped down as a trustee on 21 February 2026. The Trustee is extremely grateful for Nim's hard work and dedication over so many years and wishes her a long and happy retirement. We are also pleased to welcome Joanne Russell to the Trustee Board as our new Member Nominated Trustee Director.

It is the Trustee's responsibility to ensure that we have up to date information for all members so that we can communicate about the Plan, how it is run, plus any regulatory or legal changes that may affect you.

It is important to keep your contact details, including your current email address, up to date so that we can contact you about your pension benefits.

Please see page 12 for details of how to update your personal details and how to contact the pensions team.

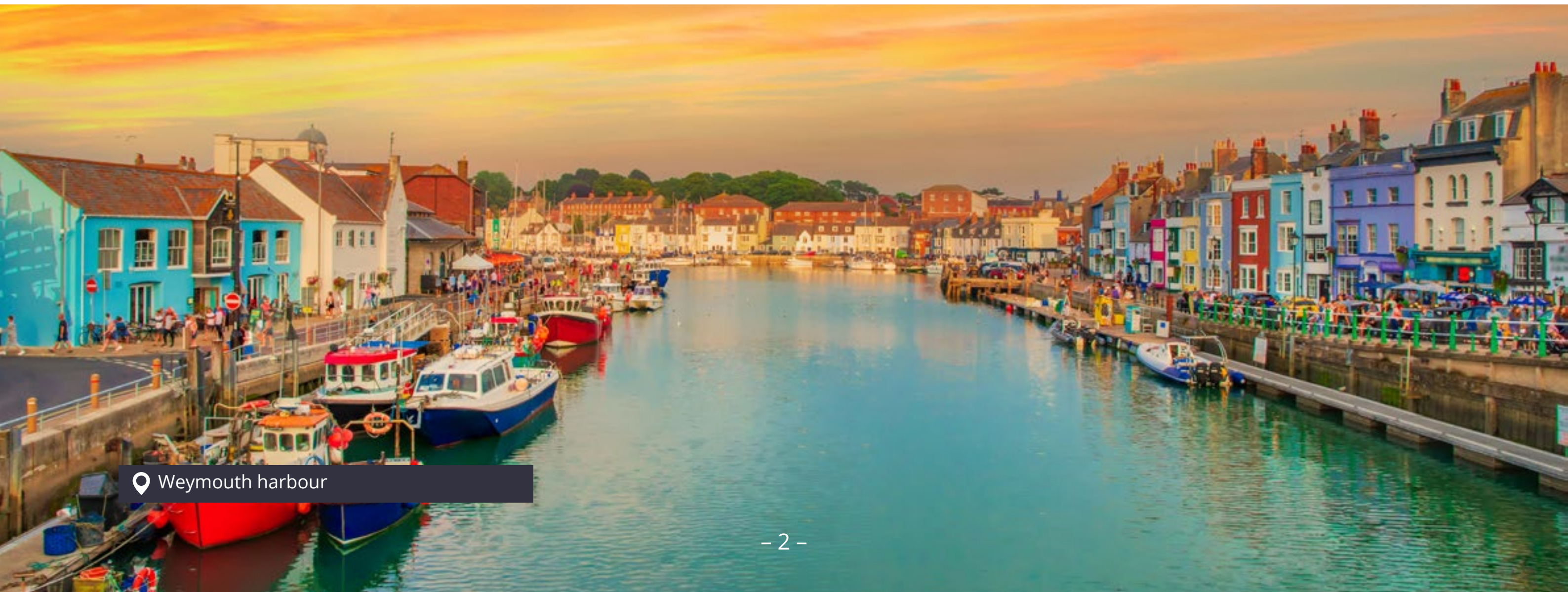
Your views are important to us, so please complete our quick survey to let us know what we can do to improve our services. Just scan the code below.

Lynn Ruddick
Chair, The Pearson Pension Plan

We would love to get your feedback

Governance and financial reports
www.pearson-pensions.com/library

Cover image: Helter Skelter – Weymouth


Weymouth harbour

Summary Funding Statement 2026

The Trustee is responsible for ensuring that the Plan has enough money to pay pensions as they fall due. We use assumptions about future factors, including investment returns and life expectancy, to ensure these obligations are met. All defined benefit pension schemes are required to undertake a full actuarial valuation at least every three years and carry out interim assessments in the years between valuations.

The most recent full valuation was carried out as at 1 January 2024. The Plan Actuary has carried out an interim assessment of the Plan as at 1 January 2026. This used an approach that is consistent with that adopted for the 2024 valuation, allowing for changes in market conditions and in the Plan's membership over the year. It provided a financial health check for the Plan but does not represent a full valuation.

Latest funding position

We are pleased to announce that as at 1 January 2026, the Plan was 111% funded. This compares to 110% as at 1 January 2025 and 109% as at 1 January 2024.

The main reason for the change in the funding level since 1 January 2025 was due to favourable movements in market conditions as well as the Plan's assets performing better than expected over the year.

As a result of the funding position as at 1 January 2024, the Trustee and Pearson agreed that no further deficit contributions are required from the Company at least until the next full actuarial valuation (expected in 2027).

Solvency

Under some specific circumstances, such as if the company supporting a pension scheme goes out of business, the pension scheme may be terminated (known as 'winding up'). In this scenario, the Trustee needs to be sure there would be enough money to transfer the Plan to an insurance company.

Although there is currently no intention to wind up the Plan, we are required to inform you of the solvency status at the date of the last formal valuation.

On that basis, the assets as at 1 January 2024 would cover around 109% of the cost of transferring to an insurance company.

Statutory statements

Under pensions legislation, we are also required to confirm that there have been no payments to Pearson from the Plan since the previous Summary Funding Statement was issued in July 2025.

Additionally, we can confirm that the Pensions Regulator has not used its powers in relation to the Plan to modify the future benefits, provided direction regarding the calculation of the Plan's liabilities or imposed a Schedule of Contributions.

Information on our identification, assessment and management of climate change risks is contained in our Climate Change report, a copy of which is published on our Plan website. A hard copy of the report is available on request.

Further information

Should you wish to know more details about the Plan's funding, the full report of the 1 January 2024 valuation and the Plan's actuarial report of the funding position as at 1 January 2026 are both available in the library on the Plan's website.

Library – forms, booklets and plan info
www.pearson-pensions.com/library

Manage your pension online

Secure pension portal

www.pearson-pensions-portal.com

The secure pension portal is available to pensioners and deferred Defined Benefit members of the Plan. The portal uses multi-factor authentication to provide an additional level of security so you will need a mobile phone in order to log on.

Through the Secure Pension portal you can:

- update your personal details
- check your benefits
- complete an Expression of wish form
- run retirement quotations for different dates and see how taking different amounts of tax-free cash may affect your pension
- set up your pension when you are ready to retire
- run estimated transfer quotes and guaranteed transfer packs if you are a deferred Defined Benefit member
- update your bank account if you are a pensioner
- see your payslip and P60 if you are in receipt of a pension from the Plan

If you have any queries, please contact the pensions team on Freephone **0800 7811378** or by email **pensions.helpline@pearsonpensions.com**.

MyAviva

www.aviva.co.uk/help-and-support/managing-your-policy

Aviva's secure online portal, MyAviva is available to members of the Money Purchase 2003 (MP03) Section, Auto Enrolment (AE) Section or who have Additional Voluntary Contributions (AVCs).

A great feature of MyAviva is that as well as being able to access MyAviva via the web, you can download the app which lets you quickly login to check on your pension using fingerprint or facial recognition.

Through MyAviva you can:

- check the value of your pension pot
- change your investment funds
- use their online tools to help you plan for the future.

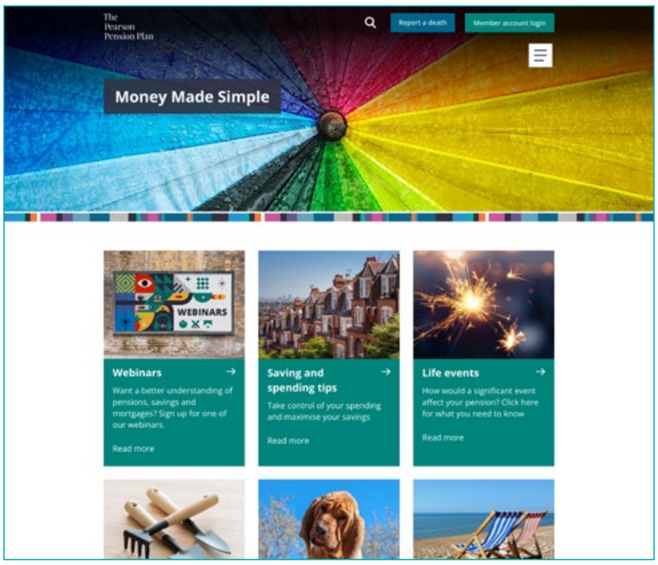

Weymouth harbour

Money Made Simple

Our new Money Made Simple section on the website brings together lots of information to help you manage your finances.

Here you will find tips, financial tools and access to our free webinars to help you make informed financial decisions.

Money Made Simple
www.pearson-pensions.com/money-made-simple/



Are your Defined Contribution investments on target for your retirement?

The Plan's normal retirement age is 62. However, members of the Money Purchase 2003 (MP03) and Auto Enrolment (AE) Sections, and Defined Benefit members with Additional Voluntary Contributions (AVCs), can choose to retire between age 55* and 75.

Your selected retirement age affects your investments, your retirement projections and when you receive information from the Plan.

If you go past your selected retirement age and do not choose a later date, Aviva will change it to age 74. Your investments will not be updated to reflect this change and will remain at the end of the consolidation phase† of your chosen lifecycle. This means your investments may no longer match your retirement plans.

More information about the Plan's investment options is available on the website.

Making your money grow
www.pearson-pensions.com/making-your-money-grow/

* 57 from April 2028

† The consolidation phase is the automatic process of moving your pension savings to funds designed for the retirement outcome you are targeting (annuity, drawdown, or cash) as you get nearer to retirement.

It is important that you check your investments and your selected retirement age regularly to ensure that they are in line with your retirement planning.

GMP equalisation and the Lifetime Allowance, are you affected?

Guaranteed Minimum Pension (GMP) was built up by members who were contracted out of part of the State Pension between 6 April 1978 and 5 April 1997. Because State Pension age was different for men and women at that time, GMP benefits were not always equal.

Court rulings involving the Lloyds Banking Group pension schemes said that, where GMP benefits are unequal, schemes like the Plan must correct this for benefits built up between 17 May 1990 and 5 April 1997. This is known as GMP equalisation.

We have checked members' benefits to make sure they are fair and equal where needed. We have contacted members affected to explain any changes.

If you retired between 6 April 2006 and 5 April 2024, your benefits may have been checked against the Lifetime Allowance. If we sent you an updated percentage and you also retired from another pension during this period, you may have a tax charge if you were close to or over the limit. If you think this applies to you, please contact the pensions team using the Contact Us section at the end of the annual report.

Do you have a small pension?

In some cases, you can take smaller deferred pension savings as a one-off payment rather than a regular income.

- **Small pots** – Individual pension pots of £10,000 or less can often be taken as a single lump sum.
- **Trivial commutation** – If the total value of all your pension savings is below a set limit, you may be able to take everything as cash.

The one-off payment is classed as income so will be taxed but usually, 25% is tax-free.

You can read more about these options on the MoneyHelper website (**see link below**).

If you would like to find out if this could apply to you, please contact the pensions team using the Contact Us section at the end of the annual report.

Money Helper Website
www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/taking-your-whole-pension-in-one-go

Scammers are upping their game

Pension fraud causes significant harm to victims so it is important to understand the steps you can take to keep your pension safe.

Fraudsters operate using four key methods:

- Identity theft and account takeover – they will use hacked email accounts or intercepted post to gather your details so the fraudster can impersonate you and change your bank details.
- Fraudulent duplicate accounts – they can create a fake account in your name so funds can be moved silently from your genuine account to the fraudulent one.
- Weak credential exploitation – poor or duplicated passwords or a lack on two-step verifications allows fraudsters the opportunity to access your account.
- Fraudulent death claims – they will divert funds to an alternative bank account before your next of kin are aware.

Impersonation and account fraud is now replacing transfer-based scams with fraudsters using AI generated documents to impersonate members.

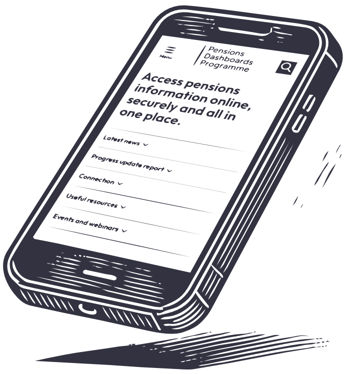
We would strongly recommend that you visit **www.pearson-pensions.com/pension-scams** to read more about how to protect your savings.

£18m
Lost to pension fraud in 2024

£34k
Average loss per victim

£48k
Lost every single day

The Pensions Dashboard



You may have pension savings in different places, including some you have forgotten about! This can make it hard to plan for your retirement so to help the government is introducing the Pensions Dashboard, a secure online platform where you can log in and see all your pension pots in one place.

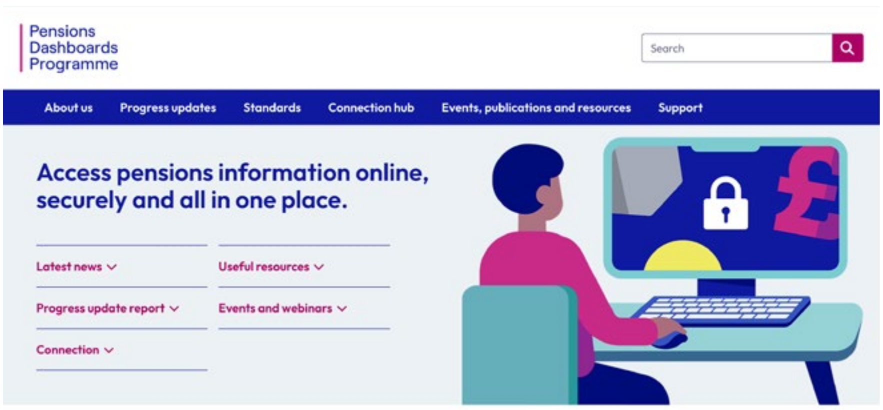
All pension schemes are required to provide the appropriate data to allow the dashboard to be helpful to users and need to be connected to the dashboard by October 2026.

The dashboard will show key information such as current pension values, including your State Pension, projected retirement income, and contact details for each pension provider. This will help you to make better-informed decisions about retirement planning and potentially identify any "lost" pensions you may have forgotten about from previous jobs. As all the information will be in one place, it allows you to see the complete picture.

The system will have strong security measures, and you will need to verify your identity to access your personal pension information, similar to online banking, using the new 'GOV.UK One Login'*. This will be the only way to access your personal data.

You can read more about tracing your pensions in the meantime on page 7.

* GOV.UK One login allows you access to government services such as HMRC, you can read more about this at: **www.gov.uk/using-your-gov-uk-one-login**

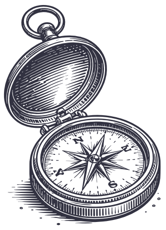


Some useful information

Your state pension

The current State Pension is £241.30 a week for the 2026/27 tax year if you have at least 35 years of full National Insurance contributions. However, if you have been 'contracted out' of the State Pension at any time, the amount of State Pension you receive may be reduced. You can get an estimate of your State Pension from **www.gov.uk/check-state-pension**

Your State Pension age is the earliest age you can start receiving your State Pension and is worked out based on your gender and date of birth. For more details go to **www.gov.uk/state-pension-age**



Looking for previous pensions?

If you have pension pots with different employers it is easy to lose track. The Pension Tracing Service can help you find the contact details for your previous employers, to help you track down any lost pension. To use this service, please find their details below:

Online: **www.gov.uk/find-pension-contact-details**

Phone: **0800 731 0175** (or **+44 (0)191 218 7777** from outside the UK)

Post: The Pension Tracing Service, Post Handling Site A, Wolverhampton, WV98 1AF.

Minimum retirement age

With effect from 6 April 2028 the earliest you will be able to retire from a workplace pension such as The Pearson Pension Plan is age 57 (currently age 55).

MoneyHelper

If you are thinking of withdrawing money from your pension, or just want general guidance, you can contact MoneyHelper, a government-led guidance service. You can contact them through their website at: **www.moneyhelper.org.uk/en/contact-us**

Weymouth harbour

The Plan's finances

We have summarised below the financial movements in the year ended 31 December 2025

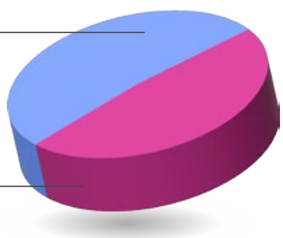
	(£m)
Value of the Plan's assets on 31 December 2024	**2,987.1**
Money coming in	
Company contributions	**23.6**
Member contributions	**2.4**
Transfers in	**0.2**
Investment and other income	**154.6**
Total income	**180.8**
Money coming out	
Benefits paid	**(126.0)**
Payments to and on account of leavers	**(21.6)**
Other payments	**(0.6)**
Investment management expenses	**(1.2)**
Administration expenses	**(9.1)**
Total expenditure	**(158.5)**
Change in market value of investments	**44.9**
Value of the Plan's assets on 31 December 2025	**3,054.3**

Membership

On 31 December 2025 there were **25,665** Plan members.

Total Membership

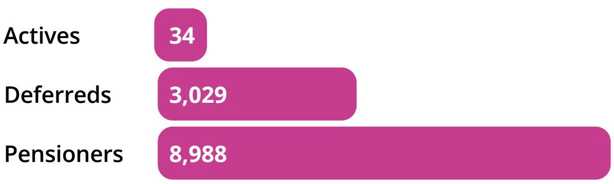
53%
Total: 13,614
Defined Contribution sections



47%
Total: 12,051
Defined Benefit sections

Defined Contribution sections

Defined Benefit sections



The Plan's Report and Financial Statements for the year ended 31 December 2025 have been audited by Crowe U.K. LLP, which has confirmed that they show a true and fair view of the Plan's financial transactions over the period.

Investments

Defined Benefit sections

Due to the strong funding position, the Trustee has been able to manage the Plan's assets in a way that protects its ability to pay pensions as and when they are due, by making them less vulnerable to changes in market conditions. On 31 December 2025, the assets of the Plan's Defined Benefit sections were spread across the following investment types:

	Allocation %	
	2025	2024
Return seeking assets		
Property	0.3	0.3
Private equity	0.3	0.4
Trade Finance	2.8	2.6
Infrastructure	3.8	5.1
Total	7.2	8.4
Liability matching assets		
Liability driven investment (mainly government bonds)	25.5	24.9
Bonds	6.2	5.3
Infrastructure	10.1	10.3
Property	6.9	6.5
Cash	3.0	1.9
Total	51.7	48.9
Policies with insurance companies	41.1	42.7
TOTAL	**100.0**	**100.0**

St Michael's Mount, Cornwall

Defined Contribution sections

The Trustee monitors the performance of the funds provided by Aviva, with the assistance of Lane Clark & Peacock LLP, its Investment Consultant. The Investment Committee investigates any significant departures from benchmarks with fund managers. Details of fund performance at 31 December 2025 are set out in the table below:

Funds	1-year return performance			5-year return performance*		
	Fund %	Benchmark %	Difference %	Fund %	Benchmark %	Difference %
Passive funds						
BlackRock over 15 year corporate bond Index fund	5.8	6.2	(0.4)	(7.5)	(7.3)	(0.2)
BlackRock world ex UK equity index fund	13.9	14.2	(0.3)	12.8	13.0	(0.2)
BlackRock UK equity index fund	22.0	23.0	(1.0)	11.1	11.3	(0.2)
BlackRock over 15 year gilt Index fund	3.6	3.6	0.0	(12.2)	(12.1)	(0.1)
Bespoke global equity fund	13.7	13.3	0.4	11.1	10.7	0.4
Blended index linked gilt fund	2.0	2.4	(0.4)	(3.0)	(3.0)	0.0
Annuity targeting fund	1.4	1.8	(0.4)	N/A	N/A	N/A
HSBC Islamic Global Equity	13.2	13.0	0.2	14.8	14.9	(0.1)
Active funds						
Blended multi-asset fund	13.3	4.3	9.0	3.5	3.1	0.4
CT Pensions property fund	5.4	5.1	0.3	3.8	3.3	0.5
Jupiter ecology fund	11.0	13.9	(2.9)	6.2	8.3	(2.1)
BlackRock Sterling liquidity fund	4.4	4.3	0.1	3.1	3.1	0.0
CT responsible global equity fund	3.2	13.2	(10.0)	5.9	13.0	(7.1)
Short duration credit fund	6.7	4.3	2.4	2.6	3.1	(0.5)

Source: Aviva, underlying managers. Returns are shown net of annual management charge (“AMC”).

* 5 year performance is annualised

Changes to the HSBC Islamic Global Equity Index fund

On 23 March 2026, the objective for the HSBC Islamic Global Equity Index fund was amended and the annual fee for this fund was reduced from 0.41% to 0.30%.

The new objective is:

"The fund aims to create long term appreciation of capital through investment in a diversified portfolio of securities as defined by a relevant world index, which meets Islamic investment principles as interpreted and laid down by the Shariah Committee and provided to the Board of Directors. The fund tracks as closely as possible the performance of the S&P Global 1200 Shariah Select Index which is Shariah compliant. The fund follows an investment process that has been approved by an independent Shariah committee."

You can find all the information about the funds available in our Funds booklet at: **www.pearson-pensions.com/wp-content/uploads/The-Funds.pdf**

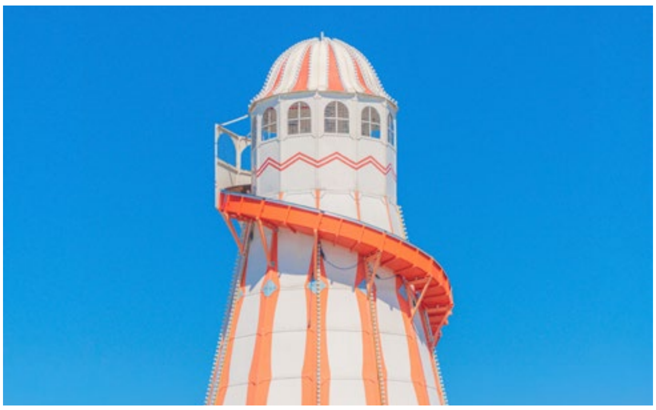
Funds booklet
www.pearson-pensions.com/wp-content/uploads/The-Funds.pdf

Welcome your new Member Nominated Trustee Director (MND)

Following **Nim Maradas'** decision not to stand for re-selection, a selection process to appoint a new Member Nominated Trustee Director (MND) was carried out in late 2025 and resulted in a significant number of applications. Following an in-depth interview process, we are pleased to announce that **Joanne Russell** was appointed as our new MND and joined the Board on 22 February 2026.

Joanne previously worked for Pearson for eight years as Senior Vice President Investor and Media Relations and Global Sustainability, leaving in 2025. During her time at Pearson, she served as a company nominated trustee director for five years and was a member of the Investment Committee.

Joanne currently works for Haleon as their Head of Investor Relations.



Looking after the Plan

There are nine trustee directors on the Trustee Board, who are responsible for managing the Plan in the interests of its members, in accordance with the Rules and the law. The Trustee delegates its day to day administration duties to a dedicated pensions team headed by the Chief Executive Officer of Pearson Pension Trustee Services Limited. The pensions team administer the Plan in accordance with the Rules in the interests of its beneficiaries.

How the Plan is run
www.pearson-pensions.com/how-the-plan-is-run

Beach Huts, Weymouth

Here to help

The pensions team is here to help you with any queries you may have about your pension. Using our online form is the best way to contact us, but if you need to contact us another way, please find the information below:

Website

You can contact the pensions team and the Trustee, securely through our website at **www.pearson-pensions.com/contact-us**

Email

You can email us at **pensions.helpline@pearsonpensions.com**

Phone

You can call our helpline (Freephone) on **0800 7811378** (**+44 203 7888562** from overseas). We are open 8.30am to 5.30pm Monday to Friday (except Bank Holidays)

Post

You can write to us at: The Pearson Pension Plan, PO Box 645 Darlington, DL1 9HP

Meeting

Book a virtual meeting

You can book a meeting with one of the pensions team to discuss any questions you may have regarding the Plan and/or your benefits. Simply go to **www.pearson-pensions.com/book-a-meeting**

If you need to update your contact details, including your email address and phone number, you can complete our simple online Change of details form. Deferred and pensioner members can also do this using the secure pension portal.

Change of details form
www.pearson-pensions.com/change-of-details-form

It is important to keep your Expression of wish up to date as this helps the Trustee decide who to pay any benefits to in the event of your death.

Expression of wish form
www.pearson-pensions.com/expression-of-wish-form

Not sure what a term means? The jargon buster on our website can help.

Pensions explained – check out our jargon buster
www.pearson-pensions.com/information-centre/jargon-buster

Members of the Defined Contribution sections can manage their pension online through MyAviva.

MyAviva
www.aviva.co.uk/help-and-support/managing-your-policy

Pensioners and deferred members of the Defined Benefit sections can manage their pension online through the secure pension portal.

Secure pension portal
www.pearson-pensions-portal.com

IMPORTANT NOTE:

This communication is issued by the Trustee of the Plan. Your contributions, benefits and options under the Plan are provided on the terms and conditions set out in the Plan Rules, as from time to time amended, and the governing legislation. This Annual Report reflects the Trustee's understanding of the applicable tax rates and legislation at the time of issue. If there are any differences between this communication and the Rules, the Rules, as amended from time to time, and governing legislation will apply.

CONTACT US

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