



# Pearson Climate Action Plan

Road to net zero

# Leadership message

**At Pearson, our purpose is to help people realise the life they imagine through learning.**

As the world's lifelong learning company, we believe in a sustainable future in which education creates positive change for all. The science is clear: to avoid the worst impacts of climate change, globally we need greenhouse gas (GHG) emissions reductions by 50% by 2030 and to reach net zero by 2050.

We are committed to having real impact. Building on a long and rewarding decarbonisation journey, we have refined our climate targets to align with these global milestones. In 2024, our new long-term net zero target was approved by the Science Based Targets initiative (SBTi), setting us on an externally-validated course to become a true net zero organisation by 2050.

Our approach is founded on halving our GHG emissions by 2030 from a 2018 baseline, and cutting emissions by 90% across all scopes by 2050 — which is why we need a realistic timeframe of 2050 to achieve our goals. In addition, we are looking to continue purchasing 100% renewable electricity in our own operations. This will be increasingly important as we deploy artificial intelligence (AI) and advanced technologies to unlock learning opportunities for all.

This plan sets out Pearson's objectives and the steps we are taking to achieve them. Our plan is underpinned by three aims which are aligned with the interrelated actions of the Transition Plan Taskforce's (TPT) Final Disclosure Framework.

"Collaboration with others is essential to realise the positive impact we can have on the environment through learning"

**Cinthia Nespoli**

General Counsel and Executive Leader for Sustainability



## Ambition and targets

### 1. Decarbonising our business:

- Achieve a 50% reduction in GHG emissions across our operations and supply chain by 2030 from a 2018 baseline
- Achieve a 90% reduction in GHG emissions across our value chain and meet our science-based targets by 2050

### 2. Contributing to an economy-wide transition:

- Maintain 100% renewable electricity consumption across our operations
- Collaborate with our sector to support the net zero transition and thrive in a low-GHG emissions world, by supporting the creation of clean energy

### 3. Responding to climate risks and opportunities:

- Periodically conduct risk and opportunity analysis to enable Pearson to successfully navigate the transition to a net zero economy, inclusive of company growth. Enhance climate resilience across the business by using scenario analysis to inform risk management and anticipate market opportunities
- Use our capabilities as the world's learning company to support lifelong learning and reskilling opportunities for a more resilient future. Our ambition will require all of us at Pearson to embrace sustainability. Collaboration with others is essential to realise the positive impact we can have on the environment through learning.

We are excited to continue our climate journey and for the transformation it will bring to our business.

# About Pearson

## Helping people realise the life they imagine through learning

At Pearson, we do three things. We create high-quality, curated content in the form of learning materials and assessments. We distribute this content through digital systems and platforms. And we verify skills through assessments, credentials, and exam materials. We are the world's lifelong learning company, serving customers across the globe.

Pearson has two distinct business models. Our business-to-business model works with educators and enterprises to provide digital content, assessments, qualifications and data. We are also a software business. Backed by our deep understanding of learning science, we create platforms and apps to transform individual learning for real-life impact.

## Mapping our supply chain

Our upstream value chain activities account for over 95% of our global emissions. Approximately 150 Tier 1 suppliers account for around 70% of Pearson's global spend, with the majority of products and services sourced from suppliers in OECD countries, predominantly in North America and Europe.

## Carbon footprint of our supply chain and operations



# Our journey to net zero

We continue to make good progress towards our reduction commitments. To date, we have cut our total emissions by 40% against our 2018 baseline, putting us in a strong position to achieve a 50% reduction by 2030.

We have already achieved our 2030 target for direct (scope 1) and market-based emissions (scope 2 — emissions from purchased electricity).\*

The reductions come from downsizing our property portfolio, decommissioning emissions-intensive buildings and dismantling our company vehicle fleet. We have also increased the use of renewable energy through on-site renewable generation and purchasing electricity through green energy tariffs or supported by Energy Attribute Certificates (EACs) in the country of consumption. Thanks to these processes, our electricity consumption is currently renewable.

We have actively reduced our value chain (scope 3) emissions by 39% since 2018, primarily due to our ongoing digital transformation. This shift has accelerated emissions reductions across our physical supply chain, from paper procurement to transportation and distribution. Significant one-off changes, such as adopting a hybrid working model and reducing business travel, have also contributed to the drop in emissions.

Our analysis shows a continued downward trend in future emissions, achieving over a 90% reduction by 2050 as shown in the graph on the next page.

## Key assumptions

We have based our analysis on the following assumptions:

- Pearson's property footprint will remain stable from 2026
- The number of employees will not increase over the period
- 90% of total electricity generation will come from renewables
- Close to 100% of Pearson's products and services will be digital by 2050
- 85% of our suppliers will achieve net zero by 2050

In order to reach more than 90% reduction across all scopes, we have identified key actions for further decarbonisation of our operations, value chain, products and services. These are described in more detail in the Strategy section of this plan.

\* We report emissions using the market-based methodology in our Climate Action Plan to take account of our efforts to increase our use of renewable energy through green energy tariffs and EACs. For more detailed GHG emissions data, including location-based emissions, see our [annual report](#).

## Implications for our corporate strategy

We believe that Pearson is well positioned for the shift to a low-GHG emissions economy. As we build our digital learning capabilities, Pearson will continue to shift away from physical products and services and accelerate our decarbonisation trajectory.

With increased use of AI and other advanced technologies in education, renewable and alternative sources of energy will play an important role in our industry and critically for our technology-based suppliers. We will continue to work with our larger suppliers to align our mutual objectives and support their decarbonisation progress. Although we have begun to quantify the emissions associated with the use of our AI-driven products, further work is required to fully model their impact and incorporate these emissions into our reduction roadmap.

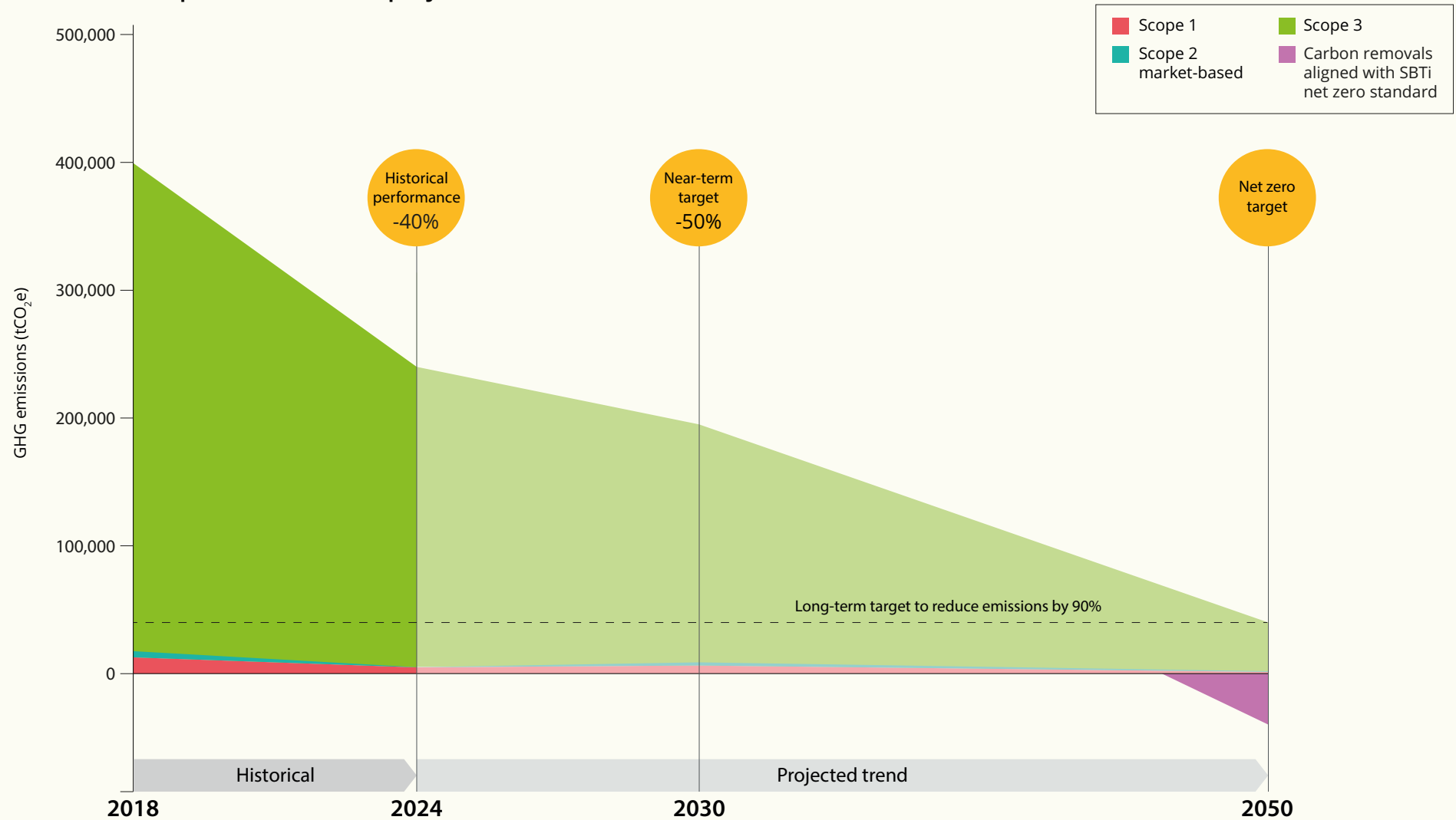
Our climate risk assessment has not identified any material impacts on the company over the next five years either from our commitments or the actions we intend to take to achieve our targets.

Our [annual report](#) covers our climate-related financial disclosures, including a detailed review of the risks identified and our mitigating actions, which are consistent with the approach recommended by the Task Force on Climate-related Financial Disclosures (TCFD).



Our journey to net zero *continued*

### Pearson GHG historical performance and projected trend to achieve net zero

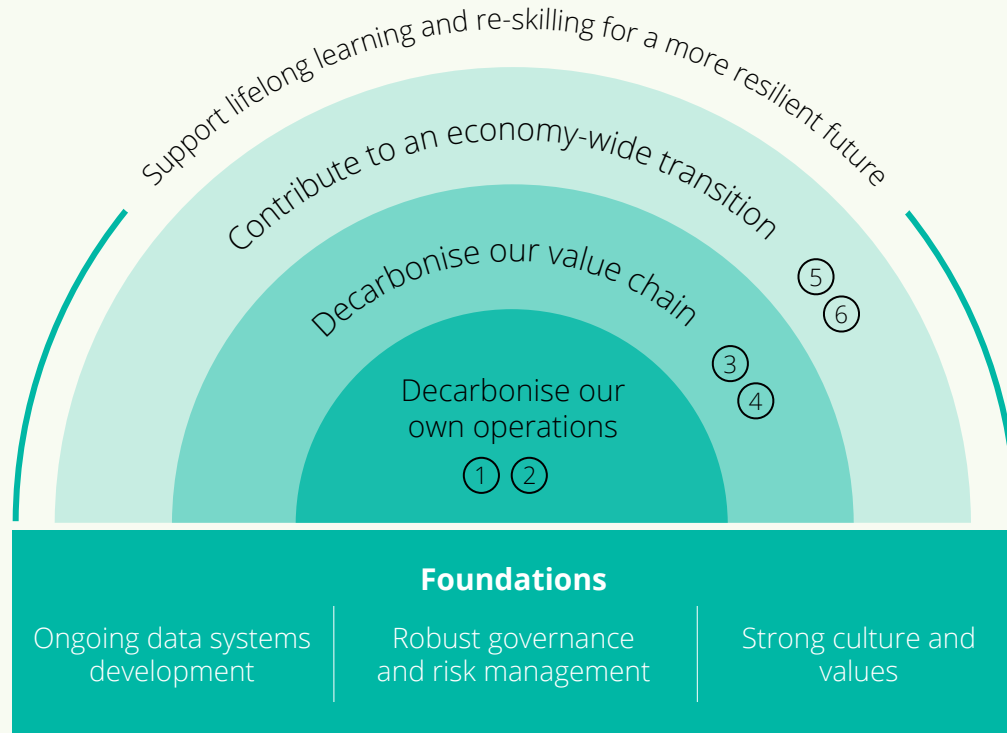






# Implementation strategy

As we become an increasingly digital company, energy efficiency and increased use of renewable energy have become critical components of our climate strategy. Our approach is structured around six priorities, each designed to systematically reduce our carbon footprint and promote sustainability.



## Priorities

- 1 Reduce emissions in our operations.
- 2 Transition to renewable energy across our operations.

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- 3 Reduce emissions across our value chain.
- 4 Promote the transition to renewable energy across our value chain.

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- 5 Remove unabatable emissions.
- 6 Invest in products and services and beyond value chain mitigation activities.

## Implementation strategy *continued*

### Decarbonising our business

#### Measuring and reducing emissions

Our journey begins with the ongoing measurement of emissions. This data-driven approach allows us to identify key areas for improvement and track our progress over time.

#### Reducing emissions in our operations

Our immediate focus remains on reducing scope 1 and 2 emissions, which primarily come from our buildings. Historically, we have reduced our property portfolio and moved to smaller, managed offices. In future, we plan to select new buildings that meet stringent environmental criteria, implement low-cost initiatives like optimised lighting schedules, and conduct energy audits. Additionally, we will invest in initiatives such as a shift to LED lighting and installation of high-performance glass windows to further reduce our energy consumption.

#### Transition to renewable energy across our operations

Shifting to renewable energy for scope 1 and 2 is another critical priority. We aim to select properties with renewable energy systems in place and install solar panels at key sites. For any remaining energy needs, we will purchase EACs to ensure we source the cleanest energy possible.

#### Reduce emissions in our upstream and downstream value chain

Reducing scope 3 emissions, including indirect emissions from our supply chain and business travel, is challenging but essential to achieve our long-term targets.

We plan to select suppliers with robust carbon reduction programmes, maintain our hybrid working model and promote sustainable commuting. To reduce the impact from customer usage of our digital products, we plan to develop more energy-efficient products. Finally, we are increasingly shifting to a circular model by reducing waste in our operations — for example by expanding print-on-demand services and recycling where possible — and procuring paper from certified sources (FSC, PEFC and SFI) that set standards for protecting nature.

### Contributing to an economy-wide transition

#### Promoting the transition to renewable energy across our upstream and downstream value chain

In the medium term, we need to partner with our stakeholders to explore feasible ways to promote the use of renewable energy in our value chain — for example, incentivising our smaller suppliers to shift to renewable energy or supporting consumers to lower their electricity consumption by reducing the energy requirements of our digital products. Even though we have not yet fully scoped these efforts, we know that promoting energy efficiency and the use of renewable energy will be a key lever in helping us reduce the overall carbon footprint associated with our products and services, while accelerating a wider societal transition.

#### Removing unabatable emissions

Unfortunately, not all emissions can be eliminated. In the longer term, and as we get closer to our 2050 target, we are committed to investing in high-quality carbon removal projects. These projects will focus on long-term carbon sequestration, helping to ensure the carbon is removed from the atmosphere in storage for approximately 1,000 years.

#### Investment in products and services and beyond value chain mitigation activities

We are looking to build a long-term plan for our beyond value chain mitigation activities — those outside our value chain which help avoid or reduce emissions, or remove GHGs from the atmosphere. As a learning company, we have a unique opportunity to develop educational programmes that raise awareness about climate change and support the development of adaptation mechanisms.

### Responding to climate risks and opportunities

#### Climate impacts, risks and opportunities analysis

We conduct regular environmental impact assessments to ensure Pearson understands its impacts and the likely effects of climate change on the business, enabling us to address and mitigate those impacts. We use a range of alternative scenarios in our analysis to explore plausible future states that differ from business-as-usual assumptions. We report annually on our analysis and the identified climate impacts in our TCFD report.



# Governance

Pearson has a strong governance structure enabling the Board and its Committees to monitor and oversee the company's sustainability strategy.

Linking executive pay to climate targets ensures that our leadership is committed to and accountable for the company's climate mitigation agenda.

For more detailed information on our governance structure, performance measures and targets see our latest [annual report](#). Our policies and an update of our performance are available on our [sustainability reporting portal](#).

## Board Committees

### Audit Committee

Oversees the work required to comply with mandatory assurance and reporting regulations

### Reputation & Responsibility Committee

Oversees the work required to build Pearson's sustainability 2.0 – Vision for the Future

### Remuneration Committee

Oversees the alignment of Executive Directors' remuneration with sustainability targets

## Executive Committee

### Pearson Executive Management Environmental Steering Committee

Composed of our Chief Financial Officer, Chief Legal Officer, Chief Sustainability Officer and Senior Vice President of Global Operations

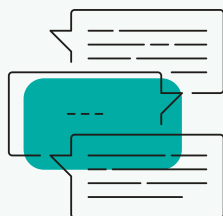
Agrees "strategic ambition", determines capabilities, and assigns accountability

## Management implementation

Environmental strategy and coordination provided by specialist team. Implementation delivered across the business through IT, Operations and Procurement, Finance, etc.







# Engagement strategy

Engaging with partners across our value chain and collaborating with industry peers will be essential to achieving emissions reductions. We also have an important role to play in delivering the knowledge and skills required for a more sustainable future for all. An effective engagement strategy is critical for achieving these goals. Key stakeholders include:

## Customers

- **Education institutions and educators:** Educators are a cornerstone of our business, and they maintain a close relationship with learners.
- **Employers:** We work with employers to design solutions that fit their unique place in the labour market and help learners progress in their career goals and reskill.
- **Consumers:** Understanding our consumers allows us to more effectively design and create products and go-to-market strategies.

## Business partners

We work with partners who share our commitment to doing business responsibly and help us reduce and mitigate sustainability-related risks.

## Governments and regulators

Policymakers across the world are charged with implementing policies to grow and sustain productive economies, ensuring that individuals have the education and skills development opportunities needed to achieve their life goals.

Our engagement helps inform policy decisions and share best practices on areas of focus for education, training, and recruitment.

## Communities

Learning is a key factor in empowering individuals and communities, improving social and economic outcomes, and creating a more equitable and sustainable world. Pearson provides products and services that meet this demand.

## Employees

Pearson's greatest asset is our people. Our business success and ability to positively impact society rely heavily on our colleagues. We maintain a culture of engagement and inclusion and communicate on a regular basis with employees.

## Investors and shareholders

Our shareholders play an important role in both monitoring our governance and safeguarding the future of our company. This includes monitoring our sustainability credentials.



## Products and services

To shape a better tomorrow for people and planet, we need informed global citizens who not only understand global issues such as climate change, but are equipped with the skills to take on these challenges. By promoting sustainability education, we support learners and inspire action to create a better world. For example, Mastering is a flexible platform that engages science and engineering learners through active, immersive experiences. We offer **Mastering Environmental Science**, a collection of online content, tutorials, and assessment tools. Pearson's AI-powered study tools help students further achieve proficiency and master key course concepts.

Additionally, we work with educators to expand access to sustainability knowledge. For example, our **Brighter Futures** programme enables school students to gain an advanced qualification in climate change, or pursue a design and technology course giving them the skills to solve tomorrow's product development challenges.

## Engagement strategy *continued*

### Training and development

Pearson's culture supports upskilling and promotes independent curiosity for knowledge and shared learning to further the company's mission and goals.

We partnered with volunteers from Climate Fresk to deliver a series of workshops raising awareness of climate change and empowering our employees to take effective action. We have also partnered with Planet on Stage! to support our people to understand the impact of digital technologies on the environment and our daily lives.

For those employees who need more in-depth knowledge of sustainability, we have launched a course detailing the practical actions individuals in various roles, such as workplace and procurement, can take. This course is certified using our Credly credentials. Our new learning experience platform integrating third-party content on sustainability has been made available to all our colleagues.

### Broader engagement and thought leadership

We are active participants in multi-stakeholder, collective action aiming to strengthen lifelong learning and explore the private sector's role in sustainable development. For example, we participated in a series of AI sessions with Business Fights Poverty, including its AI Global Equity Summit. We are also members of the Responsible Media Forum, joining a partnership of leading media companies to identify and act on the social and environmental challenges facing our industry. The independent environmental disclosure system, CDP, has given us a score of A- for our climate-related disclosures.



## Annex 1 – Levers for decarbonisation

Decarbonisation lever	Pillars from Pearson first Climate Action Plan	Implemented, ongoing or planned activities	Timeline	Decarbonisation lever	Pillars from Pearson first Climate Action Plan	Implemented, ongoing or planned activities	Timeline
<b>Measuring and reducing emissions</b>	Governance, data and disclosure	Align our long-term targets by establishing an SBTi-approved target for net zero by 2050. (Implemented)	●	<b>Reduce emissions in our upstream and downstream value chain</b>	Building sustainable supply chains	Develop and implement an engagement plan for our top 50 suppliers, and subsequently all Tier 1 suppliers. This includes collaborating with key suppliers to help them on their journey to SBTi accreditation and the decarbonisation of the products and services we buy from them. (Short)	●
		Provide Pearson teams with tools, calculators, and high-quality management information to steer our business towards low-carbon emissions in areas such as our property footprint and utilities, hybrid working and business travel. (Ongoing)	●			Reorganise our print supply chain to drive efficiencies and use better forecasting to reduce our inventory of print products. This includes consolidating our paper suppliers and maintaining a high usage of paper from certified sources (FSC, PEFC and SFI). (Ongoing)	●
		Implement divisional carbon footprinting and optimise our internal reporting process to provide actionable insight for leadership on a quarterly basis. A key principle throughout will be to make sure that operating units have ownership of targets and are embedding decarbonisation in their business objectives alongside profitability and growth. (Ongoing)	●			Integrate environmental criteria into all long-term supplier selection processes and engagement. In addition, deepen our collaboration with our value chain to reduce our collective impact on the planet through partnerships and joint activities. (Medium)	●
		Increase use of supplier-specific emission factors to improve transparency and robustness of our emissions reporting. Our aim is to improve data quality to eventually cover more than 90% of scope 3 emissions based on our portion of usage, rather than relying on estimates. (Ongoing)	●				
<b>Reducing emissions in our business and operations</b>	Products and Operations	Ensure that any new buildings meet stringent environmental criteria, implement low-cost initiatives including optimised lighting schedules, and conduct energy audits. Additionally, invest in initiatives such as the shift to LED lighting and installation of high-performance glass windows to further reduce our energy consumption. (Ongoing)	●	<b>Contributing to an economy-wide transition</b>	Governance, data and disclosure	As our decarbonisation strategy progresses, develop a fit-for-purpose strategy for investing in carbon removals, ensuring it focuses not only on GHG capture and storage, but also aims to enhance the overall resilience of ecosystems. (Long)	●
		Climate considerations will extend to how we design our products, and our continued transition to digital is a key component. Develop an approach to product and service development that incorporates environmental factors. This will include a better understanding of the usage of our key digital products and services, and their overarching carbon footprint. (Short)	●			Continue to work with other companies to advance the accuracy and availability of scope 3 data. Ensure all business partners follow our Business Partner Code of Conduct and Responsible Procurement Policy and comply with national environmental laws and regulations. Encourage our suppliers to take part in the EcoVadis sustainability assessment. (Ongoing)	●
						Deliver sustainability learning experiences for employees, including volunteering and credentialing, aligned to our talent development strategy. (Short)	●
<b>Transition to renewable energy across our operations</b>	Products and Operations	Maintain use of 100% renewable electricity in our operations, which will be increasingly important as we deploy AI and advanced technologies to unlock learning opportunities for all. (Ongoing)	●			Participate in new collaborations that aim to calculate the emissions of downstream digital media content and explore the use of technology and AI in learning. (Medium)	●

**Time frame:** ● Implemented/Ongoing; ● Short - within 5 years; ● Medium - between 5–10 years; ● Long: more than 10 years



