

Sustainability

Learning for Impact

Why sustainability matters for Pearson

Significant demographic shifts and rapid advances in AI are increasingly important growth drivers for education and work. There is a growing demand and pressing need for high-quality learning that is available for people of all ages and circumstances.

As the world's lifelong learning company, enabling transformative learning journeys is fundamental to everything we do. With a constant focus on learner needs and accessibility, we combine content and technology responsibly to improve operational performance and productivity, minimise our environmental impact and ensure that we remain a key player in our industry. This enables us to create engaging products that fuel a desire to learn.

Learning for Impact framework

Our approach to sustainability is founded on our Learning for Impact framework and deeply rooted in our strategy. We strive for impact across three pillars:

- Driving learning for everyone with our **products**.
- Empowering our **people** to make a difference.
- Leading responsibly for a better **planet**.

We continually review and refine our approach, ensuring we prioritise the areas of greatest impact for our business, our learners and other stakeholders – including developing the skills of learners and employees, protecting our consumers' data and decarbonising our business.

Strong governance and effective policies underpin our approach. Our Reputation & Responsibility Committee (RRC) monitors our environmental and social impact topics, reporting to the Board on our sustainability progress. We keep our governance approach under continuous review to ensure it remains fit for purpose. Read more about our governance structure on pages 96-98.

We measure our progress against material topics and our Learning for Impact framework through our corporate non-financial KPIs (see page 24). Stakeholder engagement ensures we are delivering on our purpose to help people realise the life they imagine through learning. Independent ratings and rankings validate that we are improving shareholder value, while contributing to a more equitable world. Our KPIs are subject to

regular Board review and are linked to Directors' remuneration (see page 113).

Expanding our impact and outlook

During 2024, we made substantial progress towards our Learning for Impact objectives and laid the foundations to deliver our social and environmental ambitions in 2025 and beyond. Key highlights include:

- Actively preparing our business for compliance with the Corporate Sustainability Reporting Directive (CSRD) and additional mandatory reporting requirements. We are finalising our double materiality assessment.
- Increasing use of AI across our portfolio to unlock additional learning opportunities. Pearson remains deeply committed to the responsible use of AI. We focused on further strengthening our policy framework and building partnerships to define best practice and establish common standards.
- Ongoing improvements in employee engagement. Our development programmes have empowered managers and helped them effectively support their teams to drive performance.
- Significant expansion of learning opportunities for all employees, focusing on advanced technologies, leadership and development, helping employees grow their careers and play their part in delivering our strategy.
- Opening up additional employee communication channels, giving our people more opportunities to provide feedback and help shape the future of our business.
- Continuing to use our learning and credentialing platforms to develop the skills individuals in our communities need to thrive, including on AI.
- 5.3% reduction in greenhouse gas (GHG) emissions (since 2023, location-based), moving us even closer to our short-term decarbonisation goals and updating our Climate Action Plan, setting out our long-term path to decarbonisation.
- Launching an Education Bond to support eligible projects targeting hard-to-reach learners and communities.



We appreciate the transformative power of learning and focus on using technology to build vibrant and engaging products that make learning accessible to all throughout their lives.

Cinthia Nespoli

General Counsel and Executive Leader for Sustainability



We are proud of our 2024 achievements. The following sections expand on our progress and demonstrate how we create value for stakeholders, grow our business and contribute to the UN Sustainable Development Goals (SDGs) through our business model and Learning for Impact framework.

Our main areas of focus in 2025 are:

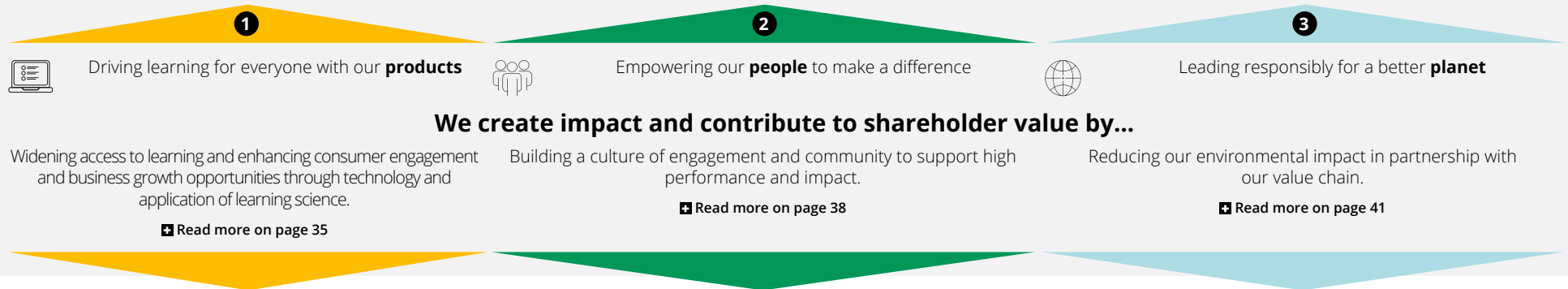
- Ongoing stakeholder engagement to shape the evolution of our Learning for Impact framework and how we measure progress towards our ambitions.
- Establishing new career and performance management frameworks to transform talent development at Pearson, enhancing productivity and career development opportunities and driving growth.
- Developing innovative partnerships that align with our brand and purpose and further benefit learners.
- Enhancing our long-term environmental strategy to reflect our increased use of AI and evolving our technology platforms to continue to run on renewable energy.

Sustainability *continued*

Measuring progress on our commitments

Our purpose — To help people realise the life they imagine through learning

Our sustainability pillars – Learning for Impact



Underpinning everything we do with robust governance, a strong culture and effective policies.

[Read more on page 56](#)

Contributing to sustainable development globally

The UN SDGs exist to achieve a better and more sustainable future for all. Through our Learning for Impact framework, we contribute to the following SDGs:



SDG 4 — Quality education. With our focus on lifelong learning, we recognise that Pearson can play a unique role in increasing access to education around the world. We monitor our progress on extending our product reach through our consumer engagement metrics. See page 24.



SDG 8 — Decent work and economic growth. We work closely with governments, educators and employers around the world to build the skills needed for tomorrow's workforce. For example, over one million professionals have completed AI-related learning on Credly. See page 35.



SDG 10 — Reduced inequalities. We strive to develop inclusive products that support every learner's needs. Our collaboration with Saint Louis University to develop Inclusio — an AI-powered solution for the visually impaired — is making science, technology, engineering and mathematics more accessible to blind learners. See page 36.

Rankings and recognition

Independent rankings help our investors evaluate our performance and management of sustainability risks and opportunities. In 2024, we received the following recognition:

- **Sustainalytics.** Included in the Global Top 50 list. Again classified as Negligible Risk, ranking as the leading company in our industry.
- **S&P CSA (Dow Jones Sustainability Indices).** Achieved the best score in our industry and a listing in the S&P Sustainability Yearbook.
- **FTSE4Good Index.** Constituent of the FTSE4Good Index Series in the top 1% of our sector.
- **ISS.** Improved our score to B-.



Driving learning for everyone with our products

The development and adoption of AI and digital technologies rapidly increased in 2024. If applied responsibly, these new technologies can transform access to learning and acquisition of knowledge. At Pearson, we combine technology and best-in-class learning science to bring positive change to the way people learn throughout their lives. We maintain a constant focus on making learning more accessible and engaging to reach more people, from schools to workplaces.

Over 80% of our products are digital or digitally-enabled, contributing to overall sales growth in 2024 of 4% (excluding the OPM and Strategic Review businesses).

Access powered by technology

Learning fuels the critical breakthroughs needed to resolve societal challenges and realise personal goals. New technologies can spur more effective learning and remove obstacles that learners face, accelerating progress for individuals, businesses, and wider society. As discussed throughout this report, and summarised on pages 6 and 7, we continue to infuse AI into more products, guided by learning science and our Learning Design Principles, and we are committed to incorporating technology responsibly to enhance learning outcomes.

Pearson is spearheading research into the use of AI in education, sharing our findings and insights on an ongoing basis. Our early studies published in 2024 have revealed that AI study tools may encourage more effective study habits, such as note-taking and self-testing. The research also indicated that students using Pearson's AI tools engage in more sessions with their eTextbooks than those not using the technology. We presented this research to more than 5,000 registrants at the ED.tech Symposium in October 2024, as part of Pearson's ongoing efforts to upskill teachers on AI in education. In September 2024, our English Language Learning business ran a webinar series on AI in language teaching. As members of the TeachAI Advisory Committee, we contribute to developing policy resources that help education leaders to mitigate the risks and realise the benefits of AI. We have also started collaborating with TeachAI on a new AI literacy framework.

Case study: Building the skills of tomorrow

We are committed to helping learners adapt to workforce changes and supporting businesses to build skills for future success. Our Skills Outlook series explores future skills needs, as well as how AI can increase individual productivity. A dedicated Skills Map of the US explores automation, AI and demographic shifts to help businesses and policymakers prepare for the future.

As more businesses integrate AI into their operations, employees will need to upskill. In 2024, Credly issued its one millionth badge for AI-related learning. We also offer Certiport Gen AI certification and an Extended Project Qualification for young people on AI. Our partnership with Degreed helps businesses identify AI skills gaps and prioritise training needs. Our strategic collaboration with Microsoft will expand learning opportunities, accelerate AI proficiency in the workforce and enable organisations to realise the full value of AI.

English is a critical skill for the global workforce, but it is challenging to accurately define the level of proficiency required for individual roles. Based on Pearson's Global Scale of English (GSE) framework, GSE Job Profiles set accurate English language benchmarks for nearly 1,400 job roles. This helps to improve candidate matching and reduce time to hire.



We are committed to providing products and solutions that are accessible to all consumers, including those with disabilities.

Tony Prentice

Chief Product Officer



Sustainability *continued*

At a national level, policymakers are looking to regulate AI to ensure it is deployed responsibly and ethically. We welcome these initiatives and remain committed to working with policymakers and using our expertise — directly and through forums like TeachAI — to inform debate for the benefit of all learners. Read more about our approach and guidance for employees and business partners on political activity in our Global Government Relations Policy and our Code of Conduct available on our corporate policy hub (<https://plc.pearson.com/en-GB/corporate-policies>).

Technology already enables more individuals to learn remotely, and offers opportunities for new and valuable early careers experiences that are essential for a smooth transition into work. We have increased internship and mentoring opportunities for students in our Connections Academy Virtual Schools programme. Our new partnerships with Future Business Leaders of America and SEMI Foundation will give more students an insight into IT and technical careers, providing learners with career direction, confidence and connections, and encouraging them to pursue the jobs in core sectors that are fuelling economic growth.

Responsible and sustainable content

Every day, people trust Pearson to provide learning content that is engaging, credible and supports their development goals. They will only continue to do this if we provide products that are accessible and accurate.

Our Global Content Policy provides clear and consistent guidance for employees and third-party contributors to develop content that is ethical, accurate and adheres to legal requirements. From 2024, the policy includes guidelines for authoring content using AI, including the appropriate tools to use and the processes for reviewing content.

We recognise that with increased digitalisation comes a growing digital divide. As we continue our digital transformation, our priority will be to assess how we bridge this gap and ensure that learners have the resources they need and are not left behind.

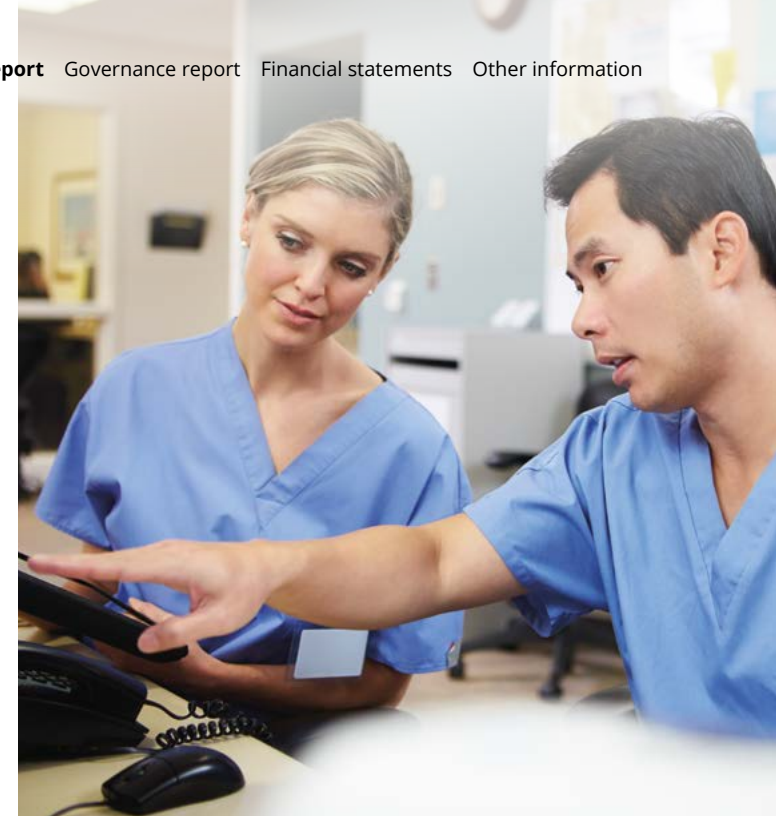
Designing accessibility requirements into our products and services

Accessibility is core to our mission to drive lifelong learning for all. We apply best practice from learning and measurement sciences to design and develop products, and to open up education for all. Working with CAST, we have embedded Universal Design for Learning in our Learning Design Principles. We also offer specialist clinical assessments that help to improve diagnosis and treatment for people with cognitive, behavioural and speech conditions, enabling them to access the right support and enjoy lifelong learning.

We have enhanced our accessibility framework in 2024, providing increased guidance on building products to reflect learners' needs. This will form part of our Global Content Policy from early 2025.

One example of our commitment to accessibility is the work our Braille Services team is undertaking to meticulously transcribe school assessments into Braille to improve accessibility for blind learners. In 2024, we delivered 400,000 pages of tests and examinations. We partnered with Saint Louis University to develop Inklusio, using AI to improve product design and deliver Pearson's content to blind learners so they can study science, technology, engineering and mathematics.

We are also making science more accessible wherever students are based through our Pearson Interactive Labs — an immersive experience simulating practical laboratory work. Students receive guided feedback as they master new techniques. In 2024, we expanded our offering, with labs for Microbiology and Anatomy & Physiology. For parents from a wide variety of backgrounds, we are enabling them to play an active role in their child's education. In the US, Spotlight translates student progress reports into multiple languages or user-friendly videos for parents. In 2024, it was named a 'Cool Tool' in the EdTech Digest Awards.



Case study: Supporting people with ADHD

With an estimated 17 million children and adults with attention deficit hyperactivity disorder (ADHD) in the US alone, there is a growing need to understand the condition. Our ADHD Virtual Summit in October 2024 updated almost 4,000 attendees on the latest ADHD-related research and featured practical insights from social media influencers advocating for better ADHD support.

In 2024, Pearson acquired Revibe Technologies, which uses third-party smartwatches to gather insights on behaviours and enables clinicians to tailor therapy. Vibration and text reminders help improve focus, supporting ADHD management. We plan to incorporate Revibe's technology into Pearson's clinical assessment tools and resources to improve outcomes for those with ADHD.

Case study: Education Bond Framework

In September 2024, we launched a £350m education bond to finance initiatives aligned with our Education Bond Framework. The net proceeds will support initiatives that advance UN SDG 4 (Quality education) by:

- Providing access to education and advancing socio-economic development.
- Supporting underserved learners and communities, including people living below the poverty line, those with disabilities and the unemployed.

Potential programmes identified include:

- Delivering teaching, technology, student materials and curriculum development to help provide free online education services through, for example, the Connections Academy.
- Product development for alternative secondary education credentials and foundational learning to enable progress in post-secondary education through, for example, the General Education Development programme.
- Initiatives for those requiring testing for special needs and underserved learners with special needs.

We commit to reporting the allocation and impact of our contributions annually. More information on the Education Bond and future reporting can be found on our website.

“We’ve built robust compliance processes that enable the business to use AI responsibly and still move at speed.”

Cinthia Nespoli

General Counsel and
Executive Leader for Sustainability



Data privacy and cyber security

We are committed to ensuring learners can access content safely and securely. This means applying the highest standards to minimise the risk of attacks and to protect the personal information that is entrusted to us.

In 2024, we continued to strengthen our approach, aligning more closely with the National Institute of Standards and Technology (NIST) frameworks for cyber security and data privacy, and met the industry average NIST Cybersecurity Framework score. We have deployed the Cyturus platform to improve management of governance, risk and compliance. In 2025, we will launch a new Trust and Safety Centre, providing greater information to suppliers, business partners and end users on our risk management approach. It will help us demonstrate the protections built into our services and afforded to our learners.

Training on Pearson’s AI, data privacy and cyber security principles is mandatory for all employees. From 2025, we plan to introduce regular short modules, keeping employees up to date as technology and regulations evolve. Through ongoing employee training and our 2024 ‘See Something, Say Something’ campaign, more employees can identify phishing emails, helping to improve our phishing test results and enhance business security.

We have integrated AI into our trust and safety governance framework, ensuring consistent standards across AI, data privacy and cyber security. Our AI guidance supports responsible technology use, while maintaining flexibility to experiment and create the best user experience. It replicates our product development playbook, which supports consistently high data management standards across Pearson.

The playbook is part of our ongoing effort to evolve and strengthen our data management approach to maintain product quality and integrity while making learning safe, affordable and accessible for all.

Case study: Empowering the next generation of cyber security professionals

For the last five years, our UK employees have been mentoring students aged 14 and 15 from disadvantaged backgrounds on cyber security and technology, including internationally recognised principles, frameworks and risk management approaches. The mentorships involved a visit to Pearson’s headquarters to put their new knowledge into practice. The programme has inspired students to further their technology careers, with several going on to study at leading UK universities.



Sustainability *continued*



Empowering our people to make a difference

We aim to foster a culture of performance where everyone can leverage their strengths to create impactful learning and assessment solutions.

Our people strategy has three focus areas:

- Employee engagement: driving better employee engagement and high performance
- Investing in talent: providing continuous learning, growth and progress for our employees
- Culture of community: driving a culture of community and aiming for a welcoming culture throughout the company

These areas are reflected in our non-financial KPIs on page 24, which highlight our annual progress in driving sustainable growth and shareholder value while contributing to a more equitable world. Key human resources policies, including our Human Rights Statements and Modern Slavery Statement, are available on our corporate policy hub (<https://plc.pearson.com/en-GB/corporate-policies>).

Our purpose

We help people realise the life they imagine through learning.

To achieve this, we set out the following essential behaviours that all Pearson employees should embody:

1. Customer centricity
2. Raising the performance bar
3. Exceptional collaboration for value
4. Our leaders inspire

Employee engagement

Engaging our employees is essential to ensure they feel heard and valued. We believe empowered employees are more productive and help to create more innovative learning experiences for our consumers. In 2024, we continued prioritising employee engagement across Pearson. We have improved our mean scores for every question in our engagement survey conducted by Gallup, and our overall engagement Grand Mean score increased to 4.16 out of 5 (2023: 4.09). We now rank in the 79th percentile for engagement against similar-sized companies in Gallup's overall company database.

Communicating across our workforce

With most of our workforce based in the UK and US, we engage with our employees through multiple channels to keep them connected with our growing business. Employees receive updates about Pearson from business unit leaders and the CEO through regular communications, virtual and in-person town halls and the corporate intranet, The Hub. You can learn more about how the Board engages with employees on page 85.

Our nine voluntary and employee-led Employee Resource Groups (ERGs) are open to everyone and help foster a supportive workplace culture at Pearson, as well as promote collaboration and community. We renewed our focus on working with ERGs to increase network opportunities, offer support to communities in times of need and provide the business with valuable insights and data.

Our workforce consists of regular and limited-term employees (full-time and part-time), casual/seasonal employees (primarily for test scoring) and contingent workers (individual contractors, consultancy workers, and agency workers).

We follow local labour and human rights regulations, including having work councils where needed by regulation.



We are focused on ensuring that all employees have the skills needed to contribute to Pearson's expanding digital learning solutions. This year, our upskilling initiatives have ranged from developing AI-related capabilities to enhancing leadership techniques at management level.

Ali Bebo

Chief Human Resources Officer



Employee volunteering

Through our Learning for Impact volunteering programme, we have increased opportunities for employees to foster relationships with educational non-profits and community organisations that align with our mission to provide world-class learning solutions. We now have more targeted events and programmes, both virtual and in-person, which leverage employee skills and resources (skills-based volunteering) to make a meaningful impact within communities. During 2024, we were pleased to note a significant upward trend in volunteer hours, with more than 33,000 hours spent supporting 360 organisations. We also increased our volunteer participation to 11% this year — above the global average of 9.2% according to a recent report.

Investing in talent

Effective employee engagement starts with upskilling our managers, who are essential in ensuring that employees feel heard and valued. We invest heavily in developing our managers and leaders, empowering them to support our transformation into a digital business with a high-performance culture. In 2024, we continued building manager and leadership capabilities through multiple initiatives:

- **Coaching for Performance series:** 770 employees participated in our peer-led, highly practical events, focused on developing our managers as coaches.
- **Leadership Uplift:** We introduced new talent assessments using the Pearson Leadership model for Directors and above. Individuals received feedback and are able to access self-paced support and learning or additional coaching.
- **Internal forums:** We initiated internal leadership forums and manager meet-ups that occur monthly and quarterly, respectively. There are approximately 2,500 line managers and approximately 120 leaders involved in these meetings.

We measure our progress towards building our managers' capabilities to act as performance coaches using Gallup's Coaching Index, combining two questions into an index to assess the extent to which managers exhibit key coaching behaviours. Our Coaching Index score has improved to 4.08 from 3.95 in 2023 (out of 5).

As we transition to a digital-first business, we must continue to encourage our entire workforce to upskill responsibly and attract new talent with diverse skills to fuel our growth. In 2024, we focused on evolving our career architecture, guiding employees to plan their career paths and support learning, aligning their career development with the skills necessary to drive Pearson's strategy and equipping them for the future of work.

In 2024, we emphasised the importance of technological skills to our employees for future-proofing Pearson. There were over 12,000 attendees at our 2024 Technology Summit across 74 sessions led by external experts and Pearson leaders. We rolled out our Generative AI channel, which enables a broader proportion of our workforce to understand how to use AI in their work to create impactful learning solutions. Since it launched, the channel has had over 5,000 visits and employees have completed over 3,700 modules of learning content.

We continue to develop the next generation of Pearson employees by expanding our opportunities for young people. We have created an Early Careers team in the UK that supports our apprenticeships and internships. These pathways are an investment not only in our employees, but also in the future of our business. We currently have 75 individuals enrolled in our apprenticeship programme. As a result of our efforts, we were finalists for Best Apprenticeship Programme at the 2024 Investors in People Awards.

Our work in continuous employee development is reflected in the increased percentage of employees who agree or strongly agree in our Gallup engagement survey that they have 'had opportunities to learn and grow', which rose to 77% from 76% in 2023.

In 2025, we will continue to evolve our people strategy to ensure our employees advance our purpose in an even safer and more uplifting environment.

Culture of engagement

We continue to cultivate an environment of community where everyone at Pearson can thrive. We believe that bringing people from different backgrounds and experiences together helps us create more innovative, effective products for our consumers.

In 2024, we continued to meet the FTSE Women Leaders Review target of 40% of women in leadership roles (defined as the Executive Committee and their direct reports). Our Board diversity reporting is on page 54.

Following the 2023 Parker Review Committee's ruling for FTSE 350 companies to establish ethnic minority targets by 2027, we continue progressing our goal of 20% ethnic diversity for the Executive Management team and the senior leaders who report to them. Currently, 23% of our Executive Management team and senior leaders in the US and UK self-identify as ethnically diverse.

We are committed to fostering an open and accessible environment where all employees, including those with disabilities, feel supported. In 2024, we revised our reasonable accommodations and accessibility guidelines for employees. We also give full and fair consideration to all applicants and support the continued employment of disabled people, making reasonable adjustments to address individual needs. Recruitment, promotion and training are conducted based on merit, against objective criteria that avoid discrimination.

Our suppliers

Pearson has a long history of working with a broad range of suppliers. The varied perspectives they bring to our products and services help foster innovation and create more robust learning experiences.

Case study: Volunteering for impact

In 2024, we commissioned Impact Genome to provide an Employee Volunteering Impact Report. The report highlights our commitment to advancing the SDGs through offering dedicated volunteering hours. Our efforts influenced youth development by enhancing educational persistence, fostering essential social-emotional skills, and ensuring access to basic needs, thereby improving overall wellbeing and community engagement:



SDG 4 – Quality education: Employees volunteered 1,855 hours with at least 75 organisations focused on improving educational outcomes, resulting in increased school attendance.



SDG 3 – Good health and wellbeing: Employees contributed 1,025 volunteering hours with at least 41 organisations that help young people improve their social-emotional skills, provide access to quality healthcare, and improve mental and physical wellbeing.



SDG 2 – Zero hunger: Volunteers invested 771 hours with at least 34 organisations tackling hunger, improving food distribution and access to nutritious meals.

Sustainability *continued*

Rewards and benefits

Ensuring our employees feel supported and recognised is a big part of maintaining our high-performance culture. We pride ourselves on our extensive rewards, benefits and wellbeing packages that help us attract and retain the world's best talent.

We are committed to providing fair and equitable pay and benefits for all our employees. We offer a holistic Total Reward package, underpinned by our guiding pay principles, so that our employees know how pay and benefits are managed and understood at Pearson. As part of our offering, we have consistent and robust reward structures and clear guidelines for determining and rewarding individuals' contributions.

Our employees are the reason that we continue to be a successful global learning provider, and we want them to share in the value they help create. We encourage employees to become shareholders and owners of Pearson. Around one in five eligible employees choose to save to purchase Pearson shares via our savings-related employee share plans ('Save for Shares' and the 'Employee Stock Purchase Plan').

Health and wellbeing

Having a positive state of mind and body ensures our employees can thrive at work. To continue providing strong wellbeing benefits we are focused on improving mental health at work and outside of it. We recently launched Pearson's Global WELL – a digital therapy and wellbeing platform, supported by Unmind and designed by psychologists. The platform is completely confidential. All employees have access to a comprehensive suite of mental health services to help them lead a stress-free and more fulfilling life. We have also launched a global network of wellbeing champions, who led a series of talks for World Mental Health Day on topics including 'Crafting workplaces where mental health can flourish'.

Our employee health and safety KPIs are reflected in the nine standards in our Global Health and Safety Policy, and performance on those standards is reported to the Board's Reputation & Responsibility Committee. Our strategy is modelled on best practice and internationally recognised standards, including ISO 45001. Our UK headquarters maintains ISO 45001 certification. In 2024, we commissioned a review of our global occupational health provision to better understand our impacts and provide solutions for our workforce. We are evaluating the findings to assess next steps.



Pearson's vision for reinventing the way we learn, combined with its unmatched global presence, creates a unique opportunity to transform lives at scale around the world.

Naseem Tuffaha
Chief Business Officer





Leading responsibly for a better planet



Learning is essential to help people adapt to the realities of climate change. Pearson has an important role to play in supporting global sustainability solutions, and we're working to position the business to create maximum impact. This year, we aligned our long-term net zero target with the latest climate science, which will support us to drive more meaningful change for our communities and the planet.

Cinthia Nespoli

General Counsel and Executive Leader for Sustainability

Our environmental strategy supports us to manage and mitigate negative environmental impacts within our operations and across our value chain. The alignment between our business and environmental strategies provides an exciting opportunity for us across our operations and value chain to achieve our commitments.

Building on a steep decarbonisation journey so far, we have refined our climate targets to better reflect the nature of an increasingly digitally-led business, and align with global milestones. In 2024, our new long-term targets were approved by the Science Based Targets initiative (SBTi), setting us on an externally-validated course to become a net zero organisation by 2050. The following targets drive our strategy:

- Achieve a 50% reduction in greenhouse gas (GHG) emissions across our operations and value chain by 2030 from a 2018 baseline. This target was historically approved by the SBTi since its adoption.
- Achieve a 90% reduction in GHG emissions across our value chain and meet our science-based (SBTi approved) net zero target by 2050.

Our updated Climate Action Plan guides our approach to deliver on our goals. The plan is underpinned by three focus areas, aligned with the three interrelated action areas of the UK Transition Plan Taskforce's disclosure framework:

- Decarbonising our business
- Contributing to an economy-wide transition
- Responding to climate risks and opportunities

Read more about our journey to net zero in our Climate Action Plan (<https://plc.pearson.com/en-GB/sustainability/our-sustainability-reporting>).

Decarbonising our business and our value chain

Pearson's business transformation is changing the profile of our environmental impacts. As we build our digital learning capabilities, Pearson will continue to shift away from physical products and services, continuing a path of decarbonisation.

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 encourage their decarbonisation progress.

	2018 previously reported	2023 previously reported	2018 rebaselined figures	2023 re-stated figures	2024
Location-based	584,648	321,285	425,932	265,677	251,508
Market-based	548,452	307,247	399,780	253,991	238,926
Emission reduction (location-based)		-45%		-38%	-41%
Emission reduction (market-based)		-44%		-36%	-40%

During the year, business transformation activities such as changes in our property portfolio, limitations on air travel, adjustments to the talent base and reductions in some key areas of procurement spend, including emission-intensive paper, resulted in marked carbon efficiencies throughout the business.

Sustainability *continued*

In 2024, these trends resulted in a 5.3% reduction in location-based GHG emissions compared to 2023. Additionally, there was a 5.9% reduction in market-based GHG emissions compared to 2023. Overall, this amounts to a total reduction of 41% since 2018 for location-based emissions and 40% for market-based emissions, against our 2018 baseline, positioning us to achieve our target of halving our emissions by 2030.

We have already achieved our 2030 target for direct (scope 1) and market-based GHG emissions (scope 2 – emissions from purchased electricity), driven by downsizing our property portfolio, decommissioning emissions-intensive buildings and dismantling our company vehicles fleet.

Reducing our value chain (scope 3) GHG emissions remains a challenge, but is essential to meeting our long-term net zero target. Since 2018, scope 3 emissions have decreased by 39%, reflecting our transition from paper-based to digital supply chains, reduced business travel and adopting a hybrid working model.

In 2024, we updated our 2018 baseline and re-stated our 2023 GHG emissions data to reflect recent acquisitions and disposals, and to align with changes in data methodology as a result of transitioning to a new emissions data management system. This process will improve our data accuracy moving forward.

Our own operations

Ensuring we manage our own operations responsibly is essential to managing our direct impacts.

Process management

We manage our impacts and reduction activities through a 'Plan – Do – Check – Act' approach, and in some instances, we use formalised management systems. In 2024, we re-certified our four main UK sites to the ISO 14001 framework (Environmental Management). In addition, our VUE test centres are certified to ISO 22301 standards (Security and Resilience), which have been amended to integrate climate risk analysis. This robust approach allows us to deliver our climate strategy more effectively.

Energy

Energy is a critical resource for Pearson's future as we minimise our reliance on direct natural resources. Since our scope 1 and 2 GHG emissions primarily come from our buildings, we are improving the energy efficiency of our sites and re-aligning our property portfolio to our business needs. We are focused on having smaller and more shared office spaces globally, which has led to a 10% reduction in our physical footprint in 2024 compared to 2023.

We have also developed stringent environmental requirements for the selection of new buildings, enforceable in 2025, including environmental risk assessments, accessibility requirements, resource efficiency and management of environmental data collection. We purchase 100% of our electricity through green tariffs, on-site generation or Energy Attribute Certificates (EACs).

Since 2022, Pearson has worked to consolidate our data centres, improve their energy efficiency and move to cloud-based data centres, which are more resource efficient. This year, we have shut down three data centres and opened a new, more energy-efficient data centre. The outcomes of our 2024 consolidation actions will impact reporting in 2025.

We will continue to push for industry-wide change by establishing partnerships that support decarbonisation, particularly in the technology sector as we advance our digital transition. We recognise that as part of the shift to renewables, new jobs will require us to upskill not only our existing workforce but also wider stakeholders.

Waste and water

Though our office-based operations have a limited impact on overall water use and waste generation, we are encouraging teams at our largest offices to reduce water and waste at a local level.

Logistics and operations

We continue to increase investment in print-on-demand services instead of holding paper-based inventory, to reduce the risk of overproduction and holding out-of-date content, as well as minimising waste and operational costs.

Moving towards an inventory-free system has reduced our need for warehouse space and freight carriers. We selected our two transport partners due to their strong sustainability credentials, among other business and cost-driven factors. Together, we are working to further optimise our logistics routes.

We are committed to expanding print service agreements where vendors can use local printers, reducing the distance that books are transported (book miles). In 2024, we achieved a reduction of nearly eight million book miles, mainly from air freight.



Our value chain

We believe in doing business with partners who share our commitment to human rights and the environment, as collaborating with our supply chain is essential to leading sustainably and managing any associated risks. We outline our expectations for suppliers in our Responsible Procurement Policy. We also conduct detailed risk assessments of our larger suppliers through the third-party sustainability ratings platform EcoVadis. We continuously monitor our highest-risk suppliers through the EcoVadis IQ tool, covering 90% of our supply chain in 2024.

Supplier engagement

We purchased £1.2bn of goods and services in 2024, with around 80% of our global spend represented by 350 large-scale suppliers. As 93% of our total location-based GHG emissions occur indirectly within our value chain, we see a huge opportunity to support our suppliers to improve their sustainability performance and efficiency. Our Global Procurement team is dedicated to strengthening our ethical, sustainable and efficient procurement practices. It works with our business units to implement an end-to-end supplier engagement process, including assessing performance, driving growth and increasing accountability to accelerate value-chain decarbonisation and efficiency.

Stakeholder engagement

We have an important role to play in delivering the knowledge and skills required for a more sustainable future.

In the UK, Pearson was a co-signatory with other RE100 companies to lobby the UK Government to increase transparency and effectiveness of Renewable Energy Guarantee of Origin (REGO) certificates.

Where applicable, we incorporate sustainability language into our supplier contracts, ensuring continuous improvement and greater transparency in costs and other factors. We have directly engaged with a number of suppliers through one-on-one coaching sessions, supporting them to reduce their environmental impact and future-proof their own workforces. We continue to consolidate our supply chain to ensure we work with the right suppliers that share our purpose and are committed to collaborating on our sustainability and product goals.

Paper sourcing and nature-related impacts

In 2024, our overall paper consumption decreased to 19,255 tonnes (2023: 22,859 tonnes) due to continued digitalisation. We continue to manage the use of paper and print production to minimise any potential associated environmental impacts in our supply chain.

We remain committed to procuring 100% of our paper from certified sources (FSC, PEFC and SFI) that set standards for sustainable forest management including banning deforestation, enhancing biodiversity and protecting nature – achieving 92% in 2024. We are on track to achieve our target by the end of 2025.

Our Manufacturing Terms of Trade detail our requirements for print suppliers. In 2024, we updated our trade terms for print suppliers to strengthen provisions on piracy, AI tools, carbon maturity, third-party sustainability audits and data protection.

We maintain strong due diligence procedures in our direct supply chain through Book Chain – a tool designed to help companies identify labour and environmental risks in the supply chain. We use Book Chain's Forest Sourcing and Chemicals & Materials tools to reduce the likelihood of purchasing paper from sources associated with endangered species, reduce our exposure to deforestation and ensure our suppliers are complying with safety legislation. In 2024, we strengthened our process by asking printers to submit an environmental questionnaire through the platform to improve supplier-specific insights and prioritise areas for risk mitigation.

In 2024, we assessed our paper supply chain for human rights and nature-related risks. The results highlighted the importance of robust supply chain data. We see opportunities to drive improvement in this area moving forward, particularly as our supply chain becomes increasingly tech-focused.

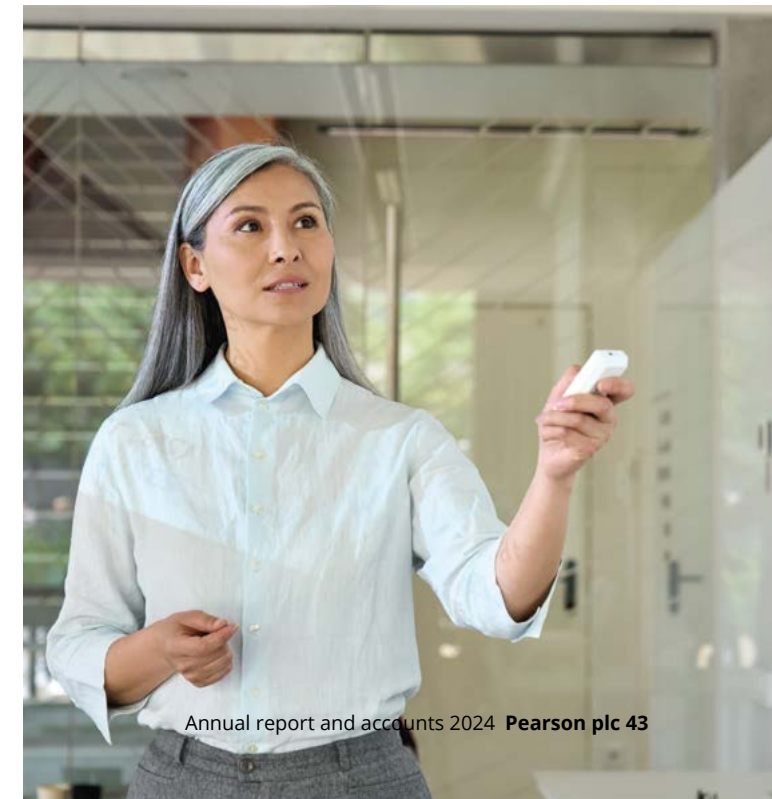
Looking ahead, we are focused on further quantifying GHG emissions associated with the use of our digital products, though additional work is required to fully incorporate these emissions into our reduction roadmap.

Contributing to an economy-wide transition

To shape a better tomorrow for people, planet and our company, we must continue collaborating with a wider range of stakeholders to promote collective sustainability action – both within our value chain and beyond. We are active members of the Responsible Media Forum, a partnership of leading media companies dedicated to identifying and addressing our industry's social and environmental challenges.

We are also looking to build a long-term plan for beyond our value chain mitigation activities. As a lifelong learning company, we have a unique opportunity to develop educational programmes that raise awareness about climate change and support the development of adaptation mechanisms.

Our full set of environmental data and the methodology used for calculations can be found in the sustainability performance tables on page 53.



Sustainability *continued*

Task Force on Climate-related Financial Disclosures

The following sets out our climate-related financial disclosures in alignment with the four Task Force on Climate-related Financial Disclosures (TCFD) recommendations and the 11 recommended disclosures featured in the 'Recommendations of the TCFD' report, together with its subsequent annex and implementation guidelines. We engage with TCFD recommendations to minimise business risk and ensure our continued financial performance and growth.

Governance

Board oversight

The Board has ultimate oversight of Pearson's climate change strategy, climate-related risks and opportunities and achieving our targets. Responsibility for managing Pearson's sustainability strategy sits with the Board's Reputation & Responsibility Committee (RRC). It meets three times a year to develop plans for delivering and embedding the Responsible Business Strategy across the Group (including the climate strategy); to monitor and track progress against plans; to provide support to management, Group leadership and functions on sustainability-related matters; and to discuss recommendations for the wider Board. The RRC receives updates on our greenhouse gas (GHG) emissions twice a year.

Members of the RRC include two Non-Executive Directors who have a deep understanding of climate and sustainability and their impact on our business. The Group Chief Executive is a standing attendee. For information on the Board's composition and skills profile, see page 70.

Pearson's other Board Committees work alongside the RRC on several sustainability topics; for example, the link between climate and remuneration or in relation to reporting compliance and audit. Read more about our governance structure and approach, including our organisational structure on climate governance, on pages 97-98.

Strategy management and implementation

Responsibility for identifying, assessing and managing climate-related risks and opportunities is shared across Pearson. Our General Counsel is the Executive sponsor for our sustainability strategy and chairs the Environmental Steering Group, which includes our Chief Financial Officer, Chief Strategy Officer and Head of Procurement. The Environmental Steering Group meets quarterly to review and update our strategy, communicating revised objectives to the rest of the Executive Management team for approval. It also oversees the implementation of our overall carbon reduction plan.

Each business unit has appointed senior representatives to lead sustainability actions and ensure that risks and business opportunities are embedded into planning and business unit management. Pearson's central sustainability function meets quarterly with business unit management to provide expertise and guidance on implementing carbon reduction activities at both a central and individual business unit level. The Sustainability team is also responsible for monitoring and reporting on our goals, and for representing Pearson in wider partnerships aimed at achieving transformational change.

Throughout our business, we have subject matter experts on specific areas of our climate-related plan. For example, our Global Procurement team engages with our suppliers on a regular basis and ensures relevant policies and procedures exist to enable a transition to a green economy.

Strategy and risk management

Identified risks and management approach

In 2022, we worked with a specialist consultancy, ERM to undertake a group-level climate risk assessment to identify and quantify the potential impacts of climate change risks and opportunities on our business, strategy and financial planning. We refreshed the process in 2024 through an internal review, and included a range of alternative scenarios.

In total, we identified 113 individual climate-related risks and opportunities. We then assigned cross-cutting criteria to each, enabling effective comparison and ensuring coverage of the full business model. We evaluated business impacts and shortlisted the most meaningful risks using an evidence-based approach, drawing on climate scenarios and Pearson's financial data, to assess their materiality, likelihood and velocity. Finally, we identified Pearson's management responses and mitigation actions for each of the key risks identified. The shortlist of risks is detailed in Table 1 on page 45.

As part of the 2024 refresh, we updated ERM's assessment to take into account changes in our Responsible Business Strategy. We also discussed each risk with management to ensure we focus on risks that are most important to Pearson. The conclusion of this exercise was that the risks remain consistent with 2023, as described in Table 1 on page 45.

These risks are integrated into our various risk management processes, depending on the nature of the risk. For example: physical risks are integrated into business continuity planning by the Central Workplace team; the Centralised Procurement team oversees the costs and availability of paper; and other transition risks, such as changes in regulations, are managed by regulatory alert systems held in the legal function. Management of wider stakeholder expectations and stakeholder engagement is a shared responsibility between the Sustainability team and the relevant Communications team.

We have assessed climate-related impacts on the Group's financial statements, including our commitment to achieve net zero by 2050 and the actions we intend to take to achieve those targets. Our climate risk assessment did not identify any material impact on the Group's significant judgements or estimates at 31 December 2024, or on the assessment of going concern for the period to June 2026 and the Group's viability over the next five years.

Table 1 — Key risks identified

Risk description	Scale*	Pearson mitigation actions
Physical risks		
<p>Facility damage due to acute hazards: Two assets included in the physical risk screening have relevant exposure to acute hazards.</p> <ul style="list-style-type: none"> — Melbourne has present day exposure to a flood; and — Manila experiences a hurricane once every three years on average, with a maximum observed wind speed of 127mph. 	<p>Time frame – short Likelihood – possible Magnitude of impact before any mitigation action – low Magnitude of impact with mitigation actions – low</p>	<p>We have insurance policies in place that would cover the costs of structural damage and some lost sales. Therefore, the impact is expected to be minimal.</p>
<p>Wildfire interruption to Assessment & Qualifications: Wildfire has the potential to trigger widespread disruption to transportation and prevent access to facilities. Our Assessment & Qualifications business unit is not fully digitalised and relies on physical locations for provision of its instruction and examinations. Under a pessimistic warming scenario, wildfire risk may increase across the US, Canada and Australia.</p>	<p>Time frame – medium Likelihood – likely Magnitude of impact before any mitigation action – low Magnitude of impact with mitigation actions – low</p>	<p>We have insurance policies in place that would cover the costs of structural damage. Therefore, the impact is expected to be partially mitigated.</p>
<p>Increased water scarcity: According to data from WRI Aqueduct, Pearson has a relatively low number of properties with exposure to water scarcity across its portfolio of operating locations.</p>	<p>Time frame – medium Likelihood – likely Magnitude of impact before any mitigation action – low Magnitude of impact with mitigation actions – low</p>	<p>We expect water usage to remain minimal, and any increased costs or consumption will be offset by property upgrades (e.g. taps automatically switching off).</p>
<p>Increased paper costs: The global paper market is inherently exposed to physical risk, such as exposure to potential increased destruction from thunderstorms, wildfires, hurricanes and flooding. These events can also cause logistical disruptions that further impact the paper market. Accordingly, paper costs may increase.</p>	<p>Time frame – long Likelihood – likely Magnitude of impact before any mitigation action – moderate Magnitude of impact with mitigation actions – low</p>	<p>In the short term, pricing changes will be reflected in operational and strategic plans. In the medium term, we expect digital product/service alternatives to be widely available, reducing the need for paper.</p>
<p>Increased use of cloud services: Data centres use increasing quantities of electricity and water to cool their systems. As Pearson increases its reliance on digital products and services, exposure to the physical risks of data centres owned by cloud service providers may materialise. For example, this could be increased costs to use services, should data centre owners face increased costs to run and cool their systems.</p>	<p>Time frame – short Likelihood – likely Magnitude of impact before any mitigation action – low Magnitude of impact with mitigation actions – low</p>	<p>Mitigation actions would include shifting services to alternative locations or servers. Any incremental increase in costs would be reflected in operational and strategic plans.</p>

* Impact scales:

<p>Time frame Short: within 5 years Medium: between 5 – 10 years Long: more than 10 years</p>	<p>Likelihood: Possible Likely</p>	<p>Magnitude of impact Low: below £5m Moderate: £5m – £20m High: £20m or above</p>
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Sustainability *continued*

Risk description	Scale*	Pearson mitigation actions
Transition risks		
<p>Building efficiency standards: Buildings efficiency and performance standards are becoming more stringent and are being imposed by regulation.</p>	<p>Time frame – short Likelihood – likely Magnitude of impact before any mitigation action – low Magnitude of impact with mitigation actions – low</p>	<p>We continuously update our property strategy, and our selection criteria for newly leased properties is well above minimum building efficiency requirements.</p>
<p>Procurement of sustainably-certified paper: There have been issues relating to procurement prices and supply chain shortages during and following the COVID-19 pandemic.</p>	<p>Time frame – short Likelihood – likely Magnitude of impact before any mitigation action – low Magnitude of impact with mitigation actions – low</p>	<p>We expect to reduce paper use based on our ongoing digitalisation strategy and the increased availability of digital alternatives. Impact will also be decreased through improved product design and appropriate pricing strategies. Therefore, the impact is expected to be minimal.</p>
<p>Increased cost EU ETS certificates for mills in Belgium, Germany, Italy and Sweden: As a result of the Paris Climate Agreement and the resulting Nationally Determined Contributions (NDCs) framework, there will be an increase in cost of EU Emissions Trading System (ETS) certificates as more EU countries work to meet their decarbonisation commitments. This is due to the limited supply of, and growing demand for, ETS certificates.</p>	<p>Time frame – medium Likelihood – likely Magnitude of impact before any mitigation action – low Magnitude of impact with mitigation actions – low</p>	<p>The risk of impact is decreased through digitalisation, which assumes a lower ETS exposure level through product design.</p>

* Impact scales:

Time frame

Short: within 5 years
Medium: between 5 – 10 years
Long: more than 10 years

Likelihood:

Possible
Likely

Magnitude of impact

Low: below £5m
Moderate: £5m – £20m
High: £20m or above

Opportunities

There are significant contributions Pearson can make to an economy-wide transition in order to best position the company and our products. In the short and medium term, this includes promoting the use and production of renewable energy. We will ensure our purchase of Energy Attribute Certificates (EACs) is genuinely supporting generation of new or additional renewable energy, and we are working in partnership with our value chain to promote renewable energy consumption. We are also looking to build a long-term plan for beyond our value chain mitigation activities. As a lifelong learning company, we are well-placed to increase awareness about climate change and support the development of adaptation mechanisms through education.

Resilience to climate change

Our climate risk analysis covers multiple time periods up to 2050 to help us assess if and when various scenarios might impact our business model and reflect the critical future dates for reducing GHG emissions. The articulation of short-, medium- and long-term time horizons aligns with our goals and processes. The short-term horizon reflects our risk forecasting process, including our going concern and viability statements. The medium-term horizon to 2030 alludes to the date of our reduction targets, and the long-term horizon marks societal goals for achieving net zero by 2050.

The physical risks to our business were assessed using both the RCP 2.6 scenario (low GHG emissions that keep the world below 2°C warming by 2100, aligned to current commitments under the Paris Climate Agreement), and the RCP 7 scenario (high GHG emissions with average warming greater than 3°C by 2100). Our financial quantification in Table 1 on page 45 was based on a pessimistic scenario such as RCP 7 and IEA Beyond 2°C.

Six physical assets were assessed for exposure to material physical risk. These were chosen because they represent a sample of assets and provide a range of critical Pearson services. Disruption caused or aggravated by climate physical risks could result in delivery failures. Each physical hazard was mapped on a materiality matrix and changes in materiality from 2023 to 2050 were projected.

The analysis concluded that Pearson's business is moderately vulnerable to climate change from physical risks in the medium and long term. The main areas of exposure are climate change-driven extreme heat and water scarcity, which may affect the operations of cloud-based data centres that play a central role in our business strategy.

Some of Pearson's physical locations, such as testing centres, are also moderately vulnerable to wildfires or flooding that could impact normal business operations. However, we have business contingency plans, including insurance, in place to reduce our potential financial exposure to such impacts.

The transition risks on Pearson's business were also assessed using four scenarios from the IEA's World Energy Outlook 2021 (WEO-2021). The analysis concludes that Pearson is minimally vulnerable to transition risk in the 2030 time frame, but risk increases for longer time horizons across all risk categories.

The main transition risk in the original analysis related to the reputational risk associated with having a net zero target for 2030, which was heavily reliant on offsetting unabated GHG emissions and had not been approved by the Science Based Targets initiative (SBTi). We have since aligned our climate targets with the latest climate science. Our approach is now focused on achieving a 50% reduction in GHG emissions across our operations and supply chain by 2030 from a 2018 baseline, and cutting emissions by 90% across all scopes. Our new long-term net zero target was approved by the SBTi in 2024, setting us on an externally-validated course to becoming a true net zero organisation by 2050.

The transition risks identified in the table on page 46 are mitigated by the opportunities identified in our analysis, including the ongoing digitalisation of our business, developing climate-related educational content and services, and adopting more ambitious reduction plans (see pages 41-43 of this report).

Impacts of climate-related risks and opportunities

The Board of Directors has undertaken a robust assessment of the current risks facing Pearson, as disclosed in the risk section on pages 57-67 of this report. This assessment identifies principal risks as well as several emerging risks and risks that, while modest, could have a significant near-term impact. The corporate risk register reflects these conclusions:

- Climate change overall does not represent a principal risk for Pearson. The financial impact of climate change-related risks and opportunities individually and in aggregate are well below the threshold for an item to be considered a principal risk for the company.

- The physical and transition risk assessment above highlighted no significant material risks arising from climate change in the short term (within the next five years).
- There are no substantial transition risks identified in the short to medium term.
- There are no material short-term substantial physical risks identified once the impact of mitigating activities is taken into account. In the medium to longer term, the most significant physical risk is water scarcity. In addition, while certain sites were identified as having exposure to impacts from wildfire, such as potential temporary closure of VUE test centres, or from storms, the impact of these is currently expected to be mitigated through insurance policies and business continuity insurance.

In making this assessment, we considered the actions needed to achieve our commitments, as well as the strategic and financial impact of potential risks and opportunities. We concluded that these did not have a material impact on the carrying value of any assets and liabilities as of 31 December 2024, as we explain in further detail in note 1c to the financial statements.

Strategic outlook

Our business model places the end user at the heart of everything we do, reaching learners across all their life stages. As we build out our digital learning capabilities, we will continue to shift away from physical paper-based products and services in line with our growth strategy, and, in turn, accelerate our decarbonisation trajectory. In addition, we continue to reduce our property footprint by improving the energy efficiency of our sites, which also contributes to reducing our risk exposure to physical and transitional risks. We expect these trends to continue.

With the increased use of AI and other advanced technologies in education, renewable and alternative energy solutions will play an important role in our industry, and, more importantly, for our technology-based suppliers. We will continue to work on driving industry-wide change by establishing partnerships and actively engaging our suppliers to ensure alignment of our values and support progress in their decarbonisation journeys.

Nonetheless, Pearson is well-poised to achieve our goals. Our Climate Action Plan identifies key actions to further decarbonise our own operations, value chain and through our products and services.

Sustainability *continued*

Metrics and targets

Our primary target is to reduce our absolute scope 1, 2 and 3 GHG emissions by 50% by 2030 (validated by the SBTi) from a 2018 baseline. We have made good progress this year, achieving a 41% reduction in GHG emissions since 2018. More detailed information on our performance can be found on page 53.

Climate-related metrics

In addition to our carbon reduction targets, Pearson has business-relevant non-financial KPIs that address the climate-related risks and opportunities discussed throughout this report, namely:

Metric category	Metrics	Page
GHG emissions	Responsible Business Strategy	41
	Progress against achieving our near-term emission reduction target of 50% by 2030.	
Strategy	Digital growth	24
	Drive digital sales growth	
Governance	Remuneration	129
	Sustainability-related weighting	

Our GHG emissions data

Our full set of environmental data and the methodology used for calculations can be found in the sustainability performance tables on page 53. The most material categories of scope 3 GHG emissions represented in our figures include: Purchased goods and services; Upstream transportation and distribution; Business travel and Employee commuting. These categories represent more than 90% of our scope 3 emissions. A breakdown of data for each category can be found in the external assurance report on our website: <https://plc.pearson.com/en-GB/sustainability>. Our emissions data is calculated following the GHG Protocol Corporate Accounting and Reporting Standard and can be summarised as follows:

tCO ₂ e	2024	2023 (re-stated figures*)
Scope 1	4,095	4,683
Scope 2 location-based	13,942	14,004
Scope 2 market-based	11	1,719
Scope 3 location-based	233,471	246,990
Scope 3 market-based	234,820	247,590
Total location-based	251,508	265,677
Total market-based	238,926	253,991
Intensity ratio – tCO ₂ e/£m sales revenue (market-based methodology)	67	69

* Figures have been re-stated to reflect acquisitions, disposals and data methodology improvements, assured by an independent third party, SLR Consulting Ltd. The statement can be found on our website: <https://plc.pearson.com/en-GB/sustainability>.

TCFD Index

Section	Section	Page Reference
Governance	Board's oversight of climate-related risks and opportunities	44-48
	Management's role in assessing and managing climate-related risks and opportunities	44
Strategy	Climate-related risks and opportunities over the short, medium and long term	44-47
	Impact of climate-related risks and opportunities	47
	Pearson's resilience taking into consideration different climate-related scenarios	47
Risk management	Processes for identifying and assessing climate-related risks	44
	Processes for managing climate-related risks	44
	Integration of climate-related risks into the organisation's overall risk management	44
Metrics and targets	Metrics used to assess climate-related risks and opportunities	48
	Scope 1, 2, and 3 GHG emissions	48
	Performance against targets	48

Sustainability data

Our performance

About our reporting

This report provides a summary of Pearson's business and sustainability strategy and performance for the calendar year ended 31 December 2024. The Board's Reputation & Responsibility Committee has reviewed progress against our key topic areas as disclosed throughout this report.

Global Reporting Initiative (GRI)

Our report is in accordance with the GRI standards, using the GRI 1: Foundation 2021 guidance. There is no relevant GRI sector standard for our industry.

Sustainability Accounting Standards Board (SASB)

We continue to report in line with the SASB's standards to provide industry-based insights into the most relevant sustainability-related risks and opportunities for the media and professional services sectors.

UN Global Compact (UNGC) and the UN Sustainable Development Goals (SDGs)

We were proud to participate in the Early Adopter Programme of the UN Global Communication on Progress (CoP) designed to add value and streamline sustainability reporting for all participating companies of the UNGC. Our CoP is publicly available on our participant profile.

Lifelong learning and education have an important role to play in achieving all the UN SDGs, but we focus our efforts on those where we have the greatest impact. Our priority SDGs are: 4 (Quality education), 8 (Decent work and economic growth), and 10 (Reducing inequalities).

Sustainability material issues reporting against GRI and SASB

Material issues	GRI	SASB	Page/web reference	Comments/omissions
Product effectiveness	GRI 203-2: significant indirect impacts		Risks, opportunities and management approach: Pages 35-37 Performance: Page 24	
Consumer engagement	GRI 203-2: significant indirect impacts		Risks, opportunities and management approach: Pages 35-37 Performance: Page 24	
Digital growth	GRI 203-2: significant indirect impacts		Risks, opportunities and management approach: Pages 35-37 Performance: Page 24	
Employee learning and development	GRI 404-1: average hours of training per year, per employee GRI 404-2: programmes for upgrading employee skills and transition assistance programmes GRI 404-3: percentage of employees receiving regular performance and career development reviews		Risks, opportunities and management approach: Pages 38-40 Performance: Page 24	We do not report on average hours of training, or % of employees receiving reviews.

Sustainability data *continued*

Material issues	GRI	SASB	Page/web reference	Comments/omissions
Employee engagement	401-1 New employee hires and employee turnover	SV-PS-330a.2. (1) Voluntary and (2) involuntary turnover rate for employees SV-PS-330a.3. Employee engagement %	Risks, opportunities and management approach: Page 38-39 Performance: Page 55	
Inclusion and diversity	405-1 Diversity of governance bodies and employees	SV-PS-330a.1. & SV-ME-260a.1. Percentage of gender and racial/ethnic group representation for: (1) Executive Management (2) professionals (3) all other employees	Risks, opportunities and management approach: Page 38-39 Performance: Pages 24, 39, 54-55	
Reducing our environmental impact	GRI: GHG emissions scope 1, 2 and 3. Baseline and methodology. Any offsets including type, amount, criteria		Risks, opportunities and management approach: Pages 33, 41-43 TCFD Report: Pages 44-48 Performance: Pages 24, 41-43, 53	
Data privacy and cyber security	GRI 418-1 Substantiated complaints received concerning breaches of customer privacy and losses of customer data	SV-PS-230a.1. Description of approach to identifying and addressing data security risks SV-PS-230a.2. Description of policies and practices relating to collection, usage and retention of customer information SV-PS-230a.3. Number of data breaches percentage involving customers' confidential business information or personally identifiable information number of customers affected	The following sections of our report detail: — Our approach to data security risks: Page 102 — Governance of data privacy, cyber security and technology resilience: Pages 100, 102 — Approach to customer data and safeguarding and training provided, data privacy and cyber security: Page 37 — Responsible Security Disclosure Policy (https://www.pearson.com/en-gb/legal-information/our-policies/responsible-security-disclosure-policy.html) — Safeguarding statement (https://plc.pearson.com/sites/pearson-corp/files/pearson/footer/our-corporate-policies/safeguarding-statement.pdf) — Data security and protection schedule for suppliers (https://www.pearson.com/content/dam/one-dot-com/one-dot-com/global/Files/suppliers/Pearson-Data-Privacy-Security-Schedule.pdf) — Consumer-facing privacy centre explaining how Pearson uses personal information (https://www.pearson.com/en-gb/privacy-center/privacy-notices.html)	In the event of a reportable breach, we would disclose information about the incident and commit to contact any affected data subjects in a timely way. In line with regulations, we will disclose material lapses to the relevant regulators. To the extent that any relevant regulator should find fault with our data management and/or data security practices, they will publish their findings/sanctions.
Journalistic integrity & sponsorship identification		SV-ME-270a.3. Description of approach for ensuring journalistic integrity of news programming related to: (1) truthfulness, accuracy, objectivity, fairness and accountability, (2) independence of content and/or transparency of potential bias, and (3) protection of privacy and limitation of harm	— Business Partner Global Content Policy (https://plc.pearson.com/sites/pearson-corp/files/pearson/corporate-policies/global-contents-standards-policy-for-business-partners.pdf) Page 36	Pearson does not engage in journalism but we have a publicly available Global Content Policy.

GRI General Disclosures Index

Disclosure	Page	Comments/omissions
2-1 Organisational details	156	Headquarters location: Pearson plc, 80 Strand, London, WC2R 0RL, UK
	2-5	At a Glance – What we do, Highlights, Business unit overviews – Assessment & Qualifications, Virtual Learning, Higher Education, English Language Learning and Enterprise Learning and Skills (formerly Workforce Skills).
	234	Property, plant and equipment
2-2 Entities included in the organisation's sustainability reporting	213-216	All entities within Pearson plc are included in the sustainability-related disclosures within this annual report, across all material topics and data. External assurance of data is based on Group-wide data consolidation and reporting as noted in the 2024 assurance statement, found on our corporate website: https://plc.pearson.com/en-GB/sustainability .
2-3 Reporting period, frequency and contact point		Qualitative and quantitative disclosures in the Sustainability section refer to the calendar year 1 January 2024 to 31 December 2024 in alignment with our financial reporting period. Reporting frequency is annual. Publication date: 14 March, 2025 Contact point: sustainability@pearson.com
2-4 Restatements of information	42, 48, 53	2018 GHG emissions data has been rebaselined 2023 GHG emissions consequently re-stated to reflect acquisitions, disposals and data improvements (see footnote, page 48). New figures are disclosed in data tables.
2-5 External assurance		2024 ISAE 3000 (2020) independent assurance statement covering Pearson's GHG emissions, energy use and social data can be found on our corporate website: https://plc.pearson.com/en-GB/sustainability .
2-6 Activities, value chain and other business relationships	12-16	An integrated strategy
	18-22	Stakeholder engagement

Disclosure	Page	Comments/omissions
2-7 Employees	22	Stakeholder engagement (Employees)
	38-40	Empowering our people to make a difference
	54-55	Social data tables – Our employees
	82	Talent and culture
2-8 Workers who are not employees		We do not currently report on workers who are not employees. The most common type of workers are regular and limited term employees (17,116) and the most common type of work performed is in testing centres, technology, sales, customer services, and professional development.
2-9 Governance structure and composition	39, 54-55	Gender and ethnicity composition of the Board
	44, 96-98	Sustainability governance is explained in the TCFD disclosure and the Reputation & Responsibility Committee report.
	68-141	Governance report
2-10 Nomination and selection of the highest governance body	44, 96-98	Sustainability governance is explained in the TCFD disclosure and the Reputation & Responsibility Committee report.
	68-141	Governance report
2-11 Chair of the highest governance body	70	Board of Directors
2-12 Role of the highest governance body in overseeing the management of impacts	70	Board of Directors
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	78-80	Board activities
2-13 Delegation of responsibility for managing impacts	70	Board of Directors
	77	Division of responsibilities
	78-80	Board activities
2-14 Role of the highest governance body in sustainability reporting	44, 96-98	Sustainability governance is explained in the TCFD disclosure and the Reputation & Responsibility Committee report.
2-15 Conflicts of interest	73	Independence of Directors
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2-18 Evaluation of the performance of the highest governance body	89-91	Board performance review
2-19 Remuneration policies	113-136	Director's Remuneration Report
2-20 Process to determine remuneration	113-136	Director's Remuneration Report
2-21 Annual total compensation ratio	113-136	Director's Remuneration Report
2-22 Statement on sustainable development strategy	33-34	Learning for Impact framework
2-23 Policy commitments	33-48	Sustainability section, policy commitments and approaches noted across all content covering our Learning for Impact framework Corporate policies (https://plc.pearson.com/en-GB/corporate-policies)

Disclosure	Page	Comments/omissions
2-24 Embedding policy commitments	33-48	Sustainability section, policy commitments and approaches noted across all content covering our Learning for Impact framework
2-25 Processes to remediate negative impacts		Corporate policies (https://plc.pearson.com/en-GB/corporate-policies)
2-26 Mechanisms for seeking advice and raising concerns		Raising concerns and anti-retaliation policy (https://plc.pearson.com/sites/pearson-corp/files/2023-08/raising-concerns-and-anti-retaliation-policy/raising-concerns-and-anti-retaliation-policy-english.pdf)
2-27 Compliance with laws and regulations	64 65 99-109	Risk management Accountability for principal risks Audit Committee report
2-28 Membership associations		Pearson is a member of a number of associations, including the Responsible Media Forum, TeachAI, the American Association of Publishers, the Software Information Industry Association and the Publishers Association.
2-29 Approach to stakeholder engagement	18-22 84-85	Engaging with our stakeholders Understanding our stakeholders
2-30 Collective bargaining agreements	235	Additional information for US listing purposes (Employees)

Sustainability performance tables

Environment

Methodology: We follow the requirements from the greenhouse gas (GHG) Protocol Corporate Accounting and Reporting Standard (revised edition) to calculate our GHG emissions.

For scope 2 and 3, we use the dual reporting methodology (location and market-based approach), together with some of the latest emission factors from recognised public sources, including, but not limited to, the UK Department for Business, Energy and Industrial Strategy (BEIS), the International Energy Agency, the US Energy Information Administration, the US Environmental Protection Agency, and the Intergovernmental Panel on Climate Change (IPCC). Energy use includes combustion of fuel as well as purchase of electricity, heat, steam or cooling consumption in MWh, and vehicle fuel use converted from mileage into MWh using BEIS conversion factors. We are also using the latest global warming potential from the IPCC's Fourth Assessment Report.

Following our re-baselining policy, in line with best practice standards, we have re-stated our emissions to reflect the change in reporting scope and categories, as well as reviewed and updated calculation methodologies for the reporting years 2018 and 2023. This process has been verified and assured, alongside our environmental and social KPIs (unless otherwise noted) by a third-party auditor, SLR Consulting.

For more information, see our SLR Consulting assurance statement on our corporate website – <https://plc.pearson.com/en-GB/sustainability/>.

Greenhouse gas (GHG) (carbon dioxide equivalent) emissions overview (metric tons CO₂e)

	2024	2023 re-stated figures
Scope 1	4,095	4,683
Scope 2 (location-based ¹)	13,942	14,004
Scope 2 (market-based ²)	11*	1,719
Scope 3 (location-based ¹)	233,471	246,990
Scope 3 (market-based ²)	234,820	247,590
Total – location-based ¹	251,508	265,677
Total – market-based ²	238,926	253,991
Total scope 1 and 2 (location-based ¹)	18,037	18,687
Total scope 1 and 2 (market-based ²)	4,106	6,401
UK scope 1	559	693
UK scope 2 (location-based ¹)	831	1,177
UK scope 2 (market-based ²)	5	7
Total UK scope 1 and 2 (location-based ¹)	1,390	1,871
Total UK scope 1 and 2 (market-based ²)	564	700

	2024	2023 re-stated figures
Intensity ratio		
tCO ₂ e/£m sales revenue (market-based methodology)	67	69
Energy		
% electricity from renewable sources	100	89
Total electricity consumption from renewable sources only (MWh)	36,777	33,066
Total electricity consumption from non-renewable sources only (MWh)	0	3,953
On-site generated electricity (MWh)	216	177
Total gas consumption (MWh)	14,369	17,215
Total fuel oil consumption (MWh)	501	585
Vehicles (MWh)	4	1
Total energy consumption (gas, fuel, electricity, transport and other sources) (MWh)	51,726	54,960
Total energy consumption UK (gas, fuel, electricity, transport and other sources) (MWh)	6,056	8,313
Resource use		
Paper used (t)	19,255	22,859
% Forest Stewardship Council (FSC)**	59	50
% Programme for the Endorsement of Forest Certification (PEFC)**	4	6
% Sustainable Forestry Initiative (SFI)**	30	13
Waste		
Total waste generated (t)	1,749	1,371
% waste recycled in office space	32.6	14.6
Water		
Total water consumption (m ³)	127,014	137,954

1. The location-based approach reflects emissions from purposefully sourced electricity. It derives emission factors from a contract for the sale and purchase of energy.
2. The market-based approach reflects the average emissions intensity of grids on which energy consumption occurs.

* We purchase renewable electricity in countries of consumption. For American Samoa, North Mariana Islands, US Virgin Islands, Guam, South Korea and Romania, Pearson was not able to purchase country-specific Energy Attribute Certificates and we had to buy from neighbouring countries/regions such as the United States, the European Union and China. For the Philippines, we purchased hydro technology as the only available in-country option. However, this represents only 0.8% of Pearson's total electricity consumption.

** These data points were not included in SLR Consulting's assurance scope.

Sustainability data *continued*

Social

All employee figures, with the exception of total average number of employees (as noted below), are based on employee volumes as at 31 December 2024. We will review data provided in future years, in alignment with evolving reporting regulations.

Our employees

	2024	2023
Total average number of employees for the year[†]	17,024	18,360
Employees by geography (regional representation)	17,116	17,612
US as of 31 December	8,821	9,241
UK as of 31 December	3,394	3,359
Rest of world as of 31 December	4,901	5,012
Gender diversity breakdown		
% permanent, regular employees	98	97
Male	40	40
Female	59	59
Non-binary	0	0
No data	1	1
% temporary, limited-term employees	2	3
Male	31	36
Female	67	63
Non-binary	0	0
No data	2	1
% full-time, regular employees	79	79
Male	44	44
Female	56	56
Non-binary	0	0
Not disclosed	1	1
% part-time, regular employees	21	21
Male	28	27
Female	71	72
Non-binary	0	0
Not disclosed	0	1

[†]Total average number of employees is calculated using a Full-time Equivalent (FTE) methodology, as an average across the reporting period. Seasonal/temporary staff are excluded from the calculation. All other data in this table is calculated using a headcount methodology.

Board and Executive Management team's gender identity or sex

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management*	Percentage of Executive Management
Male	4	40%	3	7	58%
Female	6	60%	1	5	42%
Other categories	0	0%	0	0	0%
Not specified/prefer not to say	0	0%	0	0	0%

Board and Executive Management team's ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management*	Percentage of Executive Management
White British or other White (including minority-white groups)	6	60%	3	8	67%
Mixed/Multiple ethnic groups	2	20%	0	1	8%
Asian/Asian British	1	10%	0	2	17%
Black/African/Caribbean/Black British	0	0%	0	0	0%
Other ethnic group	1	10%	1	1	8%
Not specified/prefer not to say	0	0%	0	0	0%

* Prepared in accordance with UK Listing Rule 6.6.6R(10) as at 31 December 2024. As prescribed by this rule and for the purpose of this disclosure, the Executive Management includes the Company Secretary. The data contained in the tables above was collected as part of the annual declaration process, whereby the Board and the Executive Management team received declaration forms for self-completion. The declaration forms included, for all individuals whose data is being reported, the same questions relating to ethnicity and gender. The data is used for statistical reporting purposes and is provided with consent.

Female leadership breakdown (%)

	2024	2023
Senior leadership	49	47
VP and Director	49	47
Manager	51	51

Employee racial and ethnic diversity breakdown (%)

	2024	2023
Total workforce (US and UK)	32 (US)/18 (UK)	32 (US)/17 (UK)
Senior leadership (US and UK)	17 (US)/17 (UK)	15 (US)/14 (UK)
VP and Director (US and UK)	19 (US)/16 (UK)	18 (US)/16 (UK)
Manager (US and UK)	27 (US)/19 (UK)	27 (US)/18 (UK)

	2024	2023
Employee racial and ethnic diversity breakdown – US (%)		
Total workforce	32	32
Asian	11	11
Black or African American	11	11
Hispanic or Latino	9	9
Other	2	2
White	68	68
Not stated	0	0
Employee racial and ethnic diversity breakdown – UK (%)		
Total workforce	18	17
Asian	10	10
Black	3	4
Hispanic or Latino	0	0
Other	4	4
White	63	64
Not stated	20	18
Total management workforce (US and UK) (%)		
Asian	12	12
Black or African American	4	4
Hispanic or Latino	3	4
Other	2	2
White	76	76
Not stated	2	2
Turnover		
Turnover rate, total average for the year ¹	3,331/19%	6,446/34%
Voluntary turnover	2,309/13%	3,037/16%
Involuntary turnover	1,022/6%	3,409/18%
Turnover by gender		
Total female	2,052/12%	3,840/20%
Total male	1,239/7%	2,475/13%
Non-binary	8/0%	21/0%
Not disclosed	32/0%	110/1%
Turnover by age group		
Under 30 years old	901/5%	1,693/9%
30-50 years old	1,462/8%	3,324/18%
Over 50 years old	961/6%	1,414/7%
No data	7/0%	15/0%

	2024	2023
New hires		
Total number and rate of new employee hires (number of hires/ average headcount) ²	2,799/16%	3,770/20%
Total number of new hires – female	1,710/61%	2,289/61%
Total number of new hires – male	1,018/36%	1,374/36%
Total number of new hires – non-binary	13/0%	19/1%
Total number of new hires – not disclosed	58/2%	88/2%
New hires by age group		
Under 30 years old	893/32%	1,444/38%
30-50 years old	1,248/45%	1,642/44%
Over 50 years old	647/23%	674/18%
No data	11/0%	10/0%
Employee engagement measures³		
Engagement [^]	4.16	4.09
Inclusion [^]	4.24	4.21
Progress	78%	73%
Learning and growth	77%	76%
Volunteering hours	33,130	20,694
Governance		
Total number of concerns raised and investigated	115	92
Percentage of employees completing Code of Conduct certification or training*	100%	100%

1. % calculated using average 2024 headcount of 17,024, not 2024 year-end position. Both voluntary and involuntary turnover is reducing, the latter was significantly down compared with 2023 as there were no major divestiture activities in 2024.

2. % calculated using average 2024 headcount of 17,024, not 2024 year-end position.

3. Sourced from Gallup Access.

[^] Grand Mean on a 5-point Likert scale.

* This data point was not included in SLR Consulting's assurance scope.

Non-financial and sustainability information statement

In accordance with Sections 414CA and 414CB of the Companies Act 2006, which outline requirements for non-financial reporting, the table below signposts to content in this Strategic report, relevant to the management, performance and position of the company, and the impact of our activities in specific non-financial areas.

Non-financial matter and relevant sections of annual report	Page/link reference
Business model	Business model: Pages 13-16 Stakeholders: Pages 18-22
Environmental matters Climate Resource use	Corporate policies: (https://plc.pearson.com/en-GB/corporate-policies) Position and performance: Pages 41-43 Risks/opportunities: Pages 45-47 KPIs: Page 24 Climate-related financial disclosure as defined in Section 414CB(2a) Companies Act 2006: Governance – (a) on page 44; Strategy – (d), (e) and (f) on pages 44-47; Risk management – (b) and (c) on pages 44-47; Metrics and targets – (g) and (h) on page 48.
Social and community matters Driving learning for everyone with our products Social engagement	Corporate policies: (https://plc.pearson.com/en-GB/corporate-policies) Position and performance: Pages 35-37 Risks/opportunities: (https://plc.pearson.com/sites/pearson-corp/files/pearson/materiality-2024.pdf) KPIs: Page 24
Employee matters Employee engagement Investing in talent	Corporate policies: (https://plc.pearson.com/en-GB/corporate-policies) Position and performance: Pages 38-40 Risks/opportunities: (https://plc.pearson.com/sites/pearson-corp/files/pearson/materiality-2024.pdf) KPIs: Page 24
Human rights matters Customer welfare (data privacy, security and safeguarding) Empowering our people to make a difference	Corporate policies: (https://plc.pearson.com/en-GB/corporate-policies) Position and performance: Page 102 Risks/opportunities: (https://plc.pearson.com/sites/pearson-corp/files/pearson/materiality-2024.pdf)
Anti-corruption and bribery matters	Corporate policies: (https://plc.pearson.com/en-GB/corporate-policies) Position and performance: Pages 105 and 232 Risks/opportunities: Pages 103-105

Pearson has a wide range of policies that underpin our sustainability commitments, including:

- Pearson Code of Conduct
- Pearson Business Partners' Code of Conduct (Partner Code)
- Responsible Procurement Policy and our Modern Slavery and Human Rights Statements

- Anti-Bribery and Corruption (ABC) Policy; Raising Concerns and Anti-Retaliation Policy
- Pearson's safeguarding principles (include data privacy/security)
- Global Content Policy

The implementation of these policies is discussed throughout this report and on our website.