



Independent Assurance of Pearson's GHG emissions, energy use and social KPI's data (2023)

ISAE 3000 (2020) Statement

Pearson PLC

80 Strand, London, WC2R 0RL

Prepared by:

SLR Consulting Limited

1 Bartholomew Lane, London,
EC2N 2AX

SLR Project No.: 425.065047.00001

Client Reference No: CC.000217

26 February 2024

Revision: 1.0

Basis of Report

This document has been prepared by SLR Consulting Limited (SLR) with reasonable skill, care and diligence, and taking account of the timescales and resources devoted to it by agreement with Pearson PLC (the Client) as part or all of the services it has been appointed by the Client to carry out. It is subject to the terms and conditions of that appointment.

SLR shall not be liable for the use of or reliance on any information, advice, recommendations and opinions in this document for any purpose by any person other than the Client. Reliance may be granted to a third party only in the event that SLR and the third party have executed a reliance agreement or collateral warranty.

Information reported herein may be based on the interpretation of public domain data collected by SLR, and/or information supplied by the Client and/or its other advisors and associates. These data have been accepted in good faith as being accurate and valid.

The copyright and intellectual property in all drawings, reports, specifications, bills of quantities, calculations and other information set out in this report remain vested in SLR unless the terms of appointment state otherwise.

This document may contain information of a specialised and/or highly technical nature and the Client is advised to seek clarification on any elements which may be unclear to it.

Information, advice, recommendations and opinions in this document should only be relied upon in the context of the whole document and any documents referenced explicitly herein and should then only be used within the context of the appointment.



Independent Assurance of Pearson Plc's Greenhouse Gas emissions, energy use and social data: ISAE 3000 (2020) statement

The Nature of the Assurance

This is a report by SLR Consulting Limited (SLR) for the Management of Pearson PLC.

SLR has undertaken limited assurance of Pearson PLC's 2023 global energy consumption, greenhouse gas emissions, and social KPI's data (the indicators specified in Annex A). Specifically:

- Energy consumption: Energy use data for its global operations including the claim to 100% renewable electricity against the HM Government Environmental Reporting Guidelines (March 2019).
- GHG emissions data: Scope 1, scope 2 (market & location-based), and Scope 3 (Categories 1,2,3,4,5,6,7,9,11,12,13,14) against the HM Government Environmental Reporting Guidelines (March 2019), the GHG Protocol Corporate Accounting and Reporting Standard (revised edition, 2004), including, as appropriate, the Corporate Value Chain (Scope 3) Standard (2011) and Calculation Guidance (2013), and Scope 2 Guidance (2015).
- Social KPIs: 126 social KPIs specifically employee breakdown (27), female Leadership (9), employee racial and ethnic diversity (30), age representation (4), turnover & retention (32), employee benefits (13), and health and safety (11) against GRI Principles of Accuracy, Clarity, Comparability, Completeness, Timeliness and Verifiability.

The data assured relates to Pearson PLC's emissions under its operational control across all its global operations, for the reporting period 01 January 2023 – 31 December 2023.

Pearson PLC is entirely and solely responsible for the production and publication of the data assured, SLR for its assurance.

This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (Assurance Engagements other than Audits or Reviews of Historical Financial Information), and the relevant subject-matter specific ISAE for GHG data (ISAE 3410, Assurance Engagements on Greenhouse Gas Statements).

GHG quantification is subject to inherent uncertainty due to factors such as incomplete scientific knowledge about the global warming potential of different GHGs and uncertainty around the models and parameters used in estimating GHG emissions.

SLR has complied with the requirements for independence, professional ethics, and quality control as stipulated by ISAE 3000 (2020) Requirement 3a and 3b.



Assurance work performed

The assurance work was commissioned in December 2023 and was completed on the 16th of February 2024. Detailed records were kept of meetings, assurance visits and correspondence relating to the assurance. A team of six, led by an Associate Director, undertook the assurance and commentary process.

The assurance engagement was undertaken to a **limited** level, and involved the following activities:

1. In-depth management interviews with relevant stakeholders involved in collecting and managing activity data at Pearson in order to understand Pearson's processes for management, reporting and performance improvement in environment and social activity data;
2. In-depth and regular (weekly) meetings with the main Pearson contact for data management.
3. Request and receipt of data, and supporting policies, procedures and other documentation concerned with data collation, evaluation, communication and reporting.
4. A review of underlying data sources and substantiating evidence to support this year's reporting, to assess the robustness of monitoring and reporting systems;
5. A review of Pearson's current GHG Accounting and Reporting process documents;
6. A review of the emissions factors to ensure the most up-to-date factors are applied in the emissions calculation;
7. A review of GHG calculations for accuracy and consistency with best practice guidelines;
8. A review of year-on-year environmental performance trends to identify any significant changes in operational eco-efficiency and investigate the reasons behind these trends;
9. The development of a documented log recording all data queries, and the steps taken to close out all queries; and
10. A review of group-wide data consolidation and reporting to check for errors or omissions in data analysis, consistency with underlying data sets and reasonableness of reporting.

The scope of the assurance is summarised in Appendix A, which presents the Scope 1 and 2 data, Scope 3 emissions, energy use data, and social KPIs associated with Pearson PLC for the assured sources.



Independence

SLR is a specialist management consultancy, advising corporations that seek to improve their economic, social and environmental performance around the world and is a leading assessor of corporate responsibility and sustainability reports.

We have not previously worked with Pearson for this 2023 reporting period; SLR has not been part of the data management systems and processes that have been scrutinised for the purpose of this assurance.

Conclusion

Based on the scope of work and assurance procedures performed, nothing has come to our attention that causes us to believe that the GHG and energy data inventory described above is not prepared, in all material respects, in accordance with the GHG protocol & UK government environmental reporting guidelines, and that the social data has been prepared in line with the GRI Principles of Accuracy, Clarity, Comparability, Completeness, Timeliness and Verifiability.

SLR Consulting Limited

London

February 2024



Appendix A Results

Summary of Pearson's 2023 emissions for the assured sources.

Scope 1 and 2 data

Scope	Source	2023 GHG Emissions (tCO ₂ e)
Scope 1	Stationary combustion, mobile combustion, fugitive emissions	4,661
Scope 2 (location-based)	Purchased electricity for buildings and owned/operated vehicles; district heating.	14,052
Scope 2 (market-based)	Purchased electricity for buildings and owned/operated vehicles; district heating.	14

Scope 3 data

Scope ¹	2023 GHG Emissions (tCO ₂ e)
1. Purchased goods and services (including emissions from 2. Capital Goods)	201,450
3. Fuel- and energy-related activities	4,340
4. Upstream transportation and distribution	16,700
5. Waste generated in operations	320
6. Business Travel	16,531
7. Employee commuting ²	14,634
9. Downstream transportation and distribution	16,700

¹ Category 8. Upstream leased assets, Category 10. Processing of sold products and Category 15: Investments have been deemed not relevant to Pearson.

² Employee commuting includes both emissions generated from homeworking, as well as employees commuting from home to their place of work.

11. Use of sold products	13,647
12. End-of-life treatment of sold products	6,236
13. Downstream leased assets	6,097
14. Franchises	5,917
Total	302,572

Energy Consumption data

We have also undertaken limited assurance of energy consumption data against the UK government environmental reporting guidelines, as presented below.

Source	Unit	Quantity
Natural Gas	kWh	18,309,039
Fuel Oil & Other Fuels	kWh	49,240
Vehicle Derived Energy	kWh	4,693,094
District heating	kWh	78,020
Electricity	kWh	36,321,142

Social Indicators 2023

We have undertaken limited assurance of Social Key Performance Indicators, as presented below.

Category	KPI	Quantity	Unit
Total average number of employees for the year	Average FTE	18,360	Employee
Employees by geography (Regional Representation)	All	17,612	Employee
US as of 31 December	All US	9,241	Employee
UK as of 31 December	All UK	3,359	Employee
Rest of World as of 31 December	Rest of World	5,012	Employee
Total number of permanent, regular employees	All	97	Percentage
Total number of permanent, regular employees	Male	40	Percentage
Total number of permanent, regular employees	Female	59	Percentage
Total number of permanent, regular employees	Non-binary	0	Percentage
Total number of permanent, regular employees	No data	1	Percentage
Total number of temporary, limited term, employees	All	3	Percentage
Total number of temporary, limited term, employees	Male	36	Percentage
Total number of temporary, limited term, employees	Female	63	Percentage
Total number of temporary, limited term, employees	Non-binary	0	Percentage
Total number of temporary, limited term, employees	No data	1	Percentage
Total full-time, regular, employees	All	79	Percentage
Total full-time, regular, employees	Male	44	Percentage
Total full-time, regular, employees	Female	56	Percentage
Total full-time, regular, employees	Non-binary	0	Percentage
Total full-time, regular, employees	Not disclosed	1	Percentage
Total part-time, regular, employees	All	21	Percentage
Total part-time, regular, employees	Male	27	Percentage
Total part-time, regular, employees	Female	72	Percentage
Total part-time, regular, employees	Non-binary	0	Percentage
Total part-time, regular, employees	Not disclosed	1	Percentage

Employee gender diversity: Total male	Male	40	Percentage
Employee gender diversity: Total female	Female	59	Percentage
Employee gender diversity: Non-binary	Non-binary	0	Percentage
Employee gender diversity: Not disclosed	Not disclosed	1	Percentage
Female leadership: Percentage of women on Pearson's executive	Female	50	Percentage
Female leadership: Senior leadership	Female	47	Percentage
Female leadership: VP and Director	Female	47	Percentage
Female leadership: Manager	Female	51	Percentage
Female leadership: Percentage of women in technology roles (IT/engineering)	Female	30	Percentage
Employee racial and ethnic diversity: Total workforce US and UK	Diverse	32 (US) 17 (UK)	Percentage
Employee racial and ethnic diversity: Board Positions	Diverse	27	Percentage
Employee racial and ethnic diversity: Percentage of diversity on Pearson's executive team	US and UK	25	Percentage
Employee racial and ethnic diversity: Senior leadership US and UK	Diverse	15 (US) 14 (UK)	Percentage
Employee racial and ethnic diversity: VP and Director US and UK	Diverse	18 (US) 16 (UK)	Percentage
Employee racial and ethnic diversity: Manager US and UK	Diverse	27 (US) 18 (UK)	Percentage
Employee racial and ethnic diversity breakdown US	% of total workforce	32	Percentage
Employee racial and ethnic diversity breakdown US	Asian	11	Percentage
Employee racial and ethnic diversity breakdown US	Black or African American	11	Percentage
Employee racial and ethnic diversity breakdown US	Hispanic or Latino	9	Percentage
Employee racial and ethnic diversity breakdown US	Other	2	Percentage
Employee racial and ethnic diversity breakdown US	White	68	Percentage

Employee racial and ethnic diversity breakdown US	Not stated	0	Percentage
Employee racial and ethnic diversity breakdown UK	% of total workforce	17	Percentage
Employee racial and ethnic diversity breakdown UK	Asian	10	Percentage
Employee racial and ethnic diversity breakdown UK	Black	4	Percentage
Employee racial and ethnic diversity breakdown UK	Hispanic or Latino	0	Percentage
Employee racial and ethnic diversity breakdown UK	Other	4	Percentage
Employee racial and ethnic diversity breakdown UK	White	64	Percentage
Employee racial and ethnic diversity breakdown UK	Not stated	18	Percentage
% of total management workforce (US and UK)	Asian	12	Percentage
% of total management workforce (US and UK)	Black or African American	4	Percentage
% of total management workforce (US and UK)	Hispanic or Latino	4	Percentage
% of total management workforce (US and UK)	Other	2	Percentage
% of total management workforce (US and UK)	White	76	Percentage
% of total management workforce (US and UK)	Not stated	2	Percentage
Turnover rate	Total average for the year	34	Percentage
Turnover rate	Voluntary	16	Percentage
Turnover rate	Involuntary	18	Percentage
Turnover by gender	Total female	20	Percentage
Turnover by gender	Total male	13	Employee / Percentage
Turnover by gender	Non-binary	0	Employee / Percentage
Turnover by gender	Not disclosed	1	Employee / Percentage
Turnover by age group	Under 30 years old	9	Percentage
Turnover by age group	30-50 years old	18	Percentage
Turnover by age group	Over 50 years old	7	Percentage
Turnover by age group	No date	0	Percentage
Total number and rate of new employee hires	(number of hires / average headcount)	20	Percentage
Total number of new hires	Female	61	Percentage

Total number of new hires	Male	36	Percentage
Total number of new hires	Non-binary	1	Percentage
Total number of new hires	Not disclosed	2	Percentage
New hires by age group	Under 30 years old	38	Percentage
New hires by age group	30-50 years old	44	Percentage
New hires by age group	Over 50 years old	18	Percentage
New hires by age group	No date	0	Percentage
Employee Engagement Measures: Engagement	Engagement Grand Mean	4.09	Mean
Employee Engagement Measures: Inclusion	Inclusion index mean	4.21	Mean
Employee Engagement Measures: Progress	% agree and strongly agree to "In the last 6 months I have had a conversation about my progress"	73	Percentage
Employee Engagement Measures: Learning and Growth	% agree and strongly agree to "In the last 6 months I have had opportunities to Learn & Grow"	76	Percentage
Volunteering hours	Hours	20,694	Hours

