

ISAE 3000 STATEMENT

Independent Assurance of Pearson's 2022 Greenhouse Gas Emissions, Energy And Social Data

Prepared for: Pearson

SLR Ref: 300.000727.00001
Version No: 1
March 2023



Independent Assurance of Pearson's Greenhouse Gas Emissions, Energy and Social Data: ISAE 000 (2020) Statement

The Nature of the Assurance

This is a report by SLR Consulting Limited (SLR) for Pearson management.

SLR has undertaken limited assurance of Pearson's 2022 greenhouse gas emissions (GHG) data (Scopes 1 and 2 (market & location-based) and Scope 3 inventory), energy consumption, and social data.

The carbon emissions data has been prepared using the WRI / WBCSD Greenhouse Gas Protocol, 2015 revised edition, and the appropriate GHG conversion factors for company reporting as published by UK Department for Business, Energy & Industrial Strategy (BEIS) and the International Energy Agency (IEA), along with regionally published emissions factors that were available from Pearson's software provider at the time of reporting. For Scope 2 dual reporting, both supplier-specific emissions factors & residual mix factors have been used where available.

The social data is as of 31 December 2022; it has been assured against the GRI Principles of Accuracy, Clarity, Comparability, Completeness, Timeliness and Verifiability.

The data assured relates to Pearson's owned and leased facilities under its operational control across all geographies, for the reporting period 01 January 2022 – 31 December 2022.

Additionally, the data for 2018 (baseline) and 2021 have been restated by Pearson owing to business changes and methodology updates. The assurance period for the restatements of Scope 1, 2 and 3 emissions for 2018 and 2021 covers the period of January to December of the respective years.

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

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.

This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (2020) (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).

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

Scope 1 and 2 Data

Scope	Source	Unit	2018	2021	2022
Scope 1 GHG emissions	Combustion of fuel and operation of facilities	Metric tons CO ₂ e	12,206	8,342	4,622
Scope 2 GHG emissions (location-based)	Purchased electricity	Metric tons CO ₂ e	40,779	22,801	29,034
Scope 2 GHG emissions (market-based)	Purchased electricity	Metric tons CO ₂ e	4,583	440	182

Scope 3 Data

Emissions from capital goods are included in the total for purchased goods and services.

Scope 3 category ¹	Unit	2018	2021	2022
1. Purchase goods and services (including emissions from 2. Capital Goods)	Metric tons CO ₂ e	371,690	277,822	233,000
3. Fuel and energy-related activities	Metric tons CO ₂ e	8,552	8,351	10,772
4. Upstream transportation and distribution	Metric tons CO ₂ e	35,863	18,475	20,992
5. Waste generated in operations	Metric tons CO ₂ e	388	375	701
6. Business Travel	Metric tons CO ₂ e	15,953	2,484	9,822
7. Employee commuting²	Metric tons CO ₂ e	24,817	16,855	13,803
9. Downstream transportation and distribution	Metric tons CO ₂ e	35,863	18,475	20,992
11. Use of sold products	Metric tons CO ₂ e	10,582	11,520	12,461
12. End-of-life treatment of sold products	Metric tons CO ₂ e	9,087	5,636	5,666
13. Downstream leased assets	Metric tons CO ₂ e	14,825	9,517	31,517
14. Franchises	Metric tons CO ₂ e	4,044	1,343	2,747
Total	Metric tons CO₂e	531,663	370,853	362,473

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 employees commuting from home to their place of work.

Energy Consumption Data

We have also undertaken limited assurance of energy consumption data against the UK government environmental reporting guidelines, including streamlined energy and carbon reporting (SECR) guidance (2019), as presented below.

Source	Unit	Quantity
Natural Gas	kWh	24,170,186
Fuel Oil & Other Fuels	kWh	159,422
Vehicle Derived Energy	kWh	346,553
Electricity	kWh	84,663,716

2022 Social Indicators

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

Category	KPI	Quantity	Unit
Employees by geography (Regional Representation)	All	20,169	Employee
US as of 31 December	All US	10,694	Employee
UK as of 31 December	All UK	3,931	Employee
Rest of World as of 31 December	Rest of World	5,544	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 ³	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	32	Percentage
Total number of temporary, limited term, employees	Female	66	Percentage
Total number of temporary, limited term, employees	Non-binary	0	Percentage
Total number of temporary, limited term, employees	No data	2	Percentage
Total full-time, regular, employees	All	79	Percentage

³ Pearson opened this option for employee self-identification in 2020.

Category	KPI	Quantity	Unit
Total full-time, regular, employees	Male	44	Percentage
Total full-time, regular, employees	Female	55	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 ⁴	Female	50	Percentage
Female leadership: Senior leadership ⁵	Female	41	Percentage
Female leadership: VP and Director	Female	48	Percentage
Female leadership: Manager	Female	51	Percentage
Female leadership: Percentage of women in technology roles (IT/engineering)	Female	31	Percentage
Employee racial and ethnic diversity: Total workforce US	Diverse	32	Percentage
Employee racial and ethnic diversity: Total workforce UK	Diverse	18	Percentage
Employee racial and ethnic diversity: Board Positions	Diverse	40	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	Diverse	19	Percentage

⁴ Executive Directors are included in Board statistics not Pearson Executive Management.

⁵ Typically up to two reporting lines from the Chief Executive, the senior leadership are the employee body with responsibility for planning and directing the activities of the company.

Category	KPI	Quantity	Unit
Employee racial and ethnic diversity: Senior leadership UK	Diverse	12	Percentage
Employee racial and ethnic diversity: VP and Director US	Diverse	18	Percentage
Employee racial and ethnic diversity: VP and Director UK	Diverse	13	Percentage
Employee racial and ethnic diversity: Manager US	Diverse	25	Percentage
Employee racial and ethnic diversity: Manager UK	Diverse	14	Percentage
Employee racial and ethnic diversity breakdown US	% of total workforce	32	Percentage
Employee racial and ethnic diversity breakdown US	Asian	10	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	67	Percentage
Employee racial and ethnic diversity breakdown US	Not stated	1	Percentage
Employee racial and ethnic diversity breakdown UK	% of total workforce	18	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	66	Percentage
Employee racial and ethnic diversity breakdown UK	Not stated	16	Percentage
% of total management workforce (US and UK)	Asian	10	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	77	Percentage
% of total management workforce (US and UK)	Not stated	3	Percentage

Category	KPI	Quantity	Unit
Turnover rate	Total average for the year	6,974 / 33	Employee / Percentage
Turnover rate	Voluntary	4,658 / 22	Employee / Percentage
Turnover rate	Involuntary	2,316 / 11	Employee / Percentage
Turnover by gender	Total female	4,233 / 20	Employee / Percentage
Turnover by gender	Total male	2,659 / 12	Employee / Percentage
Turnover by gender	Non-binary	6 / 0	Employee / Percentage
Turnover by gender	Not disclosed	76 / 0	Employee / Percentage
Turnover by age group	Under 30 years old	1,720 / 8	Employee / Percentage
Turnover by age group	30-50 years old	3,449 / 16	Employee / Percentage
Turnover by age group	Over 50 years old	1,785 / 8	Employee / Percentage
Turnover by age group	No date	20 / 0	Employee / Percentage
Total number and rate of new employee hires	(number of hires / average headcount)	5,600 / 26	Employee / Percentage
Total number of new hires	Female	3,378 / 60	Employee / Percentage
Total number of new hires	Male	2,076 / 37	Employee / Percentage
Total number of new hires	Non-binary	24 / 0	Employee / Percentage
Total number of new hires	Not disclosed	122 / 2	Employee / 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	17	Percentage
New hires by age group	No date	1	Percentage

Assurance work performed

The assurance work was commissioned in *June 2022* and was completed on *17 February 2023*.

Detailed records were kept of meetings and correspondence relating to the assurance. A team of four, led by Colin Malcom, Technical Director, undertook the assurance and commentary process. Sarah Kehoe, Managing Consultant, acted as adviser to the group.

The assurance engagement was undertaken to a **limited level**. The assurance involved the following:

1. In-depth and regular (weekly/bi-weekly) meetings with the main Pearson contact for data management.
2. Request and receipt of data, and supporting policies, procedures and other documentation concerned with data collation, evaluation, communication and reporting.
3. Specific interviews with key roles and responsibilities for data management, including external data management service providers, and internal Pearson departments.
4. A review of underlying data sources and substantiating evidence to support the 2022 reporting, to assess robustness of monitoring and reporting systems.
5. A review the methodology, and data, for re-baselining data for 2018 and 2021.
6. The development of a documented log recording all data queries, and the steps taken to close out all queries.
7. 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.

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 assesor of corporate responsibility and sustainability reports.

We have not previously worked with Pearson for this 2022 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.

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March 2023

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