

Environment review: 2014

Annual Environment Review

Welcome to this our 2014 Environmental Review.

We live in an increasingly complex world. Our planet and our communities face real environmental challenges which together mean that business as usual is not enough. We have a responsibility to be imaginative in tackling these challenges.

That is why in 2007, we set an ambitious course for our existing businesses to become climate neutral by the end of 2009. In making this commitment, our aim was to stimulate the ideas and enthusiasm of the people who make up Pearson.

Much has been achieved since then. You will read in this review about a host of activities and initiatives ranging from being more efficient with the paper we use to produce our books, newspapers and magazines, to our investment in solar panels. We are proud of what we have achieved so far, but still believe there is more to do. This is why we have set ourselves two challenges this year. First, we have again decided to continue our commitment to be climate neutral into 2015. Second, we plan to work with our suppliers to get a full understanding of our complete carbon footprint from forest to reader - no easy task.

We believe that businesses should strive to demonstrate how they can have a positive impact on society and the planet. Environmental responsibility is an important component of what it means to us to be a corporate citizen. While we have made good progress, our ambition is such that we are never satisfied. We'll be working hard to extend our positive impact further this year.

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Our Strategy: A climate neutral future

Against a backdrop of international concern on matters relating to climate, Pearson announced in early 2007 a commitment to become climate neutral for its then businesses, with a view to completing that globally by the end of 2009. We have achieved that goal and each year, we review, renew and refresh our climate neutral commitment. Our broad strategy remains the same and is based on three key areas:

1. **Measure.** We have an established, independently-verified process to measure our climate footprint relating to our buildings and from business travel. We also continue to work on assessing our total carbon footprint.
2. **Reduce.** We cut the CO₂e we release from our buildings and business travel. We have introduced energy-efficient design across our buildings, further invested in alternatives to business travel such as video conferencing, as well as looked at renewable energy where we can.
3. **Offset.** In 2014, whatever emissions we have not been able to reduce or avoid during that year are offset by supporting a range of projects that either save or absorb a tonne of carbon for each tonne that we emit. We have established partnerships to do this.

Our main focus is on reducing our Greenhouse Gas (GHG) emissions. The challenge to maintain climate neutrality is a rallying call for everyone in Pearson to become climate aware. We involve all parts of Pearson in achieving our commitment:

- **Facilities** departments work on introducing energy efficiency design and upgrades together with looking at renewable energy options across our main buildings.
- **Internal communications** teams have helped update Planet Pearson, our dedicated environmental collaboration space. It is available globally, bringing together information, ideas and signposts to local green groups as well as encouraging colleagues to work together.
- Our **marketing** teams have continued to develop innovative partnerships to raise awareness of environmental issues and boost our reputation.
- **Editorial** colleagues' commission books, magazine and newspaper articles on a wide range of environmental issues.
- Our **purchasing** teams have worked with industry partners and with suppliers on assessing and measuring our total carbon footprint.
- **Finance** colleagues offer budgetary funds to stimulate new ideas and innovation.

Realising our strategy

Development and implementation of our strategy in 2014 was overseen by the Responsible Business Leadership Council. The council is chaired by the chief corporate affairs officer and includes senior executives from across the company. Progress is reported to the Reputation and Responsibility Committee, a formal committee of the Board annually.

We have a network of country-specific committees supported by around 20 eco-committees at our key buildings that look for additional opportunities for improvement. In North America, a small central environmental team is supported by networks with responsibility for reducing our impact from our buildings.

We commission comprehensive reviews of our buildings identifying opportunities for reducing energy use.

Pearson has a global online data collection system in place covering utilities, waste, water and business travel. This system was introduced in 2013 to help us prepare for mandatory Greenhouse Gas reporting. As part of our due diligence, we commissioned two independent reviews of the system. The first was carried out by Deloitte and looked at management and implementation and the second focused on data verification through our usual assurance process carried out by Corporate Citizenship.

Environmental management

Globally, our operations are accredited against the Carbon Trust Standard. Pearson was the second ever organisation to be certified against the standard which recognises leadership in measuring, managing and reducing year-on-year carbon emissions.

Pearson has had an environmental policy since 1992. Our businesses in the UK and Australia are accredited against ISO 14001, the international environmental management standard. Other parts of the world apply our own environmental management system based on ISO14001 standards. This system is described in the [policies and downloads](#) section on this website.

We have also embraced LEED, the green buildings standard in the United States. We have six buildings certified under the LEED standard which together account for over 740,000 square feet and we have set up a team of certified LEED assessors within the company. This year, our Hudson Street offices in New York became the latest to secure LEED certification achieving a Gold Standard.

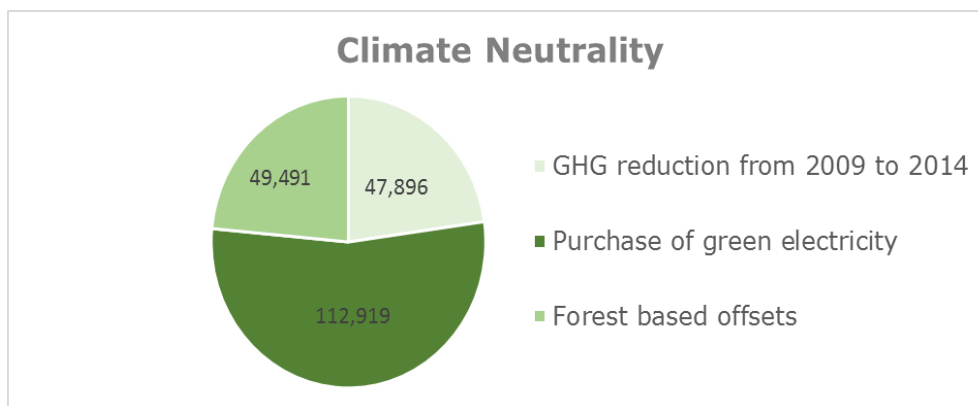
Climate footprint: 2014

Achieving our climate neutral commitment

Our climate footprint as at the end of 2014 was 162,410 metric tonnes of carbon dioxide equivalent (CO2e); an absolute reduction of 14% over 2013 and 23% over what we reported in 2009. This is in line with our goal to meet our climate neutral commitment by reducing our footprint where possible. Our climate footprint reduction performance for 2013 and 2014 for our three largest countries and the rest of the world is as follows:

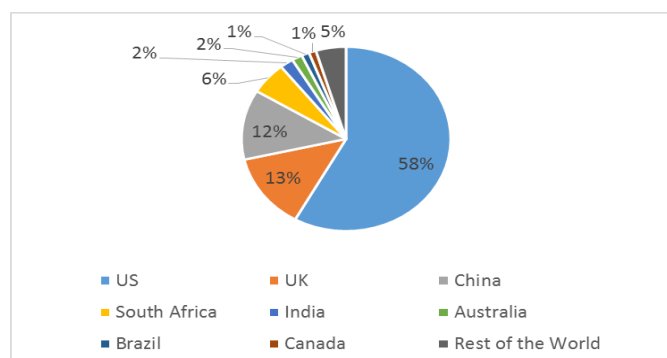
Metric Tonnes (CO2e)	UK	US	China	Rest of the World	Total
2013	35,236	105,994	18,208	29,254	188,692
2014	21,599	94,348	19,960	26,503	162,410
	-39%	-11%	10%	-9%	-14%

We continued to reduce our climate footprint through a focus on reducing energy use and the distance we travel on business. In addition, our footprint in the US and UK was reduced as the offices and warehouses relating to Penguin were excluded reflecting our 47% shareholding in the combined Penguin Random House business. In addition to reducing our footprint, we have maintained climate neutrality in the period 2009 through to 2014 by purchasing green electricity and then we offset any remaining unavoidable emissions.



Since we completed our commitment to become climate neutral in 2009, we have reduced our absolute climate footprint by over 45,000 of metric tonnes of carbon.

The eight most significant countries for us as sources of emissions are the US, the UK, China, South Africa, India, Australia, Brazil and Canada which together account for over 95% of our climate footprint.



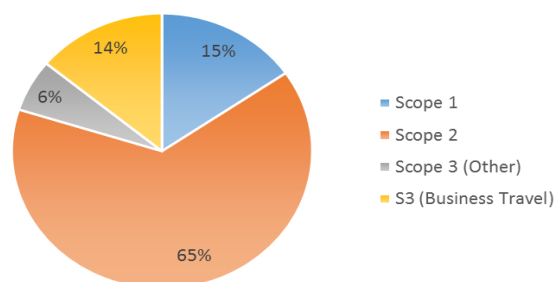
Methodology

We measure greenhouse gas emissions (GHG) relevant to our business and express our total in terms of an equivalent in metric tonnes of carbon dioxide, the main greenhouse gas (GHG). This is known as carbon dioxide equivalent (CO₂e).

The method we have used to calculate GHG emissions is the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), together with the latest emission factors from recognised public sources including, but not limited to, Defra, the International Energy Agency, the US Energy Information Administration, the US Environmental Protection Agency and the Intergovernmental panel on Climate Change.

In line with the GHG Protocol, we report on all our Scope 1 and 2 emissions and include the optional element for emissions relating to business air and rail travel.

- Scope 1: All fuel used in our buildings and in company vehicles plus refrigerants
- Scope 2: Electricity used in our buildings drawn from grids where we do business
- Scope 3: Emissions relating to air and rail travel, electricity transmission, waste and water



In our annual report, we disclose all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. These sources fall within our consolidated financial statement. We do not have responsibility for any emission sources that are not included in our consolidated statement.

Assurance

Our climate footprint has been verified by the specialist consultant, Corporate Citizenship. The assurance statement covers the methodology, data collection and accuracy of data reported.

External reporting

In addition to this annual environmental review, we also publicly disclose our carbon management performance to the [Carbon Disclosure Project](#) (CDP).

Reduction

We think about our environmental impact as an integral part of how we do business. Our environmental commitments help shape our thinking about what we develop or publish, how we manage the buildings we occupy and how we develop relationships with suppliers and business partners. In this section, we focus on the practical initiatives which help us meet our primary goal to reduce the energy we use and the distance we travel on business,

Our climate neutral commitment has helped us to achieve a 23% absolute global reduction in our climate footprint over the last three years.

Metric Tonnes of CO2e

	2009	2014	2014 vs. 2009
<u>Buildings</u>	210,306	162,410	↓23%

Our businesses around the world have commissioned comprehensive environmental reviews to help identify opportunities for energy savings. We continue to work on a building specific programme of reduction targets and action programmes based on a UK initiative. As a result of these reviews, we continue with our programme of introducing energy efficient features in many of our existing buildings:

Case study: LUCID: Energy Monitoring System

In 2012, we invested in the Lucid energy monitoring system (EMS) at five sites with a total square footage of 1.7M representing 16% of the total US buildings footprint. The Lucid EMS system provides “real time” data on electricity, water and gas consumption which allows facility managers to actively review their use more closely and work with local utilities to reduce usage and avoid additional peak usage charges.

Phase1 exceeded our targets. Overall, energy use decreased 18% and utility costs were reduced by 17%. The payback period on the \$67k invested was just two months as the project delivered \$405K savings in one year. Nearly 8 million kwh of energy was avoided in 2013 at the participating sites.

We use technology extensively. Our portfolio of digital products continues to grow and we run data centres. Improving the way we use technology can help to improve efficiency and save cost, as well as reducing our climate footprint. Working through our local green team network, we continue to run switch-off campaigns for desktop and screens. In the UK and the US, we have introduced automatic switch-off capability where possible.

Travelling on business

For essential travel, we've been encouraging our people to avoid flights wherever possible and we continue to lower the emissions relating to our car fleet.

- We have invested over \$200k in upgraded video conferencing facilities in key buildings..
- Globally, we aim to replace our fleet with hybrid and lower emission vehicles where possible. The number of hybrids in our global fleet increased from 33 in 2009 to over 350 in 2014 and our aim continues to be to grow the number of hybrids in the fleet.

Renewable energy

We are committed to using renewable electricity across our operations where it is economically viable to do so. We have now set a commitment that 100% of our electricity supply is to be sourced from utilities or through the purchase of renewable electricity credits. We have achieved that goal and will continue with the policy for 2015. We achieved the goal through:

- Securing green electricity through our utility supplier for all our buildings in the UK. This was first achieved in 2009.
- For the rest of our global electricity use, we purchase renewable electricity credits.

Pearson is one of the top 50 purchasers of renewable energy credits in the United States and was named as a 2013 Green Power Leadership Award winner by the US Environmental Protection Agency.

Our commitment extends to generating electricity from renewable sources at our sites. Our first renewable electricity project went live in December 2009. Over its lifetime the new solar panels on our building at Old Tappan in New Jersey is expected to produce electricity equivalent to 4,325 metric tonnes of CO₂e. To date, the Old Tappan solar panel project is generating 9% more than projected.

During 2011 we installed our first wind turbine project in Owatonna, Minnesota and completed a second solar panel installation project at our Cranbury Distribution Center in New Jersey. The Cranbury project was among the largest company owned single roof projects in the world. 2013 saw a further 260 MW of capacity installed at our buildings in Austin, Texas.

For 2014, we implemented a new 100MW solar panel installation project in South Africa – our first outside the United States.

We have now invested in excess of \$10 million in renewable energy generation with a capacity as follows:

	2010	2011	2012	2013	2014
MW					
Solar					
Old Tappan	210	210	210	210	210
Cranbury		2000	2000	2000	2000
Austin				260	260
South Africa					100
Wind					
Owatonna		95	95	95	95
Total	210	2305	2305	2565	2665

The renewable energy credits relating to our own generation are being sold and the proceeds reinvested in our green fund.

We will look at an additional project in 2015.

Climate neutrality: our global offset partnerships

Whatever emissions we are not able to reduce or avoid are offset by a range of forest based projects.

We reduced our climate footprint as at the end of 2014 to 162,410 metric tonnes of carbon dioxide (CO₂e) through our efforts to reduce energy use and business travel. We avoided a further 112,919 metric tonnes through our global commitment to purchase electricity from renewable sources.

This left Pearson 49,491 metric tonnes to offset to maintain our climate neutral status. We did this through partnerships with the Children's Tropical Forests UK, the Algoma Highlands Conservancy in Canada and the Woodland Trust in the UK.

- In the UK, we support Woodland Carbon offered by the Woodland Trust. Woodland Carbon was the first scheme to meet the UK's voluntary standard for woodland creation projects which sequester carbon. Our funding has contributed to the creation of over 20 hectares of new native woodland in Heartwood Forest in St Albans.
- In North America, we adopted a new offset partner in 2013, the Algoma Highlands Conservancy. The Algoma Highlands area in Ontario, Canada covers approaching 50,000 acres and our support has provided the anchor funding to kick start the project. A wide variety of plants and wildlife species will be protected including rare plants and animals that are iconic to the Canadian wilderness - moose, bear, timber wolves, otters, woodpeckers and loons
- The Children's Tropical Forests UK is our primary offset partner. For 2014, we have once again agreed to purchase and protect rainforest in Colombia adding to our existing commitment to protect rainforest in both Colombia and Costa Rica for previous years of the Pearson climate neutral commitment.

Since 2009, our climate neutral programme has seen us protect over 1,000 hectares of forest.

Engaging others

Climate change affects us all. It requires leadership and vision to address and we all have a role to play. As most of our people work in offices, call or test centres or in warehouses, Pearson has a relatively small environmental footprint. However, we can have a much more significant impact through informing, engaging and inspiring the thousands of people who work for us and with us, and the millions who read our newspapers and learn with us every day.

Our company values are to be brave, imaginative, decent and accountable. Our concern for the environment reflects those values and we want to provide opportunities for employees to get involved in our plans as they develop:

- Planet Pearson, our dedicated green space is available to our employees globally. Planet Pearson is a way for Pearson people to share ideas, thoughts and to collaborate wherever they are in the world. The space provides ideas for carbon reduction, links to local green groups and access to performance reports.
- We have around 30 Green Teams in place in Pearson most based in buildings in the UK and the US with country-wide teams in Canada, Australia, South Africa & India.

Climate change matters to our businesses. Our operating companies continue to respond to the climate neutral challenge by developing and investing in environmental products and services. Partnerships include:

- Pearson is market leader in the Higher Education environmental science textbook market with a 40% market share. We also offer Mastering Environmental Science, a collection of online homework, tutorial, and assessment products. Across the Environmental Science list, around 29,000 students are registered for the product.
- The FT newspaper has a long tradition of reporting on environmental and energy related topics. Climate change is available as a theme to access articles on FT.com and special reports cover topics including responsible business and energy.
- Over the last 25 years, BTEC qualifications in the UK have offered a vocational pathway into employment or further study. As part of a wider suite of qualifications on sustainability skills, the BTEC Level 3 National in Environmental Sustainability was offered for first teaching from September 2011. This offers learners aged 16 to 19 interested in sustainability clear progression pathways into employment or into Higher, Specialist and Professional courses.
- The FT has hosted a number of conferences and awards on energy, the environment and sustainability. During 2014, the FT and Coca Cola Enterprises convened a conference in London on the future and sustainability.
- We are also looking at partnering the US Green Buildings council (USGBC) to create a Green Building Basics / LEED class.

Water, Waste and Packaging

Water

Our offices do not use water beyond basic needs - we set targets to reduce usage and it forms part of our climate footprint. We declare water usage data in our section on data.

Unsold product

We sell a variety of products. Most are paper-based in the form of books, newspapers and magazines. Less than 1% of our sales are products such as CDs and DVDs, and sales of magazines are small. We are committed to recycling as much of our unsold product as possible. Sometimes this happens through industry-wide agreements - as is the case for newspapers in the UK - whilst other initiatives are specific to Pearson.

Avoiding unsold product is a key business objective. Improvements in stock control and sales forecasting contribute significantly to reducing the amount of unsold product and to lower cost. Responsible disposal of unsold product is a significant environmental responsibility for us.

	2009	2010	2011	2012	2013	2014	%age change 2014 vs. 2013
Unsold product	98%	98.5%	98.6%	98.7%	98.9%	98.9%	-

Our target is to maintain our reuse/recycle rate for all unsold books and newsprint in excess of 95%. This has been achieved since we set the target in 2003 and remains a high priority for us.

Packaging

We use a variety of packaging materials in the distribution of our products worldwide: cardboard, plastic, shrink-wrap and foamfill (a void filler). A particular objective for us has been to reduce the use of plastic and foamfill in favour of packaging based on natural materials. Our use of plastic has reduced by over 85% over the last seven years and foamfill use is over 50% less than 2004.

Going beyond our direct impacts

Responsible purchasing

Pearson purchases in excess of £2 billion of goods and services from suppliers around the world each year. In 2001, Pearson made a series of commitments to extend its positive influence across its supply chain.

These commitments formed part of our response to the UN Global Compact, covering labour standards and human rights as well as environmental responsibility.

Our impact

Pearson is changing. Today, digital services and direct delivery account for considerably over half our revenue and these continue to grow in importance. As new businesses develop, so they bring a growing technology-related supply chain and are shaping our future environmental footprint.

Nevertheless, it is our traditional paper-based products which continue to be the source of our most significant environmental impact. Pearson is a major purchaser of paper for books, newspapers and magazines. We have contracts with printers around the world to produce our books, magazines and newspapers as well as with distributors and shippers to bring our products to market.

Managing the environmental impacts arising from our supply chain was first identified as a priority for Pearson over a decade ago and has continued ever since.

Including environmental responsibility as a contract requirement defines the nature of the relationship that we seek to build with our suppliers. In our contracts, we outline the standards of performance that we expect from our suppliers as well as the commitments we make as a responsible purchaser. The standards we set our suppliers reflect the standards that we set for ourselves.

Pearson introduced specific environmental clauses for inclusion in key contracts agreed from 2002 onwards. These clauses were reviewed following supplier feedback and the introduction by Pearson of a [Code of Business Conduct](#). These clauses are now part of our standard negotiations for new contracts and for existing contracts on renewal. We also have introduced a portal for vendor management which makes it a requirement for new and existing suppliers to confirm agreement to our environmental standards as a condition of doing business with us. Over 3,500 vendors accounting for in excess of \$2 billion in spend is captured through our vendor management system.

In line with our commitment to climate neutrality, we have started the process of exploring our product carbon climate footprints. Where possible, we will work with industry partners to understand this complex area.

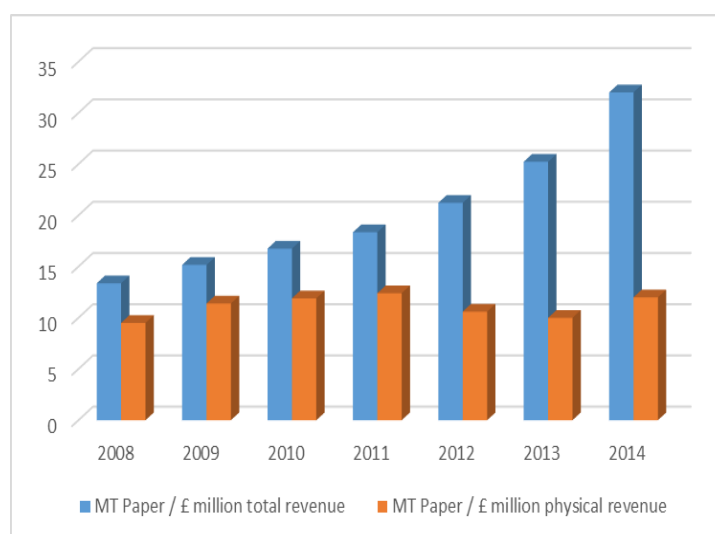
Paper

Our books, newspapers and magazines all use paper. We lead the way in investing in new technology to provide opportunities for our customers and readers to access our content digitally. Nevertheless, we expect that our use of paper will continue to be an important means for delivering our products.

We source paper primarily from North America and Scandinavia. Paper is a priority environmental issue for us. We:

- First adopted and publicly disclosed our environmental policy with regard to paper sourcing in 2003.
- Collect and map data on the forest of origin, certification systems applicable and recycled content for the papers we purchase;
- Talk about our guidelines with our key paper suppliers when we meet and as part of our contract discussions;
- Discuss our approach to paper purchasing with customers, environmental groups, investor analysts and other interested parties;
- Hold Forest Stewardship Council® chain of custody certification allowing books to carry the FSC® label for our businesses in North America.
- Are members of industry bodies dedicated to responsible forest management. We have been members of the WWF forest and trade network for over a decade and was a founder member of PREPS – the publishers database for responsible environmental paper sourcing – which we use across our global business.
- Convene training sessions for our production teams around the world on both labour standards and environmental responsibility issues.

In addition to the standards we set ourselves through our paper purchasing guidelines, we also have a responsibility to use fewer resources where we can. This delivers both environmental benefits as well as cost savings.



CASE STUDY

The Forest Stewardship Council or FSC® is considered the gold standard around the world in responsible forest management. In the last 4 years, over 100 million Penguin and Pearson books have carried the FSC logo.

Pearson and Penguin in the United States and Canada are certified by the Rainforest Alliance. The FSC Trademark License Code is FSC®C100141

Printing

Less than 0.5 per cent of Pearson products are printed by our own operations. We have a small digital print operation in the US and St Clements Press is an east London-based print subsidiary of the Financial Times.

As these two direct controlled operations are not materially significant for Pearson operations, we do not consider emissions to water as an issue for our own company reporting.

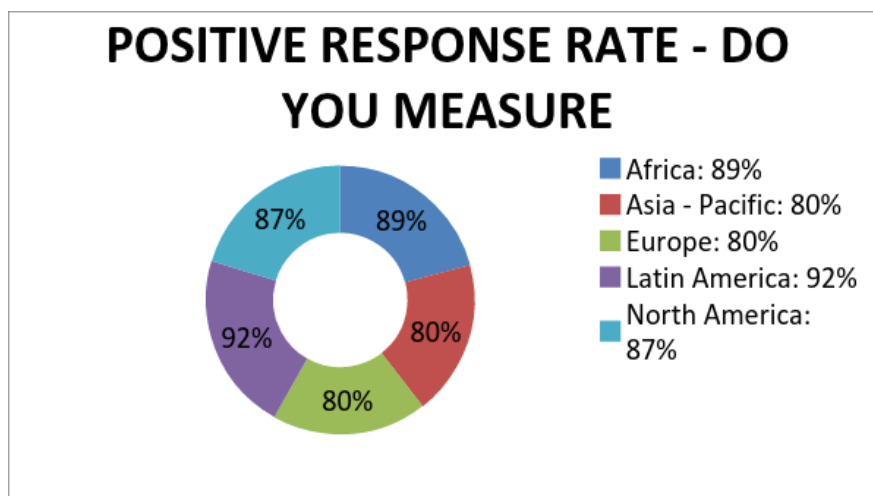
However, emissions to water are an issue facing our third-party printer partners. As such, we see our responsibility as being to exert a positive environmental influence over the practices of our printers.

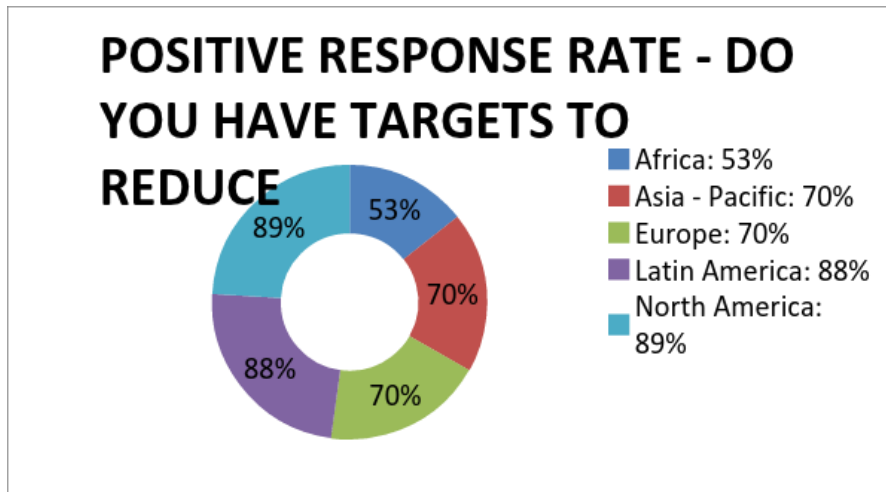
In 2003, we first set up a central register of key paper suppliers and outsourced printing relationships. This register provides Pearson with a picture of the environmental performance of its printers. The register includes over 90% of our printers by value.

The current focus is to transition the reporting into the VRM system. Detailed below is the latest report and covers the environmental performance of our printers and is global in scope. The survey covers:

- Whether the printer uses a recognised system for environmental management.
- Measurement and reduction policies for water, ink, solvents, alcohol, energy and waste.

We survey printers every two years, the overall results for 2013 were as follows:





We continue to be concerned that the release of Volatile Organic Compounds (VOCs) which are present in inks and solvents are managed effectively and where possible reduced. We encourage our printers to introduce and operating companies continue to monitor reduction targets for VOCs as part of the work above.

Our production departments continue to use our vendor relationship management system which incorporates both environmental and labour standards data together with commercial data.

During 2014, Pearson people undertook visits to existing and potential printers in the US, the UK, China, Malaysia and India. These visits provided an opportunity for Pearson to review performance standards in areas including environmental responsibility, health & safety, labour standards and human rights. The findings and issues identified have been discussed with our printers and are being managed as part of our normal commercial relationships.

Distribution

Our books are produced around the world, requiring shipment from the printers to our distribution centres. We outsource road distribution and shipment of our products to third party carriers. We have worked with suppliers on consolidating shipments to maximise container loads and monitor environmental performance as part of the contractual arrangements. We have an internal reporting process by facility and monitor a metric around book-gifting.

Progress and plans

Reporting and ratings

We use external recognition of our environmental management as a measure of our performance. We have maintained accreditation against the Carbon Trust Standard globally, as well as our UK and Australian operations continuing to hold the environmental management standard ISO 14001. Additionally, we again performed well in other key external benchmarks:

- Pearson has been included for over a decade in the Dow Jones Sustainability World Index.
- Pearson achieved a score of 95% in the Business in the Community Corporate Responsibility Index.
- We continue to report on our progress to the UN as part of our commitment under the Global Compact.
- Pearson has been included in FTSE4Good indices since their inception.



Commitments & targets

Our main environmental commitment was to become a climate neutral company in 2009 for existing operations. This means that we commit to reduce or offset our global Greenhouse Gas emissions by 100% each year for our existing operations excluding acquisitions made during the year. Where it is not possible to reduce our emissions by other means, we purchase carbon credits. We have now continued this commitment into 2014. Pearson adopted a new baseline for data in 2007. Our environment archive provides historic data on our performance against targets.

Target 2013

Progress

Plan 2014

Continue to extend our green team network.

🔄 Ongoing. 30 Green Teams are now in place in Pearson businesses around the world.

Continue to extend our green team network

New global carbon footprint tool planned to be in place by the end of 2015

🔄 Ongoing. Vendor selected and data collection underway for US and UK.

On track to complete by the end of 2015

Maintain our position in the key indices of social responsibility.

✅ Achieved. Pearson was awarded Bronze status in the Dow Jones Sustainability Indices, maintained inclusion in FTSE4Good indices and was named by Corporate Knights as one of the **Global 100** most **sustainable** corporations in the **world** responsibility index.

Maintain our position in the key indices of social responsibility.

Our target is to reduce energy use on an absolute basis by 15% by the end of 2018 using 2013 as the baseline

✔ Achieved. In just one year, we recorded a 14.7% absolute reduction against our target of 15%. In part this was following the creation of Penguin Random House but also our own reduction programme was significant. We have adopted a stretch target.

Our stretch target is to reduce energy use on an absolute basis by 25% by the end of 2015 using 2013 as the baseline

Using 2009 as the base year, we aim to reduce our Greenhouse Gas emissions by 20% by the end of 2015

✔ Our 2014 GHG emissions were down by 22% based on 2009 levels in absolute terms. Again, we have adopted a stretch target

Using 2009 as the base year, we aim to reduce our Greenhouse Gas emissions by 25% by the end of 2015

Reduce per employee air travel in 2014.

✔ Achieved. Air km travelled decreased by 15% per employee. Pearson instituted a travel freeze in the second half of 2014 which contributed to this performance.

Maintain per employee air travel in 2015.

Launch a new travel policy and supporting communication to promote video-conferencing technology.

✔ Achieved. New policy launched. Google hangouts established as a way of working.

Use green messaging to promote video-conferencing technology.

Using 2013 as the base year, our target is to reduce absolute water use across the company by 10% per square metre of occupied space by the end of 2018

✘ Not achieved. Reported water use increased significantly (27%) in 2014 as we improved data capture and scope. Collecting water data continues to be a challenge

Using 2014 as our new base year, our target is to reduce absolute water use across the company by 10% per square metre of occupied space by the end of 2018

Maintain our reuse/recycle rate for all unsold books and newsprint in excess of 95%.

✔ Achieved.

Maintain our reuse/recycle rate for all unsold books and newsprint in excess of 95%.

Complete a new solar panel project outside of the United States by the end of 2015

✔ Achieved. 100 MW of generation capacity has been installed at our distribution centre in South Africa.

Complete a second solar panel project outside of the United States by the end of 2016.

Maintain our global commitment to purchase green electricity into 2014.

✔ Achieved.

Maintain our commitment to purchase green electricity into 2015.

Revisit considering including an environment category in a revamped community awards.

✘ Not achieved. Community awards re-launched. Decision not to include an environment category

Target 375 hybrid vehicles in the Pearson fleet in 2014

✔ Exceeded over xx0 hybrid vehicles included in the fleet in 2014.

Target xxx hybrid vehicles in the Pearson fleet in 2015

Continue our drive for independently verified certification to ensure the suitability of paper we purchase for our books, newspapers and magazines.

✔ Achieved. See our separate report on paper purchasing.

Continue our drive for independently verified certification to ensure the suitability of paper we purchase for our books, newspapers and magazines.

Add a further two buildings to be certified against Leadership in Energy and Environmental Design (LEED) - the US Green Buildings Council standard by 2015.

👉 Six buildings are certified against LEED. A further two are in the process of securing LEED certification

Add a further building to be certified against Leadership in Energy and Environmental Design (LEED) - the US Green Buildings Council standard by 2015.

Review how we help our people and learners to gain sustainability skills. Consider how we educate our workforce on environmental issues

👉 Ongoing. To be reviewed in light of new operating structure in 2014

Review how we help our people and learners to gain sustainability skills. Consider how we educate our workforce on environmental issues

Data and Trends

Pearson has been collecting and reporting on its environmental impact since 2002. In 2007 we adopted a commitment to become climate neutral. Environmental data for previous years can be found in our [environmental review archive](#).

We report here on our absolute environmental impact for the entire global business for the period 2009 to 2013. Environmental data for previous years can be found in our [environmental review archive](#).

Environmental reporting measures

Measure	Units	2009	2010	2011	2012	2013	2014
Net internal area of reporting offices / locations covered	m ²	1,360,151	1,443,347	1,262,440	1,357,822	1,425,320	1,393,954
Full-time employees (FTE) covered	FTE	37,164	35,978	41,520	48,500	42,115	40,876

Energy Consumption

Measure	Units	2009	2010	2011	2012	2013	2014
Total Electricity Consumption (including from renewable sources)	MWh / year	258,114	204,438	198,190	218,410	215,460	186,356
Total Electricity Consumption from renewable sources only	MWh / year	170,229	170,712	166,896	218,410	215,460	186,356
Total Gas Consumption	MWh / year	122,153	78,742	72,884	64,462	66,375	57,144
Total Fuel Oil Consumption	MWh / year	7,033	6,533	3,517	1,927	3,755	114
Total Energy Consumption	MWh / year	385,836	289,714	269,391	284,800	285,590	243,614
Total Energy Consumption/ employee	KWh / employee	10.4	8.1	6.5	5.9	6.8	6.0

Business Travel

Measure	Units	2010	2011	2012	2013	2014
Air	Passenger km	219,056,753	242,830,34	255,072,031	235,743,104	193,259,356
Rail	Passenger km	3,833,674	3,924,710	4,711,264	3,682,392	937,647
Road (distance)	Vehicle km	9,930,039	7,284,921	3,486,138	6,735,312	6,356,549
Road (fuel use)	Litres fuel	6,336,425	5,815,052	6,120,706	5,849,850	5,312,226
Total GHG from Business Travel	Tonnes CO ₂ e	48,007	28,719	34,211	31,055	22,740
Total GHG from Business Travel by FTE	Tonnes CO ₂ e / FTE	1.33	0.82	0.71	0.69	0.56

We collect and report business travel air data where there is a centralised agency in the US, the UK, Australia, India, Mexico, Singapore and Hong Kong which together account for around 80% of total full-time employees.

Greenhouse Gas Emissions

	Units	2009	2010	2011	2012	2013	2014
Direct (Scope 1)	Tonnes CO2e	44,649	35,739	35,806	31,095	30,170	25,027
Indirect (Scope 2)	Tonnes CO2e	130,395	122,189	114,730	128,542	115,548	104,715
Other (Scope 3)	Tonnes CO2e	4,375	3,523	5,276	2,782	1,381	1,724
Electricity transmission (Scope 3)	Tonnes CO2e					10,538	8,204
Business Travel (Scope 3)	Tonnes CO2e	30,887	33,913	28,719	32,336	31,055	22,740
Total	Tonnes CO2e	210,306	195,364	184,531	194,756	188,692	162,410

In the table above, we report our greenhouse gas emissions in a way that is consistent with the Greenhouse Gas Protocol.

Paper

We prepare a separate [report](#) on the paper we purchase for use in our books, newspapers and magazines

Waste

Measure	Units	2009	2010	2011	2012	2013	2014
Total Waste to Landfill	Tonnes / year	5,508	3,834	9,097	7,134	3,273	2,005
Total Waste to Landfill / FTE	kg / FTE / year	148	107	221	147	73	49

Water

Measure	Units	2010	2011	2012	2013	2014
Total Water Consumption	m ³ / year	604,822	528,873	678,256	1,154,106	1,474,077
Total Water Consumption / FTE	m ³ / FTE / year	17	13	14	26	36

Legal Compliance

Measure

Reported Environmental Prosecutions

2009	2010	2011	2012	2013	2014
Nil	Nil	Nil	Nil	Nil	Nil

Assurance Statement



Corporate Citizenship Summary Assurance statement

We have reviewed the 2014 global environmental data, including energy use (electricity and fossil fuel), business travel, water use and corporate greenhouse gas emissions for Pearson's global operations in order to verify that the reported data has not been misstated.

Pearson's corporate greenhouse gas emissions have been reviewed in accordance with the World Resources Institute/World Business Council on Sustainable Development Greenhouse Gas Protocol Guidelines (WRI/WBCSD GHG Protocol).

Based on the work performed, which is outlined in our full assurance statement available on the Pearson website, nothing has come to our attention to indicate that Pearson's global environmental data is not, in all material respects, appropriately reported.

Corporate Citizenship, 2015
www.corporate-citizenship.com