Modern Slavery Statement 2020
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About this statement

This is Pearson’s statement published in accordance with the UK Modern Slavery Act 2015, which requires that companies publish a slavery and human trafficking statement. This covers slavery, servitude and forced or compulsory labour, as well as human trafficking.

This statement is our compliance with the Act covering the 2020 financial year. It sets out the steps taken by Pearson plc and all relevant subsidiaries (see the 2020 Pearson annual report for a full list of subsidiaries) to prevent modern slavery and human trafficking in our business and supply chain during the year ending 31 December 2020.

Introduction

As a company dedicated to helping people improve their lives through learning, we want all individuals that our business impacts to have access to employment that is decent and helps to improve their circumstances.

In line with our values, we have long-standing commitments to a number of international human rights frameworks that guide our approach to combatting modern slavery. We are a founding signatory to the ten principles of the United Nations Global Compact, which include the rejection of forced and compulsory labour alongside other fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. As a result, we are committed to ensuring our business as well as our suppliers and our business partners are free from slavery, servitude, forced or compulsory labour.

In our annual report and on our website we report annually on our progress to meet our commitment to the UN Global Compact and other human rights standards including the Universal Declaration of Human Rights, the International Labour Organization's declarations on fundamental principles and rights at work, and the UN Guiding Principles on Business and Human Rights.

Pearson’s Structure

Who we are
We are the world's leading learning company.

Learning is the most powerful force for change in the world. More than 20,000 Pearson employees deliver our products and services in nearly 200 countries, all working towards a common purpose – to help everyone achieve their potential through learning. We do that by providing high quality, digital content and learning experiences, as well as assessments and qualifications that help people build their skills and grow with the world around them.

We are learning experts
Pearson was founded in 1844 by Samuel Pearson and, whilst the business has evolved significantly since its roots as a building and engineering company, we've been creating the resources people
need to learn and grow for many years. We understand the value of learning and we’ve spent years developing new ways to help people achieve their potential. Today, we’re one of the most progressive learning companies in the world. Our team of over 20,000 people work to refine our digital platforms, key products and services, making them accessible to anyone, anywhere.

We work with globally recognised educational institutions, employers and governments. And our expertise crosses a broad range of subject matters and age groups. We help tens of millions of people access content, follow courses, sit assessments and gain qualifications in almost 200 countries, always with the aim of creating engaging learning experiences that deliver the right outcomes to help people achieve their potential.

How we structure our business
To meet the needs of today’s learners, we’re split into five business divisions. Each has its own focus and expertise, and all are supported by our Direct to Consumer group.

1. Virtual Learning
Online and virtual learning is here to stay. There’s a growing international demand for virtual schooling, partly down to advances in technology, but also accelerated by the recent pandemic. For us, it’s an area we’ve been developing for many years already – Connections Academy, our full-time virtual schools programme, launched many years ago and set the foundation for how a digital learning platform should work.

Our Online Program Management (OPM) business helps universities take their degrees online. There are three dimensions to our strategy here: expanding our OPM relationships with higher education institutions to be broader in scope; leveraging our world-class in-house digital marketing agency across other parts of the business; and, accelerating our Pearson Pathways strategy to grow our presence in lifelong learning.
We're already a trusted online learning partner with the experience and customisable technology to reach students on a global scale.

2. Higher Education
We create personalised, digital learning experiences for higher education and college students and believe that the future of learning and our US Higher Education Courseware business is increasingly digitally driven.

As in other areas of their digital lives, higher education students demand a world class user experience, measurable outcomes and affordability. We have the technology and expertise to meet their expectations, providing rich, engaging, high quality and affordable resources that cover a wide range of subjects, thanks to our partnerships with thousands of leading authors and our Pearson Learning Platform. Pearson eText, Virtual Labs, MyLab, Revel and Mastering are all interactive tools already used across universities and colleges. And with our new Direct to Consumer group, we can continue to build on these products and ensure we can be there at every learning touchpoint throughout peoples' learning lives.

3. English Language Learning
Over 1.5 billion adults are learning English right now. Whether they're going to study abroad, move forward in their career or planning to live in an English-speaking country – we have the tools and assessments to help them achieve their goals.

We own the Global Scale of English – the leading measurement standard that lets people gauge and track their progress. The Pearson Test of English is also regarded as one of the world's best assessment products on the market, giving fast, accurate and secure results. It's just one example of how involved we are in English Language Learning and how key it is to our future and millions of others.

4. Workforce Skills
The world of work is changing fast. In fact, it's changing faster than most people can keep up with, so there's a need for constant upskilling and reskilling, both from organisations looking to support their employees, and from individuals looking to make changes in their careers.

We will build upon the existing assets in our portfolio and harness examples of innovation in learning design and experiences such as Accelerated Pathways and Escape Studios. We can leverage our skills across other parts of the portfolio like assessments and certification, English language and virtual schools as well as businesses like BTEC - an end-to-end Pearson product with a strong global brand in vocational skills, which is already present in 61 markets around the world with over 1 million registrations this year.

5. Assessment & Qualifications
In many ways, this is the crown jewel in Pearson's ecosystem. Everything that we do across the company has the potential to lead to some form of assessment, qualification or certification. Assessments are powerful tools that will only increase in importance as people up-skill and re-skill more often in their lives. Assessment and qualification is the critical point at which learners realise the value of what they have learned. It is, literally, how to turn learning into earning.
We believe that we have both the reach and decades of trust to provide learners globally with their assessment and certification needs for lifelong learning across every major vertical.

For more information on the company, visit: https://plc.pearson.com/en-GB/company

Sustainable Business Plan 2030

**Learning for a better life, a better world**
We help more people create a better life for themselves and a better world through our assets as the world’s leading learning company and by operating responsibly.

We have a long history of making a positive social and environmental impact and ensuring we operate to the highest standards of ethics and governance. From being a founding signatory of the UN Global Compact in 2000 to the progress we made with our 2020 Sustainability Plan, ESG is part of who we are.

Last year, we renewed our ambition with the Sustainable Business Plan 2030 that creates value for all our stakeholders - consumers, employees, investors, policymakers and others - through our products & services, our partnerships, and how we operate.

**Our Approach**
Our sustainability framework was developed based on a materiality analysis in consultation with Forum for the Future that considered how our business priorities and stakeholder expectations have changed and how they are likely to evolve.

Our approach took several key considerations into account, including:

- Linking to business priorities: our process was designed to align with and support our corporate and brand strategy
- Engaging with our stakeholders: we engaged with key stakeholders to understand the issues most important to them and where they expect Pearson to play a role
- Identifying current and future trends: we conducted futures research to help identify the social, environmental and economic issues that will influence learning, our ecosystem of partners and Pearson's business in the years to come
- Supporting global goals: we will continue our commitment to advancing the UN Sustainable Development Goals (especially 4, 8 and 10) and leverage their targets and indicators in our goal-setting

**Three focus areas**
We have evolved our Sustainable Business Plan 2030 to expand our commitments and ensure we are focusing on the areas most important to our stakeholders and where we can have the most impact. As part of this evolution, we have renamed our focus areas to better articulate our
objectives though our priorities remain the same.

Our Sustainable Business Plan 2030 outlines how we will achieve our renewed vision: a world of opportunity, where every person on the planet has access to quality education and lifelong learning that empowers them to improve their own lives, their communities and the planet. We will achieve the better world we envision and contribute to long-term business growth through focus and tenacious commitment to advancing:

- **Learning for everyone**: reducing barriers and measurably increasing equity in learning
- **Learning for a better world**: leading the transformation to build the skills to impact society and the planet
- **Leading responsibly**: creating a culture and running a business that prioritises our impact on climate change and human rights
Pearson’s Supply Chain

In 2020, Pearson purchased c.£2bn of goods and services from third parties, from large multinationals to smaller specialist companies and sole traders. Eighty percent of Pearson’s global spend is represented by 470 suppliers.

The vast majority of the products and services that Pearson and its operating companies purchase are sourced from suppliers in OECD countries, mainly those in North America and Europe. Pearson divides its supply chain into two broad areas: direct and indirect.

Our direct supply chain, primarily covers the sourcing and production of textbooks from third-party printers, as well as paper sourcing and transportation. More detail about our paper supply chain and our print supply chain is on p10. Direct also consists of our content spend, such as authors, rights and permissions, and certain digital technology related to digital education products. As we transition from print to digital, the latter will represent an increasing portion of direct spend. While print and paper sourcing represent the higher risk for modern slavery today (see Areas of Focus on p12), we are constantly evaluating and addressing our human impacts as a digital company.

Our indirect and technology procurement, which constitutes the larger proportion of our spend, covers all other categories of spend, including consultancy services, human resources, marketing, information technology, and facilities. More about our indirect supply chain is on p15.

In 2020 Pearson published our Responsible Procurement policy (see p10) in order to clearly establish the minimum standards expected of Pearson suppliers in relation to social, environmental and ethical issues. In support of this, and in order to achieve the goals set out in our 2030 plan, we launched our Socially Responsible Procurement (SRP) framework. The purpose of this framework is to build a shared set of principles with our suppliers with a focus on how we can improve global industry standards for social, environmental and ethical practices through education, assessment and accountability. Suppliers are asked to sign up to our Pledge, signposting their commitment.

In order to support our efforts, we are implementing a third-party business sustainability ratings solution, EcoVadis, to assess our Tier 1 suppliers’ maturity in all areas of social, ethical and environmental responsibility. These ratings will allow much greater visibility into any areas that require improvement as well as supporting the management, monitoring and tracking of any corrective actions.

The solution will assess suppliers for inherent ethical, social and environmental risk based on category of spend and geographical location. Pearson will take appropriate action taken to investigate and remediate any areas of concern.

Policies Related to Modern Slavery

Pearson has a number of policies in place that relate to modern slavery, and which are approved by the executive management team. They are available online at: https://www.pearson.com/legal-information/our-policies.html
Human Rights Statement
Published and endorsed by our Chief Executive, our Human Rights Statement outlines our commitment, approach, key areas of impact, and governance and remediation processes. It articulates our vision to respect and promote human rights, including the right to education, throughout our operations and with our customers, employees, contractors and supply chain, and it reinforces our commitment to avoid involvement in and address issues with any form of modern slavery.

Our approach is guided by the Universal Declaration of Human Rights, the International Labour Organization's declarations on fundamental principles and rights at work, the UN Guiding Principles on Business and Human Rights, and the UN Global Compact Principles.

The sustainability team guides our human rights approach, which is implemented through a number of policies, statements, and procedures, including: Code of Conduct; Business Partners Code of Conduct, UN Global Compact Supplier Commitments, Safeguarding Principles, Health & Safety Policy, Accessibility Statement, Diversity and Inclusion Statement, Editorial Policy, Anti-Bribery and Corruption Policy, Responsible Procurement Policy and Anti-Retaliation Policy.

Employee Code of Conduct
The Employee Code of Conduct underpins our values by setting out the global ethical, social and environmental standards of behaviour we expect from employees, and it references our commitment to upholding human rights and complying with the provisions of the Modern Slavery Act 2015. It is supported by a suite of global policies and principles that are publicly available on our website.

Our Code of Conduct was revised and refreshed in 2020, and the course included a focus on raising concerns, a certification to the Code and an overview of our Global Conflicts of Interest Policy and disclosure process. In addition, in 2020 we sought input from our Diversity, Equity & Inclusion task force and included language to reaffirm our commitment to being an anti-racist organisation through a number of different amendments to our Code of Conduct.

We make sure all Pearson employees are aware of our Code and affirm that they understand and will comply with it. In 2020, we achieved our target of 100% employee completion and acknowledgement of the Code by all employees. The Code is also assigned as part of the onboarding process for all new Pearson employees.

Our Code certification process also reminds employees of ways to report concerns and ask questions and highlights www.PearsonEthics.com as a channel to report concerns of wrongdoing (see p16).

The board Audit committee monitors implementation of the Code and Pearson's Chief Executive oversees employee adherence to and training about the Code.
Business Partner Code of Conduct
As part of our approach to responsible sourcing, Pearson looks to work with partners and businesses whose values reflect and enhance our own. We have a number of policies and processes relating to working with third parties – including our Business Partner Code of Conduct.

The Business Partner Code of Conduct (“Partner Code”) clarifies the responsibilities and expectations we have of our business partners (which include joint venture partners, vendors, franchisees, distributors, suppliers, contractors, consultants and agents) for ethical and responsible business practice.

The Partner Code sets out our support for universal human rights (including equal employment, freedom of speech and of association, and cultural, economic and social wellbeing), good labour practices and decent working conditions. It also sets out our expectations for supply partners to oppose discriminatory, illegal or inhumane labour practices including slavery and human trafficking.

The Partner Code forms part of new contracts and it is included when contracts are renewed or updated. Compliance with the principles in our code is a minimum standard of behaviour outlined in contracts.

The Partner Code also states that it is the responsibility of business partners to ensure that subcontractors doing work for or on behalf of Pearson meet the same high standards of ethics and compliance required for business partners.

The board Audit committee monitors implementation of the Business Partners Code and Pearson Legal oversees third party adherence to our Business Partner Code.

Responsible Procurement Policy
Ethics, respect for the environment and human rights are all important principles for Pearson.

Published in 2020, the policy sets out the minimum standards expected of Pearson suppliers in relation to social, environmental and ethical issues. The policy applies to any third-party entity delivering goods and/or services anywhere in the world to any Pearson affiliate.

As outlined on p7, Pearson has three priority UN SDGs:
- Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive, employment and decent work for all.
- Goal 10: Reduce inequality within and among countries.

In addition to these, we also believe our responsible procurement and supply chain practices can support the following SDGs:
- Goal 13: Take urgent action to combat climate change and its impacts.
- Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably managed forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
This policy sets out how Pearson implements these principles in the context of how we purchase products, services and materials.

Our Business Terms of Reference, specific to Pearson’s supply chain contracts, set out the terms and conditions for the purchase of goods and services, and are agreed prior to engaging suppliers. These terms and conditions require our suppliers to confirm that their supply chain is free from slavery, servitude, forced or compulsory labour and human trafficking as defined by the Modern Slavery Act 2015. The terms provide Pearson with the power of audit and right to terminate a relationship if we find issues of non-compliance, ensuring our responsible purchasing principles are contractually enforceable.

We have equivalent provisions within our indirect procurement contracts.

Additionally, we have an internal supplier engagement policy, which sets out the procedures to be followed, the minimum standards required and the documentation process to be adopted prior to identifying, contracting with and purchasing goods or services from a supplier.

**Overview: Modern Slavery Due Diligence and Risk Assessment**

In considering modern slavery as a risk for Pearson, our due diligence involves:

- Assessing actual and potential areas of risk applying the criteria below, including through our human rights risk assessment, third-party due diligence process and processes specific to various parts of our business
- Identifying gaps in policy and practice with regard to our ethical and responsible sourcing
- Addressing priority areas and areas of concern identified through this process
- Implementing remediation plans where issues are identified
- Identifying further priorities for action

In determining which areas of our business and supply chain to focus on with regard to modern slavery, we consider the following criteria for risk:

- Product and raw material risks (which have a higher prevalence of modern slavery in general)
- Country risk through the Global Slavery Index as well as NGO reporting on modern slavery
- Materiality-based risk (based on volume of product purchased, though we understand that volume does not correspond directly to salience of modern slavery risks)
- Degree of influence or control that Pearson has within the respective categories of spend

Modern slavery is also a consideration in broader risk assessment work, including a human rights impact assessment undertaken and a third-party anti-bribery and corruption due diligence process.

We conducted a comprehensive human rights impact assessment in 2017 drawing on the expertise of BSR, a sustainability organisation we have engaged to help us advance our human rights efforts. We engaged a range of internal and external stakeholders to consider how our operations, products and services, and the activities of our business partners may have a positive or negative impact, including in relation to modern slavery.
Looking across our business and value chain, the human rights assessment considered the rights of learners, employees and contractors, teachers and educators, customers, supply chain labour as well as the broader community. Through the process, we identified areas of risk and opportunity, such as strengthening due diligence and risk management in third-party transactions, including indirect procurement.

Commencing in 2018 we rolled out a global Anti-Bribery and Corruption (ABC) Third-Party Due Diligence programme. Over the course of the past three years, we have launched a new Third-Party ABC and Due Diligence Policy, implemented a new due diligence system and completed due diligence on all in-scope third parties in South Africa (including the Rest of Africa), the Middle East, India, Mainland China and Hong Kong, Asia Pacific, Brazil, Hispano America, Italy, Western, Central and Eastern Europe and our VUE and Test Centre businesses. We visited the offices located in these regions, met with key stakeholders and relationship owners, conducted due diligence on all third parties we deemed highest risk, thus ‘in scope,’ for due diligence, trained staff on how and when to conduct due diligence for all new engagements, and introduced remedial measures or terminated relationships where required.

We will shortly be launching a due diligence questionnaire which is considered best practice in gathering important ABC information from third parties. As our review process is on a two-year / renewal of the contract basis, we will be refreshing the due diligence of all high and very high risk third parties who last had their due diligence done two years ago.

Using our procurement system, we have also implemented due diligence processes in the US, UK and Canada as a prerequisite to onboarding any new in-scope third-party supplier. We have developed a dual-purpose online training course, which can be used as a refreshed due diligence training for those who have already been trained on the due diligence, and as an introduction to the process for those who have not. We have rolled it out to colleagues across all markets as a refresher training module. So far, we have screened 35,153 third parties globally.

We also continue to consult a variety of global and local stakeholders, including civil society and international organisations like BSR, to help us improve how we manage human rights and modern slavery related risks.

Areas of Focus

Based on our risk assessment, we have found that the areas below pose varying levels of risk in connection with some aspect of modern slavery. More detail is below and on the pages that follow.

Our direct supply chain, which accounts for approximately 30% of spend, presents a relatively higher level of risk based on the criteria above. With regard to our paper supply, forestry practice in some countries has been identified as having human rights concerns. See below. In our print supply chain, there is country-based risk. See p13.

Our indirect supply chain is considered lower risk. Recruitment policies and practices of contingent and agency workers could pose risk as workers in our examination paper distribution centres are needed seasonally. Third parties also recruit facilities service providers in Pearson buildings. See
Finally, while our exposure is limited, in some cases learners that interact with our business may be at risk for modern slavery. Through our safeguarding function, we support staff in our direct delivery businesses to identify risks and report them through the proper channels. See p15 for more about how we mitigate this risk.

Direct Procurement Due Diligence and Risk Assessment

**Paper Sourcing**

Timber production and forestry has been identified by Pearson as a higher risk industry due to the potential for human rights abuses, including the use of forced, indentured and child labour.

Pearson has a longstanding [responsible paper sourcing policy](#) that recognises this risk and sets out our ambition to use paper suppliers that offer legal, ethical and responsibly-sourced timber. This policy sets out our preference for papers that hold Forest Stewardship Council (FSC) certification, and we also recognise the Programme for the Endorsement of Forest Certification (PEFC) system of certification. In addition, our Sustainable Business Plan 2030 sets a target for 100% FSC by 2025 and we regularly track and report on sustainably paper usage.

The risk of slavery is associated with unsustainable and illegal forestry practices. As a cornerstone of their certification criteria, FSC and the PEFC require ethical treatment of workers in the forestry industry and compliance with fundamental ILO conventions, including the Forced Labour convention. There is an extensive due diligence process to ensure that forced labour and human trafficking are not part of the production process of FSC and PEFC-certified products. Both bodies require annual audits to verify continued compliance with certification requirements.

In 2020, we purchased over 35,000 tonnes of paper globally. To help to reduce our impact, we have retained Chain-of-Custody accreditation from the FSC in the UK, which enables Pearson products to carry the FSC logo. Of the more than 8,000 tonnes of paper we purchased in the UK, 61% was certified to an environmental standard, such as FSC or PEFC.

**Print Production**

We rely on third-party suppliers to print our textbooks and course materials. Globally, we have a diverse and resilient supply base of over 160 partners, spending over £1m with 21 of our partners in 2020.

In the UK, we require suppliers rated as high risk, and with spend of over £100,000, to undertake an independent third-party audit before being approved as a supplier; Pearson will require the supplier to evidence a valid audit from an acceptable independent third-party body. The Book Chain standard is utilised to help publishers identify labour and environmental risks in the supplier chain.
Our due diligence process also includes visiting suppliers around the world to assess compliance with our standards and ensure suppliers address non-compliance. These visits provide a valuable opportunity to reinforce our commitments to eliminating all forms of child, forced and compulsory labour, as well as promoting environmental stewardship.

In the UK business, we had £18m in spend with 34 suppliers. Of these, we have identified four suppliers, representing £3m in spend, as high risk based on country of operation (China and Malaysia), guidance from Book Chain (see below) and meeting our materiality threshold for the UK business, defined as exceeding £100,000 in spend. While none were visited in 2020 due to the impacts of COVID-19, independent audits were conducted for two of the four vendors in 2020, and all four were visited in 2019 to ensure compliance with agreed standards.

In 2020 our India business, we had £2.3m in spend with 16 printers. All 16 are participating in Book Chain and of these, 12 printers, representing £2.2m in spend, have audits in place, with 9 conducted in 2019/20.

In 2020 we spent £8.6m with five China based printers, of which £2.7m was manufactured for markets outside of China. Of these 5 printers, two representing £7.0m are currently participating in Book Chain and conducted audits in 2020.

The Book Chain Project – supplier labour and environmental audits for print and paper

Pearson is a founding signatory of the Book Chain project, a collaborative effort in the publishing industry to promote a responsible supply chain.

Pearson participates in all three elements of the project:
- PREPS – responsible forestry and paper sourcing
- PRELIMS – labour, human rights and environmental standard checks at print suppliers
- PIPS – product chemical safety.

PRELIMS (Publishers Resolution for Ethical International Manufacturing Standards) is a shared database which allows the publishing industry to ensure that supplier sites meet recognised standards for labour and environmental practice. PRELIMS has a Code of Conduct that collates standards that are based on existing internationally recognised codes and laws. The PRELIMS code outlines what the publishers expect from their suppliers, and also states the publishers’ commitments to their suppliers.

By engaging with Book Chain, suppliers benefit by easily sharing their audit results with multiple publishers, saving them time and money by avoiding duplication.

Independent third-party audits must be consistent with the PRELIMS code. We also recognise comparable codes and audit processes, including the audits carried out under the International Council of Toy Industries (ICTI) Care Process, and Sedex Members Ethical Trade Audit (SMETA) audits against the Ethical Tradition Initiative (ETI) Base Code.

The scope of these audits include checking (i) that there are employment contracts for all workers
(including migrants), (ii) the existence of policies and training relating to standards on forced labour, (iii) whether migrant workers were recruited through an agency and (iv) the existence of grievance procedures and their use. When issues are raised by auditors, these are assessed and corrective action plans are put in place.

Indirect Procurement Due Diligence and Risk Management

With our new technology platform live in the UK, US and Canada, new indirect supplier requests are tracked and subject to an auditable risk assessment being confirmed for onboarding into Pearson systems. Suppliers submit information directly and securely through our platform, governed by SOX control standards, where risk assessment concerns are tested across social, ethical and environment; compliance; and operations concerns. During 2020, we deployed systems to Japan, Singapore, Thailand, Malaysia and the Philippines deploying equivalent processes.

Contingent workers

Allegis Global Solutions (AGS) is the major partner supporting Pearson’s relationships with our contingent workforce population. Our contingent workers frequently fill roles such as engineers, developers, exam graders and project managers.

AGS, and our other partners, help Pearson ensure our contingent workers receive detailed information outlining how Pearson’s people policies apply to them, and help to hold contingent worker agencies accountable for ensuring that workers are informed of these policies.

Pearson is also a certified living wage employer in the UK in our directly managed operations. As such, we abide by the certification principles for our permanent, contract and agency workers. In a modern slavery context, paying a living wage reduces the risk of debt bondage.

Modern Slavery and Our Learners

While not an area of high risk, we recognize that we may encounter instances where learners interacting directly with Pearson could be at risk for modern slavery.

If an employee in our direct delivery business has a concern about a learner related to modern slavery, he or she is able to raise it through our internal safeguarding channels. Our safeguarding policy and programme focus on protecting learners wherever we operate, and particularly in schools, training and learning centres and teaching facilities. Our primary concerns focus on ensuring children's safety and providing safe, age-appropriate learning environments for all in both physical and virtual classroom settings.

Following the commitment set out in our last statement, we have had to postpone some work to better integrate measures to address modern slavery in our safeguarding procedures in order to address pressing matters related to COVID-19. We have rescheduled this work for 2021.
Effectiveness and Enforcement

With very few exceptions, all Pearson employees and suppliers may raise a concern anonymously on the www.PearsonEthics.com site – our whistleblowing service. If a local jurisdiction does not allow anonymous reporting, the site will not permit individuals to make an anonymous report. Individuals can ask an ethics or compliance question or make an inquiry regarding a company policy. Incidents can also be reported and individuals can track the progress of any investigation. Our policy is one of no retaliation against any person reporting concerns in good faith.

Cases that pose significant risks to our business are reported to the Pearson audit committee. In 2020, 100 concerns were raised and investigated. None were related to modern slavery and none were classed in our highest risk category.

Training

Pearson recognises training and awareness is important to reduce the risk of modern slavery. Pearson continues to invest in training, particularly for staff in key roles; as well as communication to suppliers operating in higher risk industries and geographies. Training includes guidance on UN Global Compact principles, with focus on forced and compulsory labour.

Examples include:

- Deliver training on the Pearson Code of Conduct to all employees annually.
- Increased awareness of the Pearson Business Partner Code of Conduct throughout our supply chain.
- Specific interventions with suppliers through the BookChain program in 2020 (e.g. sharing good practice guides on recruiting overseas workers in Malaysia).

Transparency

We commit to transparency in the implementation of this statement by making available reports on our progress to relevant stakeholders and to the public.

Plans for the Future

Our priorities for 2021 are to:

- Increase internal awareness of Pearson standards globally.
- Conduct training for buyers, and communication to suppliers, on Pearson requirements for respecting human rights and other sustainable business practices.
- Strengthen responsible sourcing clauses written into supplier contracts.
● Continue expanding the inclusion of environmental and social criteria in category management plans for priority areas of supplier spend.
● Establish the use of third-party ratings capability to increase Pearson visibility into our supplier policies, practices and maturity and implement appropriate improvement plans where required.
● Reduce the number of ‘active’ suppliers available for the business users to purchase against, therefore reducing our risk landscape.
● Improve data management systems and facilitate better measurement and reporting of KPIs.

This statement has been approved by the Board of Directors, Pearson plc as of 16 June 2021:
Signed by:

Andy Bird
Chief Executive Officer

To provide feedback on the content of the policy, please contact: Chuck Melley, SVP, Global Government Relations & Sustainability, chuck.melley@pearson.com

For more information on our organisation structure, business and supply chain management, please visit our annual report.

**Definition of Slavery**
Slavery, in accordance with the 1926 Slavery Convention, is the status or condition of a person over whom all or any of the powers attaching to the right of ownership are exercised. Since legal ‘ownership’ of a person is not possible, the key element of slavery is the behaviour on the part of the offender as if he/she did own the person, which deprives the victim of their freedom.

**Definition of Servitude**
Servitude is the obligation to provide services that is imposed by the use of coercion and includes the obligation for a ‘serf’ to live on another person's property and the impossibility of changing his or her condition.

**Definition of Forced or Compulsory Labour**
Forced or compulsory labour is defined in international law by the ILO’s Forced Labour Convention 29 and Protocol. It involves coercion, either direct threats of violence or more subtle forms of compulsion. The key elements are that work or service is exacted from any person under the menace of any penalty and for which the person has not offered him/herself voluntarily.

**Definition of Human Trafficking**
Human trafficking requires that a person arranges or facilitates the travel of another person with a view to that person being exploited including where the victim consents to the travel. This reflects the fact that a victim may be deceived by the promise of a better life or job or may be a child who is influenced to travel by an adult.