Pearson

Environmental Management System

1. Importance of Environmental Management

Pearson recognises that that our day-to-day operations have an environmental impact and that we have a responsibility to manage and measure this impact. Good environmental management brings many benefits:

- Consistent with our company values of being brave, imaginative, decent and accountable
- Improved environmental and reputational risk management
- Cost savings
- Meeting stakeholder expectations on what constitutes a well-run, responsible business
- Ensuring compliance with relevant environmental laws, regulations and codes
- Reflects our commitment as a founder signatory to the Global Compact principles on labour standards, human rights, environmental responsibility and combating corruption

The UN Global Compact principles that relate specifically to the environment are:

- Businesses should support a precautionary principle to environmental challenges; and
- Undertake initiatives to promote greater environmental responsibility; and
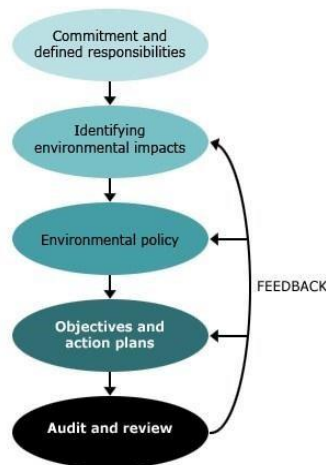- Encourage the development and diffusion of environmentally friendly technologies.

2. Introduction

The purpose of this document is to provide a reference on the environmental management system used by Pearson across its global businesses. Our approach was developed to reflect the principles and approach as set out in ISO14001, the internationally recognised environmental management standard.

Pearson is currently ISO14001 certified in the UK and in Australia. Our approach is to encourage our operations in different countries to seek accreditation where there is stakeholder demand and interest in our doing so.

Our global EMS is designed to ensure continuous improvement in our environmental performance. The five core elements of our Environmental Management System are:

- Commitment of top management and defined responsibilities;
- Identifying environmental impacts;
- Communicating an environmental policy;
- Setting environmental objectives and programmes/plans; and
- Regular audit and review cycle.

Commitment of top management and defined responsibilities

Kate James, Chief Corporate Affairs and Global Marketing Officer, is the executive management director responsible for the environment policy. Peter Hughes, Director of Sustainability oversees the management of the global reporting process and the company response to the changing regulatory environment.

Development and implementation of our strategy is overseen by the Responsible Business Leadership Council. The council is chaired by the Chief Corporate Affairs and Global Marketing Officer and includes senior executives from across the company. Progress is reported to the Reputation and Responsibility Committee, a formal committee of the main Board.

We have a network of country-specific committees supported by 20 eco-committees at our key buildings that look for additional opportunities for improvement.

Environmental management is an integral part of our normal business practice. As such, responsibility sits with our operating businesses. To support them we provide trend data and benchmarks against which buildings and business units can judge their performance and progress.

We commission comprehensive reviews of our buildings identifying opportunities for reduction. Building on these reviews, we have established an online global environmental data collection system. This covers utility and water billing, waste, fleet and business travel.
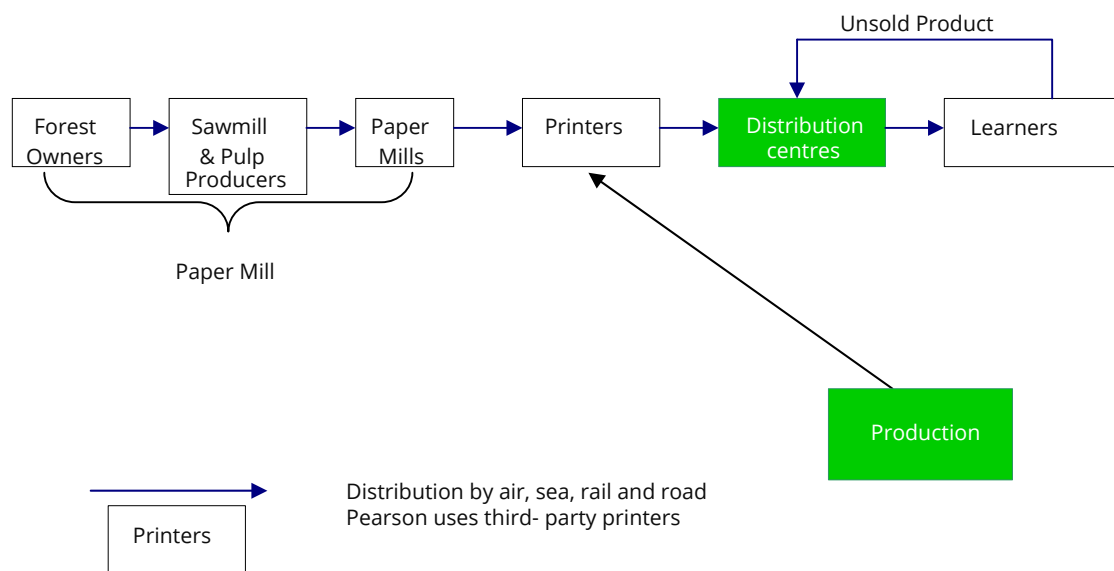
Environmental issues are an integral part of our review process for Social, Environmental and Ethical (SEE) risk. This bi-annual review process provides a means to ensure that the Board is advised of material matters relating to our environmental performance.

It is normal practice for our operating businesses to take advice from a range of sources including environmental management consultants and trade associations. We also work with regulatory bodies where appropriate.

Identifying environmental impacts

We are committed to improving our understanding of the impacts we have on the environment around us, and to set targets to manage and reduce them. However, as a business delivering learning, our direct environmental impacts are limited – and are mainly due to operational factors such as property management, use of energy and water, managing waste and travel.

Our indirect environmental impacts through our supply chain relationships are more significant, particularly those relating to book production.   Our physical supply chain Is described in the diagram below:

Unsold Product

Forest Owners → Sawmill & Pulp Producers → Paper Mills → Printers → Distribution centres → Learners

Paper Mill

Production

Distribution by air, sea, rail and road
Pearson uses third- party printers

Printers

The environmental consequences of our day to day operations over which we have practical control are marked in green. In our offices, call centres and distribution centres, we control how much energy we use, how much we travel and how much waste we produce. We also operate schools, universities and English language learning centres. Many of these impacts are directly related to the amount of business we do: the more we do the more resources we use. The areas of greatest direct impact for Pearson are:

Energy use
Unsold Product
Waste
Business Travel
Our physical product supply chain remains our most significant area of environmental impact and the key areas in our supply chain where we seek to exercise influence are:

Purchase and use of paper
Use of third party printers
Distribution

However, more than 60% of our revenues derived from digital technology and services. Our digital footprint covers:

> Content creation
> Distribution & Storage
> User access to learning technologies

Environmental policy

Pearson has had an environmental policy since 1992. This policy is regularly reviewed, most recently in 2016.

Our policy covers the general environmental impacts of the Pearson businesses. More specific impacts, such as those evident in the paper supply chain, are covered by separate policies.

Our policy covers the entire company. Certain operations, most notably in the UK have established their own environmental guidelines to complement that of the main policy.

Our global policy is available to all staff and to the general public through the Pearson corporate website and through neo, our intranet.

Setting environmental objectives/targets and programme/plans

A commitment to continuous improvement is a key element of our Environmental Management System. We have put in place a number of objectives and targets that we review on an annual basis. Our environmental targets are specific, measurable, achievable, realistic and time related.

These objectives are then supported by specific programs and action plans. Examples of specific environmental programmes include those for energy management and our work on managing the environmental impacts of our paper supply chains.

Annual audit and review cycle

Monitoring and measurement of activity is central to achieving continuous improvement and we established a reporting framework in 2001.

The data capture system covers all buildings. We have a global online environmental management portal. This covers all our buildings but we focus on those with more than 50 employees or larger than 10,000 square feet. The system allow us to analyze based on previous performance and stated targets.

Data relating to our environmental impacts under our direct control is collected for the following indicators:

Issue	Indicator
Energy	Electricity - kWh use
	Gas - kWh use
	Heavy fuel oil - kWh use
Transport	Car fleet – miles / km
	Air – miles / km
	Rail – miles /km
Climate change	Carbon dioxide emissions – metric tonnes
	Specifying alternatives to HCFC
Waste and recycling	Unsold product recycling – tonnes and % recycled
Packaging	Cardboard - metric tonnes
	Shrinkwrap - metric tonnes
	Plastic transit packaging - metric tonnes
	Foamfill - metric tonnes
Water	Mains water - m3 use

We also ask our businesses and sites to draw attention to any interesting case studies that we can use to highlight good practice through the company. This knowledge sharing enables internal benchmarking and promotes performance improvement.

The findings from this process are used to revise future environmental objectives, targets and programmes.

3. Reporting

Pearson reports comprehensive information on its environmental performance online. Highlights are in our annual report and the detail can be found in a dedicated environmental section within our Sustainability Report.

We primarily report online as this helps make our performance data and information widely accessible. It also means we cut down on the paper we use and the cost of reporting.

4. Useful contacts

- If you have any questions on environmental management at Pearson, please contact:

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