

Targets and commitments – 2015 progress

Area of focus	Our targets for 2015	2015 outcomes	2015 outcomes
Managing sustainability			
Sustainability strategy	Review our sustainability strategy.	✓	We worked with an independent third party to review our existing sustainability strategy and develop a new 2020 Sustainability Plan.
Prioritizing our issues	Complete a materiality review.	✓	A materiality review was completed.
Awards and recognitions	Maintain or improve our performance in external benchmarks of sustainability and corporate responsibility practice.	✓	In 2015, we maintained our performance on external benchmarks, as described on p76.

Trusted partner

Operate responsibly, ethically, and transparently			
Values and culture	Review and consult on Pearson values.	✓	In our 2015 employee engagement survey, we asked employees about our values, and 89% agreed that "Pearson's values are important to me."
Code of conduct	Revise and update the Pearson Code of conduct.	✓	Our revised Code was circulated to all Pearson employees and more than 99% of them confirmed they had read and understood it, and affirmed they would comply.
Treat learners, customers, and other partners with integrity and honesty			
Safeguarding and protecting learners	Launch guidelines, training, and an incident reporting framework.	✓	We launched an online training module, established common incident reporting frameworks, piloted a new approach to incident prevention, and assigned local business leads with accountability for safeguarding.
Product safety	Maintain zero incidents of product recalls or enforcement notices by regulatory bodies.	✓	No product recalls or enforcement notices occurred during the year.
Supply chain	Continue to embed social and environmental risk management into our procurement practices.	→	In 2015, we reviewed our approach to franchise partners and introduced a common contract template governing our responsibilities on key issues; this will be completed in 2016. We also began work on our response to the UK's Modern Slavery Act.
	Extend the reach of our vendor assurance process to cover medium-risk printers.	→	This process will be completed in 2016.
Customer experience	Extend the use of Net Promoter Score (NPS) to 50 global products.	✓	Customers shared their feedback on 72 global products through NPS by the end of 2015.

Area of focus	Our targets for 2015	2015 outcomes	2015 outcomes
Respect and progress our employees			
Data and analytics	Introduce a single global HR data platform in 2016, starting with the UK and South Africa in 2015.	→	In early 2016, we launched a new Human Resources portal, myHR, which will provide employees with information and guidance on HR policies and issues. We also launched Fusion in the UK, a 'self-service' HR system. This will be rolled out to South Africa, the US, and Canada during 2016.
Listening, collaborating, and communicating	Repeat our employee engagement survey.	✓	Our employee engagement survey is conducted annually.
	Continue to develop and embed Neo, our employee collaboration platform, including by consulting with employees on ways to improve Neo.	→	Effectively communicating with our employees is a company priority. We continue our ongoing effort to keep our employees informed and to develop and enhance our internal communication tools.
Diversity and inclusion	Continue to rate our diversity progress through relevant external benchmarks.	✓	We received a number of diversity recognitions in 2015.
	Continue to develop learning programs and opportunities that help attract and retain talented diverse people into our business and track our progress.	→	In 2015, our diversity training sessions were attended by 1,220 employees. We set up four new Employee Resource Group (ERG) – Pearson ABLE, Pearson Parents, Pearson Latino Network, and Pearson Veterans.
Health and safety	Continue work to develop consistent global policies and procedures.	✓	In 2015, we started executing a three-year strategic plan to develop a consistent global approach to health and safety. Activities included updating our health and safety policy, communicating it to employees, establishing a management review process with key leadership groups, implementing a risk-based health and safety auditing program, and establishing a network of health and safety coordinators.
Wellbeing	Develop and launch a wellbeing strategy as part of a wider offer to employees.	✓	During 2015, we updated our health and wellbeing strategy to move us toward a more proactive approach to wellness in the workplace. This is initially being trialled in the UK, where it was launched in early 2016.
Long-term incentives	Determine appropriate annual and long-term incentive arrangements that support the global education strategy.	✓	Annual and long-term incentive plans were updated in 2015 and aligned to growth objectives. In 2016, the board will review our incentive strategies.
Contribute to our communities			
Community investment	Maintain our total community investment at 1% or more of operating profit.	✓	In 2015, 1.5% of our pre-tax profits were invested in communities.
Social impact strategy	To invest in at least three flagship partnerships aiming to make a major impact on raising literacy levels.	✓	We launched Project Literacy, our flagship five-year social impact campaign that aims to put literacy within everyone's reach. We also launched Every Child Learning with Save the Children, and extended our partnership with Camfed.
Employee engagement	Launch a challenge fund and introduce a new platform to capture time and cash given to good causes.	✓	We launched the Employee Challenge Fund for Literacy, inviting Pearson employees to put forward proposals for directing Pearson funding and support to local charitable organizations. We introduced our ImpACT platform to signpost opportunities to fundraise or volunteer for good causes and to record funds and time donated.
Giving	Launch a global opportunity for Pearson employees to invest funds for social good.	✓	We teamed up with Kiva, a micro-lending platform, and distributed \$25 to each Pearson employee to lend to a Kiva project of their choice.

Targets and commitments – 2015 progress continued

Area of focus	Our targets for 2015	2015 outcomes	2015 outcomes
Progressively Improve environmental stewardship			
Carbon footprint	Put in place a new global carbon footprint tool.	✓	Tool in place.
Greenhouse gas emissions	Using 2009 as the base year, we aim to reduce our GHG emissions by 25% by the end of 2015.	✓	We reduced our GHG emissions by 30.3% as of end 2015.
Travel emissions	Target of 425 hybrid vehicles in the Pearson fleet in 2015.	✓	We have 448 hybrid cars in the fleet.
	Maintain air travel average (passenger km per employee) at 2014 levels.	✗	Air travel (passenger km per employee) increased 15% compared to 2014 levels. We have introduced new video-conferencing platforms and continue to be vigilant on costs.
	Use green messaging to promote video-conferencing technology.	✗	Travel restrictions were introduced, which made a voluntary campaign unnecessary.
Energy use	Reduce energy use on an absolute basis by 25% using 2013 as a baseline.	✓	We reduced energy use by 24.7% over the last two years.
Green energy	Maintain our commitment to purchase green electricity in 2015.	✓	We maintained our commitment to purchase green electricity. Pearson also signed up as a member of RE100.
	Complete a second solar panel project outside of the United States by the end of 2016.	✓	Solar panel project in South Africa was completed in 2015.
Paper	Pearson UK to seek to secure Forest Stewardship Council (FSC) certification by 2015.	✓	Pearson in the UK gained FSC Chain of Custody accreditation.
	Using 2013 as the baseline year, reduce the metric tons of paper required to generate £1m of revenue by 25% by the end of 2015.	✗	We reduced the paper we used per £1m of revenue by 21% against the target reduction of 25%. We expect further significant reduction in 2016.
Waste	Maintain our reuse/recycle rate for all unsold books in excess of 95%.	✓	Our reuse/recycle rate was 98%.
Water	Using 2014 as our new base year, our target is to reduce absolute water use across the company by 10% per square meter of occupied space by the end of 2018.	✓	We reduced water use 21% per square meter in 2015.
Facilities	Add a further building to be certified against Leadership in Energy and Environmental Design (LEED).	✓	Our building in River Street, Hoboken was assessed as Gold.
Employee engagement	Continue to extend our green team network.	✗	Green team numbers fell reflecting reorganization.
Reach more learners			
Accessibility	Expand globally the network of accessibility champions within Pearson.	✓	In 2015, 140 people around the world participating in the accessibility champions program. The program will be reviewed in 2016 to accommodate changes in the organization. It will resume in 2017.
	Host a Global Accessibility Awareness Day.	✓	Our Global Accessibility Awareness Day shared information about accessibility, its benefit to customers, and how to incorporate it into our daily thinking, with our employees.

Key: ✓ Achieved ➔ Ongoing ✗ Not achieved

2016 Targets and commitments

Our targets for 2016	
Managing sustainability	
Sustainability strategy	Continue to embed our five-year Sustainability Plan, including by: <ul style="list-style-type: none"> • Refining our strategy • Setting measurable targets and KPIs • Improving how we capture and analyze data • Formalizing our stakeholder engagement processes • Increasing employee engagement with our sustainability activities • Increasing transparency in our reporting.
Awards and recognition	Maintain or improve how we are viewed in external benchmarks of sustainability and corporate responsibility practice.
Trusted partner	
Operate responsibly, ethically, and transparently	
Ethical conduct	Provide training and raise awareness of our revised anti-bribery and corruption policy for higher risk countries and activities.
Human rights	Develop an overarching human rights policy. Review and report against the UN Global Compact's Children's Rights and Business Principles. Prepare to publish in 2017 our first statement in response to the UK's Modern Slavery Act.
Treat learners, customers, and partners with integrity and honesty	
Safeguarding and protecting learners	Strengthen safeguarding governance processes, address safeguarding risks, and increase training in our direct delivery business.
Product safety	Maintain zero incidents of product recalls or enforcement notices by regulatory bodies.
Data privacy and information security	Begin implementing our two-year data privacy and information security improvement program.
Supply chain	Continue to embed social and environmental risk management into our procurement practices. Complete the process of introducing a common contract template for all our franchise partners.
Customer experience	Extend our insight gathering practices and develop a cross-Pearson framework for incorporating customer feedback into our processes, with clear accountability and governance structures.
Respect and progress our employees	
Data and analytics	Continue to roll out our HR portal, MyHR, and Fusion HR system by country. Conduct our annual employee engagement survey, and commit to action plans as appropriate.
Talent management and development	Review and update our performance assessment practices based on employee and management feedback, launch Role of Manager program, and improve learning offerings.
Equality, diversity, and inclusion	Create a single global diversity and inclusion team to join up diversity and inclusion programs around the world. Expand Pearson's employee resource groups. Embed diversity and inclusion programs in talent management cycle.
Health and safety	Continue to execute our three-year strategy to fully integrate our health and safety program into our global business.
Corporate security	Strengthen corporate security policies, procedures, and standards. Establish a robust threat monitoring and risk assessment process. Develop an eLearning travel safety module.
Wellbeing	Complete and review our wellbeing pilot in the UK.

2016 Targets continued

Our targets for 2016	
Contribute to our communities	
Community investment	Maintain our total community investment at 1% or more of operating profit.
Giving	Reach \$1m in Kiva loans.
Volunteering	Launch a global campaign to increase volunteering activity.
Progressively improve environmental stewardship	
Carbon footprint	Pilot total carbon footprint reporting.
Greenhouse gas emissions	To reduce our absolute GHG emissions by 50% by the end of 2020 using 2009 as the base year.
Travel emissions	Maintain air travel average (passenger km per employee) at the same level. Target 450 hybrid vehicles for the Pearson fleet in 2016.
Green energy	Maintain our commitment to purchase green electricity in 2016.
Facilities	To reduce energy use in our buildings on an absolute basis by 50% by the end of 2020 using 2009 as the base year. Develop a global facilities management handbook.
Paper	Continue our drive for independently verified certification for the papers we use.
Waste	Maintain our reuse/recycle rate for all unsold books in excess of 95%.
Water	Using 2014 as our new base year, our stretch target is to reduce absolute water use across the company by 30% per square meter of occupied space by the end of 2018.
Employee engagement	Review green team strategy in 2017.

Reach more learners

Enhance affordability and accessibility of our offerings	
Accessibility	Establish a high-level executive committee to oversee our accessibility activities. Set measurable targets and objectives for the accessibility of our products. Increase internal awareness of accessibility issues and requirements.
Collaborate to improve access to quality education	
Empowering girls and women	Complete our review of Pearson activities related to girls and women, with the goal of informing a more strategic approach to empowering girls and women around the world, and begin to implement some of the recommendations.

Our targets for 2016	
Shape the future of education	
Measurably improve learning outcomes	
Efficacy	Collect evidence and publish efficacy reports on a wider range of products. Deepen the relationship between our efficacy framework and other internal processes including product improvement, acquisitions, and strategic planning. Lead a global conversation about the impact of our efficacy work, demonstrating how effective education products and services deliver enhanced learner outcomes.
Foster 21st century skills and competencies	
Research	Support research and dialogue on 21st century skills and competencies.
Contribute to research and knowledge	
Research publications	Release papers on critical topics such as adaptive learning, artificial intelligence in education, and building efficacy into learning technologies.
Engage with others to promote quality education	
Participate in a global conversation	Maintain leadership and participation in multi-stakeholder initiatives and partnerships that promote quality education and lifelong learning.