



Pearson

Sustainability &  
ESG Supplement 2019

## Introduction

# We exist to empower people to progress in their lives through learning



At its very core, Pearson is a company driven by a sense of purpose – we exist to empower people to progress in their lives through learning. The deeper we integrate sustainability into our business and strategy, the bigger and more positive will be the impact we have on society – and the more likely we are to prosper over time. We are committed to advancing UN Sustainable Development Goals, particularly goal 4 on quality education, goal 8 on decent jobs and economic growth and goal 10 on reducing inequality, and the UN Global Compact principles on human rights, labour, the environment and anti-corruption.

John Fallon  
Chief Executive

For the first time this year, we have brought together our annual and sustainability reports, demonstrating our commitment to more deeply embed sustainability across our business. We have compiled this supplement document containing additional key information for our stakeholders interested in sustainability and ESG, including:

- 2 Our new 2030 sustainability strategy, materiality assessment and stakeholder engagement
- 5 ESG performance data & assurance
- 15 Progress on 2020 plan targets
- 19 Our reporting frameworks: Our Global Reporting Initiative (GRI), UN Global Compact and UN Sustainable Development Goals (SDGs) content index

## 2030 Sustainability Strategy, materiality assessment and stakeholder engagement

### Overview

In our annual report, we have introduced a new 2030 Sustainability Strategy and take stock of progress towards our 2020 sustainability plan.

Looking towards 2030, our focus is identifying, supporting and developing people so they can reach their full potential and supporting the UN Sustainable Development Goals, (UN SDGs) particularly goal 4 on quality education, goal 8 on decent jobs and economic growth, and goal 10 on reducing inequality.

The focus areas of our strategy are below. Later this year, we will release our targets and more detail about how we will advance these objectives.

### 2030 Sustainability Strategy

#### Pearson sees a world of talent

Talent is the world's most valuable resource. We want to unleash it.

Our Sustainability Strategy has three main pillars:

#### Advance equity in learning



We have the role and responsibility to help overcome barriers to lifelong learning, from socio-economic hurdles to equity and health challenges.

#### Build skills for sustainable futures



We will use our skills, assets and partnerships to equip people with the technical skills, knowledge, creativity and resilience needed to achieve the UN SDGs.

#### Lead by example



Our 2030 strategy will continue to focus on building the foundations for a sustainable business, such as our commitments to respect human rights and minimise environmental impacts across our value chain.

### Materiality analysis & stakeholder engagement

Our new sustainability framework was developed based on a materiality analysis that considered how Pearson's business priorities and stakeholder expectations have changed and are likely to evolve. Our materiality assessment was undertaken with Forum for the Future, a well-respected sustainability charity.

As we approached this work, we have taken several key considerations into account:

- › **Engaging our stakeholders:** We engaged 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.
- › **Linking to business priorities:** Our process was designed to align with and support our corporate strategy and brand strategy.
- › **Supporting global goals:** We will continue our commitment to advancing the UN SDGs and leverage their targets and indicators in our goal-setting.

Active, ongoing input and engagement from internal and external stakeholders is key for Pearson. Our key stakeholder groups include employees, shareholders, learners, educational institutions & educators, employers, governments & regulators, business partners & suppliers, and international, non-governmental & non-profit organizations. Detailed information is on p14-15 of our [Annual Report](#).

For this materiality analysis, we conducted 50 interviews with internal and external stakeholders. The interviews asked stakeholders to reflect on the contribution Pearson can make to a sustainable future, explore opportunities and risks in the wider landscape, and identify the assets, relationships, skills and resources that Pearson has the ability to influence through its business activities. We also conducted internal focus groups to dive more deeply into three themes that came out of the interviews.

## 2030 Sustainability Strategy, materiality assessment and stakeholder engagement continued

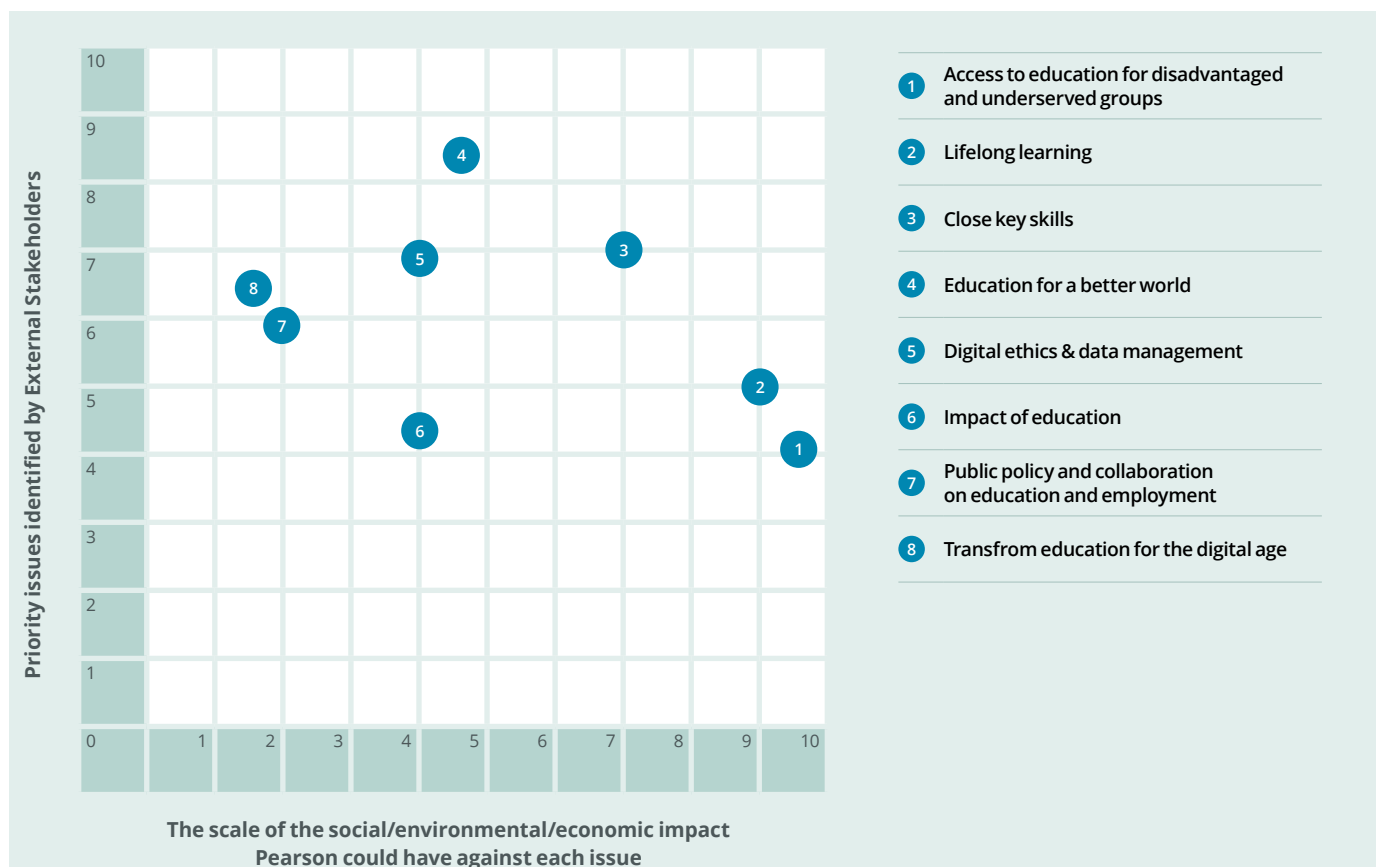
The interviews, focus groups and research identified eight high-impact issues that approximately 30 business leaders discussed at workshops to inform our materiality matrix, below. The output from these workshops was broad agreement on the material issues that guide Pearson's new sustainability strategy:

- 1 Access to education for disadvantaged and underserved groups: Using our products, services and partnerships to help disadvantaged/underserved groups (for example, low-income, women, underrepresented minorities, people with disabilities etc) gain access to education and help them learn effectively so they have opportunities to improve their lives.
- 2 3 Lifelong learning, closing key skills gaps: Supporting learners to navigate disruption and gain new skills that will help them find a new livelihood, including mental support and resilience for progressing through challenging times.
- 4 Education for a better world: Leveraging our products, services and voice to support learning about content and skills related to social and environmental issues in order to help learners prepare for green jobs, work for companies who are increasingly focused on sustainability and in their everyday lives.
- 5 Digital ethics & data management: Upholding the highest standards of data privacy and leveraging data to improve outcomes and support personalized learning targeted at improving outcomes for the most vulnerable learners.

- 6 Impact of education: Ensuring and demonstrating that our products and services improve learning outcomes and help learners make progress in their lives – for example, by enabling them to obtain workforce skills, get a job, earn a better livelihood or be a better global citizen.
- 7 Public policy and collaboration on education and employment: Engaging and partnering with governments and other organizations to inform public policy and shape new cross-sector approaches that improve education and outcomes, including the needs of vulnerable learners.
- 8 Transform education for the digital age: Account for and address the impacts of Pearson's digital transformation on learners, society and the environment.

Sustainability foundations for social and environmental impacts: In addition to the areas where Pearson can make the biggest positive impact, our stakeholders expressed clear expectations that we continue to scale efforts around human rights and the environment in our operations and supply chain. This includes our ongoing work to promote good labor practices and working conditions and mitigate impacts on climate and forests across our value chain.

### Materiality matrix



## ESG performance data and assurance

### Environment

For more information about how we manage our impact on the environment, please see p22-23 of the Annual Report.

|                                                                                                     | 2009                     | 2017                     | 2018                   | 2019                     |                        |
|-----------------------------------------------------------------------------------------------------|--------------------------|--------------------------|------------------------|--------------------------|------------------------|
| Greenhouse gas (GHG) (carbon dioxide equivalent) emissions overview (metric tons CO <sub>2</sub> e) |                          |                          |                        |                          |                        |
| Scope 1                                                                                             |                          |                          |                        |                          |                        |
| Gas, fleet and refrigerant loss                                                                     |                          | 15,691                   | 13,057                 | 13,251                   |                        |
| Scope 2                                                                                             |                          |                          |                        |                          |                        |
| Electricity – location based                                                                        |                          | 61,047                   | 49,920                 | 47,384                   |                        |
| Electricity – market based                                                                          |                          |                          | 4,583                  | 418                      |                        |
| Scope 3                                                                                             |                          |                          |                        |                          |                        |
| Other                                                                                               |                          | 1,230                    | 721                    | 569                      |                        |
| Business travel                                                                                     |                          | 21,999                   | 24,061                 | 15755                    |                        |
| Electricity transmission                                                                            |                          | 4,418                    | 3,489                  | 3462                     |                        |
| Total scope 3                                                                                       |                          | 27,647                   | 28,271                 | 19,786                   |                        |
| Total Emissions – location based                                                                    |                          | 104,385                  | 84,649                 | 80,421                   |                        |
| Total Emissions – market based                                                                      |                          |                          | 39,312                 | 33,454                   |                        |
| Total GHG/FTE metric tons (CO <sub>2</sub> e/FTE)                                                   | 5.66                     | 2.53                     | 3.48                   | 3.53                     |                        |
| CO <sub>2</sub> (tonnes) per m <sup>2</sup> (scope 1,2 location based & 3)                          | 0.15                     | 0.13                     | 0.12                   | 0.11                     |                        |
| CO <sub>2</sub> (tonnes)/ Sales revenue (scope 1+2 location based +3)                               | 37.39                    | 23.13                    | 20.5                   | 20.79                    |                        |
|                                                                                                     |                          |                          |                        |                          |                        |
|                                                                                                     | 2017<br>(location based) | 2018<br>(location based) | 2018<br>(market based) | 2019<br>(location based) | 2019<br>(market based) |
| GHG emissions from Pearson businesses (metric tons CO <sub>2</sub> e)                               |                          |                          |                        |                          |                        |
| US                                                                                                  | 54,503                   | 44,781                   | 17,301                 | 49,231                   | 19,951                 |
| UK                                                                                                  | 12,462                   | 11,112                   | 7,472                  | 8,049                    | 5,340                  |
| China                                                                                               | 11,963                   | 3,461                    | 745                    | 781                      | 279                    |
| South Africa                                                                                        | 12,976                   | 12,047                   | 1,792                  | 11,504                   | 1,914                  |
| India                                                                                               | 1,863                    | 2,795                    | 1,438                  | 2,121                    | 1,017                  |
| Brazil                                                                                              | 1,530                    | 1,987                    | 1,866                  | 1,554                    | 1,496                  |
| Canada                                                                                              | 1,865                    | 1,005                    | 1,005                  | 628                      | 284                    |
| Australia                                                                                           | 2,383                    | 2,170                    | 2,170                  | 2,184                    | 958                    |
| Rest of the world (except US, UK, China, South Africa, India, Brazil, Canada, Australia)            | 4,839                    | 10,641                   | 13,873                 | 4,369                    | 2,215                  |
| Total                                                                                               | 104,384                  | 84,649                   | 39,312                 | 80,421                   | 33,454                 |
| Percent decrease from year to year (for Scope 1 to 3)                                               | -17%                     | 19%                      |                        | 5%                       | 15%                    |
| Renewable energy (kW)                                                                               |                          |                          |                        |                          |                        |
|                                                                                                     | 2017                     | 2018                     |                        | 2019                     |                        |
| Total solar                                                                                         | 2,265                    | 2,300                    |                        | 2,250<br>estimated       |                        |
| Total wind                                                                                          | 95                       | 95                       |                        | 95                       |                        |
| Total                                                                                               | 2,360                    | 2,395                    |                        | 2,350                    |                        |
| Environmental reporting measures (Units)                                                            |                          |                          |                        |                          |                        |
|                                                                                                     | 2017                     | 2018                     |                        | 2019                     |                        |
| Net internal area of reporting offices (m <sup>2</sup> )                                            | 788,506                  | 686,493                  |                        | 651,903                  |                        |
| Energy consumption measure                                                                          |                          |                          |                        |                          |                        |
|                                                                                                     | 2017                     | 2018                     |                        | 2019                     |                        |
| % electricity from renewable sources                                                                | 100%                     | 100%                     |                        | 100%                     |                        |
| Total electricity consumption from renewable sources only (MWh)                                     | 122,224                  | 106,735                  |                        | 90,192                   |                        |
| Total gas consumption (MWh)                                                                         | 25,553                   | 20,325                   |                        | 39,443                   |                        |
| Total fuel oil consumption (MWh)                                                                    | 96                       | 23                       |                        | 85                       |                        |
| Total energy consumption (MWh)                                                                      | 147,873                  | 127,083                  |                        | 129,720                  |                        |
| MWh/employee                                                                                        | 4.9                      | 5.2                      |                        | 5.7                      |                        |

## ESG performance data and assurance continued

|                                                                            | 2017<br>(location<br>based) | 2018<br>(location<br>based) | 2018<br>(market<br>based) | 2019<br>(location<br>based) | 2019<br>(market<br>based) |
|----------------------------------------------------------------------------|-----------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| <b>Business travel measure</b>                                             |                             |                             |                           |                             |                           |
| Air passenger (km)                                                         | 152,430,338                 | 109,045,619                 |                           | 95,996,948                  |                           |
| Rail passenger (km)                                                        | 13,893,549                  | 19,524,981                  |                           | 12,870,836                  |                           |
| Road (distance, km)                                                        | 58,254,200                  | 44,552,853                  |                           | 32,438,877                  |                           |
| Road (fuel use) (litres)                                                   | 0                           | 0                           |                           |                             |                           |
| Road (derived energy) (MWh)                                                | 41,511                      | 34,238                      |                           | 32,439                      |                           |
| Total GHG emissions from business travel (metric tons/CO <sub>2</sub> e)   | 21,999                      | 28,271                      |                           | 19,786                      |                           |
| <b>Paper</b>                                                               |                             |                             |                           |                             |                           |
| Paper used (MT)                                                            | 95,552                      | 103,758                     |                           | 100,000                     |                           |
| <b>Waste</b>                                                               |                             |                             |                           |                             |                           |
| Total waste to landfill (MT)                                               | 1,244                       | 681                         |                           | 629                         |                           |
| Total waste to landfill (MT/FTE)                                           | 0.04                        | 0.028                       |                           | 0.028                       |                           |
| <b>Water</b>                                                               |                             |                             |                           |                             |                           |
| Total water consumption (m <sup>3</sup> )                                  | 530,728                     | 580,958                     |                           | 453,589                     |                           |
| Total water consumption (m <sup>3</sup> /FTE)                              | 17.5                        | 23.89                       |                           | 19.36                       |                           |
| <b>Legal compliance</b>                                                    |                             |                             |                           |                             |                           |
| Reported environmental prosecutions                                        | nil                         | nil                         |                           | nil                         |                           |
| <b>CO<sub>2</sub> per employee</b>                                         |                             |                             |                           |                             |                           |
| CO <sub>2</sub> (tonnes) per employee (scope 1,2 location based & 3)       | 3.44                        | 3.48                        |                           | 3.57                        |                           |
| CO <sub>2</sub> (tonnes) per employee (scope 1,2 market based & 3)         |                             | 1.8                         |                           | 1.49                        |                           |
| <b>CO<sub>2</sub> per m<sup>2</sup> (of building space occupied)</b>       |                             |                             |                           |                             |                           |
| CO <sub>2</sub> (tonnes) per m <sup>2</sup> (scope 1,2 location based & 3) | 0.13                        | 0.12                        |                           | 0.11                        |                           |
| CO <sub>2</sub> (tonnes) per m <sup>2</sup> (scope 1,2 market based & 3)   |                             | 0.06                        |                           | 0.05                        |                           |
| <b>CO<sub>2</sub> per £m sales revenue (scope 1&amp;2)</b>                 |                             |                             |                           |                             |                           |
| CO <sub>2</sub> (tonnes)/ Sales revenue (scope 1+ 2 location based)        | 17                          | 15.25                       |                           | 15.67                       |                           |
| CO <sub>2</sub> (tonnes) per employee (scope 1+2 market based)             |                             | 4.27                        |                           | 3.53                        |                           |
| <b>CO<sub>2</sub> per £m sales revenue (scope 1,2 &amp; 3)</b>             |                             |                             |                           |                             |                           |
| CO <sub>2</sub> (tonnes)/ Sales revenue (scope 1+ 2 location based +3)     | 23.13                       | 20.5                        |                           | 20.79                       |                           |
| CO <sub>2</sub> (tonnes) per employee (scope 1+2 market based+3)           |                             | 9.52                        |                           | 8.65                        |                           |

### Environmental data assurance

Our environmental sustainability data is assured by Corporate Citizenship, an independent third party. The scope of the assurance covers our energy consumption, carbon emissions, 100% renewable electricity and carbon neutrality commitments. Read more at <https://www.pearson.com/sustainability/reporting-policies.html>.

## ESG performance data and assurance continued

### Social

#### Our employees

The focus on simplification at Pearson continued in 2019 with the goal of making the company more efficient and focused. During the year, we completed the disposal of our US K12 Courseware business and reported a further reduction in headcount.

We recognise that our cost savings programs bring operational risks and one way we mitigate these is through our commitments to our people as a responsible employer.

These are to inform, support and equip colleagues to work collaboratively and to innovate; encourage and reward high performance, nurture and develop talent and foster a culture where everyone is able to realise their individual potential; provide a safe and healthy work environment for our employees and our stakeholders; help our colleagues understand how we are doing as a company; provide information, support and consult colleagues who leave the company.

We describe how we engage our employees, invest in talent, manage organisational change and promote diversity and a culture of inclusion in our Annual Report (p14, p21-23, p43 and p64).

|                                                           | 2017   | 2018   | 2019   |
|-----------------------------------------------------------|--------|--------|--------|
| <b>Total average number of employees for the year</b>     | 30,339 | 24,322 | 22,734 |
| <b>Employees by geography, total average for the year</b> |        |        |        |
| North America                                             | 16,295 | 14,113 | 13,564 |
| Core                                                      | 5,291  | 5,192  | 4,951  |
| Growth                                                    | 8,268  | 4,521  | 3,693  |
| NA                                                        | 485    | 496    | 526    |
| <b>Total permanent employees, as of 31 December</b>       | 99%    | 96%    | 95%    |
| Permanent contracts – male                                | 38%    | 38%    | 41%    |
| Permanent contracts – female                              | 62%    | 62%    | 58%    |
| <b>Total temporary employees, as of 31 December</b>       | 3%     | 4%     | 5%     |
| Temporary contracts – male                                | 34%    | 30%    | 36%    |
| Temporary contracts – female                              | 64%    | 68%    | 64%    |
| <b>Total full-time employees, as of 31 December</b>       | 83%    | 79%    | 79%    |
| Full-time – male                                          | 41%    | 41%    | 45%    |
| Full-time- female                                         | 59%    | 58%    | 55%    |
| <b>Total part-time employees, as of 31 December</b>       | 16%    | 18%    | 21%    |
| Part-time – male                                          | 24%    | 24%    | 25%    |
| Part-time- female                                         | 75%    | 76%    | 75%    |

## ESG performance data and assurance continued

### Employee gender diversity

|              | 2017 | 2018 | 2019 |
|--------------|------|------|------|
| Total male   | 39%  | 38%  | 41%  |
| Total female | 61%  | 62%  | 59%  |

#### Female leadership

|                                                          |     |     |     |
|----------------------------------------------------------|-----|-----|-----|
| Board positions held by women                            | 30% | 30% | 33% |
| Percentage of women on Pearson's executive team          |     |     |     |
| – total                                                  | 18% | 9%  | 18% |
| – excluding enabling functions                           | 0%  | 0%  | 0%  |
| Senior leadership*                                       | 30% | 31% | 34% |
| VP, as of 31 December                                    | 41% | 43% | 40% |
| Director, as of 31 December                              | 47% | 48% | 48% |
| Manager, as of 31 December                               | 51% | 48% | 50% |
| Percentage of women in technology roles (IT/engineering) | 24% | 34% | 35% |
| Percentage of women employees in revenue-producing roles | 55% | 65% | 62% |
| Percentage of promotions received by women               | 59% | 59% | 56% |
| UK median gender pay gap                                 | 15% | 14% | 12% |

### Employee age representation, all as of 31 December

|                           | 2017         | 2018         | 2019  |
|---------------------------|--------------|--------------|-------|
| <b>Under 30 years old</b> | 6,052 / 20%  | 4,165 / 15%  | 14%   |
| 30-50 years old           | 17,960 / 58% | 16,465 / 60% | 58%   |
| Over 50 years old         | 6,864 / 22%  | 6,890 / 15%  | 28%   |
| No date                   | 10 / 0.00%   | 105 / 0.38%  | 0.50% |

#### Employee age by gender

|                           |                 |                |     |
|---------------------------|-----------------|----------------|-----|
| <b>Under 30 years old</b> |                 |                |     |
| Female                    | 3,928 / 13%     | 2,614 / 36%    | 9%  |
| Male                      | 2,111 / 7%      | 1,510 / 5.47%  | 5%  |
| NA                        | 13 / 0.04%      | 41 / 0.15%     |     |
| <b>30-50 years old</b>    |                 |                |     |
| Female                    | 10,811 / 35.01% | 9,954 / 36%    | 33% |
| Male                      | 7,114 / 23.04%  | 6,468 / 23%    | 25% |
| NA                        | 35 / 0.11%      | 43 / 0.16%     |     |
| <b>Over 50 years old</b>  |                 |                |     |
| Female                    | 4,270 / 13.83%  | 4,468 / 16.17% | 17% |
| Male                      | 2,479 / 8.03%   | 2,418 / 9%     | 11% |
| NA                        | 115 / 0.37%     | 4 / 0.01%      |     |



## ESG performance data and assurance continued

### Turnover

Involuntary terminations as a result of divestiture and restructuring are driving turnover rates up. Prior to 2019, our business was structured around 3 geographies: North America, Growth (China, India, Brazil, South Africa) and Core (UK and rest of world) and we reported following this structure. For 2019, we are reporting UK, US and Rest of world.

|                                           | 2017                 | 2018                  | 2019                 |
|-------------------------------------------|----------------------|-----------------------|----------------------|
| Turnover rate, total average for the year | 8,413 / 26% (global) | 11,024 / 37% (global) | 8,627 / 37% (global) |
| Voluntary turnover                        | 5,185 / 16% (global) | 5,101 / 20% (global)  | 4,695 / 20% (global) |
| Involuntary turnover                      | 3,228 / 10% (global) | 5,923 / 17% (global)  | 3,932 / 17% (global) |

#### Turnover by region

|                                |             |             |      |
|--------------------------------|-------------|-------------|------|
| UK (2019)                      |             |             | 4%   |
| US (2019)                      |             |             | 25%* |
| Rest of world (2019)           |             |             | 8%   |
| Core (2018 and prior)          | 648 / 2%    | 780 / 3%    |      |
| Growth (2018 and prior)        | 2,318 / 7%  | 3,346 / 11% |      |
| North America (2018 and prior) | 2,209 / 7%  | 2,084 / 7%  |      |
| Other (2018 and prior)         | 3,238 / 10% | 4,814 / 16% |      |

#### Turnover by gender

|        |             |             |             |
|--------|-------------|-------------|-------------|
| Female | 5,098 / 16% | 7,201 / 24% | 5,447 / 23% |
| Male   | 3,126 / 10% | 3,711 / 13% | 3,168 / 14% |
| NA     | 189 / .58%  | 112 / .38%  | 12 / .1%    |

#### Turnover by region & gender

|                                       |            |             |             |
|---------------------------------------|------------|-------------|-------------|
| <b>UK (2019)</b>                      |            |             |             |
| Female                                |            |             | 528 / 2%    |
| Male                                  |            |             | 373 / 2%    |
| NA                                    |            |             | 0 / 0%      |
| <b>US (2019)</b>                      |            |             |             |
| Female                                |            |             | 3,917 / 17% |
| Male                                  |            |             | 1,901 / 8%  |
| NA                                    |            |             | 0 / 0%      |
| <b>Rest of World (2019)</b>           |            |             |             |
| Female                                |            |             | 1,002 / 4%  |
| Male                                  |            |             | 894 / 4%    |
| NA                                    |            |             | 12 / .1%    |
| <b>Core (2018 and prior)</b>          |            |             |             |
| Female                                | 442 / 1%   | 509 / 2%    |             |
| Male                                  | 194 / .59% | 252 / 1%    |             |
| NA                                    | 12 / 0.04% | 19 / 0.06%  |             |
| <b>Growth (2018 and prior)</b>        |            |             |             |
| Female                                | 1,333 / 4% | 2,183 / 7%  |             |
| Male                                  | 946 / 3%   | 1,157 / 4%  |             |
| NA                                    | 39 / 0.1%  | 6 / 0.02%   |             |
| <b>North America (2018 and prior)</b> |            |             |             |
| Female                                | 1,424 / 4% | 1,524 / 14% |             |
| Male                                  | 716 / 2%   | 560 / 5%    |             |
| NA                                    | 69 / 0.21% | 0 / 0%      |             |
| <b>Other (2018 and prior)</b>         |            |             |             |
| Other – Female                        | 1,899 / 6% | 2,985 / 10% |             |
| Other – Male                          | 1,270 / 4% | 1,742 / 6%  |             |
| Other – NA                            | 69 / 0.21% | 87 / 0.3%   |             |

\*Includes headcount of US K12 courseware business sold in 2019

[Click here to view our 2019 Annual Report & Accounts.](#)

## ESG performance data and assurance continued

|                              | 2017        | 2018        | 2019  |
|------------------------------|-------------|-------------|-------|
| <b>Turnover by age group</b> |             |             |       |
| Under 30 years old           | 2,479 / 8%  | 2,943 / 10% | 7%    |
| 30-50 years old              | 4,292 / 13% | 5,710 / 19% | 19%   |
| Over 50 years old            | 1,642 / 5%  | 2,193 / 7%  | 11%   |
| No date                      |             | 178 / .6%   | 0.03% |

|                                           |            |             |       |
|-------------------------------------------|------------|-------------|-------|
| <b>Turnover by gender &amp; age group</b> |            |             |       |
| <b>Under 30 years old</b>                 |            |             |       |
| Female                                    | 1,561 / 5% | 2,007 / 7%  | 5%    |
| Male                                      | 893 / 3%   | 928 / 3%    | 3%    |
| NA                                        | 25 / .08%  | 8 / 0.03%   | 0.02% |
| <b>30-50 years old</b>                    |            |             |       |
| Female                                    | 2,559 / 8% | 3,689 / 13% | 12%   |
| Male                                      | 1,689 / 5% | 2,010 / 7%  | 7%    |
| NA                                        | 44 / .1%   | 11 / 0.04%  | 0.01% |
| <b>Over 50 years old</b>                  |            |             |       |
| Female                                    | 978 / 3%   | 1,447 / 5%  | 7%    |
| Male                                      | 544 / 2%   | 744 / 7%    | 3%    |
| NA                                        | 120 / .4%  | 2 / 0.01%   | 0%    |

### New hires

|                                                                                 | 2017        | 2018        | 2019        |
|---------------------------------------------------------------------------------|-------------|-------------|-------------|
| Total number and rate of new employee hires (number of hires/average headcount) | 6,153 / 20% | 7,053 / 26% | 4,326 / 21% |
| Total number of new hires – female                                              |             | 4,661 / 66% | 2,725 / 63% |
| Total number of new hires – male                                                |             | 2,185 / 31% | 1,601 / 37% |
| Total number of new hires – NA                                                  |             | 207 / 3%    | 21 / .5%    |

|                            |  |  |             |
|----------------------------|--|--|-------------|
| <b>New hires by region</b> |  |  |             |
| UK (2019)                  |  |  | 754 / 12%   |
| US (2019)                  |  |  | 3,453 / 56% |
| Rest of World (2019)       |  |  | 1,907 / 31% |

|                                |             |             |  |
|--------------------------------|-------------|-------------|--|
| Core (2018 and prior)          | 710 / 12%   | 569 / 8%    |  |
| Growth (2018 and prior)        | 580 / 9%    | 617 / 9%    |  |
| North America (2018 and prior) | 2,144 / 35% | 2,292 / 33% |  |
| Other (2018 and prior)         | 2,719 / 44% | 3,575 / 51% |  |

|                                       |  |  |             |
|---------------------------------------|--|--|-------------|
| <b>New hires by region and gender</b> |  |  |             |
| <b>UK (2019)</b>                      |  |  |             |
| Female                                |  |  | 436 / 7%    |
| Male                                  |  |  | 317 / 5%    |
| NA                                    |  |  | 1 / 0%      |
| <b>US (2019)</b>                      |  |  |             |
| Female                                |  |  | 2,374 / 39% |
| Male                                  |  |  | 1,069 / 17% |
| NA                                    |  |  | 10 / 0%     |
| <b>Rest of world (2019)</b>           |  |  |             |
| Female                                |  |  | 1,067 / 17% |
| Male                                  |  |  | 837 / 14%   |
| NA                                    |  |  | 3 / 0%      |

## ESG performance data and assurance continued

|                                       | 2017        | 2018        | 2019 |
|---------------------------------------|-------------|-------------|------|
| <b>Core (2018 and prior)</b>          |             |             |      |
| Female                                | 472 / 8%    | 346 / 5%    |      |
| Male                                  | 218 / 4%    | 208 / 3%    |      |
| NA                                    | 20 / 0.3%   | 15 / 0.2%   |      |
| <b>Growth (2018 and prior)</b>        |             |             |      |
| Female                                | 257 / 4%    | 331 / 5%    |      |
| Male                                  | 298 / 5%    | 231 / 3%    |      |
| NA                                    | 25 / 0.40%  | 55 / 0.8%   |      |
| <b>North America (2018 and prior)</b> |             |             |      |
| Female                                | 1,549 / 25% | 1,752 / 25% |      |
| Male                                  | 565 / 9%    | 534 / 8%    |      |
| NA                                    | 30 / 0.4%   | 6 / 0.1%    |      |
| <b>Other (2018 and prior)</b>         |             |             |      |
| Female                                | 1,589 / 25% | 2,232 / 25% |      |
| Male                                  | 1,040 / 17% | 1,212 / 17% |      |
| NA                                    | 90 / 1%     | 131 / 2%    |      |

| <b>New hires by age group</b> |             |             |     |
|-------------------------------|-------------|-------------|-----|
| Under 30 years old            | 2,242 / 36% | 2,303 / 33% | 33% |
| 30-50 years old               | 2,869 / 47% | 3,239 / 46% | 47% |
| Over 50 years old             | 915 / 15%   | 1,353 / 19% | 18% |
| no date                       | 127 / 2%    | 158 / 2%    | 2%  |

| <b>New hires by age group &amp; gender</b> |             |             |     |
|--------------------------------------------|-------------|-------------|-----|
| <b>Under 30 years old</b>                  |             |             |     |
| Female                                     | 1,359 / 22% | 1,517 / 22% | 21% |
| Male                                       | 856 / 14%   | 736 / 10%   | 12% |
| NA                                         | 27 / 0.4%   | 50 / 0.7%   | –   |
| <b>30-50 years old</b>                     |             |             |     |
| Female                                     | 1,855 / 30% | 2,139 / 30% | 28% |
| Male                                       | 976 / 16%   | 1,048 / 15% | 19% |
| NA                                         | 38 / 0.6%   | 52 / 0.7%   | –   |
| <b>Over 50 years old</b>                   |             |             |     |
| Female                                     | 631 / 10%   | 958 / 14%   | 13% |
| Male                                       | 275 / 4%    | 387 / 5%    | 6%  |
| NA                                         | 9 / 0.2%    | 8 / 0.1%    | –   |

| <b>Length of service</b>                         |      |      |      |
|--------------------------------------------------|------|------|------|
| Average length of service for a Pearson employee | 6.15 | 6.75 | 7.00 |
| Average length of service – female               | 6.06 | 6.63 | 7.00 |
| Average length of service – male                 | 6.36 | 7.02 | 7.10 |
| Median length of service – female                | 3.82 | 3.8  | 4.60 |
| Median length of service – male                  | 4.08 | 3.88 | 5.00 |

## ESG performance data and assurance continued

### Performance, Career Development and Learning

In 2019, we reviewed our approach to learning & development for our employees. We recognise that it is increasingly important for Pearson to develop new skills, capabilities and behaviors to keep pace and differentiate us from our competition. We are therefore looking for 2020 to redefine the learning agenda within Pearson and will appoint a senior leader to drive this agenda.

|                                                                                                                                                                      | 2017         | 2018         | 2019                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Employee training hours</b>                                                                                                                                       |              |              |                                                                                                                                                                                                   |
| Total hours by all employees                                                                                                                                         | 151,166      | 95,940       | 51,525                                                                                                                                                                                            |
| Average hours per year per employee                                                                                                                                  | 4.89         | 2.63         | 2.22                                                                                                                                                                                              |
| <b>Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period</b> |              |              |                                                                                                                                                                                                   |
| Total                                                                                                                                                                | 19,436 / 63% | 20,577 / 75% | In 2019, we replaced the formal annual review process with regular conversations between managers and employees focused on performance, development, and alignment with our values and behaviors. |
| Female                                                                                                                                                               | 10,840 / 35% | 11,756 / 43% |                                                                                                                                                                                                   |
| Male                                                                                                                                                                 | 8,493 / 28%  | 8,592 / 31%  |                                                                                                                                                                                                   |
| SVP                                                                                                                                                                  | 93 / .3%     | 91 / 0.3%    |                                                                                                                                                                                                   |
| VP                                                                                                                                                                   | 363 / 1%     | 349 / 1%     |                                                                                                                                                                                                   |
| Director                                                                                                                                                             | 1,034 / 3%   | 1,022 / 4%   |                                                                                                                                                                                                   |
| Manager                                                                                                                                                              | 2,527 / 8%   | 2,783 / 10%  |                                                                                                                                                                                                   |
| Other levels                                                                                                                                                         | 15,419 / 50% | 16,332 / 59% |                                                                                                                                                                                                   |

### Employee benefits

|                                                                                                     | 2017              | 2018                | 2019               |
|-----------------------------------------------------------------------------------------------------|-------------------|---------------------|--------------------|
| <b>Health and wellness benefits</b>                                                                 |                   |                     |                    |
| Percentage of employees participating in Pearson medical programs                                   | 82% US/ 51% UK    | 82% (US) / 53% (UK) | 82% (US)/53% (UK)  |
| Average percentage of health insurance costs for employees paid by Pearson                          | 80% US / 79% UK   | 80% (US) / 82% (UK) | 79% (US)/82% (UK)  |
| Average percentage of health insurance costs for employees, spouses, and dependants paid by Pearson | 80% (US)/82% (UK) | 84% (UK)            | 79% (US)/ 82% (UK) |

|                                                                                                      |          |          |          |
|------------------------------------------------------------------------------------------------------|----------|----------|----------|
| <b>Financial benefits</b>                                                                            |          |          |          |
| Percentage of eligible employees participating in Pearson's 401(k) Plan                              | 92% (US) | 92% (US) | 93% (US) |
| Percentage of employees participating in the Employee Stock Purchase Plan                            | 22% (US) | 21% (US) | 22% (US) |
| Percentage of employees participating in the Worldwide Save For Shares Plan – globally except the US | 18%      | 18%      | 17.5%    |
| Percentage of workforce below senior leadership eligible for LTIPs                                   | 5.2%     | 6.25%    | 5.9%     |

|                                                              |                         |             |                   |
|--------------------------------------------------------------|-------------------------|-------------|-------------------|
| <b>Work/Life balance and lifestyle programs</b>              |                         |             |                   |
| Number of employees using commuter benefits                  | 600 (US)                | 691 (US)    | 812 (US)          |
| Number of employees using Pearson's Employee Assistance Plan | 390 (US)/239 (UK)       | 402 (US)    | 883 (US)/217 (UK) |
| Number of interactions with Pearson's lifestyle programs     | 12,709 (US)/10,148 (UK) | 11,482 (US) | 9,652 (US)        |

## ESG performance data and assurance continued

### Health and safety

More information about how we manage health and safety is on p45 of the Annual Report.

|                                                                              | 2017 | 2018 | 2019 |
|------------------------------------------------------------------------------|------|------|------|
| Percentage of H&S standards implemented across all locations <sup>1</sup>    | 82%  | 92%  | 96%  |
| Number of H&S audits & advisory reviews <sup>2</sup>                         | 41   | 31   | 34   |
| Percentage closure of open action audit findings as of 1 January             | 90%  | 91%  | 95%  |
| Number of improvement follow-up actions from audits implemented as 1 January | 319  | 885  | 936  |
| Number of injuries <sup>3</sup>                                              | 112  | 107  | 88   |
| Number of work-related illness cases <sup>4</sup>                            | 99   | 110  | 121  |
| Number of serious incidents <sup>5</sup>                                     | 27   | 21   | 26   |
| Number of work-related fatalities                                            | 0    | 0    | 1    |
| Total incident rate per 100 employees <sup>6</sup>                           | 0.77 | 0.87 | 0.91 |
| Injury & illness rate per 100 employees <sup>7</sup>                         | 0.28 | 0.29 | 0.28 |
| Serious incident ratio <sup>8</sup>                                          | 9%   | 7%   | 11%  |
| Workplace inspections reported                                               | 2407 | 849  | 444  |

1. Primary metric for implementation of our H&S management system.

2. Audits & advisory reviews conducted by Global Risk Management staff to provide assurance of local compliance with H&S law and policy.

3. Total injuries requiring medical treatment or lost time due to injury. Does not include minor/first aid cases.

4. Includes musculoskeletal disorders, work-related stress, and other illness cases related to work

5. Internal metric defined as any work-related injury or illness resulting in more than 3 days away from work.

6. Rate of all incidents (including minor) per 100 employees.

7. Rate of injuries/illness related to work, not including minor/first aid incidents.

8. Internal metric designed to measure prevention of serious incidents and active reporting of minor incidents.

### Social contributions

The figure below includes Every Child Learning (see p18 of the Annual Report), our CAMFED partnership (see p18 of the Annual Report), Tomorrow's Markets Incubator, Project Literacy and related program management costs.

|                      | 2018  | 2019  |
|----------------------|-------|-------|
| Social contributions | £5.7m | £2.3m |

### BTECs & SDG 4

We recently launched our first sustainability-backed loan linking to our progress in increasing access to quality vocational education to learners in international markets.

|                                             | 2017 | 2018   | 2019   |
|---------------------------------------------|------|--------|--------|
| Number of BTEC registrations outside the UK |      | 33,403 | 43,906 |

## ESG performance data and assurance continued

### Governance

|                                                                              | 2017                                  | 2018     | 2019     |
|------------------------------------------------------------------------------|---------------------------------------|----------|----------|
| <b>Raising concerns</b>                                                      |                                       |          |          |
| Total number of concerns raised & investigated.                              | 87                                    | 80       | 135      |
| Human Resources Matters                                                      | 32 (36%)                              | 25 (31%) | 43 (32%) |
| Financial irregularities or violations of our policies                       | 51 (58%)                              | 55 (69%) | 92 (68%) |
| <b>Code of Conduct</b>                                                       |                                       |          |          |
| Percentage of employees completing code of conduct certification or training | 99% (for all certification processes) | 100%     | 100%     |

## Progress on 2020 targets

We are approaching the end of Pearson's 2020 Sustainability Plan, which is focused on three pillars: 1) reaching more learners; 2) shaping the future of learning; and 3) being a trusted partner and supporting our commitment to the UN SDGs. Pearson has made good progress across the pillars of our plan.



### Reach more learners

#### Improve access to and affordability of products and services

We have built strong foundations to reach more learners from disadvantaged backgrounds and support them to overcome barriers through products and services. See examples on p17, 20, 36, 37 and 38 of the Annual Report.

#### Collaborate to reach underserved learners

Through partnerships involving non-governmental organisations, teachers, education experts, governments and others, we are also tackling some of the biggest education challenges.

Read more about our partnership with Save the Children on p18 of the Annual Report and CAMFED on p18 of the Annual Report.



### Shape the future of learning

#### Build skills that foster employability and inclusive economic growth

We are better preparing students to progress in learning, work and life through a range of products and services. For example, 'Pearson's Career Success' programme, which has reached 135,000 learners since 2018, helps students set career goals, fill skills gaps and prepare for employment.

#### Promote education for sustainable development

We are increasingly integrating and promoting sustainability content and skills, including in our BTEC qualifications and US Higher Education Courseware products. We also released a white paper with Arizona State University, Business Fights Poverty and the UN Principles for Responsible Management Education on how to scale up and partner on opportunities to advance learning and skills for sustainable development. Read more on p18–19 of the Annual Report.

#### Engage in multi-stakeholder research, dialogue and collective action to solve global challenges

We are active participants in multi-stakeholder, collective action initiatives that aim to strengthen global education systems, explore the role of the private sector in global education and development, and advance the UN SDGs. See organisations on p26 of the Annual Report.



### Be a trusted partner

#### Respect and support our people, customers and communities

We successfully achieved our goals to develop and implement an Editorial Policy to ensure content is appropriate (see p19) and report on Pearson's GB gender pay.

In 2018 and 2019, we also reported on Pearson's GB gender pay and continue to take actions to further reduce the gap.

#### Protect our natural environment

We met our 2020 targets to reduce our operational Greenhouse Gas emissions by 50% (using 2009 as the base year) and reduce energy use in our buildings on an absolute basis by 50% (using 2013 as the base year) early. Read more on p22–23 of the Annual Report.

#### Build a sustainable supply chain

We have taken a number of steps to continuously improve how we consider social and environmental issues in our supply chain and procurement. Read more on p23–25 of the Annual Report.

## Progress on 2020 targets continued

- Completed
- In progress
- Not complete

|                                                                                                                                                                                                               | Timeframe | Status | Update/AR reference                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------|-----------------------------------------------------------------------------------------|
| <b>Pillar 1: Reach more learners</b>                                                                                                                                                                          |           |        |                                                                                         |
| <b>Improve access and affordability of products and services</b>                                                                                                                                              |           |        |                                                                                         |
| <b>Research on underserved groups</b>                                                                                                                                                                         |           |        |                                                                                         |
| Continue research on the lifelong learner, engaging the broader ecosystem of educators, employers and policymakers.                                                                                           | 2019-2020 | ●      | See AR p16-17, ongoing.                                                                 |
| <b>Inclusive access</b>                                                                                                                                                                                       |           |        |                                                                                         |
| Enable 3 million students to access more affordable digital course materials from the first day of class by 2019 from a 2016 baseline.                                                                        | 2019      | ●      | We have reached 2.1m as of the end of 2019 and the program will continue going forward. |
| <b>Accessibility</b>                                                                                                                                                                                          |           |        |                                                                                         |
| Develop and publish a global accessibility policy.                                                                                                                                                            | 2019      | ●      | See AR p17.                                                                             |
| <b>Tomorrow's Markets Incubator</b>                                                                                                                                                                           |           |        |                                                                                         |
| Pearson concluded the Tomorrow's Markets Incubator programme in 2019 and re-integrated teams into their respective business groups.                                                                           |           |        |                                                                                         |
| Prototype and test three new venture solutions in market.                                                                                                                                                     | 2019      |        |                                                                                         |
| Design in-market pilots for successful prototypes.                                                                                                                                                            | 2019      |        |                                                                                         |
| Continue support for the more mature ventures.                                                                                                                                                                | 2019      |        |                                                                                         |
| <b>Collaborate to reach underserved learners</b>                                                                                                                                                              |           |        |                                                                                         |
| <b>Every Child Learning</b>                                                                                                                                                                                   |           |        |                                                                                         |
| Impact over 25,000 learners in the following ways:                                                                                                                                                            | 2019      | ●      | 10,387 children used the Space Hero App in classrooms.                                  |
| – 9,500 children will take part in a blended learning program using the math app in schools                                                                                                                   |           |        | 2,301 children with Arabic remedial classes                                             |
| – 2,280 children will take part in remedial Arabic to help them catch up with their peers                                                                                                                     |           |        | 24,053 children take part in sports for development                                     |
| – 14,700 children will take part in sports for development classes, helping them to develop effective communication skills, build peer-to-peer relationships and gain a sense of belonging.                   |           |        | 377 school staff with subject-based training.                                           |
| – 360 teachers will receive subject-based training in addition to child protection and psychosocial support training, aiming to provide more effective lessons in a safe and supportive learning environment. |           |        | See AR p18.                                                                             |
| <b>Pillar 2: Shape the future of learning</b>                                                                                                                                                                 |           |        |                                                                                         |
| <b>Build skills that foster employability and inclusive economic growth</b>                                                                                                                                   |           |        |                                                                                         |
| <b>Personal and Social Capabilities Framework</b>                                                                                                                                                             |           |        |                                                                                         |
| Support the authors of Pearson content to integrate explicit instruction in Personal and Social Capabilities.                                                                                                 | 2019      | ●      | This is ongoing and will be an element of our 2030 Sustainability Strategy. See AR p16. |
| <b>Pearson Career Success</b>                                                                                                                                                                                 |           |        |                                                                                         |
| Grow users of the Career Success Program steadily to reach 150,000 students by 2020.                                                                                                                          | 2020      | ●      | 135,000 reached by the end of 2019.                                                     |
| <b>BTEC qualifications</b>                                                                                                                                                                                    |           |        |                                                                                         |
| Increase the number of BTEC registrations outside the UK, particularly in markets where vocational education is developing.                                                                                   | ongoing   | ●      | 31% increase in 2019. See AR p37.                                                       |
| <b>CAMFED partnership</b>                                                                                                                                                                                     |           |        |                                                                                         |
| Certify 5,000 women with BTEC qualifications through our partnership with Camfed by the end of 2019.                                                                                                          | 2019      | ●      | We have awarded 2,595 BTECs. See AR p18.                                                |

[Click here to view our 2019 Annual Report & Accounts.](#)



## Progress on 2020 targets continued

● Completed  
● In progress  
● Not complete

|                                                                                                                                                                                                                                                          | Timeframe        | Status | Update/AR reference                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------|------------------------------------------------------------------------|
| <b>Promote education for sustainable development</b>                                                                                                                                                                                                     |                  |        |                                                                        |
| Implement education for sustainability strategy next steps.                                                                                                                                                                                              | ongoing          | ●      | This is a key element of our 2030 Sustainability Strategy. See AR p16. |
| <b>Engage in multi-stakeholder research, dialogue, and collective action to solve global challenges</b>                                                                                                                                                  |                  |        |                                                                        |
| Act as a leader in and participate in multi-stakeholder initiatives and partnerships that promote quality education, lifelong learning, and the role of business in society.                                                                             | 2019 and ongoing | ●      | See AR p26.                                                            |
| <b>Pillar 3: Be a trusted partner</b>                                                                                                                                                                                                                    |                  |        |                                                                        |
| <b>Empower and support people</b>                                                                                                                                                                                                                        |                  |        |                                                                        |
| <b>Human rights</b>                                                                                                                                                                                                                                      |                  |        |                                                                        |
| Offer additional human rights training opportunities for our employees.                                                                                                                                                                                  | 2019             | ●      | This is an element of our 2030 Sustainability Strategy.                |
| <b>Safeguarding</b>                                                                                                                                                                                                                                      |                  |        |                                                                        |
| Improving impact evaluation for training programs, to better understand how participation affects staff and learner perceptions about safety.                                                                                                            | 2019             | ●      |                                                                        |
| Develop action plans to address gaps identified through an assessment of how our processes for learners to raise concerns about harassment or abuse in our direct delivery businesses align with the UN Guiding Principles on Business and Human Rights. | 2019             | ●      | See AR p19.                                                            |
| <b>Relevant, appropriate, and inclusive content</b>                                                                                                                                                                                                      |                  |        |                                                                        |
| Establish and roll out a global Editorial Policy by 2020 to ensure Pearson content is appropriate, effective, and relevant for all learners, for the 21st century and beyond.                                                                            | 2020             | ●      | See AR p19.                                                            |
| Incorporate the Editorial Policy into Pearson's Code of Conduct.                                                                                                                                                                                         | 2019             | ●      | See AR p19.                                                            |
| Assign the online learning module to new starters in content-facing and contents support functions.                                                                                                                                                      | 2019             | ●      | See AR p19.                                                            |
| Ensuring that Editorial Policy checkpoints are incorporated into our product development processes.                                                                                                                                                      | 2019             | ●      | See AR p19.                                                            |
| <b>Product safety</b>                                                                                                                                                                                                                                    |                  |        |                                                                        |
| Maintain our ongoing target of zero product safety incidents or recalls.                                                                                                                                                                                 | 2018             | ●      |                                                                        |
| <b>Talent</b>                                                                                                                                                                                                                                            |                  |        |                                                                        |
| Continue to develop our executive and senior management succession bench with a strong emphasis on looking at opportunities within business line, P&L and country MD level roles for women and diverse talent.                                           | 2019             | ●      | See AR p22-23.                                                         |
| Progress on our journey toward greater pay transparency and what that means to Pearson through education and standardization.                                                                                                                            | ongoing          | ●      | See AR p23.                                                            |
| Provide integrated people solutions that empower the business to drive results, outcomes, growth, and employability for learners.                                                                                                                        | ongoing          | ●      | See AR p21-22.                                                         |
| Use the outputs from the Innovation Jam and the results of our Organizational Health Survey to create clear, tangible action plans.                                                                                                                      | 2019             | ●      | See AR p21.                                                            |
| <b>Diversity and inclusion</b>                                                                                                                                                                                                                           |                  |        |                                                                        |
| Extend our reporting on gender pay to cover our global operations by 2020.                                                                                                                                                                               | 2020             | ●      | See AR p23.                                                            |
| Institute an annual D&I dashboard review and goal-setting session with each business and function leadership team.                                                                                                                                       | 2019             | ●      | See AR p22.                                                            |

## Progress on 2020 targets continued

- Completed
- In progress
- Not complete

|                                                                                                                                                                                                                               | Timeframe | Status | Update/AR reference                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Health and safety</b>                                                                                                                                                                                                      |           |        |                                                                                                                                                                                            |
| Complete remaining assessment work in areas of occupational road risk and establish improvement action plans as appropriate by 2020.                                                                                          | 2019      | ●      |                                                                                                                                                                                            |
| Implement initial action plans for global incident reporting, documentation, and record keeping, and occupational health coming out of the review beginning in 2019.                                                          | 2019      | ●      |                                                                                                                                                                                            |
| Carry out annual H&S audit and assurance program, achieving at least 95% of plan in 2019.                                                                                                                                     | 2019      | ●      |                                                                                                                                                                                            |
| Further assess and establish key performance indicators and other program measurements, with continuing effort to target further alignment with GRI metrics.                                                                  | 2019      | ●      |                                                                                                                                                                                            |
| <b>Volunteering and giving</b>                                                                                                                                                                                                |           |        |                                                                                                                                                                                            |
| Invest 1% pre-tax profit in community activities.                                                                                                                                                                             | 2019      | ●      | We have taken a decision to move away from using this as a metric, focused on input, and are developing KPIs to demonstrate outcomes and impacts towards our 2030 Sustainability Strategy. |
| <b>Protect our natural environment</b>                                                                                                                                                                                        |           |        |                                                                                                                                                                                            |
| <b>Environment</b>                                                                                                                                                                                                            |           |        |                                                                                                                                                                                            |
| Reduce our Greenhouse Gas emissions by 50% by the end of 2020 using 2009 as the base year.                                                                                                                                    | 2020      | ●      | See AR p22-23.                                                                                                                                                                             |
| Reduce energy use in our buildings on an absolute basis by 50% by the end of 2020 using 2013 as the base year.                                                                                                                | 2020      | ●      | See AR p22-23.                                                                                                                                                                             |
| <b>Build a sustainable supply chain</b>                                                                                                                                                                                       |           |        |                                                                                                                                                                                            |
| Undertake a supply chain review project to assess and improve our approach to managing social, including modern slavery, and environmental sustainability risks, practices and impacts across our supply chain.               | 2019      | ●      | See AR p25.                                                                                                                                                                                |
| Increase our diverse spend with our Global Procurement Category Leads.                                                                                                                                                        | 2019      | ●      | See AR p25.                                                                                                                                                                                |
| Adopt a corporate policy on supplier diversity, and include supplier diversity language in our RFPs.                                                                                                                          | 2019      | ●      | See AR p25.                                                                                                                                                                                |
| Work with our prime (Tier I) suppliers to integrate diverse utilization goals and spend targets in order to increase our overall diverse spend with the Tier II suppliers that supply goods and services to Tier I suppliers. | 2019      | ●      | See AR p25.                                                                                                                                                                                |

## Global Reporting Initiative (GRI), UN Global Compact and UN Sustainable Development Goals (SDGs) content index

We have applied relevant international reporting standards and frameworks, including the Global Reporting Initiative (GRI) guidelines, UN Global Compact (UNGC) Ten Principles, and the UN Sustainable Development Goals (SDGs). Together our Annual Report and this document have been developed in accordance with the GRI Standards and serve as our UN Global Compact Communication on Progress.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



| Indicator                                   | Description                                                  | AR 2019                              | This Document | Additional notes                                                                                                                                                                                    | UNGC                                         | SDGs         |
|---------------------------------------------|--------------------------------------------------------------|--------------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------|
| <b>GRI 101 and 102: General disclosures</b> |                                                              |                                      |               |                                                                                                                                                                                                     |                                              |              |
| <b>Organizational profile</b>               |                                                              |                                      |               |                                                                                                                                                                                                     |                                              |              |
| GRI 102-1                                   | Name of the organization                                     | p1                                   |               |                                                                                                                                                                                                     |                                              |              |
| GRI 102-2                                   | Activities, brands, products, and services                   | p1, 10-13                            |               |                                                                                                                                                                                                     |                                              |              |
| GRI 102-3                                   | Location of headquarters                                     | Back cover                           |               |                                                                                                                                                                                                     |                                              |              |
| GRI 102-4                                   | Location of operations                                       | Inside front cover p36-38; p195-198  |               |                                                                                                                                                                                                     |                                              |              |
| GRI 102-5                                   | Ownership and legal form                                     | p177-178                             |               |                                                                                                                                                                                                     |                                              |              |
| GRI 102-6                                   | Markets served                                               | p137-139; p195-198                   |               |                                                                                                                                                                                                     |                                              |              |
| GRI 102-7                                   | Scale of the organization                                    | p1; p2-3; p10-13; p122-125; p137-139 | p7-12         |                                                                                                                                                                                                     |                                              |              |
| GRI 102-8                                   | Information on employees and other workers                   | p14; p21-23; p146                    | p7-12         |                                                                                                                                                                                                     |                                              |              |
| GRI 102-9                                   | Supply chain                                                 | p15; p23-25                          |               |                                                                                                                                                                                                     |                                              |              |
| GRI 102-10                                  | Significant changes to the organization and its supply chain | p34; p180                            |               |                                                                                                                                                                                                     |                                              |              |
| GRI 102-11                                  | Precautionary Principle or approach                          | p25                                  |               |                                                                                                                                                                                                     | 7                                            | 6, 7, 13, 15 |
| GRI 102-12                                  | External initiatives                                         | p26                                  |               |                                                                                                                                                                                                     | 1-10                                         | 17           |
| GRI 102-13                                  | Membership of associations                                   | p26                                  |               |                                                                                                                                                                                                     |                                              | 17           |
| <b>Strategy</b>                             |                                                              |                                      |               |                                                                                                                                                                                                     |                                              |              |
| GRI 102-14                                  | Statement from senior decision-maker                         |                                      | p2            |                                                                                                                                                                                                     | Statement of commitment from chief executive |              |
| GRI 102-15                                  | Key impacts, risks, and opportunities                        | p40-41                               | p3-4          |                                                                                                                                                                                                     | 1-10                                         | 4, 8, 10     |
| <b>Ethics and integrity</b>                 |                                                              |                                      |               |                                                                                                                                                                                                     |                                              |              |
| GRI 102-16                                  | Values, principles, standards, and norms of behavior         | p10; p26; p58-59                     |               | Company policies are posted on the sustainability section of our website ( <a href="https://www.pearson.com/corporate/our-policies.html">https://www.pearson.com/corporate/our-policies.html</a> ). |                                              |              |
| GRI 102-17                                  | Mechanisms for advice and concerns about ethics              | p25                                  | p14           |                                                                                                                                                                                                     |                                              |              |

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## Global Reporting Initiative (GRI), UN Global Compact and UN Sustainable Development Goals (SDGs) content index continued

| Indicator                            | Description                                                                    | AR 2019                        | This Document | Additional notes                                                                                                                                                                  | UNGC    | SDGs         |
|--------------------------------------|--------------------------------------------------------------------------------|--------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------------|
| <b>Governance</b>                    |                                                                                |                                |               |                                                                                                                                                                                   |         |              |
| GRI 102-18                           | Governance structure                                                           | p51-83                         |               |                                                                                                                                                                                   |         |              |
| GRI 102-22                           | Composition of the highest governance body and its committees                  | p54-58;                        |               |                                                                                                                                                                                   |         |              |
| GRI 102-23                           | Chair of the highest governance body                                           | p54; p60                       |               |                                                                                                                                                                                   |         |              |
| GRI 102-25                           | Conflicts of interest                                                          | p58                            |               |                                                                                                                                                                                   |         |              |
| GRI 102-26                           | Role of highest governance body in setting purpose, values, and strategy       | p52; p58-59; p72-73            |               |                                                                                                                                                                                   |         |              |
| GRI 102-29                           | Identifying and managing economic, environmental, and social impacts           | p72-73                         |               |                                                                                                                                                                                   |         |              |
| GRI 102-32                           | Highest governance body's role in sustainability reporting                     | p72-73                         |               |                                                                                                                                                                                   |         |              |
| <b>Stakeholder engagement</b>        |                                                                                |                                |               |                                                                                                                                                                                   |         |              |
| GRI 102-40                           | List of stakeholder groups                                                     | p14-15                         | p3-4          |                                                                                                                                                                                   |         |              |
| GRI 102-41                           | Collective bargaining agreements                                               | p21                            |               |                                                                                                                                                                                   | 3       | 8            |
| GRI 102-42                           | Identifying and selecting stakeholders                                         | p14-15                         | p3-4          |                                                                                                                                                                                   |         |              |
| GRI 102-43                           | Approach to stakeholder engagement                                             | p14-15                         | p3-4          |                                                                                                                                                                                   |         |              |
| GRI 102-44                           | Key topics and concerns raised                                                 | p14-15                         | p3-4          |                                                                                                                                                                                   |         |              |
| <b>Reporting practices</b>           |                                                                                |                                |               |                                                                                                                                                                                   |         |              |
| GRI 102-45                           | Entities included in the consolidated financial statements                     | p114-127; p137-139             |               |                                                                                                                                                                                   |         |              |
| GRI 102-46                           | Defining report content and topic boundaries                                   |                                | p3-4          |                                                                                                                                                                                   |         |              |
| GRI 102-47                           | List of material topics                                                        |                                | p3-4          |                                                                                                                                                                                   |         |              |
| GRI 102-48                           | Restatements of information                                                    |                                |               |                                                                                                                                                                                   |         |              |
| GRI 102-49                           | Changes in reporting                                                           |                                |               | No changes                                                                                                                                                                        |         |              |
| GRI 102-50                           | Reporting period                                                               |                                |               | 1 Jan 2019 - 31 Dec 2019                                                                                                                                                          |         |              |
| GRI 102-51                           | Date of most recent report                                                     |                                |               | 17 March 2020                                                                                                                                                                     |         |              |
| GRI 102-52                           | Reporting cycle                                                                |                                |               | Annual                                                                                                                                                                            |         |              |
| GRI 102-53                           | Contact point for questions regarding the report                               |                                |               | sustainability@pearson.com                                                                                                                                                        |         |              |
| GRI 102-54                           | Claims of reporting in accordance with the GRI Standards                       |                                |               | This report has been prepared in accordance with the GRI                                                                                                                          |         |              |
| <b>Standards: Core option</b>        |                                                                                |                                |               |                                                                                                                                                                                   |         |              |
| GRI 102-55                           | GRI content index                                                              |                                | p19-23        |                                                                                                                                                                                   |         |              |
| GRI 102-56                           | External assurance                                                             |                                | p6            | See more about external assurance at: <a href="https://www.pearson.com/sustainability/reporting-policies.html">https://www.pearson.com/sustainability/reporting-policies.html</a> |         |              |
| <b>GRI 200: Economic disclosures</b> |                                                                                |                                |               |                                                                                                                                                                                   |         |              |
| <b>GRI 201: Economic performance</b> |                                                                                |                                |               |                                                                                                                                                                                   |         |              |
| GRI 103-1                            | Explanation of the material topic and its Boundaries                           |                                |               |                                                                                                                                                                                   |         |              |
| GRI 103-2                            | The management approach and its components                                     | p10-13                         | p5-14         |                                                                                                                                                                                   |         |              |
| GRI 103-3                            | Evaluation of the management approach                                          | p10-13                         | p5-14         |                                                                                                                                                                                   |         |              |
| GRI 201-1                            | Direct economic value generated and distributed                                | p2-3; p10-14; p29-34; p122-127 |               |                                                                                                                                                                                   | 1       | 1, 8, 10     |
| GRI 201-2                            | Financial implications and other risks and opportunities due to climate change | p23                            |               |                                                                                                                                                                                   | 7, 8, 9 | 6, 7, 13, 15 |

## Global Reporting Initiative (GRI), UN Global Compact and UN Sustainable Development Goals (SDGs) content index continued

| Indicator                                         | Description                                                              | AR 2019  | This Document | Additional notes                                     | UNGC    | SDGs      |
|---------------------------------------------------|--------------------------------------------------------------------------|----------|---------------|------------------------------------------------------|---------|-----------|
| <b>GRI 203: Indirect economic impacts</b>         |                                                                          |          |               |                                                      |         |           |
| GRI 103-1                                         | Explanation of the material topic and its Boundaries                     | p16-17   |               |                                                      |         |           |
| GRI 103-2                                         | The management approach and its components                               | p16-17   |               |                                                      |         |           |
| GRI 103-3                                         | Evaluation of the management approach                                    | p16-17   |               |                                                      |         |           |
| GRI 203-1                                         | Infrastructure investments and services supported                        | p17-19   |               |                                                      |         | 4, 8, 10  |
| GRI 203-2                                         | Significant indirect economic impacts                                    | p17-19   | p13           |                                                      |         | 4, 8, 10  |
| <b>GRI 205: Anti-corruption</b>                   |                                                                          |          |               |                                                      |         |           |
| GRI 103-1                                         | Explanation of the material topic and its Boundaries                     | p25; p49 |               |                                                      | 10      | 16        |
| GRI 103-2                                         | The management approach and its components                               | p25; p49 |               |                                                      | 10      | 16        |
| GRI 103-3                                         | Evaluation of the management approach                                    | p25; p49 |               |                                                      | 10      | 16        |
| GRI 205-1                                         | Operations assessed for risks related to corruption                      | p25; p49 |               |                                                      | 10      | 16        |
| GRI 205-2                                         | Communication and training about anti-corruption policies and procedures | p25; p49 | p14           |                                                      | 10      | 16        |
| <b>GRI 300: Environmental disclosures</b>         |                                                                          |          |               |                                                      |         |           |
| <b>GRI 302: Energy</b>                            |                                                                          |          |               |                                                      |         |           |
| GRI 103-1                                         | Explanation of the material topic and its Boundaries                     | p22-23   |               |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 103-2                                         | The management approach and its components                               | p22-23   |               |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 103-3                                         | Evaluation of the management approach                                    | p22-23   |               |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 302-1                                         | Energy consumption within the organization                               | p22-23   | p5            |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 302-3                                         | Energy intensity                                                         | p22-23   | p5            |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 302-4                                         | Reduction of energy consumption                                          | p22-23   | p5            |                                                      | 7, 8, 9 | 7, 13, 15 |
| <b>GRI 305: Emissions</b>                         |                                                                          |          |               |                                                      |         |           |
| GRI 103-1                                         | Explanation of the material topic and its Boundaries                     | p22-23   |               |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 103-2                                         | The management approach and its components                               | p22-23   |               |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 103-3                                         | Evaluation of the management approach                                    | p22-23   |               |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 305-1                                         | Direct (Scope 1) GHG emissions                                           | p22-23   | p5            |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 305-2                                         | Energy indirect (Scope 2) GHG emissions                                  | p22-23   | p5            |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 305-3                                         | Other indirect (Scope 3) GHG emissions                                   | p22-23   | p5            |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 305-4                                         | GHG emission intensity                                                   | p22-23   | p5            |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 305-5                                         | Reduction of GHG emissions                                               | p22-23   | p5            |                                                      | 7, 8, 9 | 7, 13, 15 |
| <b>GRI 307: Environmental compliance</b>          |                                                                          |          |               |                                                      |         |           |
| GRI 103-1                                         | Explanation of the material topic and its Boundaries                     | p22-23   |               |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 103-2                                         | The management approach and its components                               | p22-23   |               |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 103-3                                         | Evaluation of the management approach                                    | p22-23   |               |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 307-1                                         | Non-compliance with environmental laws and regulations                   |          | p6            |                                                      | 7, 8, 9 | 7, 13, 15 |
| <b>GRI 308: Supplier environmental assessment</b> |                                                                          |          |               |                                                      |         |           |
| GRI 103-1                                         | Explanation of the material topic and its Boundaries                     | p23-25   |               |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 103-2                                         | The management approach and its components                               | p23-25   |               |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 103-3                                         | Evaluation of the management approach                                    | p23-25   |               |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 308-1                                         | New suppliers that were screened using environmental criteria            | p23-25   |               |                                                      | 7, 8, 9 | 7, 13, 15 |
| GRI 308-2                                         | Negative environmental impacts in the supply chain and actions taken     | p23-25   |               | No significant issues were brought to our attention. | 7, 8, 9 | 7, 13, 15 |

## Global Reporting Initiative (GRI), UN Global Compact and UN Sustainable Development Goals (SDGs) content index continued

| Indicator                                                        | Description                                                                                                                  | AR 2019          | This Document | Additional notes                                                                                                                                                                                                                                                                                 | UNGC             | SDGs     |
|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------|
| <b>GRI 400: Social disclosures</b>                               |                                                                                                                              |                  |               |                                                                                                                                                                                                                                                                                                  |                  |          |
| <b>GRI 401: Employment</b>                                       |                                                                                                                              |                  |               |                                                                                                                                                                                                                                                                                                  |                  |          |
| GRI 103-1                                                        | Explanation of the material topic and its Boundaries                                                                         | p21-23; p43; p64 |               |                                                                                                                                                                                                                                                                                                  | 1, 2, 3, 4, 5, 6 | 8, 10    |
| GRI 103-2                                                        | The management approach and its components                                                                                   | p21-23; p43; p64 |               |                                                                                                                                                                                                                                                                                                  | 1, 2, 3, 4, 5, 6 | 8, 10    |
| GRI 103-3                                                        | Evaluation of the management approach                                                                                        | p21-23; p43; p64 |               |                                                                                                                                                                                                                                                                                                  | 1, 2, 3, 4, 5, 6 | 8, 10    |
| GRI 401-1                                                        | New employee hires and employee turnover                                                                                     |                  | p9-11         |                                                                                                                                                                                                                                                                                                  | 6                | 8, 10    |
| GRI 401-2                                                        | Benefits provided to full-time employees that are not provided to temporary or part-time employees                           | p21              | p12           |                                                                                                                                                                                                                                                                                                  |                  | 8, 10    |
| <b>GRI 403: Occupational health and safety</b>                   |                                                                                                                              |                  |               |                                                                                                                                                                                                                                                                                                  |                  |          |
| GRI 103-1                                                        | Explanation of the material topic and its Boundaries                                                                         | p45              |               |                                                                                                                                                                                                                                                                                                  | 1, 2             | 8, 10    |
| GRI 103-2                                                        | The management approach and its components                                                                                   | p45              |               |                                                                                                                                                                                                                                                                                                  | 1, 2             | 8, 10    |
| GRI 103-3                                                        | Evaluation of the management approach                                                                                        | p45              |               |                                                                                                                                                                                                                                                                                                  | 1, 2             | 8, 10    |
| GRI 403-2                                                        | Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities |                  | p13           |                                                                                                                                                                                                                                                                                                  | 1, 2             | 8, 10    |
| <b>GRI 404: Training and education</b>                           |                                                                                                                              |                  |               |                                                                                                                                                                                                                                                                                                  |                  |          |
| GRI 103-1                                                        | Explanation of the material topic and its Boundaries                                                                         | p21; p43         |               |                                                                                                                                                                                                                                                                                                  | 1                | 4, 8, 10 |
| GRI 103-2                                                        | The management approach and its components                                                                                   | p21; p43         |               |                                                                                                                                                                                                                                                                                                  | 1                | 4, 8, 10 |
| GRI 103-3                                                        | Evaluation of the management approach                                                                                        | p21; p43         |               |                                                                                                                                                                                                                                                                                                  | 1                | 4, 8, 10 |
| GRI 404-1                                                        | Average hours of training per year per employee                                                                              |                  | p12           |                                                                                                                                                                                                                                                                                                  |                  | 4, 8, 10 |
| GRI 404-2                                                        | Programs for upgrading employee skills and transition assistance programs                                                    |                  |               |                                                                                                                                                                                                                                                                                                  |                  | 4, 8, 10 |
| GRI 404-3                                                        | Percentage of employees receiving regular performance and career development reviews                                         |                  | p12           |                                                                                                                                                                                                                                                                                                  |                  | 4, 8, 10 |
| <b>GRI 405: Diversity and equal opportunity</b>                  |                                                                                                                              |                  |               |                                                                                                                                                                                                                                                                                                  |                  |          |
| GRI 103-1                                                        | Explanation of the material topic and its Boundaries                                                                         | p22-23           |               |                                                                                                                                                                                                                                                                                                  | 1, 2, 6          | 8, 10    |
| GRI 103-2                                                        | The management approach and its components                                                                                   | p22-23           |               |                                                                                                                                                                                                                                                                                                  | 1, 2, 6          | 8, 10    |
| GRI 103-3                                                        | Evaluation of the management approach                                                                                        | p22-23           |               |                                                                                                                                                                                                                                                                                                  | 1, 2, 6          | 8, 10    |
| GRI 405-1                                                        | Diversity of governance bodies and employees                                                                                 | p3; p22-23       | p8            |                                                                                                                                                                                                                                                                                                  | 1, 2, 6          | 8, 10    |
| GRI 405-2                                                        | Ratio of basic salary and remuneration of women to men                                                                       | p3               | p8            | See Pearson's UK gender pay report at: <a href="https://www.pearson.com/corporate/news/media/news-announcements/2019/03/pearson-publishes-2018-gender-pay-report.html">https://www.pearson.com/corporate/news/media/news-announcements/2019/03/pearson-publishes-2018-gender-pay-report.html</a> | 1, 2, 6          | 8, 10    |
| <b>GRI 407: Freedom of association and collective bargaining</b> |                                                                                                                              |                  |               |                                                                                                                                                                                                                                                                                                  |                  |          |
| GRI 103-1                                                        | Explanation of the material topic and its Boundaries                                                                         | p19; p21; p23-24 |               |                                                                                                                                                                                                                                                                                                  | 3                | 8        |
| GRI 103-2                                                        | The management approach and its components                                                                                   | p19; p21; p23-24 |               |                                                                                                                                                                                                                                                                                                  | 3                | 8        |
| GRI 103-3                                                        | Evaluation of the management approach                                                                                        | p19; p21; p23-24 |               |                                                                                                                                                                                                                                                                                                  | 3                | 8        |
| GRI 407-1                                                        | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk               | p21; p23-24      |               |                                                                                                                                                                                                                                                                                                  | 3                | 8        |

## Global Reporting Initiative (GRI), UN Global Compact and UN Sustainable Development Goals (SDGs) content index continued

| Indicator                                  | Description                                                                              | AR 2019          | This Document | Additional notes                                                                              | UNGC             | SDGs        |
|--------------------------------------------|------------------------------------------------------------------------------------------|------------------|---------------|-----------------------------------------------------------------------------------------------|------------------|-------------|
| <b>GRI 408: Child labor</b>                |                                                                                          |                  |               |                                                                                               |                  |             |
| GRI 103-1                                  | Explanation of the material topic and its Boundaries                                     | p19; p21; p23-24 |               |                                                                                               | 5                | 8           |
| GRI 103-2                                  | The management approach and its components                                               | p19; p21; p23-24 |               |                                                                                               | 5                | 8           |
| GRI 103-3                                  | Evaluation of the management approach                                                    | p19; p21; p23-24 |               |                                                                                               | 5                | 8           |
| GRI 408-1                                  | Operations and suppliers at significant risk for incidents of child labor                | p19; p23-24      |               |                                                                                               | 5                | 8           |
| <b>GRI 409: Forced or compulsory labor</b> |                                                                                          |                  |               |                                                                                               |                  |             |
| GRI 103-1                                  | Explanation of the material topic and its Boundaries                                     | p19; p23-24      |               |                                                                                               | 4                | 8           |
| GRI 103-2                                  | The management approach and its components                                               | p19; p23-24      |               |                                                                                               | 4                | 8           |
| GRI 103-3                                  | Evaluation of the management approach                                                    | p19; p23-24      |               |                                                                                               | 4                | 8           |
| GRI 409-1                                  | Operations and suppliers at significant risk for incidents of forced or compulsory labor | p19; p23-24      |               |                                                                                               | 4                | 8           |
| <b>GRI 412: Human rights assessment</b>    |                                                                                          |                  |               |                                                                                               |                  |             |
| GRI 103-1                                  | Explanation of the material topic and its Boundaries                                     | p19              |               |                                                                                               | 1, 2, 3, 4, 5, 6 | 4, 8, 10    |
| GRI 103-2                                  | The management approach and its components                                               | p19              |               |                                                                                               | 1, 2, 3, 4, 5, 6 | 4, 8, 10    |
| GRI 103-3                                  | Evaluation of the management approach                                                    | p19              |               |                                                                                               | 1, 2, 3, 4, 5, 6 | 4, 8, 10    |
| GRI 412-1                                  | Operations that have been subject to human rights reviews or impact assessments          | p19              |               |                                                                                               | 1, 2, 3, 4, 5, 6 | 4, 8, 10    |
| GRI 412-2                                  | Employee training on human rights policies or procedures                                 | p17, p25         |               | We provided training on data privacy, Editorial Policy, code of conduct, and anti-corruption. | 1, 2, 3, 4, 5, 6 | 4, 8, 10    |
| <b>GRI 413: Local communities</b>          |                                                                                          |                  |               |                                                                                               |                  |             |
| GRI 103-1                                  | Explanation of the material topic and its Boundaries                                     | p17-19           |               |                                                                                               |                  | 1, 4, 8, 10 |
| GRI 103-2                                  | The management approach and its components                                               | p17-19           |               |                                                                                               |                  | 1, 4, 8, 10 |
| GRI 103-3                                  | Evaluation of the management approach                                                    | p17-19           |               |                                                                                               |                  | 1, 4, 8, 10 |
| GRI 413-1                                  | Operations with local community engagement, impact assessments, and development programs | p17-19           |               |                                                                                               |                  | 1, 4, 8, 10 |
| <b>GRI 414: Supplier social assessment</b> |                                                                                          |                  |               |                                                                                               |                  |             |
| GRI 103-1                                  | Explanation of the material topic and its Boundaries                                     | p23-p25          |               |                                                                                               | 1, 2, 3, 4, 5, 6 | 4, 8, 10    |
| GRI 103-2                                  | The management approach and its components                                               | p23-p25          |               |                                                                                               | 1, 2, 3, 4, 5, 6 | 4, 8, 10    |
| GRI 103-3                                  | Evaluation of the management approach                                                    | p23-p25          |               |                                                                                               | 1, 2, 3, 4, 5, 6 | 4, 8, 10    |
| GRI 414-1                                  | New suppliers that were screened using social criteria                                   | p23-p25          |               |                                                                                               | 1, 2, 3, 4, 5, 6 | 4, 8, 10    |
| <b>GRI 415: Public policy</b>              |                                                                                          |                  |               |                                                                                               |                  |             |
| GRI 103-1                                  | Explanation of the material topic and its Boundaries                                     | p44              |               |                                                                                               |                  |             |
| GRI 103-2                                  | The management approach and its components                                               | p44              |               |                                                                                               |                  |             |
| GRI 103-3                                  | Evaluation of the management approach                                                    | p44              |               |                                                                                               |                  |             |
| GRI 415-1                                  | Political contributions                                                                  |                  |               |                                                                                               |                  |             |
| <b>GRI 418: Customer privacy</b>           |                                                                                          |                  |               |                                                                                               |                  |             |
| GRI 103-1                                  | Explanation of the material topic and its Boundaries                                     | p47              |               |                                                                                               | 1, 2             |             |
| GRI 103-2                                  | The management approach and its components                                               | p47              |               |                                                                                               | 1, 2             |             |
| GRI 103-3                                  | Evaluation of the management approach                                                    | p47              |               |                                                                                               | 1, 2             |             |