



# Modern Slavery Statement

22 June 2022

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## **About this Statement**

This is Pearson's statement published in accordance with the UK Modern Slavery Act 2015, which requires that companies publish a slavery and human trafficking statement. It sets out the steps taken by Pearson plc and all relevant subsidiaries (see the Pearson 2021 Annual Report for a full list of subsidiaries) to prevent modern slavery and human trafficking in our business and supply chain during the calendar year ending 31 December 2021.

## **Our Business**

At Pearson, our purpose is simple: to add life to a lifetime of learning. We believe that every learning opportunity is a chance for a personal breakthrough. That's why our c.20,000 Pearson employees are committed to creating vibrant and enriching learning experiences designed for real-life impact. We are the world's leading learning company, serving customers in nearly 200 countries with digital content, assessments, qualifications, and data. For us, learning isn't just what we do. It's who we are.

## **Governance of Environmental, Social and Governance Commitments**

Cynthia Nespoli, Pearson's Chief Legal Officer, is the Executive Management member responsible for ensuring the effective delivery of Pearson's ESG strategy. Oversight of human rights at Pearson falls with our Chief Executive and our board of directors.

The Board's Reputation & Responsibility Committee (RRC) is the main governance body for sustainability at Pearson. The RRC works closely with Pearson's other Board Committees to ensure alignment and rigour of governance across all the potential impacts of Pearson's operations and supply chains.

The Board's Audit Committee has oversight over our Anti-Bribery and Corruption Policy, Code of Conduct, Business Partner Code of Conduct, and Anti-Retaliation Policy, in addition to its other responsibilities. For more information on Pearson's Board and a detailed summary of actions taken during the year, please see the Governance Report on Pp 74-132 of [Pearson's 2021 Annual Report](#).

## **Policies in relation to slavery and human trafficking**

In line with our values, Pearson's [Human Rights Statement](#) guides our approach to human rights and combatting modern slavery. It is based on a number of international human rights frameworks that include the Universal Declaration of Human Rights, the International Labour Organization's declarations on fundamental principles and rights at work, and the UN Guiding Principles on Business and Human Rights. As a result, we are committed to ensuring our business as well as our suppliers and our business partners are free from slavery, servitude, forced or compulsory labour. We assess and mitigate risk of Modern Day Slavery for both our staff and learners, and ensure we are compliant with specific legislation regarding where we directly deliver education.

We are a founding member of the UN Global Compact and all our relevant company policies and guidelines, including legal statements we use to meet our sustainability, and diversity & inclusion commitments, can be accessed in a number of languages on [our website](#).

## **Our Operations and Supply Chains**

At Pearson, we believe in doing business with partners who share our commitment to human rights and the environment – strengthening our supply chain through shared values and commitments.

In 2021, Pearson purchased c.£1.5bn of goods and services from third parties, from large multinationals to smaller specialist companies and sole traders. Around 75% of Pearson's global spend is represented by 200 suppliers. The majority of products and services Pearson purchases are sourced from suppliers in OECD countries, predominantly in North America and Europe.

As of 31<sup>st</sup> of December, c.70% of our workforce were Pearson employees. In addition, Pearson employs a contingent workforce population which represents c.30% of our total workforce. Our contingent workers frequently fill roles such as engineers, developers, exam graders, and project managers.

## **Due Diligence**

Our risk-based approach to due diligence in our supply chains is targeted where people are most at risk. We conduct due diligence on thousands of suppliers annually on adverse media, sanctions, bribery and corruption which may raise issues pertinent to modern slavery.

Pearson's Responsible Procurement framework was launched in 2021 governing our approach to ESG throughout our supply chain. Its goals include carbon reduction, increased use of diverse-accredited suppliers, and eliminating discrimination and harassment. This framework is underpinned by a robust Responsible Procurement Policy that sets out the minimum contractual standards expected of our suppliers and partners – including those related to modern slavery, child labour, forced labour and working hours. This policy is referenced in our Business Partner Code of Conduct and forms an integral part of Pearson's standard contracts.

In addition to contracted policies, Pearson works closely with a third-party rating organization – EcoVadis. EcoVadis performs due diligence to ensure that our suppliers and partners are evidencing performance against industry standards. In addition to other areas of assessment, EcoVadis identifies both potential and actual risks in Labour & Human Rights, recommends corrective actions, and delivers training through its platform. Our efforts are focused on those contracts above £1m or above where suppliers are deemed high-risk due to their location or industry.

In the higher risk categories of paper and print sourcing, we ask our suppliers to subscribe to The Book Chain Project (a collaborative project between leading book and journal publishers), which in addition to forestry and environmental management also covers social accountability standards. Suppliers upload audits from ICTI, SMETA, SA 8000, WCA, and BSCI to demonstrate compliance with international labour certifications and standards. In the UK we maintain FSC Accreditation in paper sourcing, which effective this year requires an audit of labour practices in the paper industry.

We are a Living Wage accredited employer in the UK which means our employees and contractors are paid a Living Wage. Our contingent workforce contracts require adherence to a Responsible Procurement Policy prohibiting all forms of forced labour, child labour, and unfair wages, working hours, or conditions. A breach of this policy is considered a breach of contract with Pearson and subject to legal rights and remedies.

## **Training and Enforcement**

All Pearson employees and suppliers may raise a concern anonymously on our whistleblowing service, [www.PearsonEthics.com](http://www.PearsonEthics.com), except where it is prohibited by local laws. Pearson's Global Compliance Office responds to all queries raised, including from reports by third parties. It reports on investigations and escalates cases to the Audit Committee where relevant.

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

1. Pearson held a virtual Partner Forum with 135 top suppliers in March 2021, hosted by our CEO, Chief Diversity Officer, and Chief Procurement Officer. The Responsible Procurement framework described in section 4 was launched at this event, and supplier invitations to be assessed by EcoVadis began subsequently.
2. Delivered annual training on the Pearson Code of Conduct to all employees.
3. Provided training on third parties particularly as it pertains to ABC risk.

## **Our Performance**

Our policy is one of no retaliation against any person reporting concerns in good faith, and cases that pose significant risks to our business are reported to the Pearson audit committee.

In 2021, 110 concerns were raised and investigated through our third-party reporting line, PearsonEthics.com. None were related to modern slavery and none were classed in our highest risk category.

In our [Annual Report](#) we report annually on our progress to meet our environmental, social and governance (ESG) commitments, including Human Rights.

## **Plans for the future**

Our priorities for 2022 are to:

1. Continually monitor high risk areas in relation to Modern Slavery.
2. Deploy targeted training to teams operating in high-risk areas.
3. Continue to deploy EcoVadis assessments – including making completion mandatory for new suppliers with spend in excess of £1m.
4. Improve data management systems and facilitate better measurement and reporting of KPIs.

This statement has been approved by the Board of Directors, Pearson plc as of 22 June 2022: Signed by: Andy Bird Chief Executive Officer

