



Forced Labour and Child Labour in Canadian Supply Chains Report 2023

May 2024

Contents

About this Statement.....	3
Our Business.....	3
Governance of Environmental, Social and Governance (ESG) Commitments.....	3
Policies in relation to forced labour and child labour	4
Our Operations and Supply Chains	4
Due Diligence	4
Training and Enforcement	5
Our Performance	6
Plans for the future.....	6

About this Statement

This is Pearson Canada Holdings Inc., as well as its subsidiaries Pearson Canada Inc. and Pearson Measurement Canada Inc. annual report on Fighting Against Forced Labour and Child Labour in Supply Chains, published in accordance with the Canadian Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act*, which requires that companies publish a forced labour and child labour report. It sets out the steps taken by Pearson plc and its Canadian entity Pearson Canada Holdings Inc., as well as its subsidiaries Pearson Canada Inc. and Pearson Measurement Canada Inc. to prevent forced labour and child labour in our business and supply chain during the calendar year ending 31 December 2023.

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 (ESG) Commitments

Cinthia 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 starting on p66 of [Pearson's 2023 Annual Report](#).

Policies in relation to forced labour and child labour

In line with our values, Pearson's [Human Rights Statement](#) guides our approach to human rights and combatting forced labour and child labour. 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, compulsory labour or child labour. We assess and mitigate risk of forced labour and child labour 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 2023, Pearson purchased c.£1.4bn of goods and services from third parties, from large multinationals to smaller specialist companies and sole traders. Around 80% of Pearson's global spend is represented by 190 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 December 2023, c.70% of our workforce were Pearson employees, and of which, 97% were regular employees. The remaining 30% were made up of contingent workers who 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, including forced labour and child labour.

Pearson's Responsible Procurement framework governs our approach to environmental, social and governance (ESG) matters 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. In 2023, we updated our [Responsible Procurement policy](#) to further strengthen the minimum standards we expect of our suppliers and third parties. 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 of £1m or above or where suppliers are deemed high-risk due to their location or industry. In 2023 we included contractual language in all new agreements over £1m to mandate completion of an EcoVadis assessment or recognized equivalent.

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 addition, we have improved our data management systems by integrating this data into our overall climate accountancy system to facilitate better measurement and reporting.

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, except where anonymity is prohibited by local laws. Pearson’s Ethics and 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 recognizes training and awareness is important to reduce the risk of modern slavery, including forced labour and child labour. 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 child labour. Examples include:

1. Delivering annual training on the Pearson Code of Conduct to all employees.
2. Providing training on third parties particularly as it pertains to anti-bribery and corruption risk.

3. Any critical findings highlighted as part of the EcoVadis assessment process are brought to the attention of Pearson stakeholders, suppliers are required to complete a corrective action plan to address the findings. Training is made available to support this process via the EcoVadis platform to help close any knowledge gaps and ensure standards are met.

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 2023, 92 concerns were raised and investigated through our third-party reporting line, PearsonEthics.com. None were related to forced labour or child labour and none were classed in our highest risk category.

In our Annual Report we report annually on our progress to meet our ESG commitments, including Human Rights.

Plans for the future

Our priorities for 2024 are to:

1. Continually monitor high risk areas in relation to Modern Slavery among all high-spend suppliers.
2. Conduct a Human Rights Impact Assessment (HRIA) targeting higher risk categories of paper and print sourcing.
3. Deploy targeted training to teams operating in high-risk areas.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above."

Tony Seebalack

Finance Director

May 31, 2024

I have the authority to bind Pearson Canada Holdings Inc, Pearson Canada Inc, Pearson Measurement Canada Inc.