

UN Global Compact Communication on Progress 2012

As a signatory to the United Nations Global Compact (UNGC), one of our commitments is to produce an annual Communication on Progress (COP) detailing how we uphold the UNGC's ten principles in the conduct of our business.

This document provides information on our self-assessment compliance with the UNGC's 21 advanced criteria with links to relevant information in our [2012 Corporate Responsibility Report](#).

2012 CR Report location

Implementing the Ten Principles into Strategies & Operations

Criterion 1: The COP describes mainstreaming into corporate functions and business units

As our Chief Executive Officer, Erik Engstrom, comments in his introduction to the 2012 CR Report, "We get involved in initiatives that matter and we actively support the United Nations Global Compact, a forum for learning and sharing best practice, which unites more than 10,000 companies around the globe in pursuit of ten principles related to human rights, labour, environment and anti-bribery. We value the opinion of others, and in 2012 held a stakeholder session with our Corporate Responsibility Forum to gain deeper insight into diversity and the media sector."

We focus on our unique contributions as a business where we can make a positive impact through our knowledge, resources, and skills including: universal sustainable access to information, advance of science and health, protection of society, and promotion of the rule of law and justice. Elsevier contributes to advancing human welfare and economic progress through its science and health information. LexisNexis Risk Solutions provides essential insight to protect people, industry, and society. LexisNexis Legal & Professional promotes justice through its legal information. Reed Business Information and Reed Exhibitions bring communities together enhancing productivity and efficiency.

The Reed Elsevier Board, senior management, and the Corporate Responsibility Forum (chaired by a member of senior management and involving individuals representing all key business functions and businesses) oversee corporate responsibility objectives and monitor performance against them. The Chief Executive Officer (CEO) has responsibility to the Board for CR. The CR Director engages with the senior management team and also provides formal updates to the Board.

As an example, our CEO is responsible to the Board for environmental performance. Our business unit CEOs are responsible for complying with environmental policy and relevant government legislation and regulations and the CFO is our most senior environmental advocate.

We involve networks of colleagues throughout the company in our CR activities including: the Diversity and Inclusion Advisory Group and Working Group; Health and Safety Champions; the Human Resources (HR) Management Council; legal colleagues; RE Cares Champions; the Socially Responsible Supplier Group; and the communications, global real estate, procurement, and accounting services functions, among others. Reed Elsevier Corporate Audit Services provide a regular review of our CR governance, reporting, and supply management activities, highlighting areas where we are performing well, along with suggestions for improvement.

[CEO statement](#)

[Our Approach to CR](#)

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[Internal engagement](#)

[Annual Report – Corporate Responsibility](#)

[Annual Report – Principle Risks](#)

[Appendix 3 – Global Reporting Initiative Index](#)

Our CR Report reflects the priority we place on comprehensive reporting (see Appendix 3 for how we align with the indicators of the Global Reporting Initiative). We also include CR as an integral part of our business review in the Reed Elsevier Annual Report and the Chairman makes reference to relevant CR issues in his statement in the Annual Report. In addition, CR factors into our evaluation of principal risks evidenced in areas such as listening to and meeting customer needs; the importance of ethical practice in our supply chain; and the priority placed on our people and the environment.

Criterion 2: The COP describes value chain implementation

Downstream:

We provide CR-related products and services such as Elsevier’s journal [Current Opinion in Environmental Sustainability](#); LexisNexis Legal & Professional’s [Rule of Law Resource Center](#); Reed Exhibitions’ [World Future Energy Summit](#); and RBI’s [Community Care](#) magazine. See a sampling of CR products across the business.

We actively support sector and inter-industry initiatives that advance CR. For example, we contribute to the Media CSR Forum and in 2012 collaborated with peers on a range of sector issues including the impact of advertising, the future of media, and employee engagement.

We recognise that the growth and future of our company is built on our ability to deliver sustainable, essential information and services to customers and their willingness to accept the value placed on them. For example, in 2012, Elsevier instituted an accessibility policy that requires all Elsevier products, partners, and internal tools to adhere to level A of the World Wide Web Consortium’s Web Content Accessibility Guidelines 2.0 (WCAG 2.0). In the year we drafted a Reed Elsevier-wide Accessibility Policy that expresses our desire to lead the industry in providing accessibility solutions to customers and contribute to international standards with products that are perceivable, operable, understandable, and robust.

Upstream:

We uphold Reed Elsevier values in our supply chain by requiring our suppliers to meet the same high standards we set for our own behaviour. Suppliers must adhere to all laws, embody and promote best practice in business operations, treat employees well, and respect the environment, as indicated in the ten principles of the United Nations Global Compact to which Reed Elsevier is a signatory.

These principles are reflected in the Reed Elsevier Supplier Code of Conduct (Supplier Code), which we ask suppliers to sign and post prominently in the workplace. The Supplier Code contains standards on child labour, involuntary labour, wages, coercion and harassment, non-discrimination, freedom of association, environment, health and safety, and anti-corruption. It also precludes retaliation stating, “suppliers must not tolerate any retaliation against any employee who makes a good faith report of abuse, intimidation, discrimination, harassment or any violation of law or of this Code of Conduct, or who assists in the investigation of any such report.”

The Supplier Code helps suppliers spread best practice through their own supply chain by requiring subcontractors to enter into a written commitment that they will uphold the Supplier Code. The Supplier Code makes clear that where local industry standards are higher than applicable legal requirements, we expect suppliers to meet higher standards.

Given the importance to us of an ethical supply chain, we have developed a Socially Responsible Supplier (SRS) programme encompassing all Reed Elsevier businesses, supported by a working group comprised of colleagues with operations, distribution, and

[Sampling of CR products](#)

[External engagement](#)

[Customers - Access](#)

[Supply management – Why it matters](#)

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procurement expertise, and a dedicated SRS director from the Global Procurement team. As part of the SRS programme, we maintain a database with comprehensive information including code versioning/signing, initiative tracking, audit dates, remediation plans, and compliance.

Robust Human Rights Management Policies & Procedures

Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights

The Reed Elsevier Code of Ethics and Business Conduct (Code), disseminated to every employee and publicly available at www.reedelsevier.com, sets the standard for our corporate and individual behaviour. It incorporates the ten principles of the UN Global Compact. The Code begins with an introduction from the CEO and sets out our standards on key ethics and compliance matters, including: policies related to protecting company interests and assets; relationships with business partners, customers, suppliers, and competitors; dealings with governments; respecting colleagues and communities; and data protection. The Code also explains the responsibility of employees to report wrongdoing.

We uphold Reed Elsevier values in our supply chain by requiring our suppliers to meet the same high standards we set for our own behaviour. Suppliers must adhere to all laws, embody and promote best practice in business operations, treat employees well, and respect the environment, as indicated in the ten principles of the United Nations Global Compact upon which our Supplier Code of Conduct is based.

We focus on our unique contributions as a business where we can make a positive impact through our knowledge, resources, and skills. LexisNexis Legal & Professional promotes justice through its legal information. Its [Rule of Law Resource Center](#) is a free online community covering topics like human rights, protecting minority communities, and anti-human trafficking. In the year, staff in the UK developed the free [Human Trafficking Awareness Index](#), which uses the Nexis news service to highlight emerging trends within and across national borders that can help campaigners in their efforts to combat trafficking.

Elsevier contributes to advancing human welfare and economic progress through its science and health information. Elsevier supports key programmes in places where resources are often scarce. Among them is Research4Life, in partnership with United Nations agencies and other publishers, which provides core and cutting-edge scientific information to researchers in more than 100 developing countries. As a founding partner, we contribute 50% of the content available in Research4Life, encompassing all ScienceDirect content, including approximately 2,000 Elsevier journals and 7,000 books. In the year, there were over six million Research4Life article downloads from Elsevier’s ScienceDirect, including through Access to Research for Development and Innovation (ARDI), a new Research4Life programme we joined in 2012. Local innovation is important to the success of national economies, and ARDI, coordinated by the World Intellectual Property Organization, will help academic and research institutions develop effectively, and allow patent offices to protect and reward innovation more efficiently.

[Code of Ethics and Business Conduct](#)

[Governance – Ensuring the highest ethical standards](#)

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[Unique contributions – LexisNexis Legal & Professional](#)

[Unique contributions - Elsevier](#)

Criterion 4: The COP describes effective management systems to integrate the human rights principles

To aid employee understanding of our policies, we offer interactive online training to explain topics and the importance of compliance, with examples of how policies apply in practice. Courses also highlight resources available to help those with questions or concerns. All employees receive training on the Code, data privacy and security, and preventing bribery; other courses are rolled out to those for whom the topic is relevant. In 2012, 100% of employees received training on The Code within 90 days of their start date.

[Governance – Ensuring the highest ethical standards](#)

[Supply](#)

We maintain Compliance Committees for all parts of the business. Employees are encouraged to report suspected violations of the Code or law to their manager, a human resources representative, a company lawyer, or the appropriate compliance committee. We also offer employees a confidential reporting line, managed by an independent third party, which is accessible by phone or online 24 hours per day.

[management](#)

Suppliers must adhere to all laws, embody and promote best practice in business operations, treat employees well, and respect the environment, as indicated in the ten principles of the United Nations Global Compact to which Reed Elsevier is a signatory. These principles are reflected in the Reed Elsevier Supplier Code of Conduct (Supplier Code), which we ask suppliers to sign and post prominently in the workplace. The Supplier Code contains standards on child labour, involuntary labour, wages, coercion and harassment, non-discrimination, freedom of association, environment, health and safety, and anti-corruption. It also precludes retaliation stating, "Suppliers must not tolerate any retaliation against any employee who makes a good faith report of abuse, intimidation, discrimination, harassment or any violation of law or of this Code of Conduct, or who assists in the investigation of any such report."

As part of ongoing due diligence, we maintain a tracking list of key suppliers, some of which are deemed to be high-risk according to criteria encompassing the Corporate Executive Board's Global Country Analysis Support Tool, human trafficking data from the US State Department, and the Environmental Performance Index. We also conduct external audits, as stipulated in our Socially Responsible Supplier programme Terms of Reference. To engage suppliers on key issues, we broadened our Socially Responsible Supplier Academy in 2012. A total of 15 sessions were held, which included covering the UN Guiding Principles on Business and Human Rights.

Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration

In 2012, 100% of employees completed our Code training within 90 days of their start date; 100% of employees completed preventing bribery training; 100% of employees in English-speaking countries completed data privacy and security training; and 100% of US managers completed a course on preventing workplace harassment. In 2013, we are implementing a refresher course for US managers and a workplace harassment course to managers outside the US. We are also issuing a refresher course on the Code and preventing bribery to all employees who have not had such training for 18 months or more.

[Governance – Ensuring the highest ethical standards](#)

As part of our Socially Responsible Supplier (SRS) programme we maintain a database with comprehensive information including Supplier Code of Conduct versioning/signing, initiative tracking, audit dates, remediation plans, and compliance. In 2012, the SRS tracking list included 477 key suppliers, 204 of which we deemed to be high risk according to criteria encompassing the Corporate Executive's Board's Global Country Analysis support tool, human trafficking data from the US State Department, and the Environmental Performance Index produced by Yale University and Columbia University.

[Supply management – Upholding standards](#)

The tracking list changes year on year based on the number of suppliers we do business with who meet the required criteria, including critical and strategic suppliers, those which we spend greater than \$1 million, those in high-risk countries representing 25% of a category by division/country or with spend greater than \$100,000, and/or suppliers we track through the Publishers' Database for Responsible Environmental Paper Sourcing database. In 2012, we refined our overall supplier classification data which contributed to a 4% increase in the number of suppliers we tracked.

[Supply management - SRS risk rankings](#)

[Supply management – Sample 2012 remediation reports](#)

We conducted 52 independent external audits of high risk suppliers for 2012 through

specialist auditors Intertek. There was a 7% improvement in the number of compliance findings per audit in 2012 (3.8 vs. 4.1 in 2011). Of the total audits, six were in full compliance. We disclose the non-compliance issues in our Corporate Responsibility Report.

Exemplary of 2012 collaborative improvements resulting from supplier remediation included safer and cleaner working conditions for employees at a distribution facility in South Africa, ensuring all facilities are kept in a clean, hygienic, and safe condition and proper health and safety/first aid training is completed. We also worked with a paper supplier in China to ensure that safety exits remain unlocked during hours of operations, and a print supplier in India changed its exit doors to open outward in the direction of evacuation.

Robust Labour Management Policies & Procedures

Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour

The Reed Elsevier Code of Conduct and Business Ethics sets the standard for our corporate and individual behaviour. It incorporates the ten principles of the UN Global Compact and therefore encompasses the four labour principles.

[Code of Ethics and Business Conduct](#)

The Supplier Code of Conduct contains standards on child labour, involuntary labour, wages, coercion and harassment, non-discrimination, freedom of association, environment, health and safety, and anti-corruption. It also precludes retaliation stating, “suppliers must not tolerate any retaliation against any employee who makes a good faith report of abuse, intimidation, discrimination, harassment or any violation of law or of this Code of Conduct, or who assists in the investigation of any such report.”

[Supplier Code of Conduct](#)

[People – Why it matters](#)

Valuing our 30,400 people means being an employer of choice, known for best practice in retaining and recruiting the best staff. Only by attracting and keeping good people – and being acknowledged as a company where they can do their best work – will we be able to achieve our objectives and meet the expectations of our customers and other shareholders.

[People - Promoting diversity](#)

We are committed to building a workforce that reflects the diversity of our customers and communities. The Reed Elsevier Diversity and Inclusion (D&I) Statement articulates our commitment to a diverse workforce and an environment that respects individuals and their contributions, regardless of their gender, race, or other characteristics.

[Reed Elsevier Health & Safety Policy](#)

The importance of employee health and safety is emphasised in the Reed Elsevier Code of Ethics and Business Conduct and also the Reed Elsevier Health and Safety Policy. These documents commit us to providing a healthy and safe workplace for all employees, as well as safe products and services for clients. We provide tailored health and safety training to employees at a higher risk of injury in the workplace including warehouse, facilities, and sales staff who regularly lift or carry products. In the US, we engage a third party specialist to visit and inspect locations which had high incident rates the prior year. We also concentrate on safety at our exhibitions where risks include working at height – particularly during the build and breakdown phases of a show – heavy lifting, and forklifts. Reed Exhibitions UK runs accredited health and safety management training for operational staff, as well as two exercises per year to ensure operational teams can appropriately and confidently respond to any incident.

Criterion 7: The COP describes effective management systems to integrate the labour principles

We maintain Compliance Committees for all parts of the business. Employees are encouraged to report suspected violations of the RE Code of Ethics or law to their manager, a human resources representative, a company lawyer, or the appropriate compliance committee. We also offer employees a confidential reporting line, which is accessible by

[Governance – Ensuring the highest ethical standards](#)

phone or online 24 hours per day. As allowed under applicable law, employees may submit reports to the Confidential Line anonymously. The Code stipulates protection against retaliation if a suspected violation of the Code or law is reported. Substantiated Code breaches are subject to swift disciplinary action, up to and including termination.

We work closely with our staff/works councils in Europe, the United States, and elsewhere to engender positive employer/ labour relations. And we ensure our labour and employment policies and practices are compliant with the principles of the UN Global Compact regarding fair and non-discriminatory labour activities. We are an equal opportunity employer and are committed to treating all employees and applicants with respect and dignity.

The CEO is responsible for health and safety on behalf of the Board. Good practice is reinforced through a network of Health and Safety Champions reporting to business unit CEOs. They receive support from health and safety managers and other colleagues in the business. Health and safety data, assured by Ernst & Young LLP, covers 97% of our workforce. As the majority of our business is US-based, we report against US Occupational Safety and Health Administration guidelines for work-related incidents and illnesses that result in greater than one day of lost time from work (we use an average of 220, eight hour work days per year to calculate total hours worked). Locations outside of the US must follow local regulatory frameworks, and we continue to harmonise local reporting with our global group health and safety reporting guidelines. The number of lost time reportable cases decreased in the year (49 in 2012 vs 52 in 2011). There was a further reduction in our severity rate – number of lost days compared to hours worked – with a 70% reduction since 2008.

We maintain a tracking list of key suppliers and external audits are conducted on high risk suppliers.

[People – Why it matters](#)

[People – Health, safety, and wellbeing](#)

[Appendix 2 - Ernst & Young LLP assurance statement](#)

[Supply management – Upholding standards](#)

Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration

To aid employee understanding of our policies, we offer interactive online training to explain topics and the importance of compliance, with examples of how policies apply in practice. Courses also highlight resources available to help those with questions or concerns. All employees receive training on the Code; other courses are rolled out to those for whom the topic is most relevant, such as Competition Law and Preventing Workplace Harassment for Managers. 100% of current employees have completed Code and preventing bribery training at least once and 100% of employees in English-speaking countries have completed data privacy and security and competition law training at least once; 100% of US managers have completed a course on preventing workplace harassment.

In 2013, we are implementing a preventing workplace harassment refresher course for US managers and will roll out the course to managers beyond the US. We also are issuing refresher training on the Code and preventing bribery to all employees who have not had such training for 18 months or more.

As stated in our Code of Conduct and Business Ethics, “We prohibit discrimination. We recruit, hire, develop, promote, discipline, and provide other conditions of employment without regard to race, colour, religion, national origin, gender, sexual orientation, marital status, age, disability, or any other category protected by law. This includes accommodating employees’ disabilities or religious beliefs or practices.” Consistent with this policy, Reed Elsevier prohibits discrimination or harassment of any kind.

We are committed to building a workforce that reflects the diversity of our customers and

[Governance – Ensuring the highest ethical standards](#)

[People – Promoting diversity](#)

communities. The Reed Elsevier Diversity and Inclusion (D&I) Statement articulates our commitment to a diverse workforce and environment that respects individuals and their contributions, regardless of their gender, race, or other characteristics. In 2012, we took steps to implement a D&I Strategy we developed in 2010 which incorporates the D&I Statement. The D&I Strategy states “diversity and inclusion are not just aspirational social concepts. Rather, they are a cornerstone of a successful global business.” The D&I Strategy highlights the value proposition for diversity on ethical, regulatory, economic, and reputational grounds. Among its commitments is understanding the state of D&I across Reed Elsevier and ensuring plans to address areas for improvement.

In 2012, together with D&I specialist Pluribus, our D&I Advisory Group – comprising one leader from each business unit and senior HR colleagues implemented Diversity and Inclusion training pilots across all our business units focused on issues such as unconscious bias and the D&I business case.

Robust Environmental Management Policies & Procedures

Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship

We assess, prioritise, and mitigate environmental risks as part of our overall risk management process. In addition, the Global Environmental Policy and Environmental Management System (EMS), aligned with the ISO 14001 environmental standard, outlines our obligation to “manage the environmental risks of our activities” and stipulates that “environmental risk is part of the overall risk assessment which business units are required to complete on an annual basis.” It indicates we must consider, among other risks, those that require legislative compliance; have significant cost implications for the business; and which may impact our reputation.

Sustainable paper for the manufacture of our printed products continues to be one of our material environmental risks despite the on-going shift of business to electronic formats. As founding members of PREPS, we have helped create the PREPS database to capture the technical specifications of the pulps and forest sources of our papers. Each paper is given stars according to sustainability criteria; one (unknown or unwanted material), three (known and responsible) or five (recycled, FSC or PEFC certified). The grading system was initially developed by PREPS member Egmont UK Ltd and sustainability consultants Carnstone, along with input from Greenpeace and WWF.

The Reed Elsevier Paper Policy commits us to increasing the proportion of paper we buy with recycled and certified content and to only purchase PREPS grade 3 or 5 paper wherever possible. With help from our paper suppliers, by the close of 2012, 96% of Reed Elsevier papers by weight were graded on PREPS, all of which achieved three or five stars. Though PREPS is now the largest paper database in the world with nearly 10,375 active papers from 227 mills, our paper is graded by PREPS as time allows. Our procurement teams receive regular training on the PREPS database.

To further track compliance with Socially Responsible Supplier initiatives, we conduct an annual survey of paper providers and a Social Responsibility Survey for all others. The survey gathers information on bleaching processes, the amount and percentage of certified and recycled fibre, and whether any genetically modified organisms are used in pulp (none in 2012).

Another material risk is the expansion of environmental regulation which, as a primarily office based company, has had limited impact on the business. Regulations concerning

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[Environment – Risks and opportunities](#)

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[Supply management – Supplier training and surveys](#)

[Environment - Water](#)

[Environment - Paper](#)

energy and climate change are developing in many territories presenting challenges in compliance and maintaining best practice. As a provider of information to the legal and environmental communities this also presents an opportunity to inform customers through products such as The Environmentalist or Garner’s Environmental Law. We support progressive environmental legislation, and in 2012, continued our involvement with the Aldersgate Group, which engages with government on environmental reporting and other key issues. In the year, we signed an open letter to the UK Deputy Prime Minister in support of mandatory carbon reporting for large UK-based businesses, a measure that was later introduced.

We produce numerous environmental publications, services, and events including; Elsevier published four new water journals in 2012: Sustainability of Water Quality and Ecology, Water Resources and Economics, Water Resources and Industry, and Water Resources and Rural Development; LexisNexis Legal & Professional’s The Environmentalist; Reed Exhibitions alternative energy exhibitions including Greenbuilding Brasil and Pollutec; and RBI’s New Scientist reported on climate issues as a cover story on six occasions featuring topics such as the effect of climate change on weather patterns, the changes to arctic ice cover, and the potential of biofuels.

In 2012, Reed Elsevier CEO, Erik Engstrom, was one of 45 CEOs to sign the CEO Water Mandate Communiqué, calling on governments attending the Rio+20 Earth Summit in June 2012 to improve water sustainability by better leveraging the resources and capabilities of the international business community.

Criterion 10: The COP describes effective management systems to integrate the environmental principles

We assess, prioritise, and mitigate environmental risks as part of our overall risk management process. In addition, our Environmental Management System (EMS), aligned with the ISO 14001 environmental standard, outlines our obligation to “manage the environmental risks of our activities” and stipulates that “environmental risk is part of the overall risk assessment which business units are required to complete on an annual basis.” It indicates we must consider, among other risks, those that require legislative compliance; have significant cost implications for the business; and which may impact our reputation.

Our network of Environmental Champions, together with colleagues throughout the business – including those from communications, finance, legal, HR, IT, procurement, and real estate – as well as external stakeholders like NGOs and investors, help with advice, ranking, and tracking of our environmental risks/opportunities. They are reviewed during Environmental Checkpoint Meetings, chaired by the CFO.

Among the material environmental risks we have identified are regulation on climate change, green taxes, and sustainable paper. Opportunities include an increase in demand for the environmental information we produce and cost savings as a result of efficiencies.

Throughout 2012 we took steps toward achieving our new environmental targets which were developed in consultation with analysts, corporate peers, external environmental experts and consultants, governmental representatives, investors, and NGOs. They challenge us to improve efficiency in order to reach our targets by 2015.

Employees are integral to our environmental improvement efforts and 67% of key locations have Green Teams.

[Annual Report – Principal risks](#)

[Environment - Risks and opportunities](#)

[Environment – Our impact](#)

[Environment - Employee action](#)

Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship

Our data summary shows performance in key environmental metrics since 2008. Third party verification of our environmental data gives us confidence in its reliability and improves our reporting. Environmental data covers a full calendar year and all global operations for which we have operational control.

We agree with scientific opinion that we need to reduce the total quantity of absolute greenhouse gases in the atmosphere – as stated in our environmental publications, like Elsevier’s [Global Environmental Change](#) – but as our business continues to expand, intensity targets provide a better indication of our efficiency and relative performance, and allow for comparisons. We will, however, continue to show results in both absolute and intensity terms.

Our targets separate climate change scopes as prescribed by the Greenhouse Gas (GHG) Protocol. We are striving to achieve by 2015 a 20% reduction in Scope 1 (direct emissions) and a 10% reduction in Scope 2 (electricity and heating). In Scope 3 (business travel) we are aiming for a 15% reduction. We continue to expand reporting on our indirect Scope 3 emissions.

In energy, we are focusing on increasing the percentage of renewable electricity we purchase and we have separated offices from data centres, which continue to expand as we produce more online content. Water is a location specific issue, so in place of a global target, we are focusing on those locations in water stressed areas. We continue to work with suppliers to understand their usage of water in producing goods and services on our behalf (see water section). We are also working to divert 75% of our waste from landfill.

In the longer term, we are also aiming by 2020 to achieve:

- 100% of our electricity will be from renewables or offset
- Zero waste to landfill at key locations

To realise efficiencies, we work through our Environmental Champions network and with dedicated engineering, design, and construction specialists to help identify reduction possibilities wherever possible in our portfolio. We will also be continuing to engage employees in our reduction efforts by creating competition among offices through the Reed Elsevier Environmental Standards.

In 2012, the Reed Elsevier Environmental Standards programme was advanced by a communication from the CFO to all staff, and supported by local management and real estate teams. 69 staff locations (up from 40 in 2011), covering all parts of the business, achieved five Environmental Standards and achieved Green status. Those locations achieving seven or more standards are designated as Green+ and are the best performing sites within the business. In the year, 13 locations were designated as Green+ (six in 2011). Of note was the successful implementation of BS 8555 Phase 3 environmental certification at ten key UK locations, which will lead to ISO 14001 certification, achieved by LexisNexis UK in the year. Four sites in the UK achieved all eight relevant standards.

[2012 Key CR data](#)

[Appendix 2 - Ernst & Young LLP assurance statement](#)

[Environment - Targets and standards](#)

[Environment – Climate change](#)

[Environment - Energy](#)

[Environment – Water](#)

[Environment – Paper](#)

Robust Anti-Corruption Management Policies & Procedures

Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption

The Reed Elsevier Code of Ethics and Business Conduct (Code), disseminated to every employee and publicly available at www.reedelsevier.com, sets the standard for our corporate and individual behaviour. It incorporates the ten principles of the UN Global Compact. The Reed Elsevier Code of Ethics and Business Conduct is reinforced by other policies to further assist employees in complying with laws in key areas, such as bribery, competition, export and trade controls, and workplace harassment.

In 2012 we set and achieved targets related to our compliance activities:

- Completion of Reed Elsevier Code of Ethics and Business Conduct training by 100% of employees within 90 days of their employment start date
- Continue bribery law compliance activities, with particular reference to the UK Bribery Act and US Foreign Corrupt Practices Act

We focus on our unique contributions as a business where we can make a positive impact through our knowledge, resources, and skills. LexisNexis Risk Solutions provides essential insight to protect people, industry, and society including preventing fraud before it happens across a range of sectors. It is estimated that in the US, [identity fraud](#) affects upwards of 11m people, with the total amount of fraud in the region of \$18bn. In 2012, LexisNexis Risk Solutions unveiled new multi-factor authentication systems designed to keep identities safe from theft across a variety of channels. It includes Voice Biometrics, a voiceprint identification system for stringent identity verification using key features of a speaker's voice, which is as unique as a fingerprint.

[Governance – Ensuring the highest ethical standards](#)

[Code of Ethics and Business Conduct](#)

[Unique contributions – LexisNexis Legal & Professional](#)

Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle

We offer employees a confidential reporting line, which is accessible by phone or online 24 hours per day. As allowed under applicable law, employees may submit reports to the Confidential Line anonymously. The Code stipulates protection against retaliation if a suspected violation of the Code or law is reported. Substantiated Code breaches are subject to swift disciplinary action, up to and including termination.

100% of current employees have completed Code and preventing bribery training at least once and 100% of employees in English-speaking countries have completed data privacy and security and competition law training at least once; 100% of US managers have completed a course on preventing workplace harassment.

We are issuing refresher training on the Code and preventing bribery to all employees who have not had such training for 18 months or more. We supplement computer-based training with in person sessions, for example preventing bribery and competition law for employees in higher risk positions and geographies. Our policies, training, and other materials aim to ensure compliance with laws globally, particularly US and UK laws that apply extra-territorially (e.g., UK Bribery Act and US Foreign Corrupt Practices Act).

[Governance – Ensuring the highest ethical standards](#)

[Code of Ethics and Business Conduct](#)

Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anticorruption

The Reed Elsevier Board, senior management, and the Corporate Responsibility Forum (chaired by a member of senior management and involving individuals representing all key business functions and businesses) oversee corporate responsibility objectives and monitor performance against them; this includes compliance with the Code of Ethics and Business Conduct.

We maintain Compliance Committees for all parts of the business. Employees are encouraged to report suspected violations of the Code or law to their manager, a human resources representative, a company lawyer, or the appropriate compliance committee. We also offer employees a confidential reporting line, which is accessible by phone or online 24 hours per day. As allowed under applicable law, employees may submit reports to the Confidential Line anonymously. The Code stipulates protection against retaliation if a suspected violation of the Code or law is reported. Substantiated Code breaches are subject to swift disciplinary action, up to and including termination.

[Our Approach to CR](#)

[Governance – Ensuring the highest ethical standards](#)

[Code of Ethics and Business Conduct](#)

Taking Action in Support of Broader UN Goals and Issues

Criterion 15: The COP describes core business contributions to UN goals and issues

Reed Elsevier is a member of the UNGC UK Network Advisory Group and the UNGC Supply Chain Advisory Group. Since becoming a signatory, we continually work to further UNGC principles within Reed Elsevier and beyond. In 2012 we were also part of the CEO Water Mandate Steering Group, and represented the initiative on the board of the Alliance for Water Stewardship, assisting with the development of an international standard for water stewardship. We participated in the UNGC’s Corporate Sustainability Forum in Rio de Janeiro, where a new Water Action Hub was launched, for which we are providing a free news feed with water basin information.

LexisNexis Legal & Professional continued support for the International Bar Association/United Nations Global Compact Lawyers as Leaders video series, which increases awareness of legal issues associated with CR. The four-part programme discusses the role of legal counsels in providing insight and support for UNGC principles. The anti-corruption module released in 2012 includes an interview with Reed Elsevier’s US General Counsel, Kenneth Thompson II, who also serves as Co-Chair of the International Bar Association’s Corporate Social Responsibility Committee.

We provide CR-related products and services that contribute to the UN goals and issues, in the areas of governance and environment, for example. These include: LexisNexis Risk Solutions Compliance Manager and the LexisNexis Environmental Law and Climate Change Community.

We have also established partnership projects that advance UN goals and issues. In 2012, we supported deeper country analysis of UNICEF’s 2011 Children’s Vulnerability to Climate Change and Disaster Impacts in East Asia and the Pacific. The initial research concentrated on general trends based on findings from five countries.

Elsevier supports key programmes in places where resources are often scarce. Among them is Research4Life, in partnership with United Nations agencies and other publishers, which provides core and cutting-edge scientific information to researchers in more than 100 developing countries.

[Commitment to UNGC](#)

[Sampling of CR products](#)

[Unique contributions – Across Reed Elsevier](#)

[Unique contributions - Elsevier](#)

[Unique contributions - LexisNexis Legal & Professional](#)

LexisNexis Legal & Professional promotes the rule of law through its products and services that enable customers to excel in the practice and business of law, and which helps justice systems, governments, and businesses function more effectively and efficiently.

Criterion 16: The COP describes strategic social investments and philanthropy

Our vision is to be a world leading provider of information solutions that improve outcomes for our customers and benefit society. To achieve this, we know we must exercise the full extent of our corporate responsibility (CR), performing to the highest ethical standards and channelling our knowledge and strengths, as a global leader in our industry, to make a difference.

At Reed Elsevier, CR is not a programme or prescriptive set of activities, it is how we do what we do on a daily basis – working to maximise our positive impact, while minimising any negative consequences of conducting our business. Doing so adds to our competitive advantage by building good relations with current and future employees, customers, and investors, as well as governments, non-governmental organisations (NGOs), and communities where we live and work.

Contributing to our local and global communities is both an opportunity and a responsibility. It helps us inspire employees, assist beneficiaries, improve our reputation, and meet our obligations. Our global community programme, RE Cares, supports employee and corporate engagement that makes a positive impact on society through volunteerism and giving. It is made effective by a global network of more than 180 RE Cares Champions, representing all Reed Elsevier businesses.

In 2012, we donated £2.5m in cash (including through matching gifts) and £2.8m in products, services, and staff time. The market value of time, products, and services, of our in-kind giving was approximately £11.8m. 30% of employees were engaged in volunteering through RE Cares and we will reach 20,200 disadvantaged young people through 2012 volunteering, in-kind, and cash donations.

During 2012, Reed Elsevier employees voted to continue our global fundraising partnership with Plan UK, begun in 2010 with a new fundraising goal of £50,000 by the close of 2013. Current efforts are supporting pre-school education for ethnic minority children in China and helping girls in Peru complete their secondary education, which collectively will benefit more than 1,000 children and young people.

In the year, we contributed to country analysis efforts to advance UNICEF’s 2011 report, [Children’s Vulnerability to Climate Change and Disaster Impacts in East Asia and the Pacific](#). The initial research concentrated on general trends based on findings from five countries. It suggested that while the impacts of climate change vary, children in all five were aware that changes in their environment were already present, such as the availability of water and fuel and exposure to extreme weather conditions. In 2012, we helped UNICEF plan in-depth research in Indonesia and the Philippines exploring a methodology for child-centered disaster risk reduction and risk-informed child sensitive social protection. The research will ensure resources are targeted to areas with the greatest risks to children. We are providing access to journals and data, and subject experts, and will assist with editing, designing, printing, and disseminating the final report.

[Our Approach to CR](#)

[Community](#)

[Unique Contributions – Across Reed Elsevier](#)

Criterion 17: The COP describes advocacy and public policy engagement

In 2012, we engaged with government through involvement in the European Network for Sustainable Business, the All Party Parliamentary Group on Corporate Responsibility, and the International Chamber of Commerce.

Since becoming a signatory to the UNGC, we continually work to further UNGC principles within Reed Elsevier and beyond. We demonstrated leadership in 2012 by serving on the UNGC Advisory Group for the United Kingdom and the UNGC Supply Chain Advisory Group. We were also part of the [CEO Water Mandate Steering Group](#), and represent the initiative on the board of the [Alliance for Water Stewardship](#), assisting with the development of an international standard for water stewardship. We participated in the UNGC's Corporate Sustainability Forum in Rio de Janeiro, where a new Water Action Hub was launched, for which we are providing a free news feed with water basin information.

LexisNexis Legal & Professional continued support for the International Bar Association/UNGC Lawyers as Leaders video series, which increases awareness of legal issues associated with CR. The four-part programme discusses the role of legal counsels in providing insight and support for UNGC principles. The anti-corruption module released in 2012 includes an interview with Reed Elsevier's US General Counsel, Kenneth Thompson, II, who also serves as Co-Chair of the International Bar Association's Corporate Social Responsibility Committee.

We support progressive environmental legislation, and, in 2012, continued our involvement with the [Aldersgate Group](#), which engages with government on environmental reporting and other key issues. In the year, we signed an open letter to the UK Deputy Prime Minister in support of mandatory carbon reporting for large UK-based businesses, a measure that was later introduced.

In 2012, Reed Elsevier CEO, Erik Engstrom, was one of 45 CEOs to sign the CEO Water Mandate Communiqué, calling on governments attending the Rio+20 Earth Summit in June 2012 to improve water sustainability by better leveraging the resources and capabilities of the international business community.

Reed Elsevier is a founding contributor to [CDP Water Disclosure](#) and is a member of the [United Nations CEO Water Mandate](#), which brings together businesses to address the challenges posed by water scarcity and quality to communities and ecosystems. As a member of the board of the Alliance for Water Stewardship, we are helping to develop an internationally recognised standard for water resource management.

Our [Climate Change Statement](#) indicates our support for the globally recognised target of an 80% absolute reduction in CO2 emissions by 2050. It also outlines our commitment to mitigation and adaptation and our belief in the need for an ambitious, robust, and equitable policy on climate change. As such, we signed the [Carbon Price Communiqué](#), the sixth in a series of petitions developed by The Prince of Wales's Corporate Leaders Group, and continue to engage with governments on climate change regulation. As an endorser of the UN Global Compact's [Caring for Climate](#) initiative, and through the European Network for Sustainable Business, we share good practice with others and support voluntary codes of practice.

[External engagement](#)

[Commitment to the UN Global Compact](#)

[Environment - Risks and opportunities](#)

[Environment – Water](#)

[Environment – Climate change](#)

Criterion 18: The COP describes partnerships and collective action

In 2012, we held a stakeholder session with our CR Forum on what diversity and inclusion (D&I) means for media companies, and what it means for Reed Elsevier. Participants included the head of diversity and corporate social responsibility (CSR) for one of our customers; the CEO of the Association of Women in Science; the head of talent for one of our business units; a diversity expert; and the convener of the [Media CSR Forum](#). Among discussion points were the success of diverse teams and the need for senior diversity champions. As a member of ID (Inclusion and Diversity) 100, a network for sharing D&I knowledge among FTSE100 peers, we hosted a panel on boardroom diversity with executive search firm leaders Egon Zehnder, JCA Group, and the Zygos Partnership.

We actively support sector and inter-industry initiatives that advance CR. We contribute to the Media CSR Forum and in 2012 collaborated with peers on a range of sector issues including the impact of advertising, the future of media, and employee engagement.

On behalf of the Global Reporting Initiative (GRI), we were part of the working group – comprised of sector members and NGOs – which developed a [Media Sector Supplement](#) to highlight issues media companies should address in their reporting, launched in 2012. Reed Exhibitions helped develop a GRI Event Sector Supplement which was launched at the London 2012 Olympic Games office at the start of the year.

We are members of the [London Benchmarking Group](#), [Business in the Community](#), the [Corporate Responsibility Group](#), [Publishers' Database for Responsible Environmental Paper Sourcing](#), [Publishers Association Environmental Action Group](#), [Publishing Industry Product Safety Forum](#), and the [US Green Building Council](#).

We communicated about CR through our corporate and business unit websites. We contributed a CR [case study](#) to The Times 100, a free educational resource for students, and spoke at conferences like Ethical Corporation's CR Reporting and Communications Summit.

We held direct meetings on CR with institutional investors and completed numerous CR-related surveys and information requests including from the Carbon Disclosure Project, Dow Jones Sustainability Index, EIRIS, Forest Disclosure Project, OEKOM, Vigeo, and VBDO. We also provided details on our CR activities for a range of customers and collaborated with NGO partners like [Earthwatch](#), the [Alliance for Water Stewardship](#), [UNICEF](#), and [Plan UK](#).

[External engagement](#)

Corporate Sustainability Governance and Leadership

Criterion 19: The COP describes CEO commitment and leadership

As our Chief Executive Officer, Erik Engstrom, comments in his introduction to the 2012 CR Report, "We get involved in initiatives that matter and we actively support the United Nations Global Compact, a forum for learning and sharing best practice, which unites more than 10,000 companies around the globe in pursuit of ten principles related to human rights, labour, environment and anti-bribery."

The Chief Executive Officer (CEO) has responsibility to the Board for CR. The CR Director engages with the senior management team and also provides formal updates to the Board.

The Reed Elsevier Code of Ethics and Business Conduct, which incorporates the ten principles of the UN Global Compact, begins with an introduction from the CEO and sets out our standards on key ethics and compliance matters, including: policies related to protecting

[CEO statement](#)

[Our Approach to CR](#)

[Governance – Ensuring the highest ethical standards](#)

company interests and assets; relationships with business partners, customers, suppliers, and competitors; dealings with governments; respecting colleagues and communities; and data protection.

Criterion 20: The COP describes Board adoption and oversight

The Reed Elsevier Board, senior management, and the Corporate Responsibility Forum (chaired by a member of senior management and involving individuals representing all key business functions and businesses) oversee corporate responsibility objectives and monitor performance against them. The Chief Executive Officer (CEO) has responsibility to the Board for CR. The CR Director engages with the senior management team and also provides formal updates to the Board.

As stated in the 2012 Reed Elsevier Annual Report “The [Remuneration] Committee considers the social, governance, and environmental implications of its decisions, particularly when setting and assessing performance objectives and targets, and seeks to ensure that incentives are consistent with the appropriate management of risk.”

It is also stated that “a significant portion of the annual bonus is dependent upon the achievement of annual key performance objectives (KPOs) that create a platform for sustainable future performance. These KPOs align with Reed Elsevier’s strategic plans and range from the delivery of specific projects and the achievement of customer metrics or efficiency targets to corporate and social responsibility objectives. Each executive director has at least one sustainability or corporate responsibility objective.”

[Our Approach to CR](#)

[Annual Report – Remuneration report](#)

Criterion 21: The COP describes stakeholder engagement

To understand which issues we should focus on, we consider our business priorities and engage broadly with stakeholders. We recognise some issues have a greater potential impact on our business performance.

Greatest potential impact

- Positively impacting society
- Access to information
- Governance and ethical practice
- Responding to customer needs
- Having the right people
- Editorial standards
- Sustainable supply chain

Potential impact

- Tax, pensions, and investments
- Promoting diversity
- Health, safety, and wellbeing
- Supporting our communities
- Managing environmental impacts
- Transparent, comprehensive reporting

We involve colleagues throughout the company in our CR activities including: the Diversity and Inclusion Advisory Group and Working Group; Health and Safety Champions; the HR Management Council; legal colleagues; Reed Elsevier Cares Champions; the Socially Responsible Supplier Group; and the communications, global real estate, procurement, accounting services functions, among others.

Hearing directly from our people is an important driver for improvement. In 2012, we undertook a global Employee Opinion Survey, completed by 77% of employees, to help us understand staff views.

We value the opinion of others and in 2012, we held a stakeholder session with our Corporate Responsibility Forum on what diversity and inclusion means for media companies, and what it means for Reed Elsevier. Participants included the head of Diversity and CSR for one of our customers; the CEO of the Association of Women in Science; the head of talent for one of our business units; a diversity expert; and the convener of the Media CSR Forum.

[Our Approach to CR](#)

[People - Listening](#)

[Internal engagement](#)

[External engagement](#)

[Supply management – Supplier training and surveys](#)

CEO Water Mandate

Our 2012 progress on the six elements of the CEO Water Mandate

We support the CEO Water Mandate and are committed to meeting its provisions

Six elements	Element in action	Our progress	2012 CR Report location
Direct operations	We have an ongoing programme of water reduction measures including sprinkler system adjustments, leak identification and repair, and installing waterless urinals where possible.	During 2012, our water usage continued to move downward with a 4% absolute reduction between 2011 and 2012. Unlike carbon, water-related issues are related to location and exposure to water stress. We use the World Business Council for Sustainable Development's Global Water Tool, as a watershed risk management system to identify the river basins from which our sites draw water.	Environment – Water
Supply chain and watershed	<p>We use a watershed risk management system to identify the river basins from which our sites draw water.</p> <p>We address water issues through our Socially Responsible Supplier programme.</p>	<p>Water-related issues are fundamentally related to location and exposure to water stress. We use a watershed risk management system to identify the river basins our sites draw water from using the World Business Council for Sustainable Development Global Water Tool. The majority of the water we use comes from central supply to our offices, but we are exploring opportunities for reclaimed 'grey water' systems.</p> <p>In reviewing our 2012 property portfolio, 37% of key locations (based on 1995 World Resources Institute guidelines) are in areas at risk of water stress or severe water stress which could lead to economic development and food production issues in the future.</p> <p>The majority of these are in developed countries, with a high capability for water adaptation and mitigation. We will continue to focus reduction efforts in areas of severe water stress where they will have the most impact.</p> <p>In 2012 we calculated a relative water impact in our supply chain of 3,496,857m³ based on the percentage of water they used for production on our behalf, 67% of which came from paper suppliers.</p>	Environment – Water
Collective action	We address water issues through collective action.	<p>We are founding members of PREPS (Publishers database for Responsible and Ethical Paper Sourcing), and are working with others in our sector to expand this paper sustainability initiative to include the water impact of paper production. We collect paper supplier water data through PREPS.</p> <p>In 2012 we covered water efficiency and stewardship</p>	Environment – Our impact Environment – Water

		in our Supplier Academy and supported the launch of the CEO Water Mandate's Water Action Hub – an online platform enabling collaboration on projects in water stressed areas.	
Public policy	We work with other companies on water and other environmental issues and support progressive environmental legislation on issues with a water dimension like climate change.	<p>We support progressive environmental legislation. In 2012, we engaged with government through involvement in the European Network for Sustainable Business and the Aldersgate Group. Reed Elsevier's CEO, Erik Engstrom, was one of 45 CEOs to sign the CEO Water Mandate Communiqué, calling on governments attending the Rio+20 Earth Summit in June to improve water sustainability by better leveraging the resources and capabilities of the international business community.</p> <p>We engage with internal water experts who are responsible for producing water-related products, an organic growth area for us, and published more than 30 high quality journals in aquatic sciences in 2012, including Water Research and the Journal of Hydrology.</p>	Environment – Risks and opportunities
Community engagement	We support water reduction and access initiatives.	<p>Drawing on expertise across Reed Elsevier, in 2012 we awarded prizes in the second Reed Elsevier Environmental Challenge to projects that improve sustainable access to water and improved sanitation where it is presently at risk. The winner of the \$50,000 first prize was the Centre for Affordable Water and Sanitation Technology (CAWST) for a project that modifies biosand filters with iron particles in order to remove water contaminants, including viruses, to bring safe drinking water to two rural villages in Nepal. Over a period of two years 150 filters will be installed. Second prize of \$25,000 went to Sanergy to extend a pilot project in Kenya that ensures accessible and affordable hygienic sanitation through a network of small-scale, high-quality sanitation centres. Sanergy toilets are franchised to local entrepreneurs and stimulate the economy by turning waste into products, such as organic fertiliser sold to farms.</p> <p>Staff behind World Travel Market founded the charity Just a Drop to engage the tourism industry on water issues. Since its founding 14 years ago, Just a Drop has undertaken over 100 water aid projects and helped more than 1.5m children and their families in 31 countries. Mostra Convegno Expocomfort, organised by Reed Exhibitions Italia, supported Just a Drop in 2012 by donating a share of its entrance proceeds for the construction of a dam and the repair of an old pipeline in a rural Masai community in Tanzania. With no domestic water points or potable water nearby, women and children have had to walk up to 16 hours a day to collect enough water for daily needs. Just a Drop worked with the local Water User Association</p>	Unique contributions – Across Reed Elsevier Unique contributions – Reed Exhibitions

		and community partner, the Ilkisongo Pastoralists Initiative, to deliver the project, which will benefit 2,000 people.	
Transparency	We publicly report on our water targets and performance in our annual Corporate Responsibility Report and engage with stakeholders on water issues in one-to-one meetings.	<p>Reed Elsevier is a founding contributor to CDP Water Disclosure and is a member of the United Nations CEO Water Mandate, which brings together businesses to address the challenges posed by water scarcity and quality to communities and ecosystems. As a member of the board of the Alliance for Water Stewardship, we are helping to develop an internationally recognised standard for water resource management.</p> <p>In 2012, we were included in the Carbon Disclosure Leadership Index for the fifth year and were recognised as a leader in our sector. We also participated in the CDP Water module and the CDP Supply Chain module.</p>	<p>Environment – Water</p> <p>External Recognition</p> <p>Environment – Climate change</p>