

UN Global Compact

Communication on Progress 2009

As a signatory to the United Nations Global Compact (UNGC), one of our specific 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. The following table highlights our actions on the principles with links to relevant information in the 2009 <u>Corporate Responsibility Report</u>.

Since becoming a signatory, Reed Elsevier continually works to further UNGC principles within the company and beyond. We are a member of the steering group of the UNGC UK Network and chair the communications working group. In 2009, we hosted Georg Kell, Executive Director of the UNGC, at our head office in London who provided an overview of 2009 UNGC objectives for employees, UK Network members and observers, and other guests. We hosted online seminars for UK Network members on how to communicate about the UNGC; reviewed COP reports as part of the UK Network's peer review process; pursued our commitment to the UNGC CEO Water Mandate and Caring for Climate; and joined the UNGC Advisory Group on Supply Chain Sustainability, which aims to produce guidance for UNGC participants on sustainable supply chain practice.

Global Compact Principle

Principle in Action

Our Progress

Corporate Responsibility Report Location

Human Rights

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2:

Businesses should make sure that they are not complicit in human rights abuses

Protecting human rights/avoiding human rights abuses (1, 2)

Our Code of Ethics and Business Conduct (the Code), disseminated to every employee, is a guide to the way we go about achieving our business goals. It encourages open and ethical behaviour and makes clear our commitment to human rights.

We promote the ten principles in our supply chain by requiring our suppliers to sign the Reed Elsevier Supplier Code of Conduct, incorporating the principles, and to post it prominently in the workplace. The Code makes clear that they must adhere to all laws, embody and promote best practice in

business operations, and uphold human rights

We believe a transparent legal system is a fundamental element of a healthy society and growing economy and requires a clear set of laws that are freely and easily accessible to all, strong enforcement structures, and an independent judiciary to protect citizens against abuse of power by the state, individuals or others. LexisNexis promotes rule of law through outreach and advocacy, educational forums, thought leadership, and the free dissemination of, and training on, LexisNexis solutions.

Protecting human rights/avoiding human rights abuses Code of Ethics and Business Conduct:

- > The Code was updated in 2009 to clarify key provisions and enhance readability.
- The revised Code was disseminated to all employees worldwide by the CEO.
- > The Code is available in 11 languages
- > 80% of current employees have completed Code training (end of 2009).
- > We continue to roll out tools for filing anonymous complaints such as a toll-free, confidential reporting line for US and UK employees and an electronic reporting form.
- > 2010 objectives:
 - Code course completion by 90% of all employees
 - Data Privacy and Security course completion by 60% of all employees
 - Anti-Bribery training for 80% of relevant employees in high risk roles and geographies

Supply chai

In 2009, we expanded the SRS database to 589 suppliers from 368 in 2008, 101 of which we deem 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 produced by Yale University and Columbia University.

50% of suppliers on the SRS database were signatories to the Supplier Code by the close of 2009. We are aiming to increase this by a further 10% in 2010 by using new database tools and enlisting the assistance of more colleagues. Over the last two years all new suppliers are required to sign our Supplier Code as a condition of doing business with us. In 2009, we conducted 39 independent external audits of high risk suppliers through specialist auditors ITS, and a further 12 internal audits.

Support for the Rule of Law:

In 2009, LexisNexis donated \$5.3m through in-kind and cash contributions to support the Rule of Law, Pro Bono work around the globe. In 2009, LexisNexis continued to strengthen the Rule of Law Resources Center one of the largest collections of Rule of Law and Human Rights resources on the internet. LexisNexis is a sponsoring member of the World Justice Project and actively participated in the World Justice Forum II held in Vienna in November 2009 focused on the rule of law.

Governance – Code of Ethics and Business Conduct

Supply chain

Summary – Our unique contributions

Labour Standards

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4:

Businesses should uphold the elimination of all forms of forced and compulsory labour

Principle 5:

Business should uphold the effective abolition of child labour

Principle 6:

Businesses should uphold the elimination of discrimination in respect of employment and occupation

Freedom of association/collective bargaining (3)

Incorporated in the Reed Elsevier Code of Ethics and Business Conduct and Supplier Code.

Elimination of forced and compulsory labour/abolition of child labour (4, 5)

These principles are incorporated in the Reed Elsevier Code of Ethics and Business Conduct and Supplier Code. We combat human trafficking by offering direct financial support and legal and technical advice through our LexisNexis division to organizations working to eradicate human trafficking, child labour and exploitation.

Elimination of Discrimination in employment (6)

This principle is incorporated in the Reed Elsevier Code of Ethics and Business Conduct and Supplier Code. We work against discrimination or harassment of any kind. We actively seek to build a workforce which reflects the diversity of our customers and communities.

Freedom of association/collective bargaining

We took steps as described above as described in Code of Ethics and Supply Chain to ensure we advanced dissemination of, training on, and adherence to the RE Code of Ethics and Supplier Code which uphold freedom of association and collective bargaining.

Elimination of forced and compulsory labour/abolition of child labour

Among the NGOs LexisNexis assists is the Somaly Mam Foundation, established by a Cambodian sold into slavery and prostitution as a young woman. Her aim is to rescue, rehabilitate, and reintegrate slavery victims. In 2009, LexisNexis sponsored Somaly Mam's attendance at the Singapore Children and the Law Conference to promote child protection across Asia Pacific. Through its Risk Solutions business, LexisNexis supports organisations serving children. Since 2002, LexisNexis Volunteer Screening has completed more than four million volunteer background checks for such organisations, identifying over 200,000 individuals with criminal convictions – including more than 3,000 registered sex offenders.

Through our community programme, Reed Elsevier Cares, we support charitable organisations that work to end child labour. One of them is AfriKids, a charity we have partnered with since 2004. AfriKids is a child rights organisation, which works alongside indigenous communities in Ghana to improve quality of life for vulnerable children.

Elimination of Discrimination in employment

The Reed Elsevier Diversity and Inclusion Statement articulates our commitment to a diverse workforce and a work environment that respects individuals and their contributions, regardless of background. During 2009, the Diversity and Inclusion Working Group, which includes representatives from across the company, shared internal best practice and heard from external experts. In 2009, we refined guidance on Employee Resource Groups, like women's forums, which allow diversity to be expressed in meaningful ways. For example, The Elsevier Women's Network, which began at the close of 2008 with five senior Elsevier women, grew in 2009 to a membership of over 320 employees.

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Summary – Our unique contributions

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People and community

Governance

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People and community

Environment

Principle 7:

Businesses should support a precautionary approach to environmental challenges

Principle 8:

Undertake initiatives to promote greater environmental responsibility

Precautionary approach to environment/ undertake initiatives to promote environmental responsibility (7, 8)

These principles are incorporated in our Code of Ethics and Business Conduct, our Supplier Code of Conduct, and our Environmental Management System. In addition, we engage in numerous activities to progress environmental sustainability.

Precautionary approach to environment/undertake initiatives to promote environmental responsibility Publishers database for Responsible Environmental Paper Sourcing (PREPS):

Reed Elsevier is a founding member of PREPS, a group of leading publishing companies who have established a database to aggregate the technical specifications of the pulps and forest sources of production papers. During 2009 we worked closely with suppliers to improve the quantity of paper that is included on the PREPS database. By end of 2009, 95% of RE papers by weight were on PREPS, 70% were graded, 100% of which were designated as deriving from known and legal sources.

Auditina:

Reed Elsevier believes in providing transparent and accurate environmental data assured by external auditors. We report on global operations, and all environmental data is assured by Ernst & Young.

Environmental Management System:

We are guided in environmental reduction efforts by our Environmental Management System (EMS), based on ISO 14001 criteria. Our EMS is available externally on our corporate website (corporate responsibility, policies) and internally for employees on our global intranet.

Benchmarking, targets, and reporting:

We participate in environmental benchmarking activities like the annual Business in the Community Environment Index and the Carbon Disclosure Project (scoring first in sector in European 300, second place in FTSE 350, and fourth in Global 500 Climate Leaders Index), among others. We publish environmental targets in the RE Annual Report and Corporate Responsibility Report. We have also established environmental standards to engage all employees. Standard levels are based on our current environmental performance and internal and external good practice. Employees at locations with excellent performance serve as mentors to those at lower performing locations. By setting standards based on usage levels per person, we aim to engage employees in attaining the standards and to inspire green competition among offices. On World Environment Day in 2009, ten locations across all four divisions achieved five environmental standards and gained green status.

Governance

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Environment - Paper

Appendices 2

Environment - Process

Environment – Targets and standards

Environment continued

Principle 9:

Encourage the development and diffusion of environmentally friendly technologies

Encourage the development and diffusion of environmentally friendly technologies (9)

We do this primarily by advancing environmental knowledge through our products and services to encourage debate and aid researchers and decisions makers. We also promote initiatives that improve access and spread good environmental practice in our supply chain.

Employee engagement:

Our Environmental Champions network includes property directors and managers of facilities, production and distribution. They are charged with carrying out the Reed Elsevier EMS. The Green Room and Green Forum, a popular feature on our corporate intranet site, offers comprehensive environmental information including the results of the RE Group Environmental Survey, the latest environmental technology and techniques, and extracts from in-house and external environmental publications. In addition, employee-led Green Teams help pursue positive environmental performance. In 2009, there were 400 employees at 90 locations around the world actively involved in RE Green Teams. In 2009, our annual World Environment Day competition staff made videos promoting their 'green' commute to work.

Encourage the development and diffusion of environmentally friendly technologies

According to the latest available results from the independent Market Analysis System, our influence or share of citations in environmental science represents 35% of the total market and in energy and fuels, 69%. Environmental content is a growing business area and between 2004 and 2008 we have produced 75% more papers on environmental topics (6,787 in 2004 to 11,876 in 2008).

To help those in developing countries who might benefit from access to our environmental products and services, we are a founding contributor to Research4Life. A key part of Research4Life programme is OARE (Online Access to Research in the Environment), an international public-private consortium led by the United Nations Environment Program. In 2009, 108 low income countries had access to one of the world's largest collections of environmental science. There were 321,304 Elsevier articles downloaded, up from 320,029 in 2008.

We use technology to decrease our environmental footprint. As well as standard video conferencing at over 100 locations, we have installed real-time collaborative meeting rooms in operational centres: Amsterdam, London, and New York. These video, audio and data service rooms have reduced short and long haul trips that colleagues would normally have made between these sites.

We are signatories to the UNGC initiatives Caring for Climate and the CEO Water Mandate to spread good environmental practice.

We work collaboratively with suppliers and in 2009 provided training on our approach to calculating and reporting on carbon emissions according to GHG Protocol Scope 1 and Scope 2 and water use/stress to better understand these impacts in our supply chain. All SRS suppliers were invited to attend sessions available in different time zones. See environmental data from our supply chain.

To track compliance with our Socially Responsible Supplier programme environmental initiatives, we conduct an annual survey of paper providers and a Social Responsibility Survey for all others. In 2009, the average survey response rate was 42%.

Environment – Employee involvement

Environment - Expertise

Customers - Access

Environment - Travel

Environment – Climate change

Environment - Water

Supply chain

Anti-corruption

Principle 10:

Businesses should work against all forms of corruption, including extortion and bribery

Anti-corruption

Our stand against corruption is incorporated in our Code of Ethics and Business Conduct and Supplier Code of Conduct.

Anti-corruption

We actively promote training on the Reed Elsevier Code of Ethics and Business Conduct. Managers also complete the online course, Competing Fairly, covering competition law relating to competitors and customers. We also offer an online course to relevant employees, Doing Business with Government. The course explains the importance of abiding by laws and Reed Elsevier policy prohibit giving gifts to government employees and officials, except certain pre-approved receptions, conferences, seminars and other widely attended gatherings, which meet specific requirements. Each business unit has clear preauthorisation procedures for employees to follow as necessary.

In 2009 we updated the Reed Elsevier Supplier Code of Conduct to strengthen our statement on anti-corruption.

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CEO Water Mandate Additional Reporting

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.

Transparency

Our 2009 progress on the key areas of the CEO Water Mandate			
CEO Water Mandate	We support the CEO Water Mandate and are committed to meeting its provisions.		Environment – Water
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.	Building on an 11% absolute reduction in water usage at our facilities between 2003 and 2008, we aim to reduce water consumption by an additional 10% by 2015. In 2009, we achieved a 22% reduction in water usage at our Charlottesville, Virginia site, helped by the installation of four waterless urinals, motion sensor taps, and the restructuring of an irrigation system.	Environment – Water
	We use a watershed risk management system to identify the river basins from which our sites draw water.	In 2009, 42% of our reporting locations were in areas at risk of water stress or severe water stress which could lead to future economic development and food production issues. Average water use at our locations in severe water stressed areas is 9.3m³ per person, indicating a proactive response to water conservation (lower than the RE Environmental Standard for water consumption of less than 11m³ per person per annum). We will continue to focus on reduction efforts in areas of severe water stress where they will have the most impact.	Environment – Targets and standards
Supply chain and watershed	We address supply chain water issues through our Socially Responsible Supplier programme.	In 2009, we continued to map the water footprint of our supply chain. With online training, tools and support, we received data from 28% of suppliers we asked to complete a water footprint survey. We calculated a relative impact of 5.4 million m³ based on the percentage of water they used for production on our behalf. Of these 149 supplier locations, the majority located in severely stressed or stressed locations are printers and paper mills. Our 2010 water objective is to increase the amount of supplier water data we capture and to map it against water stress. This will enable us to work with the most affected suppliers and better manage the water impact of producing our products.	
Collective action	We address water issues through collective action.	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.	Supply chain Environment – Paper
Public policy	We work with other companies on water and other environmental issues and support progressive environmental legislation on issues like climate change with a water dimension.	In 2009, we signed the Copenhagen Communiqué led by the Prince of Wales's Corporate Leaders Group on Climate Change. We were also signatories to the Aldersgate Group open letter to the UK government – along with 44 other companies and non-governmental organisations and 29 members of the UK parliament – which advocated for mandatory UK environmental reporting requirements. We also worked alongside European companies as part of Respect Table, championing strong action on climate change and its effects.	Environment – climate change
Community engagement	We support water reduction and access initiatives.	Just a Drop was founded by staff behind Reed Exhibitions' flagship show, World Travel market (WTM), as part of an appeal to the global travel and tourism industry. WTM is a business-to-business one week exhibition held each November in London. More than 5,000 exhibitors representing all major industry sectors from 187 destinations worldwide participate, and over 45,000 industry professionals attend. Since the charity was founded, 11 years ago, Just a Drop has undertaken over 65 water aid projects and helped over 1 million children and their families in 29 countries. In 2009, staff participated in the first 'Go Blue Day 4 Just a Drop' on World Water Day. Staff at Elsevier Oxford, Reed Exhibitions Richmond, Reed Elsevier head office in London showed their support by wearing something blue and donating £2.	People and community – Just a Drop
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Disclosure.

In 2009, we were founding responders of the CDP Water

Summary - Engaging others