

# UN Global Compact Communication on Progress 2011

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 24 advanced criteria with links to relevant information in our [2011 Corporate Responsibility Report](#).

Corporate Responsibility  
Report location

## Strategy, Governance and Engagement

### Criterion 1: The COP describe key aspects of the company's high-level sustainability strategy in line with Global Compact principles

We believe we have the most significant impact when we apply our expertise to areas like universal, sustainable access to information, advancement of science and health, promotion of the rule of law and justice, and protection of society. In focusing on our unique contributions we benefit others and add value for Reed Elsevier by building trust in and outside the company and creating new opportunities.

As our Chief Executive Officer, Erik Engstrom, comments in his introduction to the 2011 CR Report, "We value the opinions of others, and in 2011 held a stakeholder session with our Corporate Responsibility Forum to hear a range of perspectives on issues facing us and our sector. We continue to support key initiatives like 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. Our objective is to be the best performing company we can be in all areas, including corporate responsibility."

[CEO statement](#)  
[Our Approach to CR](#)  
[Unique contributions](#)  
[Environment](#)  
[Data summary](#)

### Criteria 2: The COP describes effective decision-making processes and systems of governance for corporate sustainability

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 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." In addition, guidance for managers in 2011 stated, "It is encouraged that one KPO relates to the achievement of specific sustainability objectives and targets contained within Reed Elsevier's corporate responsibility agenda, where relevant and measurable goals and objectives can be set for the year."

[Our approach](#)  
[Annual Report, remuneration report](#)

### Criterion 3: The COP describes engagement with all important stakeholders

In 2011, the [Reed Elsevier Corporate Responsibility Forum](#) hosted a stakeholder session to explore different perspectives on the responsibilities of large companies, media companies, and Reed Elsevier. Participants included the head of corporate responsibility for sector peer, Pearson; the chair of the Elsevier UK staff council; the head of responsible investment at Jupiter Asset Management; and the convener of the Media CSR Forum. Among discussion points were ensuring a joined up message on the importance of CR from senior leaders in their communications including media and investor presentations; pursuing material issues for media companies like access to information and fostering trust through editorial standards; and prioritising contributions of expertise.

In 2011, we conducted a pilot with suppliers in India and China on sustainable wages (wage levels sufficient to maintaining a decent standard of living) to test the feasibility of methodology we may apply more broadly going forward.

To understand our material issues we consider the strategic direction of our business, and also engage with a broad range of internal and external stakeholders. While all the issues below are important and discussed in this report, some have a greater potential impact on our business performance:

Positively impacting society	Tax, pensions, and investments
Access to information	Promoting diversity
Governance and ethical practice	Health, safety, and wellbeing
Responding to customer needs	Supporting our communities
Having the right people	Managing environmental impacts
Editorial standards	Transparent, comprehensive reporting
Sustainable supply chain	

[What's material](#)  
[People-listening](#)  
[Supply chain living wage pilot](#)  
[Internal engagement](#)  
[External engagement](#)

**UN Goals and Issues**

**Criterion 4: The COP describes actions taken in support of broader UN goals and issues**

Reed Elsevier is a member of the UNGC UK Network Advisory Group, Sustainable Supply Chain Advisory Group, and CEO Water Mandate Steering Group. During 2011, we contributed a best practice case study to a European local networks guide and held webinars on the UNGC for our suppliers and for members of the UK network. On behalf of the CEO Water Mandate, we served on the board of the Alliance for Water Stewardship and participated in the German government consultation on the Bonn 2011 Conference: The Water Energy and Food Security Nexus – Solutions for the Green Economy. We hosted a meeting of the Sustainable Supply Chain Advisory Group and helped develop a Practical Guide for Continuous Improvement. LexisNexis Legal & Professional continued support for the International Bar Association/United Nations Global Compact ‘Lawyers as Leaders’ video series to increase awareness of legal issues associated with corporate sustainability. The four-part programme discusses the role of legal counsels in providing insight and support for UNGC principles. The 2011 anti-corruption module included an interview with Reed Elsevier’s US General Counsel, Kenneth R. Thompson, II, who also serves as Co-chair of the International Bar Association’s Corporate Social Responsibility Committee.

LexisNexis Legal & Professional promotes justice through its products and services. It supports transparent legal systems as a fundamental element of a healthy society and growing economy, and clear laws that are easily accessible to all.

LexisNexis Legal & Professional promotes the rule of law through outreach and advocacy, educational forums, and free dissemination of, and training on, its legal solutions.

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

[Commitment to UNGC](#)  
[Unique contributions: LexisNexis Legal & Professional](#)  
[Community](#)  
[Sampling of CR products](#)

**Human Rights Implementation**

**Criterion 5: 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](http://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 modeled.

[Governance](#)  
[Supply chain](#)

**Criterion 6: 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.

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 a 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.”

[Governance](#)  
[Code of Ethics training](#)  
[Supply chain](#)

**Criterion 7: The COP describes effective monitoring and evaluation mechanisms of human rights integration**

By year end 2011, over 99% of current employees completed our Code of Ethics training at least once; 99% of employees completed preventing bribery training; 99% of employees in English-speaking countries completed data privacy and security training; 100% of relevant employees in English speaking countries completed a course on fair competition, and 100% of US managers completed a course on preventing workplace harassment. In 2012, we will be implementing translated versions of our privacy training, and issuing refresher training on fair competition and workplace harassment.

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. Intertek, our specialist external auditors, examine how well a supplier is meeting all aspects of the Supplier Code and issues a Corrective Action Plan Acknowledgement Report (CAPAR) as necessary, summarising audit findings and detailing corrective action plans – agreed by the auditor and the supplier to ensure compliance with the Supplier Code and local laws. Remediation

[Code of Ethics training](#)  
[Supply chain – Upholding standards](#)

<p>target dates are agreed and the CAPAR is signed and dated by both parties. Follow-up audits ensure identified issues are resolved.</p>	
<p><b>Criterion 8: The COP describes key outcomes of human rights integration</b></p>	
<p>In 2011, the Socially Responsible Supplier tracking list included 457 suppliers, 193 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. Review the SRS risk rankings.</p> <p>The tracking list changes year on year based on the number of suppliers we do business with who meet the required criteria. In 2011, 74% of spend was with critical, strategic, and preferred suppliers identified by Global Procurement, representing a 23% increase over 2010. Also, through enhanced spend analytics we refined data for more than 45 business unit/country combinations to improve identification of duplicate suppliers, parent/child supplier relationships, and mergers and acquisitions across the supply base. We started 2011 with 37% of suppliers on the SRS tracking list as signatories to the Supplier Code and reached 64% by year end.</p> <p>Exemplary of collaborative improvements resulting from supplier remediation, in 2011 we pursued safer working conditions for employees at a pre-press supplier in India ensuring drinking water was tested and the height of the power generator stack met environmental requirements. We also worked with a pre-press supplier in the Philippines to establish an HIV/AIDS education programme.</p>	<p><a href="#">Supply chain</a></p> <p><a href="#">Remediation report</a></p>
<p><b>Criterion 9: The COP describes robust commitments, strategies or policies in the area of labour</b></p>	
<p>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.</p> <p>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.</p>	<p><a href="#">Code of Ethics and Business Conduct</a></p> <p><a href="#">Supplier Code of Conduct</a></p>
<p><b>Criterion 10: The COP describes effective management systems to integrate the labour principles</b></p>	
<p>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 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.</p> <p>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.</p>	<p><a href="#">CR Forum</a></p> <p><a href="#">Governance</a></p> <p><a href="#">People</a></p>
<p><b>Criterion 11: The COP describes effective monitoring and evaluation mechanisms of labour principles integration</b></p>	
<p>By year end 2011, over 99% of current employees completed Code training at least once; 99% of employees completed preventing bribery training; 99% of employees in English-speaking countries completed data privacy and security training; 100% of relevant employees in English speaking countries completed a course on fair competition, and 100% of US managers completed a course on preventing workplace harassment. In 2012, we will be implementing translated versions of our privacy training, and issuing refresher. Our performance since 2007 is also available in the CR Report.</p> <p>As we state in the People section of <a href="http://www.reedelsevier.com">www.reedelsevier.com</a>, “Our success is due to the talented employees who make Reed Elsevier the trusted organisation it is today: people like researchers, developers, editors, event managers, designers, publishers, lawyers, and many more besides. We depend on them and they, quite rightly, depend on us to create a fair, challenging, rewarding, and supportive work environment where they can achieve their potential.”</p> <p>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. Read a business anti-harassment policy.</p> <p>We are committed to building a workforce that reflects the diversity of our customers and communities. The Reed Elsevier Diversity and Inclusion (D&amp;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 2011, we took steps to implement a D&amp;I Strategy we developed in 2010 which incorporates the D&amp;I Statement. The D&amp;I Strategy states “diversity and inclusion are not just aspirational social concepts.</p>	<p><a href="#">Governance</a></p> <p><a href="#">Data summary</a></p> <p><a href="#">People</a></p>

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.

**Criterion 12: The COP describes key outcomes of integration of the labour principles**

Exemplary of collaborative improvements with our suppliers resulting from supplier remediation, in 2011 we pursued safer working conditions for employees at a pre-press supplier in India ensuring drinking water was tested and the height of the power generator stack met environmental requirements. We also worked with a pre-press supplier in the Philippines to establish an HIV/AIDS education programme.

Hearing directly from our people is an important driver for improvement. A key way we do this is through ongoing ‘pulse’ surveys (our next comprehensive all Employee Opinion Survey will be performed in 2012). For example, early in 2011 Mike Walsh, CEO of LexisNexis Legal & Professional distributed pulse survey scores to leadership teams and all staff, which showed positive trends in how employees felt about their jobs, their managers, and about the company in general. Among highest scoring questions were: I have a clear idea of the results expected of me in my job and I feel motivated to go the extra distance for my colleagues and our customers. There were most improved scores on questions such as ‘how likely is it that you would recommend LexisNexis as a place to work to others’.

[Supply chain](#)  
[Sample remediation report](#)  
[People](#)

**Environmental Stewardship Implementation**

**Criterion 13: The COP describes robust commitments, strategies or policies in the area of environmental stewardship**

Reed Elsevier is a founding contributor to CDP Water Disclosure and is a member of the steering committee 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.

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.

In 2011, we undertook a review of our environmental targets. We consulted with a broad range of stakeholders – including employees, NGOs, governmental representatives, investors, analysts, corporate peers, and external environmental experts and consultants – to gain their views on whether we had the right targets in place. The feedback we received convinced us that we should develop new mid-term targets (2010-2015) more relevant to our business.

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 2011).

The supply chain data we gather is complemented by information gathered through Publishers Database for Responsible Environmental Paper Sourcing (PREPS), a shared industry resource for grading paper sustainability. PREPS fosters positive engagement with paper suppliers and we are a founding member. By the close of 2011, 93% of Reed Elsevier papers by weight were graded on PREPS, of which all came from known and responsible (sustainable) sources.

[Environment](#)  
[Environmental Management System](#)  
[Supply chain](#)

**Criterion 14: 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.

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.

In 2011, the Reed Elsevier Environmental Standards programme was advanced by a communication from our CFO to all staff, and supported by local management and real estate teams. 40 staff locations (up from 26 in 2010), covering all parts of the business, achieved five environmental standards and achieved green status. Of note was the successful implementation of BS 8555 Phase 3 environmental certification at five major UK locations, which will lead on to ISO 14001 certification. Our LexisNexis UK office in Leeds achieved all eight relevant standards.

To ensure continual improvement, and alignment with our new targets, Environmental Champions updated performance standard levels based on our environmental performance and internal and external good practice.

Employees are integral to our environmental improvement efforts and 76% of key locations have Green Teams. In 2011, we launched more tools and resources on our intranet site, the Green Room, including a new environmental calendar of events, sustainability facts games, and the first phase of our new Environmental Academy to help employees better understand environmental issues. We ran special events, training, and competitions at locations throughout the year.

[Annual Report – risks and opportunities](#)  
[Environmental risks and opportunities](#)  
[Targets and standards](#)  
[Employee action](#)

**Criterion 15: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship**

Our data summary shows performance in key environmental metrics since 2007.

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

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 Acona, along with input from Greenpeace and WWF. Water consumption in our supply chain is a key issue, particularly in relation to paper suppliers. In 2011, we began collecting paper supplier water data through PREPS.

Reed Elsevier has an environmental 'footprint' – our impact on the environment in areas like energy and water usage and carbon emissions in the production of our products and services. But arguably bigger and more important is our brain print: how such products and services spread good practice, encourage debate, and aid researchers and decisions makers. We have a growing environmental portfolio, set to grow even larger in the years to come.

In 2011, we brought colleagues together who focus on our energy offerings to explore expansion opportunities. Here's what we heard:

"Elsevier aims to play a leading role by 2015 in the alternative energy market supporting critical investment, development, and deployment decisions by combining scientific and commercial content across proprietary and public domains."

"LexisNexis Legal & Professional recognises the importance to our customers of timely, accurate, and comprehensive energy information. We aim to expand our analytical, regulatory, news, and other offerings in the energy practice area, including coverage of alternative and renewable energy, to help customers meet their existing needs and anticipate and address trends, such as the emerging intersection of energy and environmental law and the increasing importance of global collection of energy information."

"Reed Exhibitions aims to be the number one exhibitions organiser and/or partner of choice in alternative energy." Read more about Reed Exhibitions growth in the alternative energy market.

"Reed Business Information's energy price reporting agency, ICIS, has continued to support the development of renewable energy markets by delivering information services which create transparency and enable trade. In 2011, we launched two new services, Global Biodiesel and European Clean Energy Markets. ICIS will continue to track renewable energy markets carefully, and look for further opportunities to expand our services."

[Approach to CR](#)

[Environment – risks and opportunities](#)

[Environment – our impact](#)

[Environment – water](#)

[Environment – paper](#)

[Environment – the impact of brain print](#)

**Criterion 16: The COP describes key outcomes of integration of the environmental principles**

Environmental data covers data on uses of materials such as paper and energy, our emissions and waste, and how we promote greater environmental responsibility like activities such as recycling. The report profiles a full calendar year and all global operations for which we have operational control.

We produce numerous environmental publications, services, and events including; Elsevier's new journal Environmental Development, published in partnership with the United Nations Environment Programme (UNEP), UNESCO, and the charity SCOPE; LexisNexis Legal & Professional's The Environmentalist; Reed Exhibitions alternative energy exhibitions including Pollutec and GreenBuilding Brasil; and RB's NewScientist issued a special climate change report in 2011 and continues to interpret scientific discovery and the results of human endeavour on society and culture.

We saw improvements in all key environmental impact areas in 2011.

[Environmental publications and services](#)

[Environment – Our impact](#)

**Anti-Corruption Implementation**

**Criterion 17: The COP describes robust commitments, strategies or policies in the area of anti-corruption**

We further enhanced our preventing bribery compliance efforts to comply with the UK Bribery Act (the "Act") that came into force on 1 July 2011, and Adequate Procedures Guidance under the Act. We issued additional procedures to help ensure compliance with our preventing bribery policies, and we conducted extensive in person training for employees in the highest risk roles, in addition to requiring computer-based training for all employees. Each of our businesses designated Preventing Bribery Working Groups, which have been engaged in implementing and overseeing compliance efforts. We make extensive due diligence materials available to all employees including guidance on researching intermediaries, joint venture partners, and acquisition targets, among others, as well as a due diligence process flow charts, questionnaires, and checklists.

The importance of compliance with the UK Bribery Act and all bribery laws, resources available, and the individual responsibility of each person in the company, was highlighted in an email to staff from the CFO in the year.

[Governance](#)

<p><b>Criterion 18: The COP describes effective management systems to integrate the anti-corruption principle</b></p> <p>The Reed Elsevier Code of Ethics and Business Conduct (Code), disseminated to every employee and publicly available at <a href="http://www.reedelsevier.com">www.reedelsevier.com</a>, sets the standard for our corporate and individual behaviour. It incorporates the ten principles of the UN Global Compact.</p> <p>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.</p>	<p><a href="#">Governance</a></p>
<p><b>Criterion 19: the COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption</b></p> <p>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.</p> <p>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.</p>	<p><a href="#">Our Approach to CR</a></p> <p><a href="#">Governance – Ensuring the highest ethical standards</a></p>
<p><b>Criterion 20: The COP describes key outcomes of integration of the anti-corruption principle</b></p> <p>By year end 2011, over 99% of current employees completed our Code of Ethics training at least once; 99% of employees completed preventing bribery training; 99% of employees in English-speaking countries completed data privacy and security training; 100% of relevant employees in English speaking countries completed a course on fair competition, and 100% of US managers completed a course on preventing workplace harassment. In 2012, we will be implementing translated versions of our privacy training, and issuing refresher training on fair competition and workplace harassment.</p>	<p><a href="#">Governance</a></p>
<p><b>Value Chain Implementation</b></p>	
<p><b>Criterion 21: The COP describes implementation of the Global Compact principles in the value chain</b></p> <p>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.</p> <p>In 2011, the Socially Responsible Supplier tracking list included 457 suppliers, 193 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.</p> <p>In 2011, we conducted 41 independent external audits of high risk suppliers through specialist auditors Intertek (49% of core suppliers), and four were deferred and completed by the close of January 2012. Audit locations included Brazil, China, Guatemala, India, Lithuania, Malaysia, the Philippines, Singapore, South Korea, and the United Arab Emirates.</p>	<p><a href="#">Supply chain</a></p>
<p><b>Transparency and Verification</b></p>	
<p><b>Criterion 22: The COP provides information on the company's profile and context of operation</b></p> <p>Reed Elsevier is a world leading provider of professional information solutions. We leverage deep customer understanding to deliver demonstrably improved outcomes to our professional customers. We do this by combining content and data with analytics and technology in global platforms, sharing institutional skills, assets and resources across Reed Elsevier. We aim to build leading positions in long term global growth markets.</p> <p>Reed Elsevier PLC, which has its primary listing on the London Stock Exchange, and Reed Elsevier NV, which has its primary listing on the Euronext Amsterdam Stock Exchange, have complied throughout 2011 with the UK Code. In addition, Reed Elsevier NV has, subject to limited exceptions as explained in the Reed Elsevier NV Corporate Governance Statement, applied the best practice provisions of the Dutch Code. Reed Elsevier PLC and Reed Elsevier NV maintain standards of corporate governance and disclosure applicable to companies listed on the stock exchanges of the United Kingdom, the Netherlands, and the United States. The effect is that a standard applying to one will, where not in conflict, also be observed by the other. Information and documents detailing our governance procedures are available to stakeholders online at <a href="http://www.reedelsevier.com">www.reedelsevier.com</a>.</p> <p>The Reed Elsevier combined financial statements and the financial statements of the two parent companies, Reed Elsevier PLC and Reed Elsevier NV, are prepared in accordance with International Financial Reporting Standards. Read more about Reed Elsevier's corporate structure.</p>	<p><a href="#">Our business</a></p> <p><a href="#">Governance</a></p>

<b>Criterion 23: The COP incorporates high standards of transparency and disclosure</b>	
<p>We report against the Global Reporting Initiative.</p> <p>We include a CR section in the RE Annual Report.</p>	<p><a href="#">Our Approach to CR</a></p> <p><a href="#">CR section of Annual Report</a></p> <p><a href="#">Appendix 3 – GRI</a></p>
<b>Criterion 24: The COP is independently verified by a credible third party</b>	
<p>We are a member of the UNGC UK Network Advisory Group and have our COP peer reviewed.</p>	

## CEO Water Mandate

### Our 2011 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	Corporate Responsibility Report location
<b>Direct operations</b>	We have an ongoing programme of water reduction measures including sprinkler system adjustments, leak identification and repair, and installing waterless urinals where possible.	During 2011, our water usage continued to move downward with a 2% absolute reduction between 2010 and 2011 and a 28% intensity reduction since 2007. 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 our sites draw water from.	<a href="#">Environment – water</a> <a href="#">Environment – targets and standards</a>
<b>Supply chain and watershed</b>	We use a watershed risk management system to identify the river basins from which our sites draw water.  We address water issues through our Socially Responsible Supplier programme.	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.  In reviewing our 2011 property portfolio, 46% of 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.  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.  In 2011 we calculated a relative water impact in our supply chain of 1,698,871m <sup>3</sup> based on the percentage of water they used for production on our behalf, 83% of which came from paper suppliers. We identified only one paper supplier in a severely water stressed area and will be engaging with them on water related issues.	<a href="#">Water</a>  <a href="#">Water</a> <a href="#">Supply chain</a>
<b>Collective action</b>	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. In 2011, we began collecting paper supplier water data through PREPS. Also with online training, tools, and support, we received useful data directly from 30% of key suppliers we asked to complete a water footprint survey. We will be participating in the new Water Action Hub, with corporate peers and other stakeholders, to provide a publicly available tool that will enable companies to partner with governments, civil society groups, communities, and other stakeholders to advance sustainable water management on a location-specific basis.	<a href="#">Water</a> <a href="#">Supply chain</a>
<b>Public policy</b>	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	We support progressive environmental legislation. In 2011 we engaged with government through involvement in the European Network for Sustainable Business and the Aldersgate Group; participated in consultations with the UK Department for Environment, Food and Rural Affairs and the UK Department of Energy and Climate Change; and provided feedback on the 2011 EU CSR Communication through the International Chamber of Commerce.  We engage with internal water experts who are responsible for producing water related products, an organic growth area for us, with nearly 30 high quality journals in aquatic sciences in 2011, including Water Research and The Journal of Hydrology.	
<b>Community engagement</b>	We support water reduction and access initiatives	Drawing on expertise across Reed Elsevier, in 2011 we awarded prizes in the first Reed Elsevier Environmental Challenge to projects that improve sustainable access to water where it is presently at risk. The winner of the \$50,000 first prize was Tagore-SenGupta Foundation for a project to install twelve community-level arsenic removal units in remote villages and schools in Cambodia where arsenic groundwater contamination is rife. Second prize of \$25,000 was awarded to Jenna Forsyth, whose project focuses on low-resource chlorine generation to address unsafe drinking	

		water and poor sanitation in the Nyanza province of western Kenya, one of the poorest regions in the country. In partnership with the Program for Appropriate Technology in Health, the school-based pilot involves a prototype chlorine generator using salt, water, and battery power to generate chlorine for water disinfection.	
		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. Since its founding 11 years ago, Just a Drop has undertaken over 70 water aid projects and helped more than one million children and their families in 30 countries. Mostra Convegno Expocomfort, organised by Reed Exhibitions Italia, supported Just a Drop in 2011 by donating a share of its entrance proceeds for a new water system in Nicaragua to benefit 750 people. Residents of the region have been forced to drink from local streams, often dry and polluted. The project is driven by local communities, supported by Just a Drop, in partnership with Raleigh International and the Cooperative Juan Francisco Paz Silva.	
<b>Transparency</b>	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 steering committee 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.</p> <p>In 2011, we were included in the Carbon Disclosure Leadership Index for the fourth year, and utilised our reporting experience to help develop a free online carbon reporting tool for small/medium enterprises in our sector, through the Publishers and Booksellers Associations Environmental Action Group, in consultation with the UK's Environment Agency and Defra.</p>	<a href="#">External engagement</a> <a href="#">Recognition</a> <a href="#">Environment</a>