Reed Elsevier



Corporate
Responsibility Report
2012

Reed Elsevier is a world leading provider of professional information solutions.

We provide solutions that help professional customers across industries make better decisions, get better results and be more productive. We do this by leveraging deep customer understanding to combine content & data with analytics & technology in global platforms, sharing institutional skills, assets and resources across Reed Elsevier.

Introduction

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CONTACT DETAILS

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Statement from the Chief Executive Officer



"Our focus on corporate responsibility makes us a better company."

Erik Engstrom, Chief Executive Officer

As a global company with a leading position in the markets we serve – scientific, technical and medical, risk solutions and business information, legal, and exhibitions – we have a responsibility to our people, customers, investors, and others to perform to the highest ethical standards. We aim to be the best at what we do in all areas, including corporate responsibility. The benefits are great: we reduce risks and increase opportunities, attract and retain the best people, and strengthen our corporate reputation.

We prioritise our unique contributions as a business: universal sustainable access to information, advancing science and health, protecting society, and promoting the rule of law and access to justice. In 2012, for example, LexisNexis in the UK developed the Human Trafficking Awareness Index which analyses a licensed collection of 6,000 news sources from 120 countries to share critical information for those working to combat human trafficking. We also expanded pro bono partnerships by contributing time, skills, and services to organisations such as Research4Life, the Lex Mundi Pro Bono Foundation, and UNICEF. We held the second Reed Elsevier Environmental Challenge to improve access to water and sanitation, with first prize winner the Centre for Affordable Water and Sanitation Technology working in Nepal's rural communities.

We also address material issues relevant to all companies, particularly governance, people, customers, community, supply management, and the environment. In the year, in addition to ensuring 100% of staff completed online training on our Code of Ethics and Business Conduct, the guide to our corporate and individual behaviour, all staff completed anti-bribery training as part of ongoing bribery law compliance efforts.

We achieved our goal of 75% of key suppliers as signatories to our Supplier Code of Conduct and broadened the Socially Responsible Supplier Academy we began in 2011 to share best practice in areas like the environment and community engagement. We also made progress on gathering data to support our wellness activities; for example, of US staff who participated in stop smoking programmes, 44% quit. Through our global RE Cares programme, we helped 20,200 disadvantaged young people through volunteering, in-kind support, and cash contributions. And 33% of our electricity needs are now met through renewable energy and offsets.

We have made strides in these and other areas and have set objectives to go further in the year ahead. Among other measures, we will respond to findings from our 2012 global Employee Opinion Survey and broaden diversity and inclusion training. We will embed our updated Editorial Policy which lays out the principles by which we produce information of the highest quality, and roll out a group-wide Accessibility Policy to ensure we provide customers of all physical abilities with the most accessible products. We will launch a skills-based volunteer drive and work to engage 25% of offices in our annual Reed Elsevier Cares Month which celebrates our community activities. We will increase the number of external audits of suppliers in high risk locations, and map environmental products across our business units.

We get involved in initiatives that matter and 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 opinions of others, and in 2012 held a stakeholder session with our Corporate Responsibility Forum to gain deeper insight into diversity and the media sector.

Corporate responsibility isn't a nice to do – it's a must do which we pursue every day.

Erik Engstrom

Chief Executive Officer

Our business

Reed Elsevier is a world leading provider of professional information solutions. We provide solutions that help professional customers across industries make better decisions, get better results and be more productive.

Reed Elsevier operates across several professional market segments:

In **Scientific,Technical & Medical** markets, we provide information and tools to help customers improve scientific and healthcare outcomes.



In **Risk Solutions & Business Information** we provide data, analytics and insight that enable customers to evaluate and manage risks, and develop market intelligence, supporting more confident decisions, improved economic outcomes, and enhanced operational efficiency.



Risk Solutions



In **Legal** markets, we are a world leading provider of legal, regulatory and news & business information and analysis to legal, corporate, government and academic customers.

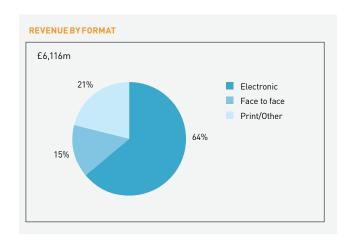


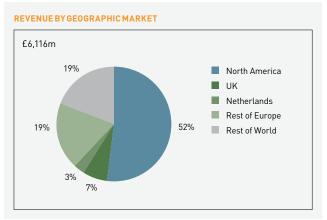
Legal & Professional

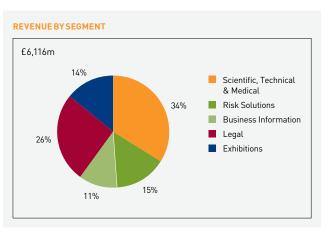
In **Exhibitions**, we are the world's leading events business, with almost 500 events in over 30 countries.

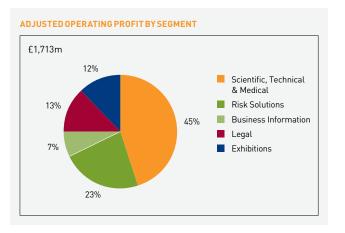














"We are not complacent –
we continually aim to raise
the bar on our corporate
responsibility performance."

Dr. Márcia Balisciano, Director, Corporate Responsibility

Our approach to corporate responsibility

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.

Our vision

Reed Elsevier is a world leading provider of professional information solutions that improve outcomes for our customers and benefit society

Our contribution

We pursue our unique contributions to society where we make a positive impact through our knowledge, resources, and skills

- Universal, sustainable access to information
- Advance of science and health
- Promotion of the rule of law and access to justice
- Protection of society

Our focus

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

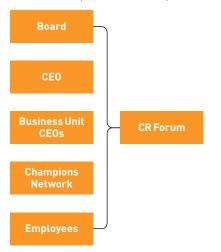
Greatest potential impact

- Our contribution to society
- " Access to information
- " Governance and ethical practice
- " Responding to customer needs
- " Having the right people
- Editorial standards
- Sustainable supply management

Potential impact

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

The Reed Elsevier Board, senior management, and the CR Forum (chaired by a senior leader 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.



This 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.

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.

We also concentrate on good management of the material issues that affect all companies, focusing on the areas within governance, people, customers, community, supply management, and environment relevant to our business. Our thinking is informed by extensive internal and external engagement.

Internal engagement

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.

While we undertook a global Employee Opinion Survey in 2012, we also conduct pulse surveys regularly to understand employee views. We offer CR-related activities that all staff can take part in such as the annual re:fit2win wellness competition. Environmental Champions and Green Teams organise local environmental events throughout the year, with specific activities for 2012. World Environment Day was highlighted in an email sent to all 30,400 employees from the Chief Financial Officer (CFO). Through a series of webinars in the year for customer-facing staff, we promoted CR as a Sales Tool, a resource on our global intranet on the benefits of engaging with clients on CR issues, and launched a CR Sales Academy.

External engagement

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.

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Our authors and editors, publications, products, and shows regularly receive awards for excellence.

In 2012, for example:

Elsevier and the Geological Society of London won a Getenergy Award for best Education/Industry Partnership celebrating excellence in education and training in the upstream oil and gas industry; Elsevier's Journal of Urology, the official journal of the American Urological Association, won an American Society of Association Executives Gold Circle Award in the Peer-Reviewed Journal category. The National Council for Prescription Drug Programs, with more than 1,500 members throughout the pharmacy services industry, awarded Kay Morgan, Senior Vice President of Drug Products for Elsevier/Gold Standard, the Individual Member Excellence Award.

LexisNexis Risk Solutions ranked in the top 25% of the InformationWeek 500, an annual listing of the United States' most innovative users of business technology. It also won Best ID Management Roundtable Award from the Government Technology Research Alliance for its identity management solutions for government.

Mark Kelsey, CEO of LexisNexis Risk Solutions and Reed Business International (RBI) received the 2012 Marcus Morris Award from the Professional Publishers Association (PPA), the UK's highest accolade in consumer and business publishing.



He received an honorarium of £1,000 which he donated to the RE Cares charity fund. RBIs's Estates Gazette and Bankers Accuity won awards at the 2012 PPA Awards including Digital Publisher of the Year. And UK national newspaper, The Guardian, cited RBI's New Scientist interview with Stephen Hawking, one of the world's greatest physicists, as a best science story of 2012.

LexisNexis Client Center won a CODIE Award from the Software & Information Industry Association for Best Legal Solution and nexis.com won Best Political Information Resource. Reed Technology and Information Services' Reed Archives Web Preserver service was a finalist for a Best Business Information Solution CODIE Award. LexisNexis Legal & Professional won a BtoB and IDG Strategic Marketing Services' Social Media Award.

Reed Exhibitions' World Travel Market won a social media excellence award from the Association of Event Organisers for its efforts to improve marketing, sales, and customer service for an audience of more than 25,000. Reed Exhibitions' Global Operations Team was recognised by 214 international freight contractors as Organiser Operations Team of the Year at the inaugural Event Logistics Live Awards.

We are members of the <u>London Benchmarking Group</u>, <u>Business in the Community</u>, the <u>Corporate Responsibility Group</u>, <u>Publishers Database for Responsible Environmental Paper Sourcing</u>, <u>Publishers Association Environmental Action Group</u>, <u>Publishing Industry Product Safety Forum</u>, and the <u>US Green Building Council</u>.

We communicated about CR through our corporate and business unit websites. We contributed a CR <u>case study</u> 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 <u>Earthwatch</u>, the <u>Alliance for Water Stewardship</u>, UNICEF, and Plan UK.

We engaged with government through involvement in the European Network for Sustainable Business, the <u>Aldersgate Group</u>, the All Party Parliamentary Group on Corporate Responsibility, and the International Chamber of Commerce.

In 2012, eight Nobel laureates in the fields of physiology/medicine, physics, chemistry, and economics had a connection to Elsevier journals. In honour of these scholars, Elsevier made work they published with the company publicly available.

We provide CR-related products and services such as Elsevier's journal <u>Current Opinion in Sustainability</u>; LexisNexis Legal & Professional's <u>Rule of Law Resource Center</u>; Reed Exhibitions' <u>World Future Energy Summit</u>; and RBI's <u>Community Care</u> magazine. <u>See a sampling of CR products across the business</u>.

Commitment to the United Nations **Global Compact**

The United Nations Global Compact (UNGC) links businesses around the world with UN agencies, labour, and civil society in support of ten principles encompassing human rights, labour, the environment, and anti-corruption. Since becoming a signatory, 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. The UNGC judged our 2012 Communication on Progress, required of signatories each year, to have attained Advanced level.

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. See our latest **Communication on Progress** for how we advance the ten principles.

Global community data was assured by the Corporate Citizenship Company; see Appendix 1. We worked with Ernst & Young (EY) on assurance of our 2012 environmental and health and safety data. EY's conclusions are in Appendix 2, with observations from their assurance activities in the Health, safety, and wellbeing and **Environment** sections of this report.

Our internal focus on corporate responsibility is recognised externally

We achieved the following recognition in 2012:



Indexes

- included

Business in the Community CR Index

- Platinum status



Carbon Disclosure Project Leadership Index

- FTSE 350 sector leader



Caring for Climate top 25 performer

- FTSE 350 sector leader

Deloitte.

Deloitte Sustainability Reporting Scorecard

- current good/ leading practice



Dow Jones Sustainability



ECPI Ethical Funds recognition



Ethibel Pioneer and Ethibel Excellence

-included



FTSE4Good Index

included



SAM Sustainability Awards

- bronze medalist

sector



UK National Business

Awards finalist

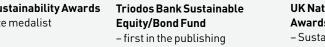
VBD0 supply chain benchmark

- top 10



Vigeo top 20

strong performer: top 120 in Europe, top 120 globally



Awards - Sustainability

2012-2013 CR objectives

We set meaningful targets and measure progress against them.

Material issues	2012 objectives	Progress	2013 objectives
Unique contributions See page 13 for more information	Increase pro bono partnerships Broaden reach of Reed Elsevier	New and expanded partnerships, e.g., Research4Life access expanded to all ScienceDirect content; support for global social entrepreneurs through Lex Mundi Pro Bono Foundation 90% increase in registrations; 40%	" New partnerships through Reed Elsevier Environmental Challenge to share water and sanitation expertise " Create cross-business alternative energy round
	Environmental Challenge Expand alternative energy product portfolio	increase in proposals over 2011 New products include Comprehensive Renewable Energy (Elsevier) and Asia Future Energy Forum and Exhibition (Reed Exhibitions)	table to foster knowledge sharing and product development Deliver workshops with UNICEF on child-centred climate change
	Facilitate deeper country analysis of UNICEF climate change and children report	Research extended to child- oriented disaster risk assessments in Indonesia and the Philippines; in-kind assistance including editorial support and design	adaptation in high risk
Governance See page 20 for more information	Completion of Reed Elsevier Code of Ethics and Business Conduct training by 100% of employees within 90 days of their employment start date	100% completion achieved	 Achieve 100% completion of all computer-based compliance courses Advance Record Management Policy
	Continue bribery law compliance activities, with particular reference to the UK Bribery Act and US Foreign Corrupt Practices Act	100% of employees completed online training, rolled out to new employees on an ongoing basis; in-person training for employees in higher risk roles and geographies; intermediary due diligence and related monitoring as part of routine process	implementation and roll out translations Enhanced training programme for internal investigators of Code of Ethics and Business Conduct breaches
	Record Management Policy roll out to the UK and other countries	Policy issued to all employees in English-speaking countries; guidance to business units on implementation efforts	
People See page 24 for more information	Undertake global Employee Opinion Survey	Completed with 77% participation rate	Follow up on global Employee Opinion Survey results
	Initiate diversity and inclusion training pilot Capture and report on wellbeing performance and its benefits	Pilots completed for all business units Metrics include number of staff completing wellness screenings – 34% of US employees participated (15% in 2011); benefits include understanding health status of workforce to better target wellness programmes	Expand diversity and inclusion training across business units Institute health coach programme to provide personalised support to staff

Materialissues	2012 objectives	Progress	2013 objectives
Customers See page 32 for more information	Roll out updated Editorial Policy	Extended consultation on Editorial Policy; disseminated via global intranet and corporate website	 Embed updated Editorial Policy Incorporate corporate responsibility component
	Develop CR Sales Academy	CR Sales Academy initiated with sessions on corporate responsibility performance, the environment, accessibility, and governance	into regular customer- facing staff training "Consult on Reed Elsevier Accessibility Policy and
	Develop Reed Elsevier Accessibility Policy	Reed Elsevier Accessibility Policy drafted; principles include leading industry in providing accessibility solutions to customers	begin implementation
Community See page 38 for more information	25% of employees volunteering through RE Cares Reach 10,000 disadvantaged	30% achieved 20,200 reached	" Skills-based Two Days volunteer drive (all staff have two days each year for community work of
	young people through volunteering, in-kind, and cash donations	20,200 (000)	their own choosing) 25% of locations involved in RE Cares Month
Supply management See page 43 for more information	75% of key suppliers as Supplier Code of Conduct signatories 50 external audits of high risk	75% (361 of 477 key suppliers); 1,925 other Code signatories 56 completed (includes 4 carried	78% of key suppliers as Supplier Code of Conduct signatories
	suppliers Broaden Socially Responsible Supplier Academy	over from 2011) More subjects covered such as diversity and inclusion and accessibility; 47% increase in registrations over 2011	55 external audits of high risk suppliers Develop US Supplier Diversity Plan
Environment See page 48 for more information	25% of electricity from renewable energy	33% achieved	35% of electricity from renewable energy or
	50% of key locations to achieve five or more RE Environmental Standards	58% achieved (69 locations vs. 40 in 2011)	offsets 60% of key locations to achieve five or
	Launch updated environmental targets	Launched externally through annual reporting documents; internally through Environmental Champions and Green Teams	more updated RE Environmental Standards Map range of Reed Elsevier environmental products and services

2012 key CR data

Data summary	2012	2011	2010	2009	2008
Intensity ratio ¹					
Revenue (£m)	6,116	6,002	6,055	6,072	5,334
People					
Number of full time equivalent employees (year end)	30,400	30,500	30,200	32,300	34,800
Percentage of female employees (%)	53	54	54	54	54
Percentage of female managers (%)	44	45	45	43	46
Community					
Total cash and in-kind donations (products, services and time) (£m)	5.3	7.9	6.6	6.9	5.9
Market value of cash and in-kind donations (£m)	11.8	13.7	9.6	13.4	11.9
$Number of staff volunteering^2$	9,129	10,378	9,604	10,816	9,752
Total number of days volunteered in company time	9,024	9,959	9,867	8,928	8,606
Health and safety (lost time)					
Incident rate (cases per 1,000 employees)	1.66	1.74	1.54	1.88	1.80
Frequency rate (cases per 200,000 hours worked)	0.19	0.20	0.17	0.21	0.2
Severity rate (lost days per 200,000 hours worked)	1.51	3.37	3.67	4.90	5.15
Number of lost time incidents (>1 day)	49	52	47	61	55
SRS (Socially Responsible Suppliers)					
Number of key suppliers on SRS database	477	457	606	589	368
Number of independent external audits	56*	41	43	39	19
Number signing Supplier Code of Conduct (%)	75	64	60	50	74
Environment					
Total energy (MWh)	252,977	267,405	273,983	274,294	237,842
Office energy (MWh)	115,724	129,775	146,993	166,836	108,315
Data centre average Power Usage Effectiveness (PUE)	1.70	1.72	1.75	n/a	n/a
Percentage of electricity from renewable sources (%) ³	33	23	13	11	12
Water (m³)	440,024	456,795	465,619	486,800	441,905
Climate change (tCO ₂ e)	,				
Scope 1 (direct emissions)	10,752	11,507	13,131	17,370	20,032
Scope 2 (gross electricity and heat)	127,105	139,650	148,316	147,805	123,834
Scope 3 (business travel) ⁴	34,950	34,395	34,489	29,676	30,926
Gross emissions	172,808	186,183	195,936	194,851	174,791
Renewable energy	44,030	31,188	16,616	14,098	13,356
Net emissions	128,778	154,364	179,320	180,753	161,435
Scope 3 other (estimated) ⁵		•	ŕ	ŕ	,
Scope 3 – suppliers	833,428	569,125	386,226	755,894	n/a
Scope 3 – home base employees	1,212	1,378	n/a	n/a	n/a
Scope 3 – commuting	47,527	46,017	n/a	n/a	n/a
Scope 3 – water use	127	133	140	134	n/a
Waste					
Total waste (t)	10,570	11,447	12,335	10,772	12,357
Percentage of waste recycled (%)	64	66	63	60	46
Percentage of waste diverted form landfill (%)	67	69	66	64	53
Paper		,			
Production paper (t)	52,601	58,279	65,777	73,217	78,662
Sustainable content (%) ⁶	100	100	100	100	94

 $^{1.} Absolute \ results \ divided \ by \ revenue. \ In tensity \ ratio \ allows \ environmental \ performance \ data \ to \ relate \ to \ year \ on \ year \ changes \ in \ our \ business$

² All Reed Elsevier employees can take up to two days off per year (coordinated with line managers) to work on community projects that matter to them. Number of staff volunteering reflects the number of staff using their Two Days, as well as those who participated in other company sponsored volunteer activities

³ We purchase renewable electricity on green tariffs at key locations in the UK, Austria, Germany, France and the Netherlands. In the US we also purchase and retire Renewable Energy Certificates (RECs)

⁴ Scope 3 business travel covers air, rail, and personal cars used for business purposes but does not include car fleet, which is included in Scope 1 as stipulated in the GHG protocol 5 As we continue to expand Scope 3 emission sources and set up data collection systems, impacts are estimates and still need improvement; we continue to separate these from

total emissions. See <u>Climate change</u> in the Environment section for more details
6 All paper we graded in 2012 – 96% of total production stock – was graded PREPS grade 3 or 5 (known and responsible sources). See <u>Paper</u> in the Environment section for full details

^{*} Includes four carried over from 2011

Our unique contributions

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Introduction

Our unique contributions



The people we work with in the research community do great things: they advance knowledge, save lives, and improve the way we live. Our job is to help them accomplish this. Access to published research plays a vital role. By doing our jobs well we make a real difference to society, and that's terrifically energising."

Alicia Wise, Director, Universal Access, Elsevier

Why it matters

We believe we have the most significant impact when we apply our expertise to areas like universal, sustainable access to information, advance of science and health, protection of society, and promotion of the rule of law and justice. 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.

Sharing our unique contributions

Elsevier

Elsevier, the world's leading provider of scientific, technical and medical information, plays an important role in advancing human welfare and economic progress through its science and health information, which spurs knowledge and enables critical decision making.

To ensure access to this 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 Research 4Life article downloads from Elsevier's Science Direct, 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.

We also provide technical and communications expertise to advance Research4Life, and in the year agreed with other partners to extend our commitment to the programme through 2020. Gamal Khalafalla Mohamed Ali, Director General of Sudan's Central Medical Supplies Public Corporation, responsible for medical supplies for the country's public health institutions, stated, "As a policymaker, I use research published in [Research4Life] for formulating research-based policies. I have written many proposals and most of these find their way to implementation. A major reason for this, I think, is the evidence that underpins the proposals... [Research4Life] is like water and oxygen: it is vital for me."

Governance

Access to research makes an impact in the developing world



The impact of limited or no access to up-to-date scientific research restricts scientific activity and deprives policymakers of knowledge that could help them address underdevelopment. For the past decade, Research4Life has been working to close this knowledge gap.

In the year, we drew attention to the booklet, <u>Making a</u>
<u>Difference – Stories from the Field</u>, which we commissioned and co-edited in 2011 to mark the 10th anniversary of Research4Life. It provides examples of how access to peer-reviewed research is benefiting the health and economic and social development of developing world communities.

For example, access to research content:

- Allowed a practitioner in Ethiopia to successfully treat a patient with adamantinoma of the tibia, a rare form of cancer, and helped his hospital to deliver more effective training to orthopaedic physicians
- Enabled a Nepalese paediatrician to save children's lives through better treatment of diarrheal diseases, while developing his hospital's journal into a scientifically rigorous publication
- Helped an agricultural researcher from Burkina Faso develop better scientific writing skills to compete more effectively for research funding, and deliver better teaching programmes
- Enabled a midwife to improve maternity care in Zimbabwe and reduce maternal and neonatal mortality rates

In collecting information for Making a Difference, there was evidence that Research4Life is also reducing the 'brain drain' by ensuring students and researchers have access to high quality information in their own countries.

In addition to support for ongoing projects, the Elsevier Foundation committed \$650,000 to support libraries, new scholars, and nursing, including a grant to the Medical Libraries Association/Librarians Without Borders' (LWB) e-library training initiative in Latin America and Asia. Since 2008, LWB has created multi-language, online distance-learning courses and train-the-trainer sessions across the developing world.

The Elsevier Foundation's New Scholars Program supports projects to help early to mid-career women scientists balance family responsibilities with academic careers, and addresses the attrition rate of women scientists. Among the projects awarded a grant in 2012, was the Appalachian Women Scientists programme at Appalachian State University in the United States.

In 2012, the National Assessments and Benchmarking of Gender, Science, Technology and Innovation study was released, made possible with a 2010 Elsevier Foundation grant. The study assessed the participation of and opportunities for women in science in Brazil, the European Union, Korea, India, Indonesia, South Africa, and the United States. It was conducted by the Organization for Women in Science for the Developing World and Women in Global Science & Technology. The research showed participation of women in science, technology, and innovation remains significantly lower than for men, even in some of the world's wealthiest regions. And in some countries, including the US, the number of women in these fields is declining, with women under-represented in engineering, physics, and computer science degree programmes; for those who do enroll, up to 30% are likely to drop out due to inflexible hours and limited or expensive child care. To help women achieve parity, the study found better financial resources, social and economic status, health care, and roles in government and politics, are necessary.

LexisNexis Risk Solutions

LexisNexis Risk Solutions tools and resources help protect 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.

LexisNexis Risk Solutions revenue discovery tools help federal, state and local governments increase revenue by detecting tax fraud. This also benefits citizens, who must assume a greater tax burden or a cut in services when government funding is reduced. The system leverages billions of identity records collected from thousands of accurate and reliable sources, and processes them through identity-based filters to reveal refunds with a high probability of identity fraud. Over the past year, this has saved the state of Georgia \$24m.

Financial institutions are subject to record-setting fines and penalties if they do not comply with sanctions regulations.

Sanctions regimes, such as the Office of Foreign Asset Controls in the US, are intended to prevent the flow of funds to or from sanctioned countries, such as Iran or North Korea, or sanctioned entities, including known terrorists or terrorist organisations, illicit arms dealers, and drug traffickers. LexisNexis Risk Solutions' Bridger Insight XG watch list screening solution is used by more than 3,000 financial institutions globally to help ensure compliance with sanctions regulations. The combination of the Bridger Insight XG solution with Reed Business Information's BankersAccuity Global Watch List, a global data set of sanctioned or high risk entities, helps customers to ensure proactive compliance.

LexisNexis Risk Solutions employees created the Automated Delivery of Alerts on Missing Children (ADAM) programme, which assists in the safe recovery of Missing Children. ADAM alerts circulate missing child posters – over 2.1m in 2012 – to police, news media, schools, businesses, medical centres, and other recipients within a specific geographic search area. Since launching in 2000, 135 children have been located, including nine in 2012.

In the year, LexisNexis Risk Solutions presented the US Marshals Service Fugitive Task Force for the Eastern District of Louisiana with its third Annual LexisNexis One Step Closer Award. The Award honours leaders in federal, state, and local government for excellence in the use of open or third-party information sources to bring government cases, problems, or investigations one step closer to resolution. The Task Force has been involved in critical fugitive manhunts within metropolitan New Orleans, and in 2011 alone, was responsible for clearing 1,408 arrest warrants and apprehending a total of 827 fugitives involved in homicide, sex offence, assault, and other cases. Officers from 12 partner agencies comprise the Task Force including the US Customs and Border Protection, Louisiana National Guard, Louisiana State Police, and New Orleans Police Department.

Reed Business Information

Reed Business Information (RBI) uses the power of its brands to aid communities. RBI's Farmers Weekly held a 2012 Farmers

Apprentice competition to find the person with the best potential farming skills in Britain. With support from McDonalds, they encouraged applications from young readers, who will help fill 60,000 jobs in the agriculture industry over the next six years. 70 young people from a range of backgrounds and experience entered the competition. Entrants submitted a video conveying their passion for farming, creative flair, business acumen, communication skills, and ambitions. Ten finalists, chosen by three farming experts, were selected for a Farmers Apprentice bootcamp held at Raising Standards, a UK agricultural college. Their experiences were filmed by students of the Co-operative British Youth Film Academy. The winner, George Brown, received £10,000 to further his farming career.



ICIS, providing news and market intelligence for the chemicals, energy, and fertiliser sectors, held its ninth <u>Innovation Awards</u> in 2012 to reward innovation in the chemicals industry. Winning Best Innovation for Sustainability, France's Rhodia was recognised for creating an 'urban mine' by developing a process to recover scarce metallic elements from consumer waste.

Overall winner was Clariant Advanced Denim, also garnering the prize for Innovation with Best Environmental Benefit, for its novel use of sulphur dyes to replace indigo, which requires a greater number of treatment stages. If its technology were used in 25% of denim production, a fabric responsible for 14% of the global cotton production, 62m m³ of water would be saved, equivalent to the drinking needs of 1.7m people.

Over the past five years, BankersAccuity has supported the Chicago Bond School, which promotes knowledge about the municipal market for new market participants, by providing free advertising. Since the 1930s, it has published The Bond Buyer's Municipal Market, a directory and today a website, with critical information. It is in the industry's and BankersAccuity's commercial best interest to foster new talent through the school.

Over the last two years, Hairdressers Journal has partnered with John Frieda to build awareness of HAIRraising, a charity which has raised more than £1m in support of Great Ormond Street Children's Hospital in London, through its publications, websites, and shows. The appeal has contributed to the construction of two new operating theatres at the hospital; funds came from small salons throughout the UK which discovered the appeal through the efforts of Hairdressers Journal. In 2012, staff agreed to help raise a further £1m toward a new respiratory ward at the hospital.

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 help justice systems, governments, and businesses function more effectively and efficiently. 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. In 2012, LexisNexis Legal & Professional received the American Bar Association (ABA) Section of the International Law World Order Under Law Award, the first time it was presented to an organisation, for its efforts to advance the rule of law. Read more about how LexisNexis Legal & Professional furthers the rule of law.



The LexisNexis Human Trafficking Awareness Index highlights emerging trends and patterns of awareness in human trafficking by measuring the monthly volume of trafficking-related articles from a carefully curated and licensed collection of highly influential news sources from around the world.

LexisNexis Legal & Professional's <u>Rule of Law Resource Center</u> 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 <u>Human Trafficking Awareness Index</u>, 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. Kenneth Thompson, II, General Counsel of Reed Elsevier, moderated a 2012 panel for the ABA which launched the ABA Task Force on Human Trafficking. The Task Force will train first responders to identify victims and promote pro bono handling of human trafficking cases. LexisNexis Legal & Professional also continued its involvement in the <u>Global Business Coalition Against Human Trafficking</u>, which it helped found.

Since 2000, LexisNexis South Africa has provided free access to its online content for law faculties at 24 South African public universities. Its Thuthuka Bursary Fund helps poor students pursue chartered accountancy studies, aiding young people who will be responsible for South Africa's rule of law in the future. In 2012, it awarded three bursaries, contributing \$73,000 to students over the past six years.

LexisNexis expanded pro bono partnerships in 2012 through collaboration with the Lex Mundi Pro Bono Foundation to promote law firm engagement with social entrepreneurs working around the world to improve the lives of the poor and disenfranchised. Together, they presented the 2012 Lex Mundi Pro Bono Foundation Awards to honour Lex Mundi members that have provided critical pro bono legal services to strengthen the rule of law. Recipients included Claro & Cia., Abogados in Chile for its support of Recycla Chile, which has developed a sustainable business model to increase recycling of a growing amount of electronic waste, and Shalakany Law Office in Egypt for services to the Meshwar Organization for Community Development, which helps empower marginalised women and children across Egypt through access to critical social services such as education and microfinance.

Customer presents LexisNexis Legal & Professional with pro bono award



LexisNexis Legal & Professional customer White & Case, a global law firm based in New York City, with more than 2,000 attorneys, presented LexisNexis with an award in 2012 for its support of a pro bono project to create a rule of law-based legal system in the Kingdom of Bhutan to aid the country's transition to a constitutional monarchy. LexisNexis Legal & Professional provided access to online and print material, laptops, and other equipment for a new law library. It will also carry Bhutanese legal materials in its online collections for the first time.

As a founder of the UK's International Law Book Facility, since 2005 LexisNexis UK has provided over 5,000 legal texts to assist professional bodies, advice centres, pro bono groups, law schools, and other institutions involved in access to justice in 37 countries across Africa, Asia, Europe, South America, and the Caribbean. New recipient partners in 2012 included the Attorney General's Ministry in Belize; the Guyana Association of Women Lawyers; the Nigerian Law School; Justice for Children in Uganda; the Law Association of Zambia; and the Legal Resources Foundation in Zimbabwe. Shipments of books to a further six countries are planned for 2013, including to Ghana, Malawi, Rwanda, St Helena and Ascension Island, and Zambia. LexisNexis UK volunteers play an important role in the administration of the charity, as well as sorting, selecting, and packing books for shipment.

Reed Exhibitions



Reed Exhibitions' events provide platforms for supporting our CR focus areas. At the 2012 World Travel Market, its global event for the travel industry, Reed Exhibitions hosted World Responsible Tourism Day, with events available to the show's more than 40,000 attendees on topics ranging from poverty reduction and wildlife protection to reducing greenhouse gas emissions. Read more about World Responsible Tourism Day.

Staff behind World Travel Market founded the charity <u>Just a Drop</u> 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 and community partner, the Ilkisongo Pastoralists Initiative, to deliver the project, which will benefit 2,000 people.



In 2012, Reed Exhibitions expanded programming for optometry students at its International Vision Expo & Conference. In addition to providing free show entry, a job fair, and travel grants to students from the 22 schools comprising the American Optometric Student Association, Vision Expo staff instituted a new mentor programme. Third and fourth year optometry students were matched with mentors to gain career guidance and, with more than 475 show exhibitors, help to maximise their time on site. The impetus is to assist the next generation of eye care professionals with access to the technologies, products, and education that can help them succeed. Since launching in 2008, the level of school participation has tripled.

Reed Exhibitions continues to drive forward sustainable practice in the global meetings and events industry. Two shows hold the sustainable exhibitions standard <u>BS 8901</u>, which Reed Exhibitions helped develop. <u>EIBTM</u>, the global meetings and events exhibition, is one of them. Held in Barcelona in 2012, it featured a Sustainable Events Corner, where exhibitors and attendees received practical advice and heard from industry experts on key sustainability issues and best practice within the industry, and a Sustainable Stand Award. It also promoted <u>20 Sustainable Actions</u> that exhibitors can implement to become more sustainable. In July 2012, BS 8901 became an internationally recognised standard, ISO 20121, and Reed Exhibitions will be working toward re-certification to the new standard.

Over the past nine years, Reed Exhibitions has given free space at the London Book Fair to <u>Book Aid International</u>, which annually provides more than 500,000 books – including those donated from across Reed Elsevier – to readers in the developing world, enabling the charity to engage with a wide range of potential book and financial donors. <u>Read more about our work with Book Aid</u>.

The 2012 World Future Energy Summit (WFES), held in Abu Dhabi, United Arab Emirates, attracted over 26,000 attendees, and opened with an address from UN Secretary-General Ban Ki-moon, who announced three goals to be achieved by 2030: universal access to modern energy services, double the rate of energy efficiency improvement, and double the share of renewable energy. Other world leaders who shared their commitment to renewable, clean energy were Chinese Premier Wen Jiabao – who pledged the closure of China's coal-fired generators and investments in wind, solar, and hydroelectric power – and South Korea's Prime Minister Kim Hwang-sik, who advocated cooperation between developed and developing countries in expanding renewable energy resources. WFES includes a Young Future Energy Leaders programme that brings young professionals and students from the United Arab Emirates and abroad closer to government representatives, business leaders, and other organisations active in the areas of renewable energy and sustainability.

Across Reed Elsevier

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 Reed Elsevier Environmental Challenge contributes to the UN Water for Life Decade, running between 2005 and 2015, in support of the Millennium Development Goal to reduce by half the number of people without access to safe drinking water and to stop unsustainable exploitation of water resources.



We offered relevant products from our businesses to nearly 600 registrants from more than 50 countries. We sought projects that are replicable, scalable, sustainable, and innovative, which emphasise solutions with practical applicability; address non-discrimination/equality of access from a scientific, legal, or other basis; involve and impact a range of stakeholders; and have local/community-level engagement. The jury included Dr Mark van Loosdrecht, professor of Biochemical Engineering at Delft University of Technology and head of the Environmental Biotechnology section and winner of the 2012 Lee Kuan Yew Water Prize; Dr Sarah Bell, Senior Lecturer in Environmental Engineering at University College London; Dr Prasad Modak, founder of India's Environmental Management Centre and an environmental consultant with the World Bank; and Professor Gang Pan of the Chinese Academy of Sciences and chief scientist of a Sino-UK governmental water science cooperation programme.

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. See our winners' videos from year one of the Environmental Challenge.

Building knowledge on alternative energy

In 2012, we expanded our alternative energy portfolio to include new offerings:

Elsevier launched Energy Strategy Reviews and Comprehensive Renewable Energy. Comprehensive Renewable Energy is a multi-volume reference work that explores renewable energy sources as alternatives to fossil fuels. It is arranged according to key themes such as photovoltaic technology; wind energy technology; fuel cells and hydrogen technology; biomass and biofuels production; hydropower applications; solar thermal systems; and ocean energy. Professor Ali Sayigh, Director General of the World Renewable Energy Network, is the Editor-in-Chief. The eight volumes include more than 1,000 references from books, journals, and the internet, and charts, illustrations, project photographs, and research results.

Reed Exhibitions announced Wind Expo, Japan's first event dedicated to wind power technology, as part of its World Smart Energy Week, one of the largest renewable energy events, with over 1,500 exhibitors and 100,000 visitors. They also launched the Asia Future Energy Forum as a platform for promoting the smart delivery of leading edge sustainable energy, investment, finance, and technology. The Forum's theme, Powering Sustainable Innovation in Asia, was held as part of Singapore's International Energy Week organised by the Energy Market Authority of Singapore.

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 sensitve 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.

2012 OBJECTIVES	Progress
Increase pro bono partnerships	New and expanded partnerships, for example, Research4Life access expanded to all ScienceDirect content and 7,000 books; support for global social entrepreneurs through Lex Mundi Pro Bono Foundation
Broaden reach of Reed Elsevier Environmental Challenge	90% increase in registrations; 40% increase in proposals over 2011
Expand alternative energy product portfolio	New products include Comprehensive Renewable Energy (Elsevier) and Asia Future Energy Forum and Exhibition (Reed Exhibitions)
Facilitate deeper country analysis of UNICEF climate change and children report	Research extended to child-oriented disaster risk assessments in Indonesia and the Philippines; in-kind assistance including editorial support and design

2013 OBJECTIVES

- New partnerships through Reed Elsevier Environmental Challenge to share water and sanitation expertise
 - Create cross-business alternative energy round table to foster knowledge sharing and product development
- Deliver workshops with UNICEF on child-centred climate change adaptation in high risk locations

Governance

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Introduction

Governance



"Strong corporate governance is fundamental for Reed Elsevier in promoting the long-term prosperity of the business. We are committed to the principles set out in the UK and Dutch Corporate Governance Codes, which establish good practices and enhance transparency, allowing our stakeholders to have confidence in the way we run our business, make key decisions, and manage risk. We remain focused on ensuring we continually reflect these principles in our practices."

Henry Udow, Chief Legal Officer & Company Secretary, Reed Elsevier

Why it matters

 $\label{thm:condition} \textbf{Good governance matters because it creates the framework for our business.}$

We support the principles and provisions of corporate governance contained in the UK Corporate Governance Code issued by the Financial Reporting Council in May 2010 (the UK Code) and the Dutch Corporate Governance Code issued in December 2008 (the Dutch Code).

Governance and reporting

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 2012 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 www.reedelsevier.com.

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.

We included a <u>business review</u> as an integral part of our Annual Report. It includes information on CR and provides forward looking statements on the outlook for Reed Elsevier and its business, and outlines key business risks.

Reed Elsevier values

Five values underpin our activities: Customer focus, Valuing our people, Passion for winning, Innovation, and Boundarylessness. <u>Learn more about the values</u>.

We monitor the progress of each business in embedding the values in its processes. Senior executives are assessed on their values leadership and all employees are evaluated on how well they live the values as part of the annual <u>Personal Development Plan</u> process. The Values section of the corporate intranet enables employees to discover the five values from the perspective of people across the organisation. In 2013, we will launch a Reed Elsevier values campaign for employees to showcase the values in action.

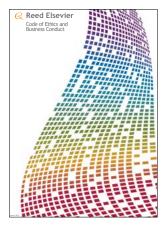


Our leaders work to reinforce the values. In 2012, Reed Exhibitions' CEO, Mike Rusbridge, awarded 13 employees from Australia, Austria, Brazil, France, Germany, Japan, Russia, the US, and the UK, Chairman's Awards for best exemplifying the Reed Elsevier values and their contributions to the business. Winners will attend a 2013 presentation dinner with the Reed Exhibitions Worldwide Board.

We produce products and services on corporate governance for our customers. These include: Butterworths Company Law Handbook; CIMA Official Learning System Fundamentals of Ethics, Corporate Governance and Business Law; Compliance 360; Compliance Management Solutions; Compliance Manager; Corporate Governance; International Financial Reporting Standards; Pinpoint Compliance; Rule of Law Perspectives From Around the Globe; and State Net.

Key issues

Ensuring the highest ethical standards



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. The Code has been translated into 11 languages – Chinese, Dutch, French, German, Italian, Korean, Japanese, Polish, Portuguese, Russian, and Spanish – to improve accessibility for all employees.

The Code 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. The Code (and a related supplemental policy) also addresses political contributions, which are strictly prohibited except in the United States, where such contributions and activities are permitted in certain states within allowable limits if they comply with stringent reporting and disclosure regulations. Employees must obtain senior management approval for any proposed corporate political contributions; all corporate contributions are reported as required by law. Reed Elsevier companies in the United States contributed \$90,950 to political parties and candidates in 2012. There were no donations made in the European Union for political purposes.

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 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.

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).

Appendices

Employee feedback on 2012 compliance courses

- " "A focused reminder of managing documents and private data"
- " "As a refresher course the programme works well"
- "Clear and concise information of the subject matter"
- "Created more awareness among the employees"
- " "I felt this was one of the best training courses I have experienced yet. It was concise, gave me the information I needed in a clear manner, and was not too long"
- "It makes you consider situations that you haven't faced so far, but which could arise in the future"
- " "Clear examples helped put scenarios and guidelines in context"
- "It made a complex topic easy to understand"
- "The programme was a good way to help employees understand [that] how they interact with customers and suppliers can affect the company"

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, an HR 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. 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 maintain a Record Management Policy, Record Retention Schedule, and related resources to help employees properly manage company records, setting out what, why, how, and for how long, different types of records must be retained and disposed of. In the year, we issued the policy to all employees in English-speaking countries.

Tax, pensions, and investments

In 2012, the Reed Elsevier combined businesses paid £216m in corporate taxes. Corporate income taxes paid in the UK and the Netherlands typically amount to 20%-25% of trading profits, broadly in line with the statutory rates. In addition, we paid or collected an even greater amount of employment-related, sales, VAT, and other taxes. We believe taxes are an important way in which large companies contribute to the communities in which they do business.

Reed Elsevier is considered a responsible corporate taxpayer. We conduct our tax affairs to ensure compliance with all laws and relevant regulations in the countries in which we operate. We maintain an open and positive working relationship with fiscal authorities and tax policymakers. In the UK, the Netherlands, and other countries we actively engage with industry bodies, policymakers, tax administrators, and other stakeholders. For example, in the UK, the Head of Group Taxation is also a member of the Business Tax Forum, a joint business/HM Revenue and Customs committee, which provides for discussion of the operational aspects of the tax system.

The Reed Elsevier pension scheme statement of investment principles indicates that investment managers must consider how social, environmental, and ethical issues may financially impact the portfolio when making investment decisions.

CR issues are relevant to other investment decisions we make; for example, we review an investee's social and economic stability. Among sustainable investments we have made is <u>Healthline</u>, which helps consumers find, understand, and manage healthcare information, with access to over 1bn web pages.

2012 OBJECTIVES	Progress
Completion of Reed Elsevier Code of Ethics and Business Conduct training by 100% of employees within 90 days of their employment start date	100% completion achieved
Continue bribery law compliance activities, with particular reference to the UK Bribery Act and US Foreign Corrupt Practices Act	100% of employees completed online training, rolled out to new employees on an ongoing basis; in-person training for employees in higher risk roles and geographies; intermediary due diligence and related monitoring as part of routine process
Record Management Policy roll out to the UK and other countries	Policy issued to all employees in English-speaking countries; guidance to business units on implementation efforts

2013 OBJECTIVES

- Achieve 100% completion of all computer-based compliance courses
- Advance Record Management Policy implementation and roll out translations
- Enhanced training programme for internal investigators of Code of Ethics and Business Conduct breaches

People

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People



"We are committed to building a diverse and inclusive workforce through employee awareness. The Reed Elsevier Diversity and Inclusion Strategy supports a healthy work environment that attracts and retains the best talent to address the needs of and reflect our diverse customers."

Sonia Rodriguez, Vice President of Human Resources, Reed Elsevier Technology Services

Why it matters

As we state in the <u>People</u> section of <u>www.reedelsevier.com</u>, "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. 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."



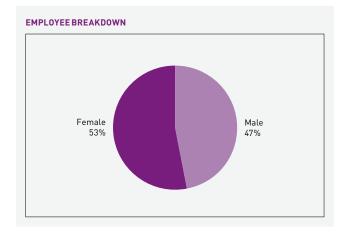
Valuing our 30,400 people means being an employer of choice, known for best practice in retaining and recruiting the best staff. Only by attracting and keeping good people – and being acknowledged as a company where they can do their best work – will we be able to achieve our objectives and meet the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

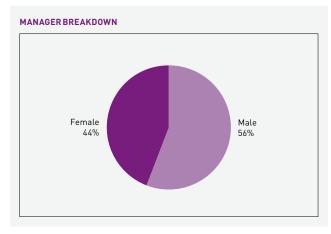
We work closely with our staff/works councils in Europe, the United States, and elsewhere to engender positive employer/labour relations. And we ensure our labour and employment policies and practices are compliant with the principles of the UN Global Compact regarding fair and non-discriminatory labour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

Our workforce

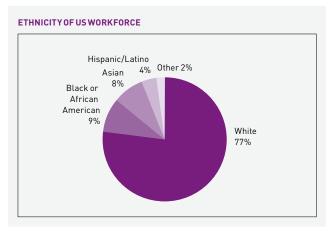
Reed Elsevier's workforce is highly skilled, and a large proportion hold advanced degrees.

In 2012, our workforce was 53% female based on a sampling of greater than 85% of our employees; 44% of managers were women. Our senior management group comprised individuals from around the world. At the close of the year, there were three female members of the Reed Elsevier Boards: Linda Sanford (appointed in 2012), non-executive director of Reed Elsevier PLC and Reed Elsevier NV; Lisa Hook, non-executive director of Reed Elsevier PLC and Reed Elsevier NV; and Marike van Lier Lels, non-executive director of Reed Elsevier NV. Women now make up 27% of the members of the Reed Elsevier NV Combined Board and 20% of the members of the Reed Elsevier PLC Board. Following the Annual General Meetings to be held in 2013 we expect these percentages to increase to 30% and 22%, respectively, reaching the goals we announced in 2011.





We recognise employees of different ages contribute unique perspectives to our endeavours. In 2012, 15% of our employees were 30 years of age or younger, 65% were between 31 and 50 years of age, and 20% were 51 and older. Our oldest employee is aged 86 and our youngest is aged 17. The average length of service is nine years. We also know people of different backgrounds contribute to a rich exchange of ideas. The majority of our workforce is based in the US, and we provide a breakdown of employees by ethnicity each year to the US Department of Labor. In the year, we continued to implement a global HR information system, PeopleHUB, which is improving our data collection.



To help our customers facing challenging conditions, we must continuously adapt our cost structure. We aim to minimise the effect of any restructuring activities, necessary for all businesses as processes or markets change, but which may be more prevalent in times of economic disruption. We do not take decisions regarding employee redundancies lightly, but where it is necessary, those decisions are always based on a factual assessment of the needs of our customers and we explore all possible alternatives, including internal transfers, to avoid having to take such actions. To help affected employees, we provide career advice and, where possible, retraining assistance.

We produce products and services that advance understanding of people and health and safety issues for our customers. In 2012, we published new editions of Butterworths Employment Law Handbook and Tolley's Employment Handbook, in addition to Community Health and Wellness; Elsevier Performance Manager; Health & Safety at Work Magazine; Health and Safety Bulletin; Occupational Health; Occupational Health and Industrial Medicine; Pay and Benefits; PersonnelToday.com; Practical Guide to Occupational Health and Safety; Tolley's Discrimination in Employment Handbook; Tolley's Equal Pay Handbook; and Xpert HR; and exhibitions such as Expoprotection.

Listening

Hearing directly from our people is an important driver for improvement. In 2012, we undertook a global Employee Opinion Survey (EOS), completed by 77% of employees, to help us understand staff views. As Mike Walsh, CEO of LexisNexis Legal & Professional, noted in launching the survey to his staff, "This survey is an opportunity for you to provide your open and honest feedback on our organisation. Your input, thoughts, and participation in this survey are critical, so please share your perspectives and opinions freely."

We donated \$1 to global fundraising partner Plan UK for each survey completed, which netted over \$22,000 for educational projects in Peru and China. Since the previous EOS in 2009, we saw higher scores in nearly all areas, including overall satisfaction, innovation, and customer focus. There were also increases in key CR areas; for example, in the percentage of staff who agreed that the company employs strong, ethical principles in its business practices, who felt we treat people with fairness and respect, and who agreed we support community involvement. We will focus on areas that remained flat, with local action plans led by managers.

We also conduct ongoing 'pulse' surveys to gauge how our staff feel about working for the company. Read an example from our business.

In 2012 at RBI Netherlands, all staff received a comprehensive business update from their CEO, with other key colleagues presenting updates on strategy and direction. Employees had the option of submitting questions in advance or raising them during the session. In addition, it held more than six works council meetings during the year, and a Key Decision Makers team of approximately 50 meets four times per year. Sessions feature a financial update from the CFO, external speakers, and dialogue among participants on key topics.

We offer the Leaders' Toolkit, a customised site in partnership with Harvard Business Publishing, to all employees. Among the resources are worksheets, video clips, and articles to foster good listening skills and tips for giving and receiving feedback. We encourage managers to understand what their employees really think through 360 degree appraisals and provide relevant materials; when appropriate, we suggest they share results with their teams.

We provide other mechanisms to allow people to voice their opinions, including through intranet-based social media tools like a Reed Elsevier Connected site featuring wikis and forums. In the year, we launched a new corporate intranet site with an interactive workspace.

Promoting diversity

As stated in our Code of Ethics and Business Conduct, "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 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. In 2012, we took steps to advance the 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." It highlights the value proposition for diversity on ethical, regulatory, economic, and reputational grounds. Among its commitments are understanding the state of D&I across Reed Elsevier, and plans to address areas for improvement.

In 2012, together with D&I specialists Pluribus, our D&I Advisory Group - comprising one leader from each business unit and senior HR colleagues, implemented D&I training pilots across all our business units focused on issues such as unconscious bias and the D&I business case. They were supported by a broad network of champions, the D&I Working Group. 78 staff took part and we will be rolling out the training more widely in the year ahead. We also added an online D&I course that all employees can take at their leisure.

We held a stakeholder session with our CR Forum on diversity and the media with internal and external participants and will be making the content available to all staff on our corporate intranet. We also moderated a panel on boardroom diversity with leading search firms on behalf of ID (Inclusion and Diversity) 100, a network we belong to for sharing D&I knowledge among FTSE100 peers.

CR Forum: Diversity and Inclusion





LexisNexis Legal & Professional partnered with the International Bar Association's (IBA) Women Lawyers' Interest Group to support diversity in the legal profession, sponsoring the 2012 IBA Outstanding International Woman Lawyer of the Year award won by Nigerian lawyer, Chief Olufolake Solanke, at the IBA's fifth World Women Lawyers' Conference. The award, co-presented by LexisNexis Legal & Professional's Nigel Roberts, Senior Director of Global Associations, included a charitable gift which Chief Solanke gave to Zonta International, an international organisation of women in business and the professions working together to advance the status of women worldwide.

We promote Employee Resource Groups (ERG), which allow diversity to be expressed in meaningful ways. They are independent, voluntary networks of employees who share common interests. The groups help drive diversity initiatives and promote career development through mentoring, workshops, leadership speakers, and external networking. LexisNexis Risk Solutions, for example, has five ERGs, among them, the Veterans Group, Multicultural Group, and Pride Group. It has launched a Diversity Book Club: employees read a book that touches on D&I themes and share their thoughts during a session led by a senior leader.

The Elsevier Women's Network, which began at the close of 2008 with five women, had 630 members and 12 active chapters at the close of 2012. LexisNexis Legal & Professional established its Women Connected ERG in 2007. In 2012, they hosted a series of webinars on emerging women leaders, with topics such as building a career around values and strengths and work-life integration. UK Women Connected, which began at the close of 2010 with a small steering committee, had over 120 members in 2012

We are proud of our employees who promote diversity. LexisNexis Legal & Professional won a 2012 Equality Award from the Human Rights Campaign of Greater Cincinnati for outstanding efforts in promoting equality for lesbian, gay, bisexual, and transgender (LGBT) people in the workplace. In 2012, LexisNexis Legal & Professional was the sponsor of LGBT pride events in Dayton, Ohio, where it has the largest concentration of US employees. In conjunction, the LexisNexis Legal & Professional Pride group with HR co-hosted a webinar on bullying. Reed Exhibition's World Travel Market collaborated with Out Now, a prominent marketing organisation for LGBT consumers, on a master class for exhibitors based on LGBT tourism research.

RBI's XpertHR provides a D&I $\underline{benchmarking tool}$ for its customers, encompassing relevant information related to setting targets and action plans, and reasonable adjustments for disabled workers.

Boundarylessness

We promote the Reed Elsevier value Boundarylessness, working across geographic and functional boundaries, with the support of the Reed Elsevier HR Management Council, led by the Group Director of HR. The Council undertakes an annual Organisation Talent Review to identify staff advancement opportunities across the company.

Boundarylessness in action: supporting internal mobility



Reed Business Information's Barbara Ortner, based at the business unit's headquarters in Sutton, England, saw a notice in a newsletter produced by Reed Elsevier's risk team about secondment positions. Barbara, an editor covering the global petrochemical market, answered the call and spent three months of 2012 with Reed Elsevier Group Risk Management (GRM):

"It was a madly busy time. I worked on the risk assessment for a major Asian business, helped construct group-wide content quality assurance principles, reviewed a US-based business after an acquisition, and facilitated a workshop for a global business.

Typhoons and earthquakes were two risks I wasn't expecting to contend with when I set off to start my secondment with GRM in Reed Elsevier's London HQ. Nevertheless, weather disasters were high on the agenda for one of our Asian businesses we looked at, and are a classic example of an extreme risk that can't be stopped but can be mitigated. My newfound knowledge of business continuity planning in the tropics may not come in useful back in my day-to-day work in editorial management, but it has certainly opened my eyes to the benefits of analysing risks and preparing for them.

It was a particular pleasure to meet other editorial teams around the businesses, to talk about the reputational risks connected with content quality, and to share best practice." The Reed Elsevier Job Board, available from the corporate intranet, allows staff to view and apply for any available opening around the world. Candidates can complete an online employment profile to specify their preferred work criteria so that they can be alerted to future openings that match their interests.

Operational staff at Elsevier's Chennai, India office instituted 'flexi-desks' in 2012. Previously subject to a team-based seating arrangement, managers found there was minimal interaction between related teams despite efforts to improve communication. Flexi-desks allow employees to work wherever they want depending on the people they are collaborating with. The aim is to encourage knowledge sharing.

Training

Every employee in the company takes part in the annual Personal Development Programme (PDP), which reviews skills and performance and identifies opportunities for recognition and advancement. The PDP is also the primary tool for assessing and planning employee training. In 2012, we invested over \$21m in training (including courses, seminars, one-on-one instruction, and tuition reimbursement) to develop the capabilities and future potential of our people.

The Reed Elsevier Learning Centre, available on the global intranet, provides access to tools to further employee professional development. Resources include Harvard Manage Mentor, covering a wide range of management topics, from business basics to strategy execution from business leaders and subject experts. We also provide a comprehensive range of e-learning courses to employees through Skillsoft, covering hundreds of subjects in 15 different languages. Another tool available to staff is Cultural Navigator, which highlights how cultural preferences can affect the way we work.

By the close of 2012, 383 of Reed Elsevier's top executives completed Management Development Planning (MDP) or had their existing development plan revisited. Each MD plan leads to precise actions for attaining present and future career objectives; provides an insightful view of the individual; and encourages openness, as sensitive issues are addressed in a spirit of confidentiality and respect. The process involves in-depth interviews to assess strengths and development areas; agreeing an action plan with the individual and their manager on present role, skills/knowledge; and future career aspirations. Plans may include gaining international experience, focused coaching, and engagement outside the company, including charity placements with <u>Pilotlight</u> to share expertise in new areas. Progress against development plans is regularly checked and updated.

Support and recognition

We believe flexible working can increase staff motivation, promote work-life balance, reduce employee stress, and improve performance and productivity. We offer a variety of flexible work options, including part-time and flex-time working, job sharing, home working, time off to care for children or other family members, and career breaks.

We offer employee assistance programmes, including in the UK a free confidential helpline and counselling agency with a number of services, including personal, legal, financial, tax, and relationship advice. The service operates 24 hours a day throughout the year and is available to all employees and their immediate families.

We recognise good performance financially through mechanisms such as bonuses and non-financially through awards programmes, among other means. Nearly 1,200 RBI employees participated in the 2012 RBI Achievement Awards, an evening celebrating their contribution to the success of the business. 23 staff received awards in areas like content and innovation.

In 2012, LexisNexis Legal & Professional made a contribution to the American Bar Association Fund for Justice & Education – which supports rule of law initiatives around the world – in honour of Louis F. Duffy, who passed away in 2011. Mr Duffy, who was a long-serving employee, joined Martindale Hubbell Legal Publishing Company in 1956 and made a lasting contribution to the legal profession. LexisNexis UK holds an Investors in People certification from the British government.





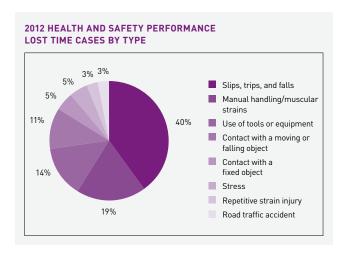
After the tragic events of September 11, 2001, in which two Reed Elsevier employees lost their lives, we established a fund in their names – the Jeffrey P Mladenik and Andrew Curry-Green Memorial Scholarship. In 2012, we awarded grants to Michael Orr, a double major student in history and English at Thomas More College in Crestview Hills, Kentucky, the son of Tim Orr, Project Manager at LexisNexis; and Alexandra Ricard, the daughter of Jonathan Ricard, Regional IT Support Manager for Reed Elsevier Technology Services, pursuing a degree in biomedical engineering with a minor in Spanish at the Georgia Institute of Technology.

Health, safety, and wellbeing

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. 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, encompassing bimonthly calls, a Health Resources intranet site, and an annual Health and Safety Champions meeting. We consult with employees globally on health and safety through staff and works councils. Adopting a risk based approach, we have dedicated safety committees at key locations that meet monthly (or as needed) to review safety concerns and any incidents.

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 that 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.

Working across many different countries where health and safety standards vary is a challenge for the events industry. Together with peers, Reed Exhibitions helped produce the <u>g-Guide</u> outlining minimum standards for safeguarding health and safety of persons working at or visiting an event or exhibition. In order to overcome language barriers, it contains cartoons to reinforce key points. In 2012, staff contributed to updates to the guide to be released in 2013.



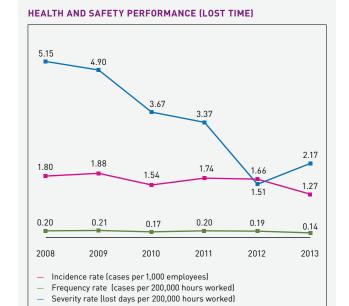
Performance

Comment from Ernst & Young

In 2012 Reed Elsevier reported a 55% fall in the severity rate. Through our discussions with H&S management, it was identified that this was largely attributable to a programme introduced to encourage employees to return to work on modified or restricted duties. It is important that the improvement in the severity rate does not reduce the continued focus on identifying and mitigating safety risks and investigating the root cause of incidents.

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. Read the Ernst & Young LLP assurance statement.

The number of lost time reportable cases decreased in the year [49 in 2012 vs 52 in 2011] with a focus on returning employees to work with restricted duties as their condition allows, there was a further reduction in our severity rate – number of lost days compared to hours worked – with a 70% reduction since 2008.



As a primarily office based company, the majority of incidents are related to slips, trips, and falls, or posture-related muscular strains.

We provide employee support following any incident. For example, in the US, we work with a third party resource to assign a nurse case manager to each complex or severe claim. The nurse case manager works with the employer, employee, and treating physician to get an employee back to health and work in the shortest possible time.

Absenteeism

Our PeopleHUB global HR information system covers 85% of our workforce, helping us better understand absenteeism. It was rolled out to new locations with 500 staff in 2012. For example, in the UK and Netherlands, there was an absence rate of 0.77% (number of unscheduled absent days out of total days worked) for reasons such as sick, compassionate, and unpaid leave. In the US, there were 1,705 cases under the US Family Medical Leave Act, which provides up to 12 weeks of unpaid job protection in a 12-month period, for such purposes as the birth or adoption of a child and care of a parent with a serious medical condition.

Wellbeing



Our REACH wellbeing programme for US employees now extends to 66 locations (50 in 2011), with designated REACH team captains to help plan local wellbeing events, including stress awareness training, smoking cessation, and weight loss programmes. We have expanded nurse teams to provide robust clinical management services and introduced financial incentives to encourage employees to undertake health risk assessments, as they can often identify issues that allow employees to seek early treatment and make healthy lifestyle adjustments; 36% of the US workforce took part in 2012 (16% in 2011). We captured wellbeing metrics, including the number of people who attended a personal wellness screening, which increased to 34% of US employees. There was a 40% quit rate among employees who took a smoking cessation course. The resulting data is helping us understand the health status of our people to better target wellness programmes. Read more about REACH.

Health and wellbeing programmes are now available to over 25,000 employees around the world, equating to 82% of our employees. Staff in the LexisNexis Paris office took part in yoga lessons in the year to promote the importance of exercise, and Elsevier Japan has 'no overtime Wednesdays' where employees are encouraged to leave on time every Wednesday. In the UK, we have an ongoing programme of occupational health workstation assessments, engaging with employees to redesign workspaces to meet their needs and increase comfort and productivity.



re:fit2win

Our annual global wellbeing competition, re:fit2win, encourages employees to establish fitness teams to compete for cash prizes for the charity of their choice. Teams competed in four categories: walking, running, cycling, and swimming. Live leader boards spurred competition, and discussion boards sparked exchanges between participants on fitness topics. re:fit2win grew in 2012 - 116 teams, up from 84 in 2011, ran, walked, cycled, and swam a total of 106,271 miles/171,027 kilometres. A combined team, 'Northwest Bull', from Elsevier and Lexis Nexis Legal & Professional won the walking prize and donated \$1,000 to <u>Hannah's Treasure Chest</u> and the <u>Dayton</u> Philharmonic Volunteer Association; 'Going the Xtra Mile' from LexisNexis Legal & Professional won the running prize and donated \$1,000 to the <u>Challenged Athletes Foundation</u>; 'RTIS 1' from Reed Technology Services won the cycling prize and donated \$1,000 to Lauren's Hope Foundation; and 'Swimming in Court Documents' from LexisNexis Legal & Professional won the swimming prize and donated \$1,000 to the <u>José Cerdá</u> Aquatic Foundation.

2012 OBJECTIVES	Progress
Undertake global Employee Opinion Survey	Completed with 77% participation rate
Initiate diversity and inclusion training pilot	Pilots completed for all business units
Capture and report on wellbeing performance and its benefits	Metrics include number of staff completing wellness screenings – 34% of US employees participated (15% in 2011); benefits include understanding health status of workforce to better target wellness programmes

2013 OBJECTIVES

- Follow up on global Employee Opinion Survey results
- Expand diversity and inclusion training across business units
- Institute health coach programme to provide personalised support to staff

Customers

In this section

- Why it matters
- Key issues
- Editorial standards
- Responding to customer needsAccess
- 2012 objectives
- 2013 objectives

Customers



"At LexisNexis Risk Solutions, our passion is to help our customers succeed. It's this passion that fuels our relationships with our customers and drives innovation. We strive to provide them with unique industry insight and innovative solutions with clear, quantifiable value that positively impacts their business."

 $\textbf{Scott Kolar,} \ Vice \ President, Sales \ Operations, Lexis Nexis \ Risk \ Solutions$

Why it matters

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.

We produce products and services that advance understanding of customer issues including <u>Approved Index</u>; <u>Cost Justifying Usability</u>; <u>Lexis InterAction</u>; <u>Managing Markets and Customers</u>; <u>User-Centered Design</u>; and <u>VAD e-commerce</u>.

Improving professional and business outcomes

We aim to improve professional and business outcomes for our customers, increasingly by providing online solutions that add value to their daily work. In 2012, online accounted for 64% of revenue, up from 37% in 2006. By providing online content and tools, we improve our customers' productivity, and achieve closer partnerships and competitive advantage.

Elsevier's SciVal Strata is a flexible benchmarking tool that provides quantitative analyses of team or researcher performance. Among its benefits is helping institutions assign resources by applying quantitative metrics to showcase excellence and support funding and assessment exercises. In 2012, SciVal Strata gained more functionality with the addition of the Strata Performance Evaluation Tool, to select and assess a researcher's most impactful papers. The new feature provides the capacity for objective assessment of a specific selection of a researcher's work, in addition to their complete publication $output. \ This is \ critical \ when \ selecting \ the \ most \ impactful \ papers$ to be submitted for assessments and grants, demonstrating to funders the impact of the research they supported. The new SciVal Strata functionality will help researchers and administrators fulfill requirements set by the Research Excellence Framework and other national guidelines. Read more about SciVal.



LexisNexis Legal & Professional in the year launched LexisNexis Smart Meeting, a new meeting preparation tool that integrates with Microsoft Outlook Calendar to provide timely news and company updates to sales and business professionals before meetings with customers, prospects, and business partners to drive sales and efficiency. Breaking news and company background information from LexisNexis, the largest and most comprehensive database of company and executive sources and news, is delivered via email and can be accessed by mobile phones, tablets, PCs, and other devices. LexisNexis Smart Meeting helps address research market intelligence firm IDC's finding in 2011 that buyers feel many sales professionals are unprepared for initial customer meetings. Read other examples of value through online from our businesses.

Key issues

Editorial standards

Maintaining the integrity of what we publish is vital to the confidence of customers and other stakeholders. In 2012, we consulted more widely on the Reed Elsevier Editorial Policy including with our European Works Council, further strengthening provisions such as editorial independence as a result. The Editorial Policy stipulates our responsibility to make clear distinctions between fact and opinion and user-generated or other content and encourages dialogue on our content, including through social media. We made it available to all staff through the corporate intranet and publicly available through the Reed Elsevier website.

To ensure the quality of scientific papers submitted to Elsevier, primary research journals undergo peer review. This means that once received from the author, editors send papers to specialist researchers in the field. In most disciplines, this is done anonymously – thus the author will not be given the name of the peer reviewer. Read more about peer review.

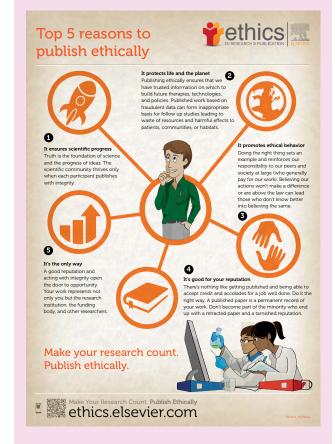
The overall growth in electronic publishing and the wider dissemination of research has made it easier for authors, editors, and reviewers to identify questionable papers. Elsevier was one of the first scientific publishers to participate fully in CrossRef's pan-publisher plagiarism detection pilot to filter academic content. We offer CrossCheck, plagiarism detection software developed by CrossRef and the scientific publications community, to all our editors and it has proven increasingly effective in catching plagiarism before publication.

For the past five years, Elsevier has offered <u>Committee on Publication Ethics</u> membership to editors of all Elsevier journals providing them with a critical, independent support forum to discuss issues related to the integrity of scientific knowledge. Elsevier's own <u>Publishing Ethics Resource Kit</u> also offers guidance to editors on dealing with disputes.

We recognise that once an article has been officially published it becomes part of the scholarly record. We work to ensure that published materials remain extant and unaltered as far as possible. In exceptional circumstances when editorial problems come to light, we take immediate steps to understand and remedy issues. Elsevier maintains a clear <u>policy</u> on article withdrawal, retraction, removal, and replacement.

Support for early career researchers: "Make your research count, publish ethically"

In 2012, Elsevier launched the Ethics in Research & Publication education programme, in collaboration with COPE and other independent experts in publishing ethics to help early career researchers.



The programme emphasises the individual researcher's contribution and commitment to advancing scientific progress through integrity, and uses a series of training materials, guides, and interactive tools to highlight the impact misconduct can have. Among the violations explored are: research fraud, plagiarism, and duplicate submission.

The programme includes free quarterly webinars, which attract thousands of authors.

Responding to customer needs

The Reed Elsevier value, Customer focus, means ensuring we listen to our customers. The Customer First Resource Centre on the Reed Elsevier global intranet translates Customer focus into action, with best practice learning from in and outside the company. There is information by business and subject area – including customer experience, feedback, enquiries, visits, customer information, and technology. Employees can also submit their own case studies.

In 2012, we surveyed more than 300,000 customers through Net Promoter Score (measuring customer loyalty) and business dashboard programmes. This allows us to deepen understanding of their needs and further drives forward a customer-centric culture across Reed Elsevier. Results, reviewed by the CEO and senior managers and communicated to staff, illuminate where we are doing well and where we must do better.

Elsevier utilises a comprehensive customer dashboard approach to customer satisfaction. Ongoing customer input is analysed and reported by Elsevier's Research and Academic Relations department to all staff on the Elsevier intranet with simple green (performing better than competition), yellow (performing the same as competition), and red (performing worse than competition) scoring by customer type and product (e.g., in regard to journal authors, metrics include refereeing and production speed and quality). Increasingly available in real time, the dashboard helps embed customer views into daily workflow to ensure Customer focus and responsiveness. Read about dashboards in action.

Net Promoter Score (NPS) and closed-loop feedback (where NPS detractors are called back to fix any problems) are best practice tools in place in other parts of the company such as LexisNexis Legal & Professional. LexisNexis Legal & Professional global NPS scores have now improved for 21 consecutive months since the first quarter of 2011. As one customer noted, "LexisNexis has won me over with Lexis Advance. It is very user-friendly and has great depth in terms of its content. I am delighted with the product, support team, and very pleased that we made the move to LexisNexis."

Our businesses actively support customers. For example, RBI UK tracks the changing needs of customers and develops products and services based on feedback, holding customer events, such as What Works Online, to share trend data, market insight, and practical tips.



Elsevier's Library Connect publications, events, and online channels provide information professionals worldwide with opportunities for sharing best practices and professional development. In 2012, librarians from 15 nations contributed to the Library Connect Newsletter, a complimentary publication with more than 19,000 subscribers from 138 countries. A new Library Connect website launched with open access to articles, multimedia presentations, and additional resources, garnering more than 45,000 visitors from 177 countries and territories. Also during 2012, Library Connect seminars and workshops were held in 20 nations, providing librarians with opportunities to discuss industry issues.

To aid colleagues who work with customers, in 2012 we began a CR Sales Academy to help them articulate our commitment to CR and the benefits it provides to our business such as reducing risk and strengthening our corporate reputation. Sessions included our approach to corporate responsibility, the environment, accessibility, and governance. Content is made available to all staff through the CR section of the corporate intranet.

Access

The vast majority of our scientific, technical, and medical (STM) primary publications, like those of the majority of our sector peers, are published on a paid subscription basis. There has been continuous debate in the government, academic, and library communities, which, together with corporations, are the principal customers for our STM publications, regarding whether such publications should be funded instead through fees charged to authors and funding bodies and other subsidies, or made freely available after a period following publication. We are open to any sustainable business model, and use all of these approaches in our publishing business.

We engage extensively with stakeholders in the STM community to better understand their needs and deliver value to them. We focus on the integrity and quality of research through the editorial and peer review process; we invest in efficient editorial and distribution platforms and innovation in platforms and tools to make content and data more accessible and actionable; and we vigilantly seek to combat plagiarism and enable long term preservation of research findings.

Elsevier is committed to providing universal access to high-quality scientific information in sustainable ways. It aims to provide the broadest possible access to its publications, while upholding the highest level of quality. We have embraced opportunities to explore different publication models, and remain committed to maximising dissemination of research in all business models.

Elsevier has developed flexible pricing models to expand access to the very diverse library market. For example, customers can opt for broad collections, which allow subscription to a core collection and, at a substantially discounted rate, access to all remaining journals. This provides academics with great value from library collections: almost half of the usage in collection customers comes from previously unsubscribed journals.

Whether or not institutions choose a broad collection, they still have significant choice on what and how they purchase – they can subscribe to any number of individual titles in a variety of formats, and new subscribers can access any individual articles via pay-per-view or groups of articles (Article Choice). Libraries have also been good at exercising their collective power, for example by forming purchasing consortia.

Customer choice, competition between publishers, and investment in technology have all driven down the average cost of accessing a journal article to almost a quarter of what it was just 10 years ago.

For readers who do not have access to an academic library, there are many other access options including:

- Library inter-lending and document supply through academic, national, and public libraries for example via major international lending libraries such as the British Library
- Walk-in access all research libraries that subscribe to Elsevier content are permitted to make content freely available to all walk-in users
- PatientINFORM is a programme by which publishers and health organisations provide patients and their caregivers access to up-to-date research about specific diseases

Elsevier also provides a range of so called "open access" options, which gives authors a choice to publish "sponsored articles" in 1,500 established "subscriber-pays" journals or in over 30 "open access", "author-pays", journals. All of Elsevier's publications have been peer reviewed, ensuring that the broader community not only reads the latest research but trusts that it is factual, original, and of the highest quality and ethical standards regardless of the payment model.

Elsevier allows authors to self-archive their research by voluntarily posting the accepted peer reviewed version of their manuscript on their personal website or institutional repository. We are working in partnership to test and learn more about how best to support sustainable access and have established specific agreements with a number of institutions and funding bodies.

Throughout 2012, our customers provided us with clear feedback on some of our services and practices. This feedback is invaluable and we have been responsive. In close collaboration with our editors and other customers we have worked hard to address their issues

Elsevier continues to be committed to providing access to the developing world through our participation in the <u>Research4Life</u> programme. As a founding member, we provide 6,000 institutions in over 100 countries and territories in the developing world, free or low cost access to approximately 2,000 journals and 6,000 books.

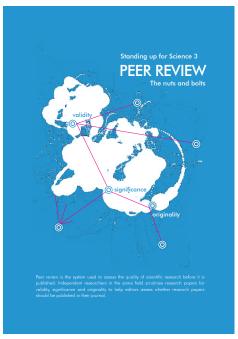
We will continue to identify access gaps, and work toward ensuring that everyone has access to quality scientific content anytime, anywhere. For example, during the 2012 employment downturn, Elsevier established the Postdoc Free Access Programme for scholars who recently received their PhDs and currently do not have a research position; they receive unlimited complimentary access to all Elsevier journals and books on ScienceDirect for up to six months.

Media literacy – the ability to access, analyse, evaluate, and communicate information – is a distinct CR issue for media companies. In addition, to support media literacy as a member of the Media CSR Forum, we promote other relevant initiatives such as the Science Media Centre, an independent UK press office which aims to raise the level of science reporting by facilitating journalist access to members of the scientific community.



sense about science

Since 2006, Elsevier has partnered with <u>Sense About Science</u> (SAS), an independent charitable trust, championing evidence, scientific reasoning, and a public discussion of scientific issues. Over the past seven years, Elsevier and SAS have worked together to promote understanding of peer review among journalists, policymakers, and the public. Elsevier has also supported SAS' Voice of Young Science (VoYS) Programme to develop a dynamic network of early career researchers who take an active role in public debates about science.



In 2012, SAS engaged thousands of researchers, publishers, journalists, politicians, and members of the public in discussions at international conferences in Europe and the US. This included panel discussions, presentations, and workshops, including at the American Association for the Advancement of Science in Vancouver and EuroScience Open Forum 2012 in Dublin. Session themes ranged from the role of scientists in the media; the importance of peer review for the general public; 'myth-busting' scientific misconceptions; and SAS' new Ask for Evidence campaign. At the 2012 Euro Science Open Forum, in partnership with Elsevier, SAS launched Peer Review: The nuts and bolts, a guide for early career researchers written by members of the VoYS network. In addition to ongoing VoYS UK workshops, a US base was established in Boston providing opportunities for 230 early career researchers, medical students, and engineers to engage at workshops with media, press officers, editors, publishers, and scientists. Read more about Elsevier's work with SAS.

We believe in helping those who might benefit from our products but who are unable to afford them, gain access. See details in Our unique contributions. And we are committed to improving access to our products and services for all users, regardless of physical ability. US federal agencies are required to purchase the most accessible solution in competitive bids, and increasingly other customers too. Accessible coding makes for better code and commonly leveraged solutions help get products out faster and cheaper than individually designed solutions. Accessibility elements in mainstream products ensure a logical and thoughtfully designed experience for all users.

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.

Supporting disabled readers across national boundaries

Elsevier is contributing to The Trusted Intermediary Global Accessible Resources (TIGAR) project, and a senior Elsevier leader co-chairs the steering committee. The aim of the TIGAR project is to increase the number of accessible books available worldwide; specifically, to provide access to copyright-protected works in accessible formats for people with print disabilities across borders. Participants include the World Intellectual Property Organization, publishers and collective management organisations, and organisations offering specialised library services for people with print disabilities.

The TIGAR project is having an impact. Research students in one country, for example, are able to access Braille and digital talking books from another country that can advance their work. As Jim Russell of the TIGAR project management team notes, "More and more products can be expected to become available and the technology will be developed so that commercially accessible products can be found and accessed by print-impaired people around the world."

Participating countries include Brazil, Canada, Denmark, France, Jamaica, Namibia, the Netherlands, Norway, New Zealand, South Africa, Sweden, Switzerland, Tanzania, and the United States.

In 2012, members of the Reed Elsevier Accessibility Working Group held five best practice sessions with internal and external experts and presented an example of how accessibility is incorporated into a leading product innovation, the ScienceDirect Article of the Future, at the Annual International Technology and Persons with Disabilities Conference, the largest international conference on disability and assistive technology. They also

logged 76 accessibility projects undertaken in the year. Elsevier's Global Books Digital Archive fulfilled 4,000 disability requests, 50% of them through <u>AccessText.org</u>, a service it helped establish. Elsevier also continued to collaborate with a multi-university taskforce it set up to share innovations around accessibility issues.

We promote wider understanding of accessibility issues through publications like <u>Cost Justifying Usability</u>; <u>Disability and Health Journal</u>; and <u>Tolley's Discrimination in Employment Handbook</u>.

2012 OBJECTIVES	Progress
Roll out updated Editorial Policy	Extended consultation on Editorial Policy; disseminated via global intranet and external site
Develop CR Sales Academy	CR Sales Academy initiated with sessions on corporate responsibility performance, the environment, accessibility, and governance
Develop Reed Elsevier Accessibility Policy	Reed Elsevier Accessibility Policy drafted; principles include leading industry in providing accessibility solutions to customers

2013 OBJECTIVES

- Embed updated Editorial Policy
 - Incorporate corporate responsibility component into regular customer-facing staff training
- Consult on Reed Elsevier Accessibility Policy and begin implementation

Community

In this section

- Why it matters
- Key issues

- What we giveRE Cares MonthCommunity impact
- 2012 objectives
- 2013 objectives

Community



"I am proud that we are able to make a difference for our local and global communities through RE Cares. We support causes that our employees are passionate about and that are aligned with our unique contributions as a business. With Global RE Cares Day, we can unite our workforce across the world through volunteering and fundraising."

Chet Burchett, President, Reed Exhibitions Americas

Why it matters

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 our 2012 global Employee Opinion Survey, 88% of staff said that we are a company that supports community engagement.

We prioritise education for disadvantaged young people that furthers one or more of <u>Our unique contributions</u> as a business, including universal, sustainable access to information. RE Cares activities range from reading support programmes and charity fundraising initiatives, to donations of time and services. A key component of RE Cares is Two Days, which gives all employees two days off per year for volunteer work of their own choosing. As Chris Hendell, an Elsevier employee in Atlanta, Georgia, said in the year, "I consider my RE Cares days to be a valuable employee benefit that creates a win-win situation for the employee, the company, and the community."

We provided central support for RE Cares Champions with teleconferences and webinars for Champions throughout 2012. Attendees shared best practice, engaged with charity partners, and helped set goals for the year ahead. Other services include file sharing, one-to-one meetings, and internal presentations.

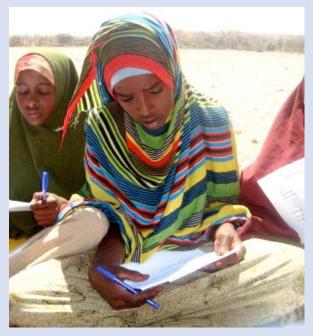
We produce numerous products on community issues, including Butterworths Charity Law Handbook Second Edition; Cause Related Marketing; Communitycare.co.uk; Handbook of the Economics of Giving, Altruism and Reciprocity; and Marketing Research for Non-profit, Community and Creative Organisations.

Key issues

What we give

We align our central donations programme with our unique contributions, inviting staff across Reed Elsevier to nominate relevant charities for funding from a central budget. RE Cares Champions awarded nearly \$400,000 to more than 50 charities in 2012.

In 2012 RE Cares central donations included:



- \$10,000 to <u>Africa Education Trust</u> to advance education by giving basic literacy and numeracy skills to Somali children living in nomadic communities
- ** \$8,000 to <u>Small Steps</u> to further protection of society by offering support services for UK babies and young children with disabilities
- \$6,750 to <u>ECPAT</u> to promote the rule of law and access to justice by providing educational support and legal assistance to Filipino children and young people who are survivors of sexual exploitation

Employees say:

"So many great causes and yet again I feel so proud to be part of an organisation like ours. Brilliant." Terry Dawson, Director of New Lexis, LexisNexis Legal & Professional

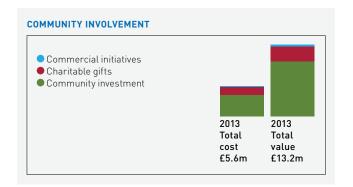
"As a Reed Elsevier employee, I'm very proud to be working for a company that cares enough to give back to the community!" Ghim-Lay Yeo, Deputy Americas Air Transport Editor, Flight Global, RBI

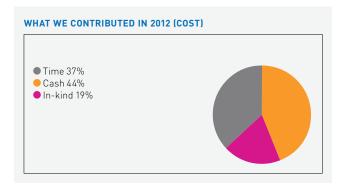
"To us, being able to support the organizations we know and work with throughout the year is what the RE Cares programme is all about." Merrilee Foster, Senior Human Resources Generalist, Reed Technology and Information Services

Read summaries of more projects we supported centrally.

In managing community involvement, we apply the same rigour and standards as in other parts of our business. We conduct an annual RE Group Community Survey in conjunction with RE Accounting Services and RE Cares Champions. The methodology has been developed by the London Benchmarking Group (LBG), of which we are members. It divides our aggregate giving into short term charitable gifts, ongoing community investment, and commercial initiatives of direct business benefit. In 2012, all global data was assured by the Corporate Citizenship Company. Read the LBG assurance statement in Appendix 1.

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.





In 2012, we held our eighth RE Cares Challenge to encourage staff to work together to build skills and relationships while making a difference in local communities. Business units across the group submitted ideas for new or extended business-sponsored volunteer activities advancing the RE Cares mission and eight were funded. Employees voted and chose LexisNexis Risk Solutions' project with $\frac{\text{Almost Home Kids}}{\text{Almost Home Kids}} \text{ as the $10,000 winner to create a new outdoor space for children with critical health needs.}$

RE Cares in the Philippines



In 2012, Reed Elsevier Shared Services in the Philippines rallied behind two charities that provide educational opportunities for disadvantaged children and young people, and advance universal sustainable access to information.

Kapatid Kita Mahal Kita Foundation supports some of the poorest children across the Philippines. Throughout the year, volunteers raised funds by taking part in the RE Cares Challenge and organised a benefit run for colleagues. They also participated in the OsCares Competition (offices across Reed Elsevier submit videos of their RE Cares activity for a chance to win cash for a chosen beneficiary). Through these activities and more they raised enough to provide a year's tuition to 45 children. Staff also volunteered to help the children with reading and mathematics.

They also supported \underline{Silid} Aralan which offers after school tutoring for under-privileged children. Volunteers donated books and supported the charity's Be a Hero Adopt-a-Hero campaign and donated funding to assist ten children.

And in the wake of devastating storms, staff fundraised to support the International Red Cross through payroll deductions and supported affected colleagues with food and clothes drives.

Throughout 2012, we encouraged in-kind contributions, such as product or equipment donations in line with the <u>Reed Elsevier Product Donation Policy</u>. Following a thorough audit of its IT equipment, Reed MIDEM, part of Reed Exhibitions, recycled its obsolete technology through <u>Close The Gap</u>, which aims to bridge the digital divide for children in the developing world. RBI UK donated a container with office furniture to a free school in Gambia run by the <u>Don McMath</u> Foundation. LexisNexis South Africa supported 34 newly qualified lawyers with free product, laptops, and internet service to enable them to start their own legal practices.

RE Cares Month

RE Cares Month, spotlighting global community involvement, takes place each September. Our five business unit CEOs launched activities for 2012 with a <u>video to all staff</u>; they also sent email messages to colleagues showcasing <u>RE Cares highlights</u> from across the world.



The Month touched thousands of employees with creative volunteering and fundraising, and included our second global RE Cares Day, which involved more than 3,300 employees from more than 50 locations in local community projects. For example, Elsevier San Diego made blankets as part of <u>Project Linus</u> to support terminally ill children; LexisNexis Risk Solutions in Georgia held its 14th Annual Windward Challenge, a 5km community race with more than 500 registrants to help <u>KaBoom!</u> build a playground in an underserved area of Atlanta; LexisNexis Australia held a swap market for unwanted clothes, shoes, and accessories with all funds donated to <u>Project Futures</u>; Reed Exhibitions in the US cleaned, painted, and decorated a teen shelter with <u>Kids in Crisis</u>; and RBI UK held an all-employee cake sale for 250 staff to benefit their 2012 charity partners, including <u>The Royal Marsden</u>.

Contributing our skills

Throughout 2012, we encouraged volunteerism particularly through skills sharing. For example:

- The Elsevier New York RE Cares team share their science and mathematics expertise at Midwood High School in Brooklyn. This includes assisting with science fairs, technical writing, tutoring, and mentoring
- For five years, RBI UK has collaborated with <u>Career Academies</u>, which works with schools across the UK to raise the aspirations of 16-19 year olds. RBI supports the programme by offering office visits, internships, and expertise sharing in areas like editorial and IT



LexisNexis UK's Women's Network supports <u>Dress for Success</u>, a charity helping low income women back to work through coaching and interview preparation. They have served over 300 women since the partnership began in 2011

We held our sixth RE Cares Month Global Book Drive, with employees donating more than 12,000 books to charitable organisations, with \$1,000 for the charity of choice to the office donating the largest relative number of books. The winner, LexisNexis Risk Solutions in Duluth, Georgia collected 5,786 books, nearly 58 books per person. The books were donated to the American Kidney Fund and their cash prize to the Georgia Society for the Prevention of Cruelty to Animals.

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. During RE Cares Month, we announced the winners of the second RE Cares Recognising Those Who Care Awards to highlight the outstanding contributions to RE Cares of four staff teams, as well as eight colleagues who visited Plan International projects. Youngsuk "YS" Chi, Reed Elsevier's Director of Corporate Affairs, led a trip to Peru to see the project we are supporting there and Hugo Zhang, Reed Elsevier's Director of Government Affairs in China, led a trip to India to see a girls education project we funded in 2011. The winning teams were from Elsevier Amsterdam, LexisNexis Dayton, LexisNexis New York, and Reed Exhibitions Norwalk, who won cash prizes for their chosen charities.

Community impact

In accordance with the LBG model, we monitor the short and long term benefits of the projects with which we are involved. We ask beneficiaries to report on their progress and we share their letters and updates on the RE Cares section of The Wire, our corporate intranet, to increase transparency and awareness.

Our efforts (cash and gifts of products, services, and time) will benefit 20,200 disadvantaged young people. Here are just some of the ways:

US employees continue to support Alex's Lemonade Stand Foundation, set up after Alexandra Scott, known as Alex, the daughter of an Elsevier colleague, was diagnosed with neuroblastoma, an aggressive form of childhood cancer. In its seventh year of supporting Alex's Lemonade Stand Foundation, employees across Elsevier raised over \$16,000, which has been matched by Reed Elsevier, for childhood cancer research. Volunteers, some dressed as lemons, took to the street selling lemonade and lemon-themed artwork donated by local schools.

RBI's BankersAccuity were recognised by the YMCA Evanston as Volunteer of the Year for their work supporting and mentoring disadvantaged children.

LexisNexis South Africa celebrated Mandela Day on July 18, with more than 50 employees from its Durban and Pietermaritzburg office volunteering their time. Mandela Day inspires individuals to take action to change the world for the better. Employees supported the Faith Football Club (FFC) by equipping them with sporting equipment for their next season. On the day of the event staff members were entertained by the under 11 soccer team from FFC followed by a soccer match between the LexisNexis Football Club and the under 19 team. LexisNexis South Africa made a cash donation of 10,000 ZAR and supplied sporting equipment valued at 14,000 ZAR.

100,000 meals for global school programmes: LexisNexis Risk Solutions makes a big impact through RE Cares Monica Garrett, Community Relations Manager



Question: What do you get when you ask a driven, goal-oriented, highly successful Risk Solutions sales team to volunteer with an international hunger relief organization? Answer: 100,000 meals for global school programmes.

At the beginning of January 2012, approximately 500 members of the Risk Solutions Sales Team convened in Orlando, Florida for their annual sales meeting. The event incorporated awards and recognition, rigorous professional development, peer networking, along with an outstanding demonstration of our company's commitment to exemplary corporate citizenship.

Sales team members were asked to volunteer 75 minutes to help Risk Solutions tackle a global issue. We partnered with Stop Hunger Now, an international hunger relief organisation that coordinates the distribution of food and other life-saving aid around the world.

Colleagues assembled rice, soy, dehydrated vegetables, and a flavouring mix that includes 21 essential vitamins and minerals into small meal packages to benefit the Emkwelt Mission Children's Project in Liberia. The food stores easily, transports quickly, and has a long shelf-life.

This was the largest meal packaging event for Stop Hunger Now in Florida. Participants said it was one of the best RE Cares events they had ever done.

2012 OBJECTIVES	Progress
25% of employees volunteering through RE Cares	30% achieved
Reach 10,000 disadvantaged young people through volunteering, in-kind, and cash donations	20,200 reached

2013 OBJECTIVES

- Skills-based Two Days volunteer drive (all staff have two days each year for community work of their own choosing)
- " 25% of locations involved in RE Cares Month

Supply management

In this section

- 44 Why it matters
- Key issues
- Upholding standards
- Supplier training and surveysGood partner

- 2013 objectives

Introduction

Supply management



"Our values guide our actions including how we engage with suppliers, and sustainable and socially responsible supply chain principles are embedded in our sourcing and supplier management activities. We expect suppliers to embrace the principles of our Supplier Code and share our commitment to ethical business practices while fostering economic growth and competitive advantage."

Lisa Bowling, Chief Procurement Officer, Reed Elsevier

Why it matters

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 <u>United Nations Global Compact</u> 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 display 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 Supplier Code, 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.

We produce numerous products on supply chain issues, including <u>Due Diligence</u>; <u>Journal of Purchasing and Supply Management</u>; <u>Nexis Analytics</u>; <u>SmartWatch</u>; <u>Total Supply Chain Management</u>; and exhibitions such as <u>Eco Transport and Logistics</u>; <u>SITL Real Time</u>; and <u>Total Processing and Packaging</u>.

Key issues

Upholding standards

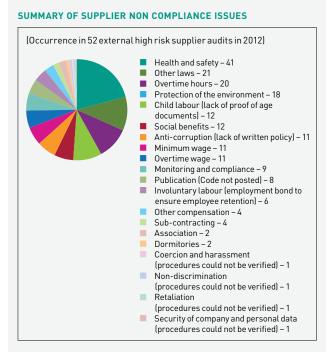
Given the importance to us of an ethical supply chain, we have developed a Socially Responsible Supplier (SRS) programme encompassing all Reed Elsevier businesses, supported by a working group comprised of colleagues with operations, distribution, and procurement expertise, and a dedicated SRS Director from the Global Procurement team. As part of the SRS programme, we maintain a database with comprehensive information including Supplier Code versioning/signing, initiative tracking, audit dates, remediation plans, and compliance.

In 2012, the SRS tracking list included 477 key suppliers, 204 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.

The tracking list changes year on year based on the number of suppliers with which we do business, who meet the required key criteria, including critical and strategic suppliers, those with which we spend greater than \$1m, those in high risk countries representing 25% of a category by division/country or with which we spend greater than \$100,000, and/or suppliers we track through the Publishers Database for Responsible Environmental Paper Sourcing (PREPS) database. In 2012, we refined our overall supplier classification data which contributed to a 4% increase in the number of suppliers tracked. We started 2012 with 47% of key suppliers on the SRS tracking list as signatories to the Supplier Code and ended the year at 75%. The number of suppliers not meeting SRS tracking criteria who are signatories to the Supplier Code increased from 1,701 to 1,925 in 2012.

Over the past three years there have been 186 core suppliers that have consistently appeared on the tracking list, with 79 (30 more than 2011) deemed high risk based on our SRS risk rankings. For 2012, these core suppliers represent 73% of total spending associated with the tracking list – 90% of which have signed the Supplier Code. We have embedded signing the Supplier Code into our e-sourcing tool as one of the criteria for doing business with us.

In addition to internal audits, the SRS programme Terms of Reference stipulates that external audits be performed on a regular basis (suppliers with repeat code violations are subject to annual external audits). We conducted 52 independent external audits of high risk suppliers for 2012 through specialist auditors Intertek (65% are core suppliers). There was a 7% improvement in the number of non-compliance findings per audit in 2012 (3.8 vs. 4.1 in 2011). Of the total audits, six (11%) were in full compliance. Audit locations included China, Guatemala, Hong Kong, India, Malaysia, the Philippines, South Korea, and South Africa.



Intertek examines 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 target dates are agreed and the CAPAR is signed and dated by both parties. Follow-up audits ensure identified issues are resolved. See the SRS audit workflow and process.

In 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. Review sample 2012 Remediation Reports.

Our Supplier Code states: "Failure to comply with any Reed Elsevier term, condition, requirement, policy or procedure... may result in the cancellation of all existing orders and termination of the business relationship between Reed Elsevier and supplier." When one supplier in 2012 did not demonstrate an ability to remediate non-compliance issues in accordance with the Supplier Code, we made the decision not to conduct further business with them.

2011

2012

Supply management

Supplier training and surveys

To engage suppliers on key issues, we broadened our Socially Responsible Supplier Academy in 2012. A total of 15 sessions were offered covering the Supplier Code and audit process, diversity and inclusion, the UN Global Compact, community engagement, risk mitigation, social media, UN Guiding Principles on Business and Human Rights, preventing bribery, water stress, climate change, and renewable energy. They were recorded for on-demand streaming by suppliers. Of total registered companies, 33% were high risk suppliers.

To further track compliance with SRS initiatives, we conduct an annual survey of paper providers and a Social Responsibility Survey for all others. The paper provider 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).

SRS survey results show increases in a number of areas, including a nearly 30% increase in respondents who have their own code of conduct over 2011.

The data we gather is complemented by information gathered through 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 2012, 96% of Reed Elsevier papers by weight were graded on PREPs, 100% of which came from known and responsible (sustainable) sources.

Reed Elsevier joined the <u>Publishing Industry Product Safety Forum</u> (PIPs) as a founding member in 2010 to comply with EU product safety legislation and to help monitor our product safety standards that include ink, varnish, spiral wire, lamination, glue, and packaging, defined as packaging materials or packaging components that enter landfills, waste incinerators, recycling streams, and ultimately, the environment. New legislation with more stringent requirements on what chemicals can be used in books will come into effect in 2013. We worked with suppliers in the year to record information in the PIPS database on chemicals used in book production. Of the data collected so far, no substances of concern were identified.

In 2012, we concentrated on maturing our diversity spend reporting to better understand the profile of our suppliers, including small, minority, women, and disabled veteran businesses. We will build on this by 2013 by developing a supplier diversity plan focused initially on the US.

SRS SURVEY RESULTS	2012	2011
General		
Number of respondents	90	114
	(27%)	(32%)
Suppliers with a Board level representative	67%	61%
responsible for CR		
Suppliers with code of conduct	77%	48%
Suppliers with diversity statement	46%	46%
Suppliers with community programme	32%	32%
Suppliers with training and development	54%	50%
programmes		
Suppliers with annual CR targets	39%	31%
Suppliers who report publicly on CR performance	36%	30%
Suppliers who monitor CR	51%	42%
Suppliers who gain external assurance over	26%	18%
CR-related data	. .	
Suppliers with supplier diversity statement and/or	16%	18%
stated supplier diversity policy		
Supplierswhoinvolvestakeholdersinshapingtheir	60%	55%
views and responses on CR		
Suppliers who have joined the UNGC	14%	12%
Environmental		
Suppliers with a formal Environmental	44%	42%
Management System		
Suppliers with environmental reduction targets	18%	22%
for greenhouse gas		
Suppliers with environmental reduction targets	22%	14%
for solid waste		
Suppliers with environmental reduction targets	16%	18%
forwaterusage		
Suppliers with external environmental certification	73%	62%
Suppliers with ISO 14001 certificate	72%	39%
Suppliers with an environmental policy	53%	53%
Suppliers who externally report on their	42%	46%
environmental performance		
Suppliers who externally report on their full	28%	26%
CO ₂ emissions		
Suppliers who incurred any fines and/or	6%	3%
prosecutions		1 / 0/
Suppliers who conduct formal environmental audits	48%	46%
Suppliers who gain independent assurance for	33%	34%
environmental management systems		

SRS SURVEY RESULTS

Community

Good partner



Premkumar Pandurangam,

Senior Director Sustainability, Cognizant

Cognizant is a global leader in business and technology services with a substantial portion of our operations in India. Cognizant is honoured to be recognised as one of Reed Elsevier's Good Partners for 2012. The award affirms our progress toward becoming a highly sustainable and socially responsible company. It also confirms we are doing business with a world-class partner, itself a sustainability leader, who shares our values and willingness to report on environmental, social, and governance performance using the Global Reporting Initiative's framework.

At Cognizant, we believe education is the foundational sustainability issue of our time and is central to addressing many of the global challenges we face, including poverty, human rights, healthcare, and climate change.

Consequently, we have chosen education as our global theme for outreach and philanthropy. In 2011, over 18,000 Cognizant employees in India volunteered in public schools and orphanages, logging over 100,000 hours of volunteer time, helping to benefit the lives of over 200,000 children.



We are an employer of choice with a strong reputation for excellence in India, where we have more than 100,000 employees. We take great pride in our labour practices, ensuring our employees are treated with respect and work in world-class facilities with the highest standards for occupational health and safety. We invest in our employees, having provided over 14 million hours of training in 2011, an average of 116 hours per employee. This resulted in record employee satisfaction scores, and an attrition rate among the lowest in the industry.

And finally, we are strong stewards of the environment. In the 2012 Newsweek Green Rankings, we rose to number 13 in the US and number 50 globally. Our emissions targets are India-driven and we achieved a 34% reduction in our per-capita carbon emissions since 2008. We also reduced our paper consumption last year by 60% and recycled 22% of the water we use.

It's truly an honour to be recognised as one of Reed Elsevier's Good Partners.

Watch a video about another Good Partner.

2012 OBJECTIVES	Progress
75% of key suppliers as Supplier Code of Conduct signatories	75% (361 of 477 key suppliers); 1,925 other Code signatories
50 external audits of high risk suppliers	56 completed (includes 4 carried over from 2011)
Broaden Socially Responsible Supplier Academy	More subjects covered such as diversity and inclusion and accessibility; 47% increase in registrations over 2011

2013 OBJECTIVES

 78% of key suppliers as Supplier Code of Conduct
signatories

- 55 external audits of high risk suppliers
- " Develop US Supplier Diversity Plan

Environment

In this section

- Key issues
- Targets and standards Climate change
- Energy

- WaterPaperWasteEmployee action2012 objectives

Governance

Environment



"Climate change and environmental degradation are the biggest challenges of our time and we owe it to ourselves and our children to do all we can to protect our world. I am proud to work on New Scientist, an internationally renowned brand and a leading source of the most up-to-date information on all environmental issues and solutions."

Beverley de Valmency, Editorial Assistant, Reed Business Information UK

Why it matters

Reed Elsevier and its businesses have a positive impact on the environment, principally through the information we produce which informs debate, aids decision makers, and encourages research and development. We also have a direct impact through consumption of natural resources such as energy, water, and waste generation, in direct operations, our supply chain, and consumer use of our products and services. We are committed to reducing any negative environmental impacts, while continually improving our environmental performance.

Risks and opportunities

We assess, prioritise, and mitigate environmental risks as part of our overall <u>risk management process</u>. In addition, our <u>Environmental Management System</u> (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. See our material environmental risks and opportunities.

We support progressive environmental legislation, and, in 2012, continued our involvement with the <u>Aldersgate Group</u>, 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.

The impact of 'brain print'



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 2012, Elsevier organised <u>Planet Under Pressure</u>, the world's biggest gathering of global environmental change specialists. Over 3,000 experts in climate change, environmental geo-engineering, international governance, the future of the oceans and biodiversity, global trade, development, poverty alleviation, and food security, discussed the intricate connections between the different systems and cycles governing our ocean, air and land, and the human and animal life dependent on them.

A major output from the event was publication of the first State of the Planet Declaration. Addressed to world leaders participating in the RIO+20 UN Conference on Sustainable Development in June 2012, the Declaration called for, among other things, a new calculation of gross domestic product that takes account of natural capital when measuring progress.

The conference spanned the generations with school children addressing delegates during the opening ceremony and a statement of support from students included in the Declaration.

In 2013, we will begin mapping the range of environmental products and services offered by our business units which will help foster knowledge sharing and product development among colleagues.

The most recent results from independent Market Analysis System show our share of citations in environmental science represented 33% of the total market, and 71% in energy and fuels.

Elsevier offers numerous journals in areas such as <u>aquatic</u> <u>science</u>, <u>biodiversity</u>, and <u>sustainable computing</u>. Elsevier published four new water journals in 2012: <u>Sustainability of Water Quality and Ecology</u>; <u>Water Resources and Economics</u>; <u>Water Resources and Rural Development</u>. These new publications were introduced to the scientific community at World Water Week in Stockholm, where Elsevier distributed a report on the trends in the research landscape titled <u>The Water and Food Nexus</u>. In the year, Elsevier also introduced <u>Energy Strategy Reviews</u> – available online at no cost – for vision sharing on society's energy needs.

LexisNexis Legal & Professional publishes <u>The Environmentalist</u>, a periodical to help environmental professionals understand the political, legal, and economic implications for business. The <u>Lexis Nexis Environmental Law and Climate Change Community</u> provides real-time expert commentary for climate change practitioners.



In the year, Reed Business Information's (RBI) 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. RBI's Reed First Source makes it easier for architects, engineers, and designers to procure sustainable building materials; in addition, publications dedicated to non-environmental sectors, such as property, aircraft, or motor transport, have regular features on green issues.

Reed Exhibitions, in addition to alternative energy offerings, holds other environmental exhibitions that include <u>GreenBuilding Brasil</u>, <u>Pollutec</u>, and <u>Industrial Energy Efficiency</u>, the only international trade event in Thailand focused on environmental management technology for the manufacturing industry. Reed Exhibitions has also been working to improve environmental performance at its shows through implementation of the BS 8901 standard, which became an internationally recognised standard ISO 20121.

Key issues

Our impact

Throughout 2012, we worked to reduce our direct environmental impact by limiting resource use and by efficiently employing sustainable materials and technologies. 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. Our Environmental Champions network, led by the RE Global Environment and Health and Safety Manager, includes key employees in all operational areas of our business. Additionally, Green Teams, employee-led environmental groups, encompassing more than 400 employees in over 90 of our key facilities, help us implement our EMS and achieve environmental improvements at a local level.

Although all environmental impacts are important, we prioritise climate change (we continue to produce more online products and services with increasing energy usage and associated emissions) and water, given its use in our own operations and in our supply chain.

To improve our environmental performance we engage in constant dialogue with a range of stakeholders, from employees to NGOs like <u>Earthwatch</u>. We participate in sector initiatives such as the <u>Publishers Database for Responsible Environmental</u>

<u>Paper Sourcing</u> (PREPS) and further our understanding through environmental benchmarking activities such as the Carbon Disclosure Project and the Forest Footprint Disclosure.

Third party verification of our environmental data gives us confidence in its reliability and improves our reporting. See Ernst and Young LLP's full assurance statement in Appendix 2.

Comment from Ernst & Young

In Asia Pacific, there was a 19 percentage point increase in primary environmental data collected in 2012, however through the course of our work we identified an opportunity to improve the quality of supporting documentation underpinning this data. Reed Elsevier should continue to communicate to sites the value of maintaining complete and accurate records to drive improved data quality and the role this plays in managing environmental performance.

2012 ENVIRONMENTAL PERFORMANCE

	Intensity ratio							
	(Absolute/revenue£m)				Absolute performance			
	2012	variance	2011	2012	variance	2011		
Scope 1 (direct emissions)	1.76	-8%	1.92	10,752	-7%	11,507		
Scope 2 (electricity and heat)	20.78	-11%	23.27	127,105	-9%	139,650		
Scope 3 (business travel)	5.71	0%	5.73	34,950	+2%	34,395		
Total energy (MWh)	41.36	-7%	44.56	252,977	-5%	267,405		
Office energy (MWh)	18.92	-12%	21.62	115,724	-11%	129,775		
Water (m³)	71.95	-5%	76.11	440,024	-4%	456,795		
Waste diverted from landfill %	1.15	-13%	1.32	67%	-2pts	69%		
Production paper (t)	8.60	-11%	9.71	52,602	-10%	58,279		

Environmental data covers a full calendar year and all global operations for which we have operational control. 2011 figures for diesel, air travel, and rail travel have been updated but changes do not exceed 10% of last year's gross carbon emissions. For further information please see our <u>environmental reporting</u> quidelines and methodology.

You can view a summary of <u>key environmental data</u> or create custom charts showing results by region or business unit by using the <u>environmental charting tool</u>.

Targets and standards

	PRESENT TARGETS		
Focus area	Key performance indicators	Target 2010-2015	Achievement to date
Climate change	Scope 1 intensity (direct emissions)	-20%	-19%
	Scope 2 [gross] intensity (electricity and heat)	-10%	-15%
	Scope 3 intensity (business travel)	-15%	0%
Energy	Office energy use intensity	-20%	-22%
	Percentage of electricity from renewable energy	50%	33%
	Average data centre Power Usage Effectiveness (PUE)	1.69*	1.70
Water	Percentage of key locations achieving 10m³ of water per person per year	100%	69%
Waste	Waste diverted from landfill	75%	67%

^{*}Lowered from 1.70 in the year

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.

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 <u>Global Environmental Change</u> – 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 (see climate change section).

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 from renewable energy or offsets
- 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 between 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.

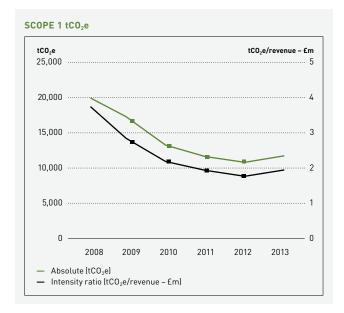
Our businesses will be judged in 2013 on updated Environmental Standards performance criteria to further challenge them to achieve greater efficiencies.

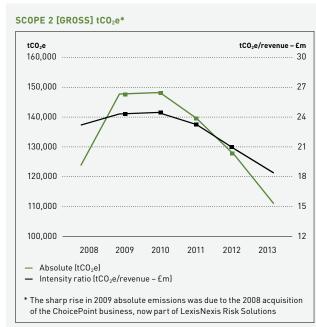
REED ELSEVIER ENVIRONMENTAL STANDARDS

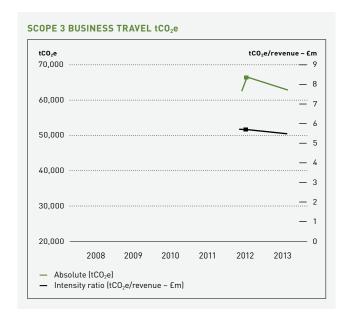
Annual achievement of five required for green status Green+ status for sites attaining seven or more standards

Area	2012	2013	Туре
Reporting	Accurate reporting through the RE Group Environmental Survey	No change	Management
Site Environmenta Management System	l	Develop and implement a local Environmental Management System	Management
Certification	BS 8555 Phase 1	No change	Management
Travel	Develop and implement a local travel plan	No change	Management
Renewable Energy		Purchase green tariff or RECs	Management
Energy	5,400 kWh per person or Environmental Protection Agency (EPA) energy rating of 69	5,000 kWh per person or EPA energy rating of 69	Performance
Climate Change	2 tonnes of CO ₂ per person or EPA energy rating of 69	1.8 tonnes of CO₂ per person or EPA energy rating of 69	Performance
Water	11m³ per person	10m³ per person	Performance
Waste	60% recycling rate	65% diverted from landfill	Performance
Office paper	3,000 pages per person	2,800 pages per person	Performance
Data centre performance	1.80 PUE	1.69 PUE	Performance
Award Recognition	Recognition	External recognition by a third party	Performance

Climate change







Our car fleet constitutes nearly half of our Scope 1 emissions. In 2012, in addition to reducing the car fleet by 16%, we also expanded coverage of green car policies at a local level, increasing the global average car efficiency from 146g/km in 2011 to 141g/km in 2012, and achieved a 7% reduction in car fleet emissions, resulting in an overall 7% reduction in Scope 1 emissions. Reed Messe Wien conference centre has 23 charging stations for electric vehicles, making it one of the largest recharging stations in Austria.

Scope 2 (gross) emissions are responsible for the greatest share of operational greenhouse gas emissions. Efficiency projects in data centres and office locations and continued consolidation of space achieved a 9% reduction in absolute terms and 11% in emissions intensity.

Scope 3 business travel data is collected through our travel provider, BCD, and covers 86% of our operations by revenue. Although we continued to achieve an increase in rail travel with 16% more journeys in 2012 compared with the year previous, air travel was responsible for 98% of our Scope 3 impact, with a 3% decrease in the number of flights. To achieve a 15% reduction target by 2015, we will continue to promote travel alternatives including video conferencing (we held over 13,000 meetings via video conference in 2012 but have the capacity to expand this further with new desktop video conferencing technology).

Scope 3 other:

In 2012, we continued to capture indirect Scope 3 emissions beyond business travel. Though we are continuing to identify material areas and develop methodology, much of the data in this area relies on estimates and we will continue to separate these from total emissions.

- Supply chain (excluding business travel): 833,428 tCO2e
 This total was calculated using an input-output model with
 Department for Environment, Food and Rural Affairs
 conversion factors (annex 13) and is approximately five times
 larger than our direct emissions. Pulp and paper suppliers
 remain a major contributor, even as we decrease the amount
 of paper we purchase year on year.
- Home based employees: 1,212 tCO2e

17% of our workforce is home-based and we have attempted to calculate the impact they have, using reimbursement rates from the UK's HM Revenues and Customs for home working, and the average 2012 price per kWh from the UK Department of Energy and Climate Change. We will be working to better understand how we can influence a reduction in home-worker emissions.

■ Commuting: 47,527 tCO₂e

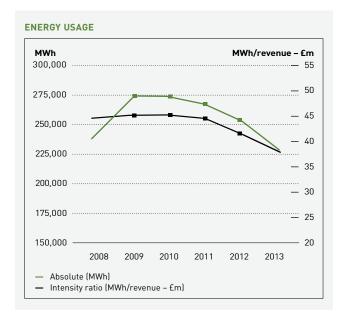
We surveyed commuting habits of 27% of our workforce and extrapolated results to cover 100% of employees. Through the Reed Elsevier Environmental Standards programme, 68% of employees were covered by a local travel plan in 2012. Actions from the travel plans include publishing information on public transport links, promoting the commuter loan scheme and encouraging car pooling.

Our <u>Climate Change Statement</u> indicates our support for the globally recognised target of an 80% absolute reduction in Commissions by 2050. It also outlines our commitment to mitigate

Our Climate Change Statement indicates our support for the globally recognised target of an 80% absolute reduction in CO_2 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.

In 2012, we were included in the Carbon Disclosure Leadership Index for the fifth year and were recognised as leader in our sector. We also participated in the CDP Water module and the CDP Supply Chain module.

Energy

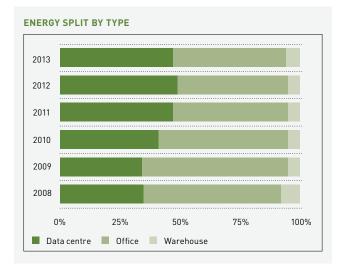


All charts show absolute and intensity results together but on different scales; the position of values is not intended as a comparison between the data sets. Please see Reporting guidelines and Methodology for further information.

Following data centre redesigns and upgrade projects, energy consumption at our data centres decreased by 1.6% in 2012 despite increasing online delivery of our products and services. Total energy consumption decreased by 6% against 2011, due in part to a 11% reduction in office energy through continued space consolidation and reduction efforts by the global real estate team. In the year, approximately half of the electricity assigned to our data centres was classed as renewable energy. We are listed as a Green Power Partner by the US Environment Protection Agency.

We realise the challenge in reducing absolute energy usage while continuing to grow our business, and therefore have set targets to increase renewable energy usage. In 2012, we purchased 33% of our electricity from renewable sources compared with 23% in 2011. We have set an objective to increase this to 35% in 2013, 50% in 2015, and 100% in 2020. As we are predominately in leased locations with few opportunities for onsite generation, we will rely on green tariffs and RECs, with offsets as necessary.

To determine if favourable weather conditions for our offices in 2012 were a factor in the early achievement of our Scope 2 emissions and office energy intensity targets, we undertook a study of degree days, which look at the impact of temperature on energy usage requirements; the study showed a 20% drop in the need to use energy for building temperature control between 2010, the baseline year, and 2012. Given the findings we will maintain our Scope 2 emissions and office energy intensity targets, but conduct a review in the year.

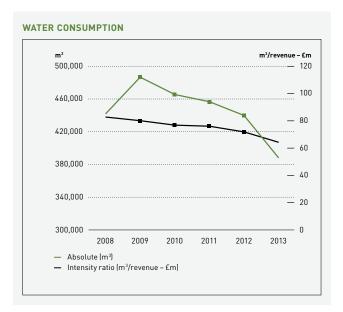


In 2012, 64% of our revenue came from online products and services. This was mirrored in energy use at our data centres, now responsible for 49% of total energy usage (offices account for 46% and warehouses 5%). Data centre efficiency therefore remains of critical importance. Following a data centre energy study in 2011, we took measures to improve efficiency including space redesign, and upgrades to air handling and cooling systems and hardware.

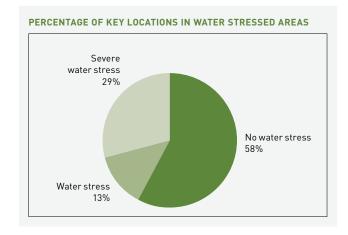
In 2012, average PUE across all of our major data centres improved from 1.72 in 2011 to 1.70; our target is to achieve 1.69 by 2015, even with increased demand. We are members of the <u>Uptime Institute</u> and founding members of the Digital Sustainability Group, which released guidance on the full life cycle of online information across the media sector.

In our offices, we utilise sub-metering to better monitor and manage energy usage and run training courses for facilities staff to help them understand the data. Work by our contractors Newmark Grubb Knight Frank in the US has helped us gain EPA Energy Star certification at 16 large US locations. As well as continuing to upgrade lighting, replacing halogen lamps with more efficient LED fixtures, and fitting more daylight and motion sensors, we installed outdoor air economisers, utilising fresh air from outside the building for cooling; and continued to implement simple measures such as shutting doors to conserve heat, using blinds and reflective film to stop solar gain, and running local switch off campaigns.

Water



Water usage continued to move downward with a 4% absolute reduction between 2011 and 2012. Unlike carbon, water 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. 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.



The majority of water stressed sites use water from a municipal supply and are in developed countries, with a high capability for water adaptation and mitigation. We have set a new target that by 2015 all key locations in water stressed areas will meet the new Reed Elsevier Environmental Standard level of $10 \, \mathrm{m}^3$ per person. In 2012, 69% of key locations in water stressed areas achieved the standard of $10 \, \mathrm{m}^3$. Our challenge is in water fed cooling systems and leased locations where we can exert influence but not direct control.

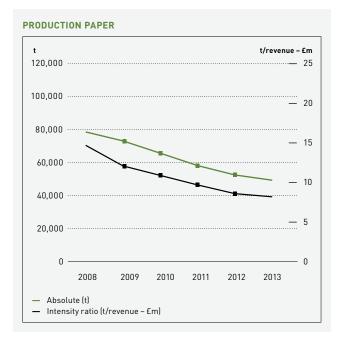
Water consumption in our supply chain is a key issue, particularly in relation to paper suppliers. We collect paper supplier water data through PREPS. Also, with online training, tools, and support, we received useful data from 32% of key suppliers whom we asked to complete a water footprint survey. We calculated a relative water impact of 3,496,857m³ based on the percentage of water they used for production on our behalf, 67% 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. In the year, we covered water efficiency and stewardship in our Supplier Academy and supported the launch of the CEO Water Mandate's <u>Water Action Hub</u> – an online platform enabling collaboration on projects in water stressed areas.

We are acutely aware that water is one of the world's most vital resources. For this reason, we created the <u>Reed Elsevier Environmental Challenge</u> to identify projects that improve sustainable access to water.

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.

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. 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.

Paper



As we deliver more of our products online, our consumption of production paper continues to decrease (58,279 tonnes in 2011 to 52,601 tonnes in 2012). Although still a significant impact area, we have seen a 33% reduction between 2008 and 2012. As well as smaller print runs, we are also continuing to take proactive reduction measures, moving from litho to digital printing, print on demand, and lighter papers where possible.

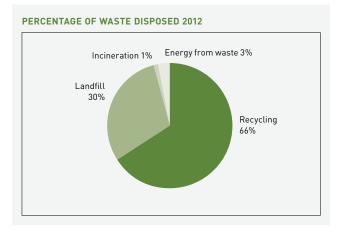
As founding members of <u>PREPS</u>, we have helped create the PREPS database to capture the technical specifications of the pulps and forest sources of our papers. Each paper is given stars according to sustainability criteria: one (unknown or unwanted material), three (known and responsible), or five (recycled, Forest Stewardship Council or Programme for the Endorsement of Forest Certification 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, 100% of which achieved three or five stars. 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.

We use approximately 1,000t of office paper a year (around 4,500 sheets per person). To reduce levels, we have set a target of 2,800 sheets per person in the Environmental Standards programme. We continue to roll out multifunction devices for printing, scanning, and copying, and by removing stand-alone printers, we decrease energy as well as paper use.

We participated in the <u>Forest Footprint Disclosure</u>, which identifies how companies are addressing risks associated with deforestation, outperforming the sector average in 11 of 12 categories.

Waste



We reduced the total waste we generated by 8%, from 11,447t in 2011 to 10,570t in 2012. Of this, 64% was recycled (down from 66% in 2011) and 67% diverted from landfill, through recycling, incineration, and the creation of energy from waste. We do not produce any material amounts of hazardous waste.

The majority of our offices are leased and situated in shared buildings so we work closely with managing agents and landlords as well as waste contractors. Where complete measurements are not available, we use a methodology to calculate waste based on regular weight sampling and the counting of waste containers leaving our premises. Although we know local municipalities carry out some sorting and recycling, we report all waste as going to landfill unless we have evidence to the contrary.

We are aiming to divert 75% of our waste from landfill by 2015. Building on the experience of high-performing locations, we aim to achieve zero waste to landfill at all key locations by 2020. Our Green Teams are helping in this effort by sharing with colleagues the need to reduce, reuse, and then recycle. Read about how a refurbishment in the UK made a world of difference in The Gambia.

In the year, we identified 20% of our waste by material type compared with 12% in 2011. Our electronic waste is disposed of according to regulations, and is only recycled if it cannot be reused.

We track and try to reduce packaging waste on all of our physical products. In the UK, we provide information on packaging waste in line with the UK government's Producer Responsibility Obligations (Packaging Waste Regulations 2007). As a member of the Biffpack compliance scheme, we track the amount of our obligated packaging generated through the selling, pack/fill, and importation of our products.

Employee action

Employees are integral to our environmental improvement efforts and 67% of key locations have Green Teams. In 2012, we launched more tools and resources on our intranet site, the Green Room, including a photo gallery of our environmental events, information about our partnership with Earthwatch, and environmental volunteer opportunities. We ran special events, training, and competitions at locations throughout the year.

The fourth year of our Green Heroes programme celebrated extraordinary efforts by employees to 'go green'. Employees were nominated by colleagues, with seven winners recognised by the CFO on World Environment Day for efforts ranging from engaging colleagues in green events to growing vegetables for local food banks.

2012 employee environmental activities included:

- Colleagues across the business participated in the annual shoe drive diverting old shoes from landfill by donating them to organisations that sell them to raise funds or send them to recipients in the developing world; 2,854 pairs of shoes were donated. RBI and LexisNexis in Illinois collected 128 pairs of shoes from 35 employees and won \$1,000 to donate to Reach Rescue and Gigi's Playhouse
- " Elsevier Exeter began composting their food waste
- The Elsevier San Diego Green Team arranged for recycled mobile phones to be donated to troops serving overseas and for reading glasses to be donated to those in need through Lions Club International
- Elsevier Oxford initiated an incentive scheme to promote reusable drinking cups, leading to an annual saving of 260,000 disposable cups and also organised a well-attended environmental awareness day



- " The LexisNexis London Green Team organised a volunteer day at Greenwich Peninsula Eco Park, a wildlife reserve reclaimed from previously industrialised land
- LexisNexis Dayton completed the first phase of a site wide lighting upgrade utilising LED and low energy fittings, along with installing motion sensors and computer controls resulting in an estimated annual savings of 462,000 kWh

Our operations have an impact on biodiversity, primarily through water extraction, building work, transportation, and facilities management. We have few sites with surrounding land; however, where we do, we plant drought tolerant indigenous species to reduce irrigation requirements and increase biodiversity. For instance, Elsevier Oxford planted a wildflower garden and installed beehives.

Over the last eight years, Earthwatch and Reed Elsevier have successfully collaborated on biodiversity conservation and education projects. All employees have the opportunity to join an Earthwatch field expedition at reduced rates.

2012 OBJECTIVES	Progress
25% of electricity from renewable energy or offsets	33% achieved
50% of key locations to achieve five or more RE Environmental Standards	58% achieved (69 locations vs. 40 in 2011)
Launch updated environmental targets	Launched externally through annual reporting documents; internally through Environmental Champions and Green Teams

2013 OBJECTIVES

- 35% of electricity from renewable energy or offsets
- 60% of key locations to achieve five or more updated RE Environmental Standards
- Map range of Reed Elsevier environmental products and services

Appendices

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Appendix 1 – LBG Assurance Statement 2012 – Reed Elsevier

Corporate Citizenship has been asked by Reed Elsevier to review its use of the LBG model for measuring corporate community involvement activity during 2012.

Reed Elsevier is an active member of LBG. The LBG measurement model helps businesses to improve the management, measurement and reporting of their corporate community involvement programmes. It moves beyond charitable donations to include the full range of contributions (in time, in kind and in cash) made to community causes, and assesses the actual results for the community and for the business. (See www.lbg-online.net for more information).

As managers of LBG, we have worked with Reed Elsevier to ensure its operations understand the LBG model and have applied its principles to the measurement of community involvement programmes during 2012. Having conducted an assessment, we are satisfied that the data continue to reflect LBG principles. Our work has not extended to an independent audit of the data.

In our commentary we identify some developments that have been made in the last year as well as some improvements that can be made as Reed Elsevier develops its application of the model in future.

Commentary

This year a significant amount of volunteering information has been logged by employees through the 'PeopleHUB' application, providing first-hand information on paid volunteering undertaken. We look forward to the application being extended to capture more information on the beneficiaries of such activity.

Last year we also noted that the data that Reed Elsevier captures is largely 'input' focussed (i.e. assessing the total contribution the company makes into the community) and that it was in a position to move to assessing what this contribution achieves for both the community and the business. While this is largely still the case, we are encouraged that the company has implemented a new survey to capture more information on results and recommend that operations are supported to provide more comprehensive information on results achieved in future. A significant step in this direction will be to provide colleagues with the tool to complete throughout the year rather than at the end of the reporting period.

Corporate Citizenship

<u>www.corporate-citizenship.com</u> February 2013

Introduction

Appendix 2 – Independent assurance statement to Reed Elsevier management

Reed Elsevier's Corporate Responsibility Report 2012 (the Report) has been prepared by the management of Reed Elsevier Group plc who are responsible for the collection and presentation of the information within it. Our responsibility, in accordance with Reed Elsevier management's instructions, is to carry out a limited assurance engagement on the following selected 2012 environmental and health and safety data contained within the Report:

- Energy use
- " Scope 1 & 2 CO₂e emissions
- " PREPS
- .. Wateruse
- " Scope 3 travel CO₂e emissions
- Power Usage Effectiveness (PUE)
- Waste
- Production paper
- " Health and Safety (H&S)

We do not, therefore, accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

What did we do to form our conclusions?

Our assurance engagement has been planned and performed in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE3000). The environmental, health and safety data have been evaluated against completeness, consistency and accuracy criteria agreed with the management of Reed Elsevier. These criteria have been agreed to provide a basis for assessing Reed Elsevier's application of its environmental and health safety reporting requirements. These requirements are summarised here and referenced on page 51 of the Report. Our criteria are set out below:

Completeness

" Whether all material data sources have been included and that boundary definitions have been appropriately interpreted and applied.

Consistency

- Whether the Reed Elsevier Environmental Guidance for completion of the Global Environmental Survey (updated November 2011) has been applied to the environmental data.
- " Whether the Guidance for the completion of the Global Health & Safety Survey has been applied to the health and safety data.

Accuracy

- Whether site-level environmental, health and safety data has been accurately collated by Reed Elsevier management at a Global level.
- Whether there is supporting information for the environmental, health and safety data reported by sites to Reed Elsevier management at a Global level.

In order to form our conclusions we undertook the steps outlined below:

- Interviewed specialists responsible for managing, collating, and reviewing environmental, health and safety data at a Global level for internal and public reporting purposes.
- 2. Interviewed regional coordinators responsible for managing environmental performance and reviewing and reporting environmental data to Reed Elsevier management at a Global level.
- Interviewed specialists responsible for managing environmental, health and safety performance in selected businesses and for collating and reviewing environmental, health and safety data for internal and public reporting purposes.
- 4. Reviewed a selection of management documentation and reporting tools including guidance documents.
- Performed a review of the Hara online data collection tool, including testing outputs and selected conversions made within the tool.
- 6. Reviewed underlying documentation for a sample of site level environmental data points. Supporting documentation was sought and reviewed for 50 data points covering electricity, gas, city heating, fuel oil, water consumption, refrigerant use and waste disposal.
- 7. Reviewed and challenged the environmental and health and safety data validation and collation processes undertaken by Reed Elsevier management.
- 8. Reviewed the Report for the appropriate presentation of the data including the discussion of limitations and assumptions relating to the data presented.

Level of assurance

Our evidence gathering procedures have been designed to obtain a sufficient level of evidence to provide a limited level of assurance in accordance with ISAE3000.

Limitations of our review

We have not sought evidence to support the data, statements or claims presented within the Report, other than those relating to the 2012 environmental, health and safety performance data (as set out above).

APPENDICES

The following data metrics were not included in the scope of

- Water stress
- Wellbeing
- Reed Elsevier Environmental Standards
- Absenteeism
- Socially responsible supplier performance
- Scope $3 CO_2$ e emissions from supply chain, home based employees, commuting and water use

Our conclusions

Based on our review:

- Nothing has come to our attention that causes us to believe that the environmental, health and safety reporting guidelines, as summarised in the Report, have not been applied.
- We are not aware of any material reporting units which have been excluded from the scope of the environmental, health and safety data.
- Nothing has come to our attention that causes us to believe that the environmental, health and safety data has not been properly collated from the information reported by sites.
- We are not aware of any errors that would materially affect the reported environmental, health and safety data.

Our observations

Our observations and areas for improvement will be raised in a report to Reed Elsevier's management. Selected observations are provided below. These observations do not affect our conclusions on the Report set out above.

- In Asia Pacific, there was a 19 percentage point increase in primary environmental data collected in 2012, however through the course of our work we identified an opportunity to improve the quality of supporting documentation underpinning this data. Reed Elsevier should continue to communicate to sites the value of maintaining complete and accurate records to drive improved data quality and the role this plays in managing environmental performance.
- In 2012 Reed Elsevier reported a 55% fall in the severity rate. Through our discussions with Health and Safety management, it was identified that this was largely attributable to a programme introduced to encourage employees to return to work on modified or restricted duties. It is important that the improvement in the severity rate does not reduce the continued focus on identifying and mitigating safety risks and investigating the root cause of incidents.

Our independence

This is the seventh year Ernst & Young LLP has provided independent assurance services in relation to Reed Elsevier's corporate responsibility reporting. With the exception of this work we have provided no other services relating to Reed Elsevier's environmental and health and safety data collation and reporting.

Our assurance team

Our assurance team has been drawn from our global Cleantech and Sustainability Services network, which undertakes similar engagements to this with a number of significant UK and international businesses.

Ernst & Young LLP

London 08 March 2013

Introduction

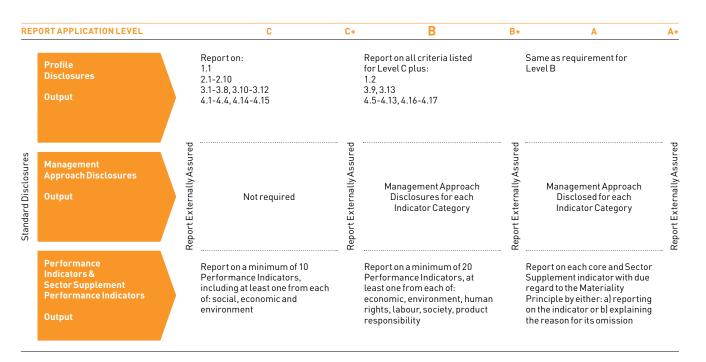
Appendix 3 – Global Reporting Initiative Index

The Global Reporting Initiative (GRI) is an international framework for voluntary reporting of the economic, environmental and social impacts of company performance.

The table below indicates the areas of our report which cover the GRI 3.1 (the third generation of guidelines) and whether we have done this fully, in part or not at all. We believe that the Reed Elsevier CR Report represents a balanced and reasonable presentation of our company's performance and have self declared our reporting level against the criteria in the GRI application levels as B.

Application level criteria

Reports intended to qualify for level C, C+, B, B+, A or A+ must contain each of the criteria that are presented in the column for the relevant level.



Introduction

STANDARD DISCLOSURES PART I: Profile Disclosures

Disclosure	* Disclosure	Level of Reporting	Location of Disclosure
STRATEG	Y AND ANALYSIS		
1.1	Statement from the most senior decision-maker of the organization.	Fully	4
1.2	Description of key impacts, risks, and opportunities.	Fully	7+
ORGANIS/	ATIONAL PROFILE		
2.1	Name of the organization.	Fully	5
2.2	Primary brands, products, and/or services.	Fuly	5
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	5, 21+
2.4	Location of organization's headquarters.	Fully	21+
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	AR: 8-38, 204
2.6	Nature of ownership and legal form.	Fully	5, 21+
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	5
2.8	Scale of the reporting organization.	Fully	5; AR: 104-107
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	AR: 65
2.10	Awards received in the reporting period.	Fully	8-9
REPORTF	ARAMETERS		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	12
3.2	Date of most recent previous report (if any).	Fully	12
3.3	Reporting cycle (annual, biennial, etc.)	Fully	12
3.4	Contact point for questions regarding the report or its contents.	Fully	3
3.5	Process for defining report content.	Fully	6-7+, 51+
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	3-12, 51+
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	3-12, 51+
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	5; AR: 8-38, 71
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	12, 51+
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	12
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	12
3.12	$Table\ identifying\ the\ location\ of\ the\ Standard\ Disclosures\ in\ the\ report.$	Fully	62
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	40+, 51+
OVERNA	NCE, COMMITMENTS, AND ENGAGEMENT		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	7; AR: 62-91
	Indicate whether the Chair of the highest governance body is also an	Fully	AR: 62

^{*} All page numbers in the Disclosures are from the Reed Elsevier CR Report unless otherwise indicated as AR (Reed Elsevier Annual Report) and the Reed Elsevier CR Report unless otherwise indicated as AR (Reed Elsevier Annual Report) and the Reed Elsevier CR Report unless otherwise indicated as AR (Reed Elsevier Annual Report) and the Reed Elsevier CR Report unless otherwise indicated as AR (Reed Elsevier Annual Report) and the Reed Elsevier CR Report unless otherwise indicated as AR (Reed Elsevier Annual Report) and the Reed Elsevier CR Report unless otherwise indicated as AR (Reed Elsevier Annual Report) and the Reed Elsevier CR Report unless otherwise indicated as AR (Reed Elsevier Annual Report) and the Reed Elsevier CR Report unless otherwise indicated as AR (Reed Elsevier Annual Report) and the Reed Elsevier CR Report unless otherwise indicated as AR (Reed Elsevier Annual Report) and the Reed Elsevier CR Report unless otherwise indicated as AR (Reed Elsevier Annual Report) and the Reed Elsevier CR Report unless otherwise indicated as AR (Reed Elsevier Annual Report and Report Annual R

STANDARD DISCLOSURES PART I: Profile Disclosures

Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure
GOVERNAN	CE, COMMITMENTS, AND ENGAGEMENT CONTINUED		
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	AR: 62-63
4.4	$\label{thm:mechanisms} Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.$	Fully	27; AR: 66-67, 200
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	AR: 74-90
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	AR: 73, 152
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	AR: 62-73
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	14-19, 21-23
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	7-9+
.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	7, 51; AR: 76
.11	$\label{thm:continuous} Explanation of whether and how the precautionary approach or principle is addressed by the organization.$	Fully	49+; AR: 58-60
.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	7-9
i.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	7-9
4.14	List of stakeholder groups engaged by the organization.	Fully	7-8
1.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	7-8
4.16	$\label{lem:problem} Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.$	Fully	7-8
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	7-8

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

G3.1 DMAs	Disclosure	Level of Reporting	Location of Disclosure
	Economic performance	Fully	5
	Market presence	Fully	5
	Indirect economic impacts	Fully	5
DMAEN	Materials	Fully	56
	Energy	Fully	54
	Water	Fully	55
	Biodiversity	Fully	57
	Emissions, effluents and waste	Fully	53, 56
	Products and services	Fully	50
	Compliance	Fully	21-23
	Transport	Fully	53
	Overall	Fully	49

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs) continued

G3.1 DMAs	Disclosure	Level of Reporting	Location of Disclosure
DMALA	Employment	Fully	26
	Labor/management relations	Fully	26
	Occupational Health and Safety	Fully	30
	Training and education	Fully	29
	Diversity and equal opportunity	Fully	27
DMAHR	Freedom of expression	Fully	34+
	Portrayal related to human rights	Fully	22+
	Intellectual Property	Fully	22+
	Protection of Privacy	Fully	22+
	Investment and procumrent practices	Fully	44+
	Non-discrimination	Fully	22+
	Freedom of association and collective bargaining	Fully	22+
	Child labor	Fully	22+
	Prevention of forced and compulsory labor	Fully	44+
	Security practices	Fully	22+
DMAS0	Local communities	Fully	39
	Corruption	Fully	21-23, 34+
	Public policy	Fully	7, 50-51+
	Anti-competitive behavior	Fully	21-23
	Compliance	Fully	21-23
DMA PR	Content creation	Fully	33-37
	Content dissemination	Fully	33-37
	Audience interaction	Fully	33-37
	Customer health and safety	Partially	46
	Product and service labelling	Partially	46+
	Marketing Communications	Partially	34+
	Media literacy	Fully	36+
	Customer privacy	Fully	21-23
	Compliance	Fully	21-23

STANDARD DISCLOSURES PART III: Performance Indicators

Indicator	Disclosure	Level of Reporting	Location of Disclosure
Econom	ic		
ECONOMI	CPERFORMANCE		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	5, 23, 40; AR: 3
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Fully	49+, 53-54
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	AR: 51
EC4	Significant financial assistance received from government.	Fully	We received no significant financial assistance from government
M1	Significant funding and other support received from non-governmental sources.	Fully	We received no significant financial assistance from non-governmental sources
INDIRECT	ECONOMICIMPACTS		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or probono engagement.	Fully	14-19, 39-42
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	39-42

STANDARD DISCLOSURES PART III: Performance Indicators continued

Indicator	Disclosure	Level of Reporting	Location of Disclosure
Environr	nental		
MATERIAL	S		
EN1	Materials used by weight or volume.	Fully	We report on Paper, our significant material – 56
EN2	Percentage of materials used that are recycled input materials.	Fully	We report on Paper, our significant material – 56
ENERGY			
EN3	Direct energy consumption by primary energy source.	Fully	50-54
EN4	Indirect energy consumption by primary source.	Fully	50-54
EN5	Energy saved due to conservation and efficiency improvements.	Fully	50-54
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	49-54
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	50-54
WATER			
EN8	Total water withdrawal by source.	Fully	55
EN9	Water sources significantly affected by withdrawal of water.	Fully	55
EN10	Percentage and total volume of water recycled and reused.	Not	
BIODIVERS	ытү		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Partially	57 – RE is a predominantly office based company. The majority of our locations are in cities.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	57
EN13	Habitats protected or restored.	Fully	57
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	57
EMISSIONS	5, EFFLUENTS AND WASTE		
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	53-54
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	53-54
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	53-54
EN19	Emissions of ozone-depleting substances by weight.	Fully	53-54
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	We do not have other significant air emissions
EN21	Total water discharge by quality and destination.	Fully	Our water discharge is through municipal systems
EN22	Total weight of waste by type and disposal method.	Fully	56
PRODUCTS	AND SERVICES		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	49+
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partially	56
COMPLIAN	CE		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	We had no significant fines in the reporting period
TRANSPOR	रा		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Fully	53
OVERALL			
EN30	Total environmental protection expenditures and investments by type.	Not	

Indicator	Disclosure	Level of Reporting	Location of Disclosure
Social: La	abor Practices and Decent Work		
EMPLOYME	ENT		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Partially	26; AR: 107
LABOR/MA	ANAGEMENT RELATIONS		
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	22+
OCCUPATIO	ONAL HEALTH AND SAFETY		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Partially	30+
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Fully	30-31
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	30-31
TRAINING	AND EDUCATION		
LA10	Average hours of training per year per employee by gender, and by employee category.	Partially	29
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	29
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	29
DIVERSITY	AND EQUAL OPPORTUNITY		
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	26
Social: H	uman Rights		
	NT AND PROCUREMENT PRACTICES		
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	22+, 44+
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Fully	22+, 44+
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	23
CHILD LAB	OR		
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Fully	44-47
PREVENTION	ON OF FORCED AND COMPULSORY LABOR		
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Fully	44-47

STANDARD DISCLOSURES PART III: Performance Indicators continued

Indicator	Disclosure	Level of Reporting	Location of Disclosure
Social: S	ociety		
LOCAL CO	MMUNITIES		
S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fully	14-18, 39-42
509	Operations with significant potential or actual negative impacts on local communities.	Partially	14-18, 51
CORRUPT	ION		
502	Percentage and total number of business units analyzed for risks related to corruption.	Fully	21-23
503	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	21-23
504	Actions taken in response to incidents of corruption.	Partially	23
PUBLIC PO	DLICY		
S05	Public policy positions and participation in public policy development and lobbying.	Fully	7, 50-51+
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	22+
COMPLIAI	NCE		
508	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	We had no significant fines in the reporting period
Social: F	Product Responsibility		
CONTENT	CREATION		
M2	Methodology for assessing and monitoring adherence to content creation values.	Fully	34+
CONTENT	DISSEMINATION		
M4	Actions taken to improve performance in relation to content dissemination issues (accessibility and protection of vulnerable audiences and informed decision making) and results obtained.	Fully	35-37
AUDIENCE	INTERACTION		
M6	Methods to interact with audiences and results.	Fully	34-35
PRODUCT	AND SERVICE LABELLING		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	34-35
MARKETII	NG COMMUNICATIONS		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	22+,34+
MEDIA LIT	ERACY		
M7	Actions taken to empower audiences through media literacy skills development, and results obtained.	Partially	36+
COMPLIAI	NCE		
	Monetary value of significant fines for non-compliance with laws and	Fully	We had no significant fines in

Credits

The Reed Elsevier Corporate Responsibility report is available online, at $\underline{www.reedelsevier.com/go/CRReport}$

We print other key corporate documents. The 2012 Annual Reports and Financial Statements is printed using paper containing a minimum of 75% recycled content, of which 100% is de-inked post-consumer waste. All of the pulp is bleached using an elemental chlorine free process (ECF). Printed in the UK by Pureprint using their alcofree @ and pureprint @ environmental printing technology; vegetable inks were used throughout. Pureprint is a CarbonNeutral @ company. Both manufacturing mill and printer are ISO14001 registered and are Forest Stewardship Council @ (FSC) chain-of-custody certified.

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