

Corporate Responsibility Report 2008



Strength through responsibility

Chief Executive's introduction



Our true performance as a company must take account of both our non-financial and financial results. They are intrinsically linked – if we want to be a profitable and successful company, we must be an ethical one. We are committed to being both. To that end, we have been building on our expertise and engaging with stakeholders to find ways to innovate and improve.

In developing online solutions to the needs of our customers in areas like health, science and technology, law, environment, and business, we benefit society. For example, Procedures Consult gives doctors a way of maintaining their skills and knowledge through web-based simulation of essential medical techniques; TotalPatent is a single source for global patents, a primary driver in research and development; XpertHR helps practitioners advance good practice in people management; energylocate aggregates our energy offerings into a one-stop community, using tools like social networking and video to advance knowledge.

Innovation is also helping advance our internal corporate responsibility:

- \rightarrow Increased online training in our Code of Ethics and Business Conduct has led to more of our people understanding what it means to do the right thing
- → A new global jobs board illuminates our value, Boundarylessness, by allowing employees to search for new positions across locations, functions, and divisions
- → The Net Promoter Score survey programme last year allowed nearly 30,000 customers to express their willingness to recommend us results show where we are doing well and where we must do better
- \rightarrow A new Publishing Ethics Resource Kit has helped our science and technology editors advance journalistic integrity
- → Our 2008 Reed Elsevier Cares Challenge saw more staff working together to build skills and relationships while making a difference in local communities
- → We decreased our transport emissions through travel alternatives like video conferencing and webinars, and the introduction of a global travel portal

We are making strides but there are challenges ahead. A deep global economic downturn must not diminish the importance of our corporate responsibility objectives. They are as critical now as ever, and we must continue to meaningfully engage people at all levels of our business in achieving them. We must also make the business case in all that we do. For example, in limiting resource use, we reduce both our impact on the planet and expenditure. The twinning of good financial and non-financial performance is a win/win for the company and its stakeholders.

We must draw on outside expertise where we can. As a signatory of the UN Global Compact, we are supported in pursuing corporate responsibility and transparency through ten principles covering human rights, labour, the environment, and anti-bribery. The Global Compact makes clear how we in the private sector – in partnership with others – can achieve a more sustainable and inclusive global economy.

I am soon to retire from Reed Elsevier. Our achievement during my tenure in integrating corporate responsibility throughout the company is one of the things of which I am most proud. I know incoming CEO Ian Smith will maintain and further this commitment.

Sir Crispin Davis, CEO March 2009 Environment

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Health and safety

Governance

People

Summary

Cover: Images from Our Environment, an art exhibition at the Reed Elsevier head office in London. Organised by UK charity, Kids Company, during 2008 Reed Elsevier Cares Month, staff partnered with students at Holmleigh Primary School to photograph their local environment

People

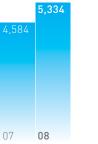
Health and safety

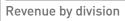
Customers

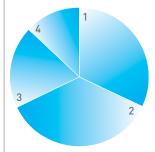
Reed Elsevier Corporate Responsibility Report 2008

Summary

Revenue (£m)

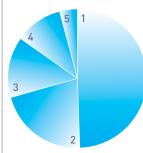






- 1 LexisNexis 36%
- 2 Elsevier 32%
- **3** Reed Business Information 19%
- 4 Reed Exhibitions 13%

Revenue by geography



- 1 North America 49%
- 2 Rest of Europe 21%
- **3** Rest of world 14% **4** UK 11%
- 5 Netherlands 5%

Our business

Reed Elsevier is a world leading provider of professional information and online workflow solutions in the Science, Medical, Legal, Risk Information and Analytics, and Business sectors.

Based in over 200 locations worldwide, we create authoritative content delivered through market leading brands, enabling our customers to find the essential data, analysis and commentary to support their decisions.

Our content and solutions are increasingly embedded in the workflows of our customers making them more effective and Reed Elsevier a more valued partner.



www.elsevier.com

Elsevier is a leading provider of scientific, technical and medical information and solutions. The Science & Technology division is the world's largest global academic journal publisher, producing over 200,000 new research articles in some 1,100 journals every year, with ScienceDirect, its flagship electronic product, accessed by over 11 million users. The Health Sciences division publishes over 700 journals and 2,000 books and clinical reference works annually and offers an extensive portfolio of online tools in education, practitioner reference and point of care.

LexisNexis[®]

www.lexisnexis.com

LexisNexis is a leading provider of legal, tax, regulatory, risk information and analytics, and business information solutions to professional, corporate and government customers worldwide. LexisNexis provides authoritative content through trusted market leading brands which, enabled by technology, offers online information solutions increasingly integrated within the customer workflow. In risk information and analytics, LexisNexis assists customers in managing risk through identity verification, insurance risk evaluation, employment screening and fraud prevention.

Reed Exhibitions

www.reedexpo.com

Reed Exhibitions is the world's leading organiser of trade exhibitions. Through strongly branded, highly targeted events, Reed Exhibitions provides the forum for exhibitors and attendees to do business, develop contacts and gain industry insights. Every year there are over 470 events in 37 countries, bringing together over seven million active event participants worldwide. With over 2,700 employees in 38 offices around the globe, Reed Exhibitions serves 44 industries worldwide.

Reed Business Information

www.reedbusinessinformation.com

Reed Business Information is a leading global provider of information and marketing solutions to decision makers and professionals. Its portfolio of market leading brands makes it the preferred communication partner across a range of markets from agriculture to technology. Reed Business Information publishes over 400 business-to-business magazines, directories and newsletters; it provides access to over 200 online communities and produces an increasing number of job sites, lead generation, data and other online services.

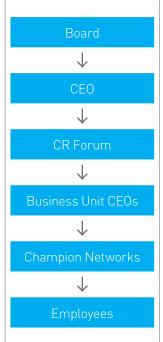
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Environment

Community

Summary

RE corporate responsibility structure



Our approach to corporate responsibility

Constant engagement with stakeholders, including shareholders, employees, communities, governments, and members of civil society, help us determine material corporate responsibility (CR) issues.

Our <u>Corporate Responsibility Forum</u> sets corresponding objectives – encompassing governance, people, health and safety, customers, supply chain, environment and community – and measures performance against them. It is chaired by the CEO, who has Board responsibility for CR, and involves individuals representing all key business functions and divisions. The CR Director engages with the Reed Elsevier (RE) Management Committee and Board on an ongoing basis. All feedback is incorporated into our CR activities.

Engaging others

Networks of colleagues throughout RE contribute to CR: Community Champions; Environmental Champions; the Socially Responsible Supplier group; customer service teams; works and staff councils; the HR Management Council; legal colleagues; and the RE Accounting Services, Internal Audit, and Communications departments, among others.

We actively support sector and inter-industry initiatives that advance CR. We serve on the steering group for the <u>Media Corporate Social Responsibility (CSR) Forum</u>, working closely with media industry peers including United Business Media, the BBC, BSkyB, Yell and Turner. In 2008, we contributed to a <u>report</u> on stakeholder views, which highlighted responsible advertising, transparent editorial policies, and balanced output as issues increasingly important for media companies.

We serve on the steering group of the <u>London Benchmarking Group</u>, helping in 2008 to shape their advice on valuing media company community contributions, and are also members of <u>Business in the Community</u>, the <u>Corporate Responsibility Group</u>, and the <u>Publishers Database</u> for Responsible Environmental Paper Sourcing (PREPS).

We are committed to transparency through stakeholder engagement. In 2008, employees shared their views through internal working groups, opinion surveys, intranet resources, 'town hall meetings,' newsletters and more. We surveyed senior business leaders through the annual CR Questionnaire and our legal teams kept us abreast of statutory obligations or those that might be introduced.

We completed numerous CR-related surveys and interviews including the FTSE 100 CSR Assurance Survey. We held direct meetings on CR with investor groups like Baillie Gifford and VBDO; government through involvement with Respect Table, a sustainability forum supported by Margot Wallström, Vice President of the European Commission, and consulted with the UK Department for Environment, Food and Rural Affairs (DEFRA) on the Carbon Reduction Commitment; worked with NGOs like Earthwatch, the Carbon Trust, Green Standards, and Save the Children; engaged with British Standards on their new sustainability guidance, ISO 26000, and CR consultancies like Accountability, Eco Network and Best Foot Forward.

Listening to others also means taking action when necessary. When customers and other stakeholders expressed concern over our participation in organising defence exhibitions, we made a decision in 2007 to withdraw from the sector. As CEO Sir Crispin Davis stated, "It has become increasingly clear that growing numbers of important customers and authors have very real concerns about our involvement in the defence exhibitions business. We have listened closely to these concerns and this has led us to conclude that the defence shows are no longer compatible with Reed Elsevier's position as a leading publisher of scientific, medical, legal and business content." In 2008, our divestment from the sector was completed. <u>Read more</u>.

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Summary



Our Code of Ethics and Business Conduct applies to everyone at Reed Elsevier

of current employees have received training on the Code

Material issues and objectives

Governance

Governance is material to Reed Elsevier because it is the framework for all that we do.

2008 Objective:

ightarrow 80% of staff trained on Code of Ethics and Business Conduct

The Reed Elsevier Code of Ethics and Business Conduct (the Code), disseminated to every employee, is a guide to our corporate and individual behaviour. Encompassing topics like conflicts of interest, anti-bribery, and fair competition, it encourages open and principled behaviour.

By the close of 2008, 70% of current employees had received online training on the Code. Our goal to launch the course in the Netherlands, where we have the third highest concentration of employees, was delayed until January 2009, as approval from the Dutch Data Protection Authority was not forthcoming until late in the year. In 2008, Code training was rolled out to employee populations in the UK, Australia, Canada, New Zealand, India, Singapore, Hong Kong, and Thailand, in addition to ongoing implementation for new US employees. Employees also received training on anti-harassment, data privacy and security, competition law, and doing business with government.

2009 Objective:

ightarrow 80% trained in Code of Ethics, with 50% of US employees completing second round online Code of Ethics training



People are material to Reed Elsevier because they are the driving force of our business. Our 35,000 people are our strength.

2008 Objectives:

- \rightarrow Launch Great Place to Work website
- \rightarrow Accelerate internal transfers and promotions

To help our people reach their potential and ensure Reed Elsevier remains an in-demand place to work, we launched Tools for a Great Workplace as part of a new intranet for head office staff - which rolled out globally in early 2009. This online toolkit looks at how great leaders create motivated, successful teams; allows employees to assess how well they lead; and provides advice on developing skills to enhance local workplaces.

We accelerated internal transfers and promotions through a new global jobs board which allows employees to search for new positions by location, function, and division. And an enhanced People and Careers section at the new www.reedelsevier.com – gives potential employees insight into what it is like to work for the company in the words of our staff. It outlines our focus on leadership and our values -Customer Focus, Valuing our People, Passion for Winning, Innovation and Boundarylessness.

2009 Objectives:

- \rightarrow Reach all Reed Elsevier employees with 2009 Employee Opinion Survey (EOS); develop action plan based on responses
- ightarrow Communicate to all staff on new Diversity and Inclusion Statement and activities; advance Diversity and Inclusion Working Group



We invest in training for Reed Elsevier employees globally

of Reed Elsevier employees are female

Environment



Governance

People

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Summary



Our health and safety products promote internal and external good practice

24%

reduction in workers' compensation claims



We listen to and work with our customers to advance their business



Nearly 30,000 customers surveyed through Net Promoter Score programme

Material issues and objectives continued

Health and safety

Health and safety is material to Reed Elsevier because we can only perform well if our workplaces and employees are healthy and safe.

2008 Objective:

ightarrow 5% decrease in workers' compensation claims

Our employees have the right to a healthy and safe workplace as outlined in the Reed Elsevier global Health and Safety Policy. As a measure of improving conditions, we achieved a 24% drop in workers' compensation claims in the United States, home to the majority of our employees. We expanded training for Health and Safety Champions to improve reporting, and received assurance on health and safety data from Ernst & Young LLP.

2009 Objectives:

- ightarrow Develop targeted and effective global wellness campaign
- ightarrow 10% reduction in severity rate by 2010 (from 2008 base line)

Customers

Customers are material to Reed Elsevier because without their satisfaction, our business is not viable.

2008 Objectives:

- \rightarrow Increase in online revenue over 2006/2007
- ightarrow Increase in Net Promoter Scores across the divisions

In 2008, online products and services accounted for over 50% of revenue, up from 37% in 2006. Innovative online offerings improve our customers' workflows, allowing them to utilise information on a scale never before possible.

Through the Net Promoter Scores programme we surveyed nearly 30,000 customers to determine their willingness to recommend us. Results, reviewed by the CEO and senior managers, and communicated to staff, illuminate where we are doing well and where we must do better. We saw increases, for example, among health science journal editors, large law clients, and reached more show exhibitors. We noted areas for improvement, for example, with certain small law clients and have instituted a customer journey mapping pilot to understand how we can improve all aspects of our engagement with them.

2009 Objectives:

- \rightarrow Improve customer satisfaction as measured by Net Promoter Scores and dashboard programmes
- \rightarrow Increase access for underserved users expand developing world programmes
- ightarrow Improve website accessibility across Reed Elsevier websites

Governance

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Material issues and objectives continued



We pursue excellence through an ethical supply chain

of key suppliers have signed our Supplier Code of Conduct

Supply chain

Supply chain is material to Reed Elsevier because unless we maintain the same high standards across the company, we risk damaging our business, relations with key stakeholders, and reputation.

2008 Objectives:

- \rightarrow Expand SRS database to 325 entries
- \rightarrow 85% of suppliers as Code signatories
- \rightarrow 25 external audits of high risk suppliers

We require our suppliers to meet the same high standards we set for ourselves. Our Supplier Code of Conduct stipulates adherence to all laws and best practice in areas like human rights, labour, and environment. In 2008, we expanded our Socially Responsible Supplier (SRS) database to 368 suppliers, 90 of which we deem to be high risk according to guidelines from the OECD and the US State Department. 74% of all suppliers were signatories to the Supplier Code, and specialists ITS conducted 19 external audits of high risk suppliers by year end. Going forward, we are engaging more people within the business to reach a higher Supplier Code return rate; the smaller number of external audits correlates to suppliers who deferred their 2008 audit to first quarter 2009, and a number with whom we ceased to do business.

2009 Objectives:

- ightarrow Expand SRS database to 550 entries
- ightarrow 85% of suppliers as Code signatories
- ightarrow 40 external audits of high risk suppliers

Environment energylocate

Our environmental science spurs knowledge and informs debate

reduction in travel related emissions

Environment is material to Reed Elsevier because environmental disruptions could negatively affect the conduct of our business. Moreover, we have an energy, carbon emissions, water, and waste footprint and, as a leading publisher of environmental science, it is incumbent on us to pursue good, internal environmental practice.

2008 Objectives:

ightarrow Reduction in travel emissions over 2006/2007 levels \rightarrow Pursuit of environmental targets

We saw a 16% decrease in travel, resulting from our focus on travel alternatives including video conferencing and webinars, and the introduction of a global travel portal. On an absolute basis, between 2007 and 2008 we saw a 4% decrease in carbon emissions, a 1% increase in energy consumption, a 9% decrease in water consumption, and recycled 46% of our waste.

Current targets	_	Absolute achievement	Normalised achievement to date
Key Performance Indicators	Target	to date	(Absolute/EBITDA)
C0 ₂ emissions (2003-2010) [*]	-10%	0%	-27%
Total energy (2003-2008)	-10%	3%	-25%
Water (2003-2008)	-10%	-11%	-35%
Travel emissions (2005-2009)	-2%	-10%	-35%
Waste recycled (2010)	60%	46%	n/a

* Covers GHG Protocol Scopes 1 and 2 and business travel in Scope 3; renewable electricity restated at standard electricity rates

2009 Objectives:

ightarrow Launch new environmental targets

ightarrow Introduce environmental standards programme across group

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Summary





Community involves everyone

51%

increase in number of staff volunteering

Community

Community is a material issue because local and global communities provide our 'licence to operate.' Because we impact them, we must be accountable and give something back.

2008 Objective:

ightarrow 10% increase in group-wide volunteering

Through our Reed Elsevier Cares programme we concentrate on education – a common focus across the group – for disadvantaged young people. We saw a 51% rise in volunteering and donated £2.1 million in cash donations (including matching gift programmes) and the equivalent of £3.8 million in gifts of products, services and staff time in 2008. Our Two Days programme allows all employees up to two days off per year for their own community work.

2009 Objective:

ightarrow 10% increase in group-wide volunteering over 2008

2008 Data summary

Normalisation factors	2008 ¹	2007	2006	2005
EBITDA				
(Earnings Before Interest, Taxes,		4 005	4 000	
Depreciation and Amortisation) (£m)	1,546	1,285	1,239	1,111
Workplace				
Total number of FTEe				
(Full Time Employee equivalent)	31,549	31,540	31,524	31,199
Percentage of employees who are female (%)	54	55	57	57
Percentage of management employees who are female (%)	46	45	47	48
Health and safety (lost time)				
Incident rate				
(cases per 1,000 employees)	1.80	1.68	2.58	2.30
Frequency rate				
(cases per 200,000 hours worked)	0.20	0.19	0.29	0.26
Severity rate				
(lost days per 200,000 hours worked)	5.15	4.46	5.63	4.04
Number of lost time cases (>1 day)	55	46	70	76
Community				
Total cash and in-kind donations				
(products, services and time) (£m)	5.9	5.5	4.6	4.4
Market value of cash and in-kind				
donations (£m)	11.9	6.2	6.5	6.4
Number of staff volunteering				
in company time ²	9,630	6,391	4,435	4,213
Total number of days volunteered				
in company time	8,606	5,391	6,573	5,464

Summary

2008 Data summary continued

	2008 ¹	2007	2006	2005
Environment				
Energy (MWh)	237,842	234,485	223,644	224,399
Percentage of electricity from				
renewable sources (%)	12	10	11	11
Water (m³)	441,905	485,951	474,505	470,915
CO ₂ emissions				
Scope 1 (t/C0 ₂)	18,559	19,230	19,575	20,311
Scope 2 (t/C0 ₂)	107,653	106,428	100,098	98,360
Scope 3 business travel (t/C02)	30,926	37,819	36,660	34,874
Scope 3 supply chain (t/C02)	100,778	n/a	n/a	n/a
Total CO ₂ emissions				
[Scopes 1, 2 and Scope 3 business travel] (t/CO_2)	157,137	163,478	156,333	153,546
Travel related emissions				
Air (t/C0 ₂)	30,211	37,018	35,902	34,136
Rail (t/C02)	54	64	59	39
Car (t/CO ₂)	10,575	11,587	11,456	11,309
Travel related emissions (t/C02)	40,840	48,668	47,417	45,484
Waste				
Total waste (t)	12,357	14,356	n/a	n/a
Percentage of waste recycled (%)	46	43	n/a	n/a
Paper				
Production paper (t)	78,662	95,642	94,162	97,270
Office paper (t)	1,010	1,014	993	1,009
Sustainable content ³ (%)	94	96	81	n/a
SRS (Socially Responsible Suppliers)				
Number of key suppliers on SRS				
database	368	391	389	290
Number of suppliers with a board level				
representative responsible for corporate				
responsibility (%)	69	71	75	75
Number of independent external audits	19	21	9	15
Number signing Supplier Code of Conduct (%)	74	71	54	62

1 Data does not include ChoicePoint which was purchased during 2008. 2005-2007 data restated in line with continuing operations

2 All RE employees can take up to two days off per year (coordinated with line managers) to work on community projects that matter to them

3 PREPS Grade 3 and above (known and legal paper); 2008 figure covers 54% of total stock

Summary

Living corporate responsibility

Our commitment to corporate responsibility is an expression of the Reed Elsevier Vision Statement, which articulates our desire to make "a real contribution to society across the world."

Communication

During the year, Board members reinforced our CR objectives. CEO Sir Crispin Davis highlighted key CR achievements at the RE Annual General Meetings in London and Amsterdam and in messages to staff. Launching last year's Corporate Responsibility Report he wrote in a global email, "I believe strongly that Reed Elsevier has a very important responsibility towards all our stakeholders...not just shareholders, but our customers, our employees, and our communities..."

In 2008, we launched a more comprehensive corporate responsibility section on <u>www.reedelsevier</u>. <u>com</u> and, on the new global intranet, RE World, we have clustered corporate responsibility sites into one portal for the benefit of staff. The Green Room environment site, the Reed Elsevier Cares community site, and the Health Resources health and safety site, among others, have been augmented by new features like CR as a Sales Tool, which helps colleagues use our CR performance as a differentiator in requests for information and proposals.

Тах

In 2008, RE's income tax contribution for our combined businesses was approximately £250 million and, in addition, RE collected several hundred million pounds in other taxes. We believe taxes are an important way in which large companies contribute to the communities in which they do business. RE is regarded by fiscal authorities as a responsible corporate taxpayer that complies fully with the law while ensuring an appropriate balance between its responsibility to shareholders and society.

Pensions and Investments

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 and the ability to protect our copyrights. We invest in companies that are socially responsible, such as <u>Healthline</u>, which provides an easy way for consumers to find, understand and manage healthcare information, empowering them to make informed decisions that lead to better health. Created in collaboration with over 1,000 physicians and medical specialists, Healthline is powered by a consumer health taxonomy that encompasses nearly one million medical terms; in 2008 searches reached 30 million per month.

Products and services

Innovative CR-related products and services are growing our business and helping society: from Elsevier's Agroecological Economics: Sustainability and Biodiversity; to HIV/AIDS, Gender, Agency and Empowerment issues in Africa; from LexisNexis' Rule of Law Resource Center; and Health and Safety at Work magazine; to Reed Business Information's Community Care magazine. See a sampling of CR products across the group.

At Reed Exhibitions, we are driving forward sustainable practice in the global meetings and events industry through BS 8901, a new British Standard for sustainable event management. EIBTM, the leading exhibition for the conference, incentives, events, business travel and meetings industry, is the first to be independently audited and certified compliant with the standard. London Book Fair, Aircrafts Interiors Expo, and Offshore Europe are the next RX shows to be assessed.

Governance

Summary









Living corporate responsibility continued

Good performance is recognised externally: 2008 awards and achievements

- \rightarrow Received Platinum rating in Business in the Community's Corporate Responsibility Index
- \rightarrow Admitted to Dow Jones Sustainability Index and SAM Sustainability Yearbook, scoring in top 15% of companies
- \rightarrow Member FTSE4Good
- ightarrow UN Global Compact member
- \rightarrow Finalist for VBDO Supply Chain Award
- ightarrow Global 100 Most Sustainable Corporations in the World
- \rightarrow AAA rating from Innovest Strategic Value Advisors
- \rightarrow A "best reporting company" in the Carbon Disclosure Project's Climate Leaders Index

This report incorporates information from the annual RE Group Community Survey, Environmental Survey, Diversity Survey; Health and Safety Survey, and Senior Manager CR Questionnaire; reviews by RE Internal Audit and Accounting Services of CR data collection and analysis, processes and controls; Socially Responsible Supplier group external and internal audits; and input from external sources including Eco Network on BS 8555 certification and the London Benchmarking Group on cash and in-kind contributions. Ernst & Young LLP have assured 2008 environmental and health and safety data.

For additional information on RE and corporate responsibility visit www.reedelsevier.com/ CorporateResponsibility.



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Governance



Governance



'21 years at Reed Elsevier have taught me that corporate governance is not just an integral part of our business strategy, it determines how we engage with our marketplace, workplace, environment and communities. At LexisNexis, this is an ongoing achievement we are very proud to be part of."

Billy Last, CEO, LexisNexis South Africa

Good governance is fundamental to the advance of our business. We support and comply with the provisions and principles of governance set out in the UK Combined Code on Corporate Governance (the UK Code) and the Dutch Corporate Governance Code (the Dutch Code). We maintain standards of corporate governance and disclosure as applicable to companies listed on the stock exchanges of the United Kingdom, the Netherlands and the United States. In the Netherlands, for example, we were early adopters of the Tabaksblat Code, initiated by our former chairman, which stipulates disclosure of corporate governance policies and practices. Information and documents detailing our governance procedures are available to stakeholders at <u>www.reedelsevier.com</u>.

Reed Elsevier values

The RE values – Customer Focus, <u>Valuing our People</u>, <u>Passion for Winning</u>, <u>Innovation</u> and <u>Boundarylessness</u> – are at the heart of what we do.

We monitor the progress of each division in embedding the values in its processes. Senior executives are assessed on their values leadership and all employees are evaluated on how well they are living the RE values as part of the annual Personal Development Plan process. A key mechanism for training on the RE values is the REorientation site, part of our global intranet, RE World. Here, prospective and existing employees can learn more about the five values and explore what it is really like to work at RE.

At the 2008 RE management conference for the top 200 leaders in the company, CEO Sir Crispin Davis gave awards to those who exemplify the five values. Among them was Julian Ashworth, RE's Chief Strategy Officer, recognised for Boundarylessness. Sir Crispin noted that Julian is "smart, practical and committed," working across the group to help colleagues advance strategic decision making.

Such recognition for excellence in living the RE values takes place throughout the group. For example, at LexisNexis UK, Katrina Crossley, an executive in publishing operations, was added to the 2008 RE Innovation Honour Roll. She was cited for establishing an Innovations Database to capture new ideas; so far, 23 of them have been put into action. Moreover, to foster team building and creativity, she gathered over 300 of her publishing operations colleagues together for innovation workshops, which resulted in the creation during 2008 RE Cares Month of eight gardens around London for local charities.

Our Code of Ethics and Business Conduct

<u>The Reed Elsevier Code of Ethics and Business Conduct</u> (Code), disseminated to every employee, is a guide to our corporate and individual behaviour. Encompassing topics like human rights, anti-bribery, acceptance of gifts and entertainment, company political involvement, safety, and fair competition, it encourages open and principled behaviour.

Our Code states that RE strictly prohibits employees from using corporate funds for any political contributions 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. In the United States, we require employees to obtain prior approval from the US

Below: Living the values – innovative community gardens from LexisNexis UK



Governance

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Governance

Our Code of Ethics and Business Conduct continued

General Counsel and the Vice President of Government Affairs of Reed Elsevier Inc. for any proposed corporate political contributions; all corporate contributions are reported as required by law. In 2008, these totalled £39,000.

To aid employee understanding of the Code, we offer an online training programme developed in collaboration with the RE divisions. The course explains substantive policies, emphasises the importance of compliance, and highlights resources available to employees with questions or concerns. It begins with an introduction from the CEO and contains practical illustrations of provisions in practice.

70% of current employees received online training on the Code by the close of 2008. The RE CR Forum has annual responsibility for reviewing the Code to ensure it follows current best practice and legislation. The Code, last updated in 2006, will be updated in 2009 to improve readability, and a refresher Code course will be rolled out to approximately 12,000 US employees. We aim to expand Code training to employees in the Netherlands, France, Japan and China.

We maintain Code Compliance Committees for Reed Elsevier and each major division. We also offer a tool for filing anonymous complaints via a web-based or toll-free, confidential reporting line. 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. In 2008, fewer than ten employee dismissals were related to Code violations.

In addition to the RE Code of Ethics and Business Conduct for all directors, officers and staff, there is an additional Code of Ethics for Senior Officers that applies to among others, RE's CEO, Chief Financial Officer and the Group Chief Accountant.

"It was very educational. We could be and are faced with these situations everyday and it is nice to have a strong understanding of our boundaries."

"It was very easy to complete...substantive [and] comprehensive in content. I learned a lot in a short period of time."

"This is a tricky area and while mostly obvious, the questions did highlight how sometimes the right answers can be deceptive."

Comments from employees on our Competing Fairly course

We offer employees advanced ethics training. For example, because LexisNexis' risk information services involve access to consumer data, we offer the course, Protecting Personally Identifiable Information, completed by over 8,000 LexisNexis employees in 2008. <u>Read more about how LexisNexis protects privacy and security</u>. In addition, the training course Competing Fairly, An Introduction to the Antitrust and Competition Laws, reached 3,500 executives, senior managers, sales managers and others in the US and UK last year. In 2009, we will expand distribution of that course, roll out a new workplace harassment course for all US managers, as well as an updated data privacy course.

Commitment to the UN Global Compact

The <u>United Nations Global Compact</u> (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, RE continually works to further UNGC principles within the company and beyond. We are a member of the steering group of the UNGC UK Network and chair the communications working group. In 2008, we hosted Georg Kell, Executive Director of the UNGC at our head office in London for an overview of 2008 UNGC objectives for employees, UK Network members and observers, and other guests; <u>read the transcript</u>.



Appendices

Environment

Below: UNGC Executive Director Georg Kell addressed the UNGC UK Network at Reed Elsevier head office



Commitment to the UN Global Compact continued

We also shared best practice on our Socially Responsible Supply Chain programme at a 2008 quarterly UK Network meeting, hosted an online seminar for UK Network members on how to communicate about the UNGC; and liaised with members of the Dutch Network. Our CEO also endorsed the <u>UNGC CEO Water Mandate</u> and <u>Caring for Climate</u>.

UNGC Ten Principles

Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights
Principle 2:	Make sure that they are not complicit in human rights abuses
Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
Principle 4:	The elimination of all forms of forced and compulsory labour
Principle 5:	The effective abolition of child labour
Principle 6:	The elimination of discrimination in respect of employment and occupation
Principle 7:	Businesses should support a precautionary approach to environmental challenges
Principle 8:	Undertake initiatives to promote greater environmental responsibility
Principle 9:	Encourage the development and diffusion of environmentally friendly technologies
Principle 10:	Businesses should work against all forms of corruption, including extortion and bribery

In compliance with UNGC requirements, each year we complete a Communication on Progress, outlining steps we have taken in the year to further the ten principles, <u>available on the UNGC page</u> of our website.

Furthering the rule of law

Anti-corruption requires a transparent legal system – a clear set of laws that are freely and easily accessible to all, strong enforcement structures, and an independent judiciary to protect citizens against abuse of power by the state, individuals or others. LexisNexis promotes anti-corruption and the rule of law through outreach and advocacy, educational forums, thought leadership, and the free dissemination of, and training on, LexisNexis solutions.

In 2008, LexisNexis donated \$4.6 million through in-kind and cash contributions to support pro bono work around the globe. In conjunction with the division's sponsorship of the World Justice Forum, which took place in Vienna in July 2008, LexisNexis launched the <u>Rule of Law Resource</u> <u>Center</u>, a free community connecting those working to advance the rule of law, providing them with relevant information, expert commentary, and other resources.

LexisNexis focuses on combating human trafficking by building legal capacity, raising awareness and collaboration, and serving victims. In 2008, LexisNexis was the sponsor of the American Bar Association's National Training Institute on Civil Remedies for Human Trafficking Victims attended by 200 pro bono attorneys.



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Governance

Summary

Reed Elsevier Corporate Responsibility Report 2008

Governance

Furthering the rule of law continued

Among the NGOs we support working to eliminate human trafficking is the Somaly Mam Foundation established by a Cambodian woman sold into slavery and prostitution by her family. Her aim is to rescue, rehabilitate, and reintegrate slavery victims. In 2008, employees worked at the Foundation in Cambodia, helped write grant applications, implemented technology improvements, and undertook general fundraising, including three colleagues who summited Mount Rainer for the cause. Read about their efforts.

"I asked LexisNexis for help in further developing my staff...in the areas of strategy development, financial management, fundraising and communications. They created a task force to help my organization and we are making good progress. I am grateful for their help and appreciate the encouragement they provide my staff."

Somaly Mam, President of Somaly Mam Foundation, Siem Riep, Cambodia

Because in some countries, citizens, businesses, and practicing lawyers have limited access to laws or legal decisions, LexisNexis South Africa has been working over a number of years to consolidate and update laws across the continent, encompassing by the close of 2008, seven countries including, South Africa, Kenya, Swaziland, Malawi, and Zimbabwe. The division supports the Southern Africa Litigation Centre, in conjunction with the International Bar Association and Open Society of Southern Africa, which trains attorneys and supports human rights cases to advance the rule of law.

Risk and governance

We have included a business review in each of the last five years as an integral part of our <u>Annual Report</u>. It provides forward looking statements on the outlook for RE overall and our divisions. It outlines key business risks facing the company which arise from the highly competitive and rapidly changing aspect of our markets including: the increasingly technological nature of our products and services; the international composition of our operations; legal and regulatory uncertainties; the impact on publicly funded customers of funding changes; and the protection of our intellectual property.

The RE 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 (IFRS). Read more for RE's corporate structure.

Below: Three employees climbed Mount Rainer for the Somaly Mam Foundation





2009 Objective

 \rightarrow 80% trained in Code of Ethics, with 50% of US employees completing second round online Code of Ethics training

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Health and safety

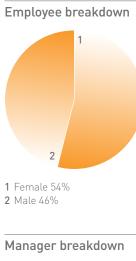
Customers

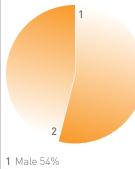
Supply chair

Environment

Reed Elsevier Corporate Responsibility Report 2008

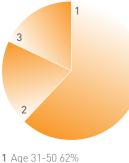
People











1 Age 31-50 62% **2** Age 16-30 20% **3** Age 51+ 18%

People



"As one of the oldest members of the company, I'm happy to work for such <u>a forward</u> looking organisation."

Helga Lomas, Research Assistant Reed Business Information UK

As we state in the <u>careers section</u> of www.reedelsevier.com, "We know we have world-beating brands and enjoy leading positions in our markets. But we also know we could not have got there – and will not get to where we want to go next – without the talented people that make up our 35,000-strong workforce. Our goal is to create for each and every one of them a challenging, rewarding and supportive work environment where they can achieve their real potential. We want to be known – inside and outside the company – as a great place to work."

Valuing our people means being an employer of choice known for best practice in retaining and recruiting the best staff. If we fail to attract or keep good people, our business will suffer and we will not achieve our objectives or meet the expectations of our stakeholders.

We work closely with our staff/works councils in Europe, the United States and elsewhere to engender positive labour/employee 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 practices. As stated in our <u>Code of Conduct and Business Ethics</u>, "Reed Elsevier is an equal employment opportunity employer. It is committed to providing a work environment where employees and applicants for employment are treated with respect and dignity and without regard to race, colour, creed, religion, national origin, gender, sexual orientation, marital status, age, disability, membership or application for membership in uniformed services, veteran status, the seeking of workers' compensation benefits, or any other category protected by law."

Consistent with this policy, Reed Elsevier prohibits discrimination or harassment of any kind. Read a sample divisional anti-harassment policy.

Our workforce

Reed Elsevier's workforce is highly skilled and a large proportion are graduates. It includes some 5,000 IT specialists and developers, 8,000 editorial staff, and some 11,000 specialist marketing, sales and customer service staff.

In 2008, our workforce was 54% female, based on a sampling of greater than 85% of our key facilities, responsible for more than 75% of turnover. 46% of women are managers. Our senior management group comprised 16 nationalities, of which 21% are women, as are two members of the RE boards: Lisa Hook is a non-executive director of Reed Elsevier PLC and Reed Elsevier NV and Dien de Boer-Kruyt is a non-executive director of Reed Elsevier NV.

We recognise employees of different ages contribute unique perspectives to our endeavours. In 2008, 20% of our employees were 30 years of age or younger, 62% were between 31 and 50 years of age, and 18% are 51 and older. Our oldest employee, at 86, is a senior columnist and the youngest, at 17, a research assistant.

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Community

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People

Below: Corporate Responsibility on RE World global intranet



Promoting diversity

We are committed to building a workforce that reflects the diversity of our customers and communities. In 2008, we developed a <u>Reed Elsevier Diversity and Inclusion Statement</u> to articulate our commitment to a diverse workforce and a work environment that respects individuals and their contributions, regardless of background. We also established a Diversity and Inclusion Working Group, with representatives from across the company, to explore diversity communication, training, and recruitment on a monthly basis. We highlight examples of internal best practice and utilise external expertise – speakers, for example, have included the founder of Accenture's UK diversity programme.

We have a growing number of affinity groups, like women's forums, which allow diversity to be expressed in meaningful ways. The groups advance community, helping drive diversity initiatives and mentoring. We have been able to draw on the experience of our new colleagues at <u>ChoicePoint</u>, acquired in 2008, whose well-developed affinity groups include a Gay and Lesbian Alliance, a Multicultural Group, and a Veterans Group.

Being responsive

The Human Resources Management Council, comprised of the most senior members of the RE HR community, meets bimonthly to discern and address our key workplace issues. HR colleagues throughout the group, led by the global Director of Human Resources, undertake an annual Organisation Talent Review to identify staff advancement opportunities and those people who can help drive our business forward.

To understand staff views, we conduct pulse surveys across the group. Among the highest scoring questions in 2008 was: The company employs strong, ethical principles in its business practices. At Elsevier, for example, only 7.3% of employees disagreed or strongly disagreed with this statement. At LexisNexis this question scored 73% favourable, compared with 68% favourable two years earlier.

In 2009, we will undertake a full Employee Opinion Survey. The last global survey in 2006 had a favourable composite of 60%. Areas for improvement included increasing information sharing and doing more to make employees feel valued. To continue bringing about change, last year we launched the Making RE a Great Place to Work site on our new group-wide intranet. It includes comprehensive information on the six leadership attributes we found when conducting a listening tour of high scoring locations, like challenging and fair, credible, clear, and supportive. There are tests for managers and employees to see how they score, with help on learning and applying the attributes, celebrating success, and resolving conflict.

Communication and Boundarylessness

We use global emails; webcasts; intranet resources like video, blogs, forums, and image libraries; competitions, and more, to share news and information across the group, from financial performance data to our strategy and vision and company history. Our comprehensive corporate responsibility section on RE World includes Hot Topics in CR; our environmental, community, and health and safety sites; policy documents; information on the UN Global Compact; and CR as a Sales Tool, information that can be used as a differentiator when completing requests for information or proposals.

We actively seek two-way communication through town hall meetings, ask the leader opportunities – like the Ask the Chairman feature of the weekly Reed Exhibitions electronic staff newsletter – and by fostering an open door ethos in our management training. LexisNexis CEO, Andy Prozes, holds quarterly conference calls for all employees, during which he gives a business update and answers questions; recordings and transcripts are available to employees on the intranet.

The CR team make regular presentations for the benefit of staff, and, in 2008, addressed employee groups in, among other locations, China, Germany, Netherlands, the United Kingdom and the United States.

To enhance Boundarylessness, our new Job Board allows staff to view and apply for any available RE job around the world. As a measure of staff mobility, in 2008, internal candidates filled 40% of RE job openings.

Environment

Health and safety

Reed Elsevier Corporate Responsibility Report 2008

People



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 2008, we invested over \$18 million in training (including courses, seminars, one-on-one instruction, and tuition reimbursement) to develop the capabilities and future potential of our employees.

We provide a host of online training tools for employees, like Cultural Navigator. This course highlights how cultural preferences can affect overall ways of working (like the fact that some people prefer working in teams, while others like to work independently) or something as simple as the wording or tone of email messages. The course highlights how awareness of these differences can take some of the guesswork out of collaborating effectively.

We offer an RE management training course with Harvard University to help our managers acknowledge the contributions of others, build winning teams, and develop strategic and visionary thinking.

By the close of 2008, 252 of RE's top executives completed Management Development Planning (MDP). The process involves in-depth interviews to assess strengths and development areas; action plans are agreed with the individual and their manager on present job, skills/knowledge, and future career. Progress is regularly checked and updated and plans are revised for changes in roles or responsibilities. MDP leads to precise actions for attaining present and future career goals; provides an insightful view of the individual; encourages openness, and sensitive issues are readily addressed. MDP training of selected HR professionals to drive a modified process deeper in the company commenced in 2008 and will continue in 2009.

Support and enjoyment

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 work, time off for dependants, caring, and career breaks.

As indicated in My Changing Life on RE World, "Life is a series of events. How can Reed Elsevier help?" Our businesses offer staff access to support services. For example, in the UK the Employee Assistance Programme is a free confidential help line and counselling agency that offers 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.



Below: Singapore colleagues

Home

bring fun to Melrose Children's



We are pleased when our efforts in valuing our people are recognised. In 2008, Totaljobs, part of Reed Business Information, was named one of the 50 Best Workplaces in the UK by the

Great Place to Work Institute, which produces annual lists of best workplaces in 30 countries



2009 Objectives

around the world.

- ightarrow Reach all Reed Elsevier employees with 2009 Employee Opinion Survey (EOS); develop action plan based on responses
- Communicate to all staff on new Diversity and Inclusion Statement and activities; advance **Diversity and Inclusion Working Group**

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Health and safety



Below: Easy Guide to Health & Safety was published by Elsevier in 2008 to provide step-by-step guidance on health and safety issues for small businesses



Health and safety



"I believe in providing a safe work environment for our people. I hope my role sends a positive message that health, safety and well-being is important to Reed Elsevier."

Tracey Docking, Health and Safety Manager, EMEA

The essence of Valuing our People means going beyond legal obligations to ensure staff well-being.

The importance of employee health and safety is emphasised in the RE Code of Ethics and the RE global 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 the global RE Health and Safety Manager, and other colleagues in the business, which includes bimonthly calls and an annual Health and Safety Champions meeting. We consult with employees globally on health and safety through staff and work councils.

Training and products

In 2008, we provided tailored health and safety training to those employees at a higher risk of injury in the workplace, including those warehouse, facilities, and sales staff who regularly carry products. We also worked with real estate and human resources colleagues responsible for reporting cases, encouraging them to ensure staff who have experienced an injury receive necessary treatment, training and support to reduce the likelihood of reoccurrence. Online health and safety training and risk assessments are available to all staff.

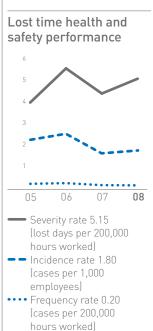
RE produces numerous products that spur knowledge of health and safety issues, including Health & Safety at Work magazine; Occupational Health Review; an Easy Guide to Health & Safety; Health and Safety Pocket Book; Practical Health and Safety Management for Small Business; and many others.

In 2008, Elsevier continued support for <u>patientINFORM</u>, a collaboration with other publishers and the American Cancer Society, the American Diabetes Association, and the American Heart Association, to provide patients and their caregivers online access to up-to-date, reliable research for specific diseases, empowering patients to have more productive dialogue with physicians and make well-informed care decisions.

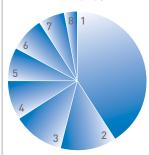
Community

Appendices

Health and safety



Health and safety lost time cases by type 2008



- 1 Panic attack/stress
- 2 Carpal Tunnel Syndrome/ Repetitive Strain Injury
- 3 Pulled muscles (other than lifting or handling of materials)
- 4 Lifting and handling of materials
- 5 Contact with moving machinery
- 6 Slips, trips, falls (not on stairs)
- 7 Stair falls 8 Other

Health and safety performance

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). Read the Ernst & Young LLP Assurance Statement.

Increases in 2008 health and safety rates result from better reporting following feedback provided by Ernst & Young LLP during their assurance of 2007 data. Our challenge has been to harmonise reporting, as some offices have traditionally used local regulatory frameworks rather than group guidelines.

In 2008 there were no fatalities. We are a predominantly office-based company. Stress was responsible for the highest number of reported cases (14) – 42% of lost days. Carpal Tunnel Syndrome/Repetitive Strain Injuries were the second highest cause of lost days, along with slips, trips, and falls. Wellness, stress reduction, and absenteeism are the main areas where we will be increasing attention in 2009. An inherent limitation in reporting occupational illness is the difficulty in isolating work-related illnesses from illnesses that are related to other factors. In order to continue improving understanding of the health issues affecting our employees, we have begun a trial to capture absenteeism rates at a key Dutch location. Full breakdown of health and safety cases by type.

As a measure of improving conditions, we achieved a 24% drop in workers' compensation claims in the US (117 in 2008 versus 153 in 2007).

Wellness in the workplace

We believe communication on health and safety issues is essential. We held our annual global health and safety awareness week in November 2008, which focused on lifting and handling of materials, a primary cause of lost work time in 2007, and an area where simple techniques can reduce the chance of injury. Events across the group included health and wellness clinics; information on Employee Assistance Programmes and confidential counselling; fitness and gym orientations; opportunities to donate blood; personal safety orientations; and health assessments, ranging from blood pressure checks to body mass index tests.

As part of the new RE World global intranet, we updated the Health Resources site last year to provide access to key health and safety information, including the RE global Health and Safety Policy, tips, health and safety data, and a list of Health & Safety Champions.

In the year we reviewed our US total rewards programme and are exploring new work/life resources that will positively impact wellness and productivity and ensure we remain competitive.

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Governance

2009 Objectives

ightarrow Develop targeted and effective global wellness campaign

 \rightarrow 10% reduction in severity rate by 2010 (from 2008 base line)

Customers

Customers



"Our teams are genuinely committed to improving the customer experience. Getting positive feedback is, of course, very motivating. But listening to criticism can help us solve problems."

Steve Carroll, Research Director, Elsevier Oxford

We recognise our 'licence to operate,' and hence the growth and strength of the company, is built on our ability to deliver sustainable, must-have information and services.

Helping customers achieve excellence – value through online

In 2008, online accounted for over 50% of revenue, up from 37% in 2006. Online solutions to the challenges our professional customers face in their daily work is the primary way we enhance value. To ensure content matches price, we have been accelerating the range and usability of our products, allowing customers to cross-link, cross-reference, and search information to an extent and scale never before possible. By providing workflow solutions, we are improving our customers' productivity, achieving competitive advantage, and closer partnerships.

Online can also save lives. As CEO Sir Crispin Davis noted in a May 2008 Financial Times article, the digital revolution can rapidly disseminate scientific research and medical information. He cited more than €250m we have invested in electronic platforms, and more than €30m to digitise historic print collections for important journals like The Lancet. As he noted, the key is "to move from static reference information to real-time, dynamic clinical decision support at the point of care – be it in hospital, clinic, at home or anywhere in-between....The cost of doing nothing is too high. Study after study has documented the frightening cost of medical errors, widespread deficiencies in basic preventive care, and glacially slow diffusion of new knowledge from research to medical practice."

We are working to revolutionise health science through products like <u>Procedures Consult</u>, which uses online video, text and animation to help physicians and students learn and perform more than 150 medical procedures. It was named "Best E-Product" for 2008 by the American Association of Publishers' Professional and Scholarly Publishing Division.

Other innovative products are growing our business and benefiting society. LexisNexis' <u>TotalPatent</u> is a single source for global patents, a primary driver in research and development. Profiling tools provide alerts on industry developments, patent prosecution, infringements, and identification of licensing opportunities. In 2008, it won the 2008 Software & Information Industry Association's CODiE Award for Best Online Science or Technology Service.

Reed Business Information's <u>XpertHR</u> helps practitioners advance good practice in people management by aggregating, necessary and constantly updated human resources information in one place. Substantial upgrades in 2008 included the addition of Good Practice Guides – mini textbooks on important areas of employment practice – to complement over 27,000 articles from Reed Business Information and LexisNexis.

Collaboration between Reed Exhibitions' Reed Medical Education and Massachusetts General Hospital is fostering innovative ways to broaden continuing medical education, such as 2008's <u>Major Depressive Disorder: Present State of Clinical Care</u>. Although a live event held in Boston, webcasting allowed 225 additional psychiatrists and others across the US to participate. They could ask questions of the faculty and join audience response polls. All attendees gained insight into the latest treatments that can lead to cures.

Below: Sample Procedures Consult page

rocedures CONSULT





Governance

Environment

Appendices

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Corporate Responsibility Report 2008

Customers

Editorial policy

Maintaining the integrity of what we publish is vital to the confidence of customers and other stakeholders in our products and services. The <u>Reed Elsevier Editorial Policy</u> makes explicit our responsibility for accuracy and fairness in all we do. It reinforces editorial policies in place in the RE divisions. For example, all papers submitted to Elsevier's primary research journals undergo peer review. This means that once received from the author, editors send papers to specialist researchers in the field. In the vast majority of disciplines, this is done anonymously – thus the author will not be given the name of the peer reviewer. In some fields double-blind peer review takes place – the author will not be told who the peer reviewers are, nor will the peer reviewers be told the author's identity. Read more about peer review.

During 2008, <u>Elsevier</u> launched reference linking, a new service enabling its community of reviewers direct access to referenced articles published by Elsevier, directly from the manuscript they are reviewing. Through the Elsevier Editorial System, Elsevier's network of 7,000 journal editors and 500,000 reviewers have access to over nine million articles in Elsevier's <u>ScienceDirect</u> and <u>Scopus</u> databases. In the year, Elsevier also launched the <u>Publishing Ethics</u> <u>Resource Kit</u> to offer guidance to editors on dealing with disputes. The growth in electronic publishing and the wider dissemination of research make it easier for authors, editors and reviewers to identify questionable papers.

Listening

The RE value, Customer Focus, means ensuring we listen to our customers. The Customer First Resource Centre on the RE World intranet translates Customer Focus into action, sharing best practice learning from inside and outside the company.

We surveyed 30,000 customers across RE in 2008 through the Net Promoter Score programme to determine their willingness to recommend us. Results, reviewed by the CEO and senior managers, and communicated to staff, illuminate where we are doing well and where we must do better. We saw score increases, for example, among health science journal editors, large law clients, and reached more show exhibitors. We noted areas for improvement, for example, with certain small law clients and have instituted a customer journey mapping pilot to understand how we can improve all aspects of our engagement with them. <u>Read a LexisNexis Net Promoter Score case study</u>.

In addition, 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. The Dashboard has helped embed customer views into workflow processes to ensure Customer Focus and corrective action.

LexisNexis makes it simple for customers to provide feedback and gain support. From <u>www.</u> <u>lexisnexis.com</u> customers can visit the Customer Service Centre to receive online and telephone support; make suggestions for enhancements to products; and also visit <u>'Knowledge Base</u>' to download technical assistance software; obtain product literature; find training opportunities; and access a terms glossary.

Our businesses actively support customers. For example, Reed Business Information UK hosts a three day Recruitment Summit twice per year and quarterly Recruitment Forums for recruitment agencies and consultants. Recruitment advertising, a major revenue stream for the division, has changed dramatically as advertising migrates online. Amid a tough 2008 economic climate, the sessions, which utilise industry experts and economists, provided opportunities for Reed Business Information and its recruitment customers to explore new ways of working together in a rapidly changing environment.



Elsevier's <u>Library Connect</u> publications and events provide information professionals worldwide with a forum for exchanging views. In 2008, librarians in 20 nations contributed to the Library

Connect Newsletter and Library Connect practical assistance pamphlets. And in the year, Library Connect seminars and workshops brought together information professionals from 13 nations to discuss common issues.

30,000 Nearly 30,000 customers

Nearly 30,000 customers surveyed through Net Promoter Score programme in 2008

Below: Sample Elsevier Customer Dashboard



Environment

Customers

Access

Elsevier supports open access publishing – alternate publishing models to allow free access to online scholarly materials. Among these are a 'sponsored article' option in 45 Elsevier journals, where after the decision to publish, authors can pay a fee to make articles immediately available to the public (for example, we have an agreement with the Wellcome Trust to enable sponsored access to Wellcome Trust-funded articles). We also allow 'delayed access' in 22 journals, where non-subscribers can access articles after a pre-defined time period has elapsed following final publication. As a publishing movement, we believe open access remains limited (for example, just 1% of science, technology, and medical articles as of March 2008 came from journals where an author paid to publish).

Elsevier allows authors to post the final version of their work on their own institution's website or elsewhere, provided that the posting contains a link to the homepage of the journal in which the article appeared, and that the posting is not for commercial purposes.

"I am the patient and I have found the information invaluable."

"I'm really very grateful for it."

Comments from Patient Research users

For a processing fee of \$4.95 per article, Elsevier's Patient Research initiative gives patients, family members, and caregivers access to full-text medical articles from more than 100 journals like The American Journal of Medicine that might help them better understand their health concerns. Read more about <u>Elsevier and access</u>.

Access means promoting media literacy – the ability to access, analyse, evaluate, and communicate information – a distinct corporate responsibility issue for media companies. In addition to current work in this area by the Media CSR Forum to which we are contributing, we take steps to promote media literacy within the information fields in which we work. Elsevier supports <u>Sense about Science</u>, an independent charitable trust, which aims to promote evidence, scientific reasoning and public discussion, by responding to misrepresentation of science and scientific evidence on issues that matter to society, including genetic modification, stem cell research, and radiation.

Access involves helping those who might find our products of considerable social and economic value but who are unable to afford them. Accordingly, the <u>RE Product Donation Policy</u> outlines our support for in-kind donations. It indicates, "Destroying or remaindering product costs the company millions of dollars each year. When certain products no longer have commercial viability, they may remain in great demand by qualified, deserving recipients on a local or international level."

People

Customers



RE and Book Aid International: promoting reading in the developing world Each of our divisions makes product donations a priority. For over seven years, they have worked in innovative partnership with key book partner, Book Aid International (BAI) finding ways to build on our mutual Book Aid strengths – BAI's knowledge of and passion for providing books to **International** readers in the developing world and RE's production of leading-edge www.bookaid.org products and services.

CEO Sir Crispin Davis publicly endorses BAI to encourage corporate support from other companies stating, "We are proud to be associated with such an outstanding charity tangibly improving global literacy, research and practice."

Our work with BAI in 2008 includes:

- \rightarrow Donation of over 35,000 books
- \rightarrow Free stand at London Book Fair enabling the charity to meet with a wide range of potential book and financial donors
- \rightarrow £3,000 grant to support IT infrastructure at BAI's London headquarters
- \rightarrow £14,000 grant to support a new project in Cameroon building community and educational libraries, and to improve librarian training
- \rightarrow Over 2,500 books donated by staff the biggest staff contribution from a company in the year

Our impact:

- \rightarrow Approximately three million readers will benefit from nearly 600,000 books donated by RE in the past five years
- \rightarrow Approximately 60,000 readers will have the gift of reading through 12,000 books donated by staff since 2003
- \rightarrow In Namibia alone, during 2008 5,000 books were donated to 30 primary schools serving approximately 7,000 pupils; since 2004, RE has provided some 20,000 books to schools and libraries in the country
- \rightarrow A stamp, "Working together to grow libraries in developing countries," in over 13 million Elsevier books since 2005 amalgamating the Book Aid, US book partner Sabre, and Elsevier logos has raised awareness among our customers
- \rightarrow We have enhanced our corporate responsibility standing. Our partnership with BAI won a Business in the Community "Merrill Lynch Raising Achievement Award Big Tick" in 2008; the partnership was also highlighted in the year on the London Benchmarking group website



Left: A young reader in Cameroon enjoying the gift of reading thanks to Reed Elsevier support for BAI

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Governance

Summary

People

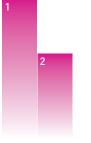
Reed Elsevier Corporate Responsibility Report 2008

Customers

4,000 1,500 journals for 4,000

institutions in low income countries

Growth in research published in international, peerreviewed journals, 2002-2006



1 HINARI countries 63%

2 Non HINARI countries 38%

Access continued

Elsevier makes over 1,500 journals available to 4,000 institutions in low income countries through the Research4Life programme. Research4Life is a partnership between publishers and the United Nations. All parties, including technology partner Microsoft, have committed to Research4Life through 2015, with the aim of contributing to six of the UN's eight Millennium Development Goals.



Research4Life encompassing <u>HINARI</u> (Health Internetwork Access to Research Initiative), supported by the UN's World Health Organization, provides health workers and researchers in over 100 developing

countries free or very low cost access to both core and cutting-edge health sciences information. In 2008, there were 1.5 million Elsevier articles downloaded, 30% of the total.

HINARI has had a significant impact on the participant countries' ability to engage with the global scientific community. In a 2008 report, research showed that over the five-year period from 2002–2006, 105 HINARI countries saw a 63% growth in the number of authors publishing in peer-reviewed journals, compared to 38% in 102 non-HINARI countries. <u>Read what Barbara</u> Aronson, Library Coordinator, World Health Organization, has to say about the trend.

"The AGORA programme means I can be confident that my research is new and innovative, nobody else has done such work. I also know that I'm benefiting other countries in this field."

Dr. Furaha Mramba, Entomologist Tsetse Trypanosomiasis Research Institute, Mwanza, Tanzania

AGORA (Access to Global Online Research in Agriculture) is also part of Research4Life, offered by the UN Food and Agricultural Organization. In 2008, Elsevier provided 108 developing countries access to 1,175 agricultural and related journals (over 50% of total journals available through AGORA). In 2008, the number of Elsevier articles downloaded through AGORA increased by 47%.

The third Research4Life programme is <u>OARE</u> (Online Access to Research in the Environment), an international public-private consortium led by the United Nations Environment Program. In 2008, 107 low income countries had access to one of the world's largest collections of environmental science. There were 195,671 Elsevier articles downloaded, up 234% from 2007. Read Research4Life case studies.

Access also means ensuring users with physical disabilities can make use of our products and services. There are good commercial reasons: reputational benefit, a way of differentiating ourselves from the competition, and fostering new markets – for example, US federal agencies are required to purchase the most accessible solution in competitive bids. 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 more logical and thoughtfully designed experience for able-bodied users.

We are working to ensure our websites meet government standards on web accessibility. As an example, our online recruitment company, <u>totaljobs.com</u>, the UK's leading job board with more than two million unique users every month, is fully accessible to disabled candidates. The site also has a diversity section which provides practical tools and advice for recruiters, like tips for a good recruitment process, and useful links, including to the UK's Disability Rights Commission.

Customers



4 Nobel Laureates in 2008

Journalistic achievement

Our publications and products regularly receive awards for excellence. For example, in 2008, Elsevier's Journal of Informetrics was named Best New Journal by the Association of Learned and Professional Society Publishers. In the announcement, it was called "an excellent example of the research and planning needed when launching a new journal, combined with the attention needed to integrate it into a particular research community."

Over the past 50 years, numerous Nobel Laureates have published in Elsevier journals and served as editors and members of editorial boards. Among them in 2008 were Harald zur Hausen, who shared the Nobel Prize in Physiology or Medicine; Roger Y. Tsien, who shared the Nobel Prize in Chemistry; and Paul Krugman, who received the Nobel Prize in Economics. To honour their achievements, <u>Elsevier made their work freely available online</u>.

In 2008, LexisNexis' electronic discovery software, Concordance and LAW PreDiscovery, achieved top five rankings in the overall Electronic Discovery Software Provider category, as well as in seven other categories of the annual Socha-Gelbmann Electronic Discovery Report, the fourth year in which LexisNexis electronic discovery products placed among the best used by US law firms. Researchers used more than 350 qualitative and quantitative factors in their rankings.

Reed Business Information won numerous awards in 2008. Their publications and online products were recognised for excellence with 35 American Society of Business Publication Editors awards, including the coveted Magazine of the Year prize given to Restaurants & Institutions, as well as two Neal Awards from American Business Media. Peter Bart, Editor of Variety and Ray Allegrezza, Editor of Furniture Today, were recognised for the contributions to their respective industries, while Reed Business Information executives Tad Smith, Jeff DeBalko, Mie-Yun Lee and Neil Stiles were highlighted by business-to-business media publications <u>BtoB Media Business</u> and <u>min's b2b</u>.

Summary

2009 Objectives

- \rightarrow Improve customer satisfaction as measured by Net Promoter Scores and dashboard programmes
 - Increase access for underserved users expand developing world programmes
- ightarrow Improve website accessibility across Reed Elsevier sites

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Supply chain



Supply chain



"Knowing we have integrity in our supply chain gives me confidence and trust in our suppliers. It is so important for people everywhere to have decent work to improve their quality of life."

Terry Martin, Manager, Socially Responsible Supplier Programme, Reed Elsevier

We uphold RE values in our supply chain by requiring our suppliers to meet the same high standards we set for our own behaviour. Suppliers must adhere to all laws, embody and promote best practice in business operations, treat employees well and respect the environment, as indicated in the ten principles of the United Nations Global Compact to which Reed Elsevier is a signatory. These principles are reflected in our Supplier Code of Conduct, which we ask suppliers to sign and to post prominently in the workplace. The Supplier Code contains standards on child labour, involuntary labour, wages, coercion and harassment, nondiscrimination, freedom of association, environment, and health and safety. It also precludes retaliation stating, "Suppliers must not tolerate any retaliation against any employee who makes a good faith report of abuse, intimidation, discrimination, harassment or any violation of law or of this Code of Conduct, or who assists in the investigation of any such report."

The Supplier Code helps suppliers spread best practice through their own supply chain by requiring subcontractors to enter into a written commitment that they will uphold the RE 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.

Socially Responsible Supplier programme

Given the importance to us of an ethical supply chain, we have a Socially Responsible Supplier (SRS) programme comprised of colleagues with production, distribution and procurement expertise, and a dedicated manager in the global procurement team, supported by all RE divisions.

SRS Terms of Reference:

- → Maintain and grow master supplier database with comprehensive information including Code versioning/signing, initiative tracking, audit dates, remediation plans and compliance
- ightarrow Set and review internal and external audit guidelines
- $\rightarrow\,$ Establish policies and relevant initiatives including annual Socially Responsible Supplier and paper surveys

The SRS programme terms of reference stipulate that internal and external audits be performed on a regular basis (suppliers with repeat code violations are subject to annual external audits). In 2008, we carried out eight internal audits and a further 19 independent external audits of high risk suppliers through specialist auditors ITS. We determine high risk suppliers to be those operating in areas where human rights, labour, environmental, or other abuses have been known to occur; and we apply tests for high risk: for example, a scoring below the 50th percentile in the World Bank's rule of law annual rankings and a US State Department Tier 3 designation in human trafficking.

Below: Staff at supplier CTPS receive regular in-house training and recreational outlets





Community

Appendices

Supply chain

Socially Responsible Supplier programme continued

ITS examines how well the supplier is meeting all aspects of the Supplier Code and produces a Corrective Action Plan Acknowledgement Report summarising audit findings and detailing corrective action plans – agreed by the auditor and the supplier to ensure compliance with the Code and local laws – as necessary. Remediation target dates are agreed and the Report is signed and dated by both parties. Follow-up audits ensure identified issues are resolved. See the SRS Audit Workflow and Process.

As an example of collaborative improvements resulting from supplier remediation, in 2008, we worked with a pre-press company in the Philippines to improve their compliance with national legislation on contractual employees which resulted in the conversion of 17 employees to full-time status. We pursued safer working conditions for employees at an Indian pre-press supplier, in compliance with national legislation, ensuring a secondary staircase was installed as an emergency exit. Review sample 2008 Remediation Reports.

Our Supplier Code states that, "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."

Supplier training and surveys

We work collaboratively with suppliers and, in 2008, provided training on calculating GHG Protocol Scope 1 and Scope 2 greenhouse gas emissions and water stress to better understand these impacts (<u>results in the Environment Section</u>). All SRS suppliers were invited to attend one of eight sessions conducted across different time zones.

To track compliance with SRS initiatives, we conduct an annual survey of paper providers and a Social Responsibility Survey for all others. In 2008, the average survey response rate was 43%.

Key 2008 SRS Data	2008	2007	2006	2005
Number of SRS suppliers	368	391	389	290
Number/percent of suppliers with a board level representative responsible for corporate responsibility	109/69%	120/71%	80/75%	42/75%
Number of external audits	19	21	9	15
Number of non-compliant suppliers	16	18	9	15
Number of Corrective Action Reports	15	18	9	15
Number/percent of suppliers with a formal Environmental Management System	101/64%	132/79%	81/95%	35/62%
Number/percent of suppliers with environmental reduction targets	73/46%	79/48%	45/53%	27/67%
Number/percent of suppliers with external certification	81/51%	82/49%	20/24%	23/41%
Number/percent of suppliers who externally report on their environmental impact	62/39%	55/34%	33/39%	22/55%

In addition, our survey of paper suppliers details bleaching processes, the amount and percentage of certified and recycled fibre, and whether any genetically modified organisms are used in their pulp (none are used). 50% of paper suppliers externally reported their full CO_2 emissions.

In addition to ink, varnish, spiral wire, lamination, and glue, we expanded our product safety standards in 2008 to include packaging, defined as all packaging materials or packaging components that enter landfills, waste incinerators, recycling streams, and ultimately, the environment. For 2008, using SRS high risk guidelines we asked eight Chinese suppliers to submit product safety tests.

43% response rate to Socially Responsible Supplier Surveys Governance

People

Appendices

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Supply chain



Good partners

Peter Po Tak Tse, Chief Executive Officer, CTPS China

Over the last 10 to 15 years, corporate responsibility has been widely discussed and addressed in many business sectors in China. It was, however, not a popular and priority issue for many Chinese printers. Reed Elsevier, a company that strongly believes in social responsibility, was the first customer promoting corporate responsibility to CTPS in 2004.

My first reaction was rather conservative as it meant reduced working hours, more shift breaks, no Sunday working, overtime payments – all likely to raise costs, reduce profit margins and ultimately threaten our business viability. After a year of trial implementation, these concerns no longer existed. Reduced working hours and sufficient rest time has proven to be beneficial as workers come to work everyday in good condition, able to meet daily production challenges and thus reducing quality issues due to lack of rest. The introduction of health and safety procedures has greatly reduced compensation for work injuries. With the enjoyment of a safer and better workplace, worker loyalty to the company has significantly increased. The result of this is a lower worker turnover rate that has greatly reduced our hiring and training costs.

Corporate responsibility is now an important mission for CTPS management. It goes beyond the statutory obligation to comply with legislation. We voluntarily take steps to introduce higher standards to improve quality of life and working conditions for our employees. Regular improvements made to employee living areas, above-minimum pay salary structures, a fully air-conditioned workplace, introduction of alcohol-free fountain solution and other low VOC chemicals, and participation in a cleaner production partnership programme with the Hong Kong Productivity Council, are some of our key achievements.

To ensure corporate responsibility is sustainable in CTPS, we have designated personnel at senior management level to perform regular inspections. Through partnership with Reed Elsevier, CTPS has been able to make reference to RE corporate policy thus enabling us to advance our corporate responsibility standards to an international level. Our employee training and development programme, labour relationships, equal employment opportunity policy, and health and safety policy are among the best in the Pearl River Delta Area. CTPS is an Employee Most Satisfied Enterprise as nominated by the local government authority.

responsibility to CTPS. I look forward to further developing this issue together with Reed Elsevier.

Below: CTPS, a 24,000m² fully air conditioned printing plant in Guangdong Province, China



I am pleased with my decision in taking these pioneering steps to introduce corporate

2009 Objectives

- ightarrow Expand SRS database to 550 entries
- ightarrow 85% of suppliers as Code signatories
 - \rightarrow 40 external audits of high risk suppliers

Environment



Environment



"Reed Elsevier cares about its environmental impact for the benefit of its future, my future, and our families' futures."

Vickie Beener, Senior Software Engineer, Reed Elsevier Technology Services, Dayton, Ohio

Reed Elsevier and its businesses have a direct impact on the environment, principally through the use of energy and water, the generation of waste, and business travel, and in our supply chain, through paper use, transportation and print and production technologies. We are committed to limiting this impact and continually improving our environmental performance.

2008 environmental data

In 2008, we achieved strong environmental results with absolute reductions in transport, water, paper and CO_2 emissions, and larger reductions normalising the data to take account of business growth in the year. There were no breaches of international, national or other environmental regulations in the period.

We believe third party verification of environmental data is important. It helps to continually improve understanding of our impacts and how we report them. <u>Read Ernst and Young LLP's</u> assurance statement and report in Appendix 1.

	Absolute performance (100% coverage)				malised rat	
	2008		2007	2008		2007
CO ₂ emissions (t/CO ₂)**	157,137	-4%	163,478	102	-20%	127
Energy (MWh)	237,842	1%	234,485	154	-16%	183
Water (m³)	441,905	-9%	485,951	286	-24%	378
Travel emissions (t/C0 ₂)***	40,840	-16%	48,668	26	-30%	38
Production paper (t)	78,662	-18%	95,642	51	-32%	74
Waste (% recycled)	46%	3pp****	43%	N/A	N/A	N/A

- Earnings Before Interest, Taxes, Depreciation and Amortisation
- Covers GHG Protocol Scopes 1 and 2 and business travel in Scope 3; renewable electricity restated at standard electricity rates

*** Covers 88% of markets by revenue

**** Percentage points

Governance

Below: <u>energylocate</u> brings together Elsevier's many energy products and services into a one-stop community website for energy scientists and professionals







Environment

Targets and standards

Current targets		Absolute achievement	Normalised achievement to date
Key Performance Indicators	Target	to date	(Absolute/EBITDA)
C0 ₂ emissions (2003-2010)*	-10%	0%	-27%
Total energy (2003-2008)	-10%	3%	-25%
Water (2003-2008)	-10%	-11%	-35%
Travel emissions (2005-2009)	-2%	-10%	-35%
Waste recycled (2010)	60%	46%	n/a

* Covers GHG Protocol Scopes 1 and 2 and business travel in Scope 3; renewable electricity restated at standard electricity rates

We believe it is important to set and achieve absolute environmental targets. We include normalised results based on Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) to show our performance relative to changes in our business, such as acquisitions and divestments, organic growth, and outsourcing.

We began setting environmental targets, based on internal and external expertise, in 2003. By the close of 2008, we exceeded our water and travel emissions targets, but CO₂ emissions and energy targets have proved more difficult. As our business continues to expand and online delivery increases, we have experienced corresponding increases in energy usage at our data centres. Energy reduction efforts have not reversed the trend. On a normalised basis, we achieved between 25% and 35% reductions in our key impact areas between 2003 and 2008.

New targets

Key Performance Indicators	Target	Baseline	Target date	
C0 ₂ emissions	-10%	2006	2015	
Total energy	-5%	2008	2015	
Travel emissions	-5%	2008	2015	
Water	-10%	2008	2015	
Waste recycled	70%	n/a	2015	

Through continual improvements in data collection, we are reporting on 100% of our locations for the first time. This provides a strong baseline for updating our targets, two of which expired in the year. We have reviewed good practice, engaged in-house experts who produce our environmental journals, and consulted with stakeholders and peers through meetings and sectoral networks. We will report against absolute targets annually; we will also include normalised results alongside them. Learn more about our environmental reporting guidelines.

To achieve our 2015 targets we have established working groups to focus on specific areas, hired dedicated engineering, design and construction specialists to help identify reduction possibilities throughout our portfolio, and are introducing environmental standards to engage all employees.

Standard levels are those needed to achieve our targets, and are based on our current environmental performance, and internal and external good practice. Locations that achieve five environmental standards in any year will gain green status and be recognised on World Environment Day, beginning in 2009. Staff at locations with excellent performance will serve as mentors to those at lower performing locations. By setting standards based on usage levels per person, we aim to engage employees in attaining the standards and to inspire green competition among offices.

We have defined eight standards covering our key environmental impact areas. As data centres are an integral part of our annual energy consumption, we have also set a standard of 1.8 Power Usage Effectiveness (PUE) for all data centres.

Summary

Community

Environment

Targets and standards continued

Reed Elsevier Environmental Standards*

Annual achievement of five required for green status

Area	Standard	Туре	
Environmental reporting	Accurate reporting through the RE Group Environmental Survey	Management	
Environmental certification**	BS 8555 Phase 1	Management	
Transport***	Develop and implement a Local Travel Plan	Management	
Energy consumption	5,400 kWh per person or EPA Energy Rating of 69****	Performance	
Carbon emissions	2 tonnes /CO ₂ per person or EPA Energy Rating of 69	Performance	
Water	11 m ³ per person	Performance	
Waste management	60% recycling rates	Performance	
Office paper	3,000 pages per person	Performance	

The standards are applicable by location and will be reviewed annually

** BS 8555 is a phased approach towards ISO14001 environmental certification

*** A local travel plan identifies areas for improvement in business travel and commuting

**** EPA's energy performance rating system rates the performance of buildings on a scale of 1 to 100; a rating of 69 indicates a building is more efficient than 69% of buildings in its peer group, the minimum level needed to achieve the Leadership in Energy and Environmental Design (LEED) Green Building Rating System

Process

We are guided in our efforts by the <u>RE Environmental Management System</u> (EMS), aligned with the ISO 14001 environmental standard. We are committed to actively reducing our direct environmental impact by limiting resource use and by efficiently employing sustainable materials and technologies. We require our suppliers and contractors to meet the same objectives through our Socially Responsible Supplier programme.

Ongoing dialogue with stakeholders informs our EMS and environmental activities. In 2008, we engaged on environmental issues with employees; government agencies, including the UK's Environment Agency and Department for Environment, Food and Rural Affairs; environmental charities and NGOs such as Earthwatch and the Woodland Trust; and specialists including The Carbon Trust, Best Foot Forward, and Eco Network Ltd. We also learn by participating in environmental benchmarking activities like the Business in the Environment index and the Carbon Disclosure Project, among others. We also advocate environmental improvements through forums such as Respect Table and The Global Alliance.

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. They are charged with carrying out the EMS, while the heads of our three business units are responsible for complying with RE environmental policy and relevant government legislation and regulations. The CEO is responsible to the Board for company environmental performance. A green team network of environmental volunteers, encompassing more than 400 employees in over 75% of our key facilities, helps us achieve environmental improvements at a local level. People

Environment

NewScientist

A brighter future

WHAT MADE HUMANS SMART

min

Expertise

We have a positive environmental impact through our leading-edge environmental publications and services which spread good practice and encourage debate. We contribute 25% of the world's scientific information to aid researchers and decision makers, of which environmental science is an expanding component. Such publications include:

- ightarrow International Journal of Greenhouse Gas Control
- \rightarrow New Scientist
- The Encyclopedia of Biodiversity \rightarrow
- Renewable Energy Focus \rightarrow
- → Transportation Research
- Water Research \rightarrow
- \rightarrow Encyclopedia of Forest Sciences
- → Atmospheric Environment
- ightarrow Tolley's Environmental Law and Procedures Management

We hold world class environmental exhibitions, such as Reed Exhibitions' FC EXPO, the International Hydrogen and Fuel Cell Exhibition, and Pollutec, the world's largest environmental engineering conference. Online environmental information includes the LexisNexis Environmental Law and Climate Change Center, which provides real-time expert commentary to climate change practitioners and Reed Business Information's Reed First Source making 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.

Climate change

In 2008, our total carbon emissions decreased 4%; 163,478 t/CO₂ in 2007 vs 157,137 t/CO₂ in 2008. This was led by an 18% decrease in Scope 3 business travel related emissions.¹ When normalised, there was the equivalent of a 20% decrease in total carbon emissions.

	Absolute			Norm	nalised Rat	ios*
t/C0 ₂ by GHG Protocol	2008		2007	2008		2007
Scope 1 Fuel combustion/ company owned vehicles	18,559	-4%	19,230	12	-20%	15
Scope 2 Purchased electricity for own use**	107,653	1%	106,428	70	-16%	83
Scope 3 Business travel ^{***}	30,926	-18%	37,819	20	-32%	29
Supply chain**** (10% of key suppliers)	100,778	N/A	N/A	65	N/A	N/A
Total t/CO₂ (Scopes 1, 2 and Scope 3, business travel)	157,137	-4%	163,478	102	-20%	127

Absolute performance/EBITDA

Renewable electricity restated at standard electricity rates following new guidance from DEFRA. Including renewable electricity at zero emissions would show an absolute reduction of 8% between 2003 and 2008.

Covers 88% of markets by revenue

**** Not included in total





Summary

Governance

People

Health and safety

¹Scope 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; hence the variance between total travel emissions (16% reduction) and Scope 3 business travel (18% reduction).



Environment

Climate change continued

Although absolute CO₂ emissions have varied considerably year on year, 2008 levels were the same as those in 2003. When normalised, there was the equivalent of a 27% decrease. See a breakdown of our GHG Protocol performance by scope.

Each year we ask key suppliers about their environmental responsibilities, certifications, targets and compliance through the Socially Responsible Suppliers (SRS) survey. In 2008, we expanded this to include a request for supplier GHG protocol Scope 1 and 2 emissions to be reported as part of our Scope 3 emissions. We provided online training, tools and support, and calculated a relative impact of 100,778 t/CO₂ based on the percentage of their production conducted on our behalf. We received results back from 10% of key suppliers, covering all major areas, including paper, pre-press, manufacturing, and distribution. Even with this small sample, it is clear that the majority of RE total product emissions derives from our supply chain. We are committed to increasing coverage of our Scope 3 emissions.

As our <u>Climate Change Statement</u> makes clear, "we are committed to reducing the impact we have on the climate through proactive measures." We launched our 2008 environmental campaign on CO₂ reduction with a <u>video</u> featuring employees, editors, and environmental partners like Earthwatch, along with an email from the CEO on World Environment Day.

In the year, we worked with other leading European companies through <u>Respect Table</u> to promote a new, viable international agreement on climate change, to be negotiated in Copenhagen in 2009. We also became a signatory to the United Nations Global Compact's <u>Caring for Climate</u>, joining companies around the world to demonstrate leadership on climate change: "to set goals, develop and expand strategies and practices, and to publicly disclose emissions."



In the year, we founded a new initiative with the Institute of Marine Engineering, Science and Technology; The London School of Economics; and Shell called

The Global Alliance to help companies understand the role of oceans in driving weather and climate and to provide good practice on the adaptation needed to deal with climate change.

In 2008, we were once again included in the <u>Carbon Disclosure Project</u> leadership index and judged one of the best reporting companies with a score of 89/100.

And as an example of how we are working to engage customers, in 2008, as part of an Elsevier meeting for flagship product, <u>Scopus</u>, rather than receiving a gift, attendees' carbon emissions were offset.

Energy

Total energy usage increased by 1% from 234,485 MWh in 2007 to 237,842 MWh in 2008. However, when normalised to take account of business growth, there was the equivalent of a 16% decrease. Since 2003, absolute energy usage has increased by 3%, with an equivalent 25% decrease in normalised terms.

In 2008, we continued to expand the number of locations purchasing renewable electricity; renewables provide 12% of our total electricity needs and 10% of our total energy.

Although 92% of RE facilities are offices, they are only responsible for 63% of our energy usage. Energy usage at our offices decreased 1% in absolute terms between 2007 and 2008. Energy use at our data centres – which account for 34% of our total energy use – rose by 5% in 2008 over 2007. This correlates to a 6% increase in the number of searches conducted in the year, and a 21% increase in information storage.

Our data centre working group is improving efficiency through consolidation and virtualisation, cooling control and the purchase of more efficient hardware. In 2008, we began working with

Governance

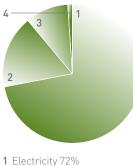
Summary

230,000

Energy usage

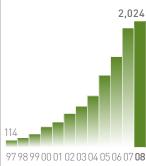


Energy breakdown percentage of total usage 2008



- 2 Gas 17%
- **3** Green electricity 10%
- 4 Other fuel 1%

Searches at LexisNexis US data centres (m)



80.00

60.000

Reed Elsevier Corporate Responsibility Report 2008

Environment

Energy continued

Energy Star on a new rating for data centres and contributed to a study by the Uptime Institute on green data centre standards. In 2008, the average PUE of our data centres was 1.90, better than the US average of 1.97.

Paper

Consumption of production paper decreased by 18% from 95,642 tonnes in 2007 to 78,662 in 2008. The change reflects a reduction in print runs as online increases, and proactive paper reduction measures; among them the introduction of a new smaller font, Gulliver, which has the same readability as standard fonts, but reduces paper amounts by 15%. We also moved to lighter weight papers and from litho to digital printing.

In 2008, office paper consumption remained reasonably constant, as it has over the last four years, at approximately 1,000 metric tonnes. We have included office paper in our new environmental standards programme to encourage employees to not exceed 3,000 sheets of paper per person annually, nearly half of current usage.

Because paper remains a major environmental impact area for Reed Elsevier, as stated in our EMS, we are committed to "ensuring that the resources and materials used by our businesses are sustainable, are capable of being recycled and are used effectively with the minimum waste.



We are a founding member of the Publishers Database for Responsible Environmental Paper Sourcing (PREPS), a sectoral approach to paper sustainability. PREPS reviews and stores technical specifications of pulps and forest sources for paper, and awards grades of 1-5 stars for each based on sustainability criteria (with 5 being the highest).

By the close of 2008, 70% of RE papers by weight were on the PREPS system, with 54% of papers graded. 94% were grade 3 (known and legal sources) or above. We also carried out an internal review of 66% of our papers in the year, of which 93% would likely garner grade 3 or above. In 2009, we will grade more paper, and continue training purchasing teams on how best to use PREPS scoring to ensure we make sustainable choices. Around 90% of our global office paper came from certified sources in 2008.

In 2008, Reed Business Information US publication, Graphic Arts Monthly (GAM), continued to promote green printing options by conducting a comprehensive research study to benchmark sustainability in the printing industry. 75% of those surveyed believed there is now an increased emphasis on printing sustainability, yet cost is still the primary barrier to greener printing; 70% believed recycled content was important.

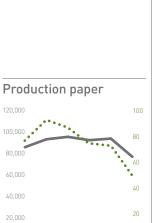
An RE Green Room article about environmentally-friendly offices prompted Tammy Walford and Lynn Miller at LexisNexis in Dayton, Ohio to suggest online pay statements for employees. iPay launched in 2008 for 95% of LexisNexis US employees, saving \$150,000 and reducing the environmental impact of paper and postage. The new system provides better protection for personal information, offers a history of employees' pay, and links to other useful tools such as tax packages.

We recognise the importance of working with suppliers to reduce the overall environmental impact of our products. For example, Ross Bradshaw of delfortgroup, an RE paper supplier through Precision Publishing, shared research he conducted on cutting the base weight of the paper we use from 80g to 60g, for a 25% decrease in freight tonnage and distribution emissions. Read Ross Bradshaw's findings.

Summary

Governance

People



06 07 08

04 05

Absolute (t)

Below: Reed Business

green printing

Information's US publication,

Graphic Arts Monthly, pursues

CATS

Green F

•••• Normalised (t/EBITDA)

Travel related

04 05 06

*Travel data covers 88% of markets by revenue and is

calculated using DEFRA 2008:

Guidelines to DEFRA's GHG

Conversion Factors

 Absolute (t/CO2)
 Normalised (t/CO2/EBITDA)

emissions*

50,000

46,000

42,00

38.000

34.000

Environment

Travel

50

40

20

10

07 **08**

Our business travel is a significant contributor to our total emissions. Between 2007 and 2008, CO_2 emissions from our business travel decreased by 16% (48,668 t/ CO_2 in 2007 vs 40,840 t/ CO_2 in 2008). However, on a normalised basis there was the equivalent of a 30% decrease.

Since 2003, absolute transport emissions decreased by 4%, with an equivalent 37% decrease on a normalised basis. In 2008, air travel represented 74% of our total travel emissions, cars were responsible for 26%, and rail less than 0.1%. As part of our updated targets, we will be striving for another 5% reduction in travel by 2015.

The decrease between 2007 and 2008 was led by a 27% reduction in the associated emissions of long-haul travel, increased management control, and continued expansion of travel alternatives – including those profiled in a central, new global travel portal – such as teleconferencing, video conferencing, and webinars. See a detailed breakdown of our 2008 travel emissions.

In order to estimate savings through travel alternatives, we identify the emissions that would have been produced if we had travelled rather than using our Nemo real-time collaborative meeting rooms in Amsterdam, London, and New York. In 2008, this equated to 259 t/CO₂.

2008 NEMO environmental savings

Journeys	701
Kilometres travelled	2,157,390
Flight hours	3,300
t/CO ₂	259

At the close of the year, we introduced a new system to allow us to capture the positive impact of future video conferencing. In 2009, we will begin implementing a unified communications system, which will include personalised video conferencing and voice over internet protocol.

As well as working to reduce our own travel emissions, we have been helping our customers reduce theirs by promoting alternative meeting options. For example, Reed Construction Data's annual forecast conference has been held in Washington, DC for the last 10 years, involving 50 staff and drawing an average audience of 200. In 2008, by running the conference as a webinar, we increased participation – attracting over 1,200 attendees – while eliminating the associated travel impact.

In 2007, our <u>carbon footprint study</u> of the Elsevier journal Fuel, identified 24% associated product emissions from commuting. To reduce this, and encourage employees to find the lowest impact travel option, we have included travel plans in the new RE Environmental Standards programme. We continue to promote home working, biking to work, and better parking options for employees who car pool. To encourage greener alternatives, LexisNexis US maintains its award-winning Alternative Work Solutions programme, which promotes environmentally friendly commuting options.

Water

500

08

Absolute water usage decreased 9% from 485,951 m³ in 2007 to 441,905 m³ in 2008, allowing us to exceed our five year, 10% reduction target. On a normalised basis, we achieved an equivalent 24% reduction between 2007 and 2008 and a 35% reduction between 2003 and 2008.

We achieved reductions through ongoing measures like sprinkler system adjustments, leak identification and repair, and the increasing introduction of waterless urinals. Employee numbers stayed reasonably constant between 2007 and 2008 and did not significantly impact water usage.

Governance

People

450,000 400,000 350,000 100

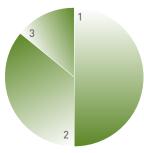
Water consumption



03 04 05 06 07

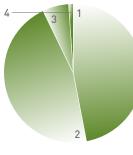
Environment

Percentage of sites in water stressed areas



- 1 Do not experience periods of water stress 50%
- 2 Severely water stressed basin 36%
- **3** Water stressed basin 14%

Percentage of waste disposed 2008



- 1 Landfill 47%
- 2 Recycling 46%3 Incineration 6%
- 4 Energy from waste 1%



Water continued



Reed Elsevier endorses the <u>United Nations CEO Water Mandate</u>, which seeks to address the challenges posed by water scarcity and quality to communities and ecosystems. We are acutely

aware that water is the world's most vital and irreplaceable resource. Unlike carbon, however, water related issues are fundamentally related to location and exposure to water stress. We therefore introduced a watershed risk management system in 2008, identifying the river basins our sites draw water from using the World Business Council for Sustainable Development Global Water Tool. As a predominantly office based company, the majority of our water comes from central supply, but we are exploring opportunities for reclaimed 'grey water' systems.

From a survey of almost 100 key locations compared against the 1995 World Resources Institute guidelines, 36% of our sites are in areas at risk of severe water stress, and a further 14% are in areas of water stress, where food production and economic development problems may occur due to lack of water.

We will be focusing water reduction efforts on locations in water stressed areas, although we are already more efficient here, with the 50% of sites in water stressed areas consuming just 34% of our total water. But percentages do not reveal the complete picture: the majority of our offices located in water stressed areas are in the UK, US and Netherlands, countries with high capability for water adaptation and mitigation.

In 2008, we began mapping the water footprint of our supply chain. With online training, tools and support, we received data from 19% of key suppliers in our Socially Responsible Supplier programme. We calculated a relative impact of 1,379,182 m³ based on the percentage of their water used for production on our behalf. We intend to increase the amount of supplier water data we capture and to map it against water stress. We will work with affected suppliers to manage the water impact of producing our products. <u>Read more information about RE and water stress</u>.

Waste

Of the 12,357 metric tonnes of waste we generated in 2008, 46% (5,684t) was recycled, compared with 43% in 2007.

The majority of our offices are leased and situated in shared buildings, making it difficult to track waste. We have developed 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 only report waste as recycled if we have evidence. We aim to recycle 60% of our waste by 2010 and 70% by 2015.

Our businesses have comprehensive recycling programmes to increase recycling. For example, Reed Business Information in Haywards Heath, UK recycled 79% of their waste in 2008, compared with 23% in 2007. Reed Elsevier San Diego won the city's 2008 recycling award; the location recycled 90% of their office waste in 2008. In 2008, we continued working with waste contractors like Green Standards to support their <u>School in a Box programme</u>, finding useful outlets for equipment we can no longer use.

We provide information on UK 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 packing generated through the selling, pack/fill, and importation of our products.

In 2008, we used 1,296 tonnes of paper, plastic and wood packaging; a decrease of 23% over 2007 (1,683 tonnes). Between 2005 and 2008, we achieved an absolute reduction of 33%, and an equivalent normalised reduction of 52%.

Environment

Below: Share Your Soles environmental fundraising



Below: RE/Earthwatch Marine Mammals of Monterey project





Employee involvement

With over 45 Environmental Champions and 400 employees actively involved in RE Green Teams around the globe, employees are integral to RE environmental improvement.

For example, in 2008:

- → The Green Team at LexisNexis Oakbrook US recycled 2.48 pairs of shoes per employee and donated \$1,000 to <u>Share Your Soles</u>, a charity that provides shoes to those in need across the developing world
- → The Reed Business Information UK Green Team in the year ran a campaign to reduce energy, increase recycling, and introduced a comprehensive travel plan which culminated in their winning a Sutton Green Guardian Award
- → An Elsevier ŬK Green Team member helped one of her suppliers, MPS in New Delhi India, establish a Green Team of their own

Following a New Year Green Resolution competition, we asked winners to create a video diary for World Environmental Day 2008, outlining the problems they faced, and offering tips on everything from cutting down on consumption of land-intensive meat and dairy products to suggestions for sustainable household products.

A LexisNexis Great Idea Contest in 2008 yielded over 400 environmentally friendly suggestions including, paperless expense reports, electronic contract submission, and installation of occupancy sensors in locations where we do not already have them. Each person who participated in the competition received a \$25 Great Performer Award and six winners received \$1,000 as a bonus from the company.

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. Over the last four years, Earthwatch and RE have successfully collaborated on biodiversity conservation and education and, in 2008, a European team of employees once again monitored marine mammals with the Cetacean Research and Rescue Unit in Scotland, and a US team joined a Marine Mammals of Monterey project. Following, we provided the US team with funding for a local community project that helped reinforce the skills and knowledge they acquired on the expedition. They also profiled their activities in a <u>blog</u> on our RE environmental intranet site, the Green Room.

In 2008, Reed Elsevier's approach to employee involvement was profiled in the Doughty Centre's <u>Corporate Responsibility Champions Network: A How to Guide</u> which highlights successes and challenges in building staff environmental networks.

Summary

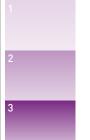
Governance

2009 Objectives

ightarrow Launch new environmental targets ightarrow Introduce environmental standards programme across group

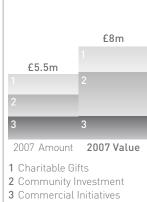
Community

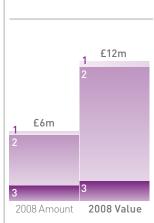
What we contributed in 2008



- 1 Cash 36%
- 2 Products and services 36%
- 3 Time 28%







- 1 Charitable Gifts
- 2 Community Investment
- 3 Commercial Initiatives

Community



"I, like most people, want to be part of a company that is not just profitable but is also ethical and puts its resources to good use. Through the RE Cares programme I've seen this in action many times, whether it's donations for disaster relief efforts or just simply the satisfaction we get from taking part in volunteer days and giving something back. I often explain the RE Cares programme to new employees and always feel proud that the company has this in place."

Katy McGregor, HR Manager, Elsevier, Australia

Community is an integral part of how Reed Elsevier does business. Contributing to our global communities is both an opportunity and a responsibility. It helps us inspire employees, positively aid beneficiaries, improve our reputation, and meet our obligations as one of the world's largest media companies.

The mission of our global community programme, RE Cares, is "to play a positive role in our local and global communities, primarily through employee involvement." We focus on education for disadvantaged young people – education is common to all our businesses – and community initiatives of importance to local employees. RE Cares activities range from reading support programmes and charity fundraising initiatives, to donations of time and services. A key component of Reed Elsevier Cares is Two Days, which gives all employees two days off per year for volunteer work of their own choosing.

Central support for RE Cares Champions includes regional meetings, which took place in North America, Europe, and Asia Pacific in 2008. Attendees shared best practice, received training, engaged with charity partners, and helped set goals and the community agenda for the year ahead. Other services include webcasts, regular conference calls, file-sharing, one-to-one meetings, and internal presentations.

Communication is key. The RE Cares section of RE World is one of the most visited areas of the corporate intranet. Staff generate the majority of RE Cares news stories and the site is regularly updated with new features, including last year, letters and progress reports from our beneficiaries. It is complemented by RE Cares news in divisional publications and intranets.

What we give

We provide opportunities for staff across the group to nominate charities for funding from a central budget for regional and developing world projects that support the RE Cares mission of education for disadvantaged young people. Last year, Reed Elsevier Cares Champions allocated approximately £325,000 to more than 50 beneficiaries, adding to the contributions made by Reed Elsevier business units. Read summaries of projects we supported centrally.



In managing community involvement, we apply the same rigor and standards that we do in other parts of our business. We conduct an annual RE Group Community Survey in conjunction with RE Accounting Services and our global network of RE Cares Champions. The methodology is based on the model developed by the London Benchmarking Group (Reed Elsevier is a member and serves on the steering group), and divides our aggregate giving into short term charitable gifts, ongoing community investment, and commercial initiatives of direct business benefit. In 2008, all UK and LexisNexis global data was assured by the Corporate Citizenship Company. Read the assurance statement.

Total cash and in-kind donations (products, services, and time) for 2008 was approximately £6 million, an increase of £500,000 in total giving over 2007. Taking account of the market cost of time, products and services, the value of our in-kind giving was approximately £12 million.

Environment

Appendices

Community

Below: In 2008, employees in China renovated a local primary school and donated items ranging from teaching supplies to a ping pong tennis table







Below: It starts with the CEO – Sir Crispin Davies transforming Fraser Elementary School, Charlston, South Carolina



What we give continued

After the tragic events of September 11, 2001, in which two RE employees lost their lives, we established a fund in their names – the Jeffrey P Mladenik and Andrew Curry-Green Memorial Scholarship. In 2008, \$15,000 grants were awarded to Jonathan Battat, son of Reed Business Information's Director of Compensation and Benefits, Denise Battat, studying at Columbia University, and Hugh Cunningham, son of LexisNexis employee Robert Cunningham, studying at Stanford University.

RE Cares Month

RE Cares Month, spotlighting our global community involvement takes place each September. Launching activities for 2008, with a video of staff around the world engaged in community activities, CEO Sir Crispin Davis said, "RE Cares unites us as one company bridging boundaries between roles, geographies, and divisions...Getting involved is the best way to experience the benefits of the RE Cares programme."

RE Cares Month 2008 touched thousands of employees with volunteering and fundraising of every description: for example, Elsevier Tokyo collected food for Second Harvest Japan and then helped cook and distribute it to homeless people or those living in shelters; LexisNexis Albany gathered clothes, shoes and blankets for among others Coats for Kids; and Reed Business Information New York participated in the annual Susan G. Komen Breast Cancer Foundation Race for the Cure.

During RE Cares Month we held our second global book drive with over 10,000 employees donating 18,208 books for local and developing world readers. We offered \$1,000 to the office donating the largest relative number of books for the charity of their choice. The winning office was Elsevier Houston, which collected 45 books per person as part of a departmental competition. Their books went to the Friends of the Houston Public Library and they donated their prize money to the <u>Gulf Coast Ike Relief Fund</u>. The Relief Fund, established at the request of Houston Mayor Bill White, was established to help nonprofits provide shelter and temporary housing, food and supplies to people affected by Hurricane Ike in 2008.

And in RE Cares Month, we held our first-ever global fundraising drive raising \$62,000 for Save the Children's Rewrite the Future campaign, which furthers education for children living in conflict affected countries. We supported essential educational projects in Southern Sudan, Colombia and Afghanistan. <u>Read more</u>.

Management involvement

It is important that our senior leaders lead from the front. During the Reed Elsevier Management Conference in Charleston, South Carolina, nearly 200 Reed Elsevier senior managers, including CEO Sir Crispin Davis, helped make a difference to local young people on behalf of the <u>Boys & Girls Club of the Trident Area</u>. At the Club's Robert Gould Shaw Unit, volunteers painted the outside of the building, assembled bicycles for the children, and rejuvenated the garden, transforming it into a play area. Another group of volunteers at Fraser Elementary School read to students, shared information about their countries in a cultural workshop, and built benches for the playground. Reed Elsevier also contributed \$5,000 each to the Club and the school. In addition, participants decided to make personal donations, enough to purchase 144 bikes for every child aged 5–12. Walmart assembled the bikes at no cost and the project garnered local television coverage for the Club.

Our divisions make RE Cares activities a key part of leadership meetings. Exemplary in 2008, 120 LexisNexis senior executives representing 40 countries, including CEO Andy Prozes, gathered in South Africa for a strategic conference. Together they upgraded two schools in the town of Hawston and a children's centre, Hou Moed, in Kwasa Kwasa, Zwelihle. Among other contributions, Hou Moed Centre received a newly tiled hall floor and Hawston Primary, a netball/basketball court, cricket nets, and new playground equipment.

Summary

Community

Below: Rising to the challenge! 30 colleagues used one of their Two Days to scale England's highest peak





Below: In 2008, LexisNexis managers worked at Hou Moed Centre, South Africa



RE Cares Challenge

In 2008, we held our fifth 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 21 ideas for new or extended business-sponsored volunteer activities advancing the RE Cares mission of education for disadvantaged young people. At stake were eight prizes ranging from \$10,000 to \$2,500 for their chosen charities.

Employees throughout the company voted on the top two finalists and chose LexisNexis Leeds' Mary's Meal as the first prize winner: a project to build a kitchen at Viyere Primary School in Malawi to benefit 828 students. To raise funds for the project, staff engaged in payroll giving and 30 colleagues used one of their Two Days to complete the 16 mile Scafell Challenge, scaling England's highest peak. Since 2006, LexisNexis Leeds has helped Mary's Meals create two day care centres and a school science block at Viyere Primary.

Community impact

In accordance with the LBG model, we monitor the short and long term benefits of the projects with which we are involved. As part of our giving, we ask beneficiaries to report on their progress and achievements. We share their reports with colleagues on the RE Cares section of RE World to increase transparency and staff awareness.

For example, LexisNexis is a long-standing supporter of the <u>National Center for Missing &</u> <u>Exploited Children</u> (NCMEC). In 2008, to support NCMEC's mission, LexisNexis donated over \$200,000 in cash donations and access to its investigative products like Accurint for Law Enforcement Plus and research solutions like lexisnexis.com, along with expert consulting and training. LexisNexis also supports the ADAM programme, which consists of geographically targeted missing child alerts, to respond to and prevent child abductions. In eight years of partnership with NCMEC, LexisNexis has helped resolve thousands of cases of missing children. In 2008 alone, 42 children were recovered using LexisNexis products. Read other examples of our community impact: Just a Drop and TREE. Community

Governance

People

AfriKids – Operation Zuarungu

Reed Elsevier was one of the first donors to show commitment to AfriKids' Operation Zuarungu; a project that provides education, vocational training, microfinance loans and healthcare to communities in Zuarungu, northern Ghana. Operation Zuarungu began as a small pilot investment for AfriKids and has grown to become a community development programme employing 22 local people and benefiting over 15,000.

The education centre began in 2004, the inspirational work of Charles Dagore who was running a makeshift school for the most vulnerable children in the community under the shade of a mango tree. From humble beginnings, the project has grown so well that the Ghana Education Service are now looking to mainstream the school with a view to providing full funding in the future.

In 2008, Reed Elsevier funded the direct education costs of Operation Zuarungu Children's Centre School ensuring over 300 children continued to receive an education. Employees played an active role in supporting AfriKids by volunteering in their UK office during RE Cares Month and organising a screening for staff of the recent documentary, How To Make a Difference In Africa. According to AfriKids UK Director, Sally Eastcott, "AfriKids relies on enlightened and committed donors such as Reed Elsevier. Partnerships are key to our success, and nothing illustrates this quite like Reed Elsevier and the continuing successes of Operation Zuarungu."

Impacts to date:

- ightarrow Over 15,000 members of the Zuarungu community benefit from Operation Zuarungu
- \rightarrow More than 300 families have children that attend Zuarungu Children's Centre School
- → Vital medical equipment funded by RE staff was sent to the AfriKids Medical Centre that now serves 3,000 patients a month
- → IT and furniture donations provide adult IT training and free IT training for 350 middle school children per year in the town of Bolgatanga
- → Children have fewer days off school, and are more attentive thanks to health insurance for families provided through staff fundraising
- → Long term sustainability is being achieved through cooperative trading groups and reinvesting capital in local businesses



ightarrow 10% increase in group-wide volunteering over 2008

Appendix 1 – LBG Assurance Statement



42

Reed Elsevier (UK and LexisNexis global operations) We have been asked by Reed Elsevier to assess the use made, by its UK operations and the global operations of LexisNexis, of the London Benchmarking Group (LBG) model to measure and report on their corporate community involvement activity during 2008.

Reed Elsevier is an active member of the LBG. The LBG 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 <u>www.lbg-online.net</u> for more information).

As managers of the Group, we have worked with Reed Elsevier's UK operations and LexisNexis to ensure they understand the LBG model and have applied its principles to the measurement of community involvement programmes during 2008.

Having conducted an assessment, we are satisfied that this has been achieved. Our work has not extended to an independent audit of the data.

Corporate Citizenship

www.corporate-citizenship.com

April 2009

Summary

People

Appendix 2 – Ernst & Young LLP Assurance Statement

Independent assurance statement to Reed Elsevier management

Reed Elsevier's Corporate Responsibility Report 2008 (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 2008 environmental and health and safety data contained within the Report. 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 and health and safety data have been evaluated against completeness, consistency and accuracy criteria agreed with the management of Reed Elsevier as follows:

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 Group Environmental Survey (updated 14 January 2009) has been applied to the environmental data.
- → Whether the 'Guidance for the completion of the Reed Elsevier Group Health & Safety Survey (updated 13 January 2009) has been applied to the health and safety data.

Accuracy

- → Whether site-level environmental and health and safety data has been accurately collated at Group level.
- → Whether there is supporting information for the environmental and health and safety data reported by sites to Group.

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

- 1. Interviewed specialists responsible for managing, collating, and reviewing environmental and health and safety data at a Group level for internal and public reporting purposes.
- Reviewed a selection of management documentation and reporting tools including guidance documents and reporting databases.
- Undertook 11 visits to key locations to examine the systems and processes in place for collecting and reporting environmental and health and safety data against the reporting guidance prepared by Reed Elsevier Group. Eight sites were visited in the US, two sites in the UK and one in Ireland.
- 4. Additional supporting documentation was sought for a sample of environmental data points for sites not visited through our work. Supporting documentation was sought and reviewed for 44 additional data points.
- 5. Reviewed and challenged the environmental and health and safety data validation and collation processes at Group reporting level. This included following the sample of environmental data collected at each of the eleven sites visited through to the Group reported performance data, and reviewing the processes for Group level review and challenge of health and safety data.
- 6. 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

Our scope of work was limited to the environmental data and a review of the Group consolidated health and safety data. We did not undertake a detailed review of health and safety incidents at each of the sites we visited, but reviewed the processes for reporting data to Group. We visited 11 sites and undertook tests on 44 environmental data points from 38 further sites, out of a total of 108 possible locations.

We have not sought evidence to support the statements or claims presented within the Report, other than those relating to the 2008 environmental and health and safety performance data. We have not reviewed normalised data or the trends described in relation to this data. Data relating to compensation claims and supplier emissions presented in the health and safety and environmental sections of the Report were not included within our scope. Environment

Appendix 2 – Ernst & Young LLP Assurance Statement

Our conclusions

Based on our review:

- → We are not aware of any material reporting units which have been excluded from the scope of the environmental and health and safety data.
- → Nothing has come to our attention that causes us to believe that the environmental and health and safety data has not been properly collated from the information reported by sites.
- → With the exception of the limitations described in the report regarding occupational illness data, we are not aware of any errors that would materially affect the reported environmental and 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.

- → We observed that progress has been made in building more rigour and challenge around the reporting of health and safety data. We observed that the requirement to record accidents is well understood by the sites visited and processes have been established for monitoring and reporting health and safety incidents. However, there remains scope for improving the understanding of management in non-US sites of the Group requirements for incident classification.
- → The Group Environmental Survey process has continued to evolve since last year's survey and at the sites we visited management were generally positive about participating in the Survey and the process improvements that had been made. The improvements to the survey process have enhanced the ability of Group to collect and review documentation supporting a site's reported environmental performance.
- → Through the course of our work we observed some errors in the data reported by a small number of sites. Although corrected through the reporting process, these errors demonstrate the need for continued focus on data training and review.

Our independence

This is the third 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 approach to corporate responsibility or any of the business processes relating to environmental and health and safety data collation and reporting.

Our assurance team

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

Ernst & Young LLP

London

April 2009

Governance

Summary

People

Supply chain

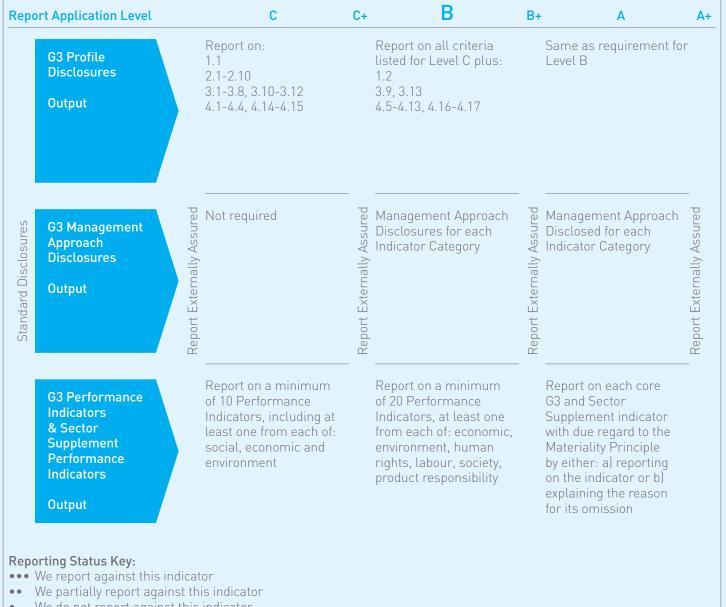
Appendix 3 – GRI Index

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 (the third generation of guidelines) and whether we have done this fully, in part or not at all. We believe that the RE C R 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.



- We do not report against this indicator
- + More information available through relevant link

All numbers refer to pages in the RE CR Report unless otherwise indicated as AR (RE Annual Report)

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Community

Governance

People

Health and safety

Customers

Supply chair

Environment

Appendix 3 – GRI Index continued

	Reporting Element	Status	Where this can be found/ explanation
	e, Strategy & analysis		
1.1 1.2	CEO Statement Description of key impacts, risks and opportunities.	•••	Chief Executive's Introduction Chief Executive's Introduction, 4-7
Orgar	nisational Profile		
2.1	Company name.	•••	2
2.2	Primary brands, products, and/or service.	•••	2
2.3	Operational structure of the organisation.	•••	14+
2.4	Location of organisation's headquarters.	•••	2
2.5	Countries where organisation operates.	•••	2, 14+
2.6	Nature of ownership and legal form.	•••	2, 14+
2.7	Markets served.	•••	2
2.8	Scale of the reporting organisation.	•••	10
2.9	Significant changes during the reporting period.	•••	14+
0.10			AR 4
2.10	Awards received in the reporting period.	•••	10
	rt Parameters rt Profile		
3.1	Reporting period.	•••	Reporting period: 1 January-31 December 2008
3.2	Date of most recent previous report.	•••	April 2008
3.3	Reporting cycle (annual, biennial, etc.).	•••	Annual
3.4	Contact point for questions regarding the report or its contents.	•••	2
Repo	rt Scope and Boundary		
3.5	Process for defining report content.	•••	3-7
3.6	Boundary of the report.	•••	2,32,35 AR 13
3.7	Specific limitations on the scope or boundary of the report.	•••	2-7, 33, 35
3.8	Basis for reporting on joint ventures, subsidiaries, etc.	•••	2-7, 33, 35
3.9	Data measurement techniques and the bases of calculations.	•••	7-8, 15 18, 29-36, 30+, 38
3.10	Explanation of the effect of any re-statements compared to earlier reports.	•••	8, 30+
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied.	•••	30+
GRI C	ontent Index		
3.12	Table identifying the location of the (GRI) Standard Disclosures in the report.	•••	1
Assur			
3.13	Policy and current practice with regard to seeking external assurance for the report.	•••	15, 19, 29, 38, 42, 43-44

Community

Governance

People

Health and safety

Customers

Supply chain

Environment

Appendix 3 – GRI Index continued

Gove	nance, Commitments, and Engagement	Status	Where this can be found/ explanation
	nance		
4.1	Governance structure of the organisation.	•••	14+
4.2	Indicate whether the Chair of the highest governance body is also an	•••	
	executive officer.		14+
4.3	Independent and/or non-executive board members.	•••	14+
4.4	Mechanisms for shareholders and employees to provide recommendations	•••	
	or direction to the board.		14+
4.5	Remuneration to senior executives	•••	AR 60-75
4.6	Processes for avoiding conflicts of interest for the board.	•••	14+, 12
4.7	Process for determining the qualifications and expertise of the board members	•••	14+
4.8			14+ 11-12
4.0 4.9	Mission, values, codes of conduct etc. The boards overseeing of Sustainability issues		3
4.7	Processes for evaluating the boards own performance, particularly with		5
4.10	respect to sustainability.		3
	respect to sustainability.		0
Comr	nitments To External Initiatives		
4.11	Explanation of how the precautionary approach or principle is addressed.		31+
4.12	Externally developed economic, environmental, and social charters,		
	principles, or other initiatives to which the organisation subscribes or		
	endorses.		3, 12-13
4.13	Associations to external voluntary codes, principles or other initiatives.	•••	3
Stake	holder Engagement		
4.14	List of stakeholder groups.		3
4.15	Basis for identification and selection of stakeholders.		3
4.16	Approaches to stakeholder engagement.		3
4.17	Key topics and concerns that have been raised through stakeholder	•••	
	engagement.		3-7
	osure of Management Approach		0
\rightarrow	Economic	• • •	2
\rightarrow	Environmental	•••	29-37
\rightarrow	Social	•••	38-41
Econ	omic Performance Indicators		
	ct: Economic Performance		
EC1	Direct economic value and distribution		2, 9, 38
LOI			AR 95-96, 145
EC2	Financial implications and other risks and opportunities for the organisation		
	activities due to climate change.		32, 33+
EC3	Coverage of the organisation defined benefit plan obligations.		AR 26
EC4	Significant financial assistance received from government.		We received no significant
			financial assistance
	ct: Market Presence		
EC6	Policy, practices, and proportion of spending on locally-based suppliers.	••	26-28
EC7	Procedures for local hiring and proportion of senior management hired from	•	
	the local community.		
	ct: Indirect Economic Impacts		
EC8	Infrastructure investments and services provided primarily for public benefit	•••	

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Environmental Performance Indicators Aspect: Materials	Status	Where this can be found/ explanation
EN1 Materials used by weight or volume.	•••	34 We report on paper, our most significant material
We report on paper, our most significant material EN2 Percentage of input materials recycled	•••	34 We use PREPS guidelines
Aspect: EnergyEN3Direct energy consumption by primary energy source.EN4Indirect energy consumption by primary source.	•••	33 33
Aspect: Water EN8 Total water withdrawal by source.	•••	36
Aspect: Biodiversity EN11 Location/scope of land owned near protected areas/areas of high biodiversity value.	•••	37 RE is a predominately office based company. The majority of our locations are in cities
EN12 Significant impacts of activities, products, and services on biodiversity.	•••	with little surrounding land 37 RE is a predominately office based company. The majority of our locations are in cities with little surrounding land
Aspect: Emissions, Effluents, and Waste		
EN16 Total direct and indirect greenhouse gas emissions. EN17 Other relevant indirect greenhouse gas emissions.	•••	32 As a predominately office based company we do not have significant other indirect greenhouse gas emissions
EN19 Emissions of ozone-depleting substances.	•••	We started collecting information on refrigerant loss in 2008, but use of ozone-depleting substances
EN20 Other significant air emissions.	•••	is not significant We do not have other
EN21 Total water discharge by quality and destination.	•••	significant air emissions Our water discharge is through municipal systems. This is not a material issue for RE
EN22 Total weight of waste by type and disposal method. EN23 Total number and volume of significant spills.	•••	36 29

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Social Performance Indicators – Labour Practices and Decent WorkAspect: EmploymentLA1Total workforce by employment type, employment contract, and region.LA2Total number and rate of employee turnover by age group, gender, and region.	Status • •	Where this can be found/ explanation
Aspect: Labour/Management Relations LA4 Percentage of employees covered by collective bargaining agreements. LA5 Minimum notice period(s) regarding operational changes.	•••	11-12+
 Aspect: Occupational Health and Safety LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region. LA8 Programmes to assist workforce regarding serious diseases. 	•••	19 19
Aspect: Training and Education LA10 Average hours of training per year per employee by employee category.	••	17 Total training spend included
 Aspect: Diversity and Equal Opportunity LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity. LA14 Ratio of basic salary of men to women by employee category. 	••	15-16
Social Performance Indicators – Human RightsAspect: Investment and Procurement PracticesHR1Consideration for human rights investment.HR2Human rights in the supply chain.	••	26-28 26-28
Aspect: Non-Discrimination HR4 Total number of incidents of discrimination and actions taken.	•••	There were no known incidents of discrimination or actions taken
Aspect: Freedom of Association and Collective Bargaining HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken.	•••	26-28
Aspect: Child Labour HR6 Operations identified as having significant risk for incidents of child labour.	•••	26-28
Aspect: Forced and Compulsory Labour HR7 Operations identified as having significant risk for incidents of forced or compulsory labour.	•••	26-28

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Social Performance Indicators – Society Aspect: Community	Status	Where this can be found/ explanation
S01 Programmes for evaluating the impacts of operations on communities	••	Chief Executive's Introduction, 38-41 The RE Cares programme focuses on initiatives important to employees in their local communities
Aspect: Corruption		
S02 Business units analysed for risks related to corruption.	•••	All employees and business units are subject to the RE Code of Ethics and Business Conduct
S03 Percentage of employees trained in organisation's anti-corruption		
policies and procedures. SO4 Actions taken in response to incidents of corruption.		11-12
SO4 Actions taken in response to incidents of corruption.	•••	- Z
Aspect: Public Policy		
S05 Public policy positions and participation in public policy development and lobbying.	••	3, 33
Aspect: Anti-Competitive Behaviour		
Aspect: Compliance		
S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	• • •	29 We had no significant fines in reporting period
Social Performance Indicators – Product Responsibility		
Aspect: Customer Health and Safety		
PR1 Life cycle stages in which health and safety impacts of products and services are assessed.	• • •	27
Aspect: Product and Service Labelling		
PR3 Product labeling and information	• •	Not material for our products
Aspect: Marketing Communications		
PR6 Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	٠	
Aspect: Compliance		
PR9 Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	•••	29 We had no significant fines in reporting period

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