

Corporate Responsibility

www.yellgroup.com/crreport

Report 2010



What Yell does

Yell is a leading international directories business operating in the classified advertising market in the United Kingdom, United States, Spain and Latin America.

How Yell creates value

We aim to be the best provider of quality business leads and marketing solutions in all our markets, through an integrated portfolio of simple-to-use, cost effective advertising.

Our products are available through printed, online and local search and mobile based media.

How Yell does it

Our Brands



We have recognised and trusted brands in all our markets.

Strong customer relationships



Our 1.4 million customers choose to advertise with us because they want real business enquiries and they know that is what Yell delivers.

A best in class sales force



circa 6,200 highly trained sales consultants, who are effectively the sales and marketing department of many small and medium-sized enterprises.

Proving the value



We offer our customers dedicated, monitored phone numbers, unique to their Yell advertising helping us to prove the value we deliver.

Driving usage



We continue to invest in driving usage to our products and services – through traditional advertising and promotion and, increasingly, through search engine optimisation and marketing.

Channel neutral



We ensure our advertisers are found, regardless of channel, and are increasingly offering our customers easy-to-buy packaged solutions.



John Condron Chief Executive Officer

The downturn in the global economy continues to highlight the importance of having responsible business principles.

Yell is a highly responsible business and we have confidence in the sustainability of our products which in turn allows us to reduce business risk and maximise opportunities. We remain focused on our long-term success.

We continue to ensure our approach to corporate responsibility (CR) is relevant, realistic and robust and that it contributes to business performance. As reflected in this report, our CR strategy concentrates on three areas: minimising our impact on the environment, supporting enterprise and enhancing our employee volunteering opportunities.

We aim to be the marketing and advertising department for our customers, who are mainly small and medium-sized businesses (SMEs), by connecting them with millions of our users who are looking for products and services. In 2010, our goal to do more to help, guide and support SMEs through the challenging phases of business growth remains. We continue to offer products and services that provide advertisers with a good return on their investment, and with our free call monitoring services we can provide statistics that prove the value of advertising with us. In turn, the effectiveness for SMEs of our products and services makes a significant contribution to local economies in the areas in which we operate.

Like many businesses today, we face increasing external scrutiny regarding the sustainability of our products, and in our environment section you can read about our success in this area.

We have accomplished much in the CR field during 2009, and in 2010 we aim to build on these successes and create a sustainable future for our business and our advertisers. We are proud of our achievements to date but we remain committed to achieving more.

CR is embedded in the fabric of our business. It is part of our dealings with suppliers, our approach to recruitment, the contribution we make to our communities and to charities, our work with trade associations, and our approach to customer service. CR is a part of everyone's role at Yell.

This report gives an overview of our approach and highlights some of our achievements. As a contribution to our reduction in the use of paper, this report is only available online.

We have developed a focused CR strategy, over and above being an inherently responsible business, to continue our good work whilst enabling Yell people to more fully contribute to the communities in which they live and work.

The strategy has three strands:

- Minimising our impact on the environment
- Supporting enterprise, particularly small businesses
- Enhancing our employee volunteering opportunities

Our strategy confirms our commitment to the environment and our customers' businesses. By following this structured approach we provide assurance to all our stakeholders that Yell is a well-managed, responsible company.

We believe solid corporate governance is vital to ensure good workplace management, marketplace responsibility, community engagement, environmental stewardship and sustaining financial performance. CR is a major part of our Governance and Responsibility framework.

We manage our overall approach to CR through the continuous review of our performance and present updates to the Board throughout the year. Our CEO has overall responsibility for CR at Board level. Our day-to-day CR activities are integrated into our business plans and are managed by local managers, working with internal community and environment champions.

Code of Ethics

Our Code of Ethics has been in place across the Group for a number of years and is available at www.yellgroup.com/ethics. Our Code of Ethics ensures we operate with the highest ethical standards in all we do. Standards include respecting each other, selling fairly, treating our suppliers with honesty, fairness and respect, and managing our impact on the environment.

Everyone in Yell has access to the Yell Whistleblowing service which is managed by an independent third party. This service allows our people to report, in a secure and confidential manner, any cases of unethical behaviour.

We continue to share best practice with other organisations. In the UK we are members of: Business in the Community, the London Benchmarking Group, the Corporate Responsibility Group, and the Media CSR Forum.

In the UK we have twice won a Queen's Award for Sustainable Development, in 2002 and 2007. In 2010 we were included in the FTSE4Good index for the fifth year running.

We were also re-awarded our Investors in People status for demonstrating our commitment to success through our people, and in 2009 we had our Champion status extended to May 2012. As an Investors in People Champion, we will continue to help other employers by sharing our experience and success in people development through site visits and hosting best practice days.

In Yell UK, we have placed the Investors in People Standard at the heart of our organisation and as a result, have reaped some real benefits. We actively encourage people to take responsibility for their own development as well as offering help through many development programmes. These include our Potential Management Development Programmes in Sales, our Developing Potential Scheme and 3G Management Skills Programme in our corporate departments.

We frequently ask our stakeholders for their views on our management of CR. We meet regularly with our key suppliers and hold supplier forums to share ideas. We also survey our people in the UK once a year to gather feedback on our CR programmes. All our research findings have been used in the development of our new CR strategy.

In the UK, 90% of Yell people believe Yell is environmentally responsible and 91% believe the Company is socially responsible in the community.



FTSE4Good

In 2010 we were included in the FTSE4Good index for the fifth year running.

90%

90% of Yell UK people believe the Company is environmentally responsible.

Yell is committed to reducing its impact on the environment.

From green energy purchasing to carbon footprint measurement, and from the recycling of office waste to the sourcing of paper from sustainably managed forests, we continue to make progress in this area.

Directory recycling

All our directories are made with very low weight paper (34-36 gsm) and in the UK they currently contain an average of 60% recycled fibre content. In Spain, our Páginas Amarillas directories include 45% recycled fibre. The remaining virgin fibre used in the paper production process is derived from sustainably managed forests. Thanks to advances in technology, the percentage of recycled fibre used in Yellow Pages directories has increased regularly over the years and the mix ensures that the quality of the paper and usability of the product is balanced with any impact of the directories on the environment.

We source all our virgin paper from sustainably managed forests so that when a tree is harvested, new trees are always replanted.

Over the years we have given much time and effort to further improve the production of our directories. Nine years ago we made the decision to use a yellow surface colour ink wash in our UK directories, rather than paper dyed yellow, which has made the recycling process easier. Back in 2008, we reduced the intensity of the colour ink wash further to enable all UK newsprint mills to now accept the old directories into their recycling mix to create new newsprint.

Over the last two years, Yellowbook has rolled out a new smaller directory across the majority of our delivery areas as part of our commitment to minimising the resources used in our directories. As a result of this change, we worked alongside our printing partner to invest in new equipment to ensure we could efficiently produce the smaller books. This new equipment results in very little waste from the production process and in the last two years we have reduced paper consumption through these new smaller directories by 29%. The smaller directory also means we need fewer lorries to deliver them, and in the last year we have used 35% less lorry trips for delivery.

In order to encourage users of our directories to recycle their old directory alongside other household waste, we include recycling information in relevant classifications in all our directories across the Group, including what, where and how to recycle. Old Yellow Pages directories in the UK and old Yellowbook directories in the US are recycled into cardboard packaging, newsprint, egg boxes, insulation and animal bedding. Independent research showed that in 2009, 76% of UK households recycled their old Yellow Pages directory and 91% of old Yellow Pages directories were diverted from landfill.

Our campaign to increase the number of old directories being recycled began in 1993. All UK local authorities now provide some form of recovery facility for them – recycling, composting or incineration. The easiest recycling option for householders is via a kerbside collection scheme and 99% of local authorities currently offer this option.

Yellow Woods Challenge

The Yellow Woods Challenge is Yell’s flagship environmental campaign for schools. It’s run in partnership with the Woodland Trust and UK local authorities. Schools are rewarded with cash prizes from Yell for recycling the highest number of old Yellow Pages directories per pupil. For every pound awarded to schools, Yell gives a matching pound to the Woodland Trust. This year schools used their cash prizes to build outdoor learning areas, purchase recycling facilities, create school allotments and fund eco projects. Since it started in 2001 the challenge has engaged almost three million schoolchildren, who have recycled two and a half million old Yellow Pages directories. The campaign is undergoing a major review to ensure it’s more relevant and engaging and will relaunch in autumn 2010.

“This fun activity links to all the work we are doing for environmental awareness within the curriculum. It makes parents aware of environmental issues, particularly the importance of recycling.”

Dorothy Corkin, Principal, Downpatrick Nursery School, Downpatrick

£470k

Yell has donated more than £470,000 to the Woodland Trust since 2001. Much of this has been used towards the Trust’s Tree for All campaign, which aims to plant 12 million trees within five years throughout the UK.

98%

of schools that took part in the Yellow Woods Challenge in 2009 believed it was a worthwhile environmental activity.



As a signatory to the Yellow Pages Association and Association of Directory Producers Joint Environmental Guidelines, Yellowbook is committed to best practices relating to source reduction, manufacturing and recycling. Yellowbook also partners with GreenFiber, a manufacturer of insulation products made from recycled materials including old directories.

As part of our annual CR objectives we continue to look at new ways to increase directory recycling and also at innovative ways of reusing the paper from our directories.

Yellow Woods Challenge

Yell's flagship environmental campaign, the Yellow Woods Challenge, is now entering its ninth year. The simple, fun and educational campaign is run with the Woodland Trust and local authorities across the UK. Since 2002, almost three million schoolchildren have taken part in the challenge, raising more than £470,000 for the Woodland Trust and recycling more than two and a half million old Yellow Pages directories. In return for recycling old Yellow Pages directories, competing schools are taught how to look after their environment and can win cash prizes.

In 2007, we launched an educational environment campaign for primary schools in Madrid and also more recently in Toledo. 'Páginas Amarillas: Recicla con nosotros' or 'Recycle with us' encourages schoolchildren to recycle their old directories once the new one has been delivered. The accompanying website also supports teachers to teach the children about finding local services such as shops and buses and learning about different professions, as well as showing them how to recycle old directories.

Reducing our impact in our offices

Yell UK is moving into a new headquarters building at One Reading Central in the autumn of 2010: people from our four existing buildings in Slough and Reading will move into a state-of-the-art, modern facility. The space can be more flexibly used by our people in new ways of working and with greater communication between teams. The building has a BREEAM rating of 'excellent'; the most widely used environmental assessment method for property. For example, the lighting control system meets both our flexible operational needs and our environmental

responsibilities by ensuring power is not wasted when spaces are unoccupied or when sufficient natural light is available through the full floor to ceiling glazing. A preliminary study by the Carbon Trust in 2008 estimated Yell would save 3,500 tonnes of carbon dioxide emissions every year by moving into this building. The Carbon Trust is a not-for-profit company that provides specialist support to help businesses cut carbon emissions.

Yell UK has been registered to the environmental standard ISO 14001 since 1998 and our two offices in Madrid have been registered to ISO 14001 since 2007. We aim to roll out registration to the standard in all our Spanish offices by 2012. Our environment policies for all our operations show our commitment to reducing, reusing and recycling resources.

In our Spanish offices we promote good green habits among our people by reminding them regularly of the benefits of reducing, reusing and recycling waste. In the last year we have reduced energy consumption by 17% and water consumption by 33.6% in our offices.

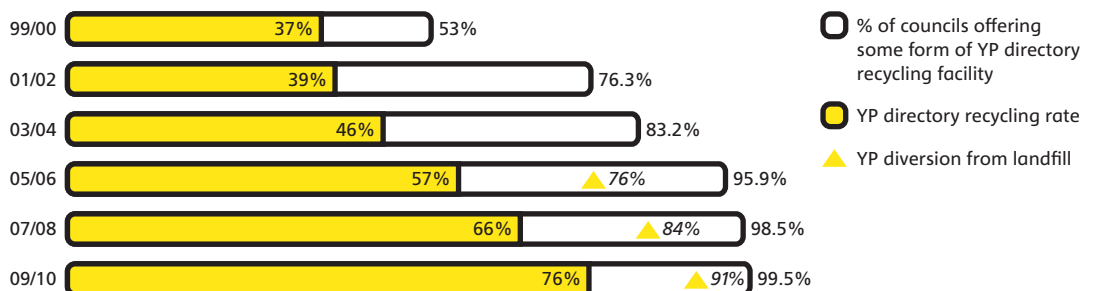
The Waste, Electrical and Electronic Equipment (WEEE) directive requires all companies to recycle redundant IT equipment rather than sending it to landfill. All equipment returned to our IS department in the UK is managed in line with these requirements. We also donate old laptops and PCs to local schools and charities. We are in the process of donating our surplus copying and printing equipment to schools in the UK where our main offices are located. Our people were invited to nominate a school they believed would benefit from the donation. The surplus equipment – all in good working order – is a result of the 'Follow You' printing initiative that was introduced to our UK offices last year. The number of printers to be donated from all Yell offices is 347, plus 251 toners. Deliveries have already started in Reading and deliveries to schools in Slough, Birmingham, Manchester, Bristol and Newport will follow.

Climate change

Yell operates in the media sector and is classified as a low impact company with regards to climate change. Since 1998, we have reduced our total CO₂ operational emissions in the UK by 50%. In the last 12 months we have reduced Group CO₂ emissions by 5%. We aim to reduce our Group emissions by a further 5% by 2012.

Directory recycling facilities, directory recycling performance and directory recovery rate (ie diversion from landfill)

Directory recovery is recycling, composting and energy recovery/incineration



Our business has been built in partnership with small and medium-sized businesses – building our business by bringing marketing solutions to theirs.

We connect hundreds of thousands of small businesses to hundreds of customers, but we can do more to help, guide and support them through the challenging phases of business growth.

Supporting our users and advertisers

The majority of our advertisers are small or medium-sized enterprises (SMEs), employing fewer than ten people. They view classified directory advertising as a highly valuable proposition that constitutes a significant part of their marketing budget.

As a product, our directories not only offer a valued source of information, but also represent a significant source of sales leads for many small businesses that in turn support local economies. In the last year, for instance, 546,000 people bought an advert in a Yellowbook directory. Many people either do not have internet access at home or use different methods of searching for local and national businesses and services according to their need at the time.

It is important that our advertisers have the right information to make an appropriate decision about their advertising. Businesses need to invest in advertising that provides them with a good return and with our free call monitoring services we can prove that advertising with us does just that.

Our sales consultants are trained to give practical advice about choosing the right Yell products, and during the sale we offer customers return-on-investment figures based on third-party research or actual figures for online or telephone usage. This enables our advertisers to assess the likely return from their expenditure with us, in terms of business leads, depending on their classification and location.

In 2010, Yellowbook completed the roll-out of their Sales Force Automation. The programme has equipped our sales people with the best software in order to simplify the tasks required in the sales process and make their time with their customers more productive.

The leads generated by advertising in our products are a really important source of income for many businesses. We take great care to ensure these adverts are accurate on behalf of our customers and also because Yell benefits commercially in terms of customer retention and satisfaction.

The Pitch

In 2009, Yell sponsored The Pitch, a national event that invited the UK's small businesses, including start-ups, to present their business to a panel of industry experts. The sponsorship formed part of our corporate responsibility strategy to support the UK's small businesses. Yell UK's chief marketing officer, Helen Stevenson, joined the panel of judges at the grand final in London during Global Entrepreneurship Week. The Pitch promoted Yell as a champion of UK enterprise to more than 140,000 SMEs. As a result of the success, we are now sponsoring a larger SME event for 2010 – The Business Factory.

“I pitched against some really great businesses and entrepreneurs in both the regional and the grand final. To win The Pitch is a great honour and the fantastic package of prizes will give my company the support and boost it needs to take it to the next level.”

Winner of The Pitch 2009 **Anthony Lau**, inventor of Cyclehoop

395,495

The six-month sponsorship raised Yell's profile as a champion of SMEs, with media coverage generating 395,495 opportunities to see.

830

Yell's involvement with The Pitch successfully engaged the SME community and delivered leads from over 830 downloads of Yell's business guides.



We have more than 6,000 sales people across Yell Group to service our advertisers and we aim to ensure they conduct themselves with the highest standards of professionalism and integrity. In the UK we run a sales compliance campaign 'Winning Fairly, Selling Fairly' to ensure we maintain our ethical approach to selling. In the US, our core value of 'Think long term, act with integrity' provides the foundation for our commitment to ethical selling. In Spain, our 'Ojo al Dato' campaign ensures the information collected from our advertisers is correct.

In 2010, we provided 341,000 hours of training to our salesforce ensuring they remain best in class. Each year our sales people are asked to reaffirm their commitment to our high ethical standards.

For the eighth straight year, Selling Power Magazine ranked Yellowbook among the '50 Best Companies to Sell For'. Each year, the magazine identifies companies with the most to offer sales people.

We work closely with trade associations in the UK to support responsible business practice in areas such as building, home improvements, and health care. We also vet the use of trade association logos, particularly in the home improvement sector to minimise misuse.

To support trade association members we also sponsor trade association activities such as conferences, exhibitions and awards for more than 40 of the UK's leading associations. We have also specifically supported 'apprentice awards' within several of these associations to encourage new business growth.

Working with key suppliers

Yellowbook's ethical guidelines for suppliers ensure best practices in diverse aspects of the supply chain: fair and equal labour standards, compliance and governance practices, environmental excellence, and responsible products and services. Currently, 76% of Yellowbook key suppliers have committed to adhering to the guidelines.

In 2008, Yell Publicidad in Spain launched ethical purchasing guidelines for their suppliers. Currently, 46% of their suppliers are signed up to them, and they aim for 100% by 2011. Yell UK has had ethical purchasing guidelines in place since 2006, and now 95% of UK suppliers have signed up.

Supporting enterprise

We were selected by the Queen's Award office in 2008 to become a county ambassador. Having twice won a Queen's Award for Sustainable Development in 2002 and 2007, we were able to encourage local businesses to similarly apply for the Queen's Awards 2009.

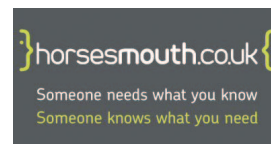
With a sales force that is in daily contact with small businesses, we believe we know about selling, and the challenges small businesses face. Many of our sales force already mentor small businesses and we wanted to bring that resource to a wider audience. In the UK, for the last two years we have teamed up with horsesmouth.co.uk to sponsor The Small Business Mentor of the Year Award, an initiative aimed at celebrating and recognising mentors who have contributed towards the success of small businesses. Horsesmouth.co.uk is an online social mentoring network launched in January 2008. It's an innovative way for people to network and provide business mentoring, while retaining their anonymity if desired. The site is made up of three areas – work, life and learning. Each of these areas promotes knowledge sharing and advice.

Each year we hold workshops for Prince's Trust businesses, offering advice on finance, marketing, design, selling and planning skills. The Prince's Trust provides support to some 40,000 disadvantaged young people every year who lack the self-belief and practical skills to get into the world of work.

In March 2010, Yell UK sponsored the Best Small/Medium Business Award at the Belfast Telegraph Northern Ireland Business Awards.



Yell UK sponsored The Pitch 2009 – a national event for SMEs.



The Small Business Mentor of the Year Award recognises mentors who have contributed towards the success of small businesses.

We all benefit in some way from being part of our local community.

By making a positive, personal contribution we can strengthen the bond, reinforce our sense of community spirit and make a difference for others less fortunate than ourselves.

Community Champions

Yell is committed to supporting and encouraging people who get involved in fundraising for local causes. This year, Yell Group contributed more than £675,000 to the communities in which it operates through cash, time and in-kind support.

In Yell UK we have a network of 'Community Champions' – volunteers based at offices across the UK who arrange support for local charities through fundraising and in-kind support. By adopting this approach, we are able to support local communities as well as our national charity partner, the Woodland Trust.

Supporting national charities

Since 2008, we have match-funded any money raised for Marie Curie Cancer Care by our people which supports our Community Champions network and gives our people the opportunity to raise money in any way they want.

We continue to support the Woodland Trust through the Yellow Woods Challenge and increasingly through the fundraising efforts of Yell UK people.

We run a payroll-giving scheme in the UK called Give as You Earn. Last year, Yell UK people donated more than £45,000 through their salaries, to charities of their choice. Yell covers the cost of administering the programme.

Our colleagues in Yell Adworks in the UK also supported the Yell 4 The Prince's Trust team, with their managers taking part in washing their colleagues' cars. Other activities included a car boot sale in Scarborough, a Christmas market and a Prize Draw raising an impressive £1,507 to add to the total.

Yellowbook and Yell Adworks in the US continue to support United Way, a national charity which aims to improve people's lives by supporting volunteers involved in health and education. A US-wide campaign organised by a committee of Yellowbook people raised more than \$267,000.

Last year, a group of Yellowbook people created and ran the United Way Pacesetter Youth Camp in Cedar Rapids to inspire young people to get involved in their communities, providing them with volunteering opportunities. Yellowbook people invested more than 300 hours in developing and running the camp in 2009 and have influenced others in setting up similar camps in Georgia, Utah and Pennsylvania.

Following the devastating earthquake in Haiti in January 2010, our people in Yell Publicidad donated €9,926 to The Red Cross for the relief efforts and Yell Publicidad matched this amount. In addition, we donated advertising space to The Red Cross and UNICEF on www.paginasamarillas.es.

Yell 4 The Prince's Trust

In June 2009, a team of 13 people from Yell UK joined together with one aim – to raise at least £20,000 for The Prince's Trust as part of its 'Million Makers' challenge before the end of January 2010. They held a number of events across the eight months including quiz nights, a Christmas market, a wine tasting evening, a stall at Reading festival, and a black tie ball. The team far exceeded its target, raising more than £90,000 and were the London and South East Regional Winners.

“Million Makers has been a great challenge and we've learned a huge amount in trying to raise as much money as possible for disadvantaged young people. The team has had to be highly creative and energetic. We've astonished ourselves at the amount we've raised.”

Caroline Lomas, change project manager and chairperson of the winning Yell team

£90,000

The Yell 4 The Prince's Trust team raised more than £90,000.

MILLION
MAKERS



Prince's Trust



Employee volunteering

As official sponsor of the Aspar Moto GP team, Yell Publicidad held a charity auction of rider Bautista's kit in aid of the National Paraplegics Hospital in Toledo, Spain and raised €2,020.

In September 2009, Manila in the Philippines was hit by a typhoon – Ketsana – and many Yell Adworks people in Manila were affected. In response, people from Yell Adworks in the US and India raised an incredible \$18,000 to help those affected, with financial assistance for repairs and local reconstruction efforts.

Local initiatives

Yell UK works with local Education Business Partnerships to mentor pupils from local schools, share skills and discuss any issues or concerns they have about further education or being in the workplace. Our people are involved in a number of events to support the Central Berkshire Education Business Partnership including university interview days, leadership skills events and enterprise days.

In March 2010, 85 Yell UK volunteers manned the phones at our Reading call centre to take donations for Sport Relief. We have manned a call centre for Comic Relief since 1993 and for Sport Relief since 2008.

Our Yell UK head office has been based in Reading for 26 years and we have sponsored the Reading Schools Athletics League for more than 22 years – thought to be the longest sponsorship agreement in schools athletics in the UK.

In 2009, Yell Publicidad people donated €10,000 to Aldeas Infantiles SOS Espana to assist them with projects supporting human development. The charity offers care for children who have lost their parents or who have been estranged from their families. As part of the Builders of the Future campaign, Yell Publicidad supports a children's village in Mar de Plata in Argentina. The village consists of ten family houses, a training centre, a play area, and sports centre and a kindergarten which cares for 100 children from the village and surrounding areas.

More than 45 Yellowbook people from our King of Prussia office took part in three Days of Caring events in the Philadelphia area last year, distributing food to shelters, emergency kitchens and neighbourhood centres as part of the area's largest hunger relief programme – Philabundance. Others worked with assisted care home residents on a trip to the Philadelphia Museum of Art. As part of the same Days of Caring programme, 20 people from our Cedar Rapids office helped clean up their community by picking up litter and planting flowers.

In 2009, Yell Adworks in the UK decided to support Cancer Research for the year. Activities included a business-wide 'Wear it Pink' day, Halloween events, publishing a special recipe booklet to sell to friends and family, and Christmas events such as raffles and quizzes. In total, more than £1,000 was raised for Cancer Research.

Over the last year, Yell Adworks people in the US have donated more than \$18,300 to 19 different non-profit organisations as a result of various fundraising events. Following the flooding in Cedar Rapids in 2008, Yell Adworks people continue to support the clean-up operation by raising additional funds.

Yell Adworks in India has supported the Devnar Blind School, a project based out of Hyderabad which supports over 300 visually challenged children as well as Mercy Home. Devnar Blind School focuses upon value-based education aimed to equip the children with the skills that will ultimately allow them to lead productive lives in mainstream community. The school relies on donations and during the past year our people again showed their generosity with donations of greatly needed clothes, blankets and food. Mercy Home is independently run and takes care of 40 disadvantaged children. They are provided with education, food and medical support. Our Yell Adworks people in Bangalore raised money for much needed books, clothes and toys.



LBG Assurance Statement 2010 – Yell Group

The Yell Group 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 www.lbg-online.net for more information.)

As managers of the LBG, we have worked with Yell Group to ensure that it understands the LBG model and has applied its principles to the measurement of community involvement programmes during the financial year ending March 2010. 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, May 2010

