

SRS Risk Rankings

As part of our Socially Responsible Supplier (SRS) programme, we determine high risk suppliers, including those operating in areas where human rights, labour, environmental, or other abuses have been known to occur, using a supplier risk tool developed specifically for our supply chain by the sustainability consultancy, Carsntone. The tool's assessment is based on:

- Relevant risks in the country from which the goods or services are supplied – for example, where there is a significant risk of human rights, labour, or environmental abuses, poor protection of intellectual property, or poor regulatory enforcement in the workplace. These are based upon regularly updated and publicly available indices; and
- The nature of the supplier's business – using a judgement of the presence of low-skilled or labour intensive processes and/or acute HSE hazards from suppliers with operations in that sector.

Each index has been rescaled from 1 (low risk) to 10 (high risk) and the sum of the score for each index multiplied by its weighting produces the overall country risk score. Where no data is available in a particular index for the country, the weighting is adjusted so that the overall score only takes into account the indices where a score is given. In some cases small states or dependencies are assigned the scores of the country to which they are most closely affiliated.

A country with a score below 3 is LOW risk, a country with a score above 3 but below 5 is MEDIUM risk and a country with a score of 5 or above is HIGH risk.

We prioritise high risk suppliers for internal and external auditing to give us confidence that they are meeting the standards embodied in our Supplier Code of Conduct.

RELX Group
supplier
ranking

Risk criteria

- 1 These suppliers operate in countries which fully comply with all the provisions of the US Human Trafficking Victims Protection Act. They operate in countries with the highest human development, rights at work, and personal autonomy and individual rights. They also have high effectiveness in reducing environmental stresses and protecting intellectual property. Their government has ability to formulate and implement sound policies and regulations and has low levels of public sector corruption.

- 2 These suppliers operate in countries which do not fully comply with the provisions of the US Human Trafficking Victims Protection Act but they are making significant efforts. They operate in countries with medium human development and partial rights at work and personal autonomy and individual rights. They also have mixed effectiveness in reducing environmental stresses and protecting intellectual property. Their government has mixed ability to formulate and implement sound policies and regulations and mixed levels of public sector corruption.
- 3 These suppliers operate in countries which do not fully comply with the provisions of the US Human Trafficking Victims Protection Act and are not making significant efforts to do so. They operate in countries with the lowest human development and least rights at work and personal autonomy and individual rights. They also have low effectiveness in reducing environmental stresses and protecting intellectual property. Their government has the weakest ability to formulate and implement sound policies and regulations and has high levels of public sector corruption.

Assessments and Rankings

Human Rights & Labour Rights

RELX Group supplier ranking	UN Human Development Index Development of a country including life expectancy, years of schooling, and decent standard of living	ITUC Global Rights Index Right to freedom of association, collective bargaining, and right to strike	Freedom House Freedom in the World Report - Civil Liberties Personal autonomy and individual rights	US Department of State – Trafficking in Persons Report Extent of government action taken to combat trafficking
high	low human development (0-.75)	systematic violations/ no guarantee (4-5+)	Least freedom (4-7)	Same as Tier 2 and absolute number of victims is significant or increasing, or efforts are not increased compared to the previous year, or commitments to increase efforts are only made over the following year or Do not fully comply and are not making significant efforts to do so (2WL, Tier 3, Special Cases)
med	medium human development (.75-.85)	regular violations (3)	Freedom in part (2-3)	Not fully comply but are making significant efforts (Tier 2)
low	high human development (.85-1.0)	irregular or repeated (1-2)	Most freedom (1)	Fully comply (Tier 1)

Assessments and Rankings

	Environment	Research & Development	Governance Quality	
RELX Group supplier ranking	YCELP and CIESIN Environmental Performance Index Assess environmental health and ecosystem vitality	U.S. Chamber of Commerce Global Intellectual Property Center International Intellectual Property Index Respect for and protection of intellectual property	Transparency International Corruption Perception Index Perceived levels of public sector corruption	World Bank Worldwide Governance Indicators – Regulatory Quality Ability of the government to formulate and implement sound policies and regulations
high 5-10	Low (0-54)	Low (0-17)	Highly corrupt (1-54)	Weak (<-2.5 to <0)
med 3-4	Mixed (55-74)	Medium (18-23)	Mixed (55-74)	Mixed (<0.5 to <1)
low 1 - 2	High (75-99)	High (24-27+)	Very Clean (75-99)	Strong (<1.5 to >1.5)

A range of indices have been considered for inclusion in the country risk assessment and the final list was selected based on a combination of factors including the relevance to the issue in question and our supply chain, the regularity with which the data source is updated, the credibility of the source, and the comparability of the data between countries.

Category	Data source	Website
Human Rights & Labour Rights	UN Human Development Index	http://hdr.undp.org/en/content/human-development-index-hdi
	ITUC Global Rights Index	http://www.ituc-csi.org/new-ituc-global-rights-index-the
	Freedom House Freedom in the World Report - Civil Liberties	http://www.freedomhouse.org/report-types/freedom-world
	US Department of State – Trafficking in Persons Report	http://www.state.gov/j/tip/rls/tiprpt/index.htm
Environment	YCELP and CIESIN Environmental Performance Index	http://epi.yale.edu/epi
Research & Development	U.S. Chamber of Commerce Global Intellectual Property Center International Intellectual Property Index	http://www.theglobalipcenter.com/GIPCindex/
Governance Quality	Transparency International Corruption Perception Index	http://www.transparency.org/cpi
	World Bank Worldwide Governance Indicators – Regulatory Quality	http://info.worldbank.org/governance/wgi/index.aspx#home