



2.3 Sustainable Supply Chain

23



Assessed **23** core suppliers' ESG performance

RELX practices sustainable supply chain management. We integrate ESG risk management into supply chain management, maintain close cooperation with suppliers, and promote the sustainable development of the industrial chain. RELX respects and agrees with internationally recognized human rights standards and guidelines and plays an active role in protecting human rights and labor rights and interests in the supply chain. We have formulated the RELX Code of Conduct for Business Partners, requiring partners to take effective measures to respect and protect labor rights and provide a safe workplace for employees. We have set up ESG-related requirements in supplier selection, assessment, and elimination, including regular review of suppliers' performance in labor standards, environmental protection, occupational health and safety, and anti-corruption. In 2021, RELX cooperated with 380 suppliers, of which 377 were from mainland China, and 3 were from Hong Kong, Macao, Taiwan, and overseas.



Real Shot

Code of Conduct for Business Partners

Referring to relevant international conventions and standards, RELX has formulated the RELX Code of Conduct for Business Partners. Besides requiring suppliers to abide by laws and regulations and practice business integrity, the policy also emphasizes the protection of labor rights and interests in the supply chain. It requires suppliers to eliminate child labor, forced labor, discrimination, and harassment, ensure reasonable working hours, and provide benefits in accordance with laws and regulations.



Sustainable Supply Chain Management

We encourage suppliers to establish a sound ESG management system and incorporate suppliers' ESG performance into supply chain assessment. We take labor rights protection, environmental compliance, and occupational health and safety compliance as prerequisites for supplier admittance, and regularly conduct supply chain sustainability audits.



Real Shot



Supplier Admittance Assessment

RELX has developed a meticulous supplier admission assessment mechanism. We assess written materials and the site of suppliers from multiple perspectives, including R&D capability, quality control, financial management, procurement delivery capability, and sustainability management. The sustainability assessment covers environmental and occupational health and safety compliance, management systems, labor standards, resource and energy management, and business continuity management capabilities. Based on the multi-dimensional assessment of suppliers, we will rate the suppliers and select the best for admission. If a supplier is unqualified in one dimension, it will be eliminated directly.

Regular Assessment of Existing Suppliers

RELX evaluates suppliers' ESG performance every year and continuously promotes suppliers to improve their ESG management and performance. If a supplier fails to meet the requirements, RELX will demand it to rectify, and will regularly track the progress to ensure that the supplier's improvement is in place. If the supplier violates again, it will be included in the supplier blacklist and will never be considered for future procurement.

In 2021, according to the significance of production suppliers, we selected 23 core major suppliers covering complete appliance assembly, e-liquid production, and packaging materials in the supply chain. We required suppliers to fill in the RELX Sustainability Self-Assessment Form, which covers ESG topics such as labor standards, environmental protection, and occupational health and safety. In the evaluation in 2021, 21 suppliers were rated excellent and two were rated average. We asked the two average rated suppliers to locate their deficiencies in management practice and ESG risks based on the assessment results and provide corresponding improvement plans.

Third-party Sustainability Field Audits

In December 2021, RELX commissioned a third party to conduct sustainability field audits of three Tier-1 suppliers. The audits covered nine dimensions, namely, fire safety, chemical safety, equipment and its operation safety, occupational health and incident response, hygiene and safety in the dormitory and canteen, environmental protection, management systems, labor standards, and business continuity. Specially, for labor standards, audits were carried out on the use of child labor, forced labor, and discrimination in accordance with the RELX Code of Conduct for Business Partners and with reference to the requirements of the SA8000 Standard. The audit results showed that none of the three suppliers had any major violations.

