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## Addressing Human Trafficking in the Supply Chain at Reed Elsevier

Terry Martin

Reed Elsevier Inc, [terry.martin@reedelsevier.com](mailto:terry.martin@reedelsevier.com)

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# Addressing Human Trafficking in the Supply Chain at Reed Elsevier

2012 Interdisciplinary Conference on Human Trafficking  
Session 6.1 - Cleaning up Supply Chains  
13 October, 2012

## **Agenda**

- Introduction to Reed Elsevier (RE)
- United Nations Global Compact (UNGC)
- RE Socially Responsible Supplier (SRS) Program
- Supporting the Socially Responsible Supplier Program
- Human Trafficking Work Streams and Volunteer Work

## Reed Elsevier

❖ Elsevier



❖ LexisNexis Risk Solutions and  
LexisNexis Legal & Professional



❖ Reed Exhibitions



❖ Reed Business Information



## OUR UNIQUE CONTRIBUTIONS

We focus on the areas where we can make a unique contribution to society

Universal, sustainable  
access to information

Advancement of science  
and health

Rule of law and access to  
justice

Anti-crime/protection of  
society

## MATERIAL ISSUES FOR ALL COMPANIES WHAT'S RELEVANT TO US

### Governance

The framework of  
all that we do

### People and community

The driving force  
of our business,  
and our 'licence  
to operate'

### Customers

Without their  
satisfaction, our  
business is not  
viable

### Health and safety

Our workplaces  
and employees  
should be healthy  
and safe

### Supply chain

Maintaining  
standards in our  
supply chain

### Environment

It is incumbent on  
us to pursue  
good  
environmental  
practice

## TARGETS

Code of Ethics

Anti-bribery

Records  
management

Implement D&I  
strategy

People sections  
of website

RE Cares  
recognition  
programme

CR webinars

Editorial Policy

Accessibility of  
key products

Benchmark

Preventative care

# code  
signatories

External audits

Supplier Academy

Data efficiency  
study

Renewables

Training  
Academy

## UN Global Compact (UNGC)



The largest corporate citizenship and sustainability initiative in the world, a strategic policy framework for businesses to align their operations with ten universally accepted principles:

- Human Rights
- Labour
- Environment
- Anti-corruption

## The Ten Principles of the UNGC



### Human Rights

- **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

### Labour Standards

- **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

### Environment

- **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

### Anti-Corruption

- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery

## Goals of the UNGC



## The Commitment



The Global Compact has two primary objectives:

- Mainstream ten principles in business activities around the world
  - Catalyze actions in support of broader UN goals, including the Millennium Development Goals (MDGs)
- 
- Make the principles a part of business strategy, operations, and organizational culture
  - Incorporate in corporate decision-making
  - Contribute to broad development objectives (e.g., MDGs)
  - Annual Communication on Progress
  - Advance Global Compact through advocacy and active outreach
  - Promote the ten universal principles



## **RE Socially Responsible Supplier Program**

# RE Socially Responsible Supplier (SRS) Program

## Mission:

- holds suppliers to the same standard of conduct it sets for itself:
  - adhere to all laws
  - embody and promote best practice in
    - business operations
    - treatment of employees
    - respect for the environment
- key suppliers
  - at least \$1m in sales
  - critical and strategic suppliers
  - Reed Elsevier graded paper providers in Publishers for Responsible Environmental Paper Sourcing (PREPS) database
  - high risk suppliers representing 25% of a category by division/country or spend of >US \$100k

# SRS Program Activities and Objectives

## ➤ Activities

- Maintain master supplier tracking list
- Supplier Code of Conduct
- Audits (internal and external)
- Supplier Self Assessment survey
- Supplier Academy
- Publishers for Responsible Environmental Paper Sourcing (PREPS)
- Publishing Industry Product Safety (PIPS)

## ➤ 2012 Objectives

- 75% of key suppliers as Supplier Code of Conduct signatories
- 50 external audits of high risk suppliers
- Broaden Socially Responsible Supplier Academy

## Reed Elsevier Supplier Code of Conduct

- Requires all suppliers, manufacturers and service providers, along with subsidies, affiliates, and sub-contractors to make commitments regarding standards
- Based on UN Global Compact 10 Principles covering human rights, labour standards, the environment and anti-corruption
- Demonstrates our mutual commitment to ethical practices

# RE Supplier Code of Conduct

RE Supplier Code of Conduct	UNGC Principle
Child labour	5
Involuntary labour	1, 2, 4
Coercion and harassment	1, 2
Nondiscrimination	1, 2, 6
Association	1, 2, 3
Health and safety	1
Retaliation	1, 2
Compensation and working hours	1, 2
Protection of the environment	7, 8, 9
Anti-corruption	10
Security of company and personal data	1, 2
Other laws	1
Subcontracting	1
Publication	1, 2
Monitoring and compliance	1

# RE Supplier Code of Conduct

- Child labour
  - Not use child labour
  
- Involuntary labour
  - Not use any forced, compulsory or involuntary labour
  
- Coercion and harassment
  - Treat employees with dignity and respect
  
- Nondiscrimination
  - Not discriminate in hiring or employment practices
  
- Association
  - Respect the rights of employees to associate, organise and bargain collectively
  
- Health and safety
  - Provide employees with a safe and healthy workplace in compliance with all applicable laws and regulations
  - Ensure that the same standards of health and safety are applied in any housing that they provide for employees

# RE Supplier Code of Conduct

- Retaliation
  - Must not tolerate any retaliation against any employee
- Compensation and working hours
  - Recognise that wages are essential to meeting employees' basic needs.
- Protection of the environment
  - Comply with all applicable environmental laws and regulations and abide by the three principles on the environment set out in UNGC.
- Anti-corruption
  - Not tolerate, permit or engage in bribery, embezzlement, extortion, kickbacks or other forms of corruption
- Security of company and personal data
  - Handle and process data on behalf of Reed Elsevier only for the purposes for which it was collected, received or otherwise made available
- Other laws
  - Comply with all applicable local, national and international laws, regulations, treaties and industry standards

# RE Supplier Code of Conduct

- Subcontracting
  - Not use subcontractors for the manufacture, production or provision of products or services for Reed Elsevier without making all commercially reasonable efforts to obtain Reed Elsevier's express prior written consent and to require the subcontractor to enter into a written commitment with the Supplier to comply with this Code of Conduct
  
- Publication
  - Communicate the Code of Conduct to all employees at each employment site engaged in work for Reed Elsevier
  
- Monitoring and compliance
  - Authorise Reed Elsevier and its designated agents, auditors and third party representatives to engage in monitoring activities to confirm compliance with this Code of Conduct



## Comparison of competitor's codes

Reed Elsevier	Pearson*	Thomson Reuters	Wolters Kluwer
Child Labor		X	X
Involuntary Labor		X	X
Coercion and Harassment	X	X	X
Nondiscrimination	X	X	X
Association	X	X	X
Health and Safety	X	X	X
Retaliation	X		
Compensation and Working Hours	X	X	Wages
Protection of the Environment	X	X	X
Anti-Corruption	X	X	X
Security of Company and Personal Data			
Other Laws	X		X
Subcontracting		X	
Publication			
Monitoring and Compliance			At time of commitment
<b>Best Practice</b>			
Regular employment is provided		X	

\*uses single code for employees and suppliers

## RE Supplier Code of Conduct

- requires all suppliers, manufacturers and service providers, along with subsidiaries, affiliates, and sub-contractors to make commitments regarding:

Zero-tolerance	Needs Major Improvement	Need Improvement
<ul style="list-style-type: none"><li>•Child Labor</li><li>•Involuntary Labor</li><li>•Coercion and Harassment</li><li>•Nondiscrimination</li><li>•Association</li><li>•Retaliation</li><li>•Anti-corruption</li></ul>	<ul style="list-style-type: none"><li>•Health and Safety</li><li>•Compensation and Working Hours</li><li>•Protection of the Environment</li><li>•Security of company and personal data</li><li>•Other Laws</li></ul>	<ul style="list-style-type: none"><li>•Subcontracting</li><li>•Publication</li><li>•Monitoring and Compliance</li></ul>

## Monitoring and Compliance

### ➤ External Audit

- Intertek verifies the employment site's operations against the RE Code of Conduct and local legislations
- Pre-audit questionnaire supplied to employment site
- Opening consultations with site management
- Observational site tour
- Employee interviews and document review
- Closing consultations with employment site management
- Corrective Action Plan if required

## Monitoring and Compliance

- Supplier Internal Audit Checklist:
  - Verify awareness and compliance with provisions of the RE Supplier Code of Conduct
  - Identify concerns, areas of improvement, and examples of best practice
  - Create a dialogue on corporate responsibility issues
- Supplier Internal Audit Checklist Categories
  - General
  - Labour
  - Health & Safety
  - Retaliation
  - Compensation and Working Hours
  - Environment
  - Law
  - Subcontractors
  - Publication
  - Observations
- SRS and Paper Surveys

# 2012 Supplier Academy Proposed Topics

## ▶ ENVIRONMENTAL Topics

- BS 8555
- Water: Stress; Usage; Scarcity; Quality; and Sanitation
- Climate Change and GHG Emissions
- Renewable energy

## ▶ ANTI-CORRUPTION Topics

- Preventing Bribery and Anti-corruption

## ▶ ECONOMIC Topics

- Applying risk assessment tools (for addressing and managing risk)
- Social Media: effective use and related risks and how to mitigate
- CR as a Sales Tool

## ▶ SOCIAL Topics

- Ruggie's Guiding Principles on Business and Human Rights and Supply Chains (The Corporate Responsibility to Respect Human Rights in Supply Chain)
- Global Compact for Business Participants (information about the UNGC, benefits of joining, and training on the COP)
- RE Supplier Code of Conduct and extending CSR down the supply chain
- SRS Survey (self-assessment on compliance to RE SCoC)
- Third Party Social Audit Process
- Web Accessibility Standards
- Community Programs
- Diversity and Inclusion (Gender practices and reporting)

## **Supporting the Supplier Social Responsibility Program**

## Supporting the Social Responsibility Program

- ▶ Reed Elsevier eSourcing Program
  - Code of Conduct and Mutual Non-Disclosure released prior to every RFx
  - Code must be accepted electronically by the supplier before the RFx is released to the Supplier OR
  - Code negotiations must be on-going
  - Regardless, RFP won't be considered without execution of the Code
  - Means high acceptance rates PRIOR to beginning business with a Supplier
  - Standard list of Social Responsibility questions in the RFx template
    - Certified business questions
    - Production locations (e.g., “at risk” countries)
    - Supplier Internal Code questions
    - Supplier corporate Code objectives
    - “At risk” activity questions (e.g., child labor, OSHA and EPA, local laws)
    - Health & Safety
  - Means a level of risk detection PRIOR to beginning business with a Supplier

## Supporting the Social Responsibility Program

- Reed Elsevier Supplier Performance Management (SPM) Program
  - On-going risk detection
    - Utilizes existing LexisNexis (LN) products
    - Early Risk detection during Sourcing
      - Assess legal activity and negative news among others
    - Throughout
      - On-going negative news crawlers for key suppliers
    - Goal is EARLIER RISK DETECTION when there's a problem
  - Formal Non-financial (Social Responsibility) risk assessment
    - Component of scorecard process
    - On-going activity for all top tiered Suppliers
      - Have they signed the code?
      - Have they been audited?
      - Are there known infractions?
    - NOT acceptable to give a poor score; MUST take some mitigation activity



## Supporting the Social Responsibility Program

- LN Products for Risk Detection
  - Filtered **negative news** helps monitor the social health of their suppliers and make sure they are not doing business with any morally flawed companies
    - Smartindex terms that enable filtering
    - **LN Due Diligence Dashboard (DDD)**  
<http://w3.nexis.com/hottopics/duediligencedashboard/>
    - **LN NexisDirect (ND)** <http://www.nexisdirect.com>
    - **SmartWatch** November Launch
  - **News**
    - **Smart Meeting**-<http://www.lexisnexis.com/en-us/products/smart-meeting.page>
  - **Content**
    - **LN Due Diligence Dashboard (DDD)**  
<http://w3.nexis.com/hottopics/duediligencedashboard/>
    - **Dossier**- <http://w3.nexis.com/hottopics/duediligencedashboard/premium/>
  - Key country profile publications
    - D&B Country Riskline reports
    - World Development Indicators
    - BBC Monitoring: International Reports
    - The PRS Group International Country Risk Guide
    - The PRS Group Political Risk Service
    - Global Insight
    - Economist Intelligence Unit (EIU)

# **Human Trafficking Work Streams and Volunteer Work**

# Human Trafficking Work Streams

- LexisNexis Human Trafficking Awareness Index
  - Human Trafficking Handbook
  - The Human Trafficking Awareness Magazine
  - <http://www.nexis.co.uk/humantrafficking.php>
- LexisNexis South Africa Anti-Human Trafficking Legislation Compendium
  - <http://Ingcentral.lexisnexis.com/Ingnews/Pages/main-LNSouthAfrica-AntiHTLegislationCompendium.aspx>
- Made in a Free World (MIAFW)
  - <http://slaveryfootprint.org/>
- American Bar Association (ABA)
  - <http://www.americanbar.org/aba.html>
- Global Business Coalition Against Human Trafficking (gBCAT)
  - <http://www.gbcat.org/>

## Volunteer Work

- LexisNexis Legal & Professional primary sponsor of the UK film premiere Not My Life
- LexisNexis Legal & Professional chaired human trafficking panel at the 2011 International Bar Association International Conference
- Kenneth R. Thompson, II , LexisNexis Legal & Professional's Global Chief Legal Officer, spoke at the 2011 US National Association of Attorney Generals (NAAG) 'Pillars of Hope: Attorneys General Unite against Human Trafficking' panel
- SOAP (Save Our Adolescents from Prostitution), a central Ohio volunteer group that aims to distribute bars of soap with the National Human Trafficking Hotline number to local motels

Corporate support  
Soap  
Local volunteers

Conference  
Printing

# Thank you

Terry Martin  
Supplier Corporate Responsibility Director  
Reed Elsevier Inc  
(00)+(1) 407 873 6975  
[terry.martin@reedelsevier.com](mailto:terry.martin@reedelsevier.com)