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ABOUT THE CORPORATE SECTOR AND CHILDREN’S RIGHTS BENCHMARK SERIES

Global Child Forum, in collaboration with Boston Consulting Group, initiated the Corporate Sector and Children’s Rights Benchmark series in 2013 to fill a gap in research. The purpose of the series is to develop a children’s rights benchmark for the corporate sector enabling progress to be tracked over time on how children’s rights are addressed by business.

To date, we have produced two global (2014 and 2019) and five regional studies—the Middle East and Northern Africa (2014); Southern Africa (2015); Southeast Asia (2016); the Nordic region (2016); and South America (2017)—covering 2,600 companies across all major industries. This report is the sixth regional study and involves 232 companies from Southeast Asia, across eight sectors and six countries. For more information about the methodology and the selection of companies included, please refer to the About this study section of the report and the detailed methodology document.
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1. Foreword

Dear Reader,

The State of Children’s Rights and Business in Southeast Asia 2020 is being published at an inauspicious time. While no nation has escaped the grip of COVID-19, its timing, and degree of disruption, has hit Southeast Asia in terms of its economic impact on the region and its toll on children. As the consequences of this pandemic become more evident to business, and to society as a whole, this report serves to remind us of how far we have come but, more importantly, where we need to go.

Cajsa Wiking
Secretary General
Global Child Forum

Johan Öberg
Managing Director & Senior Partner
Boston Consulting Group, Stockholm

Global Child Forum, in collaboration with Boston Consulting Group, has been benchmarking companies since 2014. During this time, we have scanned and scored over 2,600 companies, making this the largest benchmark on companies’ implementation of children’s rights. After examining thousands of companies in nine sectors across a wide range of children’s rights indicators, stories begin to emerge.

The Southeast Asia story
What we see for Southeast Asia is that the region has improved since our last benchmark in 2016. Along with the other regions, Southeast Asia has made significant strides as more and more companies bring children’s rights to the board level.

But although the region has made headway, there is much room - and great need - for improvement. Half of the companies in the region don’t have a child labour policy. This fundamental requirement needs to be urgently addressed by all companies. The large number of companies, especially in the Apparel & Retail sector, with lower than global average scores is worrisome. With the ‘Year of the Elimination of Child Labour’ upon us (as mandated by UN General Assembly), there is no better time than now to close the child labour policy gap in the region. There is also concern that the global pandemic risks undermining the region’s positive strides or, worse, reversing progress that has been made over the past decade - especially with regard to child labour.

Investor focus
For many companies, there is a tendency to view children’s rights as a “nice to have” rather than a “need to have” issue on their agenda. Naturally, all companies face internal competition for resources and attention and, in this jockeying for position and priorities, children’s rights are often low priority.

Today, however, large investors like BlackRock are incorporating issues such as human rights as a key component of their investment approach, driven by an investment conviction that an understanding of sustainability issues is essential to improving long-term financial outcomes. Increasingly, these investors are using a company’s adherence to children’s rights issues as a proxy for a company’s overall health, excellence and leadership position – much like they looked to issues around climate and the environment a decade ago. Children’s rights issues are the new mark of Environmental, Social, and Social Governance (ESG) excellence. Given this trend, companies need to move these issues from the “nice to have” to the “need to have” list of priorities for the sake of company survival – and for the sake of children.

Ready to be ahead of the curve?
This report is directed at investors to be used in their analysis of, and engagement with, companies. Investors play a critical role by influencing the corporate policies and actions that most significantly impact children’s lives.

The report is also designed to serve companies in the region - outlining clear and practical steps to support companies in moving up the ladder to achieve positions of leadership vis-à-vis children’s rights issues.

This report serves to remind us of how far we have come but, more importantly, where we need to go

We can help.
If you’re looking to improve your score, or to understand how you can make use of the benchmark in your work, please contact us at benchmark@globalchildforum.org. We would be happy to speak with you and share some of our many tools and resources.

While we continue coming to terms with the impact of the COVID-19 on the economy, on our communities, and on our families, it is clear that companies and investors with a strong sense of purpose and a long-term approach to sustainability will be better positioned to navigate this crisis and flourish in its aftermath.

Cajsa Wiking
Secretary General
Global Child Forum

Johan Öberg
Managing Director & Senior Partner
Boston Consulting Group, Stockholm
Historically and culturally, the people of ASEAN have always aspired to a proactive mindset toward children and children’s rights issues. And yet, while aspirations are high and policy frameworks are being developed, the reality on the ground is mixed. Economic hardships and the “growth at all cost” mindset has at times resulted in instances where children and their rights were not respected as they should have been.

All the ASEAN Member States have ratified the UN Convention on the Rights of the Child; the ILO Convention 182 on the Worst Forms of Child Labour and the ILO Convention 138 on Minimum Age. But there is no uniform definition of a child, the minimum age for employment, criminal responsibility and marriage. This contributes to the difficulty of addressing child labour matters.

ASEAN has shown commitment in addressing issues facing children. The ASEAN Community Roadmap 2009 to 2015 proposed a Commission for Women and Child Rights. In 2010 the terms of reference of the ASEAN Commission on the Promotion and the Protection of the Rights of Women and Children (ACWC) as an ASEAN regional human rights institution was established. Its first meeting was held in February 2011 after the ASEAN governments appointed representatives. Among its terms of reference are provisions to promote the implementation of international and ASEAN instruments on the rights of women and children and to advocate on behalf of women and children, especially the most vulnerable and marginalized, and encourage ASEAN Member States to improve their situation.

**Businesses can and must contribute to strengthening and mainstreaming child rights in ASEAN.**

Since then, the ACWC has taken steps to address issues facing women and children such as trafficking in persons, violence against women and children, and the effects of climate change among others. In November 2019, ASEAN issued the ASEAN Declaration on the Rights of Children in the Context of Migration.

**ASEAN companies still have a long way to go on human rights disclosure.**

A 2019 study on the implementation of the United Nations Guiding Principles on Business and Human Rights by ASEAN CSR Network and Mahidol University showed that “at present, human rights disclosure among top listed companies in ASEAN falls substantially short of the benchmark set by UNGPs.” This is in line with the Global Child Forum’s study, done in collaboration with Boston Consulting Group. This means much work remains to be done.

The study showed UNGP disclosure scores across top 50 companies from 5 ASEAN Member States (Indonesia, Malaysia, Philippines, Singapore and Thailand) to be low across the board.

Disclosure on themes under their sustainability reports reveal that children’s rights are among the least covered issues. Another study ACN did with the Centre for Governance, Institutions and Organisations of the National University of Singapore showed that human rights, biodiversity and climate change impacts were among the material issues least covered by leading ASEAN companies in their sustainability reports. Economic value generated and philanthropy were the most discussed topics.

**What does the future hold for children in the region?**

Strong economic growth has resulted in improvements in the living standards of ASEAN people. Lifting people out of poverty has improved children’s rights. It enables children to have access to health, education and opportunities to realise their full potential. However, children continue to be vulnerable to abuse, exploitation and violence. Digitalisation, environmental degradation, climate change, natural disasters and irresponsible business practices impact children negatively and disproportionally.

**What can we do?**

In 2019, UNICEF submitted a report to ASEAN leaders that put forth 10 recommendations covering a variety of subjects which clearly showed the need for an environment that enables children to grow, flourish and enjoy childhood.

Businesses can and must contribute to strengthening and mainstreaming children’s rights in ASEAN. The ASEAN CSR Network is working to enhance and strengthen children’s rights by promoting the SDGs, responsible and inclusive business conduct, and better governance, including taking a strong stance on anti-corruption, promoting human rights and environmental stewardship. A holistic approach, by both business and government, is the way forward.

The work of Global Child Forum and the reports they do in collaboration with Boston Consulting Group, contributes to raising awareness on issues and steps to be taken to improve the lives and future of children. We need more businesses to step up and invest in children by respecting their rights.

Children are our future, so it follows that investing in children is an investment in our future. Parents need to be treated with respect, dignity and fairness, earning at least decent incomes to help their children achieve a better, brighter future in a sustainable world. This is the shared responsibility of governments, businesses, trade unions, civil society organisations, academia and all stakeholders.

I look forward to a better future for our children and coming generations by doing the right thing now.
Many leading companies recognise that impact on children goes far beyond child labour, and that they have the opportunity to impact children in positive ways.
3. Executive summary

The benchmark

This report summarizes a benchmark study on the implementation of children’s rights that Global Child Forum carried out in collaboration with Boston Consulting Group on the 232 largest companies in Southeast Asia, covering approximately 70% of the revenue of all listed companies in the region.¹

Since 2014, Global Child Forum, in collaboration with Boston Consulting Group, has benchmarked more than 2,600 companies globally. The studies are based on publicly available information, and the companies included are invited to comment on the results prior to publication. The indicators are based on the Children’s Rights and Business Principles and verify policy framework, the level of integration and the extent and quality of reporting impacts on children.

In this report, Global Child Forum examines available data, placing companies into categories – such as those achieving high scores, those showing marked improvement – that are based on performance scores. Also included are a number of company case studies, as well as recommendations based on characteristics found in the highest scoring companies in the region and globally. The data is available on the Global Child Forum website in its entirety.

Leaders on children’s rights show correlation with higher profitability and higher rates of reported children’s rights violations

A correlation analysis of the benchmark data was conducted by Global Child Forum and Boston Consulting Group, using data from Sustainalytics and Bureau van Dijk. The benchmark data showed correlation between being strong in terms of children’s rights and two areas: higher profitability, and a higher number of reported human and children’s rights violations.

Investors use of the data

The report is written for investors and asset managers who want to inform their sustainability analysis of companies. The cases highlighted, as well Global Child Forum’s recommendations for corporations, can be useful for investors attempting to engage with companies on the topic of children’s rights.

Multinational companies use of the report

This report is also written for companies who wish to understand how they and their peers are being assessed in the area of children’s rights, as well as their own and their competitors’ risks and opportunities in this arena. There is also the opportunity to learn from the best performing companies by considering the ways in which they integrate children’s rights into the core of their operations.

Regional context

This report summarizes additional regional reports for context, including a study on the effects of COVID-19 on children in the region, indicating a heightened risk of increasing rates of child labour. It also takes a closer look at the work of Wilmar International Ltd, a leading company in the region, and their proactive stance on children’s rights, which can serve as an inspiration to other companies.

Sector scores

This report includes scorecards for each sector, with lists of companies with the highest scores and top movers, that also highlight relevant children’s rights topics. The highest possible score is 10. Companies are assigned performance categories: Beginners, Improvers, Achievers and Leaders. All results are available on the Global Child Forum website.

The top scoring sector is Food, Beverage and Personal Care, with an average score of 4.8 and 48% of companies categorized as Achievers and Leaders. The top scoring company in this sector is Wilmar International Ltd, scoring 9.4. Issues which impact children in the sector include product safety issues, for example, nutrition and child labour in agricultural production.

There is a large spread of scores in the Technology & Telecommunications sector, with Telecommunications scoring in the top. Telecommunications companies score on average 4.9, and more than 50% of companies in the industry are Achievers or Leaders. The top scoring company in this sector is Singapore Telecommunications Ltd with a score of 7.7. Examples of issues which impact children are product safety issues, for example, online safety and digital inclusion.

The Apparel and Retail sector is the lowest scoring, with an average score of 3.4, and only 14% of companies ranked as Achiever and Leaders. Within this sector, the top scoring company is CP All Public Company Ltd, scoring 7.8. Examples of children’s rights issues in this sector are product safety regarding for example exposure to chemicals or flammable materials when using or being near products, and family friendly workplace practices, especially with regard to migrant workers.

¹ Countries included in this study are Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.
Developments in the region since 2016 and Southeast Asian companies compared to Global Child Forum’s global study from 2019

Companies in this region have improved in many areas since the Global Child Forum regional study in 2016. The Food and Beverage and Travel & Leisure sectors are most improved, while the Apparel & Retail and Technology & Telecom sectors exhibit the fewest improvements. Taken as a whole, this region has a lower average (5 points), than the global average in the Global Child Forum global study in 2019 (5.6 out of 10 points.)

Compared to 2016, a larger share of regional companies have now formalised board accountability for children’s rights. That figure has risen from only 3% in 2016 to 24% in 2020. In addition, more companies now have a policy framework prohibiting child labour, 29% in 2016 compared to 51% in 2020.

Companies are now to a larger extent driving their own programmes and collaborating with others on children’s rights. Engaging in children’s rights in the community through various initiatives and programmes, is a characteristic that stands out for companies in the Southeast Asian region, compared to companies globally. 83% of companies in the 2020 study report on driving their own community initiatives, compared to 71% of companies in the global study. Companies in the region view children as part of their community, but there is work to be done in terms of understanding children in relation to core business.

Specifically, companies in the region lag behind in the areas of child labour policies and supplier assessments. An example: 67% of global companies in 2019 had a child labour policy, as compared to 51% of companies in Southeast Asia in 2020.

Overall, companies in the region and globally score poorly in the area of integrating impact on children into product safety and responsible marketing. Singapore Telecommunications Ltd, an exception to that, is a case study in this report.

What characterizes a Leader in children’s rights?

Global Child Forum analyses what characterizes a Leader in children’s rights. Concrete recommendations are offered to companies in the region. These are based on study results, case studies, interviews, and the Children’s Rights and Business Principles, the normative backdrop of the study.

Many leading companies recognise that impact on children goes far beyond child labour, and that they have the opportunity to impact children in positive ways, both up-stream and down-stream in the company value chain. Leaders also integrate impact on children with respect to product safety and marketing.

RECOMMENDATIONS TO CORPORATIONS ARE IN FOUR AREAS:

1. Going from policy to practice: Leading companies report transparently on risks or instances of child labour and include involvement at the highest levels, i.e., the board prioritizes children’s rights issues.

2. Understanding children’s rights beyond child labour: Leading companies understand that efforts with regard to children’s rights extend beyond child labour and charitable giving.

3. Knowing your impact and managing your risk: Leading companies know what their main risks are and address them credibly.

4. Joining forces: Leading companies collaborate strategically.

Companies in the region view children as part of their community, but there is work to be done in terms of understanding children in relation to core business.

Collaboration

Lastly, the study illustrates that companies which collaborate with others score higher when compared to the total average score of the region, and earn higher scores than companies that do not collaborate. Collaboration with peers, industry associations, NGOs, government and academia not only seems to be a practice for top achieving companies; it is also something that companies in contact with Global Child Forum have called for.
“If every region has a moment when the stars align — economically, demographically, geopolitically — then south-east Asia’s may be now,” said the Financial Times in May 2020. Pointing towards “rapid urbanization and industrialization, a young demographic, sweeping digitalizing, growing access to education,” the region is poised to acquire a new standing among the world’s growing economies.2

In recent times, focus is increasingly shifting towards Southeast Asia as a center of global growth. Along with India, Japan, Australia and China, the ASEAN countries constitute a mega-region that accounts for nearly 40 per cent of the world’s GDP in purchasing power parity terms.3 At the same time, the Southeast Asian region is one of great economic disparity, as well as vast cultural, historic and religious diversity.

In total, this region represents slightly more than 650 million people, and 20-40% of them (per country) are children4 — children who are impacted in some way by the actions of the corporate sector.

This report investigates how companies in Southeast Asia address children’s rights. Bringing such information to light enables companies in the region to recognise both the shortcomings and the opportunities that exist with regard to their actions on children’s rights issues. Global Child Forum provides data and insights to inform investors in sustainability analysis of these companies, as well as to support the large corporations in the region moving to take action to increase their positive impact on children.

‘The State of Children’s Rights and the Corporate Sector in Southeast Asia 2020’ encompasses the 232 largest companies (based on revenue) in the region which make up approximately 70% of the total revenue of listed companies in the region.5

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2 Parag Khanna, “South-east Asia rides fourth wave of regional growth,” Financial Times, 11th of May 2020, Available at: https://www.ft.com/content/c33e95f4-6acc-11ea-abac-9122541a204

3 Parag Khanna, “South-east Asia rides fourth wave of regional growth,” Financial Times, 11th of May 2020, Available at: https://www.ft.com/content/c33e95f4-6acc-11ea-abac-9122541a204

4 ASEAN Key Figures 2020, Jakarta: ASEAN Secretariat, December 2020

5 “Child” for the purposes of this report is defined as a person under the age of 18, in accordance with the UN Convention on the Rights of the Child.
4.1 Who should use this report?

The data in this study is aimed at investors and asset managers who wish to identify companies that are strategic in their approach to integrating children’s rights into their business practices. The data can be used to analyse and compare companies from a sustainability perspective. Further, the recommendations made by Global Child Forum for companies, founded on best practice, can be useful when engaging with companies on the subject of children’s rights.

This report also includes information for multinational companies aspiring to understand how they, and their peers, are assessed in terms of how they manage children’s rights. Finally, it makes available guidance and cases from others in the same sector, to support those companies that wish to become leaders with respect to children’s rights.

Important note: The benchmark is solely based on information made publicly available by companies in their reports and on their websites. Global Child Forum has not verified and cannot ensure that statements made in company reports are accurate. We evaluate neither actual compliance with policies nor outcomes of policies and/or programmes. The assessment of companies does not go beyond the scope of the methodology of this study and is limited to 27 indicators (see Methodology). Companies were given the opportunity to comment on their scores.

This report should not be considered direct investment advice, nor should our assessment of company reporting be considered a certification or verification of a particular company or its actions.

See our Disclaimer.
4.2 What does this report contain?

4.2.1 Data: Covering the 232 largest companies, eight sectors and the main impact areas in the region

This ‘State of Children’s Rights and the Corporate Sector in Southeast Asia 2020’ is the result of a year-long benchmarking study covering the 232 largest companies in Southeast Asia. Together, these companies make up approximately 70% of the total revenue of listed companies in the region. Each company has been assessed on 27 indicators, and we illustrate the result by sector, in comparison with a global benchmark study from 2019 as well as with a Southeast Asia regional benchmark study from 2016. We highlight the companies that are top achievers and top improvers in this report, and we publish the results in their entirety on our website. We also display and discuss results in three main impact areas: Workplace, Marketplace and Community & Environment, including how companies collaborate with peers, government agencies, NGOs and academia. Since 2014, Global Child Forum has screened more than 2,600 companies in collaboration with Boston Consulting Group.

4.2.2 Making it real: Case studies

Throughout the report, we refer to company practice as case studies, provided for purposes of reference. IOI, Singtel and Charoen Pokphand Foods are highlighted in section 7 on impact areas. We are also referring to two separate Global Child Forum publications, one focusing on the implications of COVID-19 on the region, the other a case study on Wilmar, one of the leading companies in the region.

COVID-19 and Children’s Rights in Southeast Asia

At the time of writing this report, COVID-19 continues to unfold across Southeast Asia, with some countries reaching new peak infection rates. As the benchmark is based on publicly available information primarily covering annual year 2019, those information sources are unlikely to acknowledge the impact that the COVID-19 pandemic is having on operations or their responses to it. We made a snapshot attempting to overview how COVID-19 is impacting the region, including its impacts on children—while being aware that this is a multi-faceted issue that is still very much changing.

Wilmar and children’s rights implementation: a corporate case study

Many companies, both in Southeast Asia and globally, recognise the value of learning from the experience of their peers. This report contains an extract from a corporate case study on Wilmar, a palm oil company in the region - The best way to support employees is to look after their children, with a special focus on how their efforts have brought about positive impacts for both children and the company. Read more here. You will also find more corporate case studies in the Knowledge Centre on our website.

4.2.3 Recommendations and tools: how to become a corporate leader on children’s rights?

In section 8, Global Child Forum explores the characteristics of Leaders with respect to children’s rights. Key aspects of their strategic approaches to managing their impact on children and integrating children’s rights are illustrated. This section also considers how the benchmark data correlates to other types of externally-supplied data, including controversies/human rights violations and profitability.

Read more about this in section 8: “What does a Corporate Leader in Children’s Rights do Differently?”
4.3 Investors and asset managers – how to use the benchmark data to analyze corporate action for children’s rights

The Global Child Forum Corporate Sector and Children’s Rights Benchmark, first launched in 2014, is one of the largest global benchmark studies on children and business. The 2020 Benchmark focuses on Southeast Asia and covers 70% of the total revenue of listed companies in the region. This sample covers approximately 69% (114 of 164) of the MSCI ASEAN Index, and 62% (111 of 180) of the FTSE ASEAN Stars Index.6

In How large corporates integrate children’s rights – a study on correlations with profitability and human rights violations – a correlation study analysing the results in the Global Child Forum Benchmark on Business and Children’s Rights, against data on profitability, a statistical correlation was found between the group of companies that score the highest in the benchmark and average higher profitability.7 This holds true even when general sustainability implementation is excluded from the correlation analysis. Hence, the way in which companies strategically manage their impact on children could serve as a litmus test to identify future leaders in sustainability and well-managed companies.

The Global Child Forum benchmark is based on the Children’s Rights and Business Principles8 and highlights which companies are performing well on children’s rights in terms of the policy framework, the level of integration and the extent and quality of reporting impact on children.

Financial institutions, investors, and stock exchanges are key drivers of ESG analysis of companies in the region. Between 2015 and 2019, sustainable investments in the region increased 8 times compared to the 2015 level. In 2019, sustainable investments reached approximately 6 BUSD. Most stock exchanges in the region are raising the bar on ESG reporting rules and guidelines. It is striking to note that research conducted between 2014 and 2017 by Global Child Forum and G.E.S. International on more than 300 PRI signatory investors found that the vast majority don’t consider children’s rights in making investment decisions and dialogue.9 The most commonly given reasons for this were lack of knowledge or lack of perceived materiality. There is also a general lack of data on children’s rights for investors to make use of.

We believe that this represents a missed opportunity for the investment community as a whole, as well as for those investing for sustainability and the UN Sustainable Development Goals. As our study shows that there is a correlation between profitability and higher scores on children’s rights, our benchmark data can inform many types of sustainable investment decisions and can assist in creating sustainable investment portfolios which integrate children’s rights.

Global Child Forum has made data from this study available both in this report and on our website, for use by investors and analysts. This benchmark illustrates what companies do in terms of implementing children’s rights, and it shows trends and developments at an aggregated level. It also identifies top achievers and the companies with the greatest children’s rights implementation momentum. The statistics are analysed by Global Child Forum and further investigated and illustrated through case descriptions.

The cases, and our recommendations for corporates on what action they can take to become “best in class” or improve, can be used by those investors who wish to engage with companies on the topic of children’s rights, and have a data driven, norms-based set of recommendations for corporations.

6 Overlap checked in January 2020. Note that country balancing and use of market capitalization are key factors for discrepancy between the benchmark and the index constituents: Because indices sort on both country balance and market capitalization, many companies in the index fall outside the benchmark sample. The indices also contain companies that are either subsidiaries or part of multinational companies, while these are excluded from the benchmark as it focuses on the parent company where possible.

7 The financial data for the analysis was provided by Bureau van Dijk.

8 A comprehensive framework for understanding and addressing the impact of business on the rights and well-being of children developed by UN Global Compact, UNICEF and Save the Children.
4.3.1 Guidance for engagement on children’s rights
Investors involved in engagement can find particular guidance in section 7 on impact areas as well as in section 8, a guide on becoming a corporate leader in children’s rights.

Global Child Forum’s recommendations to companies focus on three main areas:

1. Highlight children through the entire value chain. Impact on children reaches beyond child labour, extending both upstream and downstream in a company value chain. Many companies underestimate or ignore the possibilities available to create a positive impact on children downstream. Relevant topics include online safety, child protection, and family-friendly policies.

2. Highlight children as material stakeholders in product safety, marketing, and community programmes, especially if children are impacted by products and services, even those not sold directly to children.

3. Highlight children as material stakeholders in terms of broad human rights and sustainability topics such as human rights due diligence, supply chain management, and climate policies.

4.4 Why are some leading companies reportedly involved in human rights violations?

There are companies named in this report with high benchmark scores that have previously been reportedly or allegedly involved in human or children’s rights violations. In fact, in a recent Global Child Forum study published in collaboration with Boston Consulting Group, we found a correlation between scoring well in the benchmark and being involved in human/children’s rights violations. This finding, which appears counterintuitive at first glance, can perhaps be explained logically. Those companies that report on efforts to improve children’s rights tend to do so because of external expectations/pressure. Children’s rights issues related to the most visible aspects of a company’s activities, such as child labour or online safety, tend to garner attention in the public debate. These are also issues that companies tend to report on more, especially if they have been called out by media or NGOs for benefitting from, or not doing enough to counteract, these violations. For an example of this, see the Wilmar Case Study in this report. Companies that are Leaders in children’s rights also tend toward greater transparency, which means that information on the activities of such companies are reported by the companies themselves to a higher degree.
5. Focus Southeast Asia

Throughout the text we refer to company practice as case studies and for reference, for example, IOI, Singtel and Charoen Pokphand Foods are highlighted in section 7 on impact areas. We also have two separate publications deep diving into the practices relevant for business in Southeast Asia: The Global Child Forum COVID-19 Snapshot and a case study on Wilmar, a major company in the region.

5.1 COVID-19 Snapshot

The Global Child Forum COVID-19 Snapshot is a complementary stand-alone report focusing on macro regional trends the global pandemic, and responses to it, has been having on Southeast Asia with a focus on the region’s children.

A high-level desktop research was complemented with a series of expert stakeholder interviews to give a rounded understanding of how national responses to the health emergency have affected the region’s children at the aggregate level. Researching and covering an ongoing state of affairs is always a fraught task. Statistical data is often scarce, lacking or found in heterogenous datasets leading to an indicative account of the situation. The report finds itself being published towards the start of global efforts to inoculate the world’s population but prior to coming to grips with the economic fallout of the pandemic.

The reader is therefore challenged to think through not only the shortcomings of our responses to the pandemic, specifically in this case towards children in Southeast Asia, but to also imagine the ripple effects it will have, hopefully facilitating coming to an understanding of the opportunities at hand in “building back better”. At the moment we are witnessing rising unemployment in key sectors of the Southeast Asian economy, a rise in household debt, a stark 8% drop in economic output between 2019 and 2020, and the potential for a number of negative trends settling into place in regard to children’s educational attainment and a rise in child labour—undoing years of progress.

It is Global Child Forum’s hope that this snapshot will give the reader a more holistic understanding of the state of children’s rights in the region.

Read the supplementary report here.
5. FOCUS SOUTHEAST ASIA

5.2 Wilmar case study
- “the best way to support employees is to look after their children”

Wilmar’s Path Toward Responsible Sustainability Management
This is a summary of No. 4 in a series of company reflections for the Global Child Forum on the ways in which companies address children’s rights and child-related issues. It is available in its entirety on our website.

5.2.1 The palm oil industry and children’s rights

The results from the State of Children’s Rights and Business in Southeast Asia benchmark show that agricultural companies, specifically those in the palm oil business, are leading the way among companies in the region when it comes to reporting related to children’s rights. Such companies understand their impact on children’s lives extends beyond just child labour and charity, with the result that children’s rights issues have made it to the boardrooms and into management systems, with practices that include transparent reporting on risks and incidents. At the same time, the palm oil industry is dealing with a range of risks, including from both the environmental and human/children’s rights perspectives, with frequent reports related to violations of worker’s rights, child labour, destruction of wildlife habitats and infringements on indigenous people’s rights. In addition, How large corporates integrate children’s rights – a study on correlations with profitability and human rights violations – a recent study by Global Child Forum investigating the relationship between the benchmark score and other business performance indicators, shows that companies with high benchmark scores are on average more involved in children’s rights violations than those with lower scores. The Food, Beverage & Personal Care sector, which includes agricultural companies such as those producing palm oil, has the greatest number of violations, usually connected to child labour.

The positive impacts of addressing children’s rights

For the company:
increased pride, worker satisfaction and retention. Improved management systems leading to higher efficiency.

For children:
increased school attendance rates (also a proxy for measuring child labour), possibility to gain work experience under safe conditions, opportunities for further education and reduced risk of harm on plantations.

Given these findings, much can be learnt from companies that have been criticized for failing to respect children’s rights and have responded by taking steps to improve. Looking at the results of efforts such as these is instructive. One such organization is Wilmar International, a leading global agribusiness company whose activities encompass the entire value chain of the agricultural commodity business, with oil palm being one of its main crops.

In an in-depth case story that follows the milestones of Wilmar’s journey, some key lessons can be learned as to what this process looks like: how it is marked by both successes and challenges, and is a continuous, dynamic process. We believe that these experiences are useful to others wanting to undertake a similar journey, becoming leaders on children’s rights in the palm oil business or in other sectors.

Above all, what can be taken away from Wilmar’s experience is that positive impacts have been achieved, both for the company and for the children with whom the business interacts.
5.2.2 The Wilmar journey

On Wilmar’s path towards establishing more sustainable business practices and developing a better understanding of the need to integrate a children’s rights perspective across its operations and suppliers, there are insights that warrant a close look.

External pressure combined with business-critical issues

The company operates in a business where social aspects have historically been important. Operating within the plantation/agricultural economy and employing migrant workers, consideration and management of well-being, for workers and their families, has been a factor in worker attraction and retention. However, it wasn’t until external pressure was applied by NGOs and workers themselves with regard to social (and environmental) issues that they were seen to merit attention that went beyond simply abiding by the law.

Integrated management and sustainability as a competitive advantage

One important factor that has contributed to a shift in Wilmar’s approach to sustainability is the application of a management lens to social performance. Commitments are made, goals are set, and performance is measured through progressively rigorous business processes. Overall frameworks are set and updated regularly, rather than individual standards and policies being applied ad hoc. Performance is measured as the degree to which standards are being met, and this has become a point of competitive advantage and pride. The support from top leadership has also been crucial; for example, rather than being given a separate budget, sustainability is treated as an operational cost.

A collaborative approach to criticism

Another important factor that has resulted in a change to how the company approaches issues as they are uncovered is an increased permeability of company management systems to the perspectives, concerns, ideas, and solutions that civil society actors and others bring to the table. The negative experience of trying to go head-to-head with its critics (and failing in the public eye) as contrasted to the positive experiences and outcomes of forging partnerships with regard to labour, social, and environmental issues has convinced Wilmar leadership of the need to not only listen and respond to stakeholders, but to find and implement solutions in conjunction with them.

Pushing development: taking a leading role

There are continuous challenges that arise from the company being an industry leader. Many of these issues surface in its supply chain and in new markets. Under close scrutiny, the company is aware that it hasn’t reached its goals and therefore work remains. But the focus is on how improvements are continuously achieved and the need for at communicating transparently about both successes and shortcomings. Being a leader brings with it a responsibility to drive development forward, making it easier for others to follow.

Read the entire case story here.

“The industry, especially companies that have yet to embark on their journey to protect the rights and wellbeing of children, needs to view this as an opportunity. It is the principle of improving business that should drive their transformation.”

Jeremy Goon,
Chief Sustainability Officer, Wilmar
6. Company results

6.1 About this study

For many years Global Child Forum has measured how large multinationals implement children’s rights. We have data, cases and knowledge that encompass all industries and regions. Since 2014, Global Child Forum has screened more than 2,600 companies in collaboration with Boston Consulting Group.

In this year’s benchmark ‘The State of Children’s Rights and Business’ we focus on Southeast Asia, following up on the assessment we did in the region in 2016. The companies in the study make up approximately 70% of the total revenue of the listed companies in the region. In this report we identify both top scoring companies as well as those companies that have seen the most improvement in terms of integrating a children’s rights perspective. The results are also published in their entirety on our website.

The companies in the study make up approximately 70% of the total revenue of the listed companies in the region.

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1. 4,693 listed companies in 2018 for Thailand, Malaysia, Indonesia, Vietnam and the Philippines. Source: Orbis data (Multinational corporations and Holding/Subsidiary issues have not been considered.)
6. COMPANY RESULTS

6.2 232 companies across 8 sectors

During the first half of 2020, Global Child Forum collected publicly available information from 232 of the largest companies by revenue (2018), covering eight sectors and six countries across Southeast Asia. Using the Thomson Reuters Business Classification, the sectors covered in the study are: Apparel & Retail, B2B, Basic Materials, Energy & Utilities, Financials, Food, Beverage & Personal Care, Technology & Telecom and Travel & Leisure. The six countries are: Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. A full list of the companies and their scores can be found on Global Child Forum’s website.

Without question, the year 2020 has been impacted by the COVID-19 global pandemic. Because the publicly available information included in the report was collected in the first half of 2020, it is unlikely to reflect any corporate response to the COVID-19 pandemic. To address this, additional research looks at the impact of the pandemic on the region’s children specifically. See section 5.1 COVID-19 Snapshot.

6.2.1 How was the study conducted?

The information collected on companies was screened against 27 indicators. The ESG research company, SustainoMetric, conducted an evaluation of the companies with the goal of assessing how these companies report on addressing children's rights. Each company evaluation required approximately 4 to 5 hours.

The results are based only on publicly available data in English, systematically assessing corporate organizational response to impacts on children’s rights. We do not evaluate actual compliance with policies or outcomes of policies and/or programmes. The individual results were shared with each company for feedback and possible corrections to ensure a fair process.

Each indicator has a possible score: 0 - no information could be found; 5 - the company is reporting on human rights or sustainability for this issue; 10 - the company reports on how they address children’s rights for this issue. For a full list of all the indicators, please see the methodology document.

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An evaluation of the companies with the goal of assessing how these companies report on addressing children’s rights.

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12 The sample has been put together with the following key considerations: 1) sample size allowing both good revenue coverage and consistent company size, 2) exclusion of multinational corporations and conglomerates’ subsidiaries from the sample (with a focus on local parent companies) and 3) a balance of sector representation in the sample.

13 In previous benchmark studies we have used the FTSE Russell Industry Classification Benchmark (ICB). This year, Global Child Forum joined the World Benchmarking Alliance, and in order to better align with the industry and sector classification for their SDG2000 list of companies, we have converted to the Thomson Reuters Business Classification (TRBC) as a base with some minor adjustments. Healthcare was excluded from this study as there were too few companies in the sample.

14 Between the 15th of March to 8th of June 2020.
6.2.2 What does the benchmark measure?

The set of indicators align clearly with the Children’s Rights and Business Principles, and indicators are divided into the impact areas of Workplace, Marketplace and Community & Environment. This not only affords an overview of what companies are doing in each of these spheres of influence, it also gives companies an opportunity to identify areas for improvement in relation to their operations.

We recognise that, depending on the nature of a given company’s operations, there are indicators and areas that have varying degrees of relevancy. To account for this, weighted scorings are used when calculating the average impact area scores as well as the total average scores. For this same reason, if a company scores 0, it can indicate that a particular indicator is not applicable to that company.

To assess the degree to which an issue has been addressed and integrated in a meaningful way, the indicators are grouped into: Policies & Commitments; Implementation; and Reporting & Actions.

More detailed information about the study and methodology can be found in the methodology section, available on our website.

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**Impact Areas**

<table>
<thead>
<tr>
<th>Corporate Response</th>
<th>Workplace (WP) Operations &amp; Supply Chain</th>
<th>Marketplace (MP) Marketing, Products &amp; Services</th>
<th>Community &amp; Environment (C&amp;E) Impact on Surroundings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policies &amp; Commitments</td>
<td>Does the company have a policy on child labour, family friendly policies and policies to promote decent working conditions?</td>
<td>Does the company have a policy on responsible marketing, product safety procedures and safe use of services?</td>
<td>Does the company have an explicit commitment to reducing its negative community impact and increasing its positive contribution to the local community?</td>
</tr>
<tr>
<td>Implementation</td>
<td>Is the board responsible for overseeing these policies?</td>
<td>Does the company consider product safety and/or marketing practices to be a material aspect?</td>
<td>Does the company have an assessment process to gauge its impact on the surrounding community?</td>
</tr>
<tr>
<td>Reporting &amp; Actions</td>
<td>Does the company report on suppliers at risk of using child labour and/or have a programme in place e.g. focused on improving working conditions for parents and caregivers?</td>
<td>Does the company report on incidences and remediation of product safety/service breaches?</td>
<td>Does the company report on operations/suppliers that negatively impact children in the community? Does the company have a programme in place to support children’s rights; for example, in the area of health or education?</td>
</tr>
</tbody>
</table>

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15 A comprehensive framework for understanding and addressing the impact of business on the rights and well-being of children developed by UN Global Compact, UNICEF and Save the Children.
6.3 Benchmark results 2020

The total average score of the region is 4.2 out of 10. This result indicates that, on average, companies have reached the Improver level. At the Improver level, a company has developed and implemented many of the policies and practices that address the organization’s impact on sustainability and human rights in general, and there is an opportunity here for companies to move up the ladder as they integrate children’s rights into these policies and practices.

The results show that there are more Achievers than Beginners, indicating a positive movement towards the top. In most sectors, albeit not all, there are Leaders in the peer group who may act as a support or serve as an example to inspire others within the group.

Explaining Beginners, Improvers, Achievers & Leaders

BEGINNERS
average score between 0.25-2.5 out of 10.

At this level, the company has developed a few policies and practices that address the organization’s impact on human rights and sustainability in general. Children’s rights are most likely not covered in their reporting.

IMPROVERS
average score between 2.5-5.0 out of 10.

Improvers have some understanding of human rights and sustainability and have implemented it to some extent into policies and practices. The company may have integrated children’s rights at the policy level, for example in a child labour policy or environmental policy. Alternatively, they might have a community programme in place that addresses children’s rights.

ACHIEVERS
average score between 5.0-7.5 out of 10.

The company has developed and implemented several policies and practices that address the organization’s impact on children’s rights. They have embedded some of these policies into company practice and followed up through monitoring, transparent reporting and programmes to create action for children’s rights.

LEADERS
average score between 7.5-10 out of 10.

The company has developed and implemented several policies and practices that address the organization’s impact on children’s rights across several important areas. The company has taken concrete steps to move beyond policies and has embedded children’s rights into company practice, following up through monitoring, transparent reporting and programmes to create action for children’s rights.

*The above descriptions are generalizations of likely characteristics.*
6.3.1 More focus on policies than on implementation and outcomes

Overall, companies perform better on Policies & Commitments (4.8); with a slight drop for Implementation (4.1); and perform comparatively poorly on Reporting & Actions (3.4). This pattern is not unfamiliar and has been seen in previous studies (e.g. The State of Children’s Rights and Business 2019).

The results for Policies & Commitments indicate that companies in the region usually have at least some policies and public commitments in place regarding children’s rights, e.g. child labour, family friendly policies and the environment, but they do not as yet cover all areas where children’s lives and business intersect.

The lower scores for Implementation and Reporting & Actions show that companies report less frequently on how they implement the policies they’ve established, and even fewer report on the outcomes and programmes in place. As can be seen from the graph, however, there is a large spread among the companies in the study, especially for the top quarter, i.e. the 25% of companies scoring the highest in each area. This means that there are a substantial number of companies that are leading the way, providing examples of good practice for those companies with work to do on the issue of children’s rights.
6. COMPANY RESULTS

6.3.2 References to standards

Of the companies included in this study, 67% refer to an international standard. More than half of the companies (56%) reference the UN Sustainable Development Goals, yet only 2% refer to the Children’s Rights and Business Principles and 3% to the UN Convention on the Rights of the Child. 7% of companies refer to ILO Convention 138 (Minimum Age Convention – Effective Abolition of Child Labour) and 5% refer to ILO Convention 182 (Worst Forms of Child Labor Convention).16

Companies have advanced when it comes to broader sustainability topics and standards as evidenced by the finding that a majority of them recognize the importance of referring to the SDGs. The same cannot be said with regard to utilization of child-specific standards, given that few companies make use of them. On average, companies which refer to child specific standards score higher on the benchmark. What cannot be determined from these results is whether a company first implements a children’s rights perspective and then refers to the standard publicly, or whether the reverse is true.

For information on how each of the sectors scored on the three levels of maturity, see the section on Sector Scorecards.

Having a policy is not enough

When a company wants to communicate that it takes an issue seriously, it is beneficial to showcase how policies are translated and integrated into processes. For example, if there is a child labour policy, is there board oversight and supplier assessment to ensure that there are no cases of child labour? If not, the policy can be seen to be a gesture rather than a meaningful instrument used to address an issue the company understands is critical.

Expanding on this, if instances of child labour do occur, does the company report transparently on the number of cases identified? Are there remediation programmes in place? Simply having a policy does not take a company all the way. Reporting “all the way” and informing about actual outcomes of a policy or on what remains to be done demonstrates that a company is sufficiently mature to be transparent on shortcomings and plans to remedy them. When such information is not forthcoming, a company opens itself to the possibility of criticism from, say, the media and NGOs for failing to address known issues, or even worse, attempting to conceal them.

For information on how each of the sectors scored on the three levels of maturity, see the section on Sector Scorecards.

Simply having a policy does not take a company all the way. Reporting “all the way” and informing about actual outcomes of a policy or on what remains to be done demonstrates that a company is sufficiently mature.

### Percentage of all companies who refer to international standards

<table>
<thead>
<tr>
<th>Standard</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>UN Sustainable Development Goals/Global Goals for Sustainable Development</td>
<td>56%</td>
</tr>
<tr>
<td>UN Global Compact 10 Principles</td>
<td>21%</td>
</tr>
<tr>
<td>UN Guiding Principles on Business &amp; Human Rights Conventions of the ILO (general)</td>
<td>14%</td>
</tr>
<tr>
<td>ILO Convention 138 (Minimum Age Convention – Effective Abolition of Child Labour)</td>
<td>39%</td>
</tr>
<tr>
<td>The International Standard ISO 26000</td>
<td>7%</td>
</tr>
<tr>
<td>ILO Convention 182 (Worst Forms of Child Labor Convention)</td>
<td>6%</td>
</tr>
<tr>
<td>UN Universal Declaration of Human Rights</td>
<td>5%</td>
</tr>
<tr>
<td>UN Convention of the rights of the child</td>
<td>5%</td>
</tr>
<tr>
<td>Children’s Rights and Business Principles</td>
<td>3%</td>
</tr>
<tr>
<td>OECD Guidelines for Multinational Enterprises</td>
<td>2%</td>
</tr>
<tr>
<td>Principles of responsible Investment (PRI)</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>0,3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children-specific standards</td>
<td>56%</td>
</tr>
<tr>
<td>General standards</td>
<td>44%</td>
</tr>
</tbody>
</table>

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16 If a company has referred to more than three standards, the Global Child Forum researcher chose three to include in the data. This has been in favor of less common standards, implying that the most popular standards likely are slightly understated here. Note: 67% of companies in study refer to an international standard.
6.3.3 Food, Beverage & Personal Care leading in the region

All sectors on average score below 5 out of a possible 10. The results show that the spread between the sector with the highest score and the lowest scoring sector is not significant (only a 1.4 difference). Four of the sectors – Food, Beverage & Personal Care, Travel & Leisure, B2B and Financials – in general score above the regional average of 4.2. The Food, Beverage & Personal Care sector has the highest total average score at 4.8.

However, there is a considerable spread of scores among companies within industries. To illustrate, although it is the sector with the highest average score, Food, Beverage & Personal Care displays the greatest range of scores, meaning there are both many high-scoring and low-scoring companies, showing that even though the sector as a whole scores better than others on average, within the sector there is both opportunity for improvement and momentum generated by the highest scoring companies for those with less advanced approaches. More detail as to what Food, Beverage & Personal Care companies score well on can be found throughout this report.

6.3.4 The Apparel & Retail sector has opportunities for improvement

On the other hand, the overall lowest scoring sector – Apparel & Retail – does poorly across all indicators with the exception of collaboration with children’s rights organisations, industry peers, or government, where they score better than or on par with the other sectors. The specific issues where this sector has weak reporting and therefore the greatest potential for improvement are:

- **Child labour policy:** Apparel & Retail is the lowest scoring sector, with only 18% of companies having a publicly available policy or a commitment against child labour.
- **Board Accountability:** Here, too, Apparel & Retail is the lowest scoring sector, with just 0 to 5% of companies reporting board responsibility across the areas of Workplace, Marketplace and Community & Environment.
- **Grievance Mechanisms:** Apparel & Retail score below other sectors, with 14% of companies reporting on having grievance mechanisms that allow both employees and members of the community, including children, to report concerns regarding human rights.
- **Product responsibility and marketing practices:** Notably, Apparel & Retail scores above other sectors in terms of having policies on responsible marketing and product safety in relation to children. However, none of these companies report that there is board oversight of implementation or that either issue is deemed to be material.
6.3.5 Leading the way – Food, Beverage & Personal Care and the Telecom industry

To create a movement towards the top, it is helpful to understand where there are already companies leading the way and where others are starting to follow suit. This can be done by looking at where there is a large proportion of Achievers and Leaders: companies that score above 5 out of 10 on average.

Leaders and Achievers are to a large degree found among Financials, B2B, Food, Beverage & Personal Care and Travel & Leisure as compared to the other sectors where the proportion of Improvers and Beginners (companies that score below 5 out of 10 on average) exceeds the share of Achievers and Leaders.

Although there are few Leaders in the region (12 in total), in most sectors there are examples for others to look to for good practice; examples of companies that have come the greatest distance on the journey of integrating children’s rights into their business. Fortunately, best practices are not always sector-specific and can often be easily adapted to other sectors. Food, Beverage & Personal Care and Technology & Telecom stand out in that they include more Leaders than other sectors. Top scorers for these sectors are listed in the deep dive below.

### Share of performance categories per sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Beginner</th>
<th>Improver</th>
<th>Achiever</th>
<th>Leader</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financials</td>
<td>46%</td>
<td>38%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Energy &amp; Utilities</td>
<td>53%</td>
<td>17%</td>
<td>14%</td>
<td>2%</td>
</tr>
<tr>
<td>B2B</td>
<td>32%</td>
<td>26%</td>
<td>5%</td>
<td>9%</td>
</tr>
<tr>
<td>Food, Beverage &amp; Personal Care</td>
<td>46%</td>
<td>27%</td>
<td>5%</td>
<td>19%</td>
</tr>
<tr>
<td>Basic Materials</td>
<td>59%</td>
<td>0%</td>
<td>43%</td>
<td>54%</td>
</tr>
<tr>
<td>Apparel &amp; Retail</td>
<td>30%</td>
<td>22%</td>
<td>27%</td>
<td>8%</td>
</tr>
<tr>
<td>Technology &amp; Telecom</td>
<td>5%</td>
<td>29%</td>
<td>0%</td>
<td>13%</td>
</tr>
<tr>
<td>Travel &amp; Leisure</td>
<td>0%</td>
<td>19%</td>
<td>0%</td>
<td>38%</td>
</tr>
</tbody>
</table>

In most sectors there are examples for others to look to for good practice.
Deep dive: sector score spread

Food, Beverage & Personal Care, as well as Technology & Telecom have a large spread of total average scores within the sectors. This deep dive illustrates which industries in the two sectors perform better and worse, top scoring companies for each sector, as well as the issues that separate the companies.

### Food, Beverage & Personal Care

<table>
<thead>
<tr>
<th>Sector</th>
<th># of companies</th>
<th>Average score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural products</td>
<td>24</td>
<td>3.7 (median 4.8) (highest 9.5, lowest 1.5)</td>
</tr>
<tr>
<td>Top scoring companies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wilmar International Limited (94), Sime Darby Plantation Berhad (87), IOI Corporation Berhad (81), Charoen Pokphand Foods Plc. (77), Olam International Limited (77)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>6</td>
<td>51 (median 5.8) (highest 7.3, lowest 1.5)</td>
</tr>
<tr>
<td>Personal &amp; Household Products</td>
<td>1</td>
<td>3.82</td>
</tr>
</tbody>
</table>

For Food, Beverage & Personal Care all Leaders are found in the Agricultural products industry, while Food & Beverage have the highest average score.

### Technology & Telecom

<table>
<thead>
<tr>
<th>Sector</th>
<th># of companies</th>
<th>Average score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronics</td>
<td>7</td>
<td>2.4 (median 17) (highest 4.6, lowest 0.8)</td>
</tr>
<tr>
<td>Software, IT Services &amp; Platforms</td>
<td>2</td>
<td>2.7</td>
</tr>
<tr>
<td>Total Technology</td>
<td>9</td>
<td>2.5 (median 2.6) (highest 4.6, lowest 0.8)</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>12</td>
<td>49 (median 5.2) (highest 7.7, lowest 1.5)</td>
</tr>
<tr>
<td>Top scoring companies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singapore Telecommunications (77), True Corporation Public Company Limited (76), Starhub Limited (69), Axiata Group Berhad (58), Total Access Communication Public Company Limited (58)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Within Technology & Telecom the large spread of scores is due to a significant difference between the companies in Telecommunications (which score on average 4.9 and where over 50% of companies are ‘Achievers’ or ‘Leaders’), and the companies in Technology (that scores on average 2.5 and where no company makes it into the two top performing quartiles, Achievers or Leaders).

The main areas that differentiate Technology from Telecommunications are the areas of Policies & Commitments and Implementation of Workplace issues. Companies in the Technology industry lag behind at policy level, for example, on child labour and family friendly workplaces. They also lag behind on implementation on the same areas, for example, many lack: formalized board accountability, view of child labour as a material issue, supplier assessments, and established grievance mechanisms. Reporting on CO2 emissions is the single issue with the largest difference, creating doubt as to the efficacy of technology companies’ environmental policies.
6.4 Sector scorecards including top achievers and improvers

6.4.1 Apparel & Retail

Within the Apparel and Retail sector, child labour is one of the most recognized negative impacts on children’s rights. But there are a number of other ways in which the rights of children are impacted – as dependents of workers, at times as actual workers, and as members of communities adjoining factories and farms. Children, however, are also consumers of products, and are therefore vulnerable to harmful impacts from marketing and advertising.

Apparel & Retail includes companies that produce and commercialize consumer goods. Industries included in the sector are Apparel & Footwear, Automobiles & Components, Media, Retail and Tires & Rubber.

Apparel & Retail has some of the lowest scores across the board; only 18% of the companies in this study have a child labour policy, which represents the lowest share out of all sectors included in the study.

As a consumer-facing industry, it is essential to consider a children’s rights perspective in companies’ marketplace efforts. A first step would be to introduce policies to ensure the protection of children. But there is still some way to go here; only a small share of the companies has a responsible marketing policy which includes children (5%) and a product safety policy that covers children (9%).

Whereas a majority of the companies in this sector take into account wider sustainability and human rights issues at the board level, few consider children’s rights issues at this level. This presents an opportunity to introduce a children’s rights perspective into the wider considerations found at the board level.

<table>
<thead>
<tr>
<th>Impact</th>
<th>Where</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child labour</td>
<td>Supply chain</td>
<td>Child labour in informal sector around supplier and/or beyond tier 1.</td>
</tr>
<tr>
<td>Children’s health and safety</td>
<td>Products</td>
<td>Exposure to harmful chemicals or flammable materials when using or coming into contact with products.</td>
</tr>
<tr>
<td>Access to parents</td>
<td>Employees</td>
<td>Opportunity to provide and promote flexible work, parental leave etc.</td>
</tr>
<tr>
<td>Children’s safety and wellbeing</td>
<td>Employees</td>
<td>Offer childcare. For migrant parents who have left their children behind, opportunities to spend time with their children.</td>
</tr>
</tbody>
</table>

Examples of the main impacts on children’s rights:

In contrast, a large majority of companies (95%) have a community programme that involves children, and a majority also have programmes focused on children’s rights in the workplace (55%). This indicates that companies in this sector are recognizing children as stakeholders in the community, but not yet seeing them as part of core business activities.

<table>
<thead>
<tr>
<th>Sector statistics</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies in study</td>
<td>22</td>
</tr>
<tr>
<td>Retail</td>
<td>12</td>
</tr>
<tr>
<td>Apparel &amp; Footwear</td>
<td>1</td>
</tr>
<tr>
<td>Automobiles &amp; Components</td>
<td>7</td>
</tr>
<tr>
<td>Media</td>
<td>2</td>
</tr>
<tr>
<td>Average sector revenue</td>
<td>$4,048</td>
</tr>
</tbody>
</table>
6. COMPANY RESULTS

6.4.1 Apparel & Retail

Sector results

Spread of scores within sector

Top 3 companies with highest score 2020

<table>
<thead>
<tr>
<th>Company name</th>
<th>Industry</th>
<th>Overall score (max score 10)</th>
<th>Performance group</th>
</tr>
</thead>
<tbody>
<tr>
<td>CP All PCL</td>
<td>Retail</td>
<td>7.8</td>
<td>Leader</td>
</tr>
<tr>
<td>Home product Center PCL</td>
<td>Retail</td>
<td>6.5</td>
<td>Achiever</td>
</tr>
<tr>
<td>DRB-Hicom BHD</td>
<td>Automobiles &amp; Components</td>
<td>5.5</td>
<td>Achiever</td>
</tr>
</tbody>
</table>

Top mover since 2016

<table>
<thead>
<tr>
<th>Company name</th>
<th>Industry</th>
<th>Score 2016 (max score 9)</th>
<th>Score 2020 (max score 10)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>CP All PCL</td>
<td>Retail</td>
<td>1</td>
<td>7</td>
<td>+6</td>
</tr>
</tbody>
</table>

\* For the 2016-2020 comparison, we have applied a previous methodology, meaning that these scores are not directly comparable to the 2020 benchmark scores. For more information about conversion and scoring, please see the Comparing 2016 to 2020 Results Section.
6.4.2 Business to business (B2B)

The B2B sector needs to recognise the role it has to play in providing products and services that minimise their impact on the environment and consumers and respect human rights. By making use of the specific lens of children’s rights, this sector can ensure that their products and services are safe for children, that their products and services have minimum impact on the community and environment and that policies and practices are in place that prohibit human trafficking, child labour or forced labour.

B2B includes companies that produce and sell services to other businesses, rather than between business and individual consumers. Industries included in the sector are Conglomerates, Construction & Engineering, Construction Materials & Supplies, Heavy Machinery & Electrical Equipment, Heavy Transportation and Logistics.

B2B has a total average sector score of 4.5, which is above the regional total average at 4.2. This sector has among the greatest share of companies that have a policy against child labour (65%), and 38% of companies in this sector include child labour in their materiality assessment, which is among the highest shares compared to other industries. Comparatively, 27% of the companies include children’s rights issues at the board level.

27% of companies report doing supplier assessments with regard to child labour. Whereas companies in this study report to some extent on findings of cases of child labour, only 5% of the companies have instituted programmes focused on preventing and/or remediating child labour. There is, then, an opportunity for companies here to follow up on their commitment on everything from transparent reporting to taking action.

Examples of the main impacts on children’s rights:

<table>
<thead>
<tr>
<th>Impact</th>
<th>Where</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child labour</td>
<td>Supply chain</td>
<td>Child labour in informal sector around supplier and/or beyond tier 1.</td>
</tr>
<tr>
<td>Children’s health and safety</td>
<td>Products / services</td>
<td>Exposure to harmful chemicals or bodily harm when coming into contact with products, especially if not intended for children’s use.</td>
</tr>
<tr>
<td>Access to parents</td>
<td>Employees</td>
<td>Opportunity to provide and promote flexible work, parental leave, etc.</td>
</tr>
<tr>
<td>Children’s safety and wellbeing</td>
<td>Employees</td>
<td>Offer childcare for parents to ensure that children are looked after when parents are at work.</td>
</tr>
</tbody>
</table>

Sector statistics

<table>
<thead>
<tr>
<th>Companies in study</th>
<th>37</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conglomerates</td>
<td>3</td>
</tr>
<tr>
<td>Construction &amp; Engineering</td>
<td>7</td>
</tr>
<tr>
<td>Construction Materials &amp; Supplies</td>
<td>5</td>
</tr>
<tr>
<td>Heavy Machinery &amp; Electrical Equipment</td>
<td>5</td>
</tr>
<tr>
<td>Heavy Transportation</td>
<td>3</td>
</tr>
<tr>
<td>Logistics</td>
<td>7</td>
</tr>
</tbody>
</table>

Average sector revenue $6.01B
### Sector results

The spread of scores within sector is as follows:

- Total average score: 4.5
- Workplace: 4.4
- Community & Environment: 4.3
- Policies & Commitments: 6.2
- Implementation: 4.8
- Reporting & Actions: 3.4

### Top 3 companies with highest score 2020

<table>
<thead>
<tr>
<th>Company name</th>
<th>Industry</th>
<th>Overall score 2020 (max score 10)</th>
<th>Performance group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta Electronics (Thailand) PCL</td>
<td>Heavy machinery &amp; electrical equipment</td>
<td>7.8</td>
<td>Leader</td>
</tr>
<tr>
<td>Sunway BHD</td>
<td>Construction &amp; engineering</td>
<td>7.6</td>
<td>Leader</td>
</tr>
<tr>
<td>YTL Corporation BHD</td>
<td>Conglomerats</td>
<td>7.2</td>
<td>Achiever</td>
</tr>
</tbody>
</table>

### Top-mover since 201618

<table>
<thead>
<tr>
<th>Company name</th>
<th>Industry</th>
<th>Score 2016 (max score 9)</th>
<th>Score 2020 (max score 10)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>MMC Corporation Berhad*</td>
<td>Logistics</td>
<td>1</td>
<td>7</td>
<td>+6</td>
</tr>
</tbody>
</table>

---

18 For the 2016-2020 comparison, we have applied a previous methodology, meaning that these scores are not directly comparable to the 2020 benchmark scores. For more information about conversion and scoring, please see the Comparing 2016 to 2020 Results Section.

* For MMC, there is a difference in score between the methodologies used in 2016 and 2020. Using the 2016 methodology, their 2020 score is 7 – a relatively high score. However, when applying the 2020 methodology, they receive a score of 3.1 – a relatively low score (see Company results list on webpage). This difference is due to different weightings and importance placed in the corporate response areas between the two methodologies. The improvement in score between 2016 and 2020 using the older methodology – to a score of 7 – is mainly explained by improvements in applying a child labour policy, board accountability and materiality, whereas this is not equally weighted in the new methodology, which emphasizes the reporting and action area and looks at reporting on outcomes and programmes – i.e. how a company is addressing its impact, where MMC score poorly, specifically in the Workplace, resulting in a lower score.
6. COMPANY RESULTS

6.4.3 Basic Materials

Companies in the Basic Materials sector have the potential to bring positive changes to children’s lives through investing in the communities in which they operate as part of infrastructure, and social development, including roads, water and sanitation, education, healthcare and by providing employment opportunities. However, companies working in this sector can also give rise to long-term negative impacts on children who are more vulnerable than adults because of their ongoing physical, social and emotional development.

The Basic Materials sector includes companies that discover, extract and process different raw materials and are involved in mining, chemical or forestry products. Other sectors rely on this sector for raw materials necessary for the manufacture of goods. Industries included in this sector are Chemicals, Metals & Mining and Paper & Forest Products.

This sector has among the highest share of companies with a child labour policy (59%) compared to other sectors. Other companies in this sector do not explicitly prohibit child labour but prohibit all human rights/labour rights violations more broadly (18%). In other words, a significant share of companies do not explicitly prohibit child labour in a sector that often presents a work environment with severe safety risks.

A large share of the companies are committed to increasing positive impact and/or reducing negative impact on the community (77%), but this commitment does not translate into transparent reporting; only 5% of the companies disclose information about significant actual or potential negative impacts on local communities and/or wider society. None of the companies disclose information about the impacts specifically on children.

Examples of the main impacts on children’s rights:

<table>
<thead>
<tr>
<th>Impact</th>
<th>Where</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child labour</td>
<td>Operations / supply chain</td>
<td>Child labour in informal sector around supplier and/or beyond tier 1.</td>
</tr>
<tr>
<td>Children’s health, safety</td>
<td>Operations / supply chain</td>
<td>Land use/acquisition could lead to loss of livelihoods for families, and/or reduce access to social infrastructure (education/ healthcare). Environmental impacts from company activities can cause contamination/pollution to which children are especially vulnerable.</td>
</tr>
<tr>
<td>and wellbeing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access to parents</td>
<td>Employees</td>
<td>Opportunity to provide and promote flexible work, parental leave, etc.</td>
</tr>
<tr>
<td>Children’s safety and wellbeing</td>
<td>Employees</td>
<td>Offer childcare for parents to ensure that children are looked after when parents are at work.</td>
</tr>
</tbody>
</table>

Companies in study: 22

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals</td>
<td>5</td>
</tr>
<tr>
<td>Metals &amp; Mining</td>
<td>13</td>
</tr>
<tr>
<td>Paper &amp; Forest Products</td>
<td>4</td>
</tr>
<tr>
<td>Average sector revenue</td>
<td>$3.61B</td>
</tr>
</tbody>
</table>

Companies in this sector have the potential to contribute positively to the communities around them through investments.

Fewer than half of the companies (45%) have a formal human rights grievance mechanism to enable everyone (employees and members of the local community, including children) to report on human rights impacts in the community and impacts on the environment. Some companies have instituted ethics hotlines, though it is not clear if these channels are available to members of the community to submit human rights grievances or report on environmental impacts, or whether they are intended for use by employees only. Companies in this sector have the potential to contribute positively to the communities around them through investments. Many of them maintain community programmes with a focus on children (77%). Establishing communication channels would enable them to ensure that the local community is not negatively impacted by their operations.
6. COMPANY RESULTS

6.4.3 Basic Materials

Sector results

Spread of scores within sector

Top 3 companies with highest score 2020

<table>
<thead>
<tr>
<th>Company name</th>
<th>Industry</th>
<th>Overall score (max score 10)</th>
<th>Performance group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indorama Ventures PCL</td>
<td>Chemicals</td>
<td>7.3</td>
<td>Achiever</td>
</tr>
<tr>
<td>Bumi Resources Tbk, PT</td>
<td>Metals &amp; mining</td>
<td>6.8</td>
<td>Achiever</td>
</tr>
<tr>
<td>Petronas Chemicals Group BHD</td>
<td>Chemicals</td>
<td>6.7</td>
<td>Achiever</td>
</tr>
</tbody>
</table>

Top mover since 2016

<table>
<thead>
<tr>
<th>Company name</th>
<th>Industry</th>
<th>Score 2016 (max score 9)</th>
<th>Score 2020 (max score 10)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bumi Resources Tbk, PT</td>
<td>Metals &amp; mining</td>
<td>1</td>
<td>7</td>
<td>+6</td>
</tr>
<tr>
<td>Press Metal Aluminium Holdings BHD</td>
<td>Metals &amp; mining</td>
<td>1</td>
<td>7</td>
<td>+6</td>
</tr>
</tbody>
</table>

---

19 For the 2016-2020 comparison, we have applied a previous methodology, meaning that these scores are not directly comparable to the 2020 benchmark scores. For more information about conversion and scoring, please see the Comparing 2016 to 2020 Results Section.
6.4.4 Energy & Utilities

Research indicates that oil and gas operations can adversely impact children directly or indirectly through impacts on their communities and families. For example, poorly managed oil and gas activity can lead to conflict between countries and within communities by exacerbating disputes over access to natural resources. Additionally, issues such as access to land, treatment of children by security forces, in-migration leading to overburdened schools, housing and clinics all have adverse impacts on children. The environmental impact of these operations also must be considered, given that children are generally more vulnerable to environmental hazards than adults, particularly with regard to water and air pollution.

This sector includes companies involved in the generation of electricity, transmission, retailing and distribution. Utilities specifically refers to companies that provide basic public services and amenities, such as water, gas, and electricity. Industries included in this sector are Oil & Gas and Utilities.

The results of the study show that Energy & Utilities is among the sectors with the smallest share of companies (18%) with family friendly policies, meaning a parental leave policy (beyond what is legally required) and/or commitment to work-life balance. On the upside, nearly half of the companies report on having programmes focused on improving working conditions for parents and caregivers within their own operations and supply chains.

To a greater extent than other sectors, Energy & Utility companies disclose information on significant actual or potential negative impacts on local communities and/or the wider society. There remains a way to go for this sector in terms of identifying children as a separate group of stakeholders. Indeed, information on significant actual or potential negative impacts on children in the communities is not disclosed by these companies.

Energy and utility companies report transparently about identified cases of child labour more frequently than is the case in most other sectors.

Half of the companies have a child labour policy in place. Companies report transparently about identified cases of child labour more frequently than is the case in most other sectors, even if this share is still below a fifth (18%). Only 3% of the companies report on driving programmes focused on preventing and/or remediating child labour, indicating room for improvement in this area.

Examples of the main impacts on children’s rights:

<table>
<thead>
<tr>
<th>Impact</th>
<th>Where</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child labour</td>
<td>Operations / supply chain</td>
<td>Child labour in informal sector around supplier and/or beyond tier 1</td>
</tr>
<tr>
<td>Children’s health, safety and wellbeing</td>
<td>Operations / supply chain</td>
<td>Land use/acquisition could lead to loss of livelihoods for families, and/or reduce access to social infrastructure (educations/ healthcare). Environmental impacts from company activities can cause contamination/pollution to which children are especially vulnerable.</td>
</tr>
<tr>
<td>Access to parents</td>
<td>Employees</td>
<td>Opportunity to provide and promote flexible work, parental leave, etc.</td>
</tr>
<tr>
<td>Children’s safety and wellbeing</td>
<td>Employees</td>
<td>Offer childcare for parents to ensure that children are looked after when parents are at work.</td>
</tr>
</tbody>
</table>

Sector statistics

<table>
<thead>
<tr>
<th>Companies in study</th>
<th>40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; Gas</td>
<td>24</td>
</tr>
<tr>
<td>Utilities</td>
<td>16</td>
</tr>
<tr>
<td>Average sector revenue</td>
<td>$4.10B</td>
</tr>
</tbody>
</table>
6. COMPANY RESULTS

6.4.4 Energy & Utilities

Sector results

![Sector results chart](chart.png)

Top 3 companies with highest score 2020

<table>
<thead>
<tr>
<th>Company name</th>
<th>Industry</th>
<th>Overall score (max score 10)</th>
<th>Performance group</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Grimm PCL</td>
<td>Utilities</td>
<td>8.0</td>
<td>Leader</td>
</tr>
<tr>
<td>Banpu PCL</td>
<td>Oil &amp; gas</td>
<td>7.7</td>
<td>Leader</td>
</tr>
<tr>
<td>Thai Oil PCL</td>
<td>Oil &amp; gas</td>
<td>6.7</td>
<td>Achiever</td>
</tr>
</tbody>
</table>

Top mover since 2016

<table>
<thead>
<tr>
<th>Company name</th>
<th>Industry</th>
<th>Score 2016 (max score 9)</th>
<th>Score 2020 (max score 10)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>PTT Public Company Limited</td>
<td>Oil &amp; gas</td>
<td>1</td>
<td>7</td>
<td>+6</td>
</tr>
</tbody>
</table>

20 For the 2016-2020 comparison, we have applied a previous methodology, meaning that these scores are not directly comparable to the 2020 benchmark scores. For more information about conversion and scoring, please see the Comparing 2016 to 2020 Results Section.
6.4.5 Financials

Financials play a unique role in corporate responsibility and sustainability. Applying a children’s rights lens on their customers is an effective catalyst to ensure good corporate governance and links to children’s rights and related issues such as pollution, climate change, community impacts, health and product safety.

Financials is a sector comprised of companies that provide financial services to corporations and people. Together, these companies form a key part of the economy. Industries included in the sector are Asset Managers, Banks, Financial Services and Real Estate.

Although children are not the direct consumers in this sector, a comparatively high share of companies (20%) have a marketplace programme in place, indicating that some of these companies already recognize that children are tomorrow’s consumers. A number of companies in the study have programmes in place focusing on financial literacy for young people.

Children are stakeholders to companies in this sector as children of employees. While a majority (60%) of the companies in this study have a broader workplace commitment (addressing issues of abuse and harassment, anti-discrimination, gender-equality and/or living wages across the value chain) only a third of the companies (33 %) have a parental leave policy (beyond what is legally required) and/or are committed to work-life balance.

On the other hand, 63% of companies report that they are driving programmes focused on improving working conditions for parents and caregivers within their own operations and supply chains.

Similar to all sectors in this study, Financials report to a high extent (83%) on community programmes with a focus on children’s rights. This indicates a strong commitment to children in the communities.

---

**Examples of the main impacts on children’s rights:**

<table>
<thead>
<tr>
<th>Impact</th>
<th>Where</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child labour</td>
<td>Products/ services: For the Financial sector, the main risks lie with the customers, i.e. companies that are being invested in or lent money to.</td>
<td>Child labour in informal sector around supplier and/or beyond tier 1.</td>
</tr>
<tr>
<td>Children’s health, safety and wellbeing</td>
<td>Products/ services: For the Financial sector, the main risks lie with the customers, i.e. companies that are being invested in or lent money to.</td>
<td>Land use/acquisition could lead to loss of livelihoods for families, and/or reduce access to social infrastructure (education/ healthcare). Environmental impacts from company activities can cause contamination/ pollution to which children are especially vulnerable.</td>
</tr>
<tr>
<td>Access to parents</td>
<td>Employees</td>
<td>Opportunity to provide and promote flexible work, parental leave etc.</td>
</tr>
<tr>
<td>Children’s safety and wellbeing</td>
<td>Employees</td>
<td>Offer childcare for parents to ensure that children are being looked after when their parents are at work.</td>
</tr>
</tbody>
</table>

**Sector statistics**

<table>
<thead>
<tr>
<th>Companies in study</th>
<th>46</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Managers</td>
<td>3</td>
</tr>
<tr>
<td>Banks</td>
<td>25</td>
</tr>
<tr>
<td>Financial Services</td>
<td>1</td>
</tr>
<tr>
<td>Real Estate</td>
<td>17</td>
</tr>
</tbody>
</table>

| Average sector revenue | $4.12B |

63% of companies report that they are driving programmes focused on improving working conditions for parents and caregivers.
6. COMPANY RESULTS

6.4.5 Financials

Sector results

Spread of scores within sector

Top 3 companies with highest score 2020

<table>
<thead>
<tr>
<th>Company name</th>
<th>Industry</th>
<th>Overall score (max score 10)</th>
<th>Performance group</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Developments</td>
<td>Real estate</td>
<td>7.6</td>
<td>Leader</td>
</tr>
<tr>
<td>The Siam Commercial Bank PCL</td>
<td>Banks</td>
<td>7.3</td>
<td>Achiever</td>
</tr>
<tr>
<td>Pruksa Holding PCL</td>
<td>Real estate</td>
<td>7.0</td>
<td>Achiever</td>
</tr>
</tbody>
</table>

Top mover since 201621

<table>
<thead>
<tr>
<th>Company name</th>
<th>Industry</th>
<th>Score 2016 (max score 9)</th>
<th>Score 2020 (max score 10)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>RHB Bank BHD</td>
<td>Banks</td>
<td>1</td>
<td>8</td>
<td>+7</td>
</tr>
</tbody>
</table>

21 For the 2016-2020 comparison, we have applied a previous methodology, meaning that these scores are not directly comparable to the 2020 benchmark scores. For more information about conversion and scoring, please see the Comparing 2016 to 2020 Results Section.
6.4.6 Food, Beverage & Personal Care

At every stage of the value chain, food and beverage companies have the potential to inflict great harm or do tremendous good for children, and therefore must consider children in their policies and practices. For example, the focus needs to be on the potential of the food and beverage industry to respect and support children’s rights to health and adequate nutrition. This includes consideration of children when determining how products are designed, marketed, labelled, priced and how products are made available.

Food, Beverage & Personal Care is a sector that includes companies that process raw ingredients and produce products for consumption. Companies in this sector sell and market products directly to customers, including children. Industries included in the sector are Agricultural Products, Food & Beverage and Personal & Household Products.

In this study, the Food, Beverage & Personal Care sector has the highest total average score out of all sectors and some of the highest scores across indicators.

Examples of the main impacts on children’s rights:

<table>
<thead>
<tr>
<th>Impact</th>
<th>Where</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child labour</td>
<td>Operations/ Supply chain</td>
<td>Child labour in informal sector and in family farming. Hazardous child labour is a particular risk in agriculture.</td>
</tr>
<tr>
<td>Children’s health</td>
<td>Products/ marketing</td>
<td>Products that are not in line with nutritional/safety standards could potentially be dangerous and result in child injuries and health problems, such as obesity.</td>
</tr>
<tr>
<td>Access to parents</td>
<td>Employees</td>
<td>Opportunity to provide and promote flexible work, parental leave, etc.</td>
</tr>
<tr>
<td>Children’s safety and wellbeing</td>
<td>Employees / Supply chain</td>
<td>Offer childcare to ensure that children are being looked after when their parents are at work.</td>
</tr>
</tbody>
</table>

Sector statistics

<table>
<thead>
<tr>
<th>Companies in study</th>
<th>31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Products</td>
<td>24</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>6</td>
</tr>
<tr>
<td>Personal &amp; Household Products</td>
<td>1</td>
</tr>
<tr>
<td>Average sector revenue</td>
<td>$3,888</td>
</tr>
</tbody>
</table>

Compared to other sectors, companies in this sector include marketplace issues with relation to children as part of their materiality analysis to a greater extent. As companies in this sector often market and sell their products directly to children, it is critical that companies include a consideration of children’s rights in their efforts in these areas. Nevertheless, the share of companies that have a marketplace policy (13%) or a product safety policy that includes children (6%) remain low. Only 3% of the companies report on cases of violations of product safety or marketing with regard to children respectively. A tenth of the companies report that they have a product safety programme specifically for children. For this indicator, there are other sectors with a less obvious relationship to children as consumers which perform better.

This sector does comparatively well on Workplace indicators. About half of the companies cover child labour in their materiality assessment, and 65% of the companies have a child labour policy. However, a significantly smaller share (35%) report on supplier assessments.

In comparison, their commitment is not as strong with regard to family friendly policies; only 16% of the companies have a parental leave policy (beyond what is legally required) or a commitment to work-life balance. However, this does not seem to reflect their efforts given that 68% of the companies report on programmes focused on improving working conditions for parents and caregivers in their own operations and supply chains.
### 6. COMPANY RESULTS

#### 6.4.6 Food, Beverage & Personal Care

#### Sector results

**Spread of scores within sector**

![Box plot showing the distribution of scores across different categories within the food, beverage, and personal care sector.]

#### Top 3 companies with highest score 2020

<table>
<thead>
<tr>
<th>Company name</th>
<th>Industry</th>
<th>Overall score (max score 10)</th>
<th>Performance group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wilmar International Ltd.</td>
<td>Agricultural products</td>
<td>9.4</td>
<td>Leader</td>
</tr>
<tr>
<td>Sime Darby Plantation BHD</td>
<td>Agricultural products</td>
<td>8.7</td>
<td>Leader</td>
</tr>
<tr>
<td>IOI Corporation BHD</td>
<td>Agricultural products</td>
<td>8.1</td>
<td>Leader</td>
</tr>
</tbody>
</table>

#### Top mover since 2016\(^{22}\)

<table>
<thead>
<tr>
<th>Company name</th>
<th>Industry</th>
<th>Score 2016 (max score 9)</th>
<th>Score 2020 (max score 10)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>IOI Corporation BHD</td>
<td>Agricultural products</td>
<td>2</td>
<td>9</td>
<td>+7</td>
</tr>
</tbody>
</table>

\(^{22}\) For the 2016-2020 comparison, we have applied a previous methodology, meaning that these scores are not directly comparable to the 2020 benchmark scores. For more information about conversion and scoring, please see the Comparing 2016 to 2020 Results Section.
6. COMPANY RESULTS

6.4.7 Technology & Telecom

The explosion of information and communication technology has created unprecedented opportunities for children to communicate, learn, share and access information. But wider and more easily available access to the Internet and associated technologies also pose significant risks to children’s rights – both offline and online. Industry has a key role to play in ensuring the provision of safer and more secure products and services, while at the same time driving innovative solutions that expand positive opportunities for children.

The Technology & Telecom sector covers companies that are primarily engaged with new technology, enabling technological solutions such as distance communications and computer networking. Industries included in the sector are Electronics, Software, IT Services & Platforms and Telecommunications.

Technology & Telecom has a big divide in terms of the results where Telecommunications are at the top of the group, and companies in Technology are some of the lowest scoring of the entire benchmark. As an aggregate this sector still has the highest result for product safety policies. However, despite being the highest scoring sector, only 10% of the companies have a product safety policy that includes children, and only 10% of the companies report on including children’s rights in the marketplace, as part of their materiality analysis.

A third of the companies in the study report that they collaborate with peers and/or through private-public partnerships on children’s rights issues. There is an opportunity for companies to increase collaboration and increasingly address important children’s rights issues, such as online safety through industry initiatives.

76% of the companies in this sector have a general commitment to reducing their environmental impacts, but only 24% have set specific reduction targets. While it seems as though those who have set specific reduction targets report on them to a great extent, those that have only a general commitment report to a lesser extent. Setting specific reduction goals and reporting transparently on results is a way to focus efforts towards lowering emissions.

Examples of the main impacts on children’s rights:

<table>
<thead>
<tr>
<th>Impact</th>
<th>Where</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child labour</td>
<td>Supply chain</td>
<td>Child labour in informal sector around supplier and/or beyond tier 1</td>
</tr>
<tr>
<td></td>
<td>Products</td>
<td>For some mobile network operators, there might also be a risk of child</td>
</tr>
<tr>
<td></td>
<td></td>
<td>labour in sales of sim-cards etc.</td>
</tr>
<tr>
<td>Online safety and digital inclusion</td>
<td>Products</td>
<td>The internet and other technologies pose risks to children’s rights in terms of online safety, but equally important is what the sector can contribute with in terms of creating access, i.e. promoting digital inclusion.</td>
</tr>
<tr>
<td>Access to parents</td>
<td>Employees</td>
<td>Opportunity to provide and promote flexible work, parental leave etc.</td>
</tr>
<tr>
<td>Children’s safety and wellbeing</td>
<td>Employees / Supply chain</td>
<td>Offer childcare to ensure that children are being looked after when their parents are at work.</td>
</tr>
</tbody>
</table>

Sector statistics

<table>
<thead>
<tr>
<th>Companies in study</th>
<th>21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronics</td>
<td>7</td>
</tr>
<tr>
<td>Software, IT Services &amp; Platforms</td>
<td>2</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>12</td>
</tr>
<tr>
<td>Average sector revenue</td>
<td>$2.19B</td>
</tr>
</tbody>
</table>

A large share of companies in this sector don’t have a child labour policy. Compared to the other sectors in this study, Technology & Telecom has the second lowest share of companies with a child labour policy (38%).

Industry has a key role to play in ensuring the provision of safer and more secure products and services.
### Sector results

**Spread of scores within sector**

<table>
<thead>
<tr>
<th>Total average score</th>
<th>Workplace</th>
<th>Marketplace</th>
<th>Community &amp; Environment</th>
<th>Policies &amp; Commitments</th>
<th>Implementation</th>
<th>Reporting &amp; Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.8</td>
<td>3.5</td>
<td>2.1</td>
<td>3.7</td>
<td>4.8</td>
<td>3.0</td>
<td>3.0</td>
</tr>
</tbody>
</table>

### Top 3 companies with highest score 2020

<table>
<thead>
<tr>
<th>Company name</th>
<th>Industry</th>
<th>Overall score (max score 10)</th>
<th>Performance group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore Telecommunications Ltd</td>
<td>Telecommunications</td>
<td>7.7</td>
<td>Leader</td>
</tr>
<tr>
<td>True Corporation PCL Ltd</td>
<td>Telecommunications</td>
<td>7.6</td>
<td>Leader</td>
</tr>
<tr>
<td>Starhub Ltd</td>
<td>Telecommunications</td>
<td>6.9</td>
<td>Achiever</td>
</tr>
</tbody>
</table>

### Top mover since 2016

<table>
<thead>
<tr>
<th>Company name</th>
<th>Industry</th>
<th>Score 2016 (max score 9)</th>
<th>Score 2020 (max score 10)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>True Corporation PCL Ltd</td>
<td>Telecommunications</td>
<td>1</td>
<td>7</td>
<td>+6</td>
</tr>
</tbody>
</table>

---

23 For the 2016-2020 comparison, we have applied a previous methodology, meaning that these scores are not directly comparable to the 2020 benchmark scores. For more information about conversion and scoring, please see the Comparing 2016 to 2020 Results Section.
6.4.8 Travel & Leisure

The Travel & Leisure sector is globally one of the most significant sectors, especially for emerging economies, as highlighted in three of the Sustainable Development Goals. To achieve the potential of the sector, a concerted effort by industry bodies and individual companies is needed to understand how children are affected – positively and negatively – by the sector’s business operations and value chains. Over the last decade there has been considerable efforts focused on particular child protection concerns. Now greater attention is needed on the broader range of impacts of tourism on children’s rights.

The Travel & Leisure sector includes companies engaged in areas such as travel and tourism, entertainment and recreation. Industries included in the sector are Hotels and Passenger Transport. In this sector, child protection concerns are of key importance, including child sexual exploitation. In addition, tourism might bring a broader range of impacts that have an impact on children’s right as well.

Across Marketplace indicators, the Travel and Leisure sector fails to include a children’s rights perspective. But this is not because issues such as product safety or responsible marketing are unimportant; all companies in the study have a general product safety policy, and 31% have a responsible marketing policy.

In addition, 77% of the companies include broader marketplace issues in their materiality assessment and report on board oversight respectively. They also stand out in that they report on cases of non-compliance related to product safety to a greater extent than other sectors do. There is an opportunity here to incorporate a children’s rights perspective into already existing policies and practices. The Travel & Leisure companies in this study have a comparatively high level of commitment to the environment; 38% of the companies are committed to reducing their environmental impacts and have set specific reduction targets, while the remainder have made more general commitments.

The results indicate that the community commitment in this sector is not especially strong: While 23% do not have a community commitment, 69% have a more general commitment and 8% have a commitment to advancing development in the community with relevance to children’s rights.

On the other hand, the level of commitment does not seem to accurately mirror companies’ actions; a vast majority (77%) of the companies in this sector report that they are collaborating with and/or making donations to NGOs and charities with a focus on children’s rights. Compared to other sectors Travel & Leisure has a significantly higher share of companies that report on these types of efforts.

Examples of the main impacts on children’s rights:

<table>
<thead>
<tr>
<th>Impact</th>
<th>Where</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child labour</td>
<td>Operations / Products</td>
<td>Child labour in informal sector, e.g. food or souvenir sales, incl. child sexual exploitation.</td>
</tr>
<tr>
<td>Child protection</td>
<td>Operations / Products</td>
<td>Voluntourism is the merging of volunteering and tourism, which can have negative effects on children. Specifically, orphanage voluntourism encourages separation of children from their families.</td>
</tr>
<tr>
<td>Access to parents</td>
<td>Employees</td>
<td>Opportunity to provide and promote flexible work, parental leave, etc.</td>
</tr>
<tr>
<td>Children’s safety and wellbeing</td>
<td>Employees / Supply chain</td>
<td>Offer childcare to ensure that children are being looked after when their parents are at work. And offer decent work (wages) for parents who often have low wages and/or irregular work, which increases stress on them as parents.</td>
</tr>
</tbody>
</table>

Sector statistics:

<table>
<thead>
<tr>
<th>Companies in study</th>
<th>13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Transport</td>
<td>9</td>
</tr>
<tr>
<td>Hotels</td>
<td>4</td>
</tr>
<tr>
<td>Average sector revenue</td>
<td>$4.78B</td>
</tr>
</tbody>
</table>
6. COMPANY RESULTS

6.4.8 Travel & Leisure

Sector results

<table>
<thead>
<tr>
<th>Spread of scores within sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total average score</td>
</tr>
<tr>
<td>-------------------------</td>
</tr>
<tr>
<td>Max (10.0)</td>
</tr>
<tr>
<td>3rd quartile (7.5)</td>
</tr>
<tr>
<td>Median (2nd quartile)</td>
</tr>
<tr>
<td>1st quartile (4.5)</td>
</tr>
<tr>
<td>Min (0.0)</td>
</tr>
</tbody>
</table>

Top 3 companies with highest score 2020

<table>
<thead>
<tr>
<th>Company name</th>
<th>Industry</th>
<th>Overall score (max score 10)</th>
<th>Performance group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minor International PCL</td>
<td>Hotels</td>
<td>6.9</td>
<td>Achiever</td>
</tr>
<tr>
<td>Genting Malaysia BHD</td>
<td>Hotels</td>
<td>6.8</td>
<td>Achiever</td>
</tr>
<tr>
<td>Singapore Airlines Ltd.</td>
<td>Passenger transport</td>
<td>6.2</td>
<td>Achiever</td>
</tr>
</tbody>
</table>

Top mover since 2016

<table>
<thead>
<tr>
<th>Company name</th>
<th>Industry</th>
<th>Score 2016 (max score 9)</th>
<th>Score 2020 (max score 10)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfordelgro Corporation Ltd</td>
<td>Passenger transport</td>
<td>1</td>
<td>7</td>
<td>+6</td>
</tr>
<tr>
<td>Minor International PCL</td>
<td>Hotels</td>
<td>1</td>
<td>7</td>
<td>+6</td>
</tr>
</tbody>
</table>

24 For the 2016-2020 comparison, we have applied a previous methodology, meaning that these scores are not directly comparable to the 2020 benchmark scores. For more information about conversion and scoring, please see the Comparing 2016 to 2020 Results Section.
6. Company benchmark results in 2016 vs 2020

In 2016, Global Child Forum, in collaboration with Boston Consulting Group, conducted the first regional benchmark study on Southeast Asia. In order to track progress in the region, this section compares the results from this year’s study with those from four years ago, showing an overall positive trend, but with clear areas for improvement where reporting is still, for the most part, lacking.

The methodology for the benchmark has developed significantly since 2016, including more than 10 new indicators and more scoring options, making direct comparisons between the results of the two studies impossible. For example, the improved methodology used for this year’s study takes into account many more issues and levels of corporate response (see More Focus on Policies Than Implementation and Outcomes). Having learned from previous studies that many companies report on having a child labour policy but do not show how it’s actually implemented or what the results are, the improved methodology places more importance on these two latter aspects by using weightings. To compare the two studies, the 2020 results have been recalculated using the 2016 indicators and scoring options. In the call-out box “Comparing 2016 to 2020 results” more information can be found about this recalculation and which indicators can be compared.

6.5.1 Overall improvement in the region

Along with the overall economic growth and development in the region, average scores in Southeast Asia have improved across all sectors since 2016 and the total average score - out of a total possible score of 9 - for the entire region has almost doubled, with an increase from 1.7 to 3.1 (14 points) between 2016 and 2020.

The sector that represents the largest increase overall is Food, Beverage & Personal Care, where the sector average score has improved by 2.1 points, closely followed by Travel & Leisure with an increase of 2.0 points. Go to the Sector Scorecards section to learn which of the companies benchmarked in 2016 have seen the biggest increases in scores.

Other sectors that have improved substantially are Basic Materials (+ 1.7 points), Energy & Utilities (+ 1.6 points), Financials (+1.4 points) and, B2B (+1.4 points).

Comparing 2016 to 2020 results

289 companies were included in the 2016 study, compared to 232 companies in 2020. There is a high comparability between samples with a 72% overlap of companies. In terms of company size, the samples are also on a similar average revenue level. The following indicators, with a maximum possible score of 9, are used to compare the two studies:

1. Child Labour policy (1 point)
2. Addressing children’s rights issues other than child labour (1 point)
3. Performance reporting (1 point)
4. Board accountability (2 points)
5. Materiality assessment (2 points)
6. Collaborations with child organisations and/or charity related to children’s rights (1 point)
7. Driving strategic programmes to improve children’s lives (1 point)

All of these indicators have parallels in the 2020 methodology, allowing for a comparison between the two studies (and methodologies), using a recalculated score 0-9 for these selected indicators from the 2020 results.

* The industry split is similar between the two samples, with the main difference being a lower share of Food, Beverage & Personal Care and no Healthcare companies in 2020. There is also a similar country split in the 2016 compared to 2020 sample; the key difference is that there are fewer companies from Thailand, Indonesia and Vietnam. (Note: Among companies that were excluded in 2020, there were many companies with a score above average. Excluding these might have had an impact on the overall average score.)

** The 2016 study used a 9-indicator methodology. The 7 indicators are an adaption, keeping a minimum level of comparability between studies from different years where the methodologies aren’t directly comparable.

25 This also means that direct comparisons for individual company results on the overall score cannot be made between the two studies.
26 For more information about this year’s methodology, indicators and scoring, please see the full methodology.
27 It can’t be ruled out that this could be explained in part by methodology conversion between 2016 and 2020, which doesn’t allow for a perfect comparison between the two years. The difference in sample size could also have impacted the results given that some smaller companies (that statistically tend to have lower scores) were excluded from the 2020 sample.
28 For Financials and Food, Beverage & Personal care, the samples are smaller in 2020 compared to 2016. This may have had a positive impact on the level of increase, as companies with the largest revenue are prioritized and often have higher scores than smaller companies.
Two sectors lag notably when it comes to improvement in the average score. Apparel & Retail has only increased its average score by 0.6 in four years, putting it significantly behind the rest of the region. Worse still is Technology & Telecom which has shown only a small increase of 0.3. It is important to note, however, that there is a significant difference between the two industries within this sector: when considering the results of Telecom companies and Technology companies separately (see also Deep Dive: Sector Score Spread), Telecom has increased the average score from 3.0 (2016) to 4.2 (2020) out of a total possible score of 9, leaving it on par with the leading sector – Food, Beverage & Personal Care – for the 2020 score, whereas Technology increased only slightly, from 1.3 in 2016 to 1.6 in 2020. For more information about these sectors and the areas where they can improve, please refer to the Food, Beverage & Personal Care Leading in the Region and Deep Dive: Sector Score Spread sections.

6.5.2 Positive trends in several areas of implementation

As the results in the region on sector level have been generally positive, it is interesting to dive deeper into the specifics of these shifts when it comes to specific indicators to understand in a more concrete way where change has occurred, and where improvement is still needed.\(^\text{31}\)

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\(^{29}\) In 2020, the sector classification used in the benchmark was changed from ICB to one based on Thomson Reuters. This has mainly affected sector names. Where, for example, the following updates have been made: Industrials -> B2B, Consumer Goods -> Food, Beverage & Personal Care,\(^\text{30}\) A third of companies included in the 2020 Technology & Telecom sample were not included in the 2016 sample. Those companies that are overlapping have, in contrast to the sector as a whole, increased their average score for 2020.

\(^{31}\) Please note that when referencing share of companies receiving a score in this section, it isn’t directly comparable to the full methodology used for the assessment. For this reason, percentages here might differ slightly from those presented in other parts of the report.
Seeing children as part of the community and organizing different forms of programmes for the benefit of children, has long been one of the issues that companies score well on in the benchmark.
Board accountability & materiality
There is a positive trend in the share of companies that consider children’s rights at the board level and include children’s rights issues in their materiality assessment. In this year’s study, 24% of companies in the region mentioned children’s rights/child labour as part of a board’s responsibilities, compared to only 3% in 2016. Similarly, this year 36% of the companies reported that they consider issues regarding child labour/children’s rights as a risk in their materiality assessment, compared to 6% in 2016. The development of these indicators is a positive sign, reflecting a more integrated approach to sustainability overall being taken by companies in the region, with boards starting to take charge and materiality becoming more prevalent as a tool with which to focus sustainability efforts.

While this represents movement in the right direction, the fact that about three-quarters of companies have yet to bring children’s rights into the boardroom and that roughly two-thirds don’t consider their impact on children to be material tells us that there is still a distance to travel for companies in the region beginning the task of integrating a children’s rights perspective into their core business.

Child labour & beyond
There is a clear positive trend when it comes to corporate commitments to combat child labour in the region, with a substantially larger share of companies reporting on having a policy against child labour in 2020 as compared to 2016: 51% now as compared to 29% in the previous study. Although this is a significant development and indicates that child labour is increasingly being taken seriously, it is important to remember that about half of companies in the region still lack a policy, which is especially worrying given that it appears as if the pandemic might lead to a heightened risk of child labour (see COVID-19 Snapshot).

Though the share of companies in the region making a clear commitment against child labour implies an encouraging trend, the results when it comes to reporting on the outcomes of these commitments – Indicator 3: Performance reporting – have not changed. Here companies in the region have an opportunity to demonstrate that these commitments are being implemented in an effective way by also reporting on the outcomes. 32

Read more about this in the Workplace Deep Dive.

Programmes & collaborations
Seeing children as part of the community and organizing different forms of programmes for the benefit of children, for example, by supporting access to education or healthcare, has long been one of the issues that companies score well on in the Corporate Sector and Children’s Rights Benchmark. This is also the one indicator that stands out as the absolute highest scoring in this year’s study, with 92% of companies reporting that they have their own initiatives or programmes to improve children’s lives in various ways. This represents an increase from the last study, although the share was substantial in 2016 with 84%. Conversations with experts and companies in the region also confirm that contributing (paying back) to the surrounding community is often seen as an integral part of corporate culture and is closely tied to the social license to operate.

One of the areas that, on average, clearly distinguishes companies that improve their scores, placing them in the high-scoring group of Leaders, is in efforts to collaborate with others. The share of companies that report on strategic collaborations with other organizations has increased moderately (by 7 percentage points) from 9% in 2016 to 16% in 2020. This area represents a significant opportunity for improvement: if companies partner with civil society and other stakeholders such as governments and industry peers in the development and implementation of programmes aimed at improving children’s lives, they stand to achieve even greater impacts.

Read more about these issues in the Community & Environment and Collaborations Sections.

32 The share of companies receiving a score on this indicator has in fact gone down from 18% in 2016 to 14% in 2020. This result is likely to be in part due to the methodology, reflecting tougher requirements for receiving a score in the 2020 study compared to 2016. Regardless, companies still have some way to go in terms of reporting on outcomes.

THE STATE OF CHILDREN’S RIGHTS AND BUSINESS IN SOUTHEAST ASIA 2020
45
6.6 Comparison regional companies vs global aggregates – overall progress for Thai Airways, Golden Agri-Resources and more

In 2019, Global Child Forum, in collaboration with Boston Consulting Group, published The State of Children’s Rights and Business – a global benchmark study that assessed approximately 700 companies across six regions and nine sectors on 20 indicators related to children’s rights. While it is important to recognise that there are some limitations in terms of the ability to make direct comparisons between the two studies due to differences in the average size of the companies included, comparing the results from the Global study to those for Southeast Asia allows for an understanding of where companies in the region stand in relation to their global peers and competitors. Where are they leading and where are they lagging behind?33

Overall, the difference between Southeast Asia and the global sample is modest. The total average score for Southeast Asia (2020) at 5.0 (out of 10) is slightly below the total global average (2019) at 5.6 (out of 10).

6.6.1 All industries lag behind their global peers

While differences are for the most part small, Southeast Asia does score below the global average across all sectors.34 The most significant differences are found in: Technology & Telecom – one of the two leading sectors in the global study, but lagging behind in Southeast Asia (for more information about this sector’s score, see Deep Dive: Sector Score Spread); Basic Materials; and Apparel and Retail (for more information about this sector’s score, see Food, Beverage & Personal Care Leading in the Region), which is the lowest scoring sector in the region. This could indicate that there is a lower level of maturity in these sectors compared to both their global peers and to other sectors in the region. On the other hand, Food, Beverage & Personal Care as well as Travel & Leisure (two sectors whose impact on children have received attention in the region - child labour in agriculture, and child sexual exploitation in tourism) are on average almost on par with their global peers.

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33 The number of companies included in the 2019 study totaled 692, compared to 323 companies in the Southeast Asia 2020 study. There are some challenges in terms of comparability as companies included in the 2019 sample have significantly higher revenue than those in the 2020 sample: average revenue for 2019 was 25 BUSD, whereas for 2020 it is 4 BUSD. Smaller companies on average have a lower score, which may bring the results for Southeast Asia down compared to the global sample.

34 In the Global sample (2019) Financials sector sample, there was a disproportionately large number of companies from the Middle East and North Africa - MENA – with a share of 46% of the sector. As companies in MENA scored significantly lower than their global peers, the poor results from these companies skewed the overall results of the Financial sector in the study. For this reason, two averages are shown here: with MENA (4.5) and without (5.7).
6.6.2 Lack of attention to child labour

Child labour is one of the main issues where Southeast Asian companies clearly lag behind the global average: only 51% of companies in the Southeast Asia 2020 study reported on having a child labour policy, compared to 67% in the 2019 global study.35

Moving on to supplier assessments with regard to child labour, there is a considerable drop from the 51% cited above as only 25% of Southeast Asian companies report on doing such assessments, compared to 39% in the global 2019 sample.

Grievance mechanisms is an area where Southeast Asian companies on average score above the global result: 33% report having a grievance mechanism through which both employees and the community can raise human rights concerns. Only 26% of companies in the global study report having such a mechanism in place.

This result shows that those companies in Southeast Asia with a child labour policy are indeed better than their global peers at implementing this essential procedure whereby they receive information about the actual impact of their policies and their operations. Read more about this in the Workplace section.

6.6.3 Focus on children through charity and programmes

Having community programmes with relevance to children is the area where Southeast Asian companies stand out. With 83% reporting on having one, compared to 71% in the global study, we see an indication that this type of giving back to the community is an aspect of children’s rights that is intrinsic to the corporate culture in the region.

This can be contrasted with only 44% of companies in Southeast Asia reporting on, collaborating with and/or making donations (monetary, in-kind or volunteering time) to any NGOs,charities with a focus on children’s rights, compared to 68% in the global 2019 study. However, a larger share of those in the region that have collaborated report that their collaborations are strategic rather than merely charitable donations: 55%, compared to 37% of global companies.

Comparatively, the results do not differ greatly for the indicator that looks at industry partnerships and private-public initiatives to address children’s rights; 25% in the Southeast Asia study report on such collaborations, compared to 27% in the global 2019 study.

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35 The percentages referenced in this section, are based on the share of companies receiving a score of 10 for the mentioned indicator. For more information about the scoring, see the Methodology. The score 10 for the indicator on child labour policy in 2019 included only whether a company had a policy for its own operations. For 2020 this has been expanded to include whether a company (only) has a policy for its suppliers. This means that, if the comparison had been made using the 2020 methodology for both samples, the share of companies receiving a score of 10 would have been higher for the 2019 study.
6. COMPANY RESULTS

6.6.4 Largest companies in region are improving

Sixteen of the largest companies in Southeast Asia that were also included in the State of Children’s Rights and Business 2019 are listed here (by order of improvement). As can be seen, they signify an encouraging trend, where all but one of the companies have improved their scores between 0.1 and 3.1 points. A quarter of them have moved into the highest category of Leaders, and two have moved from being Improvers to Achievers. These results indicate that the largest companies in the region are continually improving on their engagement with children and reporting on children’s rights in relation to their business. However, the overall small steps toward improvement also indicate there is opportunity to move faster.

Overall scores of companies included in both Southeast Asia study (2020) and Global study (2019) – 2019 year’s methodology applied

Listed in order of improvement of overall score

<table>
<thead>
<tr>
<th>Company name</th>
<th>Sector</th>
<th>2019</th>
<th>2020</th>
<th>Diff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charoen Pokphand Foods (CPF)</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>5.2</td>
<td>8.4</td>
<td>3.1</td>
</tr>
<tr>
<td>Wilmar</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>7.4</td>
<td>9.6</td>
<td>2.3</td>
</tr>
<tr>
<td>Golden Agri-Resources</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>5.9</td>
<td>8.1</td>
<td>2.2</td>
</tr>
<tr>
<td>Mobile World Investment Corporation (MWG)</td>
<td>Technology &amp; Telecom</td>
<td>0.0</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Thai Oil</td>
<td>Energy &amp; Utilities</td>
<td>6.0</td>
<td>7.4</td>
<td>1.4</td>
</tr>
<tr>
<td>DRB-HICOM</td>
<td>Apparel &amp; Retail</td>
<td>4.9</td>
<td>6.3</td>
<td>1.4</td>
</tr>
<tr>
<td>Thai Airways</td>
<td>Travel &amp; Leisure</td>
<td>4.4</td>
<td>5.5</td>
<td>1.2</td>
</tr>
<tr>
<td>PTT</td>
<td>Energy &amp; Utilities</td>
<td>5.8</td>
<td>6.9</td>
<td>1.1</td>
</tr>
<tr>
<td>Singapore Airlines</td>
<td>Travel &amp; Leisure</td>
<td>5.8</td>
<td>6.7</td>
<td>0.8</td>
</tr>
<tr>
<td>Singapore Telecommunications (Singtel)</td>
<td>Technology &amp; Telecom</td>
<td>7.5</td>
<td>8.2</td>
<td>0.7</td>
</tr>
<tr>
<td>DBS Group Holdings</td>
<td>Financials</td>
<td>5.4</td>
<td>6.0</td>
<td>0.6</td>
</tr>
<tr>
<td>SM Investments (SM Group)</td>
<td>Financials</td>
<td>5.6</td>
<td>6.1</td>
<td>0.5</td>
</tr>
<tr>
<td>CP All</td>
<td>Apparel &amp; Retail</td>
<td>7.8</td>
<td>8.2</td>
<td>0.4</td>
</tr>
<tr>
<td>Jollibee Foods</td>
<td>Apparel &amp; Retail</td>
<td>2.8</td>
<td>3.0</td>
<td>0.2</td>
</tr>
<tr>
<td>Mewah</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>6.9</td>
<td>7.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Olam</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>8.4</td>
<td>8.5</td>
<td>0.1</td>
</tr>
<tr>
<td>Garuda Indonesia</td>
<td>Travel &amp; Leisure</td>
<td>5.2</td>
<td>3.9</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td>56</td>
<td>66</td>
<td>10</td>
</tr>
</tbody>
</table>

For more information on the Leader - Beginner groupings see Section 6.3 Benchmark results 2020
7. Impact area results

In accordance with previous studies (e.g. The State of Children’s Rights and Business 2019), companies on average score higher on Workplace (4.4) and Community & Environment (4.4) indicators than on Marketplace indicators (2.4). This pattern is in evidence across sectors, including consumer-facing sectors where one might expect more attention to these issues as compared to the other sectors. In the following sections, these results will be further explored.

Total impact average area scores

<table>
<thead>
<tr>
<th>Impact Area</th>
<th>Average Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplace</td>
<td>4.4</td>
</tr>
<tr>
<td>Marketplace</td>
<td>2.4</td>
</tr>
<tr>
<td>Community &amp; Environment</td>
<td>4.4</td>
</tr>
</tbody>
</table>

Decent work for young workers, parents and caregivers, and prevention of child labour.

Marketing and advertising, protection from online abuse and exploitation, and product safety.

Access to health, education and social services, as well as use of natural resources, damage to the environment as a result of land acquisition, and the impact of conflict and emergencies.

Average score per impact area

<table>
<thead>
<tr>
<th>Impact Area</th>
<th>Average Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplace</td>
<td>5.0</td>
</tr>
<tr>
<td>Marketplace</td>
<td>4.7</td>
</tr>
<tr>
<td>Community &amp; Environment</td>
<td>4.6</td>
</tr>
<tr>
<td>Workplace</td>
<td>4.6</td>
</tr>
<tr>
<td>Marketplace</td>
<td>4.8</td>
</tr>
<tr>
<td>Community &amp; Environment</td>
<td>3.9</td>
</tr>
<tr>
<td>Workplace</td>
<td>4.4</td>
</tr>
<tr>
<td>Marketplace</td>
<td>4.4</td>
</tr>
<tr>
<td>Community &amp; Environment</td>
<td>4.4</td>
</tr>
<tr>
<td>Workplace</td>
<td>4.2</td>
</tr>
<tr>
<td>Marketplace</td>
<td>4.2</td>
</tr>
<tr>
<td>Community &amp; Environment</td>
<td>4.2</td>
</tr>
<tr>
<td>Workplace</td>
<td>3.4</td>
</tr>
<tr>
<td>Marketplace</td>
<td>3.4</td>
</tr>
<tr>
<td>Community &amp; Environment</td>
<td>3.4</td>
</tr>
</tbody>
</table>

Total no. of companies in study

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food, Beverage &amp; Personal Care</td>
<td>22</td>
</tr>
<tr>
<td>Travel &amp; Leisure</td>
<td>37</td>
</tr>
<tr>
<td>Financials</td>
<td>22</td>
</tr>
<tr>
<td>B2B</td>
<td>40</td>
</tr>
<tr>
<td>Technology &amp; Telecom</td>
<td>46</td>
</tr>
<tr>
<td>Energy &amp; Utilities</td>
<td>31</td>
</tr>
<tr>
<td>Basic Materials</td>
<td>21</td>
</tr>
<tr>
<td>Apparel &amp; Retail</td>
<td>13</td>
</tr>
</tbody>
</table>
7.1 Workplace: including case study on IOI & child labour

The corporate sector impacts children’s lives as pertains to the Workplace in two main areas:

- **Child labour and decent work for young workers.** Child labour, often the first topic that comes to mind when considering how children’s rights are of relevance to the corporate sector, requires companies to take appropriate measures to assess risks, prohibit, prevent, report on findings and provide remediation. Ensuring decent working condition for young people is another key element.

- **Family friendly policies and programmes** are of obvious relevance to children’s daily lives. Family friendly efforts by companies, for example, impact the amount of access children of employees have to their parents (for example, through parental leave that exceeds what is legally required or availability of flexible work arrangements) and ensuring that children are looked after when parents are at work.

The total average score for Workplace is 4.4; an average score that occupies the same level as Community & Environment (4.4) and falls significantly above the total average score for Marketplace (2.4). The workplace indicators in particular cover the areas of child labour, decent work for young workers, as well as family friendly policies and programmes. In all three areas (WP, MP and C&E), the indicators are divided into Policy & Commitment, Implementation and Reporting & Action, enabling us to track how policies and commitments are integrated and reported on.

This section offers a deep dive into the indicators in the benchmark covering reporting with relevance to children’s rights in the workplace. The sub-sections below will first set the scene by looking at the status of children’s rights in the workplace from a broad perspective, then present and discuss benchmark findings for each area, also providing detail by using some company examples.
7.1.1 Child labour and decent work for young workers

Background
According to “Global estimates of child labour: Results and trends, 2012-2016”, by the International Labour Organization (ILO), 152 million children engage in child labour across the globe, and nearly half of them are involved in the worst (most hazardous) forms of child labour. On the global level, child labour is more prevalent in agriculture compared to the services and industry sectors, and a similar pattern is found in Asia and the Pacific (57.5% in agriculture).

‘Children’s Rights and Business Atlas’ findings
According to the Children’s Rights and Business Atlas, jointly developed by UNICEF and Global Child Forum, all six governments have ratified ILO convention No. 138 (Minimum Age Convention) and ILO convention No. 182 (Worst Forms of Child Labour Convention). There is data lacking with regard to the proportion of children engaged in child labour among the countries. One of the countries in particular stands out with regard to frequency of reported instances of the worst forms of child labour. All countries, with one exception, have government programmes, for instance, a National Action Plan, to address child labour (including commercial sexual exploitation of children and child trafficking). The compulsory age for schooling varies by country, aligned with the minimum age for employment. There is also a varying degree of evidence with regard to government programmes to improve youth employment opportunities among the countries.

<table>
<thead>
<tr>
<th>Share of companies that score 10 on Workplace indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Minimum age of employment</td>
</tr>
<tr>
<td>Board accountability</td>
</tr>
<tr>
<td>Materiality assessment</td>
</tr>
<tr>
<td>Supplier assessment</td>
</tr>
<tr>
<td>Grievance mechanism</td>
</tr>
<tr>
<td>Minimum age of employment</td>
</tr>
<tr>
<td>Programmes</td>
</tr>
</tbody>
</table>

As evidenced in the graph above, there is a drop along the three levels of integration, where a greater share of companies have a policy, yet fewer take measures to implement, and a still smaller share of companies follow up on their commitment with reporting on findings and programmes. A similar curve was apparent in previous studies, most recently in 2019 when we found that, out of the 67% of companies that prohibited child labour, less than half conducted supplier assessment, and in total only 21% of companies globally reported on incidents of child labour (compared to 14% in the SEA study).

While these results signal a need for improvement across all levels of integration, comparing the 2020 results with the results of the 2016 regional study indicates a positive trend among relevant indicators; in 2016 only 29% of the companies had a policy against child labour, 3% mentioned children’s rights/child labour as part of the responsibilities at the board level and 6% of companies reported on analysing issues regarding child labour/children’s rights as a risk. The results thus suggest that companies have come further on their journey in recent years, but that there is still a distance to go before all companies have fully integrated a holistic approach to address child labour.

38 Ibid. P. 36
Benchmark results
About half of the companies in the study have a child labour policy in place (51%). This figure is less than the 2019 global average in which 67% of companies explicitly prohibited child labour. The share of companies reporting that they attend to children’s rights in the workplace at the board level is 22%, and 33% of the companies include it in their materiality analysis. Only 25% of the companies in this study report that they follow up their commitment with supplier assessments, whereas 33% report on having a grievance mechanism to enable anyone (employees and members of the local community, including children) to report about human rights impacts in operations and/or supply chains. Only 14% of the companies report on operations and/or suppliers considered to have significant risk for incidents of child labour and/or mention incidents of child labour and 7% report that they are working actively or driving programmes focused on preventing and/or remediating child labour.

Food Beverage & Personal Care
The sector with the largest share of 10 scores (meaning that they have included a children’s rights perspective) across the workplace indicators is Food, Beverage & Personal Care (view the sector scorecard section to see which companies scored highest.)

In this sector, the percentage of companies that prohibit child labour (65%) exceeds the regional total average (51%). This is also the sector where the largest share of companies includes children’s rights in the workplace in their materiality assessment (48%). In contrast, 35% of companies report on having supplier assessments, and only 16% report on incidents of child labour. Compared to other sectors, this sector ranks highest when it comes to programmes and efforts focused on preventing and/or remediating child labour (26%).

The industries included under Food, Beverage & Personal Care are Agricultural Products, Food & Beverage and Personal & Household Products. As noted earlier, child labour is a prevalent issue in agriculture. It is therefore not surprising that the results indicate a higher degree of awareness around the issue of child labour in this sector, as well as a higher degree of integration of structures and processes to address the issue. It is not uncommon that a high benchmark score mirrors heightened awareness of a risk in a particular industry, at times as a result of an incident that generates more attention around a particular issue, which then leads to increased efforts to address the issue or prevent its reoccurrence. Read more about what it means to have a high benchmark score in section 8.

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41 Companies that report on no findings are also given score of 10 for this indicator.

42 The sector with the second largest degree of companies that report on having a programmer focused on preventing and/or remediating child labour is Financials at 7%.
7.1.2 Family friendly policies and programmes

Children’s Rights and Business Atlas findings
According to the Children’s Rights and Business Atlas, job protection is guaranteed for mothers throughout paid maternity leave in all six countries included in the study. None of the countries have ratified the ILO Convention No. 103 (Maternity Protection Convention (Revised) or No. 183 (Maternity Protection Convention). Among the six counties, duration of paternity leave by law ranges from 0.00-1.40 weeks. The percentage of infants exclusively breastfed for the first 6 months ranges from 1.00-42.00% among these countries, and public social protection expenditure on benefits for children (percentage of GDP) ranges from 0.01-0.68.\(^\text{43}\)

Benchmark results
In contrast to the trend seen for child labour, the opposite appears to hold true with respect to decent working conditions for parents and caregivers; a weaker result for policy and commitment is followed up by a higher percentage of companies that take action. 24% the of companies report on a family friendly policy (a parental leave policy beyond what is legally required and/or a commitment to work-life balance), whereas 57% of the companies report on programmes focused on improving working conditions for parents and caregivers within their operations and supply chains.

Programmes and efforts to improve work-life balance include various flexible work and remote working arrangements, nursing rooms, and extended maternity leave (beyond what is legally required).\(^\text{44}\)

The higher percentage of programmes compared to policy is perhaps explained by the extent to which companies in the study offer flexible working arrangements. When implemented well, flexible work arrangements can contribute to an employee’s work-life balance and well-being, with likely positive impacts on children when parents can better plan their time to meet the needs of themselves and their children.

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**Share of companies that score 10 on Workplace indicators**

<table>
<thead>
<tr>
<th></th>
<th>Apparel &amp; Retail</th>
<th>B2B</th>
<th>Basic Materials</th>
<th>Energy &amp; Utilities</th>
<th>Financials</th>
<th>Food, Beverage &amp; Personal Care</th>
<th>Technology &amp; Telecom</th>
<th>Travel &amp; Leisure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decent working conditions</td>
<td>14%</td>
<td>32%</td>
<td>23%</td>
<td>16%</td>
<td>33%</td>
<td>16%</td>
<td>29%</td>
<td>23%</td>
</tr>
<tr>
<td>Programmes</td>
<td>55%</td>
<td>59%</td>
<td>32%</td>
<td>48%</td>
<td>63%</td>
<td>68%</td>
<td>57%</td>
<td>85%</td>
</tr>
</tbody>
</table>

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\(^\text{44}\) Remote working arrangement reported pre-COVID.
7. IMPACT AREA RESULTS

7.1.3 Workplace case study – IOI & preventing child labour practices

IOI Group sources and produces palm oil in Malaysia and Indonesia. The company received a benchmark score of 8.1 in the Southeast Asia 2020 benchmark study, placing them in the Leader category. IOI was also benchmarked in 2016. Among the companies in the Food, Beverage & Personal Care sector that were benchmarked both in 2016 and 2020, IOI showed the highest increase in score.

In 2014, Finnwatch published a report on labour conditions, uncovering issues ranging from passport withholding to recruitment fees and below minimum wage salaries. Follow-up reports were published in 2016 and 2018, noting improvements but also that work remained to be done. In 2017, BSR published a report indicating that IOI had made progress, while also recommending additional measures. The report included a section on child labour, describing IOI’s commitment to eliminating all forms of child labour. It also noted the risk among migrant workers with families is that children might follow their parents to the plantations.

Migrant labour is common on palm plantations in Southeast Asia, and a high percentage of the children living on plantations with their parents are at risk of not being able to attend school, making them more vulnerable to engaging in child labour under hazardous conditions, including being exposed to chemicals (pesticides) and dangerous equipment.

The following sections are based on an interview with Dr. Surina Ismail, Group Head of Sustainability, IOI Corporation, conducted in September 2020.

“Children are our future. Our workers have the same ideals and wants as we do, and it’s important to recognise that.”

Dr Surina Ismail, Group Head of Sustainability

Stating policies are not enough
In their Sustainable Palm Oil policy, IOI makes clear that they are committed to eliminating all forms of child labour. “But whereas it is one thing to simply write ‘no child labour,’ implementation is something else. Actions speak louder than words,” says Dr. Ismail, and so, as part of its commitment, the company has been supporting the establishment and operations of learning centers and daycare facilities for workers’ children.

The key to effective implementation is understanding the situation on the ground for workers with children. It is not uncommon for children to help their parents. “When I was young,” Dr. Ismail notes, “I used to help in the kitchen, for example.” In the case of farmers, children have traditionally helped in the fields, a practice the company cannot allow on plantations. Aware that, as a corporation, they have a specific responsibility to ensure the safety of children, IOI has implemented numerous policies and guidelines at the plantation level to ensure that children are not working in the estates. Given the large size of each plantation units (varies from 500 up to 3000 hectares), the company cannot supervise all activities – a child bringing lunch to a parent, for example – so it takes measures to make clear the areas where children are not allowed.

Making sure that children attend school
To prevent children from accompanying their parents onto the estates for work, the company stresses that they should be kept occupied. The provision of education is seen as inhibitor of child labour on the plantations, reducing the risk that a child follows his or her parents to work out of boredom. The company therefore offers learning centers namely Humana And Community Learning Centers (CLC), targeting the children of workers at school age level.

Counseling parents on the benefits of sending their children to school
The company encourages parents to allow children to attend school, advising them that education is an advantage. When previous statistical studies found that not all children were attending school, the company interviewed parents and learned that one of the reasons for this is that older children are often tasked with care of younger siblings. Other families oppose school attendance for reasons having to do with nationality and school curricula, for example, children from the Philippines and Indonesia will not have the same curriculum. It can be difficult to recruit teachers who match students’ background. Generally, the company chooses a teacher based on the nationality of the majority of the workers, which may leave some parents resistant. The company attempts to reassure, explaining that math and science, for example, are not nation specific and that, though subjects such as history or geography might have a different focus than courses in their home country, parents should nevertheless allow their children to attend school.

Before COVID-19 the company had plans to introduce programmes for after school, providing activities to keep children occupied throughout the day. At present, the company cannot invite in external teachers as a precaution against workers becoming infected, so such programmes are on hold for the time being.

“We want workers to stay with us; generally, when workers have children who attend school, they are more settled.”

Dr Surina Ismail,
Group Head of Sustainability
7.1.4 Workplace: call to action

A child labour policy is not enough for a company to meaningfully protect children; a policy must be followed up by appropriate internal structures and procedures. Are there regular supplier assessments and are grievance mechanisms in place? Is there board oversight, and does the company report transparently on findings? Lastly, if child labour does occur, are there appropriate remediation programmes in place?

Children become stakeholders to all companies when their parents are employees. It’s important for companies to recognise that the family friendly policies and programmes they institute have the potential to result in a positive contribution to the lives of children, allowing them more access to their parents or ensuring that they are being looked after when their parents are at work.
7.2 Marketplace: including case study on Singtel and digital product safety

The corporate sector impacts children’s lives related to the Marketplace in two major ways:

- **Product safety**, which is particularly important when products are intended for children’s use. However, even if a product is not produced explicitly for children, they might become unintended users.

- **Responsible marketing**, which is important for children and young people as the recipients of marketing messages. When companies market to children, do they recognize their particular vulnerabilities? In addition, even if not intentionally, children often receive the same marketing messages as adults. Does a child know how to contextualize these messages and understand them properly?

The average total score for the Marketplace indicators in the region is 2.4, which is significantly lower than the average score for Workplace (4.4) and Community & Environment (4.4). This pattern is not unfamiliar and has been identified in previous studies (including the 2019 global benchmark study). Even for Food, Beverage & Personal Care and Travel & Leisure, which otherwise achieve the highest scores for Workplace and Community & Environment, the average score for Marketplace indicators falls below the other two areas. The Apparel & Retail sector scores only slightly above Energy & Utilities and Basic Materials, which are the two sectors with the lowest average score for Marketplace indicators, but where Marketplace issues are also often more removed from the core business.

To some extent, this can be explained by companies not selling directly to or marketing their products to children. However, companies fail to fully recognize that their marketing efforts, while perhaps not directed at children, can nonetheless have negative impacts on children who are impressionable, vulnerable and interpret messages differently than do adults. In the same way, if product safety measures are not in place, there are potential risks to children who make use of certain products, even when not intended for children. In the marketplace, children are stakeholders with special vulnerabilities which must be taken into account.

This section offers a deep dive into the indicators in the benchmark covering reporting with relevance to children’s rights in the marketplace. The sub-sections below, will first look at the status of children’s rights in the marketplace and subsequently present and discuss the benchmark findings for each area, also providing some company examples.
7. IMPACT AREA RESULTS

7.2.1 Background

While it represents huge potential for positive social advancement, the rise of the internet also presents risks and challenges, especially to children and youth. According to a recent joint publication by ASEAN and UNICEF, 60% of children aged 6-14 in Thailand are online; 60% of children access the internet through mobile devices in Indonesia. Online bullying and potential online sexual exploitation are among the risks that children face in this environment.

7.2.2 Children’s rights and business atlas findings

According to the Children’s Rights and Business Atlas, a joint initiative by the Global Child Forum and UNICEF, there is a variation among countries as to marketing and advertising self-regulation, including in relation to children. Only one of the countries has product safety legislation protecting children fully in place, although the other countries we looked at have taken steps in this direction. Results are also mixed for evidence of product recall systems or other measures that reduce the access of children and young people to unsafe products.

One country has a National Action Plan to tackle cyber-bullying. Another has national laws protecting children from online abuse and exploitation in place, meaning that there is legislation specific to child sexual abuse material (child pornography) or child sexual exploitation online, child pornography is clearly defined, and ISPs are required to report suspected child pornography to law enforcement agencies. The remaining countries have legislation specific to child sexual abuse material or child sexual exploitation online, but no clear definition and/or no requirement for ISPs to report suspected cases to law enforcement agencies. One country also has a National Action Plan fully in place to take on commercial sexual exploitation of children, and there is some evidence that other countries have also taken steps in this direction.

"Online bullying and potential online sexual exploitation are among the risks that children face in this environment."


7.2.3 Benchmark findings

The results of the study indicate that issues such as product safety and responsible marketing are not unimportant to companies.

For a majority of companies, 62%, issues such as product safety and responsible marketing are formally accounted for at the level of the board. 47% of companies have also included product safety and responsible marketing in their materiality analysis. However, only 3% include a children’s rights perspective at the board level and in their materiality analysis.

The results further point to a low level of commitment among companies for both marketing and product safety, and a lack of reporting of incidents. 3% of companies have a responsible marketing policy involving children, and 3% have a product safety policy that covers children, whereas 0% report on incidents with regard to children.

In comparison, 28% of the companies have a general responsible marketing policy, and 63% of the companies have a wider product safety policy. 16% of the companies report on marketing and advertising incidents more broadly, and 27% report on product safety incidents more broadly. Particularly with regard to product safety, but also for marketing, there is an opportunity for companies to consider incorporating a children’s rights perspective into their pre-existing policies and procedures.

7.2.4 Industry highlights

Despite the fact that both product safety and responsible marketing would be expected to be of high priority in consumer facing sectors, all sectors fall short in terms of bringing a children’s rights perspective to policies and procedures. Technology & Telecom has the highest percentage of companies with product safety policies including children, and that is a mere 10% of companies. This sector is closely followed by Apparel & Retail, with 9% of companies reporting a product safety policy which includes children, followed by Food, Beverage & Personal Care at 6%. Travel & Leisure shows a strong result for product safety commitment overall. All companies included in this study have a general policy, however, the companies do not designate children as distinct from adults. For all of these sectors, there are risks and challenges particular to children; i.e. online safety, child sexual exploitation (both online and offline), child obesity, and these issues need to be addressed by companies.

Companies that do not directly sell to or market their products to children should also be aware that their actions may have an indirect impact on children. Children are exposed to marketing messages in a variety of ways every day, and while not directed at them, children on the receiving end of such messaging often lack the capacity to contextualize or understand the full meaning. Marketing messages might have the effect of reinforcing negative stereotypes or promoting unhealthy choices. Another aspect of child safeguarding is that, when children are used by companies for marketing purposes, there is a responsibility to ensure that photos have been ethically obtained and that children (and parents) have approved their use.
7.2.5 Marketplace case study – Singtel and digital product safety

Singapore Telecommunications Limited, also known as Singtel, is a Singaporean multinational telecommunications group. Singtel received a score of 7.7 in the Southeast Asia 2020 benchmark report, placing it in the Leader category. Singtel is also one of the few companies with a high total average score for Marketplace indicators (7.9).

The information in this section is based on an interview with Andrew Buay, Vice President, Group Sustainability at Singtel, which took place in October 2020.

How to address unintended consequences?
The Telecommunications industry produces positive social and economic impact, such as jobs and digital inclusion. As Andrew Buay, Vice President of Sustainability points out, the sector contributes to “leveling the playfield between those who have and those who have not.”

Singtel has embraced a proactive and holistic approach to learning and development that includes everything from education to advocacy. They have, for example, initiated programmes and developed resources to raise awareness as to how to be safe in a digital environment, for children and youth, as well as their parents. An example of such an effort is the school programme Singtel launched with the organization the ‘DQ Institute’ on safety in the digital environment. The programmes are set up to involve parents because, “Sometimes the parents are the solution, but sometimes also part of the problem,” according to Mr. Buay. Similarly, the programme advises teachers, “Because sometimes the children know more than the teachers.”

How to increase digital inclusion and accessibility to the disadvantaged and vulnerable, including youth and children?
Stakeholders have also identified both risks and opportunities related to digital inclusion, and in different countries and locations there are different types of problems, such as addiction to social media, cyber bullying and gaming addiction. The question, according to Mr. Buay is, “In order to preserve the goodness and positive impact of our industry, how do we also address some of these unintended consequences?”

Children with special needs are even more vulnerable
Singtel has also formed collaborations with special needs schools. Since 2002 the company has directed significant efforts towards special needs education, identifying it as an area where they have an opportunity to contribute funding and support. “Youth and children with special needs are even more vulnerable than other children. Because of possible cognitive challenges, they may not be as able to identify risks when they are operating in a digital world. At the same time, they are often given the same mobile and internet access by their parents,” Mr. Buay says.

Seeing it as part of its corporate social responsibility to promote responsible digital citizenship for an especially vulnerable group, Singtel developed a customized programme for them that includes distribution of teaching toolkits with resource materials for teachers and workbooks for students across different age groups. The toolkits aim to help students engage with the cyber world with greater confidence, develop safe online habits, and identify online dangers such as harassment and bullying.
7.2.6 Marketplace: call to action

Applying a children’s rights perspective in issues such as product safety and responsible marketing is important even to those companies that do not market or sell directly to children. Across sectors, the results show that companies have not come as far in integrating children’s rights in this area as they have in the issues related to the Workplace and Community & Environment. Applying a children’s right perspective to both product safety and marketing is particularly important when products are directed at children, but also when they are not. Children might become unintended users of a dangerous product or be harmed by marketing messages that they encounter intended for adults.
7. IMPACT AREA RESULTS

7.3 Community & Environment

The corporate sector has an important impact on children’s lives through its effects on the surrounding community in two major ways:

- **Environmental impact**, which has a disproportionate effect on children compared to adults, both in the present, take, for example, pollution, which children are particularly vulnerable to, and in the future, through long-term impacts such as CO2 emissions, circularity and sustainable use of natural resources. It has also been shown that climate change has a more immediate effect on children, impacting not only their physical health negatively, but also their mental well-being. See for example, A future for the world’s children? A WHO-UNICEF-Lancet Commission; The Psychological Effects of Climate Change on Children (Burke et al) and Climate change and mental health (Harvard School of Public Health).

- **Social impact**, which is particularly important to children, for example in access to healthcare, education and social protection. These issues are primarily the responsibility of the public sector, but business has an important role too, both in environments where state protection is weak or in cases where companies want to contribute (pay back) to society by, for example, supporting children’s access to quality education.

The total average score for all companies in the study for the Community & Environment area is 4.4; at the same level as the average score for Workplace (4.4) and significantly above the total average score for Marketplace (2.4). This average score is relatively low (4.4 out of 10), indicating that there is ample opportunity for improvement among companies in this area.

There is a markedly better result for the indicators on environment as compared to community, demonstrating that the corporate sector in the region has come further in their reporting on environmental issues as compared to community impact.

There is an important exception to this pattern with regard to community programmes benefitting children through, for example, support to education, access to healthcare, etc. The region outperforms the global average, placing Southeast Asia in a leading position when it comes to launching programmes outside the core business in support of children’s rights in the community.

This section delves deeper into these findings with a focus first on the results in the area of environmental impact and then in the community. Each of these sub-sections will look at the status of children’s rights in the area to give context, then present detailed results with interpretations and analysis.

The Community & Environment indicators in the benchmark cover reporting on both positive and negative environmental and social impact in the surrounding community. As per all three impact areas (Workplace, Marketplace and Community & Environment), the indicators are divided into Policy & Commitment, Implementation and Reporting & Action, allowing us to track how policies and commitments are implemented and reported on.
7. IMPACT AREA RESULTS

7.3.1 Environment

Business impact on the environment is what first prompted sustainability reporting to be implemented by the corporate sector; it is probably the most recognized sustainability issue. Therefore, this is where companies tend to start their sustainability journey. Environmental impacts often have disproportionate and sometimes unexpected effects on children for several reasons: their bodies are still developing and therefore more susceptible to damage from harmful substances in the environment, they depend more than adults do on a healthy outdoor environment to be able to play safely, and they will inherit this planet and with it any environmental damage that previous generations have caused, despite having little or no possibility of impacting any decisions around it today.

Regional environmental protection and impact on children

According to the Children’s Rights and Business Atlas’ Community & Environment Index, there is relatively well-developed legal protection in place in all the countries in the study: all six have ratified the UN Framework Convention on Climate Change (UNFCCC) and the Paris Climate Agreement, and in all countries but Malaysia, environmental protection is covered in the national constitution and/or national legislation.\(^{52}\)

The Community & Environment index assesses the impact of children on two measurements using statistics from WHO and UNStats: deaths in children under the age of five attributable to ambient air pollution, and deaths in children under the age of five attributable to lack of clean water, poor sanitation and hygiene. For both indicators there are relatively few deaths registered among children due to environmental factors in the countries included in this study.\(^{53}\) However, it is important to note what is measured here are the most extreme outcomes, and we have significantly less data as to the impacts on health and development that might not cause death, but do have long-term detrimental effects on children.\(^{54}\)

Another important environmental effect is natural disasters, which are increasingly the result of environmental degradation. There is a medium to high risk for natural disasters in the region.\(^{55}\)\(^{56}\) Overall, the trend has been a negative one, meaning adults and children are increasingly affected by natural disasters in the region. From 2017 to 2018, the affected population, both adults and children, soared by 270% (from 10 to 27 million). The result: 2 million children in Southeast Asia were internally displaced due to natural disasters (2018).\(^{57}\)\(^{58}\)

The effects of natural disasters include damage to homes, schools, hospitals and other buildings, and infant mortality rates are likely to increase due to food insecurity and malnutrition as agricultural lands are affected.

To sum up, the situation in the region is mixed, with some positive indications as it relates to legislation and direct environmental impact on children’s lives, but also worrying signs of a continued and increasing number of children at risk due to natural disasters and environmental degradation. For the corporate sector, this indicates that high environmental standards must be maintained. It also points to an opportunity for taking action when it comes to the prevention of natural disasters as well as relief from their consequences.

Southeast Asian companies see children as part of their community

How are companies doing when it comes to reporting on their environmental impact? Do they live up to children and teenagers’ expectations of them? This section examines the overall results from the benchmark assessment of the 232 largest Southeast Asian companies across eight sectors, outlining the areas where companies are doing well and where there are opportunities for improvement.

To assess company reporting on the environment, the indicators cover:

1. **Policy & Commitment**: whether the company has a policy to not only contribute positively to the environment, but also to counteract any negative impact;
2. **Implementation**: whether there are organizational structures for implementation, such as board accountability, materiality assessment and a grievance mechanism in place;
3. **Reporting & Action**: whether there is reporting on outcomes (i.e. environmental impact) and if it’s in accord with scientific targets.

### Policy & Commitment

97% of companies in the study have a policy on reducing negative environmental impact, and a third of those (32%) have also set science-based, or other specific targets, for accomplishing this.\(^{59}\)

It is important to note that, even though it is of particular interest to children what actions companies take and report on when it comes to their environmental impact, environmental indicators covering policies and reporting don’t look specifically at inclusion of children’s rights. This is due to the structure of company reporting, where today there is virtually no mention of children in environmental commitments or reporting on outcomes when it comes to the environment.

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\(^{52}\) A joint initiative by the Global Child Forum and UNICEF with country-by-country data on a range of children’s rights issues.

\(^{53}\) The Children’s Rights and Business Atlas uses WHO data on the range of deaths in children under 5 attributable to ambient air pollution, which varies among countries from 0.76 to 6.65 per 100,000 children. The Children’s Rights and Business Atlas uses UNStats - SDG indicators data on the range of deaths in children under 5 attributable to water, sanitation and hygiene, varies between the countries at 0.01 - 5.10 per 100,000 children.

\(^{54}\) See the reports of the UN Special Rapporteurs on human rights and the environment, and on the implications for human rights of the environmentally sound management and disposal of hazardous substances and wastes.


\(^{56}\) Asia Pacific Disaster Report 2019, UNESCAP

\(^{57}\) Please note that the numbers referenced here are for all ASEAN countries.

\(^{58}\) Children in ASEAN: 30 Years of the Convention on the Rights of the Child, ASEAN & UNICEF

\(^{59}\) Science-based targets provide companies with a clearly defined path to reduce emissions in line with the Paris Agreement goals. https://sciencebasedtargets.org
Implementation

The pattern of high focus from companies in this area follows through into implementation, where two-thirds of companies are reporting that there is either a board committee or board oversight when it comes to the companies environmental and/or community impact. However, only 6% report that children’s rights are mentioned (explicitly, or implicitly as part of an overall area of work) as part of these responsibilities. The pattern is the same for reporting on material issues, where only 10% report on children’s rights as part of a material issue concerning the environment or the community. Furthermore, only half of the companies perform environmental or community assessments of their suppliers, and only 5% include children’s rights in these.

There is a somewhat positive trend when it comes to grievance mechanisms, where 16% of companies have a grievance mechanism to enable everyone – employees and members of the local community, including children – to report on human rights impacts in the community and impacts on the environment. And 52% have a whistleblowing/ethics hotline, although it is unclear if this channel is used for submitting human rights grievances in the community and environmental impacts, or whether it’s open only to employees. This illustrates that there is some opportunity for children to express concerns around environmental impact to some of the companies, and that there is an opportunity for the 52% that have a channel not currently being used for this purpose to make that possible. Furthermore, it’s important to review the child friendliness of the grievance mechanism to ensure that it is practical for children to use; this includes removing obstacles such as legal and technical language, age limits for those lodging complaints, etc. Formal grievance mechanisms are not the only way that children can communicate with the corporate sector, however. Children are increasingly expressing their concerns to companies via social media, and this communications channel should not be underestimated as a way to better understand this particular stakeholder group and address their concerns.

These findings highlight the importance of seeing the corporate effect on children’s lives not as an add-on, but as part of a larger issue, in this case how to address a negative impact on the environment. Especially when it comes to the environment, children’s viewpoints are of critical importance in order to future-proof a business and ensure long-term sustainability. If companies more frequently included in their implementation structures consideration for how their environmental impact affects children in particular and how that might be addressed, all other concerns would thereby automatically be included, while at the same time ensuring that this vulnerable group is being heard.

Reporting & Actions

An important aspect of corporate sustainability reporting is transparency, not only as to what commitments have been made, but also whether they are being met. As the environment is an issue of great concern for children and youth, it should be noted that about a third (30%) of the Southeast Asian companies are not reporting on their environmental impacts in direct operations and supply chains.

61 N.B. that the “Implementation” indicators are the same for Community & Environment.

7. IMPACT AREA RESULTS

A few sectors stand out
Food, Beverage & Personal Care represent the best performing industry in this area, with a relatively large percentage of companies receiving the highest score of 10, and companies such as Wilmar, Sime Darby and IOI in the top (see also Sector Scorecards).

The Food, Beverage & Personal Care sector scores highly in the area of implementation, where this sector reports on having formalized board accountability for children’s rights in community and environmental practices to a much higher degree (23%), than, for example, Basic Materials and Energy & Utilities, where no companies (0%) are reporting on this.

Regarding the availability of grievance mechanisms open for community members, the Food, Beverage & Personal Care sector share the highest level of availability with the Energy & Utilities and Basic Materials sector. Over 40% of companies report on having this available, compared to less than 20% for both Apparel & Retail and Technology & Telecom.

Business to Business (B2B) stands out by having the highest share of companies scoring 10 on having an environmental policy and on reporting on impact, but at the same time, they are in the bottom half when it comes to implementation of policies with a children’s rights perspective, as well as being among the lowest scorers for supplier assessments and grievance mechanisms.

Share of companies that score 10 on Community & Environment indicators

<table>
<thead>
<tr>
<th></th>
<th>Apparel &amp; Retail</th>
<th>B2B</th>
<th>Basic Materials</th>
<th>Energy &amp; Utilities</th>
<th>Financials</th>
<th>Food, Beverage &amp; Personal Care</th>
<th>Technology &amp; Telecom</th>
<th>Travel &amp; Leisure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource use and damage to the environment</td>
<td>18%</td>
<td>41%</td>
<td>27%</td>
<td>28%</td>
<td>31%</td>
<td>39%</td>
<td>24%</td>
<td>38%</td>
</tr>
<tr>
<td>Board accountability</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>7%</td>
<td>23%</td>
<td>10%</td>
<td>8%</td>
</tr>
<tr>
<td>Materiality assessment</td>
<td>5%</td>
<td>6%</td>
<td>5%</td>
<td>8%</td>
<td>9%</td>
<td>32%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Supplier assessment</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>8%</td>
<td>2%</td>
<td>19%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Grievance mechanism</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
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<td>32%</td>
<td>24%</td>
<td>31%</td>
</tr>
</tbody>
</table>
7. IMPACT AREA RESULTS

7.3.2 Community

Corporate reporting with respect to community impact has a history of focusing on projects and programmes that use company resources to contribute positively to society in various ways. These are important interventions that often comprise part of a company’s culture and values.

At the same time, a company’s impact on the surrounding community is extends beyond such programmes, and includes potential and actual negative impacts resulting from corporate projects, facilities or even products, despite the fact that such negative impacts may be unintended. Examples include migration, and/or loss of income due to company land use/acquisition, risk of accidents due to increased road traffic to and from an operation site, or absence of safe, clean places to play.

Regional social protection and impact on children

Access to education, healthcare and social protection as tools to combat child poverty are critical to children’s wellbeing and their possibilities for development. According to the Children’s Rights and Business Atlas Community & Environment Index, government expenditure on education is relatively high in the region, whereas expenditure on health per capita (with the exception of Singapore) and public social protection expenditures on benefits for children are both low. This puts vulnerable children at risk of poor health and poverty, which obviously can affect quality of life and ability to access education.

Another development that impacts children’s lives greatly is migration, whether it includes children themselves or results in a child being left behind by migrating parents/caretakers. One indicator of this is urbanization, where Southeast Asia has an annual growth rate of urbanization at 2.65%, which is double that of the overall population, and the urban population is projected to increase from 47% (2015) to 63% (2050). This pattern increases the vulnerability of children in rural areas due to parents migrating to cities, an increasing level of exploitation of land and water in expanding urban areas, and a potential reduction of investment in rural areas, which adversely impacts access to basic social services.

Southeast Asian companies in the top launching community programmes that benefit children

So how are companies doing when it comes to reporting on how they impact the surrounding community and what are they doing to contribute positively to children’s lives? This section goes through the overall results from the benchmark assessment of the 232 largest Southeast Asian companies across eight sectors, outlining the areas where companies are doing well and where there are opportunities for improvement.

To assess company reporting on the community, the indicators cover:

1. Policy & Commitment: whether the company has a policy to not only contribute in a positive way to the community, but also a procedure to counteract any negative impact;
2. Implementation: whether there are organizational structures for implementation, such as board accountability, materiality assessment and a grievance mechanism in place;
3. Reporting & Action: whether there is reporting on outcomes (i.e. community impact) and if there are any programmes in place directed at improving the lives of children in the community.

The general pattern in our benchmark across all sectors and regions is: Highest results for policy, lower results for action, and lower still when it comes to reporting on impact.

Southeast Asian Companies show significantly different scores in the area of programmes/projects for reducing environmental impact on children, or improving health and education for children. An impressive 83% of all companies report having these programmes with a focus on children (the global score for this category is 71%). Only 16% report having a policy in place on community impact and 1% report having programmes directed at improving the lives of children in the community.

This pattern was identified on our regional study in 2016, and it seems to have increased since then.

This constitutes a worrying contradiction: a high level of programmes, but an extremely low level of reporting on potential or actual negative impacts in communities. Only 12% of companies are reporting on community impact and 1% of companies on their impact regarding children. This indicates that there is a risk that possible negative impacts are overlooked, possibly counteracting the effects of programmes aimed at improving children’s lives.

64 Children in ASEAN, 30 Years of the Convention on the Rights of the Child, ASEAN & UNICEF.
7. IMPACT AREA RESULTS

Industry results

As in the section on environment, the Food, Beverage & Personal Care sector is the overall top scoring sector for this area, notable in that nearly 40% of companies have a policy regarding impact in the community and advancing development with relevance to children’s rights beyond the scope of its own operations. These are remarkable results when compared to the other sectors, with a share 8-18% of companies scoring 10 on this indicator.

Apparel & Retail is among the lowest scoring sectors for this area, but it stands out as the best for having programmes in place that support children’s rights, with an impressive 95% of companies attaining the highest score of 10 for this indicator, which shows that the high level of commitment this sector has needs to be incorporated into the core business.

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NB: that the “Implementation” indicators are the same for Community & Environment.
7.3.3 Community and Environment: call to action

Companies in Southeast Asia do well when it comes to recognizing children in communities, and the score for Community Programmes is particularly high in this region. As is the case with companies globally, efforts in this region are often directed at creating positive impacts. Yet companies also need to understand and report on their potential and actual negative impacts on children in the communities surrounding their operations.

These results also make clear that most companies see children primarily as beneficiaries of charitable efforts, failing to recognise them as stakeholders who are impacted by the core business.
7.4 Collaboration: including case study on Charoen Pokphand Foods

The Benchmark measures the extent to which companies collaborate with other companies, organizations or academia on children’s rights issues. We measure collaboration that aims to address a company’s negative impact or to create a positive impact on children’s lives. This can be found in our section of indicators on Reporting & Actions.

On the one hand, it measures the extent to which companies collaborate with NGO’s/charities on children’s rights, either through donations or through more strategic collaborations (such as joint programmes) or seek expert advice from these organizations. On the other hand, it measures the extent to which companies have strategic collaborations with or initiatives with industry peers or participate in public-private partnerships on children’s rights, such as providing quality education, nutritious meals to school children, or vaccination programmes.

44% of the companies in the region collaborate with an NGO/charity on children’s rights. A smaller share of companies (25%) has a strategic collaboration with industry peers or a public-private partnership with a focus on children’s rights. However, an additional 18% of the companies do report on a strategic collaboration on broader sustainability issues.

The results show that companies that collaborate with others have a higher score compared to the region’s total average score, and higher scores than companies that do not collaborate.

The results show that companies that collaborate with others have(...)higher scores than companies that do not collaborate.

<table>
<thead>
<tr>
<th>Share of companies that collaborate with an NGO/charity on children’s rights (score 0 and 10 available).</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Pie chart showing 56% for 10 and 44% for 0]</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Share of companies that collaborate with peers/have a public-private partnership with focus on children’s rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Pie chart showing 58% for 10, 18% for 5, and 25% for 0]</td>
</tr>
</tbody>
</table>
7. IMPACT AREA RESULTS

The information in this section is based on an interview with Sirapassorn Sagulwiwat, Assistant Vice President, Sustainability and Global Partnership, conducted in October 2020.

CPF received an overall benchmark score of 7.7, placing the company in the Leader category. The company has also improved significantly in the short period since the last measurement in 2019 when it received an overall score of 5.2 (Achiever). Two of the areas where the company scores well are in collaboration and programmes focused on improving children’s lives.

CPF considers collaboration to be a key success factor for the work that they take on when it comes to children’s rights, and they have identified two main types of partner to collaborate with on this topic:

1. The company has identified that they need help from experts to ensure that community programmes in the social sphere (outside of direct operations) have the desired positive impact and that CPF choses the most effective and efficient way of acting.

2. The company has identified a need to work closely with the government, not only to gain access to important knowledge about the local context and the issues present there, but also to liaise with a partner who, through existing structures, can support and ensure the implementation of the programme. The government is also a neutral counterpart with no commercial interest, which assists CPF in gaining acceptance and collaboration with the intended participants in programmes.

In practice, the complementary benefits of the two types of collaboration has often meant that initiatives involve both.

“By collaborating with others, we can all bring our expertise to the table and achieve better outcomes.”

Sirapassorn Sagulwiwat, Assistant Vice President, Sustainability and Global Partnership

7.4.1 Case study Charoen Pokphand Foods and collaboration with local government, industry associations, NGOs and academia

Charoen Pokphand Foods (CPF), headquartered in Thailand and part of the Charoen Pokphand Group, is a conglomerate in the agro-industrial and food business. It is one of the world’s largest producers of feed, shrimp, poultry and pork.

The company has identified that they need help from experts to ensure that community programmes in the social sphere (outside of direct operations) have the desired positive impact and that CPF choses the most effective and efficient way of acting. The company has identified a need to work closely with the government, not only to gain access to important knowledge about the local context and the issues present there, but also to liaise with a partner who, through existing structures, can support and ensure the implementation of the programme. The government is also a neutral counterpart with no commercial interest, which assists CPF in gaining acceptance and collaboration with the intended participants in programmes.

In practice, the complementary benefits of the two types of collaboration has often meant that initiatives involve both.
7. IMPACT AREA RESULTS

7.4.2 Partnering for child protection

The Fisherman Life Enhancement Programme focuses on combating modern slavery and child labour in the fishery industry. CPF initially set out to address these issues as part of a due diligence process to prevent human rights abuses in their supply chain. They then came to understand that, to have a positive impact, they needed to not only reach the fishermen, but also their families. For example, children of the families involved in fishery, were sometimes found playing in the harbour under hazardous conditions. The children, who are often migrants from Cambodia, were out of school primarily because they lacked the identity documents required to attend school in Thailand.

CPF partnered with other organizations to provide a safe space where the children could get access to basic education in Thai, life-skills and safety. The programme also prepared the children to formally enter school, including by supporting them in accessing identity documents. The programme runs as a collaboration between several parties with different roles: The Fish Marketing Organization has supported it with office space; the Ministry of Agriculture and Cooperatives and Department of Labour Protection and Welfare provide learning and teaching materials; and the non-governmental organizations The Planned Parenthood Association of Thailand and Stella Maris Seafarers Centre Songkhla lend support with expertise and training. CPF has provided funding and evaluation support.

“We saw malnutrition as a problem in society, especially in children, but wanted to find a more sustainable solution to the problem than just giving away food as that doesn’t address the root problem.”

Sirapassorn Sagulwiwat, Assistant Vice President, Sustainability and Global Partnership

7.4.3 Targeting malnutrition together

Growing Happiness, Growing Futures is a project initiated by the company in 2015 focusing on nutrition problems, both those due to lack of food and those stemming from obesity. Given CPF’s core business, this was an obvious issue for the company to take on as part of recognizing its responsibility to participate in promoting healthy diets and sustainable consumption.

At the outset of the project, a partnership was initiated with the Institute of Nutrition at Mahidol University to gather expert insights on nutrition. Then, with the Ministry of Education’s Office of the Basic Education Commission and the non-governmental organization The Rural Lives Development Foundation, CPF launched a five-year project (2015-2019) with a commitment to promote children’s healthy nutrition. The project created a learning platform to improve access to quality, safe, and nutritious food through, for example, teaching vegetable growing and fish farming to rural families, and also worked to raise awareness on sufficient consumption for students around the company’s factories and farms. The work began in selected locations, but in the final stage, CPF supported the Ministry of Education to enable a nationwide rollout of the program. Over the course of five years, the programme included 772 schools (300K students) in Thailand, and the malnutrition rate has decreased from 15% to 11% since the programme began.
8. What does a corporate Leader in children’s rights do differently?

Most large companies today recognise that sustainability encompasses more than environmental issues. It includes social aspects, positioning respect for human rights and making a positive contribution to society. The UN Guiding Principles on Business and Human Rights (UNGP) serve as the norm for companies taking their social impact seriously, for national and regional (EU) legislation, as well as stock exchanges’ ESG requirements. Importantly, the UNGPs highlight that vulnerable groups, including children, are at risk of experiencing negative impact from corporate activities. Due to their vulnerability, such groups require protection, and this should be an integral part of how companies do their human rights due diligence and at the heart of their sustainability, or even business strategy.\(^66\) Large multinational corporations are also often working on harnessing their powers and creating positive societal impact in various ways, including in the lives of children.

Global Child Forum believes that, as more and more companies are moving towards adoption of environmental standards and reporting, their engagement with children’s rights and ability to integrate it as an overarching perspective across their business is a factor that will single them out as top performers in a more holistic approach to sustainable business practice.

To guide companies implementing the UNGPs on how to concretely protect and promote children’s rights, the UN Global Compact, Save the Children and UNICEF, developed the Children’s Rights and Business Principles in 2013.\(^67\) The Children’s Rights and Business Principles clearly showcase that business has an impact on children’s lives. We also recognize that children impact business, for example, as consumers, and as increasingly vocal members of society. This reciprocal impact occurs across the entire spectrum of corporate activity, meaning that engaging with children’s rights is not an option but a necessity for companies. And it follows that corporate impact on children has consequences not just for children but for companies as well.

The aggregate benchmark results indicate that the corporate sector in this region has shown overall improvement. However, the improvements are incremental, and there remain major steps that need to be made to take full advantage of the opportunities for both companies and the region’s children.

Companies in the region have the potential to bring about positive societal change for children, employees, suppliers and communities, and they also run the risk of harming children and slowing the fulfilment of their rights. Though some of the companies in the region report on their impact on children, many do not.


\(^{67}\) Children’s Rights and Business Principles.
### 8.1 What does it take to be a corporate Leader on children’s rights?

So, what do we know about those who are “best in class” and what can we learn from these companies? Global Child Forum has identified four main areas that characterize leading companies that strategically manage their impact on children:

<table>
<thead>
<tr>
<th>Factor #1</th>
<th>Go from policy to practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading companies report transparently on risks or instances of child labour and have involvement from the top, i.e., the board prioritizes children’s rights issues.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor #2</th>
<th>Understand children’s rights beyond child labour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading companies understand that children’s rights go beyond child labour (and charity).</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor #3</th>
<th>Know your impact and manage your risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading companies know what their main risks are and address them credibly.</td>
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</table>

<table>
<thead>
<tr>
<th>Factor #4</th>
<th>Join forces</th>
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<tbody>
<tr>
<td>Leading companies collaborate strategically with others.</td>
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</tbody>
</table>

In the next four sections we go into detail about each of these factors, discussing what it takes to be a corporate Leader on children’s rights and where the main opportunities for improvement can be found for Southeast Asian companies. For companies looking to minimize their children’s rights risk while availing themselves of the opportunities that increased attention on children’s issues can afford – and ultimately become Leaders themselves – recommendations and further reading tips are also provided.

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68 Global Child Forum divides the companies assessed in the Corporate Sector and Children’s Rights Benchmark into 4 categories based on their average score: Beginner, Improver, Achiever and Leaders. For more information see Section 6.3 Benchmark results 2020.

69 As with all general recommendations, if you find that those provided here don’t apply to your company specifically, the complete list of benchmark indicators found in the methodology appendix can also be used as a roadmap for considering children’s rights issues and improving on them. If your company has been assessed in this study and you haven’t received your scorecard, you can request it from benchmark@globalchildforum.org.
8.2 Factor #1 – go from policy to practice

For children’s rights, as with human rights and sustainability in general, a Leader can be defined in terms of the maturity level that a company has reached in addressing its negative impact and amplifying its positive impact on children. At the bottom of this so-called maturity ladder are companies that have a policy in place on only a certain set of issues; moving to the next level on the ladder are companies that have set up implementation and monitoring functions, and finally, the most mature companies, which are those that report, remediate and prevent.

In terms of child labour, a leading company in this area will have a policy against child labour, with formalised board responsibility for implementation and regular reporting on results. Most will also have identified child labour as a material issue in terms of sustainability priorities, primarily as part of a larger area of labour or human rights. In addition, they assess their suppliers on this criterion and have a grievance mechanism in place to receive complaints about non-compliance, not only from employees but also from the community, including from children themselves. However, what differentiates those ‘best in class’ companies, is whether they also report publicly on the outcomes of their child labour policy, the risk they see connected to child labour, and the plan for addressing this risk. Finally, they have preventive and/or remediation programmes in place.

None of the sectors in this year’s benchmark earned full scores in terms of child labour. However, Basic Materials has the largest share of companies reporting on risk or incidents of child labour, while the Energy & Utilities sector stands out as best in reporting on labour and human rights risks and incidents generally, with the potential to also include, for example, child labour in this reporting. This might be related to an overall attention to human rights and child labour risks within these sectors. Although there is a great deal of variation in the sector, leading companies in the Food, Beverage & Personal Care also provide inspiration in this area.

Southeast Asia is lagging behind

As is shown in the Findings section of this report and summarised here in graph 1, Southeast Asia follows the global pattern identified in previous benchmark studies in which a substantial share of companies has a policy or a public commitment against child labour, but a large number of those who claim to be working against child labour fail to report on how they do so and with what results.

Notably, the region is significantly behind the global average on even the first step of having a policy in place, with only 51% of Southeast Asian companies reporting on having a child labour policy, compared to 67% for global companies. This could be taken as a warning sign that child labour is not being sufficiently addressed in the region, which is concerning given the importance of this issue. A clear exception to this trend are companies that participate in global supply chains, such as agribusinesses producing palm oil or supplying seafood. In recent years, global companies and their supply chains in these industries have received a great deal of attention about child labour and hazardous conditions for children who accompany their parents in their work. This trend has resulted in more reporting on these issues, proof to other companies in the region that it can be done.

Conditions for success

In an analysis of the results from the benchmark and how it relates to other measures of corporate success, we found a correlation between both higher revenue and EBITDA-margins and higher benchmark scores, indicating that larger or more profitable companies also tend to do better in the benchmark assessment. It’s possible that this correlation can be tied to overall good management having a positive effect on all these aspects. It could also be argued that more financially successful companies have more resources available to invest in these issues.

Graph 1: gap between policy and action on child labour

% of the 232 companies in the study receiving a score on child labour associated indicators

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Labour Policy</td>
<td>51%</td>
</tr>
<tr>
<td>Grievance Mechanism</td>
<td>33%</td>
</tr>
<tr>
<td>Supplier Assessments</td>
<td>25%</td>
</tr>
<tr>
<td>Board Accountability</td>
<td>22%</td>
</tr>
<tr>
<td>Reporting on risk or incidents</td>
<td>14%</td>
</tr>
<tr>
<td>Prevention/remediation programmes</td>
<td>7%</td>
</tr>
</tbody>
</table>

Recommendations and further reading

Half of the companies in the Southeast Asia study have no child labour policy. Developing such a policy is an important first step towards exerting a positive impact on children’s lives. There is ample guidance on what to consider when setting up a child labour policy, for example, the Global Child Forum’s guide: Child Labour Policy: A child-centred approach.

For more information about going from policy to practice on child labour, see the Maturity Ladder and Workplace sections of the Findings report.
8.3 Factor #2 – understand children’s rights beyond child labour

The second factor that distinguishes corporate Leaders is that they recognise that their impact does not end with the issue of child labour, and that their role in achieving positive impact in children’s lives extends beyond children’s charity programmes. As a result of Global Child Forum’s research and conversations with companies, we realize that while the risks surrounding child labour – often as an issue in supply chains – are on the radar of many companies, a majority lack an understanding of their downstream responsibility in terms of how their products and operations also impact children’s lives. These aspects are measured in the benchmark through scoring in three areas – Workplace, Marketplace and Community & Environment – where the Leaders, depending on what is relevant to their business, engage in: implementing family-friendly policies; considering whether their products or marketing reach children; reducing their negative environmental impact and; overseeing how their company interacts with children in the community in different ways.

Many companies are working on these areas in a general way, for example, through policies on product responsibility or ethical marketing practices. However, Leaders understand that children differ from adults when it comes to determining what is dangerous or detrimental to them and therefore establish policies and processes that take this into account. Companies oftentimes mistakenly assume that this entails doing more – consider yet another stakeholder group! But by making what is appropriate for a child the benchmark, and applying it, for instance, to all communications or product development, most other stakeholder groups are also then covered. Ultimately, if a children’s rights perspective is fully integrated into a company’s operations (rather than dismissed as an optional add-on) company time and resources are saved.

The Telecommunications industry can serve as an inspiration here. Although children are not their primary customer, companies in this sector have taken a very active approach, especially in ensuring online safety. Some companies in the Food, Beverage & Personal Care sector are also realising that producing and marketing healthier food products for children can represent a business advantage, providing an example to other companies offering products aimed at children.

Ultimately, if a children’s rights perspective is fully integrated into a company’s operations company time and resources are saved.
Opportunities for Southeast Asian companies to move the needle
There are several areas where there is opportunity for Southeast Asian companies to engage more broadly on children’s rights that relate to their core business.

Marketing and Product Responsibility: The findings for the Southeast Asian companies show that, when it comes to product safety and marketing practices, there is great opportunity for improvement, especially among consumer-facing sectors which presently attain surprisingly low results. For example, in Apparel & Retail only 5% of the companies have a responsible marketing policy, and only 9% consider product safety for children. Although it doesn’t appear to be a priority today, there is an opportunity for those companies who start now to take a lead on child protection, displaying their commitment to keeping future generations safe. Business advantages might include eliminating risk and gaining opportunity through brand building around child safety and protection.

Environment and Community: As the world is waking to the reality of climate change, children and teenagers are often at the forefront of the debate, looking to both companies and governments to help save the planet they will inherit. Though 97% of the companies in the Southeast Asia study have environmental policies, many lack systematic reporting on their progress towards goals that will ensure a better future. As many as 30% of companies do not report on their progress at all, and another 38% report, but not with regard to scientific targets. On this issue, Leaders are those companies that are able to respond to the expectations of younger generations in how they manage their environmental impact and strive to be a part of the solution. They thereby reduce the risk of being targeted by campaigns demanding accountability from those perceived as not taking responsibility or doing enough. They also position themselves to be more appealing to current and future clients and employees.

The area where Southeast Asian companies clearly surpass their global peers is in having programmes that aim to improve children’s lives in the surrounding community by, for example, providing access to quality education, healthcare or social activities. When 83% of companies in the region report having such programmes in place, it’s clear that business in this region considers children as part of the society within which it operates and prioritizes them when sharing resources as a way of giving back to society. Here, Leaders are those that connect their programmes to verified needs of children by either countering a possible negative impact they might have on children in the community or by leveraging their expertise or business activities to achieve a positive impact.

As is shown in COVID-19 Snapshot, the current COVID-19 pandemic is having devastating effects on children, not merely from the disease itself but from the measures taken to combat it. These effects include children being out of school, at risk of poverty (and child labour) because their parents lose their income, and at risk of contracting preventable disease because immunization programmes have been discontinued or there is no access to healthcare. Here, business will have a great opportunity to participate in “building back better”, especially in areas where they are called on to contribute not just money, but also the skills and expertise needed to tackle pressing social issues that impact children’s lives.

Recommendations and further reading
It is necessary to bring children’s rights to the board to achieve top-level commitment and engagement. The company scorecard can be used as a starting point for this type of discussion, together with the Children’s Rights and Business Workbook, especially chapter 1: Define – Clarifying roles and responsibilities.

For more information about what Southeast Asian companies can do to improve their marketing and products safety practices, see the Marketplace section of the findings report.

For more information about what Southeast Asian companies can do to improve their environment and community impact and reporting, see the Community & Environment section of the findings report.
8. WHAT DOES A CORPORATE LEADER IN CHILDREN’S RIGHTS DO DIFFERENTLY?

8.4 Factor #3 – know your impact and manage your risk

Another factor that characterises a Leader is a keen awareness of their primary risks and challenges, a willingness to act upon such knowledge and to communicate about it. In a recent Global Child Forum study, we found a correlation between having a higher score in the benchmark and involvement in human/children’s rights violations. This finding, which at first might seem counterintuitive, can be explained by looking at the context: those companies that report on how they work to improve children’s rights often do so in response to external expectations/pressure. Children’s rights issues related to the most visible parts of a company’s activity, such as child labour, online safety, etc. are apt to receive increased attention in the public arena. These are also issues that companies tend to report on more frequently, especially if they have been called out by media or NGOs as either benefiting from, or not doing enough to counteract violations. For an example, see the Wilmar Case Study in this report.

If external forces and fear of media scandals or negative attention can drive corporate action and reporting, there is opportunity for those companies that might be at risk of being involved in a children’s rights violation to act before to pre-emptively counter this risk, getting ahead of one’s competitors. This is already evident in sectors where there is more attention focused on children’s issues, such as cocoa and palm oil (child labour safeguards and child protection), internet providers (online safety and enabling a healthy online life), and toy producers (safe toys, not made using child labor), where it is becoming not only a necessity to address such issues but an advantage if companies perform well.

Linked to this insight is the criticism against corporate benchmarks on human rights from a rights-holder perspective, highlighting that what is being measured is almost exclusively what companies themselves report and does not take into account whether those affected actually see improvement. Given that there is a correlation between increased reporting and involvement in violations against human (and children’s) rights, this points to the importance of being transparent, using reporting as a window to show those outside of the company what is being done, rather than to counter accusations of wrongdoing. The benchmark assessment on children’s rights naturally merely scratches the surface of company reporting. However, it is still the best proxy available for assessing the extent to which companies engage with children’s rights, provided it’s being followed up on by questions about what is actually being done, and what impact it has.

For Southeast Asian companies, this highlights the need for not only having policies in place, but also ensuring that they are being implemented as intended and followed-up on, and where, for example, the results for child labour referenced above identify that improvements can be made across the board.

As mentioned in the section on Factor #1 – Go from Policy to Practice, sectors and industries to look at for examples of this are leading companies in Basic Materials, Energy & Utilities, and Food, Beverage & Personal Care.

Recommendations and further reading

Although companies in the region score well on having programmes in place that aim to have a positive impact on children’s lives in the community, we note that companies who have programmes or donate to charity to improve children’s rights in various ways fail to connect it to how their business operations already play a role, or could play a role in the lives of children. Seeing this as an area for potential improvement, Global Child Forum, in collaboration with Boston Consulting Group, developed a practical guide that outlines four building blocks necessary for a corporate children’s rights programme to achieve maximum positive impact: Corporate Programs for Children’s Rights – Guidance and Best Practice

To see which companies are leading in the region, see the Sector Scorecards section in the Findings report for examples that are instructive and inspiring.

66 Reference Oxant analysis

8.5 Factor #4 – join forces with others

Many children’s rights issues, such as poverty, child labour, lack of education or exposure to dangerous products or substances are not issues that any single company can solve alone. These problems require working with experts, industry peers and public authorities to achieve sustainable outcomes. Thus, the final factor that characterises a Leader is the extent to which they collaborate with others. It is a given that companies and their employees are not necessarily experts when it comes to how best to improve children’s lives. Rather than reinventing the wheel, those companies that realise there are partners they can coordinate and collaborate with tend to have the best results, with fewer resources expended. In such collaborations, different stakeholders bring their individual expertise and resources to the table to achieve results that wouldn’t be possible if working independently.

A sector to look to for examples of strategic collaborations with children’s rights organisations is Travel & Leisure. Many companies in this sector support child protection organisations as a way to address possible negative impacts related to their business (sexual exploitation, migrant parents, etc.), while also taking advantage of the expertise that children’s rights organisations can offer.

Southeast Asian companies that are taking the lead

In assessing Southeast Asian companies, it is somewhat surprisingly that they do not engage with children’s rights organisations to the same extent as their global peers, although they tend to collaborate with government and industry associations to almost the same extent as global companies. This could be linked to the finding that most companies in the region have their own programmes, some of which are administered through charitable foundations set up by the companies themselves, as a result, such companies perhaps don’t see a need to engage children’s rights organisations for this purpose. However, there are examples of leading companies in the region, including Singapore Telecommunications, Wilmar and CPF, who have successfully partnered with international and local organisations, taking advantage of outside expertise for both programme design and delivery.

Recommendations and further reading

Take advantage of the expertise of both local and international children’s rights organisations to ensure that any initiative undertaken has the desired impact.

Leverage industry and business coalitions to address issues that are systemic and therefore better addressed collectively in a pre-competitive space, for example, supply chain risks and requirements towards suppliers, or marketing self-regulation.

A range of instructive and motivational case studies, guidance and testimonials can be found under the “Programs and Partnerships” theme in the Global Child Forum Knowledge Centre.

For additional information about collaborations, see the 7.4 section in the Findings report for examples to look to for inspiration and lessons learned.
Global Child Forum’s mission is to support and inform global corporations’ strategy and activities aimed at improving their impact on children. This benchmark is at the core what we do. The next report in 2021 will be a global study and will focus on the companies in the ‘SDG2000’ - a list of 2,000 companies identified by the World Benchmark Alliance as those having the most influence over our ability to move to a more sustainable future. In making this data available, we support global multinationals’ stakeholders, mainly investors and asset managers who wish to assess the impact of companies on children’s rights with a systematic and norms-based approach. The data from this study is available in its entirety on our website. During 2021 we will increase our collaboration with the financial sector. If you are interested in the data in our study, please feel free to contact us at benchmark@globalchildforum.org.

In addition to benchmark data, we also produce guidelines and tools and host webinars and conferences, all with the purpose of supporting multinational corporations in their work towards implementing children’s rights. If you are working in a multinational corporation on sustainability or children’s rights, please visit our website for more information.

9. An invitation to future collaboration

Acknowledgements:

We would like to thank the following companies for contributing to this report through interviews (or written responses) about their approach to children’s rights:

- Charoen Pokphand Foods
- Delta Electronics
- IOI Group
- Singapore Telecommunications
- Wilmar International
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Publication date: 16 March 2021

Design: This Way Up

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