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 and 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.

51% have a child labour policy
83% are driving programmes focused on children’s rights in the community

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.