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I spoke recently with a mining company about their circular economy practices in Europe. They told me about the great progress they’ve made in separating the by-products of their local business to reduce contamination and waste. It was impressive and it showed what’s possible when committed corporate leaders adopt new working methods to follow local legislation.

But the narrative changed when we began discussing their operations in Latin America. In the impoverished region where the company operates, children rummage through scrap mountains for discarded metals to sell. Their families rely on this meagre income. Scavenging is more important than school.

Global Child Forum exists at – and because of – this intersection of business and children’s rights. Impact is inevitable but when it comes to the well-being of children companies should, at the very least, have a ‘first do no harm’ approach. Business activities should never lead to the displacement of families, the pollution of local communities or global epidemics of child obesity and mental health problems.

But we are, as they say, where we are. Our role, with this Benchmark Report at the heart of our work, is to measure, analyse and advise. We help companies understand where they are on children’s rights and where they can improve.

Naturally, we always hope to report on progress, but this year we are sounding an alarm. In the face of war, climate breakdown and rising living costs, we see an aggregate decline in companies’ impact on children. It begs the question, are the world’s biggest corporations exploiting these crises for short-term profit – neglecting the long-term well-being of children in the process?

In fact, from our deep connections with some of the biggest companies in the world, we know that there is an enormous will at every level to reduce the negative impact of big business on children’s lives.

By thinking long-term and committing to child-first policies, transparency and diverse social initiatives, the leaders among the companies we work with have improved the lives of hundreds of thousands of children – while continuing to deliver for shareholders. We see companies like the mining business in the midst of transformation, making great improvements locally but yet to adapt their processes further afield. Meanwhile, many companies are only just beginning to understand their impact on children. In these organisations we don’t see failure – we see enormous potential for better lives for millions more children.

There are many reasons to commit to putting children’s well-being at the core of your business. Commit because your company is proud of its caring culture. Commit because you always follow best practice. Commit because you want to set the standard in your sector. Commit because not committing ultimately costs you more - in brand value, staff recruitment and retention, lost customers, increased fines or reduced investment. Or commit simply because it’s the right thing to do.

I urge you to read this report and consider the agency you have – as a leader, investor, commentator or consumer – in this complex ecosystem. We know there are resources available for change. We are ready to help you focus your commitment.

Katarina Mellström
Secretary General
Global Child Forum
Incredible advances in AI steal the headlines almost daily. Geopolitical shifts are reshaping the dynamics between nations. The effects of climate change are disrupting our city planning, our food systems and our energy supplies. Our financial systems are grappling with surging interest rates and increasingly complex interdependencies. Meanwhile, regulatory bodies throw ever more variables into the mix.

Corporations invest enormous amounts of time and energy anticipating, adapting and reorganising to thrive in this unpredictable environment. But it’s just as important to identify your company’s foundational principles, the constants in your equation, and stay true to them as everything shifts around you.

**You will know the principles that are best for your company, but I’d like to suggest one that’s universal – prioritise children.**

A business that puts children’s rights and well-being first requires and fosters an intergenerational mindset. It eliminates the risks of reputational damage and financial penalties that follow from using child labour or contributing to poor physical and mental health among children. It answers a call from consumers and investors for ethical products and services. And it resonates profoundly with its employees’ natural instincts, resulting in a motivated, committed and secure workforce.

In other words, a business that puts children’s rights and well-being first is a business built for the future.

This report offers valuable insights that should spark discussions in every boardroom. My colleagues at Boston Consulting Group and our friends at Global Child Forum have collected, parsed and analysed a vast amount of data about the world’s biggest companies and their impact on children.

I encourage you to use it to benchmark your company against peers in your industry and region. Dig deeper into your own organisation’s scores. Find out how to create and implement policies for protecting children. Learn about how other companies have recognised the young as stakeholders and embraced their social responsibility to become leaders in the field of children’s rights.

When it comes to establishing the best conditions for the next generation, there are no trade secrets – just leadership, collaboration and commitment.

You don’t need to read this report to know that the world is in the midst of multiple monumental changes. But I hope that it will bring some clarity of purpose as you steer your organisation towards a sustainable future.
Children’s rights in the balance

Do we, as a society, prioritise the well-being of our children?

For most individuals, the answer is a resounding and unconditional ‘yes’. Wherever we look we see parents working tirelessly to feed and clothe their children, saving every penny to send their children to college or risking their lives to escape war and environmental hardship and give their children a more secure future.

The societal balance is more nuanced. On one side, substantial public resources are committed all over the world to education, healthcare, and other public systems designed to safeguard our young. But the role of the corporate world remains – at best – ambiguous. Given its outsized influence, this must change.

Consider the 795 world-leading companies we scrutinise in this year’s report. Their reach is astounding, with millions of employees, billions of customers and a combined revenue of almost $33 trillion – one third of global GDP. The decisions of these organisations, for better or worse, affect almost everyone on the planet.

With less influence and purchasing power

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1 https://www.worldometers.info/gdp/gdp-by-country/
than adults, the world’s 2.4 billion children⁴ are more dependent on legislation to deter corporate exploitation. It is notable that in this year’s Benchmark Report, European companies, shaped by stringent regulations, have performed best once again. With new child-focused reporting standards due to take effect in 2024, will European companies continue to lead the way – or will global competitors adapt?

There is also a less visible force steering companies to do what’s right for children – risk. More mature businesses tend to be better at planning for the long haul, underpinned by wiser risk assessments. This often translates into a deeper commitment to social issues. In the world of tech, for example, we see that the older IT and software companies tend to align more closely with children’s well-being.

Very few companies in our cohort have no policies at all relating to children. But even companies which actively grasp this issue – whether they are guided by good intentions, legislation or a strategy to minimise risk – can underestimate the scope of their impact. For example, in today’s interconnected, AI-charged marketplaces, children are exposed to vast amounts of advertising never meant for – or not appropriate for – their young eyes and ears.⁵

Our last Benchmark Report was published in the aftermath of the Covid pandemic. Now we have war in Europe, an accelerating climate emergency and continuing supply-chain disruption driving up the cost of living. External crises often shift corporate focus and some sectors, like Energy & Utilities, risk neglecting child welfare in their quest for rapid profits.

This report puts the priorities of these influential companies under the spotlight. Anything less than a committed approach to children’s rights exposes companies to the risk of consumer backlash, disgruntled staff and punitive fines.

Astute investors are paying close attention. Companies that respect children’s rights don’t just tick a moral box – they’re a smarter bet.

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⁵ https://www.unicef.org/lac/media/42156/file/Documento-pol%C3%ADtica-marketing-digital-ing.pdf
Companies

<table>
<thead>
<tr>
<th>795 COMPANIES</th>
<th>32.6TN USD REVENUE</th>
<th>86% LISTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 SECTORS</td>
<td>28 INDUSTRIES</td>
<td></td>
</tr>
</tbody>
</table>

| 38% ASIA & PACIFIC | 27% EUROPE | 22% NORTH AMERICA | 5% LATIN AMERICA & CARIBBEAN | 4% SUB-SAHARAN AFRICA | 4% MIDDLE EAST & NORTH AFRICA |

Scoring

How we score companies
Since 2009, Global Child Forum and Boston Consulting Group have developed a robust framework for assessing companies’ impact on children, based on the Children’s Rights and Business Principles. Using publicly available sources, such as annual reports, sustainability reports and corporate web sites, we score 25 indicators across four impact areas – Governance & Collaboration, Workplace, Marketplace and Community & Environment.

Within each of these impact areas, the indicators evaluate three distinct phases. The first looks at a company’s policies and commitment to children’s rights. The second assesses its implementation of these policies. And the third measures its reporting on the outcomes and actions to be taken to improve future impact.

For each indicator, the company is given a score of 0, 5 or 10. If the company doesn’t

Governance & Collaboration
Our indicators ask how the company commits to children’s rights standards and frameworks, such as the UN Convention on the Rights of the Child. We look at the board’s degree of responsibility for child policies and rate companies on whether they work with or donate to child-focused non-governmental organisations or other initiatives.

Workplace
We consider whether the company prohibits child labour in its operations and supply chains, and whether family-friendly workplace policies are in place and followed. We include measures for the company’s view of the relevance of children’s rights to their work, as well as compliance reporting.

Marketplace
We assess the business’s commitment to product, sales and marketing operations that reduce children’s exposure to harmful products or messaging. We include measures for the company’s view of the relevance of children’s rights to their work and compliance reporting.

Community & Environment
Our indicators test the company’s commitment to reducing negative impact on the environment and the community, such as pollution and displacement. This includes scores for supply chain policies, community projects and compliance reporting.

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.
disclose any information relating to the indicator it is scored 0. When the company discloses relevant policies and actions but without explicit reference to children, it is given a score of 5. To score 10 in an indicator, the company must disclose child-specific information about relevant policies and actions. These scores are combined to produce a grade for each implementation phase and impact area and, finally, a total score.

The full methodology is available on our website.5

Example scorecard

<table>
<thead>
<tr>
<th>Nokia</th>
<th>Policies &amp; commitments</th>
<th>Implementation</th>
<th>Reporting &amp; actions</th>
<th>Impact area score</th>
<th>Overall score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance &amp; collaboration</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10</td>
<td>8 Leader</td>
</tr>
<tr>
<td>Workplace</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10</td>
<td>8 Leader</td>
</tr>
<tr>
<td>Marketplace</td>
<td>10.0</td>
<td>5.0</td>
<td>2.0</td>
<td>4.8</td>
<td>8 Leader</td>
</tr>
<tr>
<td>Community &amp; environment</td>
<td>7.5</td>
<td>7.5</td>
<td>6.0</td>
<td>6.8</td>
<td>8 Leader</td>
</tr>
</tbody>
</table>

We also assign companies a roadmap status according to their scores. This shows a company’s progress in its journey towards placing children’s rights and well-being at the core of its work.

<table>
<thead>
<tr>
<th>Status</th>
<th>Score</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader</td>
<td>7.6 – 10.0</td>
<td>The company’s actions on children’s rights are integrated across multiple key areas as a matter of practice and followed up with monitoring, transparent reporting and further programmes.</td>
</tr>
<tr>
<td>Achiever</td>
<td>5.1 – 7.5</td>
<td>The company has implemented multiple policies prioritising children’s rights and understands the need to embed these in company practice with monitoring and transparent reporting.</td>
</tr>
<tr>
<td>Improver</td>
<td>2.6 – 5.0</td>
<td>The company has initiated and implemented some policies, recognising these as important first steps to commitment.</td>
</tr>
<tr>
<td>Beginner</td>
<td>0 – 2.5</td>
<td>The company has initiated policies addressing children’s or general human rights.</td>
</tr>
</tbody>
</table>

5 https://globalchildforum.org/benchmarks/methodology/
Setbacks and progress in the collective

The companies in our benchmark are vast in scope and enormously varied in their operations. Each has its own commercial and cultural challenges, environmental footprints and community engagements.

There is no single prescription for improvement, but by viewing them together we can ask how seriously the corporate world takes children’s rights.

Overall, the answer is disappointing. Since our last global report in 2021, the collective commitment to children’s well-being has declined. The average score for the full set of companies has dipped to 4.9 – down from 5.1 two years ago. Of the 636 companies that appear in both our 2021 and 2023 reports, 367 companies returned worse scores this time around. Only 8% of the bottom 100 companies managed to improve their performance.

However, there are reasons to be hopeful. 245 companies, including all but one of the top 15 performers, improved their scores compared to two years ago. Indeed, 75% of the top 100 companies showed improvement. It seems clear that once a company reaches a certain level of maturity in its approach to children’s rights – when there is a framework in place to balance children’s well-being against short-term profits – improvement becomes the more likely outcome.

The 2023 Benchmark Report global leaderboard

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>SCORE</th>
<th>COUNTRY</th>
<th>SECTOR</th>
<th>ANNUAL REVENUE 2022 ($ BN)</th>
<th>EMPLOYEES (2022)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wilmar International</td>
<td>10.0</td>
<td>Singapore</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>65.8</td>
<td>100,000</td>
</tr>
<tr>
<td>Nestlé</td>
<td>9.4</td>
<td>Switzerland</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>96.0</td>
<td>275,000</td>
</tr>
<tr>
<td>General Mills</td>
<td>9.3</td>
<td>USA</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>18.1</td>
<td>30,500</td>
</tr>
<tr>
<td>Verizon</td>
<td>9.1</td>
<td>USA</td>
<td>Technology &amp; Telecommunications</td>
<td>133.6</td>
<td>117,100</td>
</tr>
<tr>
<td>Kering</td>
<td>9.0</td>
<td>France</td>
<td>Consumer Discretionary</td>
<td>20.1</td>
<td>42,637</td>
</tr>
<tr>
<td>Vodafone</td>
<td>8.9</td>
<td>UK</td>
<td>Technology &amp; Telecommunications</td>
<td>51.4</td>
<td>104,000</td>
</tr>
<tr>
<td>Jeronimo Martins</td>
<td>8.9</td>
<td>Portugal</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>23.8</td>
<td>131,094</td>
</tr>
<tr>
<td>PepsiCo</td>
<td>8.9</td>
<td>USA</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>79.5</td>
<td>415,000</td>
</tr>
<tr>
<td>Kellogg’s</td>
<td>8.8</td>
<td>USA</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>14.2</td>
<td>30,000</td>
</tr>
<tr>
<td>Suntory</td>
<td>8.6</td>
<td>Japan</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>20.0</td>
<td>41,000</td>
</tr>
<tr>
<td>Reckitt Benckiser (RB)</td>
<td>8.6</td>
<td>UK</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>17.9</td>
<td>40,000</td>
</tr>
<tr>
<td>OMV</td>
<td>8.6</td>
<td>Austria</td>
<td>Energy &amp; Utilities</td>
<td>40.4</td>
<td>22,308</td>
</tr>
<tr>
<td>Sime Darby Plantation</td>
<td>8.6</td>
<td>Malaysia</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>10.7</td>
<td>80,041</td>
</tr>
<tr>
<td>Neste</td>
<td>8.5</td>
<td>Finland</td>
<td>Energy &amp; Utilities</td>
<td>15.5</td>
<td>5,244</td>
</tr>
<tr>
<td>Cisco</td>
<td>8.5</td>
<td>USA</td>
<td>Technology &amp; Telecommunications</td>
<td>49.8</td>
<td>83,300</td>
</tr>
</tbody>
</table>

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6 Excludes companies which did not appear in the 2021 report. N=81.
7 Scores rounded to one decimal place. Companies ordered according to full score.
8 https://globalchildforum.org/global-leaderboard-2023/
The best-performing companies in this year’s report come from four sectors and ten countries. With a wide spread of average annual revenues, ranging from $10.7 billion to $133.6 billion, they include household names such as PepsiCo and Kellogg’s as well as less familiar names from the Agricultural and Oil & Gas industries.

While only 14% of the companies in our report are in the Food, Beverage & Personal Care sector, more than half of the top fifteen performers sell food products – as retailers, manufacturers or as suppliers of palm oil and other ingredients – that are consumed by children. These companies’ proximity to their young consumers no doubt intensifies the public focus on their impact, forcing them to adopt more explicit standards.

The top 15 companies are exceptionally strong in the Governance & Collaboration impact area, boasting a near-perfect average score of 9.9 across the five indicators. Their expressed commitment to decent working conditions – for their own employees and along their supply chain – is also notable, with an average Workplace score of 9.5. The score for these companies’ impact of their product and marketing operations on children averages 7.1. While this is significantly higher than the score for the next fifteen companies, it is just shy of ‘Leader’ status. What’s holding it back is a poor record on reporting non-compliance with commitments to children’s health and safety.

In the Community & Environment impact area, the top 15 companies perform well, with an average of 7.8. However, these Leaders are weak when it comes to disclosure of harm to children in communities, with an average score of 3. Even among the frontrunners, there is room for improvement.

“Even among the frontrunners, there is room for improvement.”
4. OVERVIEW

Wilmar International maintains lead

Singapore-based food processing company Wilmar International is again the best performer in our study. With maximum scores across all indicators, the company’s environmental and human rights commitments are child-specific and far-reaching.

As one of the world’s biggest producers of palm oil, Wilmar came under fire between 2007 and 2018 for its exploitative practices. In response, the company made public undertakings to address the issues with increased transparency and disclosure. The business introduced a sustainability dashboard to track progress towards its commitments and to increase traceability in its supply chain. Wage data – for all countries in which it operates – is also shared.

“In our industry, especially in Malaysia, there is a shortage of workers,” says Jeremy Goon, Wilmar’s Chief Sustainability Officer. “The pay is decent, but it’s hard work, and it isn’t considered the most attractive of jobs. So, by taking care of our workers and their families, and providing workers the ability to see that there are opportunities for their own children to be educated and to thrive, that creates stability. Then the investment we make is more than paid back several times over.”

Wilmar reports on social matters such as school attendance for children living in palm oil estates and publishes details of grievances against the company. Beyond reporting, Wilmar works with banks to link loans to sustainability goals.

This progress aligns with our finding in 2020 that there is a link between public controversies and higher scores. Evidently, uproar about a company’s practices acts as a driver of transparent behavioural shifts. In other words, the tools of activism, journalism and rigorous analysis are still sharp enough to effect change.

Technology and Telecommunications remains the best-performing sector, although there is a large spread of scores when broken down by industry. Energy & Utilities records the largest decrease. See our Talking Points section for more details about both of these findings.

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Global leaderboard

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Average scores by sector

- Technology & Telecommunications: 5.8
- Healthcare: 5.6
- Food, Beverage & Personal Care: 5.4
- Basic Materials: 5.2
- B2B: 5.1
- Consumer Discretionary: 4.8
- Energy & Utilities: 4.2
- Financial: 4.1

% Change from 2021:
- Technology & Telecommunications: +6%
- Healthcare: +3%
- Food, Beverage & Personal Care: -1%
- Basic Materials: -3%
- B2B: -2%
- Consumer Discretionary: -7%
- Energy & Utilities: -14%
- Financial: -5%

Global avg: 4.9

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The significant increase in the average score in Sub-Saharan Africa is heartening. Despite the relatively small number of companies surveyed in the region (33), all sectors are represented. While there are no Leaders here yet, more than half of the companies are Achievers, reflecting the prevalence of score jumps from 0 to 5. In other words, there is more sustainability reporting, but it does not yet include a child rights perspective. By including disclosures about children’s well-being, companies in Sub-Saharan Africa will make an even greater leap forward in the coming years – an approach that their peers in the declining regions should also consider.

European companies show the highest average score, although there has been a slight decline since 2021. Europe’s leadership is expected to increase with the introduction of stringent legislation in 2024. This is explored in more detail as one of our Talking Points later in the report.

For Walmart to be engaging so conspicuously with children’s rights surely sends a strong signal to the rest of the corporate world.
Top movers

Top movers spread among regions and sectors

Chinese metals company Jinchuan Group and Flour Mills of Nigeria, a food and agriculture business, show the biggest improvement in scores since our last Benchmark Report. Both record a jump of 3.8 points to become Achievers. Encouragingly, every region can claim at least one of the big advancers, while six out of eight sectors are represented. Evidently, wherever a company is located and whatever its business area, rapid and substantial improvement is possible.

Top 15 movers, by improvement in score 2021-2023

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>IMPROVEMENT IN SCORE</th>
<th>COUNTRY</th>
<th>SECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jinchuan Group</td>
<td>3.8</td>
<td>China</td>
<td>Basic Materials</td>
</tr>
<tr>
<td>Flour Mills of Nigeria</td>
<td>3.8</td>
<td>Nigeria</td>
<td>Food, Beverage &amp; Personal Care</td>
</tr>
<tr>
<td>Rongsheng Petro Chemical</td>
<td>3.7</td>
<td>China</td>
<td>Basic Materials</td>
</tr>
<tr>
<td>Emaar Properties</td>
<td>3.6</td>
<td>UAE</td>
<td>Financials</td>
</tr>
<tr>
<td>Tesla</td>
<td>3.4</td>
<td>US</td>
<td>Consumer Discretionary</td>
</tr>
<tr>
<td>Marfrig</td>
<td>3.4</td>
<td>Brazil</td>
<td>Food, Beverage &amp; Personal Care</td>
</tr>
<tr>
<td>Kellogg’s</td>
<td>3.2</td>
<td>US</td>
<td>Food, Beverage &amp; Personal Care</td>
</tr>
<tr>
<td>Tencent</td>
<td>3.1</td>
<td>China</td>
<td>Technology &amp; Telecommunications</td>
</tr>
<tr>
<td>Astra Agro Lestari</td>
<td>3.1</td>
<td>Indonesia</td>
<td>Food, Beverage &amp; Personal Care</td>
</tr>
<tr>
<td>Zijin Mining</td>
<td>3.1</td>
<td>China</td>
<td>Basic Materials</td>
</tr>
<tr>
<td>Walmart</td>
<td>3.1</td>
<td>US</td>
<td>Food, Beverage &amp; Personal Care</td>
</tr>
<tr>
<td>Fung Group</td>
<td>3.0</td>
<td>Hong Kong, China</td>
<td>Consumer Discretionary</td>
</tr>
<tr>
<td>Wesfarmers</td>
<td>2.9</td>
<td>Australia</td>
<td>B2B</td>
</tr>
<tr>
<td>Power Construction China</td>
<td>2.7</td>
<td>China</td>
<td>B2B</td>
</tr>
<tr>
<td>Truist</td>
<td>2.6</td>
<td>US</td>
<td>Financials</td>
</tr>
</tbody>
</table>

Two of the world’s most influential companies also show significant rises. Tesla, driving the electric motoring revolution, moves from Improver to Achiever status with a rise of 3.4 points. But perhaps most significant of all is Walmart’s promotion to Leader status. With 2 million employees and revenues of $535 billion, it is the world’s biggest company and boasts the economic heft of a medium-sized country. For Walmart to be engaging so conspicuously with children’s rights surely sends a strong signal to the rest of the corporate world.

We can also look at the companies which have most improved their child-specific measures – as opposed to general human rights activities. For specific actions relating to children’s rights in any indicator, we award a score of 10. Finnish Nokia increases its share of 10-point indicators by an impressive 40% points. They are closely followed by Reckitt Benckiser and Kering both increasing their share of score by 36% points.
European companies lead the world on children’s rights – but must brace for change

The region’s companies return an average overall score of 5.9, comfortably above the global average of 4.9. Despite falling scores in most other parts of the world compared to 2021, Europe’s score remains steady. And with new EU legislation on corporate sustainability reporting coming into effect in 2024, we expect the continent’s lead to increase further by the time of our next survey.

Of the top 15 companies on our global leaderboard, seven are European, led by Switzerland-based foods giant Nestlé, French luxury goods house Kering – owner of brands such as Gucci and Yves Saint Laurent – and the UK telecoms company Vodafone. “I’m encouraged to see that companies in our region have attached such high importance to children’s rights. This is a step in the right direction that goes beyond legislation, highlighting the importance of clear communication and alignment of goals when it comes to protecting a vulnerable group in our society,” says Emilio Puccio, Secretary General of the European Parliament Intergroup on Children’s Rights.

European companies are the best performers in five of our eight benchmarked sectors – B2B, Basic Materials, Consumer Discretionary, Energy & Utilities and Healthcare – and second place in the remaining three.

Average overall score, Europe v Global Average

<table>
<thead>
<tr>
<th>Europe</th>
<th>Global Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.9</td>
<td>4.9</td>
</tr>
<tr>
<td>17%</td>
<td></td>
</tr>
</tbody>
</table>
Europe’s top performing companies

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>SCORE</th>
<th>COUNTRY</th>
<th>SECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nestlé</td>
<td>9.4</td>
<td>Switzerland</td>
<td>Food, Beverage &amp; Personal Care</td>
</tr>
<tr>
<td>Kering</td>
<td>9.0</td>
<td>France</td>
<td>Consumer Discretionary</td>
</tr>
<tr>
<td>Vodafone</td>
<td>8.9</td>
<td>UK</td>
<td>Technology &amp; Telecommunications</td>
</tr>
<tr>
<td>Jeronimo Martins</td>
<td>8.9</td>
<td>Portugal</td>
<td>Food, Beverage &amp; Personal Care</td>
</tr>
<tr>
<td>Reckitt Benckiser (RB)</td>
<td>8.6</td>
<td>UK</td>
<td>Food, Beverage &amp; Personal Care</td>
</tr>
<tr>
<td>OMV</td>
<td>8.6</td>
<td>Austria</td>
<td>Energy &amp; Utilities</td>
</tr>
<tr>
<td>Neste</td>
<td>8.5</td>
<td>Finland</td>
<td>Energy &amp; Utilities</td>
</tr>
<tr>
<td>Bayer</td>
<td>8.3</td>
<td>Germany</td>
<td>Basic Materials</td>
</tr>
<tr>
<td>BT</td>
<td>8.3</td>
<td>UK</td>
<td>Technology &amp; Telecommunications</td>
</tr>
<tr>
<td>Airbus</td>
<td>8.2</td>
<td>France</td>
<td>B2B</td>
</tr>
<tr>
<td>Swisscom</td>
<td>8.2</td>
<td>Switzerland</td>
<td>Technology &amp; Telecommunications</td>
</tr>
<tr>
<td>Norsk Hydro</td>
<td>8.2</td>
<td>Norway</td>
<td>Basic Materials</td>
</tr>
<tr>
<td>Telenor</td>
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<td>Norway</td>
<td>Technology &amp; Telecommunications</td>
</tr>
<tr>
<td>FrieslandCampina</td>
<td>8.1</td>
<td>Netherlands</td>
<td>Food, Beverage &amp; Personal Care</td>
</tr>
<tr>
<td>L’Oréal</td>
<td>8.1</td>
<td>France</td>
<td>Food, Beverage &amp; Personal Care</td>
</tr>
</tbody>
</table>


“Diversity and inclusion are core to our beliefs and purpose at Vodafone. We are proud to support all families by giving every parent the opportunity to have more time with their children, without worrying about the impact on their finances or careers.”

Nick Read
CEO, Vodafone

“For us at Bayer, it was very important that we started with how our own operations worked with human rights topics before we started to assess suppliers. By doing so, we found a clear position on all human rights topics, but also in particular regarding child labour.”

Janina Lukas
Head of Ethics and Social Impact, Bayer

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5. TALKING POINTS

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For us at Bayer, it was very important that we started with how our own operations worked with human rights topics before we started to assess suppliers. By doing so, we found a clear position on all human rights topics, but also in particular regarding child labour.¹¹

Janina Lukas
Head of Ethics and Social Impact, Bayer

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Over 13% of European companies are Leaders – with average scores over 7.5 – compared to 6% in both North America and Asia & Pacific. Europe also has the smallest share of Beginners, with just 1.4% of businesses in the report categorised as being at the start of their journey on integrating children’s rights into their operations. This compares to 9% in North America and 19.4% in Asia & Pacific.
“Prepare for change”

In 2024, the region’s approach to sustainability reporting will be transformed. Prompted by a wealth of evidence – backed up by the findings in this benchmark report – that companies’ current disclosures are often incomplete and inconsistent, the EU’s Corporate Sustainability Reporting Directive (CSRD) requires businesses to adopt common standards in their environmental, social and governance reporting.

The new standards – which, like Global Child Forum’s own methodology, follow the framework of the UN Guiding Principles on Business and Human Rights – will compel more than 50,000 companies in the region to provide high-quality, comparable sustainability information. Non-European companies which have significant operations on the continent are also likely to be impacted.

As such, the changes could mark a global pivot towards transparency.

But for many companies, the new requirements will come as a shock.

“CSRD will have a significant impact on the range and depth of companies’ environmental, social and governance reporting. In the medium and long term, common standards will reduce reporting costs – but companies must be ready to provide more data and more materiality assessment on more subjects,” says Emilio Puccio.

“Leaders need to act now to ensure they stay compliant.”

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I’m encouraged to see that companies in our region have attached such high importance to children’s rights.

Emilio Puccio
Secretary General of the European Parliament Intergroup on Children’s Rights
It’s an industry that has an outsized influence on children’s lives. Alphabet, Meta, Amazon, Alibaba and Netflix are among the social media giants, e-commerce platforms, streaming services and games providers shaping the way young people experience the world. With some of the most active developers and adopters of artificial intelligence (AI), it is shaping their future too.

These companies should be world leaders in analysing and reporting on their own commitments to children’s rights – most of them, after all, are in the business of providing information. And yet, the industry is lagging. With an average global score of 4.5, IT Software & Services is a long way behind
peers in the rest of the high-performing Technology & Telecommunications sector. Even highly extractive industries like Oil & Gas and Metals & Mining perform better. Indeed, the industry’s score is closer to the likes of Insurance, Real Estate and Logistics – which have far less direct impact on children’s lives.

A recent survey by Boston Consulting Group found that 81% of children go online every day. The majority of those are gaming, using streaming services or interacting with social media. What’s more, the modern digital landscape has blurred traditional customer boundaries, enabling children to interact with platforms primarily designed for adults. Despite not being the targeted customer group, children often engage with services from social media giants, e-commerce platforms, and online gaming providers, typically without parental oversight. Children’s constant exposure to online threats – such as inappropriate content, online gambling, predatory behaviour, cyberbullying and excessive screen time – has a dramatic impact on their mental and physical health.

“Children and young people are disproportionately affected by the risks of the digital world, given both their developmental vulnerabilities and their status as ‘early adopters’ of emerging technologies,” says Beeban Kidron of the digital safety organisation 5Rights Foundation.

Numerous studies have drawn links between teenagers’ use of social media and problems with sleep, addiction, anxiety, sex-related issues, diet and body image. But the tech giants’ commitment to reducing the negative effects of their products is open to question.

“Digital service providers must be held accountable for the impact of their services and we have to develop consistent, enforceable and publicly visible metrics for the welfare of children and young people. Simply put, the protection of children and young people’s wellbeing is the price of doing business and can no longer be partial nor in the gift of corporations that are clearly dragging their feet,” says Beeban Kidron.

% distribution of IT Software & Service industry classes
Exemplary companies per category

0% No leader in IT Software & Services
43% Amazon Alphabet Meta Tencent
46% Leader Achiever Improver Beginner
11% Beginner

The modern digital landscape has blurred traditional customer boundaries, enabling children to interact with platforms primarily designed for adults.
There are few industries with such direct proximity to children as IT Software & Services. One is Food & Beverage, which manages a significantly higher overall industry score of 5.6. Notably, the child nutrition debate has been gathering momentum for decades, while the discourse around ‘information nutrition’ is only just getting started.

IT Software & Services is dominated by two regions. 43% of the companies in the industry are based in North America and 39% are based in Asia & Pacific. No companies in the industry are classed as Leaders in children’s rights. The American creative software company Adobe comes closest, with a score just shy of the 7.5-point threshold.

The biggest advancer in the industry is Tencent. Since 2021’s Global Benchmark Report, the Chinese technology and entertainment company has jumped 3.1 points to 6.4, moving it into the Achiever category.

“Social value creation also requires us to hold a long-term view and strengthen our resolve to execute gradual but lasting outcomes. We need strong corporate governance, an appropriate management system and a robust corporate culture to aid navigation and oversee implementation,” wrote Lau Chi Ping Martin, President of Tencent, in the company’s latest ESG report.14

“In 2022, we started a pilot project where we added social value creation into the balanced scorecard review of certain core business teams. We will continue to encourage managers at all levels to put equal importance on commercial value and social value creation.”

**Taking responsibility – a sign of maturity**

Companies in our report’s IT Software & Services industry grouping are relatively young. Indeed, 55% were formed in the last 20 years and 35% are no more than 40 years old. In corporate terms, they are adolescents. Interestingly, there is a positive correlation between company maturity and overall average score in the benchmark. In other words, the more mature the business, the more likely it is to take children’s rights into account in its operations, policies and reporting.

Given the scale and resources of companies in this industry, youth is not an excuse. Their brands are built around values like innovation, moving fast and focusing on long-term impact – all of which are consistent with a responsible approach to children’s rights. For inspiration on best practice, they can turn to more mature companies in the tech sector.

Startups in this dynamic industry can grow astonishingly fast. The lesson for new companies is clear – establish policies to safeguard children’s well-being from the very start. Move fast – but move responsibly.

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Low Marketplace score reveals split approach to children’s rights

Once again, the companies in our report perform worst in the Marketplace impact area. With an overall average score of 2.2, this category scores more than 50% lower than the other three. It has declined by 18% since 2021. Why is performance so poor?

The Marketplace score is the most commercially exposed of our metrics. It evaluates a company’s commitment to children’s rights by assessing responsible marketing and labelling aimed at children, the safety of products and services used by children, the recognition of children’s rights in business assessments – and it requires transparent reporting on all of these.

A business can improve its governance, workplace policies or engagement with community projects by deciding to take action and spending money on it. But product development and marketing is every company’s lifeblood, subject to multiple external pressures. Do managers fear that complicating or compromising these processes will damage their bottom line?

While only 57 companies, or 6.9% of the total in our report, can be classed as Marketplace Leaders or Achievers, a glance at their sectors reveals an important insight. Almost 91% of them - and all of the eight Leaders - are directly consumer-facing.

These businesses’ excellent scores show that it is possible to wield great influence over consumers while upholding conscientious, child-focused Marketplace policies and actions. But incorporating children’s rights and product safety into commercial operations demands a broad consensus, according to PepsiCo’s Public Policy Director, Janis Herzig:

“A significant challenge is how best to match consumer demand for nutrition, convenience and great taste with research and development as well as marketing. Reformulations can be made, but you also need to get the consumer on board,” she says.

### Leaders in the Marketplace impact area

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>MARKETPLACE SCORE</th>
<th>SECTOR</th>
<th>COUNTRY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wilmar International</td>
<td>10.0</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>Singapore</td>
</tr>
<tr>
<td>Nestlé</td>
<td>9.0</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>Switzerland</td>
</tr>
<tr>
<td>General Mills</td>
<td>9.0</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>USA</td>
</tr>
<tr>
<td>Verizon</td>
<td>9.0</td>
<td>Technology &amp; Telecommunications</td>
<td>USA</td>
</tr>
<tr>
<td>Vodafone</td>
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<td>UK</td>
</tr>
<tr>
<td>PepsiCo</td>
<td>9.0</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>USA</td>
</tr>
<tr>
<td>Jeronimo Martins</td>
<td>8.0</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>Portugal</td>
</tr>
<tr>
<td>Walmart</td>
<td>7.6</td>
<td>Food, Beverage &amp; Personal Care</td>
<td>USA</td>
</tr>
</tbody>
</table>
Average Marketplace scores by sector and consumer proximity

The sectors which engage directly with consumers – Food, Beverage & Personal Care, Healthcare and Technology & Telecommunications – show higher Marketplace scores and improvements since 2021. But there is a glaring exception. The Consumer Discretionary sector – primarily apparel, automobile and transport businesses – lags behind its consumer-facing peers and drops by 14%.

A key reason is the sharp increase in companies which do not identify child-focused marketing or product responsibility as material for their business. Lufthansa, Volkswagen and Macy’s are among 27 companies (out of 64 in the Consumer Discretionary sector) scoring 0 in this indicator, either because they don’t prioritise these dimensions or because they don’t publicly disclose their stance.

The industrial sectors show the lowest Marketplace scores and the greatest drops, with the 1.2-point drop for Energy & Utilities the worst of all. While these sectors are further removed from consumers – reflected in our lower weighting of Marketplace indicators in these sectors’ overall scores – it is a mistake for any company to exclude children as stakeholders altogether.

Online, on TV and on the street, children see marketing that is aimed at adults. Sometimes that marketing uses images of children, with biases that can indirectly influence young audiences. Products meant for adults can be unsafe for children. Public communications filters through to the youngest minds.

Acknowledging your company’s impact on children in the marketplace is not a compromise – it is a wise investment in a sustainable future.
... it is a mistake for any company to exclude children as stakeholders altogether.
Disregard for Community and Environment drags down Energy sector

The announcement of record annual profits for energy companies in 2022 prompted widespread outrage, as they were accused of exploiting the war in Ukraine and the energy crisis while sidelining their climate promises. The results of our benchmark report suggest that they are also neglecting their responsibilities towards children’s rights.

The Energy & Utilities sector’s overall average score falls 14% from 4.9 in 2021 to 4.2 in 2023. No other sector in our report falls so steeply. The majority of companies in the sector shoulder the blame – 77 of the 103 companies appearing in both reports perform worse this time around.

Scores fall in all impact areas except Governance & Collaboration:

At first glance, the decline in scores for Marketplace indicators seems to be the driving factor. But given the sector’s low proximity to consumers, this impact area is relatively insignificant. In fact, the real driver is the falling scores related to Community & Environment, which are weighted heavily in the overall measure.

Big Oil’s struggle to balance profits and principles

With the exception of one Waste Management company the sector is split between two industries – Oil & Gas and Utilities. But at $4.5 trillion, the combined revenue of the 67 Oil & Gas companies is more than double that of the 51 Utilities companies.

The energy ‘trilemma’, balancing reliability, affordability and environmental impact, has been intensified by climate change commitments and the war in Ukraine, causing soaring energy prices worldwide. A recent analysis by Boston Consulting Group found that there is an $18 trillion gap between energy players’ planned spend between now and 2030 and what’s needed to keep the world on track for net zero by 2050. At the same time, as demand for fossil fuels declines, the risk of price shocks will increase.

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Because of high price volatility, oil and gas companies are delaying investment decisions,” says Nikolaus Lang, Managing Director & Senior Partner in Munich.16

“Low-carbon investments are at particular risk because of relatively increased sensitivity to interest rates and because access to financing is increasingly subject to contractual proof of offtake and floor prices.”

If oil companies are kicking the low-carbon can down the road, it is not for a lack of resources.

In 2022, the 'big five' western-owned oil companies – BP, Chevron, Exxon Mobil, Shell and TotalEnergies – posted a combined profit of almost $200 billion.17 To activists’ dismay, they paid out more than half of that in dividends and share repurchases rather than upping their investment in clean energy. At the same time, they recorded an average drop of 0.3 points in our report.

Does the volatility of the industry distract companies from their social obligations? If these companies, with such staggering profits at their disposal, are not able to show significant improvements in their commitments to children’s rights, should we conclude that oil and children’s rights just don’t mix?

Not necessarily. Two of the top 15 performers in this year’s benchmark report are Oil & Gas companies – Finland’s Neste and Austria’s OMV. In the all-important Community & Environment impact area, Neste records an impressive jump of 2.6 points.

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5. TALKING POINTS

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**“BIG FIVE” 2023 OVERALL AVERAGE BENCHMARK SCORE +/- PROFIT 2022 ($ BN)**

<table>
<thead>
<tr>
<th></th>
<th>2023 OVERALL AVERAGE BENCHMARK SCORE</th>
<th>+/-</th>
<th>PROFIT 2022 ($ BN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BP</td>
<td>6</td>
<td>0.1</td>
<td>27.7</td>
</tr>
<tr>
<td>Chevron</td>
<td>5.2</td>
<td>-0.1</td>
<td>36.5</td>
</tr>
<tr>
<td>Exxon Mobil</td>
<td>5.3</td>
<td>-1.3</td>
<td>59.1</td>
</tr>
<tr>
<td>Shell</td>
<td>4.4</td>
<td>0</td>
<td>39.9</td>
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<tr>
<td>TotalEnergies</td>
<td>6.1</td>
<td>0.3</td>
<td>36.2</td>
</tr>
</tbody>
</table>

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16 https://www.bcg.com/publications/2022/the-future-of-energy
19 Only including cross-over companies in both '21 and '23 dataset;
20 Profit CAGR measured by EBIT 20-22, while for YPF, Idemitsu Kosan, and Canadian Natural Resources EBITDA was used as 2020 EBIT was negative;
21 Other regions include Latin America & Caribbean, Sub-Saharan Africa.
22 Avg. Profit CAGR 20-22 for Utilities is 20%. Source: GCF data 2023, BCG analysis
The company is joined by Turkey’s Tüpras in showing that it is possible to increase profits and commit to reducing negative impact on the environment and the community. Neste’s focus on children’s well-being – through their supply chain policies, community projects and compliance reporting – is explicit in their corporate statements: “Everything we do at Neste serves one purpose: to create a healthier planet for our children. We are committed to respecting and supporting children’s rights, and to implementing the Children’s Rights and Business Principles throughout our business and value chains, including in our workplace, marketplace and communities.”

The world’s energy giants should follow Neste’s example. It is time for them to decide whether their legacy will be one of profit at any cost – or a genuine commitment to the rights and well-being of the next generation.

“
If these companies are not able to show significant improvements in their commitments to children’s rights, should we conclude that oil and children’s rights just don’t mix? Not necessarily.

5. TALKING POINTS

Neglecting children’s rights – all risk and no reward

As this report shows, there is a wide variation in the degree to which companies address their impact on children’s rights. Different industries and markets mean different challenges. But many businesses neglect their responsibilities by hiding behind three fallacies.

‘Too complicated’
The first is that in a global business operation, involving multiple cultural, political and social dimensions across diverse territories, taking children’s rights into account is simply too complicated. Companies may cite limited control over long supply chains and varying definitions of child labour across countries. They could point out that child labour is entrenched in some local economies. They may also claim that addressing children’s rights could divert resources from competing corporate social responsibility priorities, pitting stakeholder interests against each other.

But the companies in our report have become the biggest in the world precisely because they are good at solving complex problems. Take Norwegian aluminium and energy giant, Norsk Hydro. When the company entered Brazil with an acquisition in 2011 it discovered major social challenges in two of its locations. In Paragominas, Hydro inherited a portfolio of community responsibilities from its predecessor, which included infrastructure projects for schools, clinics and sports facilities. In Barcarena, the challenges were even more complex, including land conflicts, high crime rates, teenage pregnancies, and drug addiction – all of which compromised children’s education and safety. Operational disruptions from protests tied to various civic issues were not uncommon.

In response, the company introduced a broad range of social initiatives, underpinned by a results-based management framework. With a more strategic approach to program planning, Hydro says that social sustainability is a source of competitive advantage. The company argues that investments in children and child-related issues can be a doorway to broader sustainability discussions.

‘Nothing to do with us’
The second fallacy is that the business does not impact children’s rights. Many companies believe that there is no overlap between their operations and the lives of children. Our benchmark report tests this, asking whether a company identifies its impact on children in the three areas of workplace, marketplace and environmental & community as ‘material to their business’. A score of 0 means that they do not, or that they do not publish their analysis.

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<table>
<thead>
<tr>
<th>IMPACT AREA</th>
<th># OF COMPANIES SCORING 0 FOR MATERIALITY ASSESSMENT</th>
<th>EXAMPLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplace</td>
<td>146</td>
<td>Apple, McDonald’s, Starbucks, Changang Automobile</td>
</tr>
<tr>
<td>Marketplace</td>
<td>392</td>
<td>Alphabet, Microsoft, Nintendo, Netflix</td>
</tr>
<tr>
<td>Community &amp; Environment</td>
<td>142</td>
<td>Chevron, Qatar Airways, Shanghai Construction Group, Nanjing Iron &amp; Steel</td>
</tr>
</tbody>
</table>

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Out of 795 companies in the report, a staggering 131 score 0 in all three areas, implying that they do not consider their impact on children in any of these areas to be material to their business. This group includes Alphabet, Apple, Chevron, Falabella, McDonald’s, Netflix and Nintendo.

These companies may claim that their 0 scores are not due to a lack of policies but because they are not reporting publicly. If this is the case, it underscores the importance of reporting legislation. After all, if a company has policies on children but nobody can see them, do the policies make a difference?

China, with 37% of the companies scoring 0 in all three materiality indicators, and the United States, with 34%, are wildly over-represented. Are companies in the world’s two biggest economies shunning global children’s rights standard practice? Notably, only 5% of the companies scoring 0 in all materiality questions are located in legislation-heavy Europe.

“What’s the worst that could happen?”

The final fallacy is that neglecting children’s rights won’t harm business returns. This is outdated thinking – with potentially severe negative consequences. Just ask South African pharmaceutical company Aspen Pharmacare Holdings. In 2016 the company was accused of setting unfair prices for life-saving medicines, particularly for children with leukaemia in Europe. A years-long EU investigation resulted in a tarnished reputation, significant financial penalties and an acceptance of reduced prices for ten years.

Children’s vulnerability places them under the spotlight in the media, among authorities and within the public’s consciousness. Companies, while never completely immune to scandals, face heightened scrutiny when children are involved.

The potential ramifications include legal and regulatory penalties, operational disruption, supply chain vulnerabilities, increased costs and reputational damage – spooking markets and harming the company’s long term sustainability. For forward-thinking investors, a company that neglects children’s rights is a risky proposition.

"Many companies believe that there is no overlap between their operations and the lives of children.

25 https://globalchildforum.org/ignoring-childrens-rights-is-risky-business/
Change is coming – and maybe faster than you think

One day, all companies will consider their impact on children’s rights and well-being at every stage of their business operations.

They will point to their policies on children as a competitive advantage. There will be zero tolerance for any negative impact on children in the workplace, the marketplace or the community. Transparent reporting on their commitments to children’s rights will be as normal as reporting on financial performance.

One day, companies which value their future won’t be mitigating for harm done, balancing the risk and return of ignoring children or rewording policies to appease public sentiment – they will be the guardians of children’s rights. Every decision will be guided by a commitment to future generations.

That day might not be so far away. This year, 60 companies were classed as Leaders – with an average overall score across all 25 benchmark indicators of more than 7.5 points – an increase of 16% compared to 2021. Among the companies stepping up into the Leader category are some of the biggest earners in the report, such as retailer Walmart, auto manufacturer Ford and commodities business Glencore.

The commercial clout of these trend-setters – which boast a combined annual revenue of almost $3 trillion – is enormous. As more businesses become Leaders in their approach to children’s rights, their peers will be forced to up their game too. Otherwise they risk demotivating their staff, unsettling investors or being excluded from Leaders’ supply chains.

With tough new EU legislation on the horizon, the tipping point may be imminent. Businesses must act now to stay on the right side of change – but this is not uncharted territory.
Four steps to transforming your company’s stance on children’s rights and well-being

1. **Review guiding principles**
   Begin with UNICEF’s Children’s Rights and Business Principles. These guidelines show what companies can do to integrate children’s rights and should form the basis of your governance and strategy.
   From the start, you should also ensure compliance with the OECD’s guidelines for multinational companies, the ILO’s child labour conventions related to child labour and new EU legislation on corporate sustainability reporting.

Workshops, seminars and experts can help by providing insights on real-world applications and best practice and the latest regulatory changes.

2. **Carry out a status analysis**
   Using the guidelines as a checklist, map out how your company affects children’s lives. View the company’s impact from all angles – from direct operations such as employment practices and product safety to how supply chains might affect children in different regions.
   Identify potential reputational, operational, legal or ethical risks in every area of the business.

   *Communicate openly with employees, suppliers, communities and even children (if appropriate) during this process. Improving your company’s approach to children’s rights should not be taboo.*

3. **Implement recommendations**
   Update your company’s policies, governance documents and mission statement with the relevant children’s rights principles. This strengthens corporate commitment and signals to stakeholders the importance placed on safeguarding children’s rights.
   Implement commitments internally and throughout your company’s value and supply chain. Suppliers and partners should be trained and audited regularly to keep them aligned and minimise risk.

   *Maintain a dialogue with stakeholders including NGOs, child rights experts and community leaders to gain insights on effective approaches, potential pitfalls and areas of improvement.*

4. **Report, act and follow up**
   Develop a comprehensive plan – with clear objectives, timeframes and responsibilities – to oversee and manage potential risks related to children’s rights. Use it to guide annual internal and external audits.
   Foster a culture of openness by publishing regular reports on the company’s performance concerning children’s rights. Highlight successes and areas needing improvement, establishing a clear roadmap for continuous progress.

   *Set up helplines or online platforms for employees, partners and members of the public to report potential infringements or offer suggestions related to children’s rights.*
In addition to this well-trodden path to corporate leadership on children’s rights, there is plenty of inspiration to be had among our Leaders. For example, Verizon, with 117,000 staff, was the first US telecommunications company to create a dedicated Business & Human Rights Program.

In 2021 the company went a step further and carried out a comprehensive child rights impact assessment. The goal was to identify and address risks to child rights and safety across its business operations, as well as to identify opportunities to support children’s rights as part of its core business strategy.

“One of the most important lessons we learned is about the value of proactively investing in the fundamental concepts embedded in the UN General Principles on Business and Human Rights,” says Nicole Karlebach, Verizon’s Global Head of Business & Human Rights.

“As part of our efforts to drive technological progress and innovate responsibly, we are committed to strong governance to enable us to consider impacts on our stakeholders, including vulnerable groups like children, across our business operations.”

It's hardly surprising that children everywhere seek solace in the digital world. But spending three hours a day on social media doubles a teenager’s chances of mental health problems such as anxiety and depression – and the average daily use is 3.5 hours a day.30

Corporate decisions, economic shifts and technological advances all play their part in shaping the environment in which children grow up. Regardless of industry or target customer, multibillion dollar businesses must not underestimate or ignore the impact they have on young lives. As individuals, we would not hesitate to help a child in distress. Do we really leave that instinct at the office security gates every morning?

A major hurdle for companies in prioritising children’s rights is a sense of deeply-ingrained unease around raising the

In 2023 there are 160 million children engaged in child labour rather than going to school.27 In rich and poor countries, 39 million children are struggling with obesity.28 Last year, 12 million children were displaced due to extreme climate events.29

It takes a multibillion dollar corporation to raise a child
issue in the first place. Staff fear repercussions for speaking out, managers worry about the implications for their department’s operations and leaders are concerned about reputational risks and potential legal consequences.

But sooner or later your company’s treatment of children will be in the spotlight. By initiating these discussions internally, creating a transparent and open forum for change, you will get ahead of that conversation. You will build trust with your stakeholders and align your corporate culture with your employees’ natural instinct to help the young.

Numerous companies are now prioritising child welfare in their operations and community engagement. These firms collaborate with partners to address and advocate for critical child rights issues.

You won’t be going out on a limb. Many companies have already made genuine strides in prioritising child welfare in their operations, with far-reaching policies, community engagement and stringent audits. Investors see the value in ethical, child-friendly investments and consumers are increasingly demanding products and services that don’t exploit children.

Ultimately, systemic change comes from the top. So to the leaders of the world’s biggest companies we say, put your company on the right side of the tipping point. Acknowledge children as stakeholders – however unintended or involuntary – in your operations. Foster transparency and accountability. Lead or support industry efforts to address issues like child labour, age-appropriate labelling and online safety.

The privilege of stewarding a major corporation goes beyond the quarterly numbers. It lies in the ability to plan years ahead, to forge powerful alliances and, above all, to reimagine the world for generations to come.

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About Global Child Forum

Founded in 2009 by the Swedish Royal Family, Global Child Forum is a leading forum for children's rights and business dedicated to innovative thinking, knowledge-sharing, and networking. We believe in the power and responsibility of business, working in partnership with all parts of society, to create a prosperous, sustainable, and just society for the world’s children. In addition to our forums, Global Child Forum delivers research perspectives, best practices, and risk assessment tools designed to unlock opportunities for businesses to integrate children’s rights into their operations and communities. For more information, please visit www.globalchildforum.org.

About Boston Consulting Group

Boston Consulting Group partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. BCG was the pioneer in business strategy when it was founded in 1963. Today, we work closely with clients to embrace a transformational approach aimed at benefiting all stakeholders – empowering organisations to grow, build sustainable competitive advantage, and drive positive societal impact. Our diverse, global teams bring deep industry and functional expertise and a range of perspectives that question the status quo and spark change. BCG delivers solutions through leading-edge management consulting, technology and design, and corporate and digital ventures. We work in a uniquely collaborative model across the firm and throughout all levels of the client organisation, fueled by the goal of helping our clients thrive and enabling them to make the world a better place.

About the corporate sector and children’s rights benchmark series

In collaboration with Boston Consulting Group, Global Child Forum initiated the Corporate Sector and Children’s Rights Benchmark series in 2013 to fill a gap in research. The series aims to develop a children’s rights benchmark for the corporate sector, enabling progress to be tracked over time on how businesses address children’s rights. We have benchmarked more than 2,600 companies globally, with more to come.

With knowledge from our benchmark, the corporate sector is better equipped to meet the demands of financial investors, governments, civil society, and the society in which they operate. Companies can assess their performance in relation to peers in different markets and regions. Our data is also relevant for investors and other stakeholders looking to assess or rank companies.