

# Sector scorecard



## BASIC MATERIALS



In collaboration with:



### The State of Children's Rights and Business 2023

Part of the Global Child Forum Corporate Sector and Children's Rights Benchmark

#### About the scorecard

The set of indicators that companies in this scorecard have been benchmarked against align with the **Children's Rights and Business Principles<sup>1</sup>**, and are organized into four impact areas: Governance & Collaboration, Workplace, Marketplace, and Community & Environment. These impact areas provide an

overview of what companies are doing in each of these spheres of influence, allowing them to identify areas of improvement in relation to their operations. The corporate response of companies is important when assessing the degree of influence as well as areas of improvement for each impact area. Therefore, the impact areas are

structured by three subcategories, namely, Policies & Commitments; Implementation; and Reporting & Actions, where these sub-categories are viewed as corporate responses to children's rights related issues. The boxes below present a short overview of what the different impact areas measure<sup>2</sup>.



#### Governance & Collaboration (G&C)

Standards, Governance structures & Collaboration with others

Commitments to frameworks, board accountability, grievance mechanisms and collaboration with peers or NGOs.



#### Workplace (WP)

Operations & Supply Chain

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



#### Marketplace (MP)

Marketing, Products & Services

Marketing and advertising, protection from exploitation, and product safety. Applies even when children are not the direct target group.



#### Community & Environment (C&E)

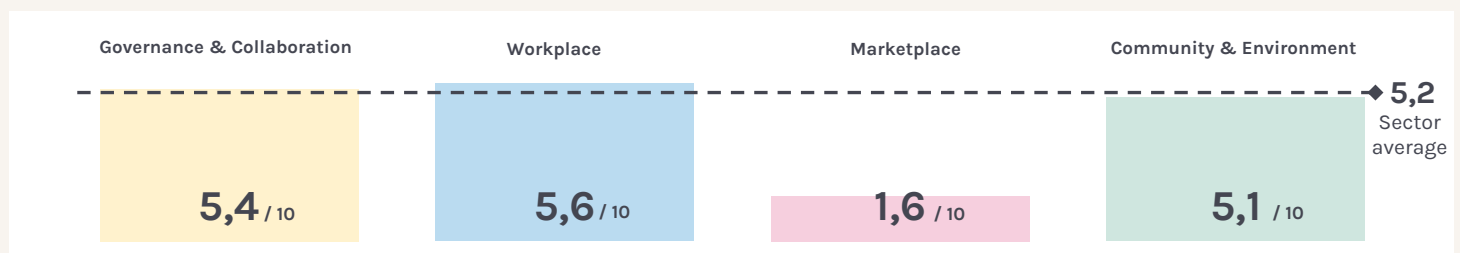
Impact on Surroundings

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.

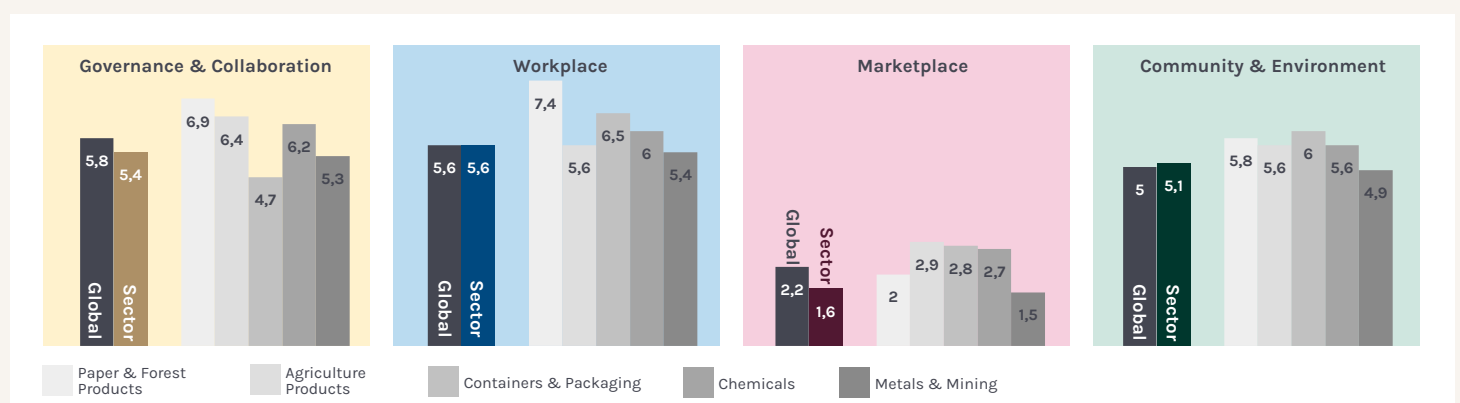
<sup>1</sup> A comprehensive framework for understanding and addressing the impact of business on the rights and well-being of children developed by UN Global Compact, UNICEF and Save the Children.

<sup>2</sup> To learn more about Global Child Forum's methodology, access it [here](#).

#### 1.1 Sector Average Score



#### 1.2 Industry vs Sector and Global<sup>1</sup>



<sup>1</sup> More information on the Industries can be found on the second page of this Sector Scorecard.

Sector description

The Basic Materials sector includes companies that discover, extract and process various 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 *Paper & Forest Products*, *Agriculture Products*, *Containers & Packaging*, *Chemicals*, and *Metals & Mining*.

No. of companies in sector		114
Paper & Forest Products		7
Agriculture Products		4
Containers & Packaging		7
Chemicals		33
Metals & Mining		63
Combined Sector Revenue	2819.2 B USD	

About our weightings

Our methodology consists of four impact areas (Governance & Collaboration, Workplace, Marketplace, and Community & Environment). The Governance & Collaboration impact area covers topics we consider to be equally important, independent of sector. Hence, the **same weight is applied for this impact area across the board** when calculating the final score. However, this is not the case for the other three impact areas as **each sector face different risks and possibilities when considering their material reality caused by their operations**. For more information, see our [Methodology](#).

1.3 Basic Materials

The Basic Materials sector provides key inputs to many other industries, such as infrastructure, automotive, healthcare, electronics, construction, and retail. Given these inputs and its influence on other industries, the Basic Materials sector has the potential to be a driving force in improving children’s rights on a global scale. Material topics where the Basic Materials sector can positively influence children might include transition to renewable energy sources in direct and indirect operations, impact on children in local communities where operations are carried out and preventing child labour in direct and indirect (i.e., supply chains) operations.

When viewing the workplace area,

Basic Materials is one of the most exposed sectors in terms of encountering child labour in supply chains. Therefore, extensive risk assessments and monitoring supply chain compliance with child labour policies is essential to protect children from being used as labour. Additionally, the safety of adult employees (including parents) is material in this sector as production plants might entail the use of hazardous chemicals and substances, as well as heavy and dangerous machinery.

A material topic for many Basic Materials companies in the **marketplace** concerns product safety given that many of them produce chemicals that can cause

harm to children. Product design and clear labelling are therefore necessary to prevent children from coming into contact with these products.

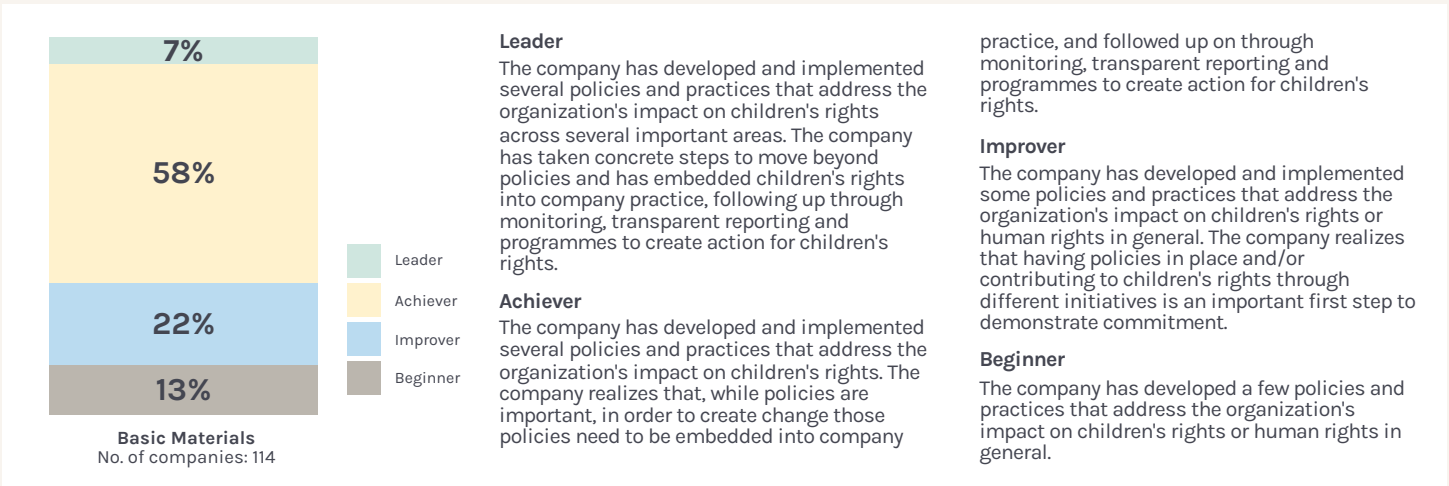
The Basic Materials sector has several challenges in the **communities and the environment** in which they operate. Material topics for this sector which carry implications for children’s well-being and health concerns environmental issues (e.g., pollution to land, soil and water) and corporate activities reshaping local communities, such as logistics requiring heavy transportation resulting in traffic hazards and reduction of play spaces for children.

1.4 Material Topics <sup>3</sup>

Impact	Where	What	
Child labour	Supply chain	Work collaboratively with others against child labour in informal sector around supplier and/or beyond tier 1 (agriculture, minerals) and promote decent working conditions and wages.	Workplace
Safety for parents	Employees/ Supply chain	Collaborate in sector-wide programmes to prevent hazardous work, forced labour and unethical recruitment.	Workplace
Children’s health and safety	Products	Ensure that hazardous consumer products are designed and labelled in a safe way to minimize the risk of children harming themselves.	Marketplace
Future wellbeing of children	Operations/ Supply chain	Reduce scope 1, 2, and 3 emissions, switch to renewable energy and recycle raw materials.	Community & Environment
Future wellbeing of children	Operations	Evaluate and prevent any risks to children in the surrounding community caused by road traffic/logistics, land use - reduced spaces to play, pollution/waste, sexual exploitation.	Community & Environment

<sup>3</sup> Governance and Collaboration is not present here as it contains only generic topics

1.5 Performance distribution



1.6 Top 10 performing companies

Company name	Score	Collaboration & Governance	Workplace	Marketplace	Community & Environment	Country of HQ
Bayer	8,3	10,0	10,0	4,1	8,0	Germany
POSCO	8,2	9,4	9,4	0,0	6,8	Republic of Korea
Norsk Hydro	8,2	10,0	8,1	5,3	7,1	Brazil
Vale	8,1	8,8	9,4	0,0	6,8	Switzerland
Glencore	8,0	8,8	8,8	1,3	7,1	Japan
Sumitomo Forestry	8,0	8,1	9,4	2,8	6,1	United Kingdom
Rio Tinto	7,8	8,8	10,0	0,0	5,6	Finland
UPM-Kymmene	7,7	7,5	10,0	1,9	5,1	Republic of Korea
Hyundai Steel	7,7	8,8	8,1	3,4	6,8	Thailand
Indorama Ventures	7,6	10,0	7,5	6,8	6,1	Japan

1.7 Top three performing indicators

Indicator	Indicator number	Percentage of companies scoring 10/10	Corporate response
Does the company prohibit child labour?	2.1.1	89%	Policies & Commitments
Is the company committed to reduction targets regarding their environmental impact?	4.1.1	81%	Policies & Commitments
Is the company working to reduce their environmental/ community impact on children?	4.3.3	65%	Reporting & Actions

1.8 Three challenging indicators

Indicator	Indicator number	Percentage of companies scoring 10/10	Corporate response
Is the company involved in initiatives addressing children's rights with partners other than NGOs?	1.3.2	14%	Reporting & Actions
Is the company working with an initiative to prevent or remedy child labour?	2.3.2	19%	Reporting & Actions
Does the company conduct audits with regard to their suppliers' environmental or community impacts on children?	4.2.2	2%	Implementation

- Governance & Collaboration
- Workplace
- Marketplace
- Community & Environment

For more information on our indicators, see our [Methodology](#).

### About our Sector Scorecards:

This scorecard is based on data collected by Global Child Forum in partnership with Boston Consulting Group. The results are based on publicly available data. However, we don't evaluate actual compliance with policies or outcomes of policies and/or programmes.

**Publication date:** October 2023

**Design:** This Way Up

**Copyright:** Global Child Forum

**To quote this report, please use the following reference:** Global Child Forum, 2023, "Sector Scorecard Basic Materials", Stockholm.

### 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 business to integrate children's rights into their operations and communities.

### Global Child Forum

Storkyrkobrinken 2, SE-111 28  
Stockholm, Sweden  
[info@globalchildforum.org](mailto:info@globalchildforum.org)  
[www.globalchildforum.org](http://www.globalchildforum.org)

### 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 organizations 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 organization, fueled by the goal of helping our clients thrive and enabling them to make the world a better place.