

Sector scorecard



CONSUMER DISCRETIONARY



In collaboration with:



The State of Children's Rights and Business 2023

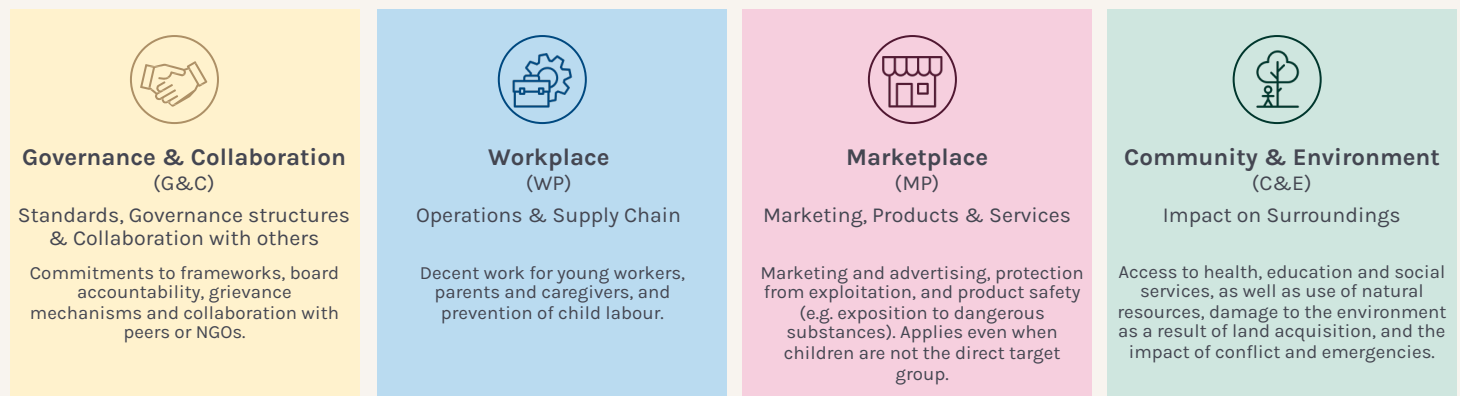
Part of the Global Child Forum Corporate Sector and Children's Rights Benchmark

About the scorecard

The set of indicators that companies in this scorecard have been benchmarked against align with the **Children's Rights and Business Principles¹**, 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

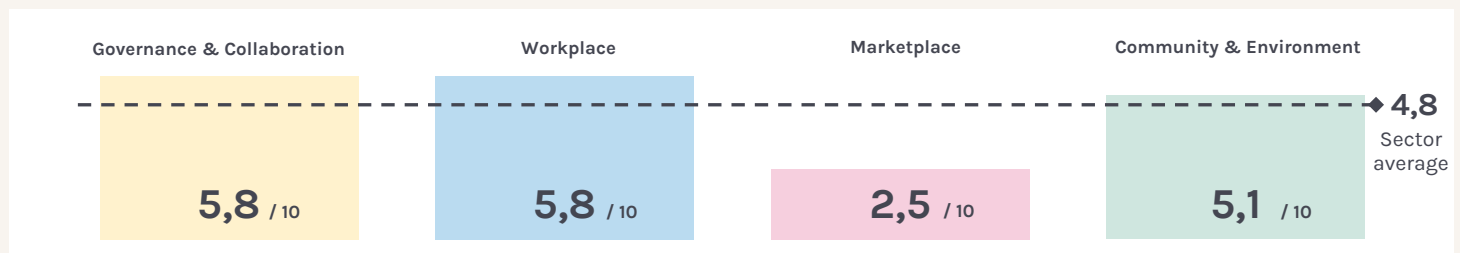
structured by three subcategories, namely, Policies & Commitments; Implementation; and Reporting & Actions, where these sub-categories are viewed as corporate responses to children's rights related issues. The boxes below present a short overview of what the different impact areas measure².



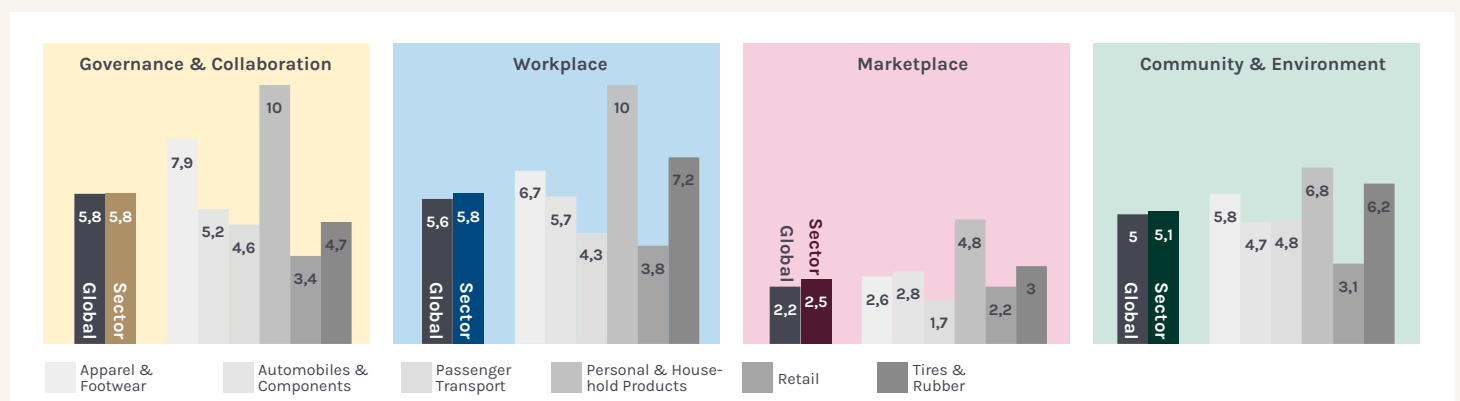
¹ A comprehensive framework for understanding and addressing the impact of business on the rights and well-being of children developed by UN Global Compact, UNICEF and Save the Children.

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

1.1 Sector Average Score



1.2 Industry vs Sector and Global¹



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

Sector description

Consumer Discretionary includes companies that produce and commercialize consumer goods. Industries included in the sector are Apparel & Footwear, Automobiles & Components, Passenger Transport, Personal & Household Products, Retail, and Tires & Rubber.

No. of companies in sector	64
Apparel & Footwear	17
Automobiles & Components	26
Passenger Transport	14
Personal & Household Products	1
Retail	2
Tires & Rubber	4
Combined Sector Revenue	2935.1 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 Consumer Discretionary

Within the Consumer Discretionary sector, child labour is recognized as having negative impacts on children’s rights. However, there are several other ways in which the rights of children are impacted by business – as dependents of workers, at times as actual workers, and as members of communities impacted by business operations and suppliers.

When considering the **workplace**, most of the Consumer Discretionary companies in this study have a child labour policy and conduct supplier assessments to ensure that their policies against child labour are implemented. However, the Consumer Discretionary sector needs to improve its communication as to

how they implement and monitor compliance with child labour and supply chain policies. This can be achieved through transparent reporting on risks and incidents as well as remedial or preventive actions taken in response to risks and incidents.

As products from the Consumer Discretionary sector have considerable exposure in the **marketplace**, physical or psychological harm to children through unsafe products and services or inappropriate advertising is identified as a significant risk. Although children are regular users of Consumer Discretionary company products, children’s safety is not prioritized by this sector. For

example, most companies lack a responsible marketing or product safety policy that considers children, something which is essential even when children are not the intended target group or consumer.

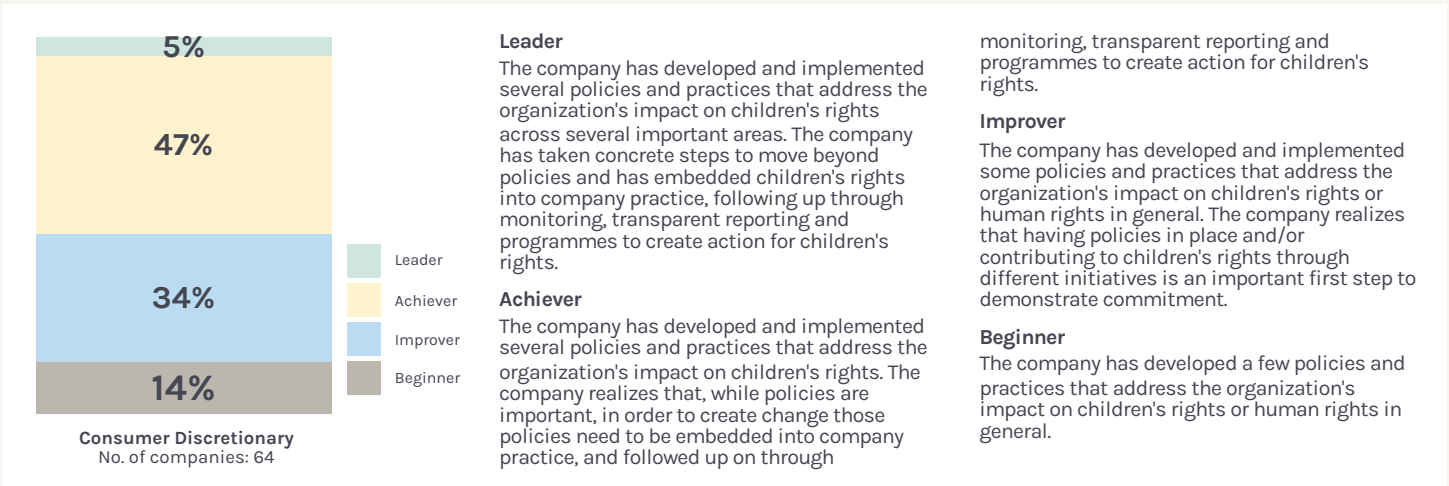
The impact Consumer Discretionary companies have on the **community & environment** is significant and will have long-term effects on children’s development and health because they are more susceptible and vulnerable to pollution. Key risks identified in the community & environment concern air, water, and/or soil pollution from production sites and industrial water usage causing water stress for local communities.

1.4 Material Topics ³

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, home workers).	<div><div></div> Workplace</div> <div><div></div> Marketplace</div> <div><div></div> Community & Environment</div>
Supporting youth	Employees/ Supply chain	Provide opportunities for youth/teenagers to gain worklife skills under safe circumstances.	
Children’s health and safety	Products/ Services	Ensure that children won't be harmed when using or coming into contact with products and services (e.g. exposure to chemicals or flammable materials).	
Children’s health and safety	Marketing	Consider marketing as an opportunity to encourage healthy lifestyles for young people, both physically and physiologically, through positive images and campaigns.	
Future wellbeing of children	Operations/ Supply chain	Reduce scope 1, 2, and 3 emissions, switch to renewable energy and recycle raw materials.	
Future wellbeing of children	Operations	Improve water efficiency and waste management to prevent pollution of water supply and water stress.	

³ 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
Kering	9,0	10,0	10,0	6,0	9,4	France
Ingka Holdings (IKEA)	8,0	10,0	10,0	4,8	6,8	Netherlands
Ford	7,7	10,0	9,4	4,5	7,	USA
LVMH Moët Hennessy - Louis Vuitton	7,2	8,8	8,1	3,6	7,4	France
General Motors Corporation (GM)	7,1	10,0	6,9	4,9	6,8	USA
Adidas	7,1	10,0	7,5	4,1	6,1	Germany
Michelin	7,0	6,9	7,5	3,4	7,1	France
Mercedes-Benz	6,9	10,0	9,4	3,0	5,6	Germany
Fung Group	6,7	8,1	9,4	2,3	5,6	Hong Kong, China
Nike	6,5	9,4	6,9	2,4	6,8	USA

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
Does the company commit to standards/frameworks which refer to children's rights?	1.1.1	77%	Policies & Commitments
Is the company committed to environmental reduction targets?	4.1.1	77%	Policies & Commitments

1.8 Three challenging indicators

Indicator	Indicator number	Percentage of companies scoring 10/10	Corporate response
Does the company report on risks or incidents regarding child labour?	2.3.1	30%	Reporting & Actions
Is the company committed to responsible marketing and labelling to children?	3.1.1	13%	Policies & Commitments
Does the company identify responsible marketing or product responsibility regarding children as material?	3.2.1	5%	Implementation



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.

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GLOBAL CHILD FORUM

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