

# Sector scorecard



## CONSUMER DISCRETIONARY



In collaboration with:



### The State of Children's Rights and Business 2024

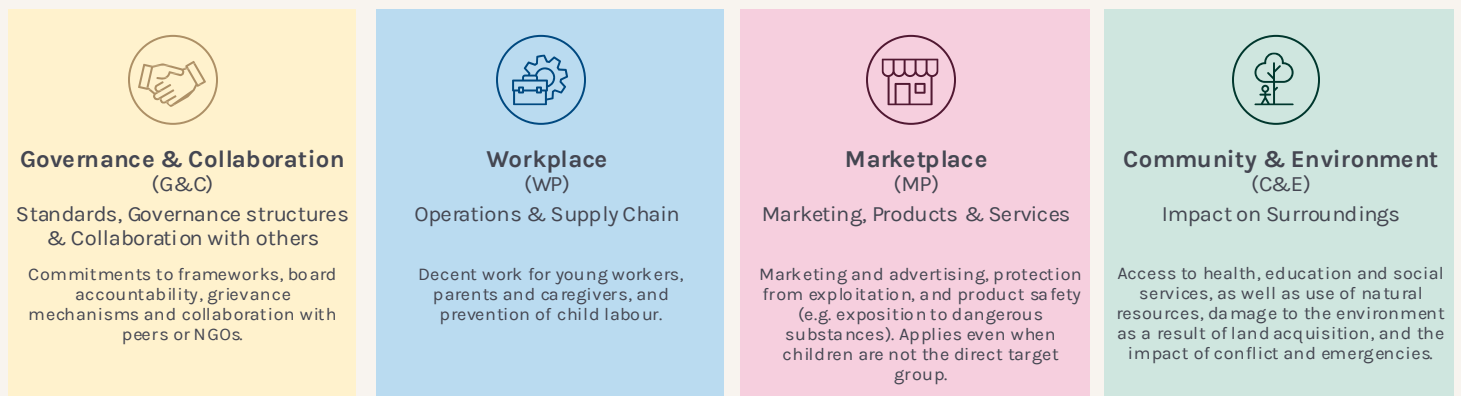
Part of the Global Child Forum Corporate Sector and Children's Rights Benchmark

#### 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

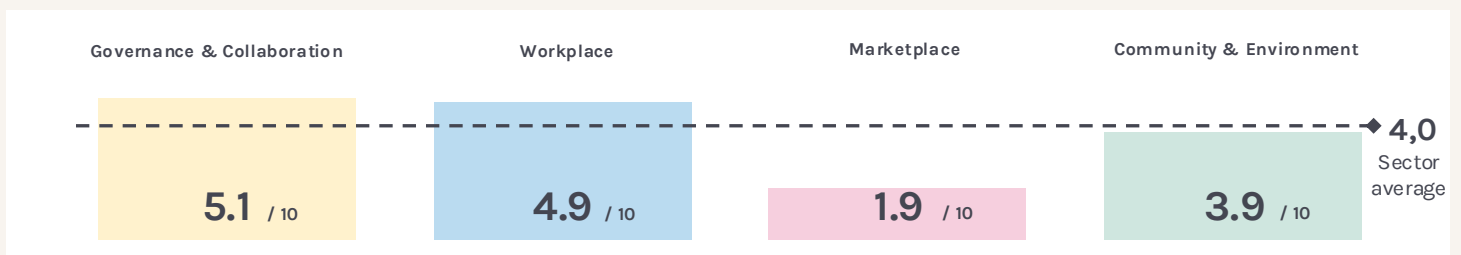
structured by three subcategories, namely, Policies & Commitments; Implementation; and Reporting & Actions, where these sub-categories are viewed as corporate responses to children's rights related issues. The boxes below present a short overview of what the different impact areas measure<sup>2</sup>.



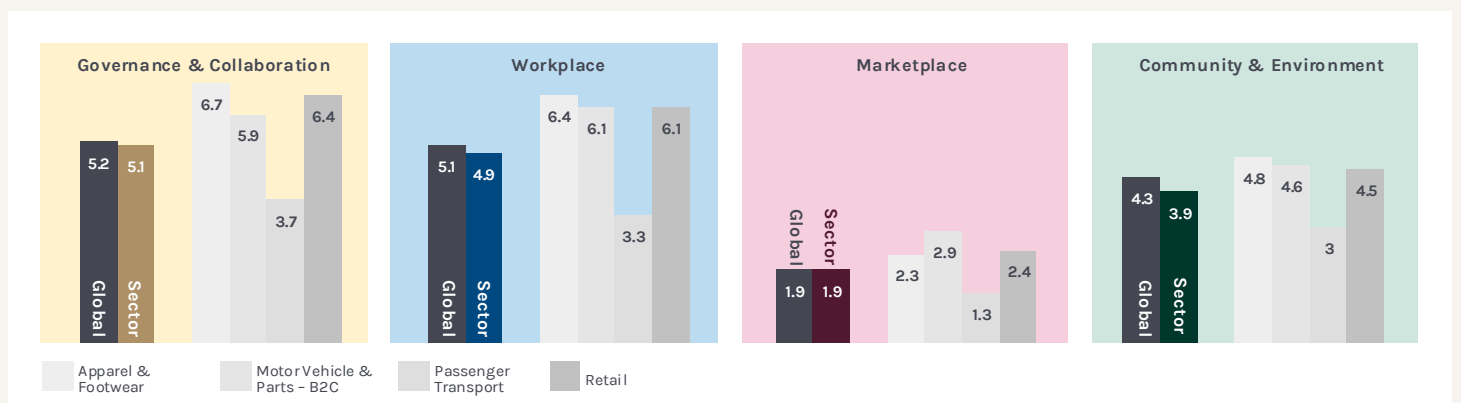
<sup>1</sup> A comprehensive framework for understanding and addressing the impact of business on the rights and well-being of children developed by UN Global Compact, UNICEF and Save the Children.

<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

Consumer Discretionary includes companies that produce and commercialize consumer goods. Industries included in the sector are *Apparel & Footwear, Motor Vehicle & Parts - B2C, Passenger Transport, and Retail*.

No. of companies in sector	216
Apparel & Footwear	64
Motor Vehicle & Parts - B2C	29
Passenger Transport	100
Retail	23

## 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.

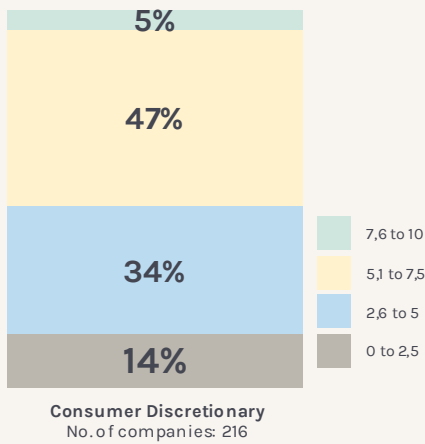
The impact Consumer Discretionary companies have on the **community & environment** is significant and will have long-term effects on children's development and health because they are more susceptible and vulnerable to pollution. Key risks identified in the community & environment concern air, water,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

## 1.4 Material Topics<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 tier1 (agriculture, minerals, home workers).	Workplace
Supporting youth	Employees/ Supply chain	Provide opportunities for youth/teenagers to gain worklife skills under safe circumstances.	Workplace
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).	Marketplace
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.	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	Improve water efficiency and waste management to prevent pollution of water supply and water stress.	Community & Environment

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

## 1.5 Performance distribution



### Disclaimer

Global Child Forum's assessments are based on publicly available data and specific criteria established at the time of analysis. These assessments do not necessarily capture all aspects of a company's operations, including ongoing controversies, incidents, or updates that may occur after the data collection period.

Our rankings and insights are intended to reflect the information available at the time of assessment and are meant to drive positive change in business practices concerning children's rights. We encourage companies to publicly disclose their efforts to address and remedy any impacts on children's rights, especially in cases of adverse actions.

While a company may receive a favorable assessment, this does not imply the absence of areas needing improvement, particularly if there are concerns related to children's rights abuses. Global Child Forum uses its platform to call for increased transparency, accountability, and continuous progress toward safeguarding children's rights. We aim to act as a catalyst for change, advocating for responsible business conduct and the promotion of children's rights in all aspects of operations.

## 1.6 Top 10 performing companies<sup>1</sup>

Company name	Score	Collaboration & Governance	Workplace	Marketplace	Community & Environment	Country of HQ
Puma	8,6	10,0	10,0	6,0	7,4	Germany
ANTA	8,3	10,0	9,4	7,0	6,1	China
Kering	8,1	10,0	9,4	6,0	6,1	France
Fung Group	8,0	10,0	10,0	4,3	6,8	Hong Kong SAR, China
Hyundai Motor	7,9	10,0	10,0	6,1	6,1	Korea, Rep.
H&M Group	7,9	8,8	9,4	8,0	5,0	Sweden
Ingka Holding (IKEA)	7,8	9,4	9,4	6,0	6,1	Netherlands
Target	7,7	10,0	9,4	5,3	5,6	United States
ASICS	7,6	8,1	10,0	4,5	6,8	Japan
Adidas	7,6	10,0	8,8	4,8	6,1	Germany

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## 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	68%	Policies & Commitments
Does the company commit to standards/frameworks which refer to children's rights?	1.1.1	60%	Policies & Commitments
Is the company committed to environmental reduction targets?	4.1.1	66%	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	27%	Reporting & Actions
Is the company committed to responsible marketing and labelling to children?	3.1.1	10%	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**

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.

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