

The Corporate Playbook:
Embedding Children's Rights
in ESRS Reporting



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The Corporate Playbook: Embedding Children’s Rights in ESRS Reporting

This playbook is intended to help companies reporting against the European Sustainability Reporting Standards (ESRS).

It provides practical advice and guidance, and uses the ESRS as a framework to show companies how they can incorporate children’s well-being and rights into their strategy and performance, both clearly and credibly.

The playbook also explains how companies, by helping protect children’s rights, can benefit their own business, improve their reputation, and encourage long-term thinking.

Our playbook was prepared by Global Child Forum, with support from the LEGO Group, as well as Lindéngruppen, IKEA, Beckers, H&M Group, Orkla, Tele2 and Telefónica.

Content is based on research, input from our partners and Global Child Forum’s experience and expertise.

DISCLAIMER

For completeness, companies subject to the CSRD should also consult the full text of the ESRS, available [online](#), or discuss compliance with their external auditor. Please note that specific advice and guidance in this publication may not be relevant to all sectors, and will depend on a company’s business, operations, location and level of ambition.

Please note, this publication is not intended to be a guide to the ESRS itself, or the overall EU Corporate Sustainability Reporting Directive (CSRD). The ESRS apply to all companies subject to the CSRD.

HOW TO USE THIS PLAYBOOK

This playbook comprises four sections or ‘**tabs**’. Because we realise most users won’t read this playbook from beginning to end, we have designed it so that you can move easily from tab to tab, or jump immediately to the tab most relevant to you. In addition to these tabs, there is also an **Appendix** with further notes, references and acknowledgements (pages 37-41).



Tab 1 explains the background to business, reporting and children’s rights. This tab also explains the connection between children’s rights and the ESRS, and provides tips on how you can improve your approach to protecting children’s well-being, interests and rights (pages 6-9).

Tab 2 is about getting started with the ESRS, with recommendations on how to embed children’s well-being and interests into your materiality assessment, as well as into your reporting on strategy, business model, and due diligence processes (pages 10-14).

Tab 3 explains how to map results from your materiality assessment to ESRS topical standards, so you know which information and data points you’ll need to disclose (pages 15-19).

Tab 4 provides advice and guidance on how to incorporate children’s rights into ESRS disclosure requirements, covering all topical standards from E1 to G1 (pages 20-36).

Executive summary

Children's rights are increasingly threatened by climate change, rising child labour, conflict, mental health challenges from digital exposure, and physical health issues tied to nutrition and environmental impacts. Now more than ever, businesses must address their impact on children's rights. All companies affect – or potentially affect – children's lives, no matter what their sector or industry.

Currently, there are more than 2.4 billion children worldwide – they can be among the most vulnerable members of society, lacking a public voice and rarely consulted by business even when decisions directly affect them.

With such a large number, it's inevitable that companies will impact children's lives, both for good and ill. Children are consumers; they are young workers; they live in communities dependent on local businesses; they are the sons and daughters of company employees.

This playbook shows companies, step-by-step, how to include children's rights and well-being into their business strategies, operations and reporting, using the EU's new Corporate Sustainability Reporting Directive (CSRD) as a framework.

It also shows companies the clear business benefits of protecting children:

- Improving your company's reputation among potential employees and increasing diversity in your workforce by offering family benefits such as parental leave
- Supporting innovation and product development by learning from children as consumers
- Reducing risk by focusing on the needs of children, while improving safety and operating standards, and meeting commitments on international laws and regulations
- Encouraging longer-term planning and supporting children in local communities to make them more resilient to social and environmental change
- Ensuring more sustainable, long-term use of natural resources and supporting a more equitable and 'just' climate transition

In helping protect children, business can be a force for good – by opening up new opportunities, by ensuring access to education, healthcare and other essential services, and by enabling children to live their lives as *children*, to grow, develop and realise their full potential.

ONLINE TOOL

Would you like to access this playbook via our online tool? Just click [here](#) or scan the QR code below. The tool allows you to home in on the ESRS topical standards and advice most relevant to your company.



For over a decade, Global Child Forum has championed children's rights in business. The new European Sustainability Reporting Standards (ESRS) mark a significant moment in corporate reporting. We recognise that the ESRS will require companies to disclose more about their effects on children's rights and well-being. But we don't believe the framework goes far enough. That is why, with the support of the LEGO Group, we have developed this playbook as a practical guide to help companies better understand their impact on children's lives and embed consideration for children into their strategy, policies and decision-making.

We know business can be a powerful force for positive change. Over one billion children are affected, either directly or indirectly, by global business supply chains – countless more are impacted by the products companies sell or because their parents or guardians are employed in business. At Global Child Forum, we advocate for a child-first approach in business, ensuring that companies not only recognise their responsibilities, but also take meaningful action to protect and promote the rights of children.

Contents

Foreword: Annette Stube (The LEGO Group Chief Sustainability Officer) and Diana Ringe Krogh (The LEGO Group VP, Head of Social Responsibility)	5	TAB 3: ESRS mapping: finding the correct disclosure requirements	15	Appendix: notes, references and quick links	37
TAB 1: Business, the ESRS and children's rights	6	TAB 4: How to use the ESRS topical standards to improve your approach to children's rights	20	EU Sustainable Finance initiative and the ESRS	39
Why should my business worry about its impact on children...	7	ENVIRONMENTAL:	21	About Global Child Forum	40
...And why should my business include this in its reporting?	7	• Climate change (E1)	21	Glossary of terms	41
What are children's rights?	7	• Pollution (E2)	22		
How are the ESRS structured?	8	• Water and marine resources (E3)	23		
Are children's rights mentioned in the ESRS?	9	• Biodiversity and ecosystems (E4)	24		
		• Resource use and circular economy (E5)	25		
TAB 2: Getting started with the ESRS and children's rights	10	SOCIAL:	26		
Double materiality assessment (ESRS 1)	11	• Own workforce (S1)	26		
Strategy and business model (ESRS 2)	12	• Workers in the value chain (S2)	28		
Stakeholder engagement and due diligence (ESRS 2)	13	• Affected communities (S3)	30		
Administrative, management and supervisory bodies (ESRS 2)	14	• Consumers and end-users (S4)	31		
		GOVERNANCE:	34		
		• Business conduct (G1)	34		

Throughout this playbook, we have also included **case studies**, giving practical examples of how partner companies are incorporating children's rights and well-being into their strategy, performance and reporting. These case studies are to be found on pages 29, 33 and 36.

Foreword:

Annette Stube

The LEGO Group Chief
Sustainability Officer

Diana Ringe Krogh

The LEGO Group VP,
Head of Social Responsibility

Children have the same basic human rights as adults, as well as specific rights that recognise their needs as children, such as the right to play. Sadly, not all children get to enjoy these rights. Too many have their childhoods cut short. Too many go without access to education and healthcare, or are forced to work in fields and factories. According to UNICEF, more than 330 million children worldwide live in extreme poverty – on less than \$2.15 a day.

SHAPING YOUNG LIVES FOR THE BETTER

At the LEGO Group, everything we do is guided by our vision to become a global force for Learning Through Play, our fundamental belief in children’s right to play, and our mission to inspire and develop the builders of tomorrow. When children play, they develop essential life skills such as learning to solve problems, and boosting confidence, creativity, and resilience while having fun. Children are our role models, and we know that failing to offer them a proper childhood can have serious, long-term consequences – both for children and for society as a whole.

Social research shows that what we experience during childhood remains with us for the rest of our lives. We understand that business can sometimes have unintended consequences for children, which is why it’s so important to address and mitigate these impacts responsibly. When managed well, business can positively shape young lives.

That’s what this playbook is about. Developed by Global Child Forum and supported by the LEGO Group, its aim is to raise awareness among businesses of the importance of respecting and promoting children’s rights.

It does so by showing companies, clearly and practically, how they can use the new European Sustainability Reporting Standards (ESRS) as a framework to promote the rights and best interests of children throughout their business operations.

SAFE, AND DESIGNED WITH CHILDREN IN MIND

The LEGO Group was the first toy company to commit to the ten Children’s Rights and Business Principles, and children’s

play, learning and development have always been at the centre of what we do. We also believe passionately that all businesses can play a crucial role in promoting and respecting the best interests of children – from banks and supermarkets to fashion retailers, pharmaceutical manufacturers and tech companies.

As business leaders, we have a duty to ensure our products are safe and that they are designed with children’s best interests in mind. This goes for physical products as well as any digital engagement with children.

At the same time, businesses also have wider social and environmental duties – to reduce air pollution, safeguard the natural world for future generations and help end the devastating practice of child labour once and for all. Since COVID-19, child labour figures have risen by over 5%, and nearly half of these children are engaged in hazardous work, defined as work likely to harm their health, safety or morals.

CLEAR BUSINESS BENEFITS

This isn’t simply the right thing to do: protecting children’s rights also brings clear benefits for business in reducing operating risk, strengthening recruitment, and building trust with local communities – the trust on which companies depend for their long-term success. More and more, customers are looking for brands that care about sustainability, and they’re happy to support them. This creates new opportunities and rewards responsible brands.

It’s clear that business can be a powerful force for positive change. Over one billion children are affected by global business supply chains, either directly or indirectly. Businesses touch millions more because they provide products to children, or because they employ their parents or other family members.

Working closely with governments and NGOs, we can commit to respecting and promoting the rights of children and play our part in making sure that *every child has every right*, no matter what their background or where they are in the world.



Annette Stube



Diana Ringe Krogh

Tab 1

BUSINESS, THE ESRS
AND CHILDREN'S
RIGHTS

Background
information on
children's rights,
business and ESRS
reporting

Tab 2

GETTING STARTED
WITH THE ESRS AND
CHILDREN'S RIGHTS

Tab 3

ESRS MAPPING:
FINDING THE CORRECT
DISCLOSURE
REQUIREMENTS

Tab 4

HOW TO USE THE ESRS
TOPICAL STANDARDS
TO IMPROVE YOUR
APPROACH TO
CHILDREN'S RIGHTS

Business, the ESRS and children's rights

Business affects children's lives, for better or worse. Many businesses support and respect children's rights, providing vital products and services. Nevertheless, companies often overlook the importance of children's interests and the unintended risks to children from their operations. With the introduction of the ESRS, companies have an opportunity to further integrate children's well-being and rights into their reporting and decision-making and, ultimately, improve the lives of millions of children and their families worldwide.

This section sets out the background information you'll need for your reporting. It explains:

- What children's rights are in international law
- How the ESRS are structured – and how the standards relate to children's rights
- Why it's important companies report on their impact on children's lives and well-being

Why should my business worry about its impact on children?

Children under 18 account for almost one third of the world's population. In some countries, that proportion is much higher, particularly in emerging economies in Africa, central Asia and Latin America.¹

As such, it's inevitable that companies will impact children's lives – as consumers, young workers, members of local communities, or because their parents or guardians are employees. In parts of the world, child labour is still a severe problem, affecting an estimated 160 million children² working in factories and on plantations, in and around company premises, or as domestic workers.

Children can be among the most vulnerable members of society. Yet they lack a public voice, are rarely consulted, and often ignored by business – even when decisions directly affect them. What is experienced during childhood often persists into adulthood, and may affect an adult's long-term physical, mental and emotional well-being.

Globally, it is estimated that one billion children live without the essentials needed for survival and development.³ That is access to adequate food, clean water, care, affection and education – all of which are important if children are to thrive and fulfil their potential in adulthood.

All companies affect, or potentially affect, children's lives no matter what their sector or industry. Tab 4 provides clear, step-by-step guidance on how to incorporate children's well-being and rights into company strategy and performance.

...And why should my business include this in our reporting?

- Because... alongside government and other public institutions, companies have a moral duty to protect children – that means not just preventing harm, but taking active measures to safeguard children's best interests.
- Because... companies affect children's lives, both through their own operations and their wider value chains. And children may be especially vulnerable – they suffer more than adults from air pollution from factories, for example. They may also be at risk if your products and services don't meet child safety standards.
- Because... there are benefits for businesses that do protect children's rights. Considering the needs of children as consumers, for example, may support innovation, encourage long-term thinking and help open up new markets.
- Because... by protecting children, companies can enhance their reputation, support recruitment through family-friendly policies and, importantly, reduce risk and secure their long-term licence to operate.
- Because... children's rights are part of international law; failing to protect these rights could lead to legal problems, fines or other penalties, as well as a loss of reputation.



What are children's rights?

Children's rights are embedded in international law. The [UN Convention on the Rights of the Child](#) sets out children's basic rights, including the right to life, to their own name and identity, to privacy and to protection from abuse or exploitation. The Convention also establishes that *the best interests of the child* should always be a primary consideration.

The [International Labour Organisation \(ILO\)](#), meanwhile, has strict conventions on underage labour and prohibiting *the worst forms of child labour*⁴ – like working underground, exposing children to

hazardous substances, carrying heavy loads or working with dangerous machinery.

In setting its requirements, the ESRS draws on these international conventions – this also includes the [UN Guiding Principles on Business and Human Rights](#), which provides guidelines on how businesses should prevent and address human rights abuses.

What is a child? National legislation varies, but the UN Convention on the Rights of the Child defines a 'child' as a person below the age of 18, unless the relevant laws recognise an earlier age of majority.

¹ Source: World Population Review, based on World Bank data

² Source: UNICEF – Child Labour: Global Estimates (based on 2020 data, latest year for which data is available). UNICEF and the International Labour Organisation (ILO) have acknowledged that 160 million may be an underestimate due to gaps in data collection and reporting, particularly in regions affected by conflict, or where there is a significant informal economy.

³ Source: Children's Rights and Business Principles

⁴ ILO Conventions 138 and 182 respectively

How are the ESRS structured?

The ESRS run to more than 280 pages, but contain essentially three types of standards:

- Mandatory cross-cutting standards:** these are set out under *General Requirements* and *General Disclosures*. They relate mainly to a company's overall governance, strategy, risk management and business model.
- Topical standards:** these set out disclosure requirements for companies under Environmental (E1, E2, E3, E4 and E5), Social (S1, S2, S3 and S4) or Governance (G1). Companies don't have to report against all topical standards, only those where they have material impact.
- Lastly, there are **sector-specific standards:** unlike the cross-cutting or topical standards, these will be tailored to specific industries. The first of these standards is expected to be published in 2026.

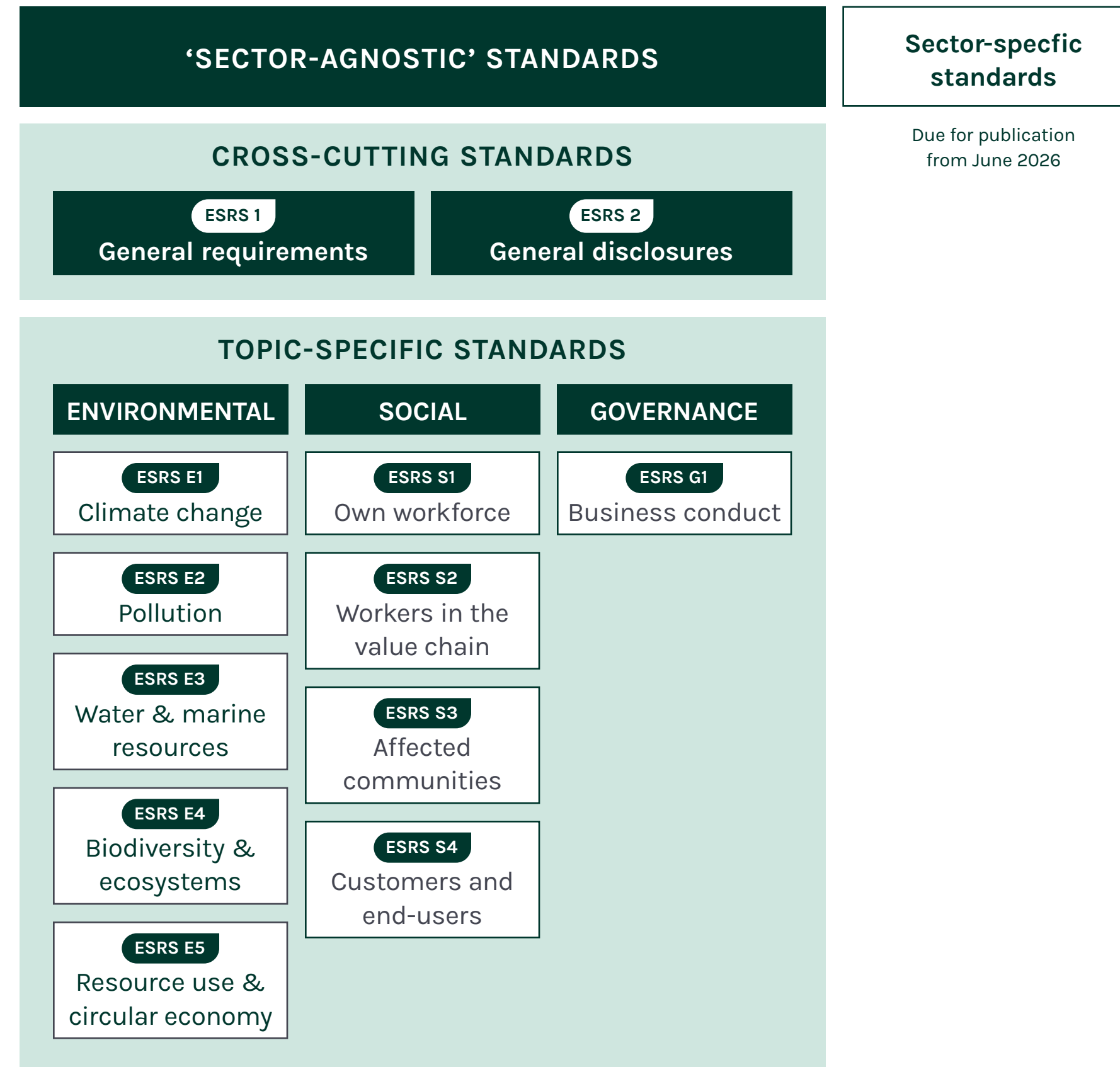
This playbook addresses both mandatory cross-cutting standards and topical standards.

ESRS disclosure requirements can be broken down into four reporting areas: governance, strategy, how companies manage their material impacts, and metrics & targets. Not all requirements are applicable immediately. Some are voluntary, others will be phased in over the next 1-3 years. Alongside these are Application Requirements (AR), which provide additional guidance on how standards should be applied.

Using the ESRS, companies will be expected to produce a sustainability statement as part of their annual report, comprising four sections: General information, followed by Environmental, Social and Governance information (depending on the topical standards chosen). For ease of reference, we have used the same structure for this playbook.

See page 39 for more information about the CSRD and ESRS. A full copy of the ESRS may be found [online](#).

Structure of the ESRS



10 TIPS ON HOW TO IMPROVE YOUR APPROACH TO CHILDREN'S WELL-BEING AND RIGHTS

The purpose of this playbook is to improve companies' approach to children's rights. We believe greater transparency will raise awareness and help protect children from exploitation and harm, as well as benefitting business. Below, we've outlined 10 tips to help improve your company's approach. You will find more details under Tab 4 and in Global Child Forum's Children's Rights and Business Workbook, available [online](#).

- Take care to consider all impacts. Many impacts will be unintended or unreported. Can you be certain, for example, that your tier 2 or 3 suppliers don't employ child labour?
- Be clear about these impacts in your reporting and what you're doing to address them.
- Set clear targets and KPIs, so you can track and report on your progress. That may mean tracking the percentage of employees with access to child benefits, for example, or the number of supplier audits carried out over the past year?
- Embed children's rights in your internal policies and processes. Make sure you consider the impact on children in your risk management, and in your climate risk assessments.
- Educate and train your employees on their responsibilities and those of the company. Make them aware of both their legal obligations and any internal standards you have in your code of conduct or supply contracts.
- Engage with local communities, so you understand potential risks and opportunities. Talk to them about possible impacts on children – whether that's environmental pollution, access to proper healthcare, or product safety.
- Put strong governance around potential impacts on children by involving senior management in decision-making. If possible, put the subject on your board's regular agenda for discussion.
- Take a *joined-up* approach. Make sure children's rights are incorporated into your company's broader human rights strategy.
- Be open about your shortcomings, or the dilemmas you may face as a business. When challenges or failures occur, explain what steps you have taken to remediate them.
- Talk about the positive impacts as well, particularly your contribution to supporting children's rights and local communities.

Are children's rights mentioned in the ESRS?

Increasingly, regulators are incorporating standards on human rights, including children's rights, into reporting requirements for business. Eventually, the ESRS will apply to approximately 50,000 companies.

Under the ESRS, *Child labour* is listed under *Other work-related rights* – and *Protection of children* under *Personal safety of consumers and/or end-users*. Certainly, this will require companies to disclose more on their impact on children's rights and interests. But we believe the ESRS do

not go far enough in encouraging companies to include impacts on children's lives in their strategies, internal policies and processes. There are no dedicated disclosures required on children's rights, unlike for climate change, for example, or air pollution. That's why this playbook was developed – to show sustainability professionals how the ESRS can be used as a framework to improve companies' approach to protecting children's well-being and rights. The table below maps children's rights to specific ESRS reporting requirements. Remember, these requirements apply only if you choose the topical standard as material (see Tab 2 for more information on double materiality under the ESRS).

ESRS	REPORTING REQUIREMENT ON CHILDREN'S RIGHTS
Own workforce	<p>Companies must state:</p> <ul style="list-style-type: none"> Whether they have policies addressing use of child labour (S1-1) Whether they have identified severe human rights incidents, including child labour (S1-17) <p>In addition:</p> <ul style="list-style-type: none"> S1-11 covers employees' access to social protection, particularly during major life events (including raising a child). S1-15 covers work-life balance, including the extent to which employees are entitled to, and make use of, family-related leave.
Workers in the value chain	<p>Companies must disclose:</p> <ul style="list-style-type: none"> Countries or commodities at significant risk of child labour Whether they have policies and/or a Supplier Code of Conduct, explicitly addressing child labour
Consumers and end-users	Under S4, children are highlighted as a potentially vulnerable consumer group (particularly in terms of health and privacy). S4-2 requires companies to disclose processes used to engage with these groups.
Impact, risks and opportunities	<p>Companies must disclose:</p> <ul style="list-style-type: none"> Operations at significant risk of incidents of child labour (ESRS 2 – SBM 2) <p>As part of this, the ESRS states that companies may consider effects on reputation and legal risk if exposed to child labour and suggests potential actions to mitigate this risk (including age verification measures, partnerships with outside organisations etc.).</p>

CHILDREN'S RIGHTS AND BUSINESS PRINCIPLES

Published jointly by Save the Children, UN Global Compact and UNICEF, these Principles provide a clear framework to help companies protect children's interests and rights. Our table shows the ten Children's Rights and Business Principles, and where these principles map across to the ESRS:

PRINCIPLE ALL BUSINESSES SHOULD:	CORRESPONDING ESRS STANDARD(S)
1 Meet their responsibility to respect children's rights and commit to supporting the human rights of children	As an overarching principle, this corresponds to all ESRS topical standards. Human rights of children are most relevant to S1 (Own workforce) and S2 (Workers in the value chain). S1 S2
2 Contribute to the elimination of child labour, including in all business activities and business relationships	S1: Own workforce S2: Workers in the value chain S1 S2
3 Provide decent work for young workers, parents and caregivers	S1: Own workforce S2: Workers in the value chain S1 S2
4 Ensure the protection and safety of children in all business activities and facilities	S1: Own workforce S2: Workers in the value chain S1 S2
5 Ensure that products and services are safe, and seek to support children's rights through them	S4: Consumers and end-users S4
6 Use marketing and advertising that respect and support children's rights	S4: Consumers and end-users S4
7 Respect and support children's rights in relation to the environment and to land acquisition and use	E1: Climate change E2: Pollution E3: Water and marine resources E4: Biodiversity and ecosystems S3: Affected communities E1 E2 E3 E4 S3
8 Respect and support children's rights in security arrangements	S3: Affected communities S3
9 Help protect children affected by emergencies	S3: Affected communities S3
10 Reinforce community and government efforts and fulfil children's rights	S3: Affected communities S3

Tab 1

BUSINESS, THE ESRS
AND CHILDREN'S
RIGHTS

Tab 2

GETTING STARTED
WITH THE ESRS AND
CHILDREN'S RIGHTS

Tab 3

ESRS MAPPING:
FINDING THE CORRECT
DISCLOSURE
REQUIREMENTS

Tab 4

HOW TO USE THE ESRS
TOPICAL STANDARDS
TO IMPROVE YOUR
APPROACH TO
CHILDREN'S RIGHTS

General
information:

- General requirements (ESRS 1)
- General disclosures (ESRS 2)

Getting started with the ESRS and children's rights

This section provides advice and guidance on ESRS 1 and ESRS 2. It's about how to incorporate children's interests, well-being and rights into four areas of your ESRS reporting:

- Your double materiality assessment
- Your strategy and business model
- Your engagement with stakeholders and due diligence
- Your administrative, management and supervisory bodies

For each of these, we've included tips and examples on how to improve your reporting and ensure children's interests and rights are fully embedded in your internal processes and decision-making.

For more information, please refer to the complete [European Sustainability Reporting Standards](#).

Double materiality assessment (ESRS 1)

RELEVANT DISCLOSURE REQUIREMENTS: **ESRS 1 (3.1 – 3.7)**

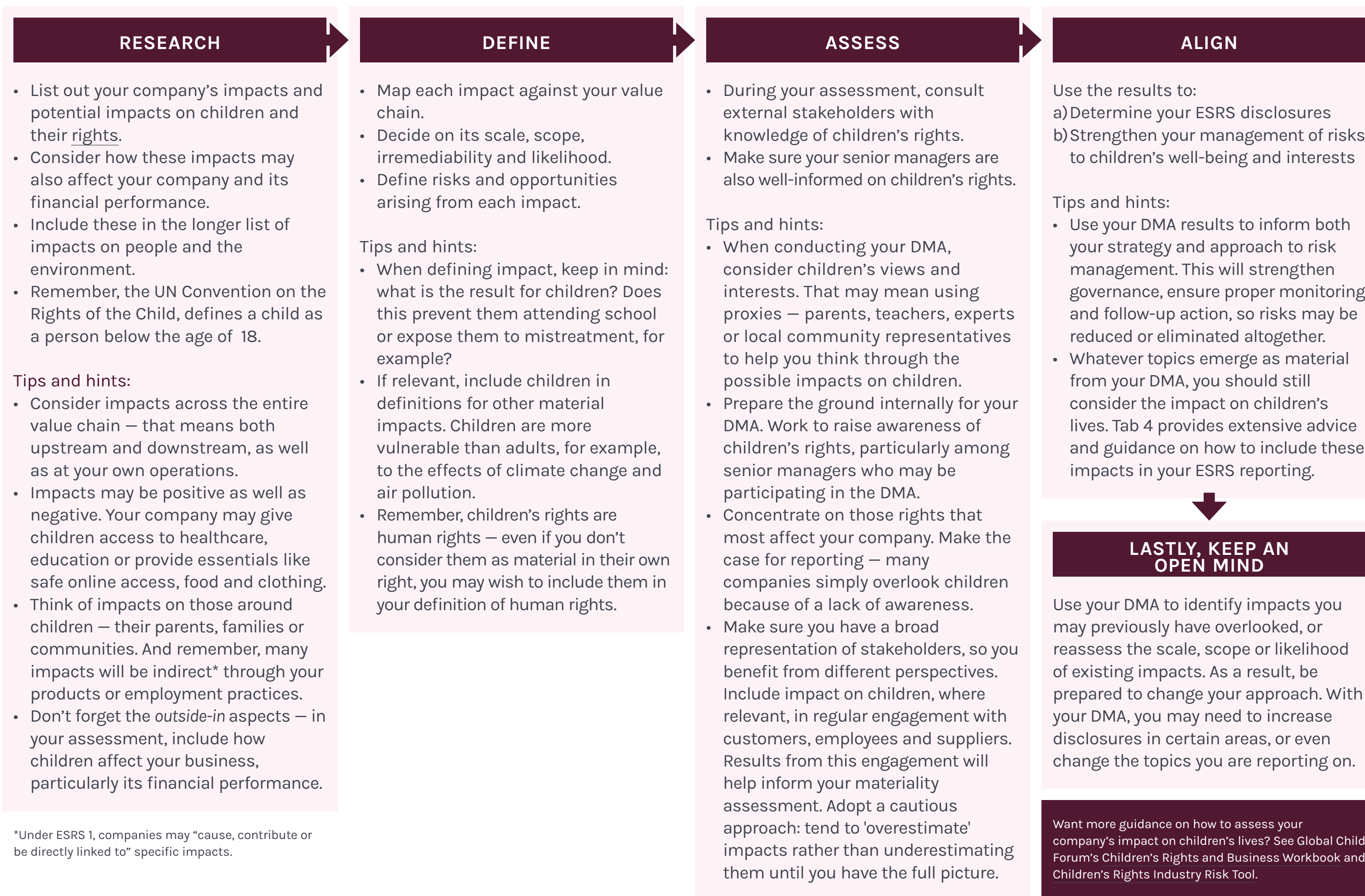
The double materiality assessment (DMA) should be the starting point for your reporting. The idea behind the assessment is to identify your company's most significant, or *material*, impacts on people and the environment. The outcome of your DMA forms the basis for your subsequent reporting. It can be quite a technical exercise, but – if done well – can support strategy development. Full details are available in the ESRS. The ESRS provides a list of sustainability matters and topics to be considered as part of your DMA – it doesn't include all children's rights but it does refer to both *child labour* and *protection of children*.⁵

NOTE ON ESRS 1 (GENERAL REQUIREMENTS)

ESRS 1 sets out general principles you'll need to abide by when reporting according to the ESRS – in other words, *what you need to disclose and how*. ESRS 1 explains the structure of the ESRS and the different types of standards, as well as the basic principles behind ESRS reporting.

⁵ *Child labour* is listed under ESRS AR 16 as a sub-sub-topic under S1 (Own workforce) and S2 (Workers in the value chain), while *protection of children* is under S4 (Consumers and end-users).

How to incorporate impact on children and their rights into your company's DMA: a four-step guide





“When children are incorporated meaningfully into a company, everyone benefits in regard to tangible profits and the intangible development of human capital. It makes simple economic sense to invest in children.”

- Participation Guide, Global Child Forum's Child and Youth Advisory Group

Strategy and business model (ESRS 2)

RELEVANT DISCLOSURE REQUIREMENTS: **ESRS 2 SBM 1-3**

Under ESRS 2, you are required to describe your company's strategy, business model and value chain. The purpose is to explain how – and why – your company affects, or might affect, people and the environment. This varies by company – an airline's most significant impact may be on climate and pollution, while a bank's will be mainly through the loans and investments it makes.

HOW DO I INCORPORATE MY BUSINESS' IMPACT ON CHILDREN'S LIVES INTO MY STRATEGY, BUSINESS MODEL AND VALUE CHAIN?

- Consider what effects your company has on children through its strategy or business model. Think of how you manage your supply chain, for example. Or your employment practices. Work with your colleagues internally to embed protection of children's rights in your strategy development process.
- Don't forget your impact may change over time as a result of your strategy. You may be planning to enter new markets or launching new products that affect children, directly or indirectly. There may also be factors beyond your control – new laws and regulations, for example, or changing consumer behaviour, particularly if children and young people make up a significant proportion of your customer base.
- Don't just mention children in your ESRS reporting. It's important that you include children's interests and rights, if significant, in your other external communications as well – on your website and in press releases, for example. This helps raise awareness among employees of the importance of children's rights – and human rights, more generally.
- Define your relationship with children as clearly as possible; this will support more accurate disclosure. Does your company, for example, employ young workers? Do children use or consume your products or services? Does your

business rely on younger employees graduating from full-time education? Do you also expect your business partners – suppliers or distributors, for example, to uphold basic children's rights? By doing this, you'll be able to identify the importance of children to your company, and make sure they are included in your strategy.

- If children are material to you as a business, set KPIs and targets to monitor your performance and strengthen your reporting. Make sure these metrics are clear and that they support your overall objectives on children's rights. If relevant to your business, you may choose to disclose, for example, the percentage of revenue from customers under 18. See Tab 4 for suggestions on possible KPIs, targets and metrics.

ACCORDING TO THE ILO, OF THOSE IN CHILD LABOUR, NEARLY 80% ARE UNDER THE AGE OF 15.

Stakeholder engagement and due diligence (ESRS 2)

RELEVANT DISCLOSURE REQUIREMENTS: [ESRS 2 SBM 2](#) / [ESRS 2 GOV 4](#)

ESRS 2 requires companies to consider the interests and views of stakeholders, particularly how these *inform* the company's strategy and business model. As part of this, you'll need to disclose who you consider your stakeholders to be, how you engage with them, and how you apply the outcomes of that engagement, including in your *due diligence*.

How do I incorporate children's rights into stakeholder engagement and due diligence?

- Start by considering whether your company should regard children as *stakeholders*. To do this, many companies use a 360-degree definition – i.e., that stakeholders are individuals or groups that affect a company's strategy or business or who, in turn, may be affected by it. Remember, even if children may not be defined as stakeholders in their own right, they may legitimately be considered as part of another stakeholder group (consumers or employees, for example). If so, their interests, views and need for protection may differ from other members of that group.
- Think about how you organise engagement. Who might justifiably represent children's interests and views? Dealing directly with children presents potential difficulties, not least in communicating the purpose of the engagement. Depending on the circumstances, you may want to consult parents or carers, for example, specialist NGOs or public institutions like schools and colleges. But remember, children's perspectives won't always align with those of parents or carers – better results may be obtained by consulting both groups.

- When engaging, make sure you have a well-defined process in place. As with other stakeholders, effective engagement should be regular – there should be a system for collecting and acting on feedback. And, if possible, you should involve senior managers so that, when necessary, decisions may be taken quickly.
- Use the findings from your stakeholder engagement. Incorporate the results into your due diligence process – and communicate risks to the right departments. Ensure there is effective follow-up. Take action to correct adverse effects on children. Set targets or KPIs, where appropriate. The ESRS refers to *embedding* this due diligence process into governance, strategy and business model.⁷
- As with the DMA, prepare the ground. Make your colleagues aware of the importance of children's rights, including your obligations under the [UN Guiding Principles on Business and Human Rights](#) and the [Children's Rights and Business Principles](#). Where appropriate, request they raise children's rights in their discussions with stakeholders. By increasing awareness, you'll improve internal reporting and make it more likely that, if incidents do occur, they will be clearly identified.

For more information on how to involve children in decision-making, please refer to [Global Child Forum's Children's Participation Guide](#).

⁷ The EU's Corporate Sustainability Due Diligence Directive (CSDDD) is due to come into effect from 2026. It will apply to many of the same companies as CSRD, and will set out further obligations on due diligence disclosures relating to human and labour rights among workers in company supply chains. Please note, however, that – as of October 2024 – the CSDDD was still in draft, awaiting final publication in the EU Journal.



Administrative, management and supervisory bodies (ESRS 2)

RELEVANT DISCLOSURE REQUIREMENTS: **ESRS 2 GOV 1-5**

This part of ESRS 2 relates to Governance – more specifically, to the role of *administrative, management and supervisory bodies* regarding sustainability. The identity of these bodies will differ by company and jurisdiction. Some countries mandate a two-tier structure – i.e., a management or executive board and a separate, independent supervisory board. You will have to adapt your reporting to your company's own system of governance.

How can children's rights be incorporated into administrative, management and supervisory bodies?

- Consider what expertise you already have on your board (particularly if you have an independent supervisory board). What level of expertise do you need to ensure sufficient oversight? Do you need to improve the board's overall knowledge and awareness of children's interests and rights? Or even include the issue in your board profiles? Most boards hold regular educational sessions – if relevant, consider organising a session on children's rights. Depending on your industry, your company could also consider appointing a board member with this experience.
- Ensure senior management and board members always have the right information. Make sure they are aware of any significant risks or incidents, as well as the latest legal and regulatory requirements. You could also provide a regular written update on children's rights.

- For some companies, it may make sense to appoint a board sponsor for children's rights, perhaps as part of a wider remit (on sustainability, for example). This would guarantee greater visibility and oversight. You may also wish to make the interests of children a regular agenda point, or mandate a board committee to oversee management of the topic.
- Consider including your company's impact on children in incentive payments for senior management. You should only do this if it makes sense for your business. Many companies use sustainability performance to help determine variable pay – with the right KPIs or targets, children's rights could be included in this. Ensure performance targets are clear, and that they produce real-world benefits (by improving children's health, for example, and access to education, or reducing online risk for children using social media).



Tab 1

BUSINESS, THE ESRS
AND CHILDREN'S
RIGHTS

Tab 2

GETTING STARTED
WITH THE ESRS AND
CHILDREN'S RIGHTS

Tab 3

ESRS MAPPING:
FINDING THE CORRECT
DISCLOSURE
REQUIREMENTS

Tab 4

HOW TO USE THE ESRS
TOPICAL STANDARDS
TO IMPROVE YOUR
APPROACH TO
CHILDREN'S RIGHTS

How to map your
material topics to
the relevant ESRS
standards

ESRS mapping: finding the correct disclosure requirements

Under the ESRS, it's your material topics that determine which environmental, social or governance standards you must disclose against. So, how do you find the right standards? The tables on pages 17-19 provide pathways, taking you from your chosen material topic through to the relevant ESRS standards. There's also a quick summary explaining why these disclosures are important for children's rights and well-being. Afterwards, for more detailed advice and guidance on how to incorporate this into your ESRS reporting, turn to Tab 4.

Naturally, we can't list all possible material topics. These will vary by company, sector and location. Under the ESRS, however, companies must take into account the list of topics published in ESRS 1/AR 16. This list should be seen as a starting point. The ESRS advises companies also to consider their *own specific circumstances* when determining material topics. The European Financial Reporting Advisory Group (EFRAG) is due to publish its first sector-specific topics in 2026.

How to use this tab

Using the tables on pages 17-19, you can map a pathway from chosen material topic to required disclosure, as follows:

- 1) Identify your company's material topics by conducting a double materiality assessment (see Tab 1 for guidance on this).
- 2) Match these topics to those listed in the tables. To help, we've provided a broad list of possible material topics (column A).⁸ These have been mapped to those listed under ESRS 1/AR 16 (column B) and to the

corresponding ESRS topical standards (column C); these are the standards you will have to disclose against if you select that material topic.

- 3) Finally, refer to the same topic standards under Tab 4 for detailed advice and guidance on how to include this impact in your disclosures.

WHAT IF I IDENTIFY MATERIAL TOPICS DIRECTLY RELATED TO CHILDREN? HOW DO I FIND THE RIGHT DISCLOSURES?

As part of your DMA, you may have identified material topics relating directly to children and their rights.

- These may fall under the two ESRS sub-sub-topics that mention children (*child labour* and *protection of children*) – to be found in column B. Or, they may be topics specific to your company or industry.
- If not, your topic is most likely to relate to labour/working conditions, consumer rights, environment and/or affected communities. See columns A and B.

Remember, it's possible that your topic may not correspond exactly to those listed in the tables. Find as close a match as possible. Take time to analyse your topics – by *human rights*, for example, you may mean political or cultural rights for local communities. Or, you may be referring to forced labour or even freedom of association. These distinctions are important – under the ESRS, they would require disclosure against different topical standards.⁹ Don't forget also to check the advice and guidance provided under Tab 4, as well as the precise wording of each ESRS requirement before putting pen to paper.

⁸ Source: Kōan Materiality Monitor, based on materiality assessments from approximately 140 companies from different sectors in Europe, North America and Asia. Industry-specific topics have been added for the following: B2C electronics, telecoms, apparel and footwear (fashion), retail (including food retail), personal and household products. These sectors are identified by Global Child Forum as, on average, having the most impact on children rights (see [Global Child Forum's Corporate Sector and Children's Rights Benchmark](#)).

⁹ Forced labour, for example, relates to S1 or S2, while political/cultural rights would relate to S3.

EXAMPLE OF MAPPING

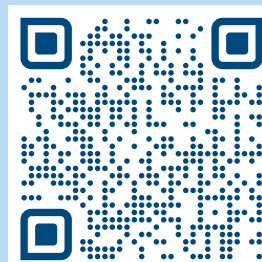


Tab 1 BUSINESS, THE ESRS AND CHILDREN'S RIGHTS	Tab 2 GETTING STARTED WITH THE ESRS AND CHILDREN'S RIGHTS	Tab 3 ESRS MAPPING	Tab 4 HOW TO USE THE ESRS TOPICAL STANDARDS	APPENDIX
<p>POSSIBLE MATERIAL TOPICS</p> <p>E1 CLIMATE CHANGE</p> <p>Climate risk, climate action</p> <p>Climate risk, green financing, green infrastructure</p> <p>Carbon footprint, carbon pricing, fuel management, decarbonisation of the economy</p> <p>Affordable energy, energy infrastructure, energy management, energy transition, renewable energy, sustainable fuels, clean energy</p> <p>E2 POLLUTION</p> <p>Pollution, control of environmental impacts</p> <p>Air quality, odour control, atmospheric pollution, electro-magnetic fields</p> <p>Protection of forests and soils</p> <p>Genetically modified organisms</p> <p>Chemicals management</p> <p>Use of micro fibres</p> <p>E3 WATER AND MARINE RESOURCES</p> <p>Water management, water security</p> <p>Water use and replenishment</p> <p>Affordable food</p>	<p>COLUMNS A EXAMPLES OF COMPANY MATERIAL TOPICS</p> <p>COLUMNS B ESRS LIST OF SUSTAINABILITY MATTERS (SEE ESRS 1 AR 16)</p> <p>COLUMNS C CORRESPONDING ESRS DISCLOSURE REQUIREMENTS*</p> <p>COLUMNS D IMPACT ON CHILDREN</p>	<p>COLUMNS A EXAMPLES OF COMPANY MATERIAL TOPICS</p> <p>COLUMNS B ESRS LIST OF SUSTAINABILITY MATTERS (SEE ESRS 1 AR 16)</p> <p>COLUMNS C CORRESPONDING ESRS DISCLOSURE REQUIREMENTS*</p> <p>COLUMNS D IMPACT ON CHILDREN</p>	<p>COLUMNS A EXAMPLES OF COMPANY MATERIAL TOPICS</p> <p>COLUMNS B ESRS LIST OF SUSTAINABILITY MATTERS (SEE ESRS 1 AR 16)</p> <p>COLUMNS C CORRESPONDING ESRS DISCLOSURE REQUIREMENTS*</p> <p>COLUMNS D IMPACT ON CHILDREN</p>	<p>APPENDIX</p> <p>E1</p> <p>ENVIRONMENTAL (E1)</p> <p>CLIMATE CHANGE</p> <p>IMPACT ON CHILDREN</p> <p>WHAT CAN I DO?</p> <p>WHAT KPIs AND METRICS COULD I USE TO MEASURE MY PERFORMANCE?</p>

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ONLINE TOOL

Would you like to access this playbook via our online tool? Just click [here](#) or scan the QR code below. The tool allows you to home in on the ESRS topical standards and advice most relevant to your company.



Tab 3

**ESRS
MAPPING**

COLUMN A POSSIBLE EXAMPLES OF COMPANY MATERIAL TOPICS	COLUMN B ESRS LIST OF SUSTAINABILITY MATTERS (SEE ESRS 1 AR 16)	COLUMN C CORRESPONDING ESRS DISCLOSURE REQUIREMENT ¹⁰	COLUMN D IMPACT ON CHILDREN
CLIMATE CHANGE			
Climate change; climate action	Climate change	ESRS 2 GOV-3, ESRS 2 SBM-3, ESRS 2 IRO-1, E1-2, E1-3, E1-4	Children are especially vulnerable to the effects of climate change. Rising temperatures threaten the lives, health and well-being of millions of children worldwide, as well as the livelihoods of their families. Yet, children are largely ignored in our response to climate change.
Climate risk; green financing; green infrastructure	Climate change adaptation	E1-1, E1-9	
Carbon footprint; carbon pricing; fleet management; decarbonisation of the economy	Climate change mitigation	E1-1, E1-6, E1-7, E1-8, E1-9	
Affordable energy; energy infrastructure; energy management; energy transition; renewable energy; sustainable fuels; clean energy	Energy	E1-1, E1-5	
POLLUTION			
Pollution; control of environmental impacts	Pollution	ESRS 2 IRO-1, E2-1, E2-2, E2-3	Children suffer more than adults from air pollution and are more susceptible to respiratory infection. According to UNICEF, 15% of all deaths worldwide in children under five were attributable to poor air quality. It's not only air pollution: children suffer more when we allow toxins or chemicals into the environment. Pollution may also impair children's access to food and clean water, or cause long-term health problems.
Air quality; odour control; atmospheric pollution; electro-magnetic fields	Pollution of air	E2-4	
	Pollution of water	E2-4	
Protection of forests and soils	Pollution of soil	E2-4	
Genetically-modified organisms	Pollution of living organisms and food resources	E2-4	
Chemicals management	Substances of concern	E2-5	
	Substances of very high concern	E2-5	
Use of micro-fibres	Microplastics	E2-4	
WATER AND MARINE RESOURCES			
	Water and marine resources	ESRS 2 IRO-1, E3-1, E3-2, E3-3	Children need regular access to clean water and sanitation; it's essential for their health and hygiene. UNICEF estimates that 600 million children globally lack safe, clean drinking water. At the same time, millions of children's families around the world rely on marine resources for their livelihoods.
Water management; water security	Water	E3-4, E3-5	
Overfishing; dredging; deep-sea mining	Marine resources	E3-5	
Water use and replenishment	• Water consumption	E3-4	
	• Water withdrawals	E3-4	
	• Water discharges	E3-4	
	• Water discharges in the oceans	E3-4	
Affordable food	• Extraction and use of marine resources	E3-5	

¹⁰ Requirements relating to the following have been included under individual topics (since these may relate to several or all sub or sub-sub topics): Policies, actions and targets; Governance (ESRS 2 GOV); Strategy and business model (ESRS 2 SBM); Impacts, risks and opportunities (ESRS 2 IRO)

COLUMN A POSSIBLE EXAMPLES OF COMPANY MATERIAL TOPICS	COLUMN B ESRS LIST OF SUSTAINABILITY MATTERS (SEE ESRS 1 AR 16)	COLUMN C CORRESPONDING ESRS DISCLOSURE REQUIREMENT ¹⁰	COLUMN D IMPACT ON CHILDREN
BIODIVERSITY AND ECOSYSTEMS			
Biodiversity; biodiversity protection and regeneration; food security and hunger	Biodiversity and ecosystems	ESRS 2 SBM-3, ESRS 2 IRO-1, E4-2, E4-3, E4-4	Biodiversity is essential for human health, well-being and, ultimately, our economic prosperity. For children, it is a source of healthy nutrition, clean water and medicines. Biodiversity loss can leave communities more vulnerable to climate change and increase the spread of serious diseases, like malaria, often fatal for young children.
	Direct impact drivers of biodiversity loss	E4-1, E4-5, E4-6	
	• Climate change	E4-1, E4-5, E4-6	
Deforestation	• Land-use change, fresh water-use change and sea-use change	E4-1, E4-5, E4-6	
Logging; overfishing	• Direct exploitation	E4-1, E4-5, E4-6	
	• Invasive alien species	E4-1, E4-5, E4-6	
Chemicals management; microplastics	• Pollution	E4-1, E4-5, E4-6	
	• Others	E4-1, E4-5, E4-6	
	Impacts on the state of species	E4-1, E4-5, E4-6	
	Examples:		
	• Species population size	E4-1, E4-5, E4-6	
	• Species global extinction risk	E4-1, E4-5, E4-6	
	Impacts on the extent and condition of ecosystems	E4-1, E4-5, E4-6	
	Examples		
Deforestation	• Land degradation	E4-1, E4-5, E4-6	
Loss of vegetation and habitats; soil degradation and erosion	• Desertification	E4-1, E4-5, E4-6	
	• Soil sealing	E4-1, E4-5, E4-6	
	Impacts and dependencies on ecosystem services	E4-1, E4-5, E4-6	
CIRCULAR ECONOMY			
Circular economy	Circular economy	ESRS 2 IRO-1, E5-1, E5-2, E5-3	Moving to a more circular economy will help support children's health and well-being. It will bring down greenhouse gas emissions, result in less waste going to landfill, incineration or damaging the natural environment, and reduce our reliance on scarce natural resources.
Use of sustainable materials; sustainable agriculture	Resource inflows, including resource use	E5-4, E5-6	
Sustainable packaging	Resource outflows related to products and services	E5-5, E5-6	
Waste management; e-waste; zero operational waste	Waste	E5-5, E5-6	

Tab 3

**ESRS
MAPPING**

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OWN WORKFORCE			
	Own workforce	ESRS 2 SBM-2, ESRS 2 SBM-3, S1-1, S1-2, S1-3, S1-4, S1-5	As employers, businesses have a significant effect on children's lives; their prospects may depend on parents and guardians finding decent employment, with adequate wages and benefits. In some parts of the world, child labour remains a major concern, keeping millions of children out of school and unable to fulfil their potential. Employers can also provide valuable work experience for youth through apprenticeships and casual or summer jobs.
Employee engagement; talent attraction and retention; fair working conditions	Working conditions	S1-8, S1-10, S1-14, S1-15	
	• Secure employment	S1-1, S1-2, S1-3, S1-4	
	• Working time	S1-1, S1-2, S1-3, S1-4	
Employee compensation; fair wages; compensation & benefits; living wages	• Adequate wages	S1-10	
Wage negotiations	• Social dialogue	S1-8	
Labour relations	• Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	S1-8	
Labour relations	• Collective bargaining, including rate of workers covered by collective agreements	S1-8	
Employee well-being; compatibility of career and family	• Work-life balance	S1-15	
Occupational health & safety; healthy buildings	• Health and safety	S1-14	
	Equal treatment and opportunities for all	S1-9, S1-12, S1-13, S1-16, S1-17	
Diversity & inclusion	• Gender equality and equal pay for work of equal value	S1-16	
Training and development; talent development	• Training and skills development	S1-13	
Accessibility; diversity & inclusion	• Employment and inclusion of persons with disabilities	S1-12	
Workplace harassment	• Measures against violence and harassment in the workplace	S1-17	
Diversity & inclusion; gender diversity and equality	• Diversity	S1-9	
Privacy at work	Other work-related rights	S1-1, S1-2, S1-3, S1-4	
Human rights	• Child labour	S1-1, S1-2, S1-3, S1-4	
Human rights	• Forced labour	S1-1, S1-2, S1-3, S1-4	
Housing standards; support for migrant or temporary workers	• Adequate housing	S1-1, S1-2, S1-3, S1-4	
Cybersecurity; data privacy and protection; information security	• Privacy	S1-1, S1-2, S1-3, S1-4	

COLUMN A POSSIBLE EXAMPLES OF COMPANY MATERIAL TOPICS	COLUMN B ESRS LIST OF SUSTAINABILITY MATTERS (SEE ESRS 1 AR 16)	COLUMN C CORRESPONDING ESRS DISCLOSURE REQUIREMENT ¹⁰	COLUMN D IMPACT ON CHILDREN
WORKERS IN THE VALUE CHAIN			
	Workers in the value chain	ESRS 2 SBM-2, ESRS 2 SBM-3, S2-1, S2-2, S2-3, S2-4, S2-5	Companies also bear responsibility for workers within their wider value chain who may work for their suppliers or distributors, for example. Under the ESRS, these workers are considered affected stakeholders. Often it's within global supply chains that companies face the worst risk of child labour, where parents and carers may be subject to unhealthy and dangerous working conditions, or lack access to proper parental leave, childcare or benefits.
Fair labour in the value chain; talent attraction and retention; human rights in the supply chain; fair working condition; employment practices	Working conditions	S2-1, S2-2, S2-3, S2-4	
	• Secure employment	S2-1, S2-2, S2-3, S2-4	
	• Working time	S2-1, S2-2, S2-3, S2-4	
Fair wages; living wages	• Adequate wages	S2-1, S2-2, S2-3, S2-4	
Labour relations	• Social dialogue	S2-1, S2-2, S2-3, S2-4	
Labour relations	• Freedom of association, including the existence of works councils	S2-1, S2-2, S2-3, S2-4	
Labour relations	• Collective bargaining	S2-1, S2-2, S2-3, S2-4	
Overtime, flexible working	• Work-life balance	S2-1, S2-2, S2-3, S2-4	
Health, safety and well-being of workers in the supply chain	• Health and safety	S2-1, S2-2, S2-3, S2-4	
Non-discrimination; gender equality	Equal treatment and opportunities for all	S2-1, S2-2, S2-3, S2-4	
Diversity & inclusion	• Gender equality and equal pay for work of equal value	S2-1, S2-2, S2-3, S2-4	
Training and development; diversified staff training	• Training and skills development	S2-1, S2-2, S2-3, S2-4	
Accessibility; diversity & inclusion	• The employment and inclusion of persons with disabilities	S2-1, S2-2, S2-3, S2-4	
Supply chain risk assessment	• Measures against violence and harassment in the workplace	S2-1, S2-2, S2-3, S2-4	
	Other work-related rights	S2-1, S2-2, S2-3, S2-4	
Human rights; modern slavery	• Child labour	S2-1, S2-2, S2-3, S2-4	
Human rights; modern slavery	• Forced labour	S2-1, S2-2, S2-3, S2-4	
Housing standards; support for migrant or temporary value chain workers	• Adequate housing	S2-1, S2-2, S2-3, S2-4	
	• Water and sanitation	S2-1, S2-2, S2-3, S2-4	
Cybersecurity; data protection and privacy	• Privacy	S2-1, S2-2, S2-3, S2-4	

Tab 3

**ESRS
MAPPING**

COLUMN A POSSIBLE EXAMPLES OF COMPANY MATERIAL TOPICS	COLUMN B ESRS LIST OF SUSTAINABILITY MATTERS (SEE ESRS 1 AR 16)	COLUMN C CORRESPONDING ESRS DISCLOSURE REQUIREMENT ¹⁰	COLUMN D IMPACT ON CHILDREN
AFFECTED COMMUNITIES			
	Affected communities	ESRS 2 SBM-2, ESRS 2 SBM-3, S3-1, S3-2, S3-3, S3-4, S3-5	Many businesses contribute to protecting children's rights – through responsible employment practices, for example, or helping safeguard the natural environment. But businesses may also affect children adversely. To avoid this, businesses can do more to include children's well-being, interests and rights explicitly in their decision-making and community engagement.
Community investment; community and no poverty	Communities' economic, social and cultural rights	S3-1, S3-2, S3-3, S3-4	
Impact on society	• Adequate housing	S3-1, S3-2, S3-3, S3-4	
Food security; food waste; health and nutrition; affordable food	• Adequate food	S3-1, S3-2, S3-3, S3-4	
Water management; water security	• Water and sanitation	S3-1, S3-2, S3-3, S3-4	
Deforestation; smallholder farms	• Land-related impacts	S3-1, S3-2, S3-3, S3-4	
	• Security-related impacts	S3-1, S3-2, S3-3, S3-4	
Human rights	Communities' civil and political rights	S3-1, S3-2, S3-3, S3-4	
	• Freedom of expression	S3-1, S3-2, S3-3, S3-4	
	• Freedom of assembly	S3-1, S3-2, S3-3, S3-4	
	• Impacts on human rights defenders	S3-1, S3-2, S3-3, S3-4	
Human rights	Rights of indigenous peoples	S3-1, S3-2, S3-3, S3-4	
	• Free, prior and informed consent	S3-1, S3-2, S3-3, S3-4	
	• Self-determination	S3-1, S3-2, S3-3, S3-4	
	• Cultural rights	S3-1, S3-2, S3-3, S3-4	
CONSUMERS AND END-USERS			
	Consumers and end-users	ESRS 2 SBM-2, ESRS 2 SBM-3, S4-1, S4-2, S4-3, S4-4, S4-5	Children consume billions of euros worth of goods and services every year – everything from food, clothes and toys to mobile phones and healthcare. Online, children have access to knowledge and entertainment, but may also be at risk of harassment, bullying and even sexual exploitation.
Cybersecurity; data privacy and protection	Information-related impacts for consumers and/or end-users	S4-1, S4-2, S4-3, S4-4	
Data privacy and protection	• Privacy	S4-1, S4-2, S4-3, S4-4	
Content moderation	• Freedom of expression	S4-1, S4-2, S4-3, S4-4	
Product labelling; quality control	• Access to (quality) information	S4-1, S4-2, S4-3, S4-4	
Counterfeit products; product design	Personal safety of consumers and/or end-users	S4-1, S4-2, S4-3, S4-4	
Consumer health and safety; product safety; public safety; public health; responsible drinking; responsible catering	• Health and safety	S4-1, S4-2, S4-3, S4-4	

COLUMN A POSSIBLE EXAMPLES OF COMPANY MATERIAL TOPICS	COLUMN B ESRS LIST OF SUSTAINABILITY MATTERS (SEE ESRS 1 AR 16)	COLUMN C CORRESPONDING ESRS DISCLOSURE REQUIREMENT ¹⁰	COLUMN D IMPACT ON CHILDREN
Passenger safety; patient health and safety	• Security of a person	S4-1, S4-2, S4-3, S4-4	
Youth media protection and media skills; online safety/protection	• Protection of children	S4-1, S4-2, S4-3, S4-4	
Putting customers first	Social inclusion of consumers and/or end-users	S4-1, S4-2, S4-3, S4-4	
	• Non-discrimination	S4-1, S4-2, S4-3, S4-4	
Changing consumer habits; affordable food	• Access to products and services	S4-1, S4-2, S4-3, S4-4	
Brand value; fairtrade relationships; responsible marketing; thought leadership; product transparency; product advertising	• Responsible marketing practices	S4-1, S4-2, S4-3, S4-4	
BUSINESS CONDUCT			
Business continuity	Business conduct	ESRS 2 GOV-1, ESRS 2 IRO-1	Children's rights won't be at the heart of every business. But every business has a duty of care towards children to ensure that their views and interests are not ignored, that they are protected and not at risk of exploitation and abuse. Businesses also have a positive role to play by advancing children's well-being and interests, supporting communities and parents, and helping children to live secure, healthy lives.
Business ethics; corporate governance; integrity; regulatory compliance; regulatory affairs; responsible leadership and governance; sustainable governance and oversight	Corporate culture	G1-1	
	Protection of whistle-blowers	G1-1	
Animal welfare; ethical standards for treatment of animals	Animal welfare	G1-1	
Political affiliations	Political engagement and lobbying activities	G1-5	
Responsible sourcing; supply chain transparency; traceability of raw materials; conflict minerals; procurement practices	Management of relationships with suppliers, including payment practices	G1-2	
Anti-competitive behaviour; anti-trust, bribery and corruption	Corruption and bribery	G1-3, G1-4	
	• Prevention and detection including training	G1-3	
	• Incidents	G1-4	

NOTES

- Please note, in column B, the ESRS list of sustainability matters (ESRS 1 AR 16) comprises topics (**bold**), sub-topics and sub-sub-topics (•).
- In some cases, topic disclosure requirements are repeated; this is because there are no disclosure requirements specific to that sub-topic or sub-sub-topic.

Tab 1

BUSINESS, THE ESRS
AND CHILDREN'S
RIGHTS

Tab 2

GETTING STARTED
WITH THE ESRS AND
CHILDREN'S RIGHTS

Tab 3

ESRS MAPPING:
FINDING THE CORRECT
DISCLOSURE
REQUIREMENTS

Tab 4

HOW TO USE THE ESRS
TOPICAL STANDARDS
TO IMPROVE YOUR
APPROACH TO
CHILDREN'S RIGHTS

Environmental:

- E1 – Climate change
- E2 – Pollution
- E3 – Water and marine resources
- E4 – Biodiversity and ecosystems
- E5 – Resource use and circular economy

Social:

- S1 – Own workforce
- S2 – Workers in the value chain
- S3 – Affected communities
- S4 – Consumers and end-users

Governance:

- G1 – Business conduct

How to use the ESRS topical standards to improve your approach to children's rights

Over the following pages, we have provided tips, advice and guidance on how to use the ESRS topical standards to improve your approach to protecting children's rights and interests, as well as suggested KPIs and metrics*. We have tried to make our advice as practical as possible, drawing from real company examples and our own knowledge of sustainability and ESRS-compliant reporting. Naturally, not all guidance will apply to your company. In some cases, it will depend on your industry, or if you have business activities in high-risk countries. It will also depend on the material topics you choose to disclose against. With this guidance, our intention is to provide food for thought rather than a 'to-do' list, and to suggest ways of integrating children's interests into your strategy, business and performance, which can then be included in your ESRS disclosures. As you will see, the following tables are structured according to the ESRS itself. We have provided guidance corresponding to each of the [ESRS topical standards](#) and to [Global Child Forum benchmark indicators](#).

*KPIs and metrics are included for guidance only. In most cases, they go beyond what is required under the ESRS. Companies should consider their own circumstances (industry, strategy, and countries of operations) before deciding on relevant KPIs or metrics.

ENVIRONMENTAL (E1)

DISCLOSURE REQUIREMENT GCF INDICATOR SUMMARY OF DATA POINT(S) TO BE DISCLOSED

ESRS TOPICAL STANDARD ESRS E1 – CLIMATE CHANGE		
E1-1	4.1.1	E1-1 requires companies to disclose a climate transition plan in line with the Paris climate objectives. This includes details of physical and transition risk, as well as emission reduction targets, decarbonisation measures and climate resilience.
E1-2	1.1.1 4.1.1	Companies must disclose details of policies related to climate change mitigation/adaptation, as well as energy efficiency and use of renewable energy.
E1-3	4.1.2 4.3.3	Under E1-3, companies are asked to disclose actions taken to implement their climate policies, including resources committed.
E1-4	4.1.1 4.1.2	Companies must disclose targets relating to climate change and emissions reduction; these should encompass companies' entire value chain.
E1-5	NA	E1-5 requires companies to report on their energy consumption, energy mix and energy intensity.
E1-6	4.3.1	Companies must report their gross carbon emissions (including scopes 1, 2 and 3).
E1-7	NA	Under E1-7, companies must disclose carbon credits used for climate mitigation; these may include carbon removals and storage.
E1-8	NA	Companies must disclose their use of carbon pricing, if applicable.
E1-9	NA	E1-9 requires companies to disclose financial effects from climate change risks and opportunities (on company revenue, costs or investment, for example).

ADVICE, SUGGESTIONS AND GUIDANCE

IMPACT ON CHILDREN

Children are especially vulnerable to the effects of climate change. Rising temperatures threaten the lives, health and well-being of millions of children worldwide, as well as the livelihoods of their families. Yet, children are largely ignored in our response to climate change.

WHAT CAN I DO?

- Under E1, you will have to disclose details of your **Climate Transition Plan**.¹¹ Consider the interests of children when framing this plan. Explain where the transition to lower-carbon, cleaner technologies may affect children – for example, if certain products have to be discontinued, or factories closed. Apply the principle of a Just Transition – i.e., a transition that is fair to all groups. You'll find this principle in the ESRS themselves.
- Make sure your **climate risk assessments** consider risks specific to children – disruptions to education, for example, or the effect of extreme heat on children's both physical health and mental well-being.
- Within your **stakeholders**, identify children – or groups of children – who may be especially vulnerable to climate change. Consider climate risk from different aspects – its impact on family incomes, on crop production, on access to education, as well as on children's immediate health and well-being.

- Consider measures to improve **children's health, well-being or access to essential services** as part of broader efforts to reduce carbon emissions and increase use of renewable energy. Using renewables, for example, may improve air quality and reduce children's risk of respiratory illness.
- Identify company sites or business operations where children may be especially at risk from **natural disasters**, like hurricanes or tropical storms. Include children's interests in your business continuity and disaster recovery plans. Take steps to increase local communities' climate resilience – and include children in your climate resilience plans.
- Adapt your **working environment** to climate change. Children visiting your premises – particularly shops and restaurants – may be less able than adults, for example, to regulate their body temperatures. The same applies to younger workers. To help protect children, take steps to make your premises more resilient to climate change by installing flood defences and better cooling systems.
- **Raise awareness among employees** of possible climate effects on children. Emphasise the importance of safeguarding the interests of children in training and in internal policies – in health & safety, for example, procurement and community engagement.

WHAT KPIS AND METRICS COULD I USE TO MEASURE MY PERFORMANCE?

- Number/percentage of children vulnerable to the effects of climate change or natural disasters within your local communities
- Percentage of employees with access to home or personal insurance against climate events (flooding, storm damage etc.)¹²
- Number/percentage of company employees taking part in emergency response training, including care for children (during and after natural disasters)
- Donations or other financial contributions to initiatives addressing effects of climate change on children

¹¹ Required under both the CSRD and the Corporate Sustainability Due Diligence Directive (CSDDD)

¹² May be appropriate only for companies with operations in regions susceptible to natural disasters with current low rates of insurance uptake

Tab 4

HOW TO USE THE ESRS
TOPICAL STANDARDS

ENVIRONMENTAL (E2)

DISCLOSURE REQUIREMENT GCF INDICATOR SUMMARY OF DATA POINT(S) TO BE DISCLOSED

ESRS TOPICAL STANDARD ESRS E2 – POLLUTION		
E2-1	NA	Under E2-1, companies must disclose details of policies related to pollution, particularly how they address adverse effects on the local environment. E2-1, E2-2 and E2-3 cover all forms of pollution.
E2-2	1.1.1 4.3.3	E2-2 asks companies to report on actions taken to prevent pollution, and the resources committed to these actions.
E2-3	NA	Under E2-3, companies must disclose targets set to support pollution prevention and control.
E2-4	4.3.1	E2-4 requires companies to disclose pollutants emitted, affecting air, water and soil, as well as its use of microplastics.
E2-5	4.3.1	E2-5 covers substances of concern and very high concern; these may be hazardous or toxic chemicals, for example.
E2-6	NA	Under E2-6, companies must disclose the financial effects of pollution – the cost of control measures, for example, or of remediation costs associated with leaks or spills.

ADVICE, SUGGESTIONS AND GUIDANCE

IMPACT ON CHILDREN

Children suffer more than adults from air pollution and are more susceptible to respiratory infection. According to UNICEF, 15% of all deaths worldwide in children under five were attributable to poor air quality. It's not only air pollution: children suffer more when we allow toxins or chemicals into the environment. Pollution may also impair children's access to food and clean water, or cause long-term health problems.

WHAT CAN I DO?

- Engage regularly with local communities. Include the interests of children in this engagement. Make communities aware of **potential pollution risks**. Work through schools to make local children aware of these risks, and recommend actions children can take to avoid the effects of pollution.
- Establish effective **early warning systems** for local communities. Make sure that accidents, spills and leaks are reported internally, and that communities have access to a reporting hotline; this hotline should be available 24/7 and in local languages. Complaints may be reported in confidence. Promote a culture of openness within your company to encourage honest reporting.
- Measure **air pollution** around your factories and other premises. Monitor pollution levels and take immediate action if these become unsafe for children. Report publicly on your air pollution performance. Take into account pollution most relevant to your business – that may include ozone or nitrogen oxide, smoke, mould spores, allergens or toxic chemicals.
- Include consideration for children and children's rights in your **environmental policies** and **operating manuals**. Use a recognised environmental management system at your sites, such as ISO14001.
- Incorporate potential risks to children into **environmental risk assessments** for new projects; these may include business expansions, for example, investment in real estate, or the launch of new products.
- To reduce risk for children, put in place effective **operating standards**. Keep all facilities, equipment and machinery up to standard, store hazardous substances securely, and put up warning signs where necessary. Investigate all incidents, correct any shortcomings and repair damage caused by pollution, returning the natural environment to its original state.

WHAT KPIS AND METRICS COULD I
USE TO MEASURE MY PERFORMANCE?

- Air pollution levels in and around company factories, warehouses, and other industrial sites
- Incidents of water or soil pollution potentially affecting children
- Number/percentage of company sites carrying out regular risk assessments that include protection of children
- Number/percentage of communities with access to early warning systems (for chemicals manufacturing, mining etc.)
- Number of children, parents and other carers educated on pollution and environmental risks

ENVIRONMENTAL (E3)

DISCLOSURE REQUIREMENT GCF INDICATOR SUMMARY OF DATA POINT(S) TO BE DISCLOSED

ESRS TOPICAL STANDARD ESRS E3 – WATER AND MARINE RESOURCES		
E3-1	1.1.1	E3-1 requires companies to disclose details of policies relating to water management and use of marine resources.
E3-2	4.3.3	Under E3-2, companies must report actions they have taken to support their policies and objectives on water management and marine resources.
E3-3	NA	Under E3-3, companies must disclose any targets relating to water and marine resources.
E3-4	NA	E3-4 requires companies to disclose their water consumption, including water consumed in areas of high water stress.
E3-5	NA	Under E3-5, companies must disclose the financial effects arising from water management and marine resources.

ADVICE, SUGGESTIONS AND GUIDANCE

IMPACT ON CHILDREN

Children need regular access to clean water and sanitation; it's essential for their health and hygiene. [UNICEF](#) estimates that 600 million children globally lack safe, clean drinking water. At the same time, millions of children's families around the world rely on marine resources for their livelihoods.

WHAT CAN I DO?

- Assess if your business activities pose a risk to **local water availability** for children. Some businesses, for example, may draw on local freshwater supplies for their production processes. Check if your company operates in a region of high water stress – in this case, you may need to take additional measure to safeguard local supplies.
- Reduce **water consumption** at your factories, offices and other facilities by taking efficiency measures, reusing waste water where possible, modernising pipes, pumps and other equipment, and installing automatic leak detectors.
- Monitor **water quality** in and around your company's premises to ensure children have access to safe water. Apply strict safety standards to prevent accidental discharges or spills. Where these do occur, report them immediately – and take action to clean up, repair damage and return the natural environment to its original state. Take interim measures during the clean-up to ensure children and families don't go without clean water.

- If your company uses **marine resources**, identify potential risks to children in local populations. Unsustainable practices may lead to lower income for families, resulting in less money available for children's education or healthcare. Risks may include access to ports and overfishing, for example, food insecurity or excessive price competition. Minimise these risks where possible, engage with communities to understand local practice and work with governments and NGOs to support marine conservation. The seafood, tourism, energy and construction industries all make use of resources from our oceans.
- Integrate **sustainable use of marine resources** and equipment into company policies and strategy, as well as relevant codes of conduct and supplier contracts. Support the [UN Global Compact's Sustainable Ocean Principles](#), aimed at protecting oceans and marine resources for future generations. Banks and insurers can also invest in blue bonds, usually issued by governments or development banks to finance sustainable ocean projects.

WHAT KPIS AND METRICS COULD I USE TO MEASURE MY PERFORMANCE?

- Number of children without access to clean water in areas/regions where your company operates
- Number/percentage of children living in areas designated high water stress
- Incidents of water discharges etc. from company factories and other sites affecting children
- Water quality levels in and around company factories, warehouses and other industrial sites
- Number of standpipes and other water access points built or supported by the company for local communities

ENVIRONMENTAL (E4)

DISCLOSURE REQUIREMENT GCF INDICATOR SUMMARY OF DATA POINT(S) TO BE DISCLOSED

ESRS TOPICAL STANDARD ESRS E4 – BIODIVERSITY AND ECOSYSTEMS		
E4-1	NA	E4-1 requires companies to disclose their biodiversity risks and dependencies. As part of this, companies may also disclose a strategy – or transition plan – to bring their operations into line with the Global Biodiversity Framework. ¹³
E4-2	1.1.1 4.3.2	Under E4-2, companies must disclose details of their policies to manage risks to biodiversity and ecosystems.
E4-3	4.3.1	E4-3 requires companies to report on actions taken to protect biodiversity and ecosystems, as well as the resources committed to these actions.
E4-4	NA	E4-4 asks companies to disclose targets to support its biodiversity policies and objectives.
E4-5	4.3.1	Under E4-5, companies must report metrics used to measure their impact on biodiversity and ecosystems.
E4-6	NA	E4-6 requires companies to disclose the financial impact of measures to protect biodiversity and ecosystems.

ADVICE, SUGGESTIONS AND GUIDANCE

IMPACT ON CHILDREN

Biodiversity is essential for human health, well-being and, ultimately, our economic prosperity. For children, it is a source of healthy nutrition, clean water and medicines. Biodiversity loss can leave communities more vulnerable to climate change and increase the spread of serious diseases, like malaria, often fatal for young children.

WHAT CAN I DO?

- Identify risks your business may pose to **biodiversity**, and how these may affect children and families. Consider both global and local impacts. It may be that your business activities threaten specific ecosystems on which children depend – for food or drinking water, for example. Consult experts and communities, who may offer important local knowledge. Many businesses rely on biodiversity, including food and agriculture, forestry, pharmaceuticals and construction.
- Set out a clear **biodiversity strategy**, backed up by local action plans and priorities. Include children’s interests in this strategy, where relevant. Use the [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#) and the [Global Biodiversity Framework](#) as a guide.
- Set **clear KPIs** to measure your performance. For example, you could include children’s interests and rights in dedicated biodiversity scorecards for individual sites, adapted to local conditions. Scorecards can be used to identify areas of weakness and prioritise improvements.
- Support initiatives to **encourage greater biodiversity**. Create green spaces for children and families in and around your factories and other sites, for example. Support conservation and sustainable agricultural practices. End the use of harmful chemicals and pesticides. Invest in research into biodiversity. Encourage reuse and recycling, lessening the demand for natural resources. And, of course, disclose your business’ impact on biodiversity – and what you’re doing to protect nature.

- Where possible, ensure local populations – including children and families – share in the **economic benefits**, particularly if your business relies on local biodiversity, giving communities a stake in protecting that biodiversity. This can be done through community re-investment, hiring local staff or working with local businesses. Involve children and young people in preserving local ecosystems. In the financial sector, consider investing in green bonds or international climate finance, providing social benefits to local communities alongside protection for biodiversity and returns to investors.
- To protect children, consider investing in green infrastructure. **Nature-based solutions**, such as green roofs or constructed wetlands, can protect local communities, as well as biodiversity. Mangrove forests in south-east Asia, for example, help minimise risk from coastal flooding and storm surges. The [Worldwide Fund for Nature \(WWF\)](#) has a publicly-available database of nature-based solutions.
- Move to more sustainable sourcing for **commodities** like cocoa, coffee or palm oil, all of which have been associated with biodiversity loss. Organisations like the Rainforest Alliance, Better Cotton or the Roundtable on Sustainable Palm Oil (RSPO) all offer widely-recognised certification schemes.

WHAT KPIS AND METRICS COULD I USE TO MEASURE MY PERFORMANCE?

- Number of children in local communities whose families depend on biodiversity for their livelihoods (farming, seafood, cash crops etc.)
- Percentage of company sites covered by biodiversity risk assessment or scorecard that include impact on children
- Number of nature-based learning programmes or green spaces accessible to children in local communities

¹³ Reference is made here to the Kunming Global Biodiversity Framework and associated goals and targets, adopted in December 2022, as well as the [EU’s 2030 Biodiversity Strategy](#).

ENVIRONMENTAL (E5)

DISCLOSURE REQUIREMENT GCF INDICATOR SUMMARY OF DATA POINT(S) TO BE DISCLOSED

ESRS TOPICAL STANDARD ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY		
E5-1	1.1.1	Under E5-1, companies must disclose details of policies governing resource use and circular economy, as well as efforts to switch away from virgin materials to more renewable resources.
E5-2	4.3.3	With E5-2, companies must report on actions taken to promote a more circular approach to business, including reuse, repair, remanufacture and recycling, as well as actions to prevent waste generation.
E5-3	NA	E5-3 requires companies to disclose targets on resource or circular economy, including, for example, an increase in circular product design, sustainable sourcing, or a decrease in the use of virgin materials.
E5-4	NA	E5-4 relates to resource <i>inflows</i> – i.e., materials, packaging and products used by the company at its own operations and upstream.
E5-5	NA	E5-5 relates to <i>outflows</i> , including waste, as well as the durability and repairability of company products.
E5-6	NA	Under E5-6, companies must report on the financial effects from resource use and circular initiatives.

ADVICE, SUGGESTIONS AND GUIDANCE

IMPACT ON CHILDREN

Moving to a more circular economy will help support children's health and well-being. It will bring down greenhouse gas emissions, result in less waste going to landfill, incineration or damaging the natural environment, and reduce our reliance on scarce natural resources.

WHAT CAN I DO?

- Educate on **reuse, recycling and remanufacturing** in local schools and communities. Promote circularity in product design at colleges and universities, and offer jobs and apprenticeships in circular design and manufacturing. At the same time, make children aware of the risks of injury and ill health from handling certain types of recycled materials. Be aware of child labour risks in waste-picking and recycling.
- Children could play an important part in reducing **e-waste** as users of computers, mobile phones and other electronic devices. According to the UN, e-waste has risen 82% in the past twelve years.¹⁴ Work with schools and parents to encourage children to reduce their e-waste by deferring upgrades or recycling. In the tech sector, companies can help by promoting recycling, ensuring parts can be easily repaired or replaced, and resizing packaging to fit products to avoid waste.

- **Recycled goods** may be hazardous for children, particularly if manufactured according to out-of-date safety regulations. Take dangerous items out of circulation – though, remember, raw materials like steel, aluminium and plastic can still be recycled; if not, make sure recycled products meet current standards and are clearly labelled to prevent hazards to children.
- To support your approach, include **circular principles** in internal processes, establish closed-loop supply chains and work with suppliers to increase the percentage of recycled materials in final products. Consider introducing Environmental Product Declarations (EPDs) and Life Cycle Assessments (LCAs) for products, services and inputs.
- Reduce **plastics** in packaging and equipment to protect children's health. If possible, eliminate single-use plastics altogether. According to the Marine Conservation Institute, up to 2.4 million tonnes of plastic enter the oceans every year. This plastic poses a threat to sea life – and ends up in the food chain for children. Microplastics, in particular, carry a specific threat to pregnant women, newborns and infants.

WHAT KPIS AND METRICS COULD I USE TO MEASURE MY PERFORMANCE?

- Number of children taking part in education programmes promoting responsible consumption
- Total amount of e-waste collected from children or schools (tonnes)
- Percentage of recycled goods checked for hazards to children

¹⁴ Source: UNITAR (UN Institute for Training and Research). Global e-waste amounted to 62 million tonnes in 2022, an increase of 82% compared with 2010.

Tab 4

HOW TO USE THE ESRS
TOPICAL STANDARDS

SOCIAL (S1)

DISCLOSURE REQUIREMENT	GCF INDICATOR	SUMMARY OF DATA POINT(S) TO BE DISCLOSED
ESRS TOPICAL STANDARD ESRS S1 – OWN WORKFORCE		
S1-1	1.1.1 2.1.1 2.1.2	S1-1 requires companies to describe policies relating to their own workforce; these include policies on issues such as discrimination, equal opportunities, as well as child and forced labour.
S1-2	1.2.2	Under S1-2, companies are required to describe how they engage with employees and their representatives.
S1-3	1.2.2 2.3.2	With S1-3, companies must describe how they deal with – and remedy – violations of employees' basic rights.
S1-4	1.3.1 1.3.2 2.3.2 2.3.3	Under S1-4, companies must disclose actions taken to prevent and manage risks affecting their own workforce; these may relate to non-discrimination, for example, or ensuring workers receive adequate wages.
S1-5	NA	S1-5 requires companies to disclose targets relating to their employees and workforce.
S1-6	NA	Companies must describe their workforce's key characteristics, including the number of permanent employees, the breakdown by gender and turnover over the past year.
S1-7	NA	S1-7 refers to <i>non-employees</i> – usually sub-contractors or freelancers working on company sites. S1-7 requires companies to disclose the number and type of non-employees.
S1-8	2.1.2	Under S1-8, companies must report collective bargaining agreements and the extent to which these agreements determine working conditions on their sites.
S1-9	NA	S1-9 is about diversity metrics. Companies are required to disclose the age breakdown and percentage of women in senior management.
S1-10	2.3.2	With S1-10, companies must disclose whether or not employees are paid an adequate wage – and, if not, the countries and percentage of employees affected.

DISCLOSURE REQUIREMENT	GCF INDICATOR	SUMMARY OF DATA POINT(S) TO BE DISCLOSED
S1-11	2.1.2	Companies must report on whether its employees are covered by social protection against loss of income during major life events. These events include illness and injury, unemployment and retirement.
S1-12	NA	S1-12 requires companies to disclose the percentage of employees with disabilities.
S1-13	NA	Under S1-13, companies are required to disclose the extent to which training and skills development is provided to employees, including the average number of training hours by employee and gender.
S1-14	NA	With S1-14, companies must disclose the proportion of its workforce covered by health and safety management systems, and the number of work-related injuries, ill health and fatalities.
S1-15	2.1.2	S1-15 relates to work-life balance. It requires companies to disclose the percentage of employees entitled to, and taking, family-related leave.
S1-16	NA	Under S1-16, companies must report their gender pay gap and the ratio of their highest paid employee and the workforce median.
S1-17	2.3.1	S1-17 requires companies to disclose the number of severe human rights incidents, affecting their own workforce, as well as any significant fines, sanctions or compensation paid out.

ADVICE, SUGGESTIONS AND GUIDANCE

IMPACT ON CHILDREN

As employers, businesses have a significant effect on children's lives; their prospects may depend on parents and guardians finding decent employment, with adequate wages and benefits. In some parts of the world, child labour remains a major concern, keeping millions of children out of school and unable to fulfil their potential. Employers can also provide valuable work experience for youth through apprenticeships and casual or summer jobs.

WHAT CAN I DO?

- Provide employees with access to **parental leave**. Make sure this covers both maternity and paternity leave. If possible, go beyond the legal minimum, especially if operating in countries with less generous laws on parental leave. Consider offering additional unpaid leave, if required. Make sure employees are aware of their rights. Parental leave gives parents time to care for their children. Evidence¹⁵ shows it also has advantages for business, particularly in encouraging employees to return to work once their leave is over.
- Create a **supportive working environment** by eliminating discrimination for parents or carers – in promotions, for example, or applying for new jobs within the company. Offer flexible working to help parents juggle competing work and home commitments. Engage with your employees to better understand their needs. Provide access to affordable childcare, dedicated breaks and space for breastfeeding mothers. To help with childcare, companies could also fund after-school recreational activities.
- Establish clear rules to **support pregnant women and nursing mothers** in the workplace. These rules should ensure the health and safety of both mother and child. Among measures you could take: provide a safe space for nursing mothers, educate managers on non-discrimination, and include consideration for pregnant women in safety risk assessments.
- Consider providing **school grants** to children of your employees, especially in countries with poor or failing education systems. These could be targeted at employees on low incomes, and provided in the form of vouchers to ensure the aid is used to meet specific objectives. Other arrangements might include no-interest loans or

¹⁵ See, for example, data published by [Human Capital Innovations](#)

Tab 4

HOW TO USE THE ESRS
TOPICAL STANDARDS

ADVICE, SUGGESTIONS AND GUIDANCE (CONTINUED)

- advances on employees' salaries. Consider also bonuses for employees whose children pass public exams or achieve certain educational standards – to open up opportunities and encourage more children to stay in education.
- Many businesses employ **young workers** under the age of 18. Encourage them to continue education alongside their work. Provide practical training to help young workers transition into the full-time workforce – on making job applications, for example, or attending interviews. Offer apprenticeships so young workers can learn specific skills. Work with schools and colleges on recruitment and jobs training. Stipulate maximum working hours for under-18 workers (see *worst forms of child labour*, below). To do this, use existing legislation or recognised benchmarks.
 - Set clear rules to avoid employing **underage labour**. Establish a clear age verification process, including in countries where birth certificates may not be readily available. Keep up-to-date records covering all employees. Identify areas of your business that may be most at risk of child labour (such as agriculture, mining, construction, cleaning services etc.). Report incidents of child labour, as well as measures taken to address these incidents and prevent recurrence. Act immediately against the **worst forms of child labour**. These forms are defined under ILO Convention 182, and include children working underground, or with dangerous machinery. Include standards on child labour in your employee handbook or code of conduct, and set up a robust process to address incidents. Make employees aware of their and the company's obligations. If necessary, provide specialist training to managers and recruitment officers. Set out clear safeguarding policies for children found working and, where possible, help them return to school. Report all incidents of child labour to law enforcement agencies.
 - Ensure all staff and non-employees have access to **adequate social protection** through either national welfare systems or company benefits, covering major life events, including raising a child. By providing social protection, companies can discourage child labour. Within your workforce, be aware that gig economy or casual workers often lack the rights and benefits available to other full-time employees.
 - Establish a **whistle-blower hotline**, accessible by both employees and outside parties, so that reports of suspected child labour may be made in confidence, 24/7 and in local languages. It's important that you also include a no-retaliation clause – to encourage a 'speak-up' culture.
 - Build children's well-being into **regular health and safety risk assessments**. This applies particularly to sites with young workers or where children are likely to visit, such as supermarkets, shops or banks. Develop clear safeguarding rules. In doing so, pay particular attention to industrial sites that may be close to schools and residential areas where there are heavy machines or hazardous substances in use. Have rules in place to protect children as a priority during security incidents, such as natural disasters or industrial accidents.
 - Ensure working parents receive **adequate wages**. These may vary by country. Where applicable, use national minimum or living wage legislation as a basis. Providing an adequate wage means parents and carers are less likely to send children out to work for additional income. Establish a system for monitoring wage levels, linked to inflation and the cost of living, and take action to increase salaries and benefits where underpay does occur. Work with unions and works councils – through **collective bargaining** – on issues such as adequate wages, health & safety, benefits and social protection.
 - Where possible, extend strict safety standards to working parents classified as **non-employees**, as defined under the ESRS.¹⁶ *Non-employees* refers to outside contractors working on your sites, including – for example – consultants, cleaners or security staff. Adequate wages should also apply to non-employees. Your company may also employ migrant workers. In this case, remember migrant workers may need additional time to visit children left behind in their home countries or – if their children are with them – help with access to education, safeguarding and healthcare.

¹⁶ Under S1, companies are obliged to report on non-employees working at their sites.

WHAT KPIS AND METRICS
COULD I USE TO MEASURE MY
PERFORMANCE?

- Number/percentage of employees eligible for, or taking, parental leave
- Percentage of employees returning to workforce after parental leave/still working for the company after twelve months
- Number/percentage of employees with access to flexible or home working arrangements
- Number/percentage of employees with access to, or using, daycare facilities
- Number/percentage of employees in workforce under the age of 18; percentage of these receiving training in job applications etc.
- Number of apprenticeships awarded
- School grants, bonuses or vouchers granted to employees
- Number of incidents of child labour reported either via whistle-blower hotline or directly to law enforcement agencies (including percentage resolved/under investigation)¹⁷
- Percentage of company sites and operations (by full-time equivalent) covered by strict age verification process
- Percentage of company operations (by net revenue) in countries or regions at risk or high risk of child labour
- Percentage of senior management given awareness training on children's rights and the risks of child labour
- Percentage of parents within workforce with adequate social protection and wages (according to national/international benchmark)
- Percentage of own workforce covered by health and safety risks assessments that specifically include protection of children's well-being and interests
- Number/percentage of non-employees without adequate social protection, adequate wages, or access to parental leave
- Percentage of non-employees working in countries/regions at risk or high risk of child labour
- Donations or financial contributions to initiatives or programmes to combat child labour
- Total number and percentage of migrant workers in own workforce (including percentage of these with children)

¹⁷ When reporting, results should be put in context and/or combined with other KPIs – an increase, for example, may indicate more awareness rather than any fundamental increase in number of incidents of child labour.

SOCIAL (S2)

DISCLOSURE REQUIREMENT GCF INDICATOR SUMMARY OF DATA POINT(S) TO BE DISCLOSED

ESRS TOPICAL STANDARD ESRS S2 – WORKERS IN THE VALUE CHAIN		
S2-1	1.1.1 2.1.1 2.1.2	Under S2-1, companies must report on policies relating to workers in the value chain – i.e., those working with suppliers <i>upstream</i> or in distribution and sales <i>downstream</i> .
S2-2	1.1.1	With S2-2, companies must describe how they engage with value chain workers or their representatives to identify possible risks or impacts.
S2-3	1.2.2 2.3.2	S2-3 requires companies to describe how they remediate any adverse impacts, and what channels are provided to value chain workers to report violations or concerns.
S2-4	1.3.1 1.3.2 2.3.1 2.3.2 2.3.3	Under S2-4, companies must report actions taken to prevent or manage risks to value chain workers.
S2-5	2.3.1	Under S2-5, companies must disclose any performance targets relating to workers in the value chain.

ADVICE, SUGGESTIONS AND GUIDANCE

IMPACT ON CHILDREN

Companies also bear responsibility for workers within their wider value chain who may work for their suppliers or distributors, for example. Under the ESRS, these workers are considered affected stakeholders. Often it's within global supply chains that companies face the worst risk of child labour, where parents and carers may be subject to unhealthy and dangerous working conditions, or lack access to proper parental leave, childcare or benefits.

WHAT CAN I DO?

- Conduct a detailed **child labour risk assessment**. Identify which parts of your value chain are most at risk. Certain business activities, for example, may rely on commodities possibly produced by child labour. Be aware of the drivers behind child labour: poor wages, a lack of social protection and a failure to enforce child labour rules in certain countries. Remember, some industries are more at risk of child labour than others. According to [UNICEF](#), 70% of child labourers work in agriculture. In the worst cases, you may consider withdrawing from sectors or markets if you don't see sufficient progress on protecting the interests of children.
- Using your risk assessment, develop an **action plan to combat child labour**. Introduce traceability within your supply chain, so you know the origin of the products and goods you're purchasing. Include child labour standards in your commercial contracts and codes of conduct. Carry out regular audits, assessments and spot checks. Remember, this may be effective only for tier-one suppliers. Work also with peers, local governments, NGOs and civil society to help you prevent and remedy incidents of child labour deeper in the supply chain. As a last resort, discontinue relations with suppliers who consistently fail to protect children's rights and interests.

- Monitor the effectiveness of your action plan. Put in place **metrics and KPIs** related to incidents of child labour, for example, or to the number of suppliers covered by audits or risk assessments. Disclose results regularly, and explain your company's performance and the measures taken to correct any shortcomings.
- Encourage suppliers to improve **conditions for working parents**, particularly in access to childcare, benefits and parental leave. Make sure they offer training and career opportunities. Be aware of the impact on migrant workers in particular, who have to decide whether or not to leave children and families behind in their home countries. Back this up with incentives and regular audits. In extreme cases, refuse to work with suppliers who don't meet minimum standards (see also G1, below).
- **Train your teams** in children's rights. Make them aware of your company's legal obligations. Focus on those with the most influence – in procurement or supply chain management, for example. Work with specialist NGOs, which have detailed knowledge of child labour and children's rights-related issues. Organise training sessions for suppliers and other business partners. If operating in high-risk regions, consider financial incentives for suppliers based on their performance.
- **Advocate publicly for children's rights and decent work for parents**. Ask senior managers to speak out. At the same time, take part in government and other child labour prevention campaigns. Report on your collaboration efforts with industry associations, governments and NGOs to tackle child labour beyond tier-one suppliers. Support skills development and education among young workers to help them transition to full-time employment. By developing a better-trained, more effective local workforce, you'll help reduce the incentives behind child labour.

WHAT KPIS AND METRICS COULD I USE TO MEASURE MY PERFORMANCE?

- Percentage of suppliers operating in countries/regions at risk, or high risk, of child labour (by annual expenditure)
- Percentage of suppliers or distributors receiving specific training in child protection and children's rights
- Percentage of suppliers with specific child protection measures in their procurement contracts
- Percentage of tenders or requests for proposals including similar measures
- Percentage of suppliers signing up to the company's supplier code of conduct, including provisions to protect children's rights
- Percentage of suppliers covered by risk assessment or audits that specifically include children's rights (by annual expenditure, tier, or 'strategic/preferred')
- Number/percentage of procurement staff and/or suppliers trained in children's rights
- Number of alleged child labour incidents among company suppliers
 - Identified during audits and assessments
 - Reported to law enforcement agencies
 - Where remedial action has been taken (nature/ outcome of this remedial action)
- Percentage of high-risk commodities with reliable third-party certification, such as cocoa, coffee, cotton or palm oil (where this certification covers child labour)
- Number/percentage of suppliers with social/ environmental standards for their own suppliers (including child labour, rights for working parents etc.)
- Number of low-income families within your supply chain with long-term purchasing agreements
- Financial or in-kind donation to initiatives or programmes to combat child labour

The online environment carries definite risks for children. How can I develop processes and systems to help protect children online?

“We try to go further than our competitors – and further, in some cases, than the legislation actually permits.”

“We put the issue of children’s safety online very high on our agenda, and we’ve done so going back more than ten years now.

“One area that is very important is blocking images of child sexual abuse. We try to go further than our competitors in this area – and further, in some cases, than the legislation actually permits. That’s because we really want to stand up for our principles.

“We set ourselves a target to increase the sites we block by at least 10% every year. In 2023, we managed to double the number. Last year was the first full year we were using Arachnid¹⁸ – a very effective blocking technology developed by the [Canadian Centre for Child Protection](#).

“Alongside Arachnid, we also work closely with the police in Sweden and our other countries. With Arachnid, we’re blocking approximately 20-30% more sites than we would using the police lists alone.

¹⁸ For more information, please see www.projectarachnid.ca/en/. Free to use, Arachnid scans the internet, screening thousands of images a second and issuing notices asking hosting companies to take down suspected child sexual abuse material. Since its launch in 2017, Arachnid has led to the removal of millions of images and videos.

“The police do a fantastic job – we’ve seen a lot of improvements in recent years. But they often lack resources.

“At the same time, we’re helping parents, creating guidance and advice free of charge – so they can help their children stay safe online. This work goes much wider, covering issues such as online bullying and children’s health. To do this, we’re partnering with [the Foundation](#) set up in Sweden by Prince Carl Philip and Princess Sofia, which has done a lot of work on children’s online safety.

“It’s important we get our message out to parents – and we have the ability do so – about 40% of the Swedish population are Tele2 customers.”

**ERIK WOTTRICH,
TELE2 HEAD OF SUSTAINABILITY**

[Tele2](#) is a telecommunications company, providing fixed and mobile connectivity and entertainment services across markets in Sweden and the Baltics. In 2023, Tele2 ranked number one in the Financial Times’ Europe Top 500 Climate Leaders.

“Our education and awareness programmes reached over 28 million people in 2023.”

“As Telefónica, we’re firmly committed to protecting minors, and promoting the responsible use of technology. We incorporate this principle in our internal policies, including our Global Human Rights and Sustainable Supply Chain policies, which both contain provisions on child labour and child protection.

“Digital connectivity brings enormous advantages to society; however, we see definite challenges for children – everything from accessing inappropriate content and data privacy to the effects of technology on children’s health and well-being. Our strategy involves educating and raising awareness, as well as extensive privacy and security safeguards built into handsets and operating systems. We also filter content to prevent child sexual exploitation, working on the basis of guidelines provided by the independent [Internet Watch Foundation](#).

“We estimate that Telefónica’s education and awareness programmes reach around 28 million people. In recent years, we’ve focused a lot on video gaming. Movistar, for example, is part of the [MyGameMyName](#) initiative, aimed at combatting sexism in the gaming industry, a growing problem. We also have programmes to encourage digital disconnection, supporting healthier gaming habits and encouraging children and families to switch off their devices regularly to protect their own mental health.

“These are all important issues for us and we are dedicating management time and have employees throughout the company working on the protection of children’s welfare.”

**CATHERINE BOHILL,
TELEFÓNICA DIRECTOR
ESG DEVELOPMENT AND IMPACT**

Based in Spain, [Telefónica](#) is one of the world’s leading telecoms operators; it provides telephone, internet, pay TV and other digital services to customers across Europe and Latin America.

**ASSOCIATED
ESRS DISCLOSURE
REQUIREMENTS**

ESRS S4-1 PAR. 13
Description of policies that have been adopted to manage material impacts of the undertaking’s products and services on consumers and end-users.

ESRS S4-4 PAR. 31
Description of actions taken, planned, or underway to prevent, mitigate, or remediate material negative impacts on consumers and end-users, along with measures to provide or enable remedies for actual impacts. Additionally, details of any initiatives focused on improving social outcomes for consumers, and how the effectiveness of these actions is tracked and assessed.

ESRS S4-5 PAR. 38
Disclosure of any time-bound, outcome-oriented targets the undertaking has set for reducing negative impacts on consumers and end-users, advancing positive impacts, and managing material risks and opportunities related to consumers and end-users.

Tab 4

HOW TO USE THE ESRS
TOPICAL STANDARDS

SOCIAL (S3)

DISCLOSURE REQUIREMENT GCF INDICATOR SUMMARY OF DATA POINT(S) TO BE DISCLOSED

ESRS TOPICAL STANDARD ESRS S3 – AFFECTED COMMUNITIES		
S3-1	1.1.1 4.1.2	S3-1 requires companies to provide details of policies relating to affected communities – people or groups that are, or may be, affected by companies' business operations.
S3-2	NA	Under S3-2, companies must disclose their process for engaging with affected communities.
S3-3	4.1.2 4.3.2 4.3.3	S3-3 requires companies to describe how they remediate any adverse effects on communities, and what channels are available to these communities to raise concerns.
S3-4	4.1.2 4.3.3	With S3-4, companies must report actions taken to address any adverse effects, and how these actions are monitored and assessed.
S3-5	NA	S3-5 requires companies to disclose targets relating to <i>affected communities</i> ; these may relate to adverse effects, or to companies' positive contributions to communities.

IMPACT ON CHILDREN

Many businesses contribute to protecting children's rights – through responsible employment practices, for example, or helping safeguard the natural environment. But businesses may also affect children adversely. To avoid this, businesses can do more to include children's well-being, interests and rights explicitly in their decision-making and community engagement.

WHAT CAN I DO?

- Decide how your business operations might affect **children's political, social and cultural rights**. If necessary, carry out a risk mapping; this will help you prioritise actions and allocate resources efficiently. Be aware of potentially sensitive issues, such as land acquisition, mining and the use of local resources. Work out which issues – or which activities – should be your priority.

ADVICE, SUGGESTIONS AND GUIDANCE

- Include the interests of children in **community engagement**. Set up clear channels of communication with community representatives. Ensure your process is open and fair, and that community representatives are aware of it. A good process will allow for regular engagement and involve senior managers. Keep stakeholders informed of any decisions taken.
- Decide how **children's views and interests** may be represented in this community engagement. You don't have to engage with children directly. Indeed, direct engagement may not be appropriate. Instead, you can engage with representatives like parents, carers, teachers or experts. Even so, engagement with children, if carefully managed, can provide useful insights – in areas such as product design. In such cases, lay down clear rules and guidelines to protect children's rights and interests.¹⁹
- **Train your employees** on how to conduct effective engagement on children's interests. Make these employees aware of these rights as well as the company's own commitments and legal obligations. On occasions, you may wish to work together with other companies, facing similar issues. Incorporate children's rights into internal policies on stakeholder engagement and community investment.
- Make **child safety** a priority even at sites not intended for children – at mines, factories and construction sites, for example. Include consideration for the interests of children from the beginning in new projects – if you're building a new production site, for example, or acquiring another company. In such cases, be aware of inherited risks from previous owners.
- Alongside engagement, put in place a **process for remediation** to make good adverse effects on children (or broader human rights). This should include a grievance mechanism in line with the UN Guiding Principles on Human Rights and Business. Make it simple for outside parties to register complaints. Work also with relevant OECD National Contact Points. Ensure your remediation process is accessible, fair and does not delay in making rulings or granting compensation. Consider appointing a mediator to resolve disputes when these occur.
- Work with governments and civil society to expand children's **access to basic services**, and promote early-years development. Make company resources and knowledge available to local communities. Use technology or AI, for example, to combat child labour or to help organise response to humanitarian disasters.
- Strengthen ties with **local communities**. Recruit among local people. Provide training and skills development opportunities for younger workers, as well as community investment in areas such as health, education, and climate resilience. Set a target for the percentage of local managers or local hires. Work and buy from local businesses.
- For the financial sector, develop **sustainable investment funds** that prioritise the interests of children. Such funds may focus exclusively on children, or simply include them in their investment criteria. In addition, consider excluding companies with a poor track record on protecting children's rights from all sustainable investment funds. The same approach could be applied to bonds and other securities, issued by companies or sovereign states. Step up due diligence – and tighten lending rules – for industries most at risk of child labour or exploitation.

WHAT KPIS AND METRICS COULD I USE TO MEASURE MY PERFORMANCE?

- Percentage of company operations (by net revenue) in countries/regions where there is a risk, or high risk, to children's interests
- Number/percentage of employees trained specifically in stakeholder engagement on children's issues or interests
- Number of complaints relating to children's interests registered with relevant OECD National Contact Points
- Number of engagements with local communities addressing child protection or children's rights
- Number of incidents reported involving abuse or violation of children's rights (including percentage resolved/under investigation)
- Number of sustainable investment funds, incorporating children's well-being and interests into investment criteria; total assets under management (AUM) in these funds/as percentage of total AUM
- Percentage of loans granted to companies where risks to children's rights have been included in prior due diligence
- Donations or financial contributions to local community development projects involving children, or aimed at improving children's health, well-being or access to education
- Percentage of children in and around company sites living in poverty or with health/developmental difficulties

¹⁹ See Tab 2, page 13

SOCIAL (S4)

DISCLOSURE REQUIREMENT GCF INDICATOR SUMMARY OF DATA POINT(S) TO BE DISCLOSED

ESRS TOPICAL STANDARD ESRS S4 – CONSUMERS AND END-USERS		
S4-1	1.1.1 3.1.1 3.1.2	S4-1 requires companies to disclose details of policies relating to consumers and end-users of their products and services.
S4-2	NA	Under S4-2, companies must describe how they engage with consumers and end-users, including those who may be particularly vulnerable.
S4-3	1.2.2	S4-3 requires companies to describe how they address adverse effects on consumers and end-users, as well as what channels are provided to raise concerns.
S4-4	3.1.1 3.1.2 3.3.1 3.3.2 3.3.3	With S4-4, companies must describe actions taken to manage risks for consumers and end-users or, indeed, to improve products and services.
S4-5	3.3.1 3.3.2	Under S4-5, companies must disclose targets set relating to consumers and end-users and describe their performance against these targets.

ADVICE, SUGGESTIONS AND GUIDANCE

IMPACT ON CHILDREN

Children consume billions of euros worth of goods and services every year – everything from food, clothes and toys to mobile phones and healthcare. Online, children have access to knowledge and entertainment, but may also be at risk of harassment, bullying and even sexual exploitation.

WHAT CAN I DO?

- Build in consideration of children from the start. Include them in your **product design**. At the same time, make sure products promote diversity and non-discrimination. Consider children's interests in the testing phase, too. In pharmaceuticals, for example, medicines are too often designed for use by adults. With the right safeguards, children can be included in clinical trials, helping develop more age-specific drugs. Involve children in product development – in doing so, set clear rules so that children's interests always come first. Including children can bring benefits in keeping companies ahead of new legislation, growing market share and strengthening customer loyalty.
- Take a responsible approach to **marketing, advertising and other company content**. Avoid exploitation of children: don't use sexualised images, or stereotypes, or images that promote discrimination or unhealthy lifestyles – particularly important in industries like consumer goods, food & beverage and cosmetics, which rely heavily on advertising. Set clear ground rules and no-go areas for images of children. Don't forget that, online, you can't control access to content, especially true of social media. Apply a 'safe by design' principle to ensure online content is suitable for all audiences.
- When **advertising to children**, beware of encouraging consumerism, or using stereotypes. Develop a responsible marketing and communications policy. Make sure this covers online, television, cinema, print and social media. Sign up to voluntary codes such as the [International Chamber of Commerce \(ICC\) Advertising and Marketing Communications Code](#).
- Put clear **warning labels on products** that may be harmful to or inappropriate for children. Ensure parents are informed of age limits on certain products. Work with retailers to enforce these restrictions through effective age verification, for example. Make children's safety a priority in labelling even for items not intended for children, such as household appliances or cleaning products. Children may come into contact with these in the home.
- Pay attention to **packaging**. Make sure it's appropriate for children in its use of colours, materials or images. Children may be tempted by colourful or 'fun' packaging to products that are unsafe or inappropriate.
- Make children's **online safety** a priority. Put in place parental safeguards to prevent access to inappropriate or sexual material. In doing so, always put the child's interests first. Remember, parental safeguards may be misused. Adapt safeguards to the age of the children – five-year olds and fifteen-year olds need different forms of protection.
- Work with governments and national child protection hotlines to ensure effective **regulation of online content**. Use protective detection, advanced monitoring and AI to pinpoint potential risks and abusers before they are able to do harm. Block

Tab 4

HOW TO USE THE ESRS
TOPICAL STANDARDS

ADVICE, SUGGESTIONS AND GUIDANCE (CONTINUED)

- criminal sites, based on lists from law enforcement or organisations like the [Canadian Centre for Child Protection](#) or the [Internet Watch Foundation](#). Share tips on online safety with both children and parents. Raise awareness among employees of potential online risks for children, so they are able to advise customers.
- Work with schools and other public institutions to tackle **online bullying**. Tech companies could provide a confidential helpline for those experiencing bullying, as well as access to psychological support to improve and protect mental health. This may be through an external, independent party, such as the [National Bullying Helpline](#) in the UK. Train your employees to recognise early-warning signs of cyber bullying.
 - Update your company's **data privacy and protection** policies to account for children's needs. Be aware of risks to children's personal data and invest in cyber defences to prevent breaches. Report any data loss immediately both to parents and regulators. Establish a clear process for compensation if data breaches do occur.
 - Assess risks to children in your **products' use phase**. Take steps to minimise or eliminate these risks, where possible. Educate parents and employees on potential hazards. Children often come into contact with products not intended for them at home, at school or in the street. Where relevant, develop separate safety standards for children – for example, as passengers on trains and aircraft. Consider adapting products or packaging for use by children, or even withdrawing products where you believe risks may be too high. Include features in products – through software – to allow consumers to flag harmful content and suggest improvements.
 - Work to ensure vulnerable children have access to **essential products**, including food, medicines, clothing and mobile phones. Where possible, apply this same principle to emerging countries. Make sure products remain affordable, even for families on low, or very low, incomes. Develop educational products, such as simple bank or savings accounts aimed at increasing children's financial literacy.

WHAT KPIS AND METRICS COULD I
USE TO MEASURE MY PERFORMANCE?

- Percentage of net revenue derived from products/services intended for children
- Percentage of products/services with child-friendly labelling
- Percentage of product/services where children's views and interests have been incorporated during the design or development phase
- Percentage of products redesigned specifically for children (e.g., with healthy/age-appropriate ingredients)
- Number/extent of privacy breaches affecting loss of children's personal data
- Number of parents/children attending courses or training programmes on online safety
- Number of websites blocked because of concerns over child sexual exploitation and/or inappropriate images
- Number of incidents or complaints of online bullying/harassment/child sexual exploitation (including percentage resolved/under investigation)
- Total financial investments to strengthen online safety or combat child abuse and trafficking
- Percentage of products and services for children accessible to low-income families (using national/international poverty benchmark)
- Incidents of non-compliance with regulations or voluntary codes regarding marketing to children or product/service safety (even when children are not the primary audience)

My business works with thousands of suppliers. How am I supposed to manage risks to children's rights in such a long and complicated supply chain?

“Risks haven't increased necessarily, but the visibility certainly has.”

“H&M has a Global Sustainability department – this acts as our centre of expertise, so we can support our brands.

“CSRD has definitely helped both our brands and functions. That's because it obliges you to look across your value chain, not just at your own business operations. That creates a level playing field because, across the industry, we'll have to take the same, risk-based approach. At the same time, it opens up opportunities for collaboration with other brands.

“We've been working through our Sustainable Impact Partnership Programme (SIPP) for more than ten years now. SIPP sets out minimum standards for our suppliers. They must also sign up to our Sustainability Commitment. And behind SIPP is a system of self-assessments and verification, including children's rights.

“In recent years, risks haven't increased necessarily, but the visibility has. That's good – the fashion industry has had problems in the past, and we've seen huge improvements over the last 25 years.

“It gets harder to manage risks, the deeper you go in your supply chain where we don't always

have that direct business relationship. And often we do have leverage. It's not an option just to cut and run – you've got to try to use that leverage to make positive change.

“That's where the idea of collaboration comes in. Take cotton, for example. Acting on your own, you may not have sufficient leverage. If you act together, you can make a difference – and start improving environmental and social conditions on cotton farms.

“In Bangladesh, we've been addressing fire safety at manufacturing and processing sites. To do that, we've worked together with trade unions, industry and other brands. That's now become a very successful, industry-wide initiative.”

PAYAL JAIN,
H&M GROUP HEAD OF SOCIAL IMPACT

H&M Group is an international fashion company, with a stable of well-known brands including COS, Weekday, & Other Stories, ARKET, and Monki, as well as H&M itself.

“We make sure we work with suppliers that have strong policies in place.”

“Orkla and its companies have been working for a long time on responsible sourcing. As Orkla, we set out clear expectations for our portfolio companies and provide them with specialist guidance, systems and tools.

“Orkla companies have around 25,000 tier-one suppliers. We take a risk-based approach, identifying areas of high risk for adverse human rights impacts, including those affecting children. That way, our companies can focus their efforts on areas that matter most.

“All suppliers are subject to risk screening and must accept Orkla's supplier code of conduct. In addition, higher-risk suppliers are asked to carry out self-assessments. Companies follow up with audits and corrective action plans where necessary.

“Orkla is currently introducing a more detailed human rights impact assessment, which will include specific guidance on managing issues like child labour and living wages.

“The risk of child labour and other human rights abuses is highest in developing countries. But don't forget it's also present in Europe – in the use of migrant workers in agriculture, for example.

“With higher-risk raw materials, such as cocoa from west Africa, our companies work with suppliers that have strong policies and often their own initiatives in place. Alongside this, they also use certification programmes, which cover child labour.

“There's no guarantee, but this approach – combined with our experience – does help limit the risk. Child labour may be caused by deeper reasons of weak governance, poverty or a lack of schools and other infrastructure in local communities. To take effective action, it's important we understand these root causes.”

ELLEN THORSRUD BEHRENS,
DIRECTOR SOCIAL RESPONSIBILITY
AT ORKLA ASA

Orkla ASA is a leading industrial investment company. It currently has eleven companies in its portfolio, mainly in the food, nutrition, personal care and clothing sectors.

ASSOCIATED ESRS DISCLOSURE REQUIREMENTS

ESRS S2-1 PAR. 18

Disclosure of whether policies in relation to value chain workers explicitly address trafficking in human beings, forced labour or compulsory labour and child labour, and whether the undertaking has a supplier code of conduct.

ESRS S2-3 PAR. 25

Disclosure of the processes the undertaking has in place to provide for or cooperate in the remediation of negative impacts on value chain workers, as well as channels available to value chain workers to raise concerns and have them addressed.

ESRS G1-2 PAR. 15

Disclosure of the undertaking's approach to its relationships with its suppliers, taking account of risks to its supply chain and of impacts on sustainability matters and whether and how it takes into account social and environmental criteria for the selection of its suppliers.

GOVERNANCE (G1)

DISCLOSURE REQUIREMENT GCF INDICATOR SUMMARY OF DATA POINT(S) TO BE DISCLOSED

ESRS TOPICAL STANDARD ESRS G1 – BUSINESS CONDUCT		
G1-1	1.1.1 1.2.2	G1-1 requires companies to disclose policies on business conduct and corporate culture. Disclosures are required on areas such as anti-corruption and training on ethical business conduct.
G1-2	2.2.2 4.2.2	G1-2 is about how companies manage their relationships with suppliers; it includes prevention of late payments and whether companies include social and environmental criteria in their selection of suppliers.
G1-3	NA	Under G1-3, companies must describe how they prevent, detect and address corruption and bribery.
G1-4	NA	G1-4 requires companies to disclose confirmed incidents of corruption and bribery, as well as the number of fines and convictions during the year.
G1-5	1.3.1	With G1-5, companies must disclose their approach to political influence and lobbying, including financial and in-kind political contributions.
G1-6	NA	Under G1-6, companies must disclose their payment practices, especially regarding later payments to SMEs.

ADVICE, SUGGESTIONS AND GUIDANCE

IMPACT ON CHILDREN

Children's rights won't be at the heart of every business. But every business has a duty of care towards children to ensure that their views and interests are not ignored, that they are protected and not at risk of exploitation and abuse. Businesses also have a positive role to play by advancing children's well-being and interests, supporting communities and parents, and helping children to live secure, healthy lives.

WHAT CAN I DO?

- Integrate children's rights into company **policies and guidelines**. Include them in your code of conduct for employees and in your risk policies and taxonomy. Also build children's interests into decision-making. Make them part of your strategy process, and assign responsibility to a senior manager and department, with a clear reporting line to the company CEO. Appoint a board sponsor and include protection of children's rights in mandates for your supervisory board and committees. Make children's rights a regular agenda item for both management and supervisory boards.
- Ensure there is an effective **whistle-blower hotline** and a clear, formal process for addressing alleged violations of children's rights. Ensure this hotline is third-party operated to ensure impartiality, open to outside parties as well as employees and available 24/7 in local languages. Tell stakeholders about the hotline – and, if necessary, provide training on how to use it. Report regularly on incidents associated with child labour and measures taken to prevent these incidents recurring.
- Ensure your **supervisory board** has sufficient expertise on protecting children's rights. You may even consider appointing a new member who has this expertise, or making use of an external consultant. Hold information sessions for board members to educate them on children's rights and make them aware of your company's strategy and initiatives in this area.

- Embed respect of children's rights in your **company culture**. Include them in onboarding training, as well as in regular compliance and Code of Conduct training. Make a clear link between your purpose as a company, core values and children's rights.
- Within your company, communicate your minimum standards on **child labour and exploitation**. Work closely with law enforcement to combat child labour and trafficking. Report any suspected incidents to authorities. In banking, for example, you may be able to trace payments linked to child labour or child sexual exploitation.
- **Corruption** deprives children of access to healthcare, education as well as other essential services. Report incidents of corruption and bribery linked to child exploitation or abuse. Include details of measures taken to prevent such incidents. Build respect for children's rights into your company's anti-corruption or anti-bribery policies. Provide anti-corruption training. Pay particular attention to countries most at risk of corruption; you can find details of individual country risk at [Transparency International](#).
- Be aware of possible misuse of company equipment or property for **child trafficking**. Examples might include hotel rooms, company vehicles or diverted funds. To counter this, put in place strict guidelines governing the use of company property or funds. Work in close cooperation with law enforcement agencies.
- Consider **community initiatives or investment** to support local children deprived of resources because of corruption – for example, if a local school isn't built because funds have been misused or embezzled. Companies could also offer private scholarships in countries where national examinations are widely discredited or subject to fraud.

Tab 4

HOW TO USE THE ESRS
TOPICAL STANDARDS

- Where possible, include the interests of children in **supply contracts**. Ask suppliers to sign up to a Code of Conduct. Make sure contracts cover relevant areas, including health and safety, adequate wages and product design. Establish a system of regular audits and reporting for suppliers. Consider outsourcing these audits to independent third parties to ensure impartiality. Link provisions to international standards on children's rights, particularly the UN Convention on the Rights of the Child and the Children's Rights and Business Principles.
- **Work with suppliers** on improving their approach to children's interests. Provide advice, guidance and training where necessary. Work with peers on an ask-once approach to reduce suppliers' reporting burden. Develop improvement plans for suppliers not meeting standards. Consider offering financial or operational incentives. Set out clear red lines on issues such as child labour and child sexual exploitation. Conduct a thorough risk assessment – and work with outside experts, including NGOs, consultants or other civil society representatives, to help identify future risks, so that preventative measures can be taken.
- Consider **long-term purchasing agreements** for certain suppliers. Some suppliers may resort to child labour to lower costs if they're not confident about future income. Such agreements are probably best suited to companies working with high-risk countries or commodities.
- Make sure you **pay suppliers** on time. Consider shorter payment periods or even upfront payments for smaller suppliers, who may need regular cash flow. Doing so may help reduce their reliance on child labour. Review your pricing, payments and lead time requirement to ensure you're not inadvertently encouraging child labour. At the same time, identify vulnerable suppliers, including those on low incomes with young families – or risk points in your supply chain where suppliers may be motivated to use child labour.
- **Ask your suppliers to apply the same standards** on children's interests and rights to their suppliers. If possible, make this part of their supply contract. Apply traceability to your supply chain, so you can be sure of the origin of the goods or services you're purchasing. Train procurement staff in protecting children's rights. Make them aware of their obligations under international law. Set appropriate KPIs and targets tied to respecting children's rights.
- **Make the case publicly** for children's rights. Build them into your public affairs and communications strategy. Link your efforts to international children's rights standards, especially the UN Convention on the Rights of the Child. Focus on those rights most relevant to your company and industry. Use your convening power, where possible, to bring together government and civil society.
- Report amounts spent on **lobbying** and **advocacy**, including – separately – those spent on promoting children's rights. Be transparent about organisations you're working with to advance children's rights, including trade associations, NGOs and trade unions, as well as governments. Be clear about the issues you're prioritising, the potential risks to your business as well as your positive impacts on children's health and well-being.

WHAT KPIS AND METRICS COULD I
USE TO MEASURE MY PERFORMANCE?

- Percentage of employees undergoing training on the company's code of conduct (assuming this contains provisions relating to the protection of children's rights)
- Number of complaints made through company's whistle-blower hotline relating to alleged violations of children's rights
- Incidents of alleged misuse of company facilities or other property linked to child labour or trafficking
- Incidents of alleged corruption linked to child exploitation or trafficking
- Percentage of low-income families in your supply chain paid within minimum number of days
- Total spending on lobbying and advocacy to promote respect for children's rights
- Percentage of tier-one suppliers with established grievance mechanisms for reporting suspected violations of children's rights

My products aren't intended for children. How do I build consideration for children's rights and well-being into my approach to business?

“Adding a children’s perspective helps us identify potential gaps in our business models.”

“We're active owners; our aim is to empower our companies to reach their full potential. To do this, we help them transform their operations and grow sustainably.

“Operating and growing sustainably includes doing good from a children's perspective. Chances are if we're making business decisions that don't harm children, or affect them negatively, then we're doing the right thing from a sustainability point of view.

“The Global Child Forum's Children's Rights and Business Workbook has helped us understand how we impact children. We based our analysis on impacts in the marketplace, workplace and community.

“One of our companies – Colart – produces face paint for children, so that was an easy place to start for us. But other companies in the Group don't have products for children. So, we thought about how many of our employees are also parents. Again, the children's perspective helped because the way parents are treated inevitably affects their children. As a result, we started working with living wages – we realised that one way we can impact children's lives positively is to make sure their parents are properly paid.

“We are also working with our supply chain. Alex Begg, for example, buys cashmere from Mongolia and works through the Sustainable Fibre Alliance to support children in the nomadic herders community.

“We encourage our companies to look at the system they're part of, not just their own business. The term we use internally is ecosystem. Adding a children's perspective to this helps them identify potential gaps in their business models, and ultimately that means creating a more positive impact on children's lives.”

**JENNY JOHANSSON,
LINDÉNGRUPPEN CHIEF
COMMUNICATIONS AND
SUSTAINABILITY OFFICER**

Lindéngruppen is a family-owned business, focused on creating shared and sustained societal value through its companies, which include Högånäs AB, the world's largest producer of metal powder, as well as Beckers (coil coating and industrial paints), Colart (art materials) and Alex Begg (luxury textiles).

“We want to support initiatives that bring systemic change.”

“We have a decentralised approach, so we wanted a common cause that would bring our businesses closer together. We chose children and youth, which was a natural choice because a lot of our businesses were already working in this area. Fundamentally, children are the future, and a common thread connecting us all.

“Sixteen of the 17 countries we operate in now have community initiatives aimed at benefitting children. It's part of Beckers' broader strategy on community engagement.

“In South Africa, for example, we've been working with Star for Life for nearly ten years to support children's education and health in particular. Since its launch, around half a million children have been through the Star for Life programme.

“In the future, we want to be more strategic about our initiatives – strategic, in the sense of measuring the real impact on children, by developing KPIs and implementing local impact assessments. Previously, we'd only looked at the financial support and the time our employees invested in the projects. Those remain important, but measuring impact will encourage us to support initiatives that bring about more systemic change.

“We're aware that, beyond community engagement, there are also areas that may also affect children – our employment practices, for example, or accidental exposure to harmful substances. We're a B2B company – when looking at our value chain, most potential risks are associated with the countries where we source materials.

“Ultimately, our future community engagement initiatives must resonate with our employees and the business locally. They are the ones working in these communities – it's their passion that drives our efforts.”

**NICKLAS AUGUSTSSON,
BECKERS GROUP
CHIEF SUSTAINABILITY OFFICER**

Beckers Group is a global market leader in coil coatings and industrial paints for the construction and industrial sectors. Owned by Lindéngruppen, Beckers has operations in 17 countries worldwide and 1,800 employees.

**ASSOCIATED
ESRS DISCLOSURE
REQUIREMENTS**

ESRS S1-10 PAR. 67

Disclosure of whether all employees are paid adequate wages. In case some employees are not paid an adequate wage, disclosure of the countries and percentage of employees concerned.

ESRS S2-4 PAR. 30

Disclosure of actions planned or currently being taken to mitigate risks arising from the company's impacts and dependencies on value chain workers, and how the effectiveness of these actions is monitored. In addition, actions planned or currently being taken to pursue material opportunities related to value chain workers.

ESRS S3-4 PAR. 35

Disclosure of whether and how the undertaking acts to avoid causing or contributing to material negative impacts on affected communities through its practices.

Appendix: notes, references and quick links

Basis of preparation

- The aim of this playbook is to provide a practical, easy-to-use guide to help companies improve their performance and disclosures on children's well-being, interests and rights. It is intended for all companies required to report against the EU Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS).
- Advice and guidance is based on the following:
 - International standards and guidelines on respecting children's rights (including the [UN Convention on the Rights of the Child](#) and the [Children's Rights and Business Principles](#))
 - Examples of company initiatives, programmes and policies, as well as interviews with corporate partners of the playbook
- We have done our utmost to ensure the accuracy of all information at the time of publication (October 2024). Where third-party sources are used, this is clearly indicated in the text.

This playbook should be read in conjunction with Global Child Forum benchmarks (see note on page 40). Policy suggestions and advice are designed to help companies improve their benchmark scores.

Quick links

Please click on the following links for further information on Children's Rights and the ESRS:

- [Amnesty International: Children's Human Rights](#)
- [Children's Rights and Business Principles](#)
- [Children's Rights and the Environment](#)
- [Corporate Sustainability Reporting Directive](#)
- [Corporate Sustainability Due Diligence Directive](#)
- [Global Child Forum](#)
- [Global Child Forum Children's Participation Guide](#)
- [ILO conventions on child labour](#)
- [UN Convention on the Rights of the Child](#)
- [UN Guiding Principles on Business and Human Rights](#)
- [Understanding how your business impacts children](#)



EU Sustainable Finance initiative and the ESRS

The ESRS are part of the EU's broader Sustainable Finance initiative. The standards were drafted by the European Financial Reporting Advisory Group (EFRAG), coming into effect in July 2023.

WHY HAVE THESE STANDARDS BEEN INTRODUCED?

The ESRS are aimed at improving company reporting on sustainability issues, and ultimately helping put the EU economy on a more sustainable footing. The EU's previous rules on sustainability reporting – the Non-Financial Reporting Directive (NFRD) – covered only 11,000 companies. Around 50,000 companies have to report against the CSRD – and apply the ESRS.

WHEN WILL THE STANDARDS APPLY?

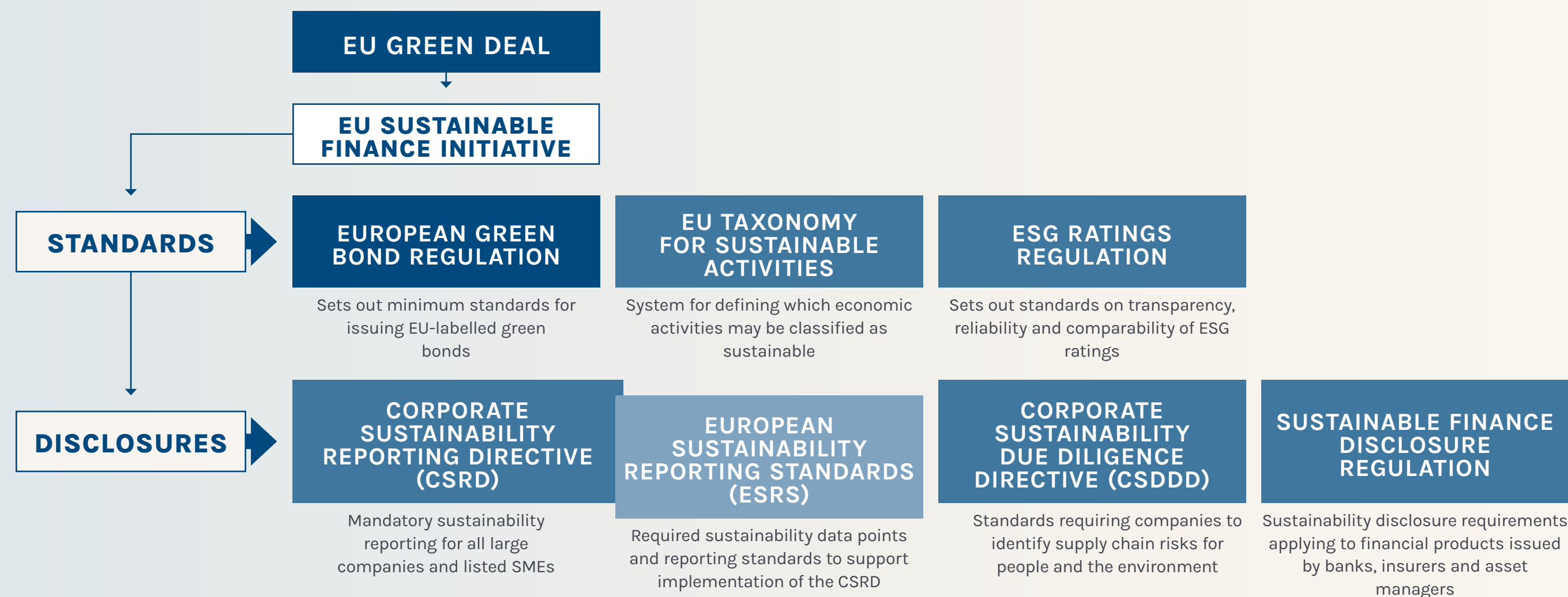
It depends. CSRD is being introduced gradually. The first phase includes large, listed companies, banks, insurers and asset managers – i.e., those companies already reporting under the NFRD. From 2024, this first group has to report

against the CSRD and ESRS, with reports appearing in early 2025. A year later, compliance will be extended to other large companies. Listed SMEs and non-EU companies with sizeable EU affiliates have more time – in some cases, up to 2028/2029. In addition, some ESRS requirements are voluntary or phased-in, which means they won't apply until year 2 or, in some cases, until year 4 – for the financial impact of climate measures, for example.

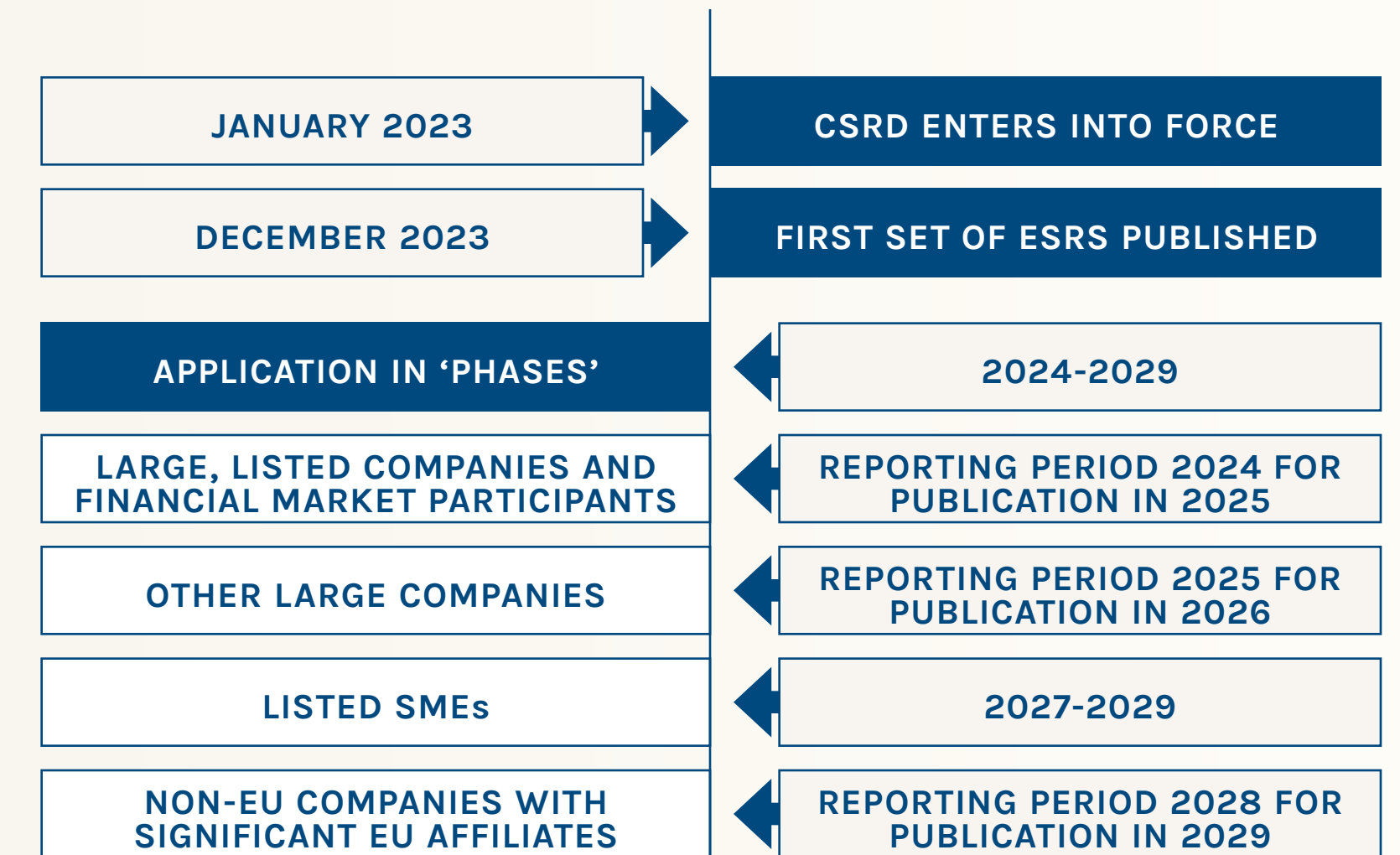
HOW DOES THE ESRS FIT IN WITH THE REST OF THE EU'S SUSTAINABLE FINANCE INITIATIVE?

CSRD is not the only regulation under the Sustainable Finance initiative. The EU has also introduced new rules on supply chain management, guidelines for green bonds and a taxonomy to help determine what constitutes a sustainable business activity. Together, these standards and regulations will improve information for both consumers and investors, help capital flow to more sustainable companies and support the transition to a lower-carbon economy.

OVERVIEW OF STRUCTURE FOR EU SUSTAINABLE FINANCE INITIATIVE



TIMELINE FOR IMPLEMENTATION OF CSRD/ESRS



Large companies are defined as those meeting at least two of the following requirements:

- More than 250 employees
- At least EUR 50 million in net revenue
- Assets of EUR 25 million or more

Significant EU affiliates are those that generate at least EUR 150 million in net revenue.

SMEs: small and medium-sized enterprises. SMEs must report if they have over EUR 8 million in net turnover, EUR 4 million in assets and at least 50 employees.

About Global Child Forum

A HEART FOR CHILDREN. A HEAD FOR BUSINESS.

Global Child Forum is a Swedish non-profit foundation with headquarters in the heart of Stockholm. We bring together global leaders from business, civil society, academia and government to spur action for social change around children's rights. Our vision is a sustainable world where children's rights are respected and supported by all stakeholders in society. In particular, we focus on the power of business to be a driver of change, and we encourage businesses to take approaches in their operations and their communities that best advance children's rights. Our work is underpinned by the UN Convention on the Rights of the Child and the Children's Rights and Business Principles, as well as by our own research and tools.

More information about Global Child Forum and its work may be found online at www.globalchildforum.org.

GLOBAL CHILD FORUM BENCHMARKS

Since 2013, we have benchmarked companies on their approach to children's rights, in collaboration with the Boston Consulting Group. Data collected by Global Child Forum can be used by companies to improve their performance, or by investors to inform their investment decisions. Insights from the benchmarks allows companies to compare performance and meet demands from investors, governments, civil society and local communities. Our Global Child Forum benchmarks are based on the SDG2000 – 2,000 companies worldwide expected to be the most influential in achieving the 2030 UN Sustainable Development Goals (SDGs).

Our 2024 benchmark covers more than 1,800 companies across four impact areas: governance & collaboration, workplace, marketplace and community & environment. Companies come from across different sectors, including food & beverage, healthcare, consumer goods, energy, financials and technology & telecommunications. Alongside the Global Benchmark, we have also published regional benchmarks for Asia, Africa, South America and the Nordics. Click [here](#) for more information on Global Child Forum's benchmarks.

Abbreviations

AI	Artificial intelligence
AR	Application requirement
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
EFRAG	European Financial Reporting Advisory Group
EPD	Environmental Product Declaration
ESG	Environmental, social and governance
ESRS	European Sustainability Reporting Standards
GCF	Global Child Forum
ICC	International Chamber of Commerce
ILO	International Labour Organisation
ISO	International Standards Organisation
IUCN	International Union for Conservation of Nature
LCA	Life Cycle Assessment
NA	Not applicable
NGO	Non-governmental organisation
OECD	Organisation for Economic Cooperation and Development
RSPO	Roundtable for Sustainable Palm Oil
SFDR	Sustainable Finance Disclosure Regulation
SMEs	Small and medium-sized enterprises
TNFD	Taskforce for Nature-related Financial Disclosures
UNICEF	UN Children's Fund
WWF	Worldwide Fund for Nature

Acknowledgements

We would like to thank all our partners for contributing their time, resources and expertise to make this playbook possible:



Glossary of terms used in this publication

Advocacy	Activities promoting a particular cause or point of view	Climate transition plan	Plan setting out company's targets, action and resources required to meet the Paris Agreement objectives*	Living wage	Level of remuneration sufficient to ensure a decent standard of living in a particular country and/or region (NB., minimum wage usually refers to government legislation setting minimum pay rates)	Remediation	Counteracting or otherwise making good adverse effects caused by a company (these may involve financial or non-financial compensation, restitution, restoration, sanctions and guarantees of non-repetition etc.)*
Affected communities	People or groups living or working in the same area that have been, or may be affected, by a company's business operations (including both upstream and downstream)*	Collective bargaining	Negotiations between employers, employees and/or employee representatives on working conditions, pay and terms of employment etc.*	Lobbying	Engaging with policymakers to influence legislation or industry regulation	Renewable energy	Energy from renewable non-fossil sources, including wind, solar, geothermal, hydropower and biogas*
Carbon credits	Tradable or transferable asset representing a certain amount of emission reduction or removal, usually verified according to specific quality standards*	Ecosystem	Complex of plant, animal and micro-organisms interacting as a functional unit (for more information, see IUCN Global Ecosystem Typology)*	Marine resources	Resources found in the seas and oceans, including seafood and minerals*	Stakeholder	Those groups or individuals that may affect, or be affected by, the company and its business activities*
Carbon pricing	Price applied to carbon emissions, based on external costs (usually as a way of disincentivising high-carbon business activities)	E-waste	Discarded electronic appliances, such as mobile phones, computers and televisions	Material topic	Topic identified by companies as material – i.e., that is material from both a financial perspective and because of its impact, or potential impact, on people and the environment	Sustainable impact funds	Investment funds aimed at delivering both financial returns to investors, as well as broader social and/or environmental benefits
Circular economy	Efficient use of resources in production and consumption, minimising waste and the release of hazardous substances*	Greenhouse gas emissions	Gases contributing to warming temperatures and climate change, including most notably carbon dioxide Emissions may be divided into three categories: <ul style="list-style-type: none"> • Scope 1: Direct emissions from sources owned or controlled by the company • Scope 2: Indirect emissions generated from purchased or acquired power • Scope 3: Indirect emissions generated within the wider value chain (both upstream and downstream) 	Microplastics	Small pieces of plastic, usually smaller than 5mm, which may end up in the environment, sea and in food or drinking water*	Value chain	Activities, resources and relationships relating to a company's business model and external environment in which it operates*
Child labour	Work depriving children of their childhood, that is harmful to their physical and/or mental development*. Child is defined as a person under the age of 18. Minimum age for work varies by country and/or sector, but in any case should not be less than 15, according to the ILO.	Hazardous substance	Waste harmful to humans and/or the environment. The ESRS refers to a list of potential hazards in the EU's Waste Framework Directive (2008/98/EC)*	Natural disaster	Extreme weather events, including storms, floods, droughts, and heatwaves	Water stress	Where water resources are insufficient for the needs of a particular country and/or region
Children's rights	These are set out in the UN Convention on the Rights of the Child. Children's interests, meanwhile, refers to children's needs for safety, health and well-being, family support, education and opportunities for development etc.	In kind	Non-financial donations or contributions, usually time, goods or services	Nature-based solutions	Using the natural world to increase climate resilience, adapt or mitigate climate change*	Work-life balance	Amount of time spent doing one's job compared with time spent outside work
Climate adaptation	Steps taken to adjust to actual and/or expected climate change and its impacts*	Licence to operate	Continued acceptance within wider society of a company and its business operations	Non-employees	Individual contractors or companies supplying labour*	Workers in the value chain	Individual working upstream or downstream in the company's value chain (regardless of any contractual relationship these workers may have with the company)*
Climate mitigation	Steps taken to reduce greenhouse gas emissions to achieve Paris Agreement warming objectives*			Parental leave	Employee leave for parents, paid or unpaid, which may include paternity, maternity and adoption leave	Young workers	Usually workers aged between 15 and 24 (ILO)
				Remanufacturing	Rebuilding products or parts to original manufacturing standards		

*Items marked with an asterisk have been adapted from the ESRS.



About Kōan Group

This playbook was produced in collaboration with the Kōan Group, experts in non-financial and sustainability reporting. As well as providing expertise in the ESRS and reporting regulations, Kōan led the development of the content, design, layout and the accompanying online tool.

Kōan provides advice and expertise on the nuts and bolts of non-financial reporting, from materiality and regulatory compliance to policy development and reporting strategy.

Working with companies and organisations in a wide range of sectors across Europe, Kōan

believes that in business, companies do more than just make money – they drive our economies and have a big impact on our lives.

Kōan helps companies tell the story of that impact through their reports: how they create jobs, how they innovate with new technologies, how they help tackle climate change and protect human rights, and how they create real, long-term value for society.

kōan

Contact us

We welcome feedback on our playbook. Please send comments and suggestions to:

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Colophon

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