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# CORPORATE RESPONSES TO PROTECTING CHILDREN'S RIGHTS IN SOUTHEAST ASIA

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## INTRODUCTION

Companies impact children directly as well as indirectly, and children likewise impact companies: for example, as consumers in their own right and as citizens and employees of tomorrow. Also, children are savvy in their use of technology and can easily inform themselves as well as take action on issues that they care about.

In an effort to provide insights and guidance on how businesses protect – or fall short in protecting – children's rights in the Southeast Asia region, this report makes use of two essential Global Child Forum research products: **THE CHILDREN'S RIGHTS AND BUSINESS ATLAS** (the Atlas) and **THE CORPORATE SECTOR AND CHILDREN'S RIGHTS BENCHMARK** (the Benchmark).

More specifically, insights are provided across three areas where the corporate sector impacts children's rights:

- **THE WORKPLACE:** decent work for young workers, parents and caregivers, and prevention of child labour.
- **THE MARKETPLACE:** marketing and advertising, online abuse and exploitation, and product safety.
- **THE COMMUNITY AND THE ENVIRONMENT:** access to health, education and social services, as well as use of natural resources, damage to the environment, forced displacement as a result of land acquisition, and the impact of conflict and emergencies.

Throughout this report, data from the Atlas highlights contextual factors that shape how companies can and should respond to children's rights. This information is contrasted with the results of the Benchmark scoring for the 20 largest companies in Southeast Asia<sup>1</sup>. A gap analysis provides recommendations for company actions that address risks and create positive impact on children's rights in the region.

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1 Indonesia, Malaysia, Thailand, Singapore and the Philippines. The geographical coverage in this study is determined by the location of the largest companies in the region for each of the industries. For more information about how the Benchmark study was conducted, please refer to "How this study was conducted" on p 4-5 and Appendices 2 and 3.

2 The countries in this study are Indonesia, Malaysia, Thailand, Singapore and the Philippines. The countries analysed all enjoyed GDP growth above 3% in 2017, led by the Philippines at 6.7%. Average GDP growth for the OECD area was 2.5% in 2017. Sources: Asian Development Bank, <https://www.adb.org/data/statistics> and Organisation for Economic Cooperation and Development - OECD, <https://data.oecd.org/gdp/real-gdp-forecast.htm>

3 In the five surveyed countries, the labour force grew by 8% between 2012 and 2017, quickly increasing the working age population by almost 12.5 million people. Source: World Bank, <https://data.worldbank.org/indicator/SL.TLF.TOTL.IN>  
For example, there will be an additional 84 million Indonesian and 44 million Philippine members of the middle class by 2025. Verisk Maplecroft Consumer Potential Index, [www.maplecroft.com](http://www.maplecroft.com)

4 [https://www.indexmundi.com/world/age\\_structure.html](https://www.indexmundi.com/world/age_structure.html)

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# KEY TAKEAWAYS

Economic growth in the five Southeast Asian markets we surveyed is outpacing many other economies, enjoying, for example, higher growth rates than all OECD countries.<sup>2</sup> This trend is coupled with increasing levels of foreign investments and a growing labour force as well as a booming middle class<sup>3</sup>. A wide range of companies looking for new markets are expanding in the region, including retailers, food companies, clothing and apparel, and technology. In light of these developments, how can the rights of children be safeguarded in an environment of rapid economic growth? What are the key risk areas, areas where companies can and should do more to protect children's rights?

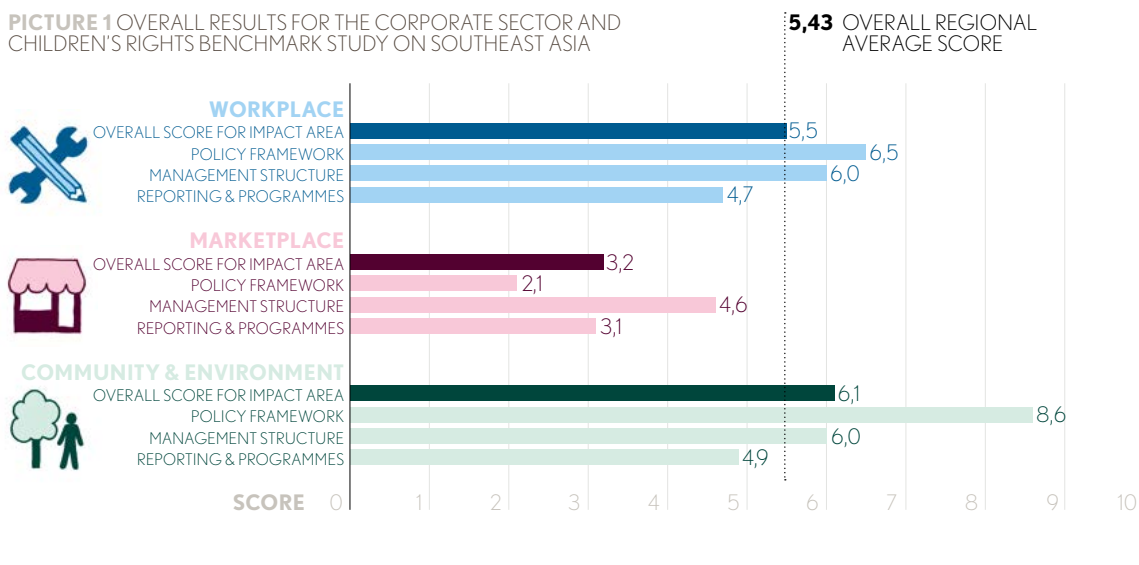
The overall results from the Global Child Forum benchmarking of the 20 largest companies in Southeast Asia (see Picture 1) demonstrate that companies score relatively well in the Community & Environment impact area. The score for the Workplace category is lower, confirming that companies tend to give more attention to community and environmental issues as compared to operations and supply chain in regard to their impact on children's rights. A more detailed look at where these companies focus their efforts reveals that greater attention is given to having policies in place than to developing proper management structures or following up on the impact of such policies in a transparent way. For example, more than three-quarters of the companies don't report on their actual or potential impact on children

in local communities. The evidence points to a lack of "walking the talk", highlighting a need for companies to evolve beyond the conventional approach to children's rights of making the occasional charitable donation or creating window-dressing policies. A true children's rights perspective requires consistent reporting of both efforts and results.

In terms of the Marketplace area, the picture is more diffuse. Results suggest that companies have yet to recognise either the potential opportunities that come with acknowledging children as stakeholders or the possible negative consequences stemming from failing to manage risks related to children when it comes to corporate products, services and marketing practices. This is both an untapped corporate potential as well as a serious children's rights concern. With more than 40% of the global population now under the age of 25, it is perplexing how little corporate attention is given to interacting with children to fully understand and safeguard their rights in this area.<sup>4</sup>

The full range of children's rights issues are not equally relevant to all companies. Certain businesses are more directly exposed to risks relating to children, while others are better positioned to make positive contributions to ensuring children's rights. What is lacking, however, is an integrated approach for determining which specific issues are the most important for a given industry and an analysis of ways in which companies view and manage

**PICTURE 1** OVERALL RESULTS FOR THE CORPORATE SECTOR AND CHILDREN'S RIGHTS BENCHMARK STUDY ON SOUTHEAST ASIA



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both their direct and indirect impacts. Generally speaking, children continue to be overlooked as an important stakeholder group by many companies, and attention to children's rights issues, with the exception of child labour or contributions to child-related charities, remains low.

### **SUMMARY: STEPS FOR BUSINESS TO SAFEGUARD CHILDREN'S RIGHTS**

- Go beyond charity. Recognise children as stakeholders to the company.
- Ensure that child-related policies are strategic and well planned. Put functioning management and reporting systems in place. Include follow-up to ensure that they have the desired impact.
- Consider partnering with other stakeholders to raise awareness of children's rights in relation to their own business and the situation for children in the countries where they operate. Doing so contributes to raising the bar regarding the protection of children's rights for all stakeholders in alignment with national and international laws and conventions.
- Incorporate an integrated approach to analyse and determine material children's rights issues.
- Determine whether marketing and/or products affect children, even in an unintentional way, and consider whether steps need to be taken to safeguard children's rights.

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## HOW THIS STUDY WAS CONDUCTED<sup>5</sup>

As displayed in Picture 2, the results in this study are derived from two Global Child Forum research tools: The Children's Rights and Business Atlas (the Atlas) and The Corporate Sector and Children's Rights Benchmark (the Benchmark). Both are based on the Children's Rights and Business Principles (CRBPs), a comprehensive framework for understanding and addressing the impact of business on the rights and well-being of children developed by UN Global Compact, UNICEF and Save the Children.<sup>6</sup>

The analytical framework is constructed along two axes:

- **IMPACT AREAS**, i.e. the issues affecting children in different areas of corporate influence
- **RESPONSE**, i.e. the legal/policy framework, the structures for implementation and the outcomes/possible infringements on children's rights.

Along these two axes, the Atlas provides data on governmental response, i.e. the extent to which children's rights are protected and upheld in a specific country, providing information about the risk a company runs of infringing on children's rights through their operations. The Benchmark examines company response, i.e. what companies report in relation to how they address their impact on children's rights.<sup>7</sup> By contrasting such risk levels against what we know about actual corporate response to children's rights issues, we gain perspective on whether business in the region is focusing on the most relevant issues, thereby indicating where and how companies need to adjust their approach to children's rights.




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<sup>5</sup> This is a summary of the analytical framework and methodology used for this report. For more detailed information on the methodology for the Corporate Sector and Children's Rights Benchmark and the Children's Rights Atlas respectively, please refer to Appendices 1 and 2 of this report.

<sup>6</sup> For more information, see: <http://childrenandbusiness.org>

<sup>7</sup> The Benchmark takes into consideration only publicly available information and does not measure impact or performance. The data used in this study is based on publicly available information as of 31 December 2017.

PICTURE 2 SUMMARY OF ANALYTICAL FRAMEWORK

| RESPONSE  |   | IMPACT AREAS   |  |  |
|---|---|--|--|--|
| <b>1. GOVERNMENT:</b><br>Children's Rights and Business Atlas<br><br><b>2. CORPORATE:</b><br>The Corporate Sector and Children's Rights Benchmark |   | <b>WORKPLACE (WP)</b><br><br>Operations & Supply Chain    | <b>MARKETPLACE (MP)</b><br><br>Marketing, Products & Services   | <b>COMMUNITY &amp; ENVIRONMENT (C&amp;E)</b><br><br>Impact on Surroundings    |
| LEGAL/POLICY FRAMEWORK  | <b>1. GOVERNMENT - LEGAL FRAMEWORK</b><br><br>Ratification of international conventions and adoption of national legislation      | Has the government ratified international conventions and implemented national legislation on child labour, decent work and maternity protection?  | Has the government ratified international conventions and implemented national legislation on responsible marketing, product safety and online abuse/exploitation?   | Has the government ratified international conventions and implemented national legislation on the general fulfilment of children's rights, resource use and damage to the environment, etc.?   |
|   | <b>2. CORPORATE - POLICY FRAMEWORK</b><br><br>Policies in place and publicly available  | Does the company have a policy on child labour, equal treatment, etc.?   | Does the company have a policy on responsible marketing, product safety procedures and safe use of services, for example?  | Does the company have an explicit commitment to reducing its negative community impact and increasing its positive contribution to the local community?  |
| ENFORCEMENT/IMPLEMENTATION STRUCTURE  | <b>1. GOVERNMENT - ENFORCEMENT</b><br><br>Government capacity to implement its legal obligation through mechanisms and programmes | Does the labour inspectorate have capacity to enforce labour laws, including child labour?<br><br>Is there evidence of government programmes to address all forms of child labour, provide safety nets and support youth employment? | What are the state efforts to reduce access to harmful products and ensure improved product safety?<br><br>Are there state efforts to reduce the rates of online child abuse, exploitation and cyber-bullying?                                       | Does the country have effective programmes in place to ensure the protection and fulfilment of children's rights, including education, health and social protection?   |
|   | <b>2. CORPORATE - MANAGEMENT STRUCTURE</b><br><br>Responsibilities & procedures to implement policies                             | Is the board responsible for overseeing these policies?  | Does the company consider product safety to be a material aspect?  | Does the company have an assessment process to gauge its impact on the surrounding community?  |
| OUTCOMES/ADDRESSING IMPACT  | <b>1. GOVERNMENT - OUTCOMES</b><br><br>Capture adverse impacts and infringements by both state and non-state actors               | To what extent are children involved in child labour, including its worst forms?<br><br>To what extent do young workers and parents enjoy protection in the labour market?   | To what degree do children and young people have access to harmful products and to what degree are they injured from product use?<br><br>To what degree are children exposed to the risk of online abuse and exploitation, including cyber-bullying? | To what extent do children have access to education, health and proper nutrition?<br><br>To what extent are children suffering health consequences from environmental damage?<br><br>To what extent are children affected by security arrangements/conflict and natural disasters? |
|   | <b>2. CORPORATE - REPORTING &amp; PROGRAMS</b><br><br>Addressing negative impacts and/or making positive contributions            | Does the company report on suppliers at risk of using child labour and/or have a program in place on issues such as child care?  | Does the company report on incidences and remediation of product safety/service breaches?  | Does the company report on operations/suppliers that negatively impact children in the community?<br><br>and/or<br><br>Does the company have a program in place to support children's rights, for example, in the area of health or education?                                     |

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# CHILDREN'S RIGHTS IN THE WORKPLACE: WALKING THE TALK?



It goes without saying that companies have an important impact on children's rights through their operations and supply chain, for example, child labour, decent working conditions for minors and parents, whistleblowing mechanisms, etc. In this section we will look at some of the main risks warranting special attention as well as what companies in the region are doing in relation to these risks. We will draw some conclusions as to actions companies can take to improve their impact on children's rights in the Workplace area.

## HIGH RISKS RELATED TO LABOUR CONDITIONS

Using the Atlas index for children's rights in the Workplace, we see that countries accounting for most of the labour force growth in the region – Indonesia, Malaysia and the Philippines – display medium risk, which approximates the global average but is significantly higher, for example, than many OECD countries. (See Appendix 1 for a full breakdown of the Atlas results.)

In terms of a country level risk factor, the five countries differ in how laws and regulations are enforced through government programmes, the so-called “enforcement” pillar of the Atlas. For example, in the Philippines, there are 536 labour inspectors overseeing a workforce of 44.6 million, which equates to merely 18% of the number recommended by the International Labour Organisation (ILO).<sup>8</sup> This indicates that businesses active in the region should focus closely on the relatively high risk and high variability in Southeast Asian countries resulting from inadequate protection and enforcement of children's rights in the Workplace area. So, are they doing so?

## POLICIES IN PLACE BUT WITHOUT FOLLOW-UP

A majority of the 20 companies in the Benchmark for Southeast Asia have explicitly prohibited child labour. But few of these investigate their suppliers and/or report transparently on the results of their policies or on findings resulting from supplier audits, for example. These results indicate that companies place more emphasis on establishing a child labour policy and making it public rather than being transparent about the results of audits, outcomes and follow-ups.

## COMPANIES NEED TO GO FROM MAKING PROMISES TO SHOWING RESULTS

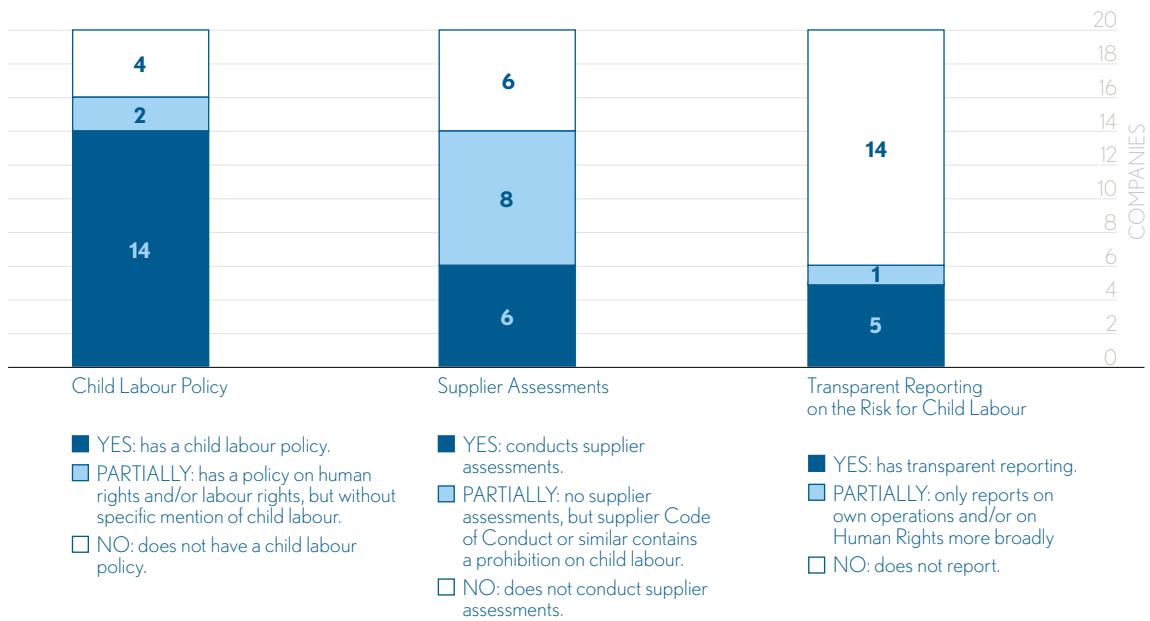
A pattern can be seen wherein both government and corporate actors tend to focus on having policies and frameworks in place as opposed to ensuring that such policies and frameworks are implemented and produce desired outcomes. Companies can take action to remedy this in a number of ways, including ensuring that they stand by their own policy commitments with transparent reporting and collaborating with other stakeholders to raise awareness of children's rights in the workplace. Through such actions, companies contribute to raising the bar regarding the protection of children's rights, not only in direct connection with their operations, but also for children in the country and region at large.

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<sup>8</sup> ILO, [http://www.ilo.org/ilostat/faces/oracle/webcenter/portalapp/pagehierarchy/Page27.jspx?subject=OSH&indicator=LAI\\_INSP\\_SEX\\_NB&datasetCode=A&collectionCode=Y1&\\_afLoop=102126102053087&\\_afWindowMode=0&\\_afWindowId=iOozahu7s\\_1#!%40%40%3Findicator%3DLAI\\_INSP\\_S](http://www.ilo.org/ilostat/faces/oracle/webcenter/portalapp/pagehierarchy/Page27.jspx?subject=OSH&indicator=LAI_INSP_SEX_NB&datasetCode=A&collectionCode=Y1&_afLoop=102126102053087&_afWindowMode=0&_afWindowId=iOozahu7s_1#!%40%40%3Findicator%3DLAI_INSP_S)

<sup>9</sup> The company practice illustrations aim to show examples of good practice when it comes to how companies report on ways in which they address children's rights issues. It's not within the scope of this study to evaluate the impact of these initiatives.

**BENCHMARK RESULTS: POLICIES VS. SUPPLIER ASSESSMENTS & REPORTING ON CHILD LABOUR**



**COMPANY PRACTICE ILLUSTRATION<sup>9</sup>**

**WILMAR - THE JOURNEY TO TRANSPARENCY**

Singapore based Wilmar International is one of Asia’s largest agribusiness companies, with operations spanning a range of activities and products. They are recognised as one of the world’s largest integrated producers of palm oil, with operations encompassing everything from plantations to milling and distribution of processed palm oil. Their operations are global, with plantations in Southeast Asia (Indonesia and Malaysia) as well as Africa.

**CHILD LABOUR CONCERNS**

In 2016, a report by Amnesty International raised a number of concerns regarding human rights in the palm oil industry, including the existence of hazardous child labour. One of the companies criticised in the report for not doing enough to ensure safe and fair working conditions at their palm plantations was Wilmar. Migrant labour is common on palm plantations in Southeast Asia, and a high percentage of the children living on plantations with their parents are at risk of not being able to attend school, making them more vulnerable to entering into child labour under hazardous conditions, including being exposed to chemicals (pesticides) and managing dangerous equipment.

**PARTNERING FOR IMPACT**

Since Wilmar has taken a number of steps to review and improve their labour practices, including partnering

with Verité, an independent, internationally recognised non-profit organization promoting fair labour practices. The aim was to develop a programme to identify and prevent exploitative practices and to establish areas of improvement, first within their own operations and later expanding the programme to include third-party suppliers.

**CHILD PROTECTION POLICY**

In late 2017, Wilmar took an additional step in pursuing a holistic approach to children as stakeholders in their business. They went beyond a simple no child labour policy and adopted a child protection policy, including a remediation action plan should child labour surface in any of their operations or with suppliers. Wilmar also provides various benefits and forms of schooling on site for their workers’ children at many of their production sites. Instances of child labour are monitored by noting rates of school attendance among children on plantations.

**TRANSPARENT REPORTING**

The results of the monitoring of schooling rates is reported on in the yearly Sustainability Report. Wilmar is one of the few companies in this study to report transparently on grievances against them, including information on follow-up they have done on each issue and publishing this information on their website.



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# CHILDREN'S RIGHTS IN THE MARKETPLACE: A WELL OF UNTAPPED POTENTIAL



Companies affect children through their products, services and marketing, both directly as consumers and users, and indirectly through exposure to products and marketing aimed at adults and considered unsafe or unsuitable for children. In this section we will highlight the main risks warranting special attention and the measures companies in the region are taking in relation to them. We'll consider what conclusions can be reached as to how companies can improve their performance on children's rights in the impact area of the Marketplace.

## VARIED PICTURE MERITS SPECIFIC MEASURES

When looking at Southeast Asia in the Atlas, the risks for Marketplace issues are slightly lower than for the Workplace-related risks presented in the previous section. However, the situation varies from country to country. In Indonesia, for instance, weak regulation in regard to advertising and marketing has been linked to high numbers of child smokers. In Thailand and the Philippines, the key risks to consider relate to online abuse, or injuries resulting from a lack of product safety. It's logical, given the overall risk picture, that companies would tend to devote less attention to this area than to risks found in the area of Workplace. Nevertheless, it is incumbent on companies whose products and/or services are used by children to take specific measures to ensure their protection and safety.

## CHILDREN NOT CONSIDERED STAKEHOLDERS

None of the 20 companies in the Benchmark for Southeast Asia have made a public commitment on responsible marketing to children. Although half of the companies do maintain a product

safety or services policy, only one of them refers explicitly to children. These results illustrate that, in the Southeast Asia region, consideration of children as a specific stakeholder group in relation to marketing and product safety is, at best, of limited importance on the corporate radar.

## A LOST OPPORTUNITY?

The results from the Benchmark on Southeast Asia indicates that companies in the region fail to view children as an important stakeholder group in terms of products, services, and marketing. Arguably, a practice of only somewhat addressing children when it comes to marketing and product issues makes sense in relation to the higher risks in both the Workplace and Community categories. However, such a practice fails to capitalize on great untapped potential in a world where 40% of the global citizens are under 25.<sup>10</sup> There are substantial benefits to be reaped by those who make efforts to integrate a children's rights perspective in their analysis, thus avoiding an unintentional negative impact.



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<sup>10</sup> [https://www.indexmundi.com/world/age\\_structure.html](https://www.indexmundi.com/world/age_structure.html)



**BENCHMARK RESULTS: FROM POLICY TO REPORTING**



**COMPANY PRACTICE ILLUSTRATION**

**SINGTEL GROUP  
AN INTEGRAL APPROACH TO CHILDREN'S RIGHTS**

The Singtel Group, based in Singapore, is one of Southeast Asia's leading communications groups. They provide a range of services in the telecommunications sector, such as mobile, data, internet etc.

**CHILDREN AS STAKEHOLDERS**

Singtel is the sole company in the Benchmark study to have identified children and youth as an important customer group. Recognising children as stakeholders has led Singtel Group to take steps to ensure the safety of their products and services.

**COUNTERING NEGATIVE IMPACT**

The company realized that children who make use of its services are at risk of negative impacts such as device and gaming addiction, failure to safeguard privacy, access to inappropriate online content and cyberbullying. Even

though these risks were identified as stemming primarily from the use of others' products (including devices, games and applications) Singtel recognised its ability to take action against severe negative impacts and did so. The company subsequently set up a programme on digital citizenship and online safety, creating awareness and providing education tools to counter online risks. The initiative also includes an app to help parents better understand how to protect their children, an educational programme aimed at primary schools, and another which is adapted for use by students with intellectual disabilities.

**LINKING TO A BIGGER PURPOSE**

To track progress and create a clear connection to how they contribute to society, Singtel has linked this initiative and the reporting on its progress to making a contribution towards achieving the UN Sustainable Development Goal on Good Health and Well-being - SDG 3.

# CHILDREN'S RIGHTS IN THE COMMUNITY & ENVIRONMENT: STEPS BEYOND CHARITY



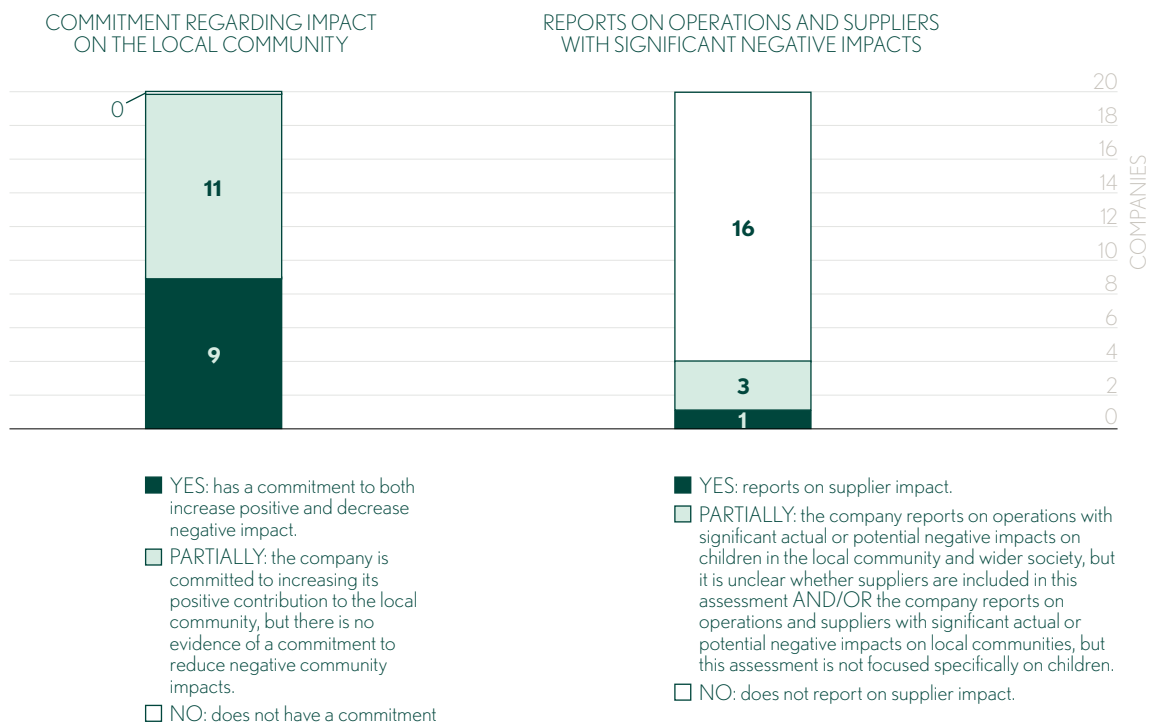
Corporate impact extends beyond a company's operations and can be experienced by a community in a myriad of ways, including the manner in which a company interacts with and invests in the local community. Examples include the way in which a corporation manages environmental impacts such as pollution, establishes security measures around installations, or actively builds capabilities and partnerships within the larger community. In this section we will look at risks warranting careful attention; what companies in the region are doing in relation to these risks; and then present conclusions as to how companies can improve their impact on children's rights in the area of Community and Environment.

## EXTRACTION AND ENVIRONMENT A MAJOR CONCERN

The risks connected to Community & Environment factors found in the Atlas vary widely by country in Southeast Asia, though it can be noted that they are relatively higher in Indonesia, Malaysia and the Philippines as compared to Singapore and Thailand.

A common theme across these three high-risk countries is the role of natural resource extraction in supporting economic growth. For example, Malaysia and Indonesia together account for 85% of the global production of palm oil.<sup>11</sup> The dramatic expansion of palm oil production in these countries has provided essential income and employment, but it has also led to troubling

### BENCHMARK RESULTS: FROM POLICY TO REPORTING





problems in communities with regard to land conflicts and environmental degradation.<sup>12</sup> Given the complex regional context, it is crucial that companies make efforts to undertake thorough due diligence regarding their potential social and environmental impact.

### LACK OF COMMITMENT TO REDUCING NEGATIVE IMPACT

The 20 companies in the Benchmark for Southeast Asia have all committed to increasing their *positive* contributions in the local communities in which they operate. Paradoxically, only half have also committed to reducing their *negative* community impact, for example, displacement caused by corporate land acquisition, impact on indigenous peoples' right to self-determination or health risks generated by company operations. Furthermore, more than three-quarters of the companies fail to report on their actual or potential impact on children in local communities where they or their suppliers operate. Of those who do report on their

impact, only one company incorporates suppliers' impact into its reporting. The conclusion? Although the community issue is on the agenda, companies diverge considerably in how they choose to address it.

### NEED FOR AN INTEGRATED APPROACH AND MORE TRANSPARENCY

Despite evidence of clear interest and good intentions when it comes to advancing positive contributions to communities, more focus should be directed towards preventing or mitigating risks and negative impact, including being transparent about issues facing companies and the ways in which they are managed, either directly within a company's own operations or indirectly through suppliers. Third party actors such as NGOs and media also have an influential role in elucidating the sometimes challenging realities communities face, thereby helping to place such issues on the global agenda.

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<sup>11</sup> FAOSTAT, <http://www.fao.org/faostat/en/#data/QC>

<sup>12</sup> Budidarsono, et al, <https://www.intechopen.com/books/biofuels-economy-environment-and-sustainability/oil-palm-plantations-in-indonesia-the-implications-for-migration-settlement-resettlement-and-local-e> (2013)

# RAISING THE BAR: TO WHAT EXTENT ARE CHILDREN'S RIGHTS A MATERIAL ISSUE FOR BUSINESS?

In this section we focus on results for select indicators from the Benchmark on Southeast Asia that apply to all three corporate impact areas: Workplace, Marketplace and Community & Environment. These indicators provide information about structures governing responsibility and accountability established by the companies in the Benchmark. Questions considered are, for example: Is the board actively involved with and monitoring progress on issues relating to children's rights? Are children's rights issues incorporated into a company's materiality assessment and/or considered to be a salient (human rights) issue? Have programmes or collaborations been developed to address a children's rights issue?

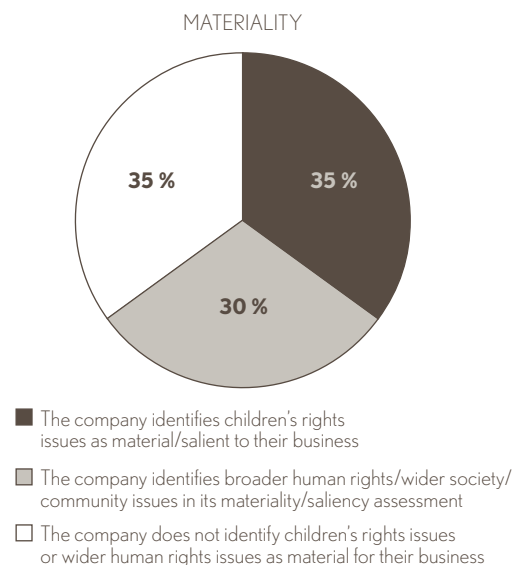
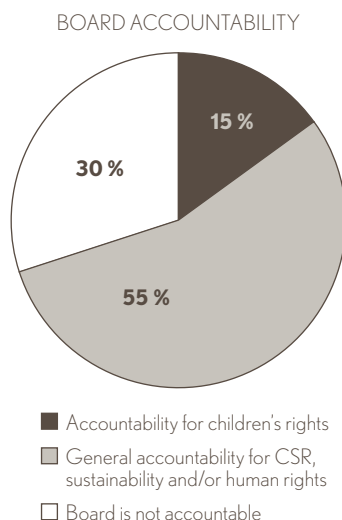
## FAILING TO TAKE CHILDREN INTO ACCOUNT

When we consider the issues that top level management are held accountable for in the region, children's rights issues are not high on the agenda. Indeed, only a minority of the 20 companies have a board that, according to their publically available reporting and policies, is responsible for children's rights issues. Even

among those that identify a children's rights issue as material for their business, only one company identifies an issue of the children's rights agenda that is not related to child labour. These results indicate that children's rights, other than those which specifically relate to child labour, are not prioritized by boards in the companies analysed here, especially as they play out in the Marketplace and Community.

## STILL A CHARITY ISSUE

70% of the companies in the Benchmark collaborate with or donate resources to one or several organizations (NGOs) having a focus on children's rights. With the exception of one company, all operate their own programmes or projects addressing children's rights in the community and/or environment. Although half of the companies engage in industry initiatives and partnerships related to broader sustainability issues, only two are involved in industry initiatives which address children's rights. This indicates that, when children's rights are explicitly mentioned by companies in the region, it is in the context of charity-related issues rather than in connection to their core business.





It is true that not all children's rights issues are equally important/material to all companies. What is lacking however, is an integrated approach to determine which issues are the most pertinent and important for a given company as well as analysis regarding how companies view and manage both their direct and indirect impacts. In

this context, it's also worth noting the potential role for think-tanks and organisations such as Global Child Forum. Assisting the corporate sector in coming to understand what companies, sectors and geographies are more material to children's rights as compared to others is a complex and evolving topic.

## COMPANY PRACTICE ILLUSTRATION

### SIAM CEMENT GROUP TAKING ACCOUNTABILITY TO THE HIGHEST LEVEL

The Siam Cement Group, based in Thailand, is an industrial conglomerate that operates in three areas: cement and building materials; chemicals; and packaging. Though their areas of business expertise may at first glance seem unrelated to children's rights, the company is one of few in the study to make its board accountable for children's rights and to identify a children's rights issue as being material.

#### ACCOUNTABILITY

The board's accountability for children's rights issues is based on a key policy: The Code of Conduct, which includes a prohibition on child labour. As outlined in the company's corporate governance structure, the board,

through its audit committee, has the highest level of responsibility to ensure compliance with the Code of Conduct. It receives reports from the internal audit office on the handling of complaints of non-compliance through the company's whistle-blowing mechanism.

#### ASSESSING MATERIALITY

In its materiality assessment, the Siam Cement Group also identifies "Labour Practice and Human Rights" (including child labour) as a material issue. Use of child workers, especially among the company's suppliers, is one of ten top human rights risks that the company focuses prevention efforts on.



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## GOING FORWARD: DEEPENING OUR UNDERSTANDING OF CHILDREN'S RIGHTS

Regarding the Workplace risks in Southeast Asia, there is evidence of not “walking the talk”. The challenge is for companies to go beyond charity and superficial policies toward thoughtful consideration of how best to ensure broad impact. In this context, proper reporting mechanisms are instrumental.

In terms of Marketplace factors, this report evidences a corporate lack of awareness and inaction in relation to children's rights within product safety and advertising practices. This area represents an untapped potential for both children and corporations and could be supported by comprehensive research on how the world's children are interacting with the corporate sector in different ways through marketing, products and communication channels available to them.

When it comes to Community & Environment, momentum exists in relation to creating positive

community impact, but it is important to also consider children as a specific stakeholder group. For example, given that children are more vulnerable to pollution and toxins than adults, companies should set targets for environmental impact from a child perspective.

There are indications of a need for more in-depth research, especially in regard to Board accountability and Materiality. What are the appropriate actions to make a children's rights perspective intrinsic to a business rather than being an afterthought or add-on?

In conclusion, businesses in the Southeast Asia region have great potential to increase their work to protect children's rights in light of the major risk factors presented in this report. The highlighted company practices should serve as inspiration on how to follow in the footsteps of children's rights forerunners.



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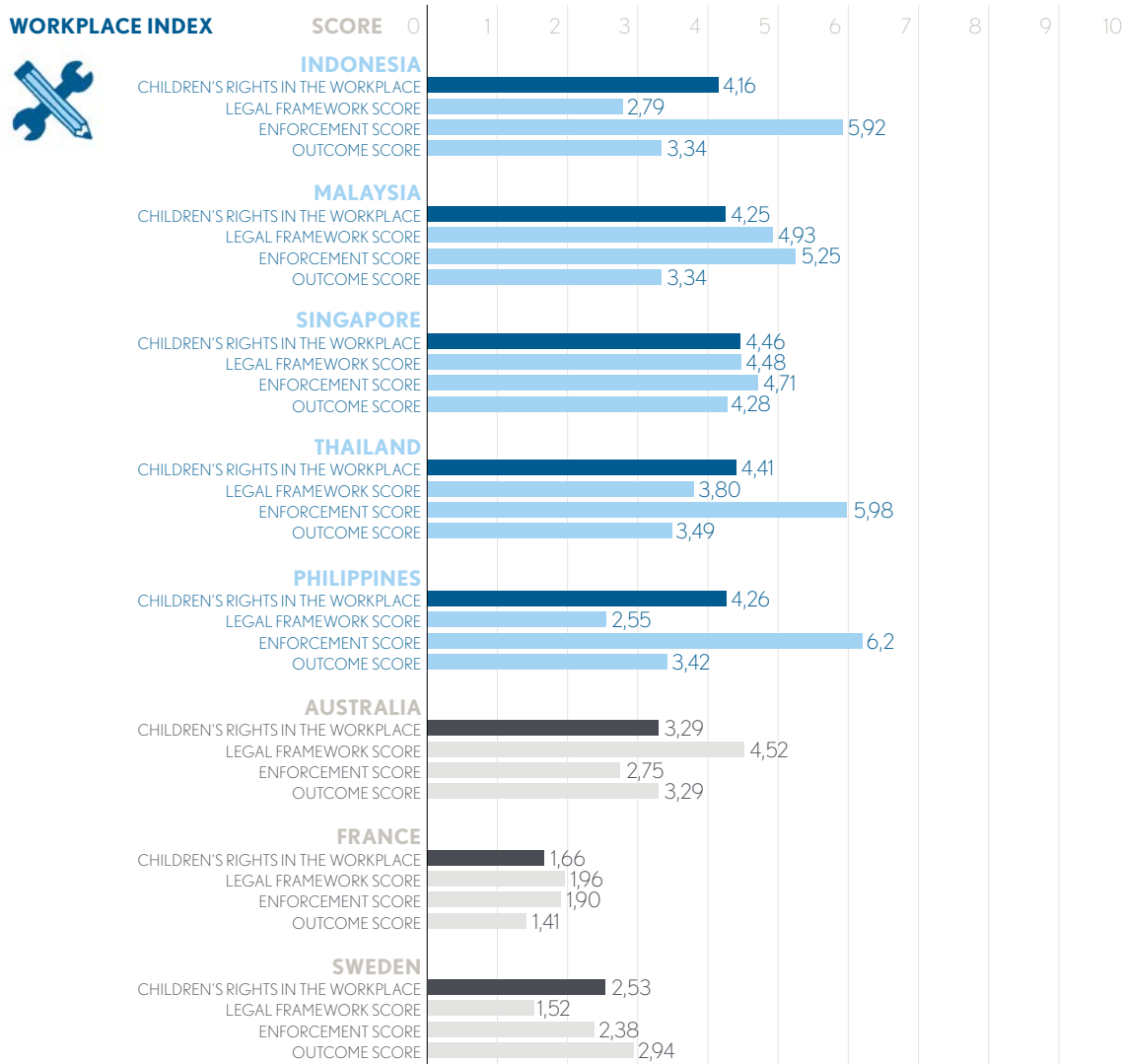
13 Please note that the numbers displayed here might differ slightly from what can be found on the Atlas, as it's continually updated with new information. For the most recent data, please refer to [www.childrensrighsatlas.org](http://www.childrensrighsatlas.org)

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## APPENDIX 1 CHILDREN'S RIGHTS AND BUSINESS ATLAS RESULTS

The Children's Rights and Business Atlas provides risk scores for a series of indicators on Children's Rights on a country level, presented in tree indices: Workplace, Marketplace and Community&Environment. The indicators examine either the legal framework;

(a state's commitment to implement its obligations to protect children); enforcement (a state's capacity to implement its obligation) or outcomes (capture adverse impacts and infringements by both the state and non-state actors). In computing the average scores, the outcome indicators account for 50% of the average, the legal framework and enforcement scores 25% respectively. The scores range from 0 to 10, with 0 indicating low risk, and 10 high.<sup>13</sup>



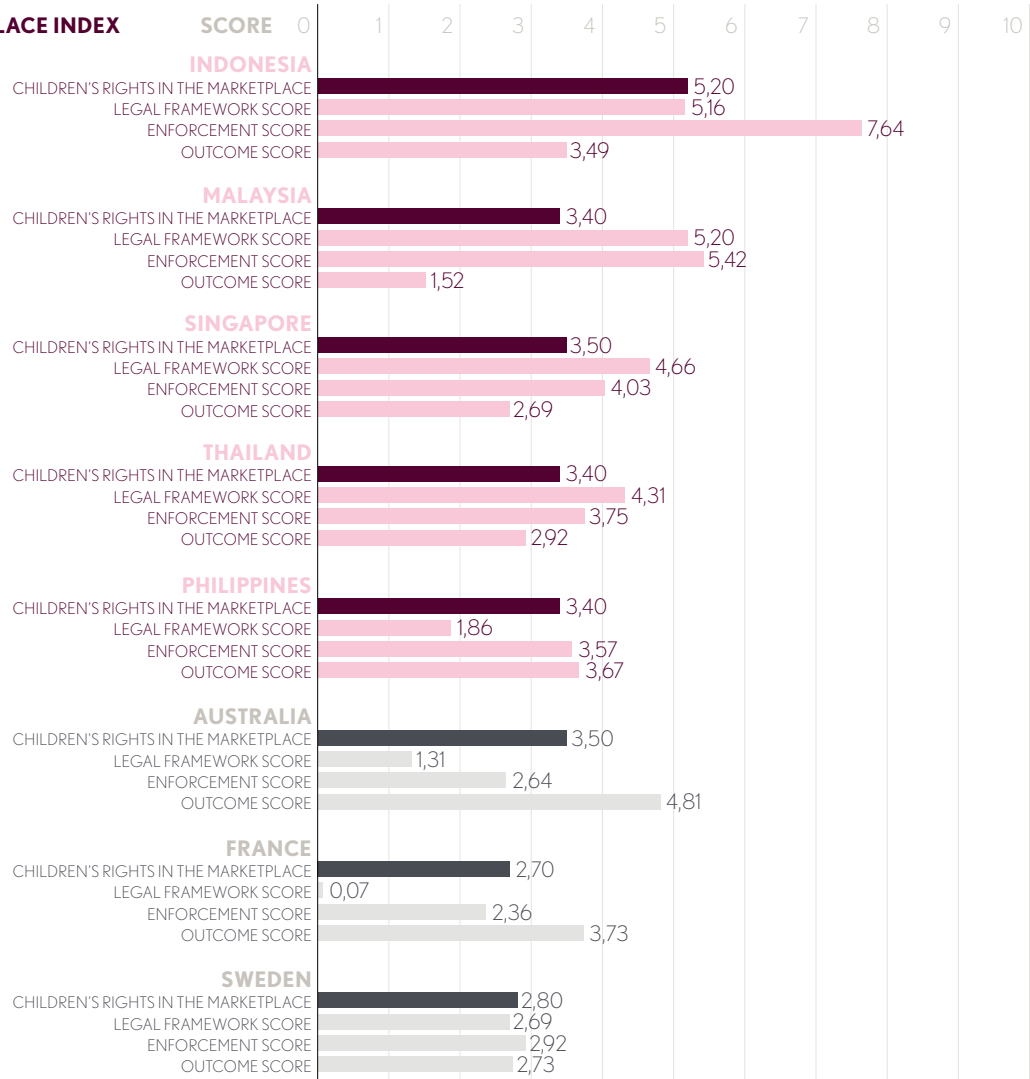
The Children's Rights in the Workplace Index encapsulates 65 indicators, both quantitative and qualitative, which correspond to understanding the following issues:

- Minimum age of employment: the risk of child labour.
- Categorical worst forms of child labour: the risk of child sexual exploitation, forced labour and trafficking of children.

- Hazardous work: the risk of children under the age of 18 employed in hazardous work.
- Decent working conditions: the risk of poor working conditions for young workers, parents and caregivers (e.g. low wages, long working hours).
- Maternity protection: the extent of gaps in paid parental leave.



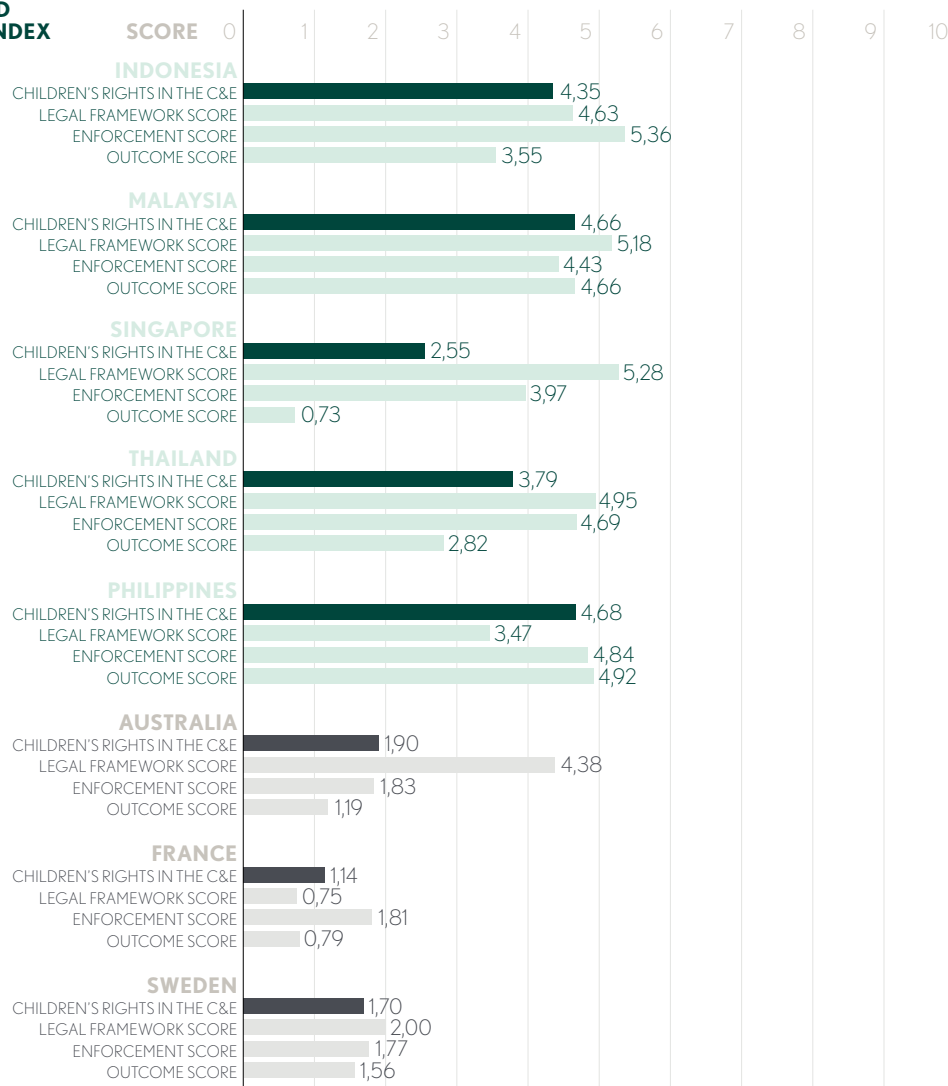
## MARKETPLACE INDEX



The Children's Rights in the Marketplace Index evaluates three issue categories, which are measured by types of indicators: legal framework, enforcement and outcomes. These issue categories were developed based on the Children's Rights and Business Principles 5 (Ensure that products and services are safe) and 6 (Use marketing and advertising that respects children's rights). The three issue categories are:

- Marketing and advertising: protections from inappropriate advertising and marketing
- Product safety: the risk of injury to children from product use
- Online abuse and exploitation: the risk of online child abuse and exploitation, including cyber-bullying

## COMMUNITY AND ENVIRONMENT INDEX



The Children's Rights in the Community and Environment Index evaluates six issue categories which are measured by three types of indicator: legal framework, enforcement and outcomes. These issue categories are:

- Resource use and damage to the environment: the risk of environmental damage leading to health consequences for children
- Land rights: the risk of children in the communities (including indigenous) being affected by land acquisition or land use for business purposes

- Security arrangements: the risk of children being recruited and used by state or private military and security companies (PMSCs) in armed conflicts and other security situations (e.g. on mine sites)
- Natural disasters: the risk of children being affected by natural disasters
- Armed conflicts: the risk of children being affected by armed conflicts
- Fulfilment of children's rights: the extent to which children enjoy protection of their right to essential services (education, health, protection from violence, etc.)

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## APPENDIX 2 THE CORPORATE SECTOR & CHILDREN'S RIGHTS BENCHMARK

Global Child Forum and the Boston Consulting Group initiated the Corporate Sector and Children's Rights Benchmark study series in 2013 to fill a research gap. The purpose of the series is to develop a children's rights benchmark for the corporate sector and to enable tracking of progress over time on how children's rights are addressed by business.

To date, we have produced one global and five regional studies, which cover the Nordic region, the Middle East and Northern Africa, Southern Africa, South America and Southeast Asia. Included are 2500 companies across nine industries: Travel & Leisure; Oil, Gas & Utilities; Financials & Property; Information and Communications Technology - ICT; Basic Materials; Food & Beverage; Industrial Goods (B2B); Consumer Goods; and Healthcare.

In 2016, Global Child Forum and the Boston Consulting Group conducted a benchmark study on Southeast Asia to develop a picture of how companies in the region address children's

rights issues in their operations.<sup>14</sup> In this updated study of the region, the responses to children's rights impacts by 20 of the largest publicly listed companies in Southeast Asia, spread over eight industries<sup>15</sup>, was assessed once again – this time against an expanded set of indicators.<sup>16</sup> This larger set of indicators, which takes into account a broader range of issues related to children's rights, widens our understanding of corporate interactions with children and impacts on children's lives and provides more detailed information about actions companies are taking. The research is based on publicly available data<sup>17</sup> and measures only what companies report; neither compliance nor company performance is considered.

Augmented by the Children's Rights and Business Principles<sup>18</sup>, this enhanced approach assesses what companies report they do with regard to their impact on children's rights across three dimensions: Workplace, Marketplace and Community/Environment.

For more detailed information about indicators and the methodology, please refer to: [www.globalchildforum.org/other/benchmark-methodology](http://www.globalchildforum.org/other/benchmark-methodology)

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## APPENDIX 3 COMPANY BENCHMARK SCORES

Individual scores for each of the companies screened can be found below. (Scores range from 0-10, with 10 being the highest possible.) For the three corporate impact areas: Workplace – WP; Marketplace – MP and; Community & Environment – C&E, scores were calculated based on what companies report they do to manage their impact on children's rights. The total score

represents a weighted average score of the three areas, with the following weightings, which are based on where the greatest potential for managing impact occurs: Workplace 50%; Marketplace 25% and Community 25%. Companies in the study were made aware of their scores and given the opportunity to provide feedback on the results before the publication of this study. For more information on methods used, please refer to the methodology document on the Global Child Forum website (see link above).

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14 For more information on this study, please refer to the [Global Child Forum Knowledge Center](#).

15 The Basic Materials sector is not included here as there were no companies representing this industry among the 20 largest in the region.

16 The [original methodology](#) uses 7 indicators with a binary answer option of yes or no and a total possible score of 9 (two of the questions are weighted and have a total possible score of 2). The new enhanced methodology covers 20 indicators, and the possible scores for each question are 10, 5 and 0, with 10 being the highest.

17 Publicly available information as of 31 December 2017.

18 For additional information see: <http://childrenandbusiness.org>

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| COMPANY  | INDUSTRY                 | SECTOR   | COUNTRY     | WP   | MP   | C&E  | TOT  |
|--|--------------------------|--|-------------|------|------|------|------|
| <b>ASTRO MALAYSIA HOLDINGS BHD</b>                       | Consumer goods           | Media  | Malaysia    | 3,67 | 3,48 | 4,43 | 3,88 |
| <b>DRB-HICOM BHD</b>                                     | Consumer goods           | Automobile Manufacturers                         | Malaysia    | 4,33 | 1,61 | 4,14 | 4,00 |
| <b>HOME PRODUCT CENTER PLC</b>                           | Consumer goods           | Home Improvement Retail                          | Thailand    | 5,50 | 5,71 | 5,98 | 5,67 |
| <b>AYALA CORP.</b>                                       | Financials               | Diversified Financial Services                   | Philippines | 6,21 | 3,66 | 6,82 | 6,14 |
| <b>OVERSEA-CHINESE BANKING CORPORATION LIMITED</b>       | Financials               | Banks  | Singapore   | 1,42 | 0,71 | 3,72 | 2,04 |
| <b>GOLDEN AGRI-RESOURCES LTD</b>                         | Food & beverage          | Food Products                                    | Singapore   | 7,29 | 4,55 | 8,72 | 7,45 |
| <b>PT UNILEVER INDONESIA TBK</b>                         | Food & beverage          | Packaged Foods and Meats                         | Indonesia   | 5,00 | 2,41 | 5,63 | 4,93 |
| <b>WILMAR INTERNATIONAL LTD</b>                          | Food & beverage          | Food Products                                    | Singapore   | 9,29 | 3,30 | 9,43 | 8,74 |
| <b>BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LTD</b> | Healthcare               | Healthcare Providers and Services                | Thailand    | 1,46 | 0,00 | 3,42 | 1,90 |
| <b>KPJ HEALTHCARE BHD</b>                                | Healthcare               | Healthcare Providers and Services                | Malaysia    | 3,25 | 1,96 | 5,27 | 3,73 |
| <b>FLEXTRONICS INTERNATIONAL LTD.</b>                    | ICT                      | Electronic Equipment, Instruments and Components | Singapore   | 6,17 | 2,95 | 6,04 | 5,81 |
| <b>SINGAPORE TELECOMMUNICATIONS LTD</b>                  | ICT                      | Diversified Telecommunication Services           | Singapore   | 6,96 | 7,32 | 7,53 | 7,17 |
| <b>ASTRA INTERNATIONAL TBK PT</b>                        | Industrials              | Industrial Conglomerates                         | Indonesia   | 6,63 | 3,39 | 6,88 | 6,38 |
| <b>INDORAMA VENTURES PLC</b>                             | Industrials              | Chemicals  | Thailand    | 6,79 | 3,93 | 7,29 | 6,66 |
| <b>PTT GLOBAL CHEMICAL PLC</b>                           | Industrials              | Chemicals  | Thailand    | 6,88 | 2,86 | 4,82 | 5,86 |
| <b>THE SIAM CEMENT PLC</b>                               | Industrials              | Construction Materials                           | Thailand    | 7,00 | 5,89 | 7,50 | 7,04 |
| <b>CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD</b>    | Oil, gas and electricity | Oil, Gas and Consumable Fuels                    | Singapore   | 3,04 | 1,70 | 5,42 | 3,62 |
| <b>PT BUMI RESOURCES TBK</b>                             | Oil, gas and electricity | Oil, Gas and Consumable Fuels                    | Indonesia   | 4,63 | 1,61 | 6,25 | 4,81 |
| <b>GENTING BHD</b>                                       | Travel & leisure         | Hotels, Restaurants and Leisure                  | Malaysia    | 4,50 | 2,77 | 5,89 | 4,74 |
| <b>SINGAPORE AIRLINES LTD</b>                            | Travel & leisure         | Airlines   | Singapore   | 9,29 | 4,64 | 6,67 | 8,04 |

**DISCLAIMER:** The information in this document is based on publicly available information or on Global Child Forum's research and databases. While the information has been arrived at following careful consideration and enquiry, we do not guarantee its fairness, completeness or accuracy. The material in this report is intended only as general information. It is not intended as and does not constitute legal or investment advice, nor do we do not accept any liability for reliance on this information. Any opinions expressed in this report are those of Global Child Forum and are subject to change.

|           |
|-----------|
| 10 – 7,5  |
| 7,4 – 5   |
| 4,9 – 2,5 |
| 2,4 – 0   |

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**INITIATED BY H.M. KING CARL XVI GUSTAF AND H.M. QUEEN SILVIA OF SWEDEN**

FOUNDED IN 2009 BY THE SWEDISH ROYAL FAMILY, GLOBAL CHILD FORUM IS A LEADING FORUM FOR CHILDREN'S RIGHTS AND BUSINESS DEDICATED TO INNOVATIVE THINKING, KNOWLEDGE-SHARING AND NETWORKING. WE BELIEVE IN THE POWER AND RESPONSIBILITY OF BUSINESS, WORKING IN PARTNERSHIP WITH ALL PARTS OF SOCIETY, TO CREATE A PROSPEROUS, SUSTAINABLE AND JUST SOCIETY FOR THE WORLD'S CHILDREN. IN ADDITION TO OUR FORUMS, GLOBAL CHILD FORUM DELIVERS RESEARCH PERSPECTIVES, BEST PRACTICES AND RISK ASSESSMENT TOOLS DESIGNED TO UNLOCK OPPORTUNITIES FOR BUSINESS TO INTEGRATE CHILDREN'S RIGHTS INTO THEIR OPERATIONS AND COMMUNITIES. FOR MORE INFORMATION, PLEASE VISIT: [WWW.GLOBALCHILDFORUM.ORG](http://WWW.GLOBALCHILDFORUM.ORG)

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