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# CORPORATE RESPONSES TO PROTECTING CHILDREN'S RIGHTS IN SOUTH AFRICA

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# INTRODUCTION

Companies impact children directly as well as indirectly. Likewise, children impact companies: for example, as consumers in their own right and as citizens and employees of tomorrow. And because today's children are often skilled in their use of technology, they have the tools to be informed and to take action on issues of interest to them.

In an effort to provide insights on how businesses protect – or fall short in protecting – children's rights in South Africa, this report draws on one of Global Child Forum's essential research products: The Corporate Sector and Children's Rights Benchmark.

In 2015, Global Child Forum, in partnership with Boston Consulting Group, published a benchmark study of the 271 largest companies in Southern Africa.<sup>1</sup> This report is a follow-up to

that 2015 study. An updated benchmark analysis has been conducted on 20 of the region's largest companies.<sup>2</sup>

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 as a result of land acquisition, and the impact of conflict and emergencies

## SUMMARY OF ANALYTICAL FRAMEWORK

CORPORATE RESPONSE	IMPACT AREAS		
	WORKPLACE (WP) Operations & Supply Chain 	MARKETPLACE (MP) Marketing, Products & Services 	COMMUNITY & ENVIRONMENT (C&E) Impact on Surroundings 
<b>POLICY FRAMEWORK</b> 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?
<b>MANAGEMENT STRUCTURE</b> 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?
<b>REPORTING &amp; PROGRAMS</b> Transparent reporting on impact. 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? and/or Does the company have a program in place to support children's rights, for example, in the area of health or education?

1 "The Corporate Sector and Children's Rights in South Africa" can be downloaded from [Global Child Forum's Knowledge Centre](#)

2 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.

# EXECUTIVE SUMMARY

The overall results from the Global Child Forum benchmarking of the 20 largest companies in South Africa demonstrate that companies score higher on having policies and programmes in place than in reporting transparently on their impact on the results of these policies.

When looking at the overall company structures governing responsibility and accountability, it is clear that children's rights issues are on the agenda at the board level for many of the companies, but only four companies recognize children's rights as a material issue. This indicates that not all companies account for their potential impacts on children.

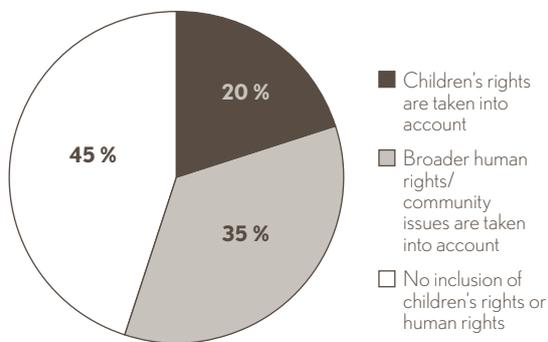
Companies examined typically score higher in the Workplace and Community & Environment areas than they do in the Marketplace area. Greater attention is placed on having policies and programmes in place than on policy implementation mechanisms and transparent reporting.

Compared to the 2015 Southern Africa benchmark report, the main marked improvement is board accountability, whereas performance reporting continues to be an area where companies struggle.<sup>3</sup>

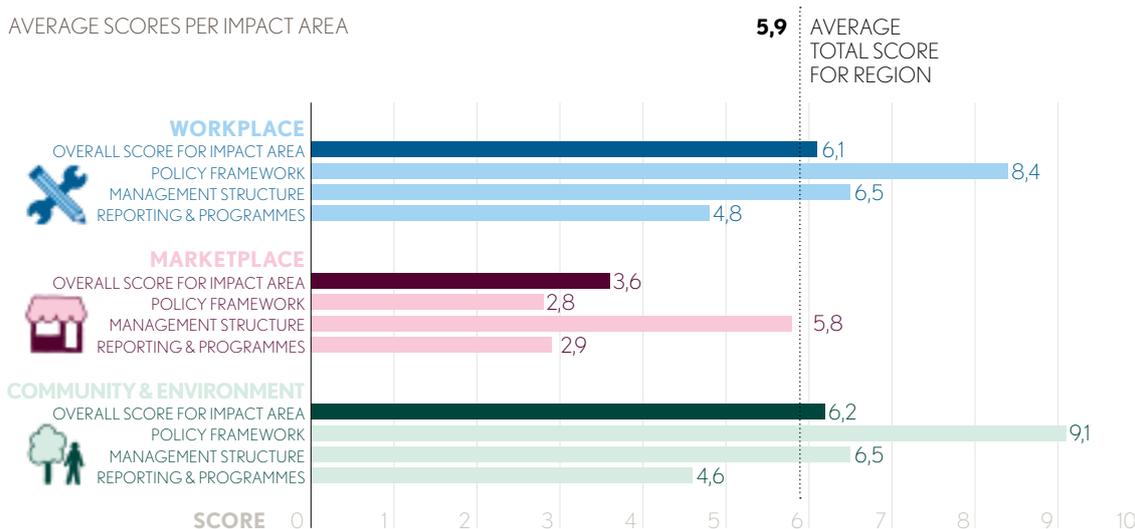
In summary, businesses in South Africa have great potential to increase their work to protect children's rights in light of the insights presented in this report, especially:

- 1 taking children's rights into account in materiality and risk assessments;
- 2 reporting on actual and potential impacts on children's rights in operations and supply chains, and in surrounding communities; and
- 3 recognizing children as a stakeholder group in terms of product safety and marketing.

## MATERIALITY ASSESSMENT



## AVERAGE SCORES PER IMPACT AREA



<sup>3</sup> This report is based on information from 20 companies and uses a more detailed methodology (20 indicators versus 9) than the 2015 report, which covered 271 companies. Given these differences, a detailed comparative analysis cannot be made.



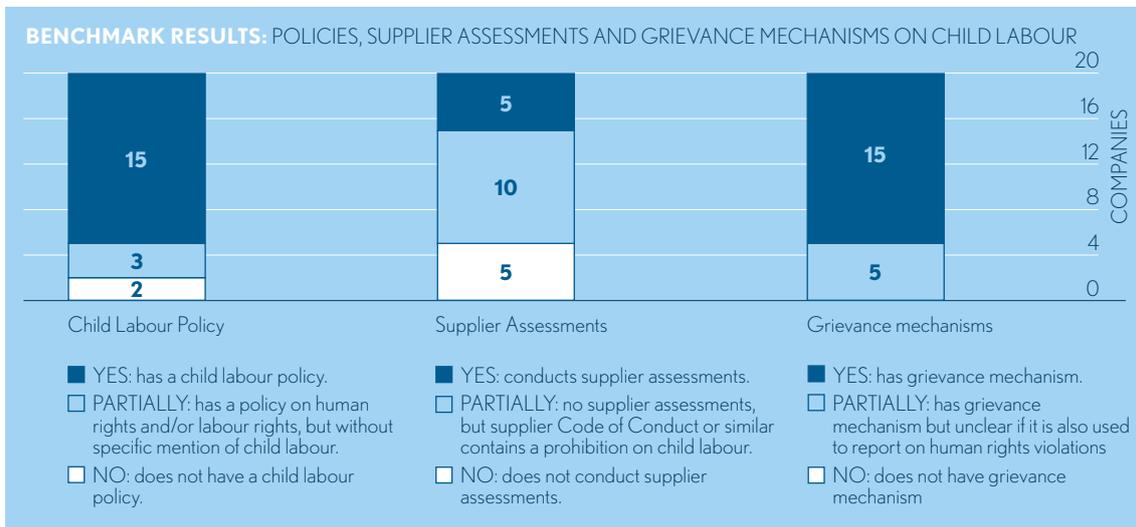
## CHILDREN'S RIGHTS IN THE WORKPLACE

Companies have an important impact on children's rights through their operations and supply chains, for example regarding child labour, decent working conditions for minors and parents, and whistleblower mechanisms.

Fifteen of the companies have a policy against child labour, and 17 companies prohibit all types of abuse and harassment. However, only five companies demonstrate that they conduct supplier assessments relating to children's rights, and only four companies report on operations and suppliers considered to have significant risk for incidents of child labour. This is particularly problematic given that many of the companies

included in the study engage in mining, where cases of child labour are often found.

On a positive note, more than half of the companies have programmes that are focused on reducing the risk of child labour and/or improving working conditions for young workers, parents and caregivers within their operations and supply chains. Further, 15 of the companies have grievance mechanisms in place where employees and members of the community can submit their concerns regarding human rights violations. These are positive steps, and children's rights can be further safeguarded if South African companies continue to improve their supplier assessments and follow-ups.



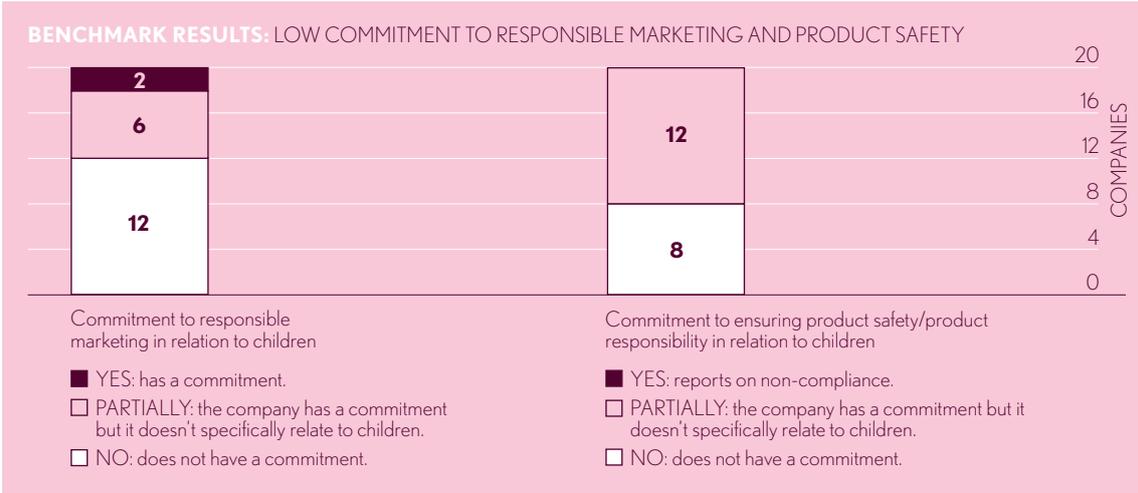
## CHILDREN'S RIGHTS IN THE MARKETPLACE

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.

The South African companies examined in this study have great room for improvement in this area. Less than half of the companies in the study express a clear commitment to responsible marketing, and of those only two mention children in their policies. In the area of product safety and product responsibility, more than half are committed to this in general terms, but none of

the companies pay attention to children's health and safety specifically. Four companies have programmes related to marketing or product safety that, for example, focus on reducing children's access to harmful products.

By applying a children's rights lens when exploring product safety and responsible marketing, South African companies have great potential to reduce potential negative impacts. Children are often direct consumers of a company's products and services. Furthermore, they are subject to direct or indirect consequences – in the real world as well as online.



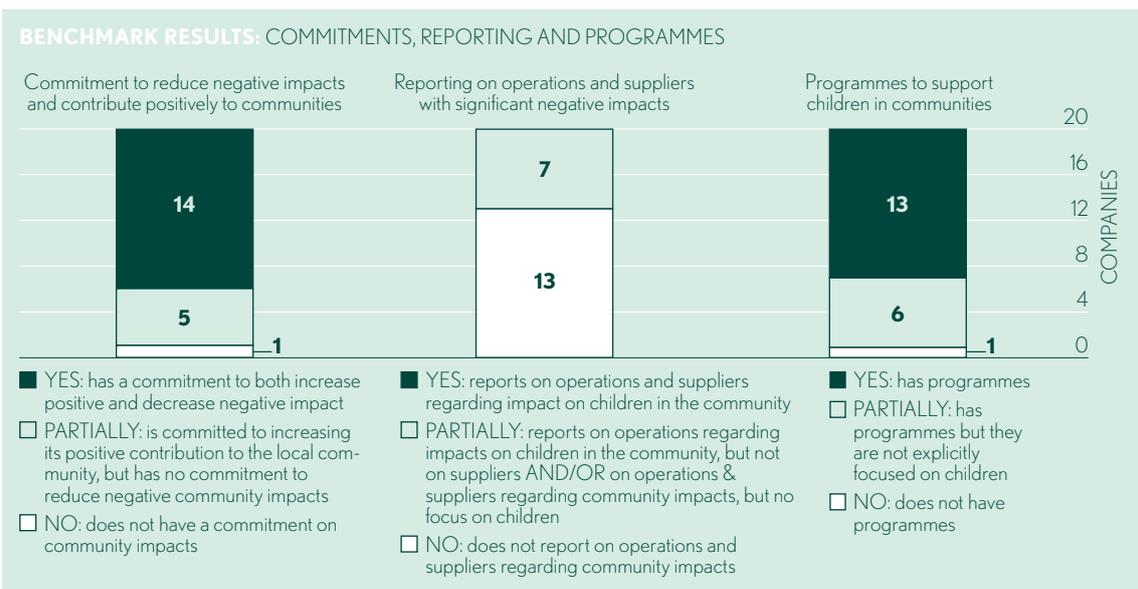
## CHILDREN'S RIGHTS IN THE COMMUNITY & ENVIRONMENT

Corporate impact extends beyond a company's operations and can be experienced by a community in a myriad of ways, including how a company interacts with and invests in the local community. Examples include the way in which a corporation manages environmental impacts such as pollution or actively builds capabilities and partnerships within the larger community.

The results show clear commitments from the companies in the study: All but one has made a commitment to make a positive contribution

to surrounding communities, and 14 are also committed to reduce negative community impacts. All companies are committed to reducing their environmental impacts.

Furthermore, more than half of the companies have programmes to support children in the community, for example, through health or education initiatives. However, when it comes to actual reporting, only seven of the companies report on the potential or actual community impacts, and none of them highlight children in this reporting.



## ANGLO AMERICAN PLATINUM – DIVERSIFYING THEIR COMMUNITY ENGAGEMENT<sup>4</sup>

Anglo American Platinum is the world's largest primary producer of platinum, accounting for about 38% of the world's annual supply. Anglo American is a member of the International Council of Mining and Metal (ICMM) and adheres to the 10 principles of the organization. The principles include respect of human rights and never using forced, compulsory or child labour.

A major challenge for the company lies in addressing actual and potential community impacts of their operations. They strive to obtain and maintain their social license to operate by engaging with host communities and listening to their voices in order to put relevant programmes in place. In their annual reports, they report transparently on how they handle issues, such as relocation, that have arisen in local communities due to mining operations.

One of their main community engagement goals is to create and sustain accessible print, radio and online platforms or channels to communicate with their host communities. The newspapers inform community members of company activities, and encourage them to comment on those

activities, and to raise both positive and negative issues by highlighting what is happening on the ground. The company also produces their own radio soap opera that follows the lives of characters representing employees and community members, addressing common work-related, personal and social issues.

### COMMUNITY PROGRAMMES

Anglo American Platinum's community programmes focus on education and skills development, for example, empowering small businesses in local communities to enable them to supply goods and services to their mines. They also collaborate with local NGOs on community development programmes, including assisting in delivering medical aid, building a school for girls, and providing orphans with access to clean water.

For additional company examples, reference the Global Child Forum Case Studies and Deep Dives on Pick n Pay, BNP Paribas, and Millicom, all of which can be found in Global Child Forum's Knowledge Centre.

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<sup>4</sup> This case is provided as an example of good practice pertaining to how companies report on ways in which they address children's rights issues. It is not within the scope of this study to evaluate the impact of these initiatives.



# COMPANY BENCHMARK SCORES PER IMPACT AREA

The scores range from 1 to 10, with 10 being the best. Both area and total scores are calculated as a weighted average: Workplace (WP) 60% / Marketplace (MP) 10% / Community & Environment (C&E) 30% of the total score. More information about the methodology can be found here:

<https://www.globalchildforum.org/other/benchmark-methodology/>

COMPANY	INDUSTRY	SECTOR	WP	MP	C&E	TOT
ANGLO AMERICAN PLAT LTD	Basic materials	Mining	7,38	4,55	7,95	7,26
BHP BILLITON PLC	Basic materials	Mining	7,88	3,57	7,59	7,36
ANGLOGOLD ASHANTI LIMITED	Basic materials	Mining	6,58	2,50	6,73	6,22
COMPAGNIE FINANCIERE RICHEMONT SA	Consumer goods	Personal Goods	10,00	5,71	8,93	9,25
STEINHOFF INTERNATIONAL HOLDINGS LTD	Consumer goods	Household Goods & Home Construction	6,67	1,96	5,68	5,90
BARCLAYS AFRICA GRP LTD	Financials & property	Banking	6,17	3,21	7,02	6,13
FIRSTSTRAND LTD	Financials & property	Banking	5,04	2,32	5,95	5,04
STANDARD BANK GROUP LIMITED	Financials & property	Banking	4,33	1,96	5,74	4,52
BRITISH AMERICAN TOBACCO PLC	Food & beverage	Tobacco	9,58	8,66	8,15	9,06
SABMILLER PLC / AB IN-BEV	Food & beverage	Brewers	8,00	6,88	6,79	7,52
MEDICLINIC INTERNAT LTD	Healthcare	Pharmaceuticals & Biotechnology	6,17	3,57	5,33	5,66
ASPEN PHARMACARE HOLDINGS LIMITED	Healthcare	Health Care Equipment & Services	6,67	3,57	5,33	5,96
MTN GROUP LTD	ICT	Mobile Telecommunications	5,17	2,86	5,68	5,09
NASPERS LTD -N-	ICT	Broadcasting & Cable	5,00	3,48	5,27	4,93
REMGRO LTD	Industrials	General Industrials	2,33	4,73	4,85	3,33
BIDVEST LTD	Industrials	General Industrials	3,50	1,88	4,82	3,73
SASOL LIMITED	Oil, Gas & Utilities	Oil & Gas Producers	7,79	4,64	7,29	7,33
CAMAC ENERGY INCORPORATED/ ERIN ENERGY	Oil, Gas & Utilities	Oil & Gas Producers	1,67	0,00	1,67	1,50
SUN INTERNATIONAL LTD	Travel & leisure	Travel & Leisure	6,96	2,05	6,82	6,43
CITY LODGE HOTELS LIMITED	Travel & leisure	Travel & Leisure	5,50	3,30	6,25	5,51

**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. All images used are for illustrative purposes only and do not represent the issues or initiatives discussed in this paper.

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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