STOCKHOLM, APRIL 2020

METHODOLOGY & INDICATORS

Corporate Sector & Children’s Rights Benchmark Series
About the Corporate Sector and Children’s Rights Benchmark Series

What is the benchmark?
Global Child Forum and the Boston Consulting Group initiated the Corporate Sector and Children’ Rights Benchmark study series in 2013 to fill a gap in research. To date, we have produced two global and five regional studies of the Nordic region, the Middle East and Northern Africa; Southern Africa, South America and Southeast Asia, covering 2600 companies across 9 industries. 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.

How is the sample selected?
The aim for the 2020 Southeast Asia study has been to cover the largest companies across industries and countries in the region. The 249 companies in the study have been selected based on being the largest by revenue (2018). The six countries are: Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam, The seven industries are based on the Industry Classification Benchmark*: Basic Materials; Consumer Discretionary; Consumer Staples; Financials & Property; ICT; Industrials; Oil, Gas & Utilities.

How is the study conducted?
During the first half of 2020, publicly available information in English from the selected companies (sustainability reports, etc) has been screened against a set of 27 indicators.** Each indicator has a possible score of; 0 – no information could be found; 5 – the company is reporting on human rights or sustainability for this issue; 10 – the company reports on how they address children’s rights for this issue.***

The results are based only on publicly available data, systematically assessing corporate organisational response to impact on children’s rights. However we don’t evaluate actual compliance with policies, nor outcomes of policies and/or programmes. The individual results were shared with each company for feedback and possible corrections to ensure a fair assessment.

How can business use it?
The set of indicators align clearly with the Children’s Rights and Business Principles****, and divides the indicators into the impact areas of Workplace, Marketplace and Community/Environment. This not only gives a great overview of what companies are doing in each of these spheres of influence, it also gives companies an opportunity to identify areas for improvement in relation to their operations.

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*FTSE Russell Industry Classification Benchmark (ICB)  
**Since the 2019 study the indicators were enhanced from 20 to 27.  
***The original methodology used until 2017 used 7 indicators with a binary answer option of yes (score 1) or no (score 0) and a total possible score of 9 (two of the questions were weighted and had a possible score of 2).  
**** 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.
Methodology Overview

- The benchmark methodology contains a set of 27 indicators with indicators specific to Workplace, Marketplace, and Community & Environment as well as 2 generic indicators*

- The specific area scores for Workplace, Marketplace, and Community & Environment are calculated as weighted averages of the components: "Policies & Commitments", 'Implementation' and 'Reporting & Actions"**.

- The overall score for each company is calculated as a weighted average of the scores for the areas of Workplace, Marketplace and Community & Environment respectively.

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* A generic indicator = the same question for all three areas (WP, MP, CE)

** These are derived from the UN OHCHR conceptual and methodological framework for human rights indicators.
### Scoring Methodology Indicators for POLICIES & COMMITMENTS AND IMPLEMENTATION

**Impact area: WORKPLACE**

<table>
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| Policies & Commitments  | Minimum Age of Employment                     | Does the company prohibit child labour?                                                                                                  | 10=Yes, the company explicitly prohibits child labour in operations and/or for suppliers (e.g. in a stand-alone policy, code of conduct, supplier CoC, or as a reference in the annual report)  
5=The company does not explicitly prohibit child labour but it prohibits all human rights / labour rights violations more broadly  
0=No, the company does not explicitly prohibit child labour                                                                                                                  |
|                         | Decent working conditions & family friendly policies | Does the company have family friendly policies and policies to promote decent working conditions?                                        | 10=Yes, the company has a parental leave policy (beyond what is legally required) and/or the company is committed to work-life balance  
5=Yes, the company prohibits all forms of abuse and harassment/ has an anti-discrimination policy/ is committed to gender-equality and/or to living wages across the value chain  
0=No, the company does not report any decent work or family friendly policies                                                                                                                                                     |
|                         | Board accountability                           | Is there board oversight/board committee working with children's rights issues in relation to the workplace?                            | 10=Yes, there is a board oversight/board committee working on sustainability, CSR, social issues or human rights in relation to the workplace, and children’s rights are mentioned as part of their responsibilities explicitly or implicitly  
5= There is a board oversight/board committee working on sustainability, CSR, social issues or human rights in relation to the workplace but children’s rights are not explicitly mentioned as part of their responsibilities  
0= No, there is no board oversight/board committee working on sustainability, CSR, social issues or human rights in relation to the workplace                                                                                                                                                           |
|                         | Materiality assessment                         | Does the company identify children’s rights issues in relation to the workplace as material/salient for their business (explicitly or implicitly)? | 10=Yes, the company identifies children’s rights issues in relation to the workplace as material/salient for their business (e.g. explicitly if children’s rights are mentioned on the materiality matrix or in the assessment of salient human rights issues, or implicitly if children’s rights are not included in the materiality matrix but other issues identified as material / salient are linked to children’s rights in the text of the report)  
5= The company identifies broader human rights/wider society/community issues in its materiality / saliency assessment but there is no specific reference to children’s rights  
0= No, the company does not identify children’s rights issues or wider human rights issues as material for their business.                                                                                                              |
### Scoring Methodology Indicators for IMPLEMENTATION AND REPORTING & ACTIONS

**Impact area: WORKPLACE**

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<tbody>
<tr>
<td>Implementation (CONTINUE D)</td>
<td>Supplier assessment</td>
<td>Does the company conduct a supplier assessment/audits with regards to their impacts on children’s rights in the workplace?</td>
<td>10=Yes, the company conducts supplier assessments/audits with regards to their impacts on children’s rights in the workplace (i.e. child labour) 5=Yes, the company conducts supplier assessments with regards to their impacts on human rights in the workplace and wider sustainability issues 0=No, the company does not conduct supplier assessment with regards to their impacts on children’s rights</td>
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<tr>
<td></td>
<td>Grievance mechanisms</td>
<td>Does the company have a grievance mechanism and/or a whistleblowing / ethics hotline to enable employees and members of the local community (including children) to report about human rights impacts and impacts on the environment?</td>
<td>10=Yes, the company has a formal grievance mechanism and/or whistleblowing / ethics hotline to enable employees and members of the local community (including children) to submit their grievances (e.g. the information on the mechanism is included in the annual report and/or code of conduct) 5=The company has a whistleblowing / ethics hotline but it is unclear if this channel is used for submitting human rights grievances (e.g. information on the ethics hotline is included in the code of conduct but the code does not include human rights issues) 0=No, the company does not have a formal grievance mechanism</td>
</tr>
<tr>
<td>Reporting &amp; Actions - Reporting on results and setting up programs (weighting = 50%)</td>
<td>Minimum age of employment</td>
<td>Does the company report on operations and suppliers considered to have significant risk for incidents of child labour?</td>
<td>10=Yes, the company reports on operations and/or suppliers considered to have significant risk for incidents of child labour and/or mentions incidents of child labour * 5=The company reports on the results of operations and supplier assessments but these are focused on human rights broadly (not specifically children’s rights) 0=No, the company does not report on operations and suppliers considered to have significant risk for incidents of child labour</td>
</tr>
<tr>
<td></td>
<td>Programmes</td>
<td>Is the company working actively/driving programmes/projects focused on children’s rights in the workplace (i.e. child labour)?</td>
<td>10=Yes, the company is working actively/driving programmes/projects focused on children’s rights on preventing and/or remediating child labour? (e.g. through age-checks, remidiation programmes, apprenticeship programmes) 5=Yes, the company is working actively/driving programmes/projects focused on human rights (e.g. focused on preventing trafficking and modern slavery, forced labour)</td>
</tr>
<tr>
<td></td>
<td>Programmes</td>
<td>Is the company working actively/driving programmes/projects focused on children’s rights in the workplace? (e.g. focused on improving working conditions for parents and caregivers)</td>
<td>10=Yes, the company is working actively/driving programmes/projects focused on improving working conditions for parents and caregivers in its own operations and supply chains 5=Yes, the company is working actively/driving programmes/projects focused on improving working conditions of employees in own operations and/or supply chains (e.g. working hours, wages and other non-monetary benefits, health, prevention of abuse/harassment and promoting gender equality) but these programmes / projects are not explicitly focused on children, young workers, parents and caregivers 0=No, there is no evidence of the company working actively/driving programmes/projects focused on children’s rights in the workplace in own operations or supply chains</td>
</tr>
</tbody>
</table>

* A company scores 10, also if no cases were identified and the company discloses this information.
### Organizational response | Indicator | Question | Answer/Scoring options
--- | --- | --- | ---
**Policies & Commitments - Reported Policies** (weighting = 25%) | Marketing and Advertising | Is the company committed to responsible marketing to children? | 10=Yes, the company is committed to responsible marketing to children 5=The company is committed to responsible marketing but this commitment does not specifically relate to children 0=No, the company is not explicitly committed to responsible marketing |
**Product Safety** | Is the company committed to ensuring product safety / product responsibility in relation to products and services that are likely to be used or consumed by children? | 10=Yes, the company is committed to ensuring product safety / product responsibility in relation to products that are likely to be used or consumed by children 5=The company is committed to ensuring product safety / product responsibility, but this commitment does not specifically relate to children 0=No, the company does not have a product safety policy |
**Implementation - Policy implementation mechanisms** (weighting = 25%) | Board accountability | Is there board oversight/board committee working with children’s rights issues in the marketplace? | 10=Yes, there is a board oversight/board committee working on sustainability, CSR, social issues or human rights, and children’s rights in the marketplace are mentioned as part of their responsibilities explicitly or implicitly 5= There is a board oversight/board committee working on sustainability, CSR, social issues or human rights in the marketplace but children’s rights are not explicitly mentioned as part of their responsibilities 0= No, there is no board oversight/board committee working on sustainability, CSR, social issues or human rights |
**Materiality assessment** | Does the company identify children’s rights issues in the marketplace as material/salient for their business (explicitly or implicitly)? | 10= Yes, the company identifies children’s rights issues in the marketplace as material/salient for their business (e.g. explicitly if children’s rights are mentioned on the materiality matrix or in the assessment of salient human rights issues, or implicitly if children’s rights are not included in the materiality matrix but other issues identified as material / salient are linked to children’s rights in the text of the report) 5= The company identifies broader human rights/wider society/community issues in its materiality / saliency assessment but there is no specific reference to children’s rights 0= No, the company does not identify children’s rights issues or wider human rights issues as material for their business.
## Scoring Methodology Indicators for REPORTING & ACTIONS
### Impact area: MARKETPLACE

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</table>
|                         | Marketing and Advertising | Does the company report on incidents of non-compliance with regulations and voluntary codes concerning marketing to children including advertising, promotion and labelling? | 10=Yes, the company reports on incidents of non-compliance with regulations and voluntary codes on marketing to children*  
5=The company reports on incidents of non-compliance with regulations and voluntary codes on marketing communications but it does not separate between children and adult consumers*  
0=No, the company does not report on incidents of non-compliance with regulations and voluntary codes on marketing communications |
|                         | Product Safety | Does the company report on incidents of non-compliance with regulations and voluntary codes concerning the impacts of its products and services on children’s health? | 10=Yes, the company reports on incidents of non-compliance with regulations and voluntary codes concerning the impacts of its products and services on children’s health and safety *  
5=The company reports on incidents of non-compliance with regulations and voluntary codes concerning the impacts of its products and services on health and safety, although the impacts on children are not separately reported on*  
0=No, the company does not report on incidents of non-compliance with regulations and voluntary codes concerning the impacts of its products and services on health and safety |
|                         | Programmes | Is the company working actively/driving programmes/projects focused on children’s rights in the marketplace? (e.g. focused on improving product safety for children and reducing children’s access to harmful products) | 10=Yes, the company is working actively/driving programmes/projects focused on improving product safety for children and/or reducing children’s access to harmful products  
5=The company is working actively/driving programmes/projects focused on improving product safety but these programmes / projects are not explicitly focused on children  
0=No, there is no evidence of the company working actively/driving programmes/projects focused on children’s rights in the marketplace |

* A company gets points, also if no cases were identified and the company discloses this information.
### Scoring Methodology Indicators for POLICIES & COMMITMENTS AND IMPLEMENTATION

**Impact area: COMMUNITY & ENVIRONMENT**

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<tr>
<td>Policies &amp; Commitments - Reported Policies (weighting = 25%)</td>
<td>Resource use &amp; damage to the environment</td>
<td>Is the company committed to reducing its environmental impacts?</td>
<td>10= Yes, the company is committed to reducing its environmental impacts and has set specific reduction targets. 5= Yes, the company has a general commitment to reducing its environmental impacts. 0= No, the company does not have an explicit commitment to reducing its environmental impacts.</td>
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<td></td>
<td>Community impacts</td>
<td>Is the company committed to reducing its negative community impacts (e.g. displacement when acquiring land for business use) and increasing its positive contribution to the local community?</td>
<td>10= Yes, the company is committed to impacting the community and advancing development with relevance to children’s rights, beyond the scope of its own operations. 5= Yes, the company is committed to increasing positive impact and/or reducing its negative impact on the community. 0= No, the company is not explicitly committed to reducing its negative community impacts and increasing its positive contribution to the local community.</td>
</tr>
<tr>
<td>Implementation - Policy implementation mechanisms (weighting = 25%)</td>
<td>Board accountability</td>
<td>Is there board oversight/board committee working with children’s rights issues in the community and environment?</td>
<td>10= Yes, there is board oversight/board committee working on sustainability, CSR, social issues or human rights, and children’s rights in the community &amp; environment are mentioned as part of their responsibilities explicitly or implicitly. 5= There is board oversight/board committee working on sustainability, CSR, social issues or human rights in the community and environment but children’s rights are not explicitly mentioned as part of their responsibilities. 0= No, there is no board oversight/board committee working on sustainability, CSR, social issues or human rights.</td>
</tr>
<tr>
<td></td>
<td>Materiality assessment</td>
<td>Does the company identify children’s rights issues as material/salient for their business (explicitly or implicitly)?</td>
<td>10= Yes, the company identifies children’s rights issues as material/salient for their business (e.g. explicitly if children’s rights are mentioned on the materiality matrix or in the assessment of salient human rights issues, or implicitly if children’s rights are not included in the materiality matrix but other issues identified as material/salient are linked to children’s rights in the text of the report). 5= The company identifies broader human rights/wider society/community issues in its materiality/salience assessment but there is no specific reference to children’s rights. 0= No, the company does not identify children’s rights issues or wider human rights issues as material for their business.</td>
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## Scoring Methodology Indicators for IMPLEMENTATION AND REPORTING & ACTIONS
### Impact area: COMMUNITY & ENVIRONMENT

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|                         | Supplier assessment             | Does the company conduct a supplier assessment with regards to their impacts on children’s rights in the community and the environment? | 10= Yes, the company conducts supplier assessments/audits with regards to their impacts on children’s rights in the community and environment.  
5= Yes, the company conducts supplier assessments with regards to their impacts on human rights in the community and environment  
0= No, the company does not conduct supplier assessment with regards to their impacts on children’s rights in the community and environment. |
|                         | Grievance mechanisms            | Does the company have a grievance mechanism and/or a whistleblowing / ethics hotline to enable everyone (employees and members of the local community, including children) to report about human rights impacts in the community and impacts on the environment? | 10= Yes, the company has a formal human rights grievance mechanism and/or whistleblowing / ethics hotline to enable everyone (employees and members of the local community, including children) to report about human rights impacts in the community and impacts on the environment (e.g. the information on the mechanism is included in the annual report and/or code of conduct)  
5= The company has a whistleblowing / ethics hotline but it is unclear if this channel is used for submitting human rights grievances in the community and environmental impacts, or it’s only open to employees  
0= No, the company does not have a formal human rights and/or environmental impact grievance mechanism |
|                         | Resource use and damage to the environment | Does the company report on its environmental impacts in direct operations and supply chains? | 10= Yes, the company reports on its progress in reaching its environmental impact reduction target (e.g. annual progress compared to previous years)  
5= The company discloses information on its environmental impact (operations and/or suppliers)  
0= No, the company does not report on its environmental impacts |
|                         | Community impacts               | Does the company disclose significant actual or potential negative impacts on children in the local communities and/or wider society? | 10= Yes, the company discloses significant actual or potential negative impacts on children in the local communities and/or wider society (reporting on cases or identified risks to children, including “no findings”).  
5= The company discloses significant actual or potential negative impacts on local communities and/or wider society  
0= No, the company doesn’t disclose significant actual or potential negative impacts on local communities and/or wider society. |
|                         | Programmes                      | Is the company working actively/driving programmes/projects focused on children’s rights in the community and environment? | 10= Yes, the company is working actively/driving programmes/projects focused on reducing environmental impacts on children and/or improving health and education opportunities for children  
5= The company is working actively/driving programmes/projects focused on reducing environmental impacts and/or community development but these programmes/projects are not explicitly focused on children  
0= No, there is no evidence of the company working actively/driving programmes/projects focused on children’s rights in the community and environment |

Note: (weighting = 50%)
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<tr>
<td>Reporting &amp; Actions - Reporting on results and setting up programs (weighting = 50%)</td>
<td>Collaboration</td>
<td>Is the company collaborating with and/or making donations (monetary, in-kind or volunteering time) to any NGOs/charities with a focus on children’s rights (e.g. UNICEF, Save the Children, PLAN, ECPAT etc.)?</td>
<td>10=Yes, the company is collaborating with or making donations to one/several NGOs/charities with a focus on children’s rights. 0=No, there is no evidence of the company collaborating with and/or making donations to NGOs/charities with a focus on children’s rights</td>
</tr>
<tr>
<td>Collaboration</td>
<td>Is the company involved in any industry partnerships and initiatives that address children’s rights? (e.g. collaboration with industry bodies, private-public partnerships)</td>
<td>10=Yes, the company is involved in one/several industry partnerships and initiatives that address children’s rights. 5=The company is involved in one/several industry partnerships and initiatives related to broader sustainability issues but not specifically focusing on children’s rights. 0=No, there is no evidence of the company being involved in industry partnerships and initiatives that address children’s rights</td>
<td></td>
</tr>
</tbody>
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