

2

# Understanding how your business impacts children

**This section provides information and resources that can be used to map out and understand a business' overall interactions with, and impact on, children by focusing on children's rights in the workplace, marketplace and community and environment.**



**T**he Children's Rights and Business Principles (CRBPs) examines a business' impacts on children's rights in three areas: *Workplace, Marketplace, Community & Environment*. We suggest completing the following steps to develop an understanding of your company's impact on children. Once you have undertaken this initial mapping and identification, you can use it to inform how to craft a organizational commitment and where and how you will undertake human rights due diligence.

### DEFINING WHAT MATTERS

 **The Global Reporting Initiative:** GRI is the world's leading standard for sustainability reporting. In its case studies and deep dives the organization provides in depth guidance on how to assess what issues matter most for an organization from a sustainability standpoint.

#### STEP ONE

**Map your overall operating context**

#### STEP TWO

**Identify and prioritise your relevant stakeholders on children's rights**

#### STEP THREE

**Identify your potential material children's rights issues to focus on**

# STEP ONE

## Map your overall operating context

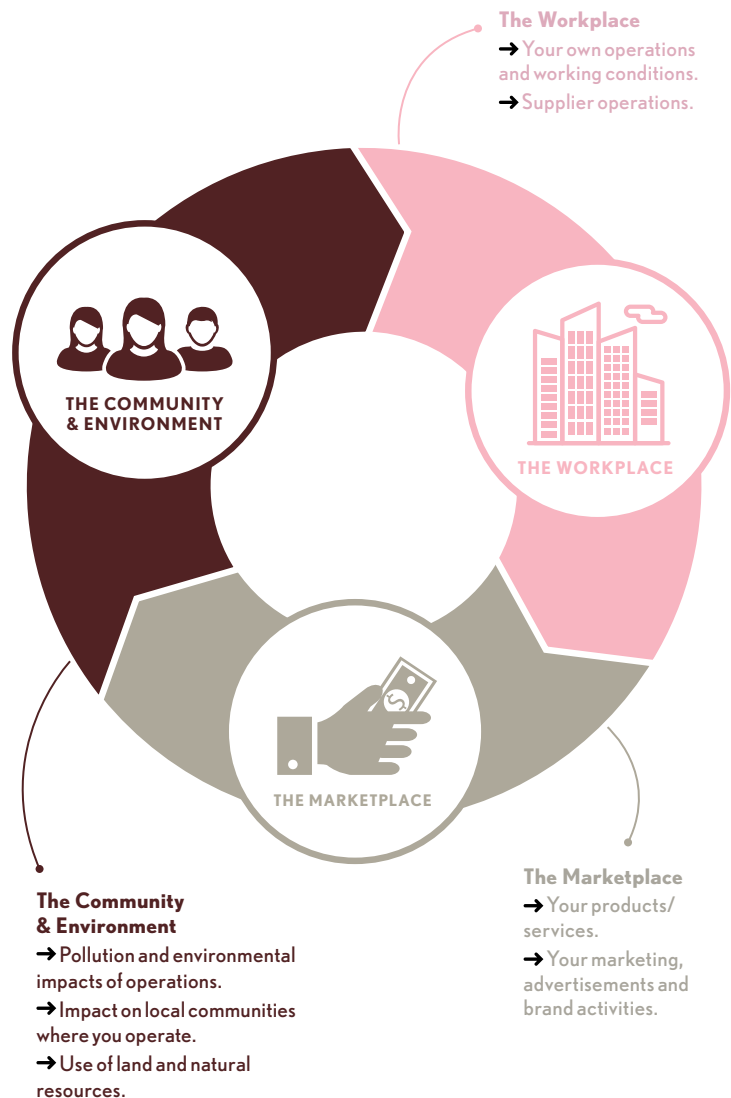
**IN ORDER FOR** a business to understand its impacts on children (positive and negative), it must consider its operating context, including wider business operations, as well as who its stakeholders are and how it interacts with them.

The first step is to map your organisation's activities, operations and supply chains and start thinking about the areas of your business where there are potential issues affecting children. This can be a high-level mapping initially, and key topics to consider include:

- Where you have a physical presence / office(s) or where your employees work.
- Wider business operations and relationships (e.g. supply chain activities, distribution etc.).
- Where and how your products and services are sold and used.
- What business functions are involved (e.g. human resources, legal, procurement, consultancy, developers, marketing, design, IT).
- Geographies in which you operate and the political, economic and social situations in-country.

Keep in mind the CRBPs framework of the three areas within which your wider business operations, activities and supply chains can be analyzed. Examples to the right might include:

Considering these three areas can be helpful when completing the exercise in Template 1 to ensure you cover all critical areas of your business. You can use or adapt the templates in the end of this chapter to map your operating context or create your own. You can also refer to the Global Reporting Initiative's standards on materiality and boundaries for a fuller understanding of how issues of stakeholder engagement and materiality can be approached.



## STEP TWO

# Identify & prioritise your relevant stakeholders on children's rights



## TIP BOX

## IDENTIFYING YOUR STAKEHOLDERS

A stakeholder is a person, group or organisation with an interest in, or influence on, a business project or activity, as well as those potentially affected by it. Relevant stakeholders for the assessment of children's rights impacts include affected rights-holders, duty-bearers and other relevant parties.

- 1 Rights-holders are all individuals who are actually or potentially adversely affected by your business operations and activities, such as parents, young workers, children in local communities, or children consuming your products.
- 2 Duty-bearers are actors who have duties or responsibilities towards rights-holders, such as governments, a company operating a project with direct impact on children, or its suppliers and contractors.
- 3 Other relevant parties may include individuals or organisations whose knowledge or views could assist in the assessment of child rights impacts, such as local NGOs or child rights experts as well as those with a vested interest in your business and its impact such as investors and company owners.

**ONCE YOU HAVE** a clear view of your business operations and activities, you can map key stakeholders within your sphere of influence to identify where you are directly and indirectly coming into contact with children. When trying to identify stakeholders, you need to consider three main types of stakeholders (explained in the tip box), and also consider both internal and external stakeholders.

**ONCE YOU HAVE** identified who your stakeholders are, you need to prioritise which stakeholders are most relevant to engage with and when, you can use Template 2 to help with your prioritisation. The template uses the information on the tip box to help you decide which stakeholders will help provide you will useful and accurate information. Crucially, children as stakeholders must not be overlooked. However, consulting children directly requires particular sensitivities; you must ensure that it is in the best interests of the concerned child/children to participate. Engaging with children as part of your due diligence will likely only take place in assessing and verifying your impact as outlined in chapter 4. For further guidance on prioritising stakeholders and engaging with child-

ren directly, use UNICEF's *'Engaging stakeholders on children's rights'* tool<sup>5</sup>. Good practice on engaging children includes using children's rights experts or representatives, who can sometimes be found in local authorities as well as civil society groups and NGOs.

When prioritising stakeholders to engage on children's rights, a good approach is to connect specific children's rights issues to specific stakeholders and understand how they relate.

### Prioritising your stakeholders

**Legitimacy:** How legitimate is the stakeholder's claim for engagement on children's rights or a specific children's rights issue?

**Knowledge:** Does the stakeholder understand how children are impacted?

**Influence:** Does the stakeholder have regional, national or international influence on public debate around this issue?

**Contact with children:** Does the stakeholder have access to children's viewpoints and opinions?

**Willingness:** Is the stakeholder willing to engage with your business?

**Local power structures:** Ensuring you understand who does and does not have a voice, who is the spokesperson, etc.



## STEP THREE

# Focus on your company's material issues

**USING THE INFORMATION** collected on your business's operations, activities and known stakeholders, it can be useful to undertake a first assessment to identify your potential impact on children. When completing the exercise, try and identify the most salient issues, that is, the issues believed to have the most severe negative impact on human rights as a result of business operations, activities and relationships. The intention is to focus on the risk to people rather than the risk to business.

The following are general and non-exhaustive examples of filled-in templates which can inspire you to start to identify initial positive and negative impacts. These are general examples, and you may need to refer to guidance documents or experts to analyse your unique impacts in more detail.

## Example: Company A

Company A is an international game app creator which sells its games online via electronic devices like mobile phones.

	BUSINESS OPERATIONS AND ACTIVITIES	STAKEHOLDERS	POTENTIAL IMPACT	CHILDRENS'S RIGHTS ISSUES
WORKPLACE	<ul style="list-style-type: none"> <li>→ Creating internal HR policies, hiring workers responsible for creating content of app</li> <li>→ Procurement of goods not for resale (computers, etc)</li> </ul>	<ul style="list-style-type: none"> <li>→ Employees and their families (children)</li> <li>→ Business relationships that you procure from</li> <li>→ Young workers (undertaking work experience, training or first employment)</li> <li>→ Investors</li> </ul>	<ul style="list-style-type: none"> <li>→ Treatment of employees and knock-on impact such as wages and working hours and impact on family life and providing for children</li> </ul>	<ul style="list-style-type: none"> <li>→ Low wages</li> </ul>
MARKETPLACE	<ul style="list-style-type: none"> <li>→ Selling products online on phone and other electronic devices</li> <li>→ Marketing of apps to customers</li> </ul>	<ul style="list-style-type: none"> <li>→ Customer/end user of app. Even if aimed at adults, children could still access the app</li> </ul>	<ul style="list-style-type: none"> <li>→ The game app could be inappropriate for children and it could be susceptible to inappropriate pop-ups/ adverts that affect a child's health and self-esteem</li> <li>→ Games can help children to learn and develop in an entertaining way if developed appropriately</li> </ul>	<ul style="list-style-type: none"> <li>→ Aggressive marketing affecting the health and self-esteem of children</li> <li>→ Providing learning and education through gamification</li> </ul>
COMMUNITY & ENVIRONMENT	<ul style="list-style-type: none"> <li>→ Location of offices</li> <li>→ Use of resources or pollution</li> </ul>	<ul style="list-style-type: none"> <li>→ Community near offices</li> </ul>	<ul style="list-style-type: none"> <li>→ Pollution from office impacts local community or wider community and environment</li> </ul>	<ul style="list-style-type: none"> <li>→ Pollution from business activities</li> </ul>



## Example: Company B

Company B is a global bank, engaged in borrowing, lending and investing activities.

	BUSINESS OPERATIONS AND ACTIVITIES	STAKEHOLDERS	POTENTIAL IMPACT	CHILDRENS'S RIGHTS ISSUES
WORKPLACE	<ul style="list-style-type: none"> <li>→ Lending, investing and trading</li> <li>→ Other internal processes across e.g. Sales, Human Resources, IT, Finance &amp; Treasury, Legal &amp; Compliance</li> </ul>	<ul style="list-style-type: none"> <li>→ Employees, their families and children</li> <li>→ Investors</li> </ul>	<ul style="list-style-type: none"> <li>→ Long working hours and frequent travel for employees can impact family life and children's access to their parents</li> </ul>	<ul style="list-style-type: none"> <li>→ Right to family life for workers who travel often and don't see their children or who work long hours</li> </ul>
MARKETPLACE	<ul style="list-style-type: none"> <li>→ Borrowing funds from customers and financial institutions</li> <li>→ Lending to customers and investing in businesses</li> <li>→ Trading</li> <li>→ Contacting and reviewing potential investments</li> </ul>	<ul style="list-style-type: none"> <li>→ Depositors</li> <li>→ Investments</li> <li>→ Other investors in companies you have invested in</li> <li>→ Employees of your invested companies and their families &amp; children</li> </ul>	<ul style="list-style-type: none"> <li>→ Investing in/lending to an online casino that provides a high return while marketing heavily in channels where youth and children are frequent receivers</li> <li>→ Providing access of services to parents/ young people</li> <li>→ Impact on money laundering and transactions from illegal activities relating to children (trafficking and child pornography)</li> </ul>	<ul style="list-style-type: none"> <li>→ Potential unsuitable marketing activities impacting children</li> <li>→ Potential connection to money laundering and transactions impacting children</li> </ul>
COMMUNITY & ENVIRONMENT	<ul style="list-style-type: none"> <li>→ Location of own offices, incl. regional branches</li> <li>→ Location of investments' offices and/or production facilities</li> </ul>	<ul style="list-style-type: none"> <li>→ Community near offices</li> <li>→ Communities near investments' offices or production facilities</li> <li>→ Global environment</li> </ul>	<ul style="list-style-type: none"> <li>→ Pollution or waste from investments' production facilities impact local community and environment</li> <li>→ Positive impact on children through social investments and supporting local communities in proximity to operations</li> </ul>	<ul style="list-style-type: none"> <li>→ Pollution from business activities impacting local communities</li> </ul>



## Example: Company C

Company C is a B2B, designing, manufacturing and selling premium textiles.

	BUSINESS OPERATIONS AND ACTIVITIES	STAKEHOLDERS	POTENTIAL IMPACT	CHILDREN'S RIGHTS ISSUES
WORKPLACE	<ul style="list-style-type: none"> <li>→ Employment of workers and HR functions looking after them</li> <li>→ Production of products</li> <li>→ Activities within other internal departments such as Sales and commercial, Management</li> <li>→ Activities by UK suppliers and international suppliers</li> </ul>	<ul style="list-style-type: none"> <li>→ Employees and their children</li> <li>→ Owner of company</li> <li>→ Young people/ workers in the international supply chain</li> </ul>	<ul style="list-style-type: none"> <li>→ Ensure income provides for the family</li> <li>→ Mental health impact of employment</li> <li>→ Flexible working policies and impact on family life</li> <li>→ Working hours and impact on family life and workers well-being</li> <li>→ Health and safety risks to parents and children</li> </ul>	<ul style="list-style-type: none"> <li>→ Right to family life for workers who have long working hours or are unable to support their family adequately with their income</li> </ul>
MARKETPLACE	<ul style="list-style-type: none"> <li>→ Marketing and sales of own-brand product</li> <li>→ Sales of private label products</li> </ul>	<ul style="list-style-type: none"> <li>→ Consumers</li> <li>→ Companies acquiring our products</li> </ul>	<ul style="list-style-type: none"> <li>→ Children can be exposed to the company's marketing since sales and marketing are online</li> <li>→ Children could use products purchased by adults which could potentially harm their sensitive skin</li> </ul>	<ul style="list-style-type: none"> <li>→ Positive impact on local schools and children</li> </ul>
COMMUNITY & ENVIRONMENT	<ul style="list-style-type: none"> <li>→ Manufacturing in UK</li> <li>→ Farming/Agricultural supply chain activities internationally</li> <li>→ Liaison with local schools on various projects</li> </ul>	<ul style="list-style-type: none"> <li>→ Community near factory in UK</li> <li>→ Community near location where materials are sourced and the impact on children</li> <li>→ Children in local schools</li> </ul>	<ul style="list-style-type: none"> <li>→ Increased traffic in the area in the UK and road safety for children</li> <li>→ Wider impact on communities and children could include use of resources and pollution</li> <li>→ Improved educational opportunities</li> <li>→ Better understanding of impact on children near manufacturing site</li> </ul>	<ul style="list-style-type: none"> <li>→ Pollution from business activities near sourcing communities</li> <li>→ Risk of children being exposed to marketing/ product unintentionally, need to child-proof product</li> </ul>



### CHECKLIST: UNDERSTANDING HOW YOUR BUSINESS IMPACTS CHILDREN

**Actions for sustainability and human rights practitioners within companies who have been assigned responsibility by senior management:**

Map your business' overall operating context.

Identify and prioritise your relevant stakeholders.

Identify your potential material child rights issues using Template 1 and the guidance in chapter 2.

## Human Rights Due Diligence

HRDD is an ongoing risk management process to help companies identify, prevent, mitigate and account for how they address adverse human

rights impacts. HRDD includes four key steps:

→ Assess actual and potential human rights impacts.

→ Integrate and act on the findings.

→ Track, monitor and report how impacts are addressed.

→ Provide access to remedy.

Once you have a list of identified potential and actual impacts, you can use it as the basis for strategy development and further investigation, such as human rights due diligence.



Marks & Spencer

# Interactive supplier map provides tracking of all suppliers

**RETAILER MARKS & SPENCER** has created its own Global Sourcing Principles that align with national and local laws around issues related to human and children's rights such as forced labour, discrimination, harassment, wages, working hours, etc. In addition, the company has published supplier tool kits on modern slavery and forced labour.

The company requires all its suppliers to comply with its Global Sourcing Principles and has developed an interactive map where suppliers are listed, including information on the location, name, type of manufacturer/supplier, number and gender split of workers and where the goods are sold within Marks & Spencer, amongst other things.

The interactive map also provides information on local initiatives to respect human and child rights in line with its Global Sourcing Principles, for example, if the manufacturer is connected to a trade union and has established a worker's committee or certifications of a raw materials supplier.



Link to Marks & Spencer's interactive supplier map.



Template 1

## How do your business operations, activities and supply chains impact children?

	Business operations and activities	Stakeholders	Potential impact	Child rights issues	Actions to be taken	Person/department responsible for action
WORKPLACE	<p>Example:</p> <ul style="list-style-type: none"> <li>→ Employment of workers and HR functions looking after them</li> <li>→ Production</li> <li>→ Sales and commercial</li> <li>→ Management</li> <li>→ UK suppliers</li> <li>→ International suppliers</li> </ul>	<ul style="list-style-type: none"> <li>→ Employees and their children</li> <li>→ Owner of company</li> <li>→ Young people/workers in the international supply chain</li> </ul>	<ul style="list-style-type: none"> <li>→ Ensure income provides for the family</li> <li>→ Mental health impact of employment</li> <li>→ Flexible working policies and impact on family life</li> <li>→ Working hours and impact on family life and workers well-being</li> <li>→ Health and safety risks to parents and children</li> </ul>	<ul style="list-style-type: none"> <li>→ Right to family life for workers who have long working hours or are unable to support their family adequately with their income</li> </ul>	<ul style="list-style-type: none"> <li>→ Undertake a worker satisfaction survey to understand and verify the actual impact on family life, including asking if the wages are adequate etc</li> <li>→ Undertake analysis of cost of living and compare with salary in the location of operation</li> </ul>	<ul style="list-style-type: none"> <li>→ Human Resources</li> </ul>
MARKETPLACE						
COMMUNITY & ENVIRONMENT						

## Template 2

**Prioritisation of stakeholders to engage**

Use this template to outline which stakeholders can inform you about different issues and why they are best placed to do so. This has been developed from Unicef's guidance and outlines some key qualities to look for in a stakeholders, such as; having excellent knowledge on the issues and impact, being willing to engage and being a legitimate source you can rely on. There is an example available to show you how to use the template.

PEOPLE/ ORGANISATIONS/ GROUPS	CRITERIA						
	ISSUES	Legitimacy	Knowledge	Influence	Contact with children	Willingness	Local power structures
Example: Workers within your company	Right to family life for workers with children and working long hours	Can talk first hand about the impact on their family and children and any impact on family time	Will be able to share stories about what the impact is	No influence on public debate externally, but could share information internally in business	They are in direct contact with their own children	Engagement is voluntary and workers put themselves forward to share experiences as part of impact assessment	Power structures are not relevant for this issue