

Sector scorecard



Apparel & Retail



In collaboration with:



THE STATE OF CHILDREN'S RIGHTS AND BUSINESS 2021

PART OF THE GLOBAL CHILD FORUM CORPORATE SECTOR AND CHILDREN'S RIGHTS BENCHMARK

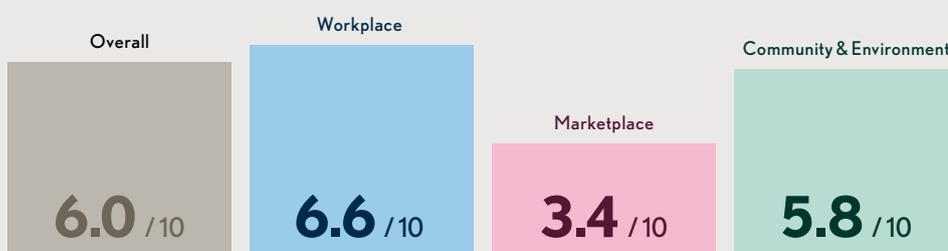
About the scorecard

The set of indicators that companies in this scorecard have been benchmarked against are in accordance with the **Children's Rights and Business Principles**¹, where the indicators are divided into three different impact areas called Workplace, Marketplace, and Community & Environment. These impact areas provide an overview of what companies are doing in each of these spheres of influence and it gives companies an opportunity to identify areas for improvement in relation

to their operations. The corporate response of companies is important when assessing the degree of influence as well as areas of improvement for each impact area. Therefore, the impact areas are structured by three subcategories, namely, Policies & Commitments; Implementation; and Reporting & Actions, where these sub-categories are viewed as corporate responses to children's rights related issues. The boxes below present a short overview of what the different impact areas measure².



Sector average score



Sector description

Apparel & Retail includes companies that produce and commercialize consumer goods. Industries included in the sector are *Apparel & Footwear*, *Automobiles & Components*, *Media*, *Personal & Household Products*, *Retail*, and *Tires & Rubber*.

No. of companies in study	
Apparel & Footwear	17
Automobiles & Components	27
Media	10
Personal & Household Products	1
Retail	10
Tires & Rubber	4
Combined Sector Revenue	3299.6 B USD

¹ 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.

² To learn more about Global Child Forum's methodology, access it [here](#).

1.1 Apparel & Retail

Within the Apparel & Retail sector, child labour is recognized as having negative impacts on children's rights. However, there are several other ways in which the rights of children are impacted by business – as dependents of workers, at times as actual workers, and as members of communities impacted by business operations and suppliers.

When considering the **workplace**, most of the Apparel & Retail companies in this study have a child labour policy and conduct supplier assessments to ensure that their policies against child labour are implemented. However, the Apparel & Retail sector needs to improve their

communication as to how they implement and monitor compliance with child labour and supply chain policies. This can be achieved through transparent reporting on risks and incidents as well as remedial or preventive actions taken in response to risks and incidents.

As products from the Apparel & Retail sector have considerable exposure in the **marketplace**, physical or psychological harm to children through unsafe products or inappropriate advertising are identified as significant risks. Although children are regular users of Apparel & Retail company products, children's safety is not prioritized by this sector. For example, most companies lack a

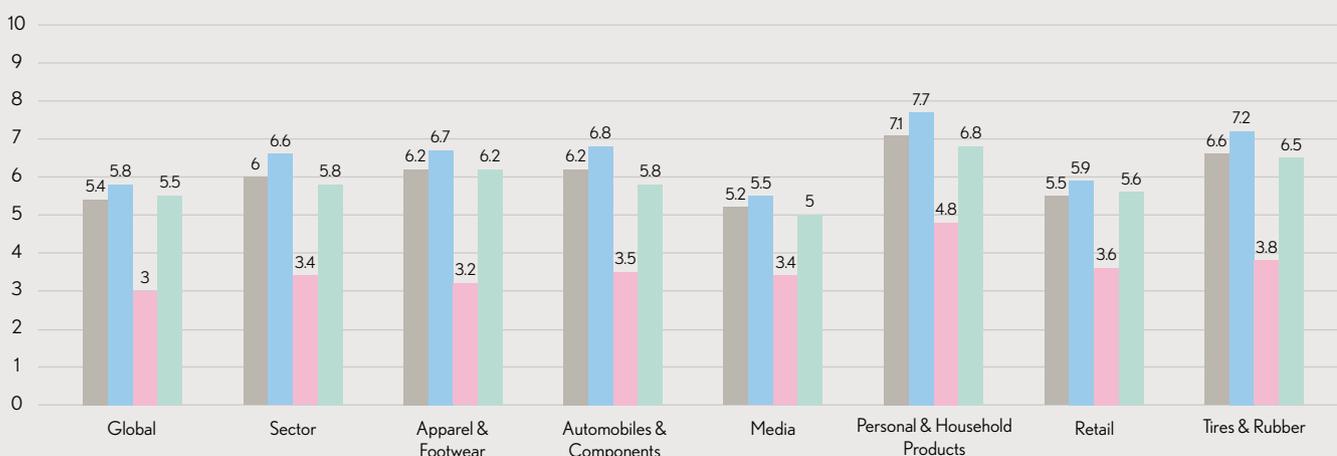
responsible marketing or product safety policy that considers children, something which is essential even when children are not the intended target group or consumer.

The impact Apparel & Retail companies have on the **community & environment** is significant and will have long-term effects on children's development and health because they are more susceptible and vulnerable to pollution. Key risks identified in the community & environment concern air, water, and/or soil pollution from production sites and industrial water usage causing water stress for local communities.

1.2 Material topics

Impact	Where	What	
Child labour	Supply chain	Work collaboratively with others against child labour in informal sector around supplier and/or beyond tier 1 (agriculture, minerals, home workers).	Workplace
Supporting youth	Employees/Supply chain	Provide opportunities for youth/teenagers to gain worklife skills under safe circumstances.	Workplace
Access to parents/child labour	Procurement/Supply chain	Ensure that purchasing practices (lead times and pay) are contributing to decent working conditions with suppliers.	Workplace
Access to parents	Supply chain	Supporting suppliers in promoting decent work and family-friendly policies, e.g. through access to childcare and parental leave.	Workplace
Children's health and safety	Products	Ensure that children won't be harmed by exposure to chemicals or flammable materials when using or coming into contact with products.	Marketplace
Children's health and safety	Marketing	Consider marketing as an opportunity to encourage healthy lifestyles for young people, both physically and physiologically, through positive images and campaigns.	Marketplace
Future wellbeing of children	Operations/Supply chain	Reduce scope 1, 2, and 3 emissions, switch to renewable energy and recycle raw materials.	Community & Environment
Future wellbeing of children	Operations	Improve water efficiency and waste management to prevent pollution of water supply and water stress.	Community & Environment

1.3 Industry vs Sector & Global



1.4 Top three performing companies

Company name	Industry	Score	Workpace	Marketplace	Community & Environment	Country of HQ
Daimler	Automobiles & Components	8.6	100	4.7	70	Germany
Adidas	Apparel & Footwear	8.6	100	4.6	70	Germany
Tata Motors	Automobiles & Components	8.5	9.7	3.9	7.6	India

1.5 Top three performing indicators

Indicator	Indicator number	Percentage of companies scoring 10 / 10	Corporate response
Child labour policy	1.1.1	94%	Policies & Commitments
Community programmes supporting children's health, development and education in local communities	3.3.3	90%	Reporting & Actions
Family-friendly policies	1.1.2	86%	Policies & Commitments

1.6 Three challenging indicators

Indicator	Indicator number	Percentage of companies scoring 10 / 10	Corporate response
Disclosure of actual cases of, or significant risk of child labour	1.3.1	23%	Reporting & Actions
Reporting on non-compliance with product safety commitments	2.3.2	1%	Implementation
Consider children's rights in marketing and products as material	2.2.2	0%	Implementation

About our Sector Scorecards:

This scorecard is based on data collected by Global Child Forum in partnership with Boston Consulting Group. The results are based on publicly available data. However, we don't evaluate actual compliance with policies or outcomes of policies and/or programmes.

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