

Sector scorecard



Basic Materials



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

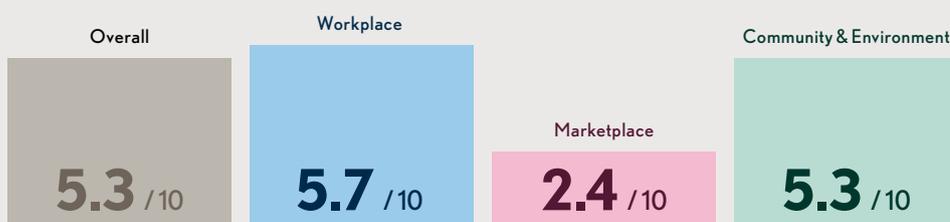
About the scorecard

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

The Basic Materials sector includes companies that discover, extract and process various raw materials and are involved in mining, chemical or forestry products. Other sectors rely on this sector for raw materials necessary for the manufacture of goods. Industries included in this sector are *Agriculture Products, Chemicals, Containers & Packaging, Metals & Mining, and Paper & Forest Products*.

No. of companies in study	
Agricultural Products	3
Chemicals	28
Containers & Packaging	6
Metals & Mining	48
Paper & Forest Products	7
Combined Sector Revenue	2179.7 BUSD

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 Basic Materials

The Basic Materials sector provides key inputs to many other industries, such as infrastructure, automotive, healthcare, electronics, construction, and retail. Given these inputs and its influence on other industries, the Basic Materials sector has the potential to be a driving force in improving children's rights on a global scale. Material topics where the Basic Materials sector can positively influence children might include transition to renewable energy sources in direct and indirect operations, impact on children in local communities where operations are carried out, and preventing child labour in direct and indirect (i.e. supply chains) operations.

When viewing the **workplace** area, Basic Materials is one of the most exposed sectors in terms of encountering child labour in Supply chains. Therefore, extensive risk assessments and monitoring supply chain compliance with child labour policies is essential to protect children from being used as labour. Additionally, the safety of adult employees (including parents) is material in this sector as production plants might entail the use of hazardous chemicals and substances.

A material topic for many Basic Materials companies in the **marketplace** concerns product safety given that many of them produce chemicals that can cause harm to children. Product design and clear labelling is therefore necessary to

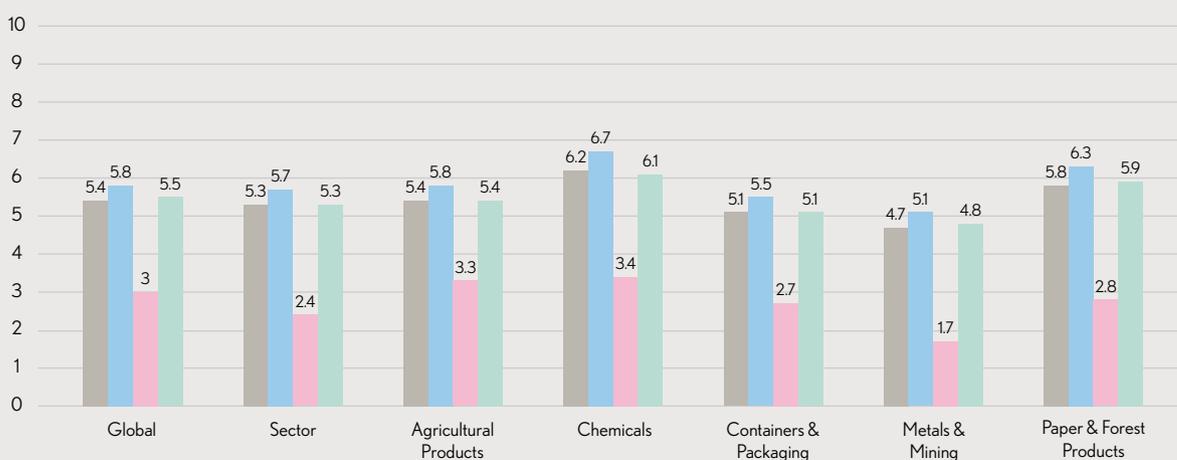
prevent children from coming into contact with these products.

The Basic Materials sector has several challenges in the **communities and the environment** in which they operate. Material topics for this sector which carry implications for children's wellbeing and health concern environmental issues (e.g. pollution to land, soil and water) and corporate activities reshaping local communities, such as logistics requiring heavy transportation resulting in traffic hazards and reduction of play spaces for children.

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 (e.g. agriculture and minerals)	Workplace
Safety for parents	Employees/Supply chain	Collaborate in sector-wide programmes to prevent hazardous work, forced labour and unethical recruitment.	Workplace
Access to parents	Employees	Provide and promote flexible work, parental leave etc.	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
Children's health and safety	Products	Ensure that hazardous consumer products are designed and labelled in a safe way to minimize the risk of children harming themselves	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
Children's health and safety	Operations/Supply chain	Evaluate and prevent any risks to children in the surrounding community caused by road traffic/logistics, land use - reduced spaces to play, or pollution/waste	Community & Environment

1.3 Industry vs Sector & Global



1.4 Top three performing companies

Company name	Industry	Average score	Workpace	Marketplace	Community & Environment	Country of HQ
Norsk Hydro	Metals & Mining	8.7	9.3	4.2	9.0	Norway
Bayer	Chemicals	8.4	9.7	4.0	7.3	Germany
Linde	Chemicals	8.3	9.0	4.4	8.4	Germany

1.5 Top three performing indicators

Indicator	Indicator number	Percentage of companies scoring 10 / 10	Corporate response
Child labour policy	1.1.1	86%	Policies & Commitments
Community programmes supporting children's health, development and education in local communities.	3.3.3	81%	Reporting & Actions
Workplace programmes supporting parents, caregivers, and family-friendly initiatives	1.3.3	74%	Reporting & Actions

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	31%	Reporting & Actions
Committed to reduce negative impact on local communities and its members (including children)	3.1.2	14%	Policies & Commitments
Product responsibility for children	2.1.2	2%	Policies & Commitments

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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