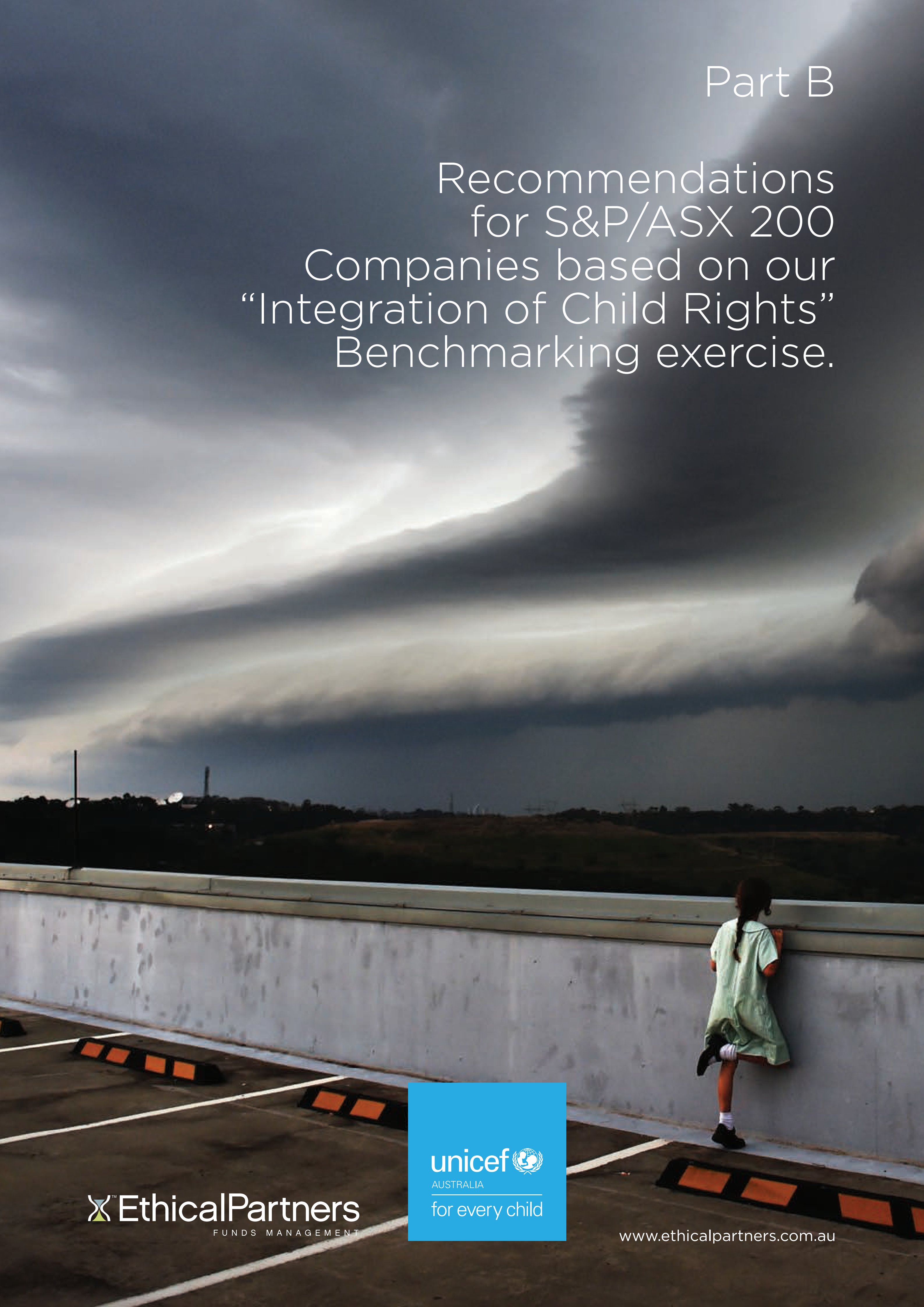
Part B

Recommendations for S&P/ASX 200 Companies based on our "Integration of Child Rights" Benchmarking exercise.



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> **“Children are among the most marginalized and vulnerable members of society and can be disproportionately, severely, and permanently impacted by business activities, operations, and relationships”**
>
> - UN Secretary-General on Business and Human Rights, John Ruggie.

ACKNOWLEDGEMENTS

We acknowledge and pay our respects to the Traditional Custodians of what we now call Sydney, the Gadigal people of the Eora Nation. We pay our respects to Elders past, present and emerging. We recognise that we need to listen and learn from the wisdom of the oldest living culture in the world, who have taken care of this land for centuries and continue to do so.

This publication results from a collaboration between UNICEF Australia and Ethical Partners Funds Management.

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ABOUT ETHICAL PARTNERS FUNDS MANAGEMENT

Ethical Partners Funds Management is a boutique Australian fund manager that is fully owned by its staff and founders. Ethical Partners have a dual focus on performance and investing ethically and invest using an approach that directly manages risk and identifies opportunities, provides the ability to invest in line with clients’ values, actively addresses the impact of our investments and engages and advocates for change. Ethical Partners believe that a genuine and integrated approach to assessing a company’s management of ESG is fundamental to assessing both investment risks and the investment opportunities that are presented by the changing world in which we live. ESG is the responsibility of every member of the Ethical Partners investment team and is integrated into every investment decision. Ethical Partners’ active engagement and wider advocacy program is also integral to our approach to responsible investment.

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ABOUT UNICEF AUSTRALIA

UNICEF, the United Nations Children’s Fund, is the world’s largest children’s charity working to protect the rights of children, globally and here in Australia. Established in 1946 in the aftermath of World War II, we now operate in more than 190 countries and territories. Run entirely on voluntary donations, UNICEF works to improve the lives of every child, no matter who they are or where they live. UNICEF Australia was formed in 1966 to support this mission. From sending emergency supplies to children during conflict, natural disasters, or humanitarian crises, to long-term survival and development programs, UNICEF Australia works to protect children, no matter what.

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Publication date June 2022

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WHAT IS THIS REPORT?

The intention of this Part B ‘Recommendations for S&P/ASX 200 Companies based on our “Integration of Child Rights” Benchmarking exercise’ of the report is to provide a resource for companies who have a desire to learn more about how to integrate children’s rights into their business practices and policies, as well as provide a guide for investors on what they can consider in their company analysis and their engagements with ASX listed companies on children’s rights.

Further, Part B should be read in conjunction with ‘Part A Integrating Child Rights across the ASX: A UNICEF Investor Tool Benchmarking Report’.

These recommendations were formulated in response to Ethical Partners Funds Management and UNICEF Australia’s FY21-22 S&P/ASX 200 Benchmarking Report using the UNICEF ‘Tool for Investors on Integrating Children’s Rights into ESG Assessment,’ which can be found in Part A of this report. The ten steps in this report directly correlate with the due diligence and issue and function indicators from the UNICEF ‘Tool for Investors on Integrating Children’s Rights into ESG Assessment.’

Each section in Part B of this report gives detailed best practice recommendations on how ASX listed companies can better protect and respect children’s rights throughout their own operations, their value chains, and their spheres of influence, and includes clear, practical and concrete steps they can take to address each indicator.

Part B of report also provides several examples from ASX companies to help illustrate good practice, which were noted during Ethical Partners benchmarking research that is outlined in Part A of this report.

Ethical Partners looks forward to continuing to engage with ASX listed companies on the implementation of these recommendations going forward.

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Step One: Governance and Commitment.

Ensure and disclose a robust policy commitment to address child rights wider than child labour.

In general, this indicator was particularly poorly addressed across the ASX, with less than 1% of companies disclosing a clearly defined child rights commitment.

Disclose a specific policy commitment to protecting the full spectrum of child rights.

All ASX listed companies can and do impact children in some way, therefore, this is an area in need of much improvement across ASX companies.

Best policy practice in this area would include either a stand-alone policy, or a specific reference within their wider human rights policies to adhere to key international conventions such as the Convention on the Rights of the Child, or the Children's Rights and Business Principles[1].

A general human rights policy is a good start, but it is critical that children are highlighted as a vulnerable stakeholder group.

Many companies noted commitments to human rights in general, or a commitment to respect the rights of "all peoples". Whilst this is a very welcome start, it is also important that:

- Children are specifically highlighted within these wider human rights commitments as a large and vulnerable stakeholder group.
- The general human rights policy is strengthened by noting a specific commitment to children and their rights.

This is because of the unique and often heightened human rights vulnerabilities experienced by children, and the fact that they are often overlooked and not heard as a stakeholder group without the company specifically ensuring a proactive child rights lens is applied within their human rights policies and practices.

It is also important to note that concurrent research by Ethical Partners has found that **less than 50%** of the ASX listed companies we analyse through our proprietary in-house EPORA ESG screening process disclosed a human rights policy at all, so it is clear that this is clearly an area that needs great improvement and advocacy by investors across the board. These companies have a real opportunity to shape their emerging human rights polices with a child rights lens and are strongly encouraged to consult with child rights experts to help inform this process. It is also important to ensure that children are identified as key stakeholders in all other relevant policies such as code of conduct, safeguarding policies or marketing policies[2].

ASX EXAMPLES:

- **Westpac's** Human Rights Position Statement includes actions taken to address child exploitation and child protections and acknowledges the rights and wellbeing of children and young people as a salient human right.
- **G8 Education** also has very comprehensive commitments to ensuring the safety, protection, respect, wellbeing, participation, equity, inclusion, and support of children in their operations.
- **Noble Oak's** Modern Slavery Statement notes that children's rights go hand in hand with combatting Modern Slavery, and recognises the Convention of the Rights of the Child.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company has a policy that commits to respecting children's rights across its operations and activities.
- ✓ The company should publicly commit to respecting the rights of children.
- ✓ The policy should be a statement that references children's rights, the UN Convention on the Rights of the Child, or the Children's Rights and Business Principles.
- ✓ The reference to children's rights should be more than a commitment against the use of child labour.
- ✓ The policy statement can be stand alone or can be integrated in a broader policy document, such as a broader Code of Ethics or Human Rights Policy.

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE BELOW:

Children's rights in Policies and Codes of Conduct: A tool for companies, by UNICEF and Save the Children, https://resourcecentre.savethechildren.net/pdf/children_s_rights_in_policies_26112013_web_0.pdf/

Children are Everyone's Business Workbook 2.0: A guide for integrating children's rights into policies, impact assessments and sustainability reporting by UNICEF: https://www.unicef.org/vietnam/media/2281/file/Children%20are%20everyone's%20business%20workbook%202.0.pdf

Ensure and disclose specific board oversight on children's rights.

> **Less than 1% of S&P/ASX 200 companies clearly disclose board accountability for the protection of child rights within their corporate footprints.**

Ensure and disclose board responsibility for addressing the company's impact on children and their rights.

Whilst several companies disclose board oversight for ESG or human rights issues more generally, there was a real lack of disclosure on board oversight of child rights specifically. As noted in the key takeaways, our subsequent engagement with ASX companies through this research found that many companies believe that child rights issues are not material issues for them.

However, as noted above, all companies can and do impact children in some way, therefore, this is an area in need of much improvement across ASX companies. Whilst it is true that for some companies, their impacts on children may be more obvious or severe, given the deep interconnection and relevance of child rights to many other systemic ESG issues, the wider risks and opportunities that child rights can present in a company's value chain and sphere of influence and the urgent action required to accelerate the rights of children globally, best practice would suggest that this is an issue of pertinence to all ASX listed company boards.

Indeed, the World Economic Forum, in their recently released guidance notes on "Board Duties in ensuring company engagement with affected stakeholders"[3] notes not only the role of corporate boards and directors in relation to the concept of affected stakeholders, but that this will involve ***"not only analysing the groups most directly related to a company's activities but also their level of vulnerability to human rights harms, and whether the companies actions increase or decrease this vulnerability".*** Given then the clear vulnerability of children, it would be well within the remit of any ASX listed board to ensure they have considered whether they have the appropriate mechanisms in place to understand their potential impacts on children, the right knowledge, skills, and experience to make this assessment and whether the right monitoring and review mechanisms are in place to determine their risks, opportunities, materiality's and impacts as regarding children.

It is also important that disclosure is provided on how the board has considered the reputational and financial implications of their impact on child rights, how child rights are integrated into their overall business strategy and company processes, and how advancing child rights may lead to new business opportunities in order to allow investors to integrate this into their company analysis and engagements[4].

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ The company Board has oversight of policy to respect children's rights.
- ✓ The company should have a policy commitment to respecting children's rights that is approved by the Board or CEO and communicated at Board level.
- ✓ A Board member, senior executive or committee reporting to the Board should be tasked with addressing children's rights.

ASX companies are commended on their generous philanthropic giving towards children but are also encouraged to widen their view on how they impact children and their rights beyond charity.

> **57% of the S&P/ASX 200 companies benchmarked were involved in philanthropic commitments to organisations that support children's rights.**

As our benchmarking research showed, the generous philanthropy of many ASX companies are very commendable. It is also important however, that ASX listed companies move beyond philanthropy to more deeply consider how they can positively impact children throughout their full corporate footprint and spheres of influence.

We also note that philanthropic endeavours that directly align with other sustainability themes, SDG's or child rights impacts that the company has are particularly welcome.

ASX EXAMPLES:

- **Qantas** have raised over $35 million for UNICEF through their Change for Good program.
- **Commonwealth Bank** also support UNICEF through their Coins for Kids foreign coin collection program.
- **Coles** undertake several philanthropic partnerships that align with other sustainability themes that they aim to address, such as providing meals to hungry Australian children and families through food rescue organisations SecondBite and Foodbank, which simultaneously helps address their own impact on food waste, or through their partnership with the Stephanie Alexander Kitchen Garden Foundation, which aims to help Australian children develop positive food habits aligns well with addressing Coles' impact on child health and nutrition.

Step Two: Managing Impacts on Children's Rights.

Disclose how you ensure that you integrate children's rights into your impact assessments.

Less than 1% of S&P/ASX 200 companies clearly disclosed how they integrated child rights into their impact assessments.

Clearly disclose how you consider a broad definition of child rights within your impact assessments.

Unfortunately, clear public disclosure on how S&P/ASX 200 companies are considering children and their rights in their impact assessment in a broader sense was nearly absent, apart from two companies that noted child labour as a material issue.

As such, our research would strongly suggest that ASX listed companies should clearly disclose how they assess for their impact on children and their rights in a much wider, broader, and deeper way, and considering the myriad of ways in which they could impact children, and the myriad of different parts of their corporate footprint at which point they could impact children.

For instance: can or do you impact child health? Can or do you impact child safety? Can or do you impact children through your impact on employee family life? As recommended by the Global Child Forum, it is key that materiality is viewed in both terms of the impact the company can have on child rights, not only the impact child rights can have on the company.[5]

Companies should also consider that due to the unique vulnerabilities of children, impacts that may not affect other adult stakeholders may have extreme impacts on children, whereas the potential to create meaningful positive impact through this large stakeholder group may also be larger. This means that children must either be specifically identified as a key stakeholder group within the impact assessment, or that additional stand-alone assessments of the companies impact on children are undertaken and disclosed.

Have a "good look around your corporate footprints" to consider in a broader and deeper way:

- Where perhaps they might be negatively impacting children in a way they hadn't previously thought?
- Where could they potentially impact children in a positive manner that they hadn't previously thought of?
- Can you identify opportunities within your operations, or use your influence to proactively promote child rights?
- Can you ensure your lobbying or the associations you partner with do not inadvertently harm child rights?
- Can you consider joining appropriate multi-stakeholder initiatives on child rights?[6]

Impact assessments regarding children and the protection of their rights can also identify opportunities for the company.

As noted previously, positively and proactively supporting child rights can present material opportunities to create value for a company. For example, Sustainalytics has noted that there are real profit opportunities and brand recognition benefits for companies who are positively impacting child rights[7] and participating as net contributors to their societies.

Therefore, a thorough impact assessment can not only uncover negative impacts but can also highlight opportunities for the company to actively contribute to child rights in a way that also creates an opportunity for business, such as through developing new products or services for children that both address a current gap, and also create value for the company, or through building a more stable workforce, attracting the family focused customer or understanding the needs of children and youth as their future customer base.

Undertake with the aim to prevent, mitigate, and remediate.

This impact assessment must also be undertaken with the clear aim of subsequently preventing, mitigating and remediating the companies' impact on children's rights once it is identified. Part of the response to this impact assessment must also be to then define the roles and responsibilities for addressing these impacts, and to embed this into governance, right up to the board level. As well as disclosing what systems are in place to track the company's progress and performance in relation to child rights[8].

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ The company integrates children's rights considerations into its risk and impact assessments.
- ✓ The company should carry out a stand-alone children's rights risk/ impact assessment or clearly integrate children's rights in other impact assessments such as human rights or social/community impact assessments.
- ✓ The company should ideally report on details of the impact assessment process, and the findings of the impact assessment.
- ✓ This impact assessment should apply to all operations and should be periodically updated.

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE BELOW:

UNICEF and the Danish Institute for Business and Human Right's Children's Rights in Impact Assessments
https://www.unicef.ca/sites/default/files/2019-01/Childrens-Rights-in-Impact-Assessments.pdf

The Child Rights and Business Atlas by UNICEF and the Global Child Forum
www.childrensrightsatlas.org

Disclose that you identify children as a specific stakeholder group and how you engage with them.

Only 2% of S&P/ASX 200 companies disclosed that they specifically identify children as a uniquely vulnerable stakeholder group and/or engage with them.

Be proactive in seeking out the perspectives and voices of these important stakeholders.

Ethical Partners believes that one of the key takeaways from this report is the clear need for a deeper understanding of children as an important stakeholder group for ASX companies. Young people are amongst the most vulnerable stakeholders, and they are also the largest demographic group across the globe according to the United Nations. Yet they are the voices often the least heard by businesses. Children also have greater difficulty accessing justice when their rights are affected.[9]

Proactively seeking the voices of children and youth will therefore enable ASX listed companies to gain a better understanding of their views, needs and experiences, as well as how to respect and support their rights.

Remember that children are ASX listed company's future customers and the adults of 2030.

As the Global Forum notes, "involving children is an intelligent way of engaging your current and future customers in your business. You get a fresh view of both the now and the future."[10]. Considered in this way, embracing a child's rights perspective can also add real value for companies.

For example, the Harvard Business Review[11] recently wrote about the value for corporates in establishing a shadow board, to enable young employees to work with senior executives on various strategic initiatives, receive mentoring, and in turn provide the companies with valuable insights and a diversity of perspective, something which companies like Prada and Gucci have found brought great benefits.

ASX listed companies are also encouraged to proactively harness the valuable insights of children and youth in how to make positive change, as a key step in their other sustainability initiatives to address many of the serious issues facing our world today - not only to ensure equity, but also seize the opportunities and solutions the voices of youth can present.

Enlist the help of child and youth representatives, parents and NGO's to engage with children.

It is of course vital that companies prepare carefully and adhere to strict ethical standards when consulting children and youth, more information on which can be accessed in the resources below. However, engaging with children will most usually involve engaging with their advocates, representatives, or parents.

Australian corporates can also learn from or partner with existing initiatives such as UNICEF's Child Friendly Cities[12], or Safe and Sound Cities[13] which aim to give children a voice in designing urban areas, and thereby helping to ensure future city planning better meets their needs. Other initiatives such as the UN Environment Programs Youth and Innovation Forum can also help companies listen to, leverage and mentor the voices of young entrepreneurial innovators.

ASX EXAMPLES:

- **Commonwealth Bank** engages with organizations specifically focused on youth, such as the Office of the Advocate of Children and Young People in their quarterly CBA Community Council.
- **Westpac** also engages with a diverse group of stakeholders that work directly with children and young people across child rights, protection, and safety as part of their child rights remediation program, Safer Children, Safer Communities. These include roundtables, advisory groups and strategic partners that consist of civil society groups, national child protection organisations, experts in child exploitation, NGO's, online safety experts and law enforcement experts, across Australian and international jurisdictions.
- **Mirvac** proactively engages with Micah, a charity assisting homeless children and families as part of their efforts to support inclusiveness and address inequality, one of the macro-trends they identify as shaping the global community.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company identifies children as a stakeholder group and engages with children and/or representative stakeholders on children's rights topics.
- ✓ Companies should identify children as a stakeholder group and engage with children on their rights.
- ✓ Companies should do so through children's representatives (e.g. through multi-stakeholder platforms, NGOs, local authorities, or parents).
- ✓ Companies should include children in its list of stakeholders, or provide evidence that they identify children as a stakeholder group in other relevant policies.

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE BELOW:

UNICEF's Engaging Stakeholders on Children's Rights
https://sites.unicef.org/csr/css/Stakeholder_Engagement_on_Childrens_Rights_021014.pdf

Global Child Forum Corporate Guide, Children's Participation: How to Involve Children in Decision-Making, 2020
https://www.globalchildforum.org/wp-content/uploads/2020/05/Childrens-Participation_Final.pdf

Disclose how your grievance mechanisms cover child rights wider than just child labour, and show how you ensure that your grievance mechanisms are accessible to children.

> **Only 2% of S&P/ASX 200 companies disclose that they had grievance mechanisms that provided a way in which people can raise concerns about wider impacts on children and their rights.**

Ensure that your company has a grievance mechanism that enables a focus on the full spectrum of child rights.

Whilst it is pleasing to see that many ASX listed companies now have a grievance mechanism for child labour established under their Modern Slavery due diligence, it is rare, across the ASX companies benchmarked to see disclosure on how children or the community can raise concerns on a wider range of child rights impacts.

This is crucial, because if children or their advocates do not have a way to alert companies to their impact on their wellbeing and rights, the company may not be aware of where they need to mitigate and remediate these risks. Additionally, if companies are not hearing from children and youth, they are also missing the opportunities that can be presented by improving their impact in these areas.

It is also important to remember that this requirement does not just apply to companies that directly interact with children on a daily basis, and that all ASX companies come into contact with children at some point through their operations, within their supply chains or as customers, or as particularly vulnerable community members impacted by the company.

Therefore, ASX listed companies' grievance mechanisms should cover all of the companies' operations, in all jurisdictions, and all ways in which a company may impact children.

Provide more disclosure about how you ensure that the grievance mechanism is accessible and appropriate for children.

Crucially, the company must ensure that the language, format, and accessibility of the grievance mechanism is appropriate. For example, what level of literacy is required? Is it in the appropriate language and educational level? Has there been enough education for children and young workers to know how to use it? Are their adequate levels of trust in this mechanism? Do the children have access to support services to use the grievance mechanism if needed? Can the child access the internet or a phone to make a complaint?

Additionally, research has also shown that children are less likely than an adult to use the phone to express a concern to a stranger, so designing a grievance mechanism that is appropriate to their developmental preferences and styles is also crucial. There are many emerging social media worker voice apps that may be more appropriate for this demographic, as well as many NGO's with expertise in designing appropriate worker voice/grievance mechanisms for youth as well. Best practice would also involve disaggregating children as a separate stakeholder group in the design and implementation of a grievance mechanism, something which is not often done[14], as well as ensuring direct stakeholder input from children and youth when designing the grievance mechanism.

The company must also make sure that this grievance mechanism is widely advertised and made known to children, parents and the wider community across the value chain, rather than considering it only part of their supply chain due diligence.

Provide more disclosure on the effectiveness of the grievance mechanism, and what happens when it is used?

Another key consideration is how the effectiveness of this grievance mechanism is monitored and reported. For example, the fact that a company has had no complaints to their child labour/or child rights grievance mechanism is not necessarily a good thing. It may mean that children are not able to access it, are afraid to use it, have been intimidated, are not aware it exists, or it is in a format that they cannot understand, and these are factors that must be monitored for and evaluated regularly.

It is also crucial that the company provides evidence of how they respond appropriately, genuinely and in a timely manner to formal allegations that the company has caused or contributed to a violation, in order to engender child, youth and community trust in the mechanism and ensure its effectiveness. It is also crucial to be able to provide investors with assurance that child rights impacts are being adequately discovered, and ensure it is receiving and remediating complaints appropriately, and to

It is also recommended that the company ensures that someone who has expertise in dealing with child rights receive the grievance complaint and begin the remediation process to continue to respect children's rights through the grievance process.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company has an operational-level grievance mechanism that is focused on children's rights and designed to be accessible by children and/or their representatives.
- ✓ The company has a formalised way for stakeholders and rights holders to raise concerns about the impact of a company's operations or activities on their rights or wellbeing.
- ✓ The grievance mechanism should cover a company's operations, supply chains and activities, and should be accessible to all potentially affected stakeholders and rights holders.
- ✓ Children often cannot access operational-level grievance mechanisms if they do know they exist and cannot understand how to use them. Companies should identify children as potential users of grievance mechanisms and make efforts to make the grievance mechanism known and accessible to children and their representatives.
- ✓ Measures should also be in place to protect children, such as a confidentiality and/or a child safeguarding policy. The company has an operational-level grievance mechanism that is focused on children's rights and is designed to be accessible by children, their families and/or their representatives, such as community members, local NGOs and government officials.

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE BELOW:

UNICEF's discussion paper on Operational-level grievance mechanisms fit for children
https://sites.unicef.org/csr/css/DISCUSSION_PAPER_GRIEVANCES_final.pdf

Ensure and disclose that you conduct specific child rights training.

> **Only 2% of companies disclose they conduct any training on impacts on child rights wider than child labour.**

Disclose that you train your staff, executive leadership team and board on a broad definition of children's rights.

Whilst it is pleasing to see that 62% of companies now disclose that they have some training on modern slavery/human rights, with some companies also including specific disclosure that this training covers child labour, there is a real lack of disclosure on employee or management training on the wider range of impacts on the wellbeing and development of children that ASX companies should consider. Our benchmarking process found that ASX listed companies should therefore consider expanding their training programs to cover a wider range of potential child rights impacts, and furthermore, more clearly disclosing how this training is rolled out, and the outcomes it has informed.

They should also consider how they collaborate with child rights experts, NGO's and affected youth and children and their advocates in order to ensure this training is appropriate and thorough, and ideally, is able to disseminate and amplify the voices of children and youth themselves throughout the training process.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ All of the company's personnel and business partners receive training on children's rights.
- ✓ The company reports on how many personnel and business partners have been trained, and the goal for coverage.
- ✓ Children's rights are explicitly referenced in both the training, and the disclosures provided on the training program.

Disclose how you ensure your company aims to support the rights of Indigenous children.

> **Whilst around 50% of ASX listed companies disclose that they consider Indigenous rights, very few companies disclose specific policies or practices aiming to protect Indigenous children, or their programs aimed at positively impacting outcomes for Indigenous children or identify Indigenous children as a particularly vulnerable stakeholder group.**

Disclose how your company is taking meaningful action towards the "closing the gap" targets.

The Secretariat of National Aboriginal Islander Child Care, the national peak body in Australia representing the interests of Aboriginal and Torres Strait Islander children and their families, has clearly stated that Australia is not doing enough to protect children's rights[15].

ASX listed companies are therefore encouraged to consider how they could better disclose these considerations, either through specific policies to consider the rights of Indigenous children, or through the acknowledgement of Indigenous children as a uniquely vulnerable stakeholder group within a wider human rights policy.

These policies should address stakeholder engagement and consultation with Indigenous youth and their representatives, a specific impact assessment looking for how the company can have positive impact, as well as mitigate negative impact, as well as specific policies and initiatives such as responsible recruitment and training programs, targeted diversity and inclusion policies and cultural safety and respect commitments and programs.

Additionally, ASX listed companies should consider their impact on Indigenous children through their provision of culturally appropriate grievance mechanisms and remediation that have also been tailored to be accessible and appropriate for children,

Consider your company's impact on Indigenous children through your other existing sustainability initiatives.

There is also a real opportunity for ASX listed companies to disclose their specific consideration of Indigenous children within their Reconciliation Action Plans, or through a specific recognition of the needs of Indigenous children within the companies proactive and integrated strategy to impact an SDG's relevant to this stakeholder group.

Develop a meaningful RAP using a proactive child rights lens in order to identify potential positive impacts on Indigenous children and youth.

Additional in-house research by Ethical Partners this year has found that only 31% of the S&P/ASX 200 had developed a Reconciliation Action Plan, and this is an area in which we have also undertaken active engagement with ASX listed companies to accelerate their actions on reconciliation.

We would therefore strongly encourage all ASX listed companies to consider developing a RAP, and would further suggest that this is an ideal place for companies to begin to more deeply consider and disclose how they could play a positive role in addressing the marked inequality experienced by Indigenous children.

Consider your impact on Indigenous children through your wider corporate spheres of influence.

This should also include the company's disclosure of their public support for the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), the implementation of the principle of Free, Prior and Informed Consent, and the Uluru Statement of the Heart, as well as how your company considers your impact on Indigenous children's rights through corporate memberships, lobbying, and political and legislative advocacy.

ASX EXAMPLES:

- **Origin** notes their involvement in programs to support Indigenous pre-school literacy, education and mentoring in their RAP.
- **IAG** also use their RAP to detail their partnerships regarding lowering indigenous incarceration rates, increasing high school retention, and supporting First Nations led solutions that engage with young people at risk.

Step Three:
Reporting and Disclosure.

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Disclose how you ensure that you consider children's rights in your materiality assessments.

> **Only around 6% of S&P/ASX 200 companies disclosed that they included children's rights in their materiality assessments.**

Consider the protection of children and their rights a material issue for all ASX listed companies.

As noted in our key takeaways, a major gap that was identified was that many companies did not believe that the protection of child rights was a material issue for them. However, as argued throughout this report, all ASX listed companies have impacts on children at some point through their operations, value chains, spheres of influence or relationships, and therefore, we would expect more companies to identify their actual or potential impacts on children as a material issue.

Additionally, many companies who do identify issues that deeply impact children as material (such as product safety or digital security, for example) could more clearly identify how they acknowledge children as a key stakeholder impacted by this material issue, in order to allow investors, parents, consumers and other key stakeholders to ensure that children and the protection of their rights is a key consideration for the company within this material risk.

Companies can also disclose how they considered their impact of child rights within their materiality assessment process, even if they do not include any impacts on children within their final materiality matrix. This will also help to show investors and other stakeholder that the company has considered and assessed their impacts on children, and open the door for further engagement on these issues as required.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company includes children's rights topics in its materiality assessment.
- ✓ The company should include children's rights in its assessment of material/salient issues.
- ✓ This can be evidenced by a description of the assessment carried out and topics considered, or by the identification of children's rights topics as material.
- ✓ Children's rights topics can include issues such as child labour, family-friendly workplaces, responsible marketing to children, child safeguarding, or product safety for children. Sometimes companies may include a general topic such as product safety as material, that may include an element of children's rights, but there should be some evidence that children's rights are specifically considered.

Provide regular, transparent and detailed reporting on your companies' impact on child rights.

Only 2% of companies reported on their child rights impacts (wider than a singular focus on child labour) in transparent and detailed disclosures.

Provide investors with clear disclosures on how you assess your child rights impact.

The disclosure of a companies impact assessment is also crucial to enable investors to properly assess, integrate and engage on the risks and opportunities that are identified for children. This is particularly pertinent due to the calls for increased investor assessment and integration of a specific focus on child rights into ESG assessments, as well as tools and benchmarking exercises such as this report.

Detailed external reporting allows investors to ensure that all potential child rights impacts have been identified and are understood by the company, and that all possible proactive opportunities to protect and positively impact children have been seized.

This reporting should be publically available, cover how the company is addressing and managing their child rights risks, and should also include specific child rights indicators within the other relevant areas of the companies sustainability reporting as well[16]. It should also include clear KPI's and measurable targets for tracking progress on how a company is supporting and protecting children and their rights within their operations, value chains and spheres of influence.

A more detailed disclosure on how child rights are assessed by ASX listed companies also opens the door for more constructive conversations between the company and other stakeholder groups, such as child rights experts, consumers, parents, civil society groups, legislators, NGO's and children themselves as to how children can be better supported and protected by Australian businesses.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ The company should report externally on its most salient children's rights impacts, how these impacts are being addressed, managed, and where relevant, remediated.
- ✓ Company should include KPIs in its sustainability/human rights reporting relevant to managing children's rights impacts: for example, the percentage of parents returning to work after parental leave, or the proportion of child labour cases remediated.
- ✓ Company integrates SDGs that support children's rights into its sustainability/ CSR strategy.
- ✓ The company integrates SDGs that support children's rights into its sustainability/ CSR strategy, referencing one of the following SDGs that aim to improve the lives of children and young people: Goal 1 (Poverty Reduction), Goal 2 (Zero Hunger), Goal 3 (Health), Goal 4 (Education), Goal 5 (Gender Equality), Goal 6 (Water and Sanitation), Goal 8 (Decent Work), Goal 10 (Reducing Inequalities), or Goal 16.2 (Violence against Children).

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE BELOW:

UNICEF's Children's Rights in Sustainability Reporting
https://sites.unicef.org/csr/css/Childrens_Rights_in_Reporting_Second_Edition_HR.pdf

Step Four: Collaborations and Partnerships.

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Show how the protection of children and their rights is integrated into your SDG commitments – and how these are then integrated into your corporate strategy.

Very few companies specifically addressed how their SDG commitments considered children as a particularly impacted stakeholder, or how their commitments to the SDG's was directly integrated into their core business strategies.

Disclose how you integrate your commitment to the SDG's into your core business strategy.

Whilst our benchmarking showed that ***57% of S&P/ASX 200 companies disclose that they have committed to considering the SDG's, a deeper disclosure on how this is integrated into their strategy and operations is lacking.***

This also confirms previous research by Ethical Partners published in our 2021 Annual Standards Report, which found that only 5% of over 200 S&P/ASX companies that we analysed had integrated their SDG commitments deeply into their core business strategy – and that unfortunately, the majority of companies only address their commitments to the SDG's in a more superficial "tick-box "manner"[17].

Consider children as a particularly impacted stakeholder within your SDG strategies and initiatives.

As noted previously, children are a crucial stakeholder in all of the SDG goals, and in fact, it has been suggested that the state of children's rights, health and development can be seen as proxy indicators for progress on the SDG's. Experts agree that there are many compelling reasons to put children at the center of the SDG agenda[18]. It has also been suggested that using a lens of protecting children and their rights can help provide solutions for many of the SDG goals to which Australian corporates have committed.

As such, we would encourage companies to consider specifically using a child rights lens as regards their SDG impact, and furthermore aligning their work on the SDG goals with their child rights commitments.

Consider your corporate impact on SDG 3 as a starting point.

SDG 3 is a clear example of a way in which companies can have a clear impact on children. Today's children face an uncertain future. A landmark 2020 WHO, UNICEF and Lancet[19] report found that "today's children face an uncertain future", with climate change, ecological degradation, displacement, violence, harmful marketing, and growing inequalities threatening "the future of children's health and well-being everywhere".

This report also notes that all sectors are responsible for children's wellbeing, and can and must work to protect the health of children, noting the impact on children of issues as varied as air and water pollution, extreme weather events, environmental toxins, unhealthy diets, inadequate housing, road safety, urban planning, green space, safe and developmentally appropriate play, clean and renewable energy and carbon emissions – all issues that affect a wide range of ASX listed companies and industry sectors.

We therefore believe that better disclosure on how the company specifically considers their impact on the health and wellbeing of children, particularly in terms of issues such as preventable diseases, obesity, malnourishment, their products, the protection of pregnant or nursing mothers or their impact on a healthy environment carries a real opportunity for companies to show a positive impact.

We would as such encourage all ASX companies to consider how they assess their impact on children's health through their entire operations, including their products, services, advertising, lobbying, partnerships, suppliers, and sphere of influence, on children's health and wellbeing.

The company can easily note how they have considered their impact on children in relation to SDG 3 through their human rights due diligence, their environmental assessments and their stakeholder engagements with parents and children, and how these also align with their policy commitment to ensuring the specific right to health contained within the Convention on the Rights of the Child.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company integrates SDGs that support children's rights into its sustainability/ CSR strategy.
- ✓ The company integrates SDGs that support children's rights into its sustainability/ CSR strategy, referencing one of the following SDGs that aim to improve the lives of children and young people: Goal 1 (Poverty Reduction), Goal 2 (Zero Hunger), Goal 3 (Health), Goal 4 (Education), Goal 5 (Gender Equality), Goal 6 (Water and Sanitation), Goal 8 (Decent Work), Goal 10 (Reducing Inequalities), or Goal 16.2 (Violence against Children).

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE BELOW:

The SDG Compass, which provides guidance on how companies can align their strategies, measure and manage their contribution to the realization of the SDG's *https://sdgcompass.org/*

Child-centered approach to Sustainable Development Goals in High-income countries: *https://www.unicef-irc.org/publications/pdf/WP%202019-06.pdf*

Participate in and disclose your companies' external initiatives or partnerships to protect children and their rights.

> **11% of S&P/ASX 200 companies disclosed their external partnerships or initiatives to support children and their rights (further than those focused solely on philanthropy).**

Actively seek to collaborate with other stakeholders on the protection of children and their rights.

The Global Forums Children's Rights and Business Workbook on how to implement a children's rights perspective[20] also encourages companies to collaborate with NGO's, who can help provide further insights on their potential impacts, and on the situation for children in the areas in which their corporate footprint impacts, as well as actively help the company deliver their programs and initiatives on protecting children and youth.

It is also important to note that these partnerships and collaborations, which may include philanthropy, should also be considered within the company's operational footprint as well. For example, external partnerships and collaborations can be integral in facilitating the delivery of programs to support children and youth or in conducting the companies impact assessment, or remediation strategies.

These collaborations and partnerships are also key to addressing many of the large systemic issues that are common across ASX listed companies, as well as providing the ability to drive change through greater leverage and influence on the key actors within some of these systemic challenges.

Additionally, these partnerships and collaborations can provide valuable learnings and knowledge sharing that can assist ASX listed companies with addressing their child rights impacts in their own corporate footprints.

External partnerships and collaborations with children and youth, through their representatives, is also a crucial way for companies to ensure they are hearing from this important stakeholder group, as previously discussed.

ASX EXAMPLES:

- **Mirvac**: has partnered with the property foundation to build new homes for homeless young people in QLD, as well as a safe house for victims of domestic violence.
- **Woolworths**: has participated on the UNICEF & NIBM working group on child nutrition and is actively integrating learnings from this into their own corporate policies.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

✓ Company participates in initiatives and partnerships to support the realisation of children's rights or a relevant SDG.

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE BELOW:

The Global Child Forum's Children's Rights and Business Workbook: How to implement a children's rights perspective has practical guidance and templates to support businesses.
https://www.globalchildforum.org/internal-report/childrens-rights-and-business-workbook/

Step Five: Children's Rights in Business Relationships.

Ensure and disclose how you address impacts on children and their rights in your Supplier Code of Conduct.

> **Inclusion of the protection of a child rights lens wider than child labour within supplier codes of conduct was markedly lacking across S&P/ASX 200 companies.**
>
> **Even when considering only child labour, less than half of the companies we analysed clearly disclosed a specific child labour clause in their supplier codes of conduct.**

At a minimum, include a specific child labour clause in your supplier code of conduct.

We believe this is a clear first step for ASX companies to enhance both their modern slavery due diligence and policies, and to begin to address their child rights impacts.

However – companies must also include a broader definition of child rights in their supplier code of conduct.

As noted throughout this report, children and youth can be deeply affected by, and are often more vulnerable to poor working conditions, inadequate payment, overtime, and other unfair work practices. Young workers are also often more vulnerable to harassment, or chemicals and toxins. Children are also negatively impacted by the poor treatment of their parents – such as exposure to pollution or other health risks by pregnant or nursing supply chain workers, or through the communities impacted by the companies supply chain operations, leading to detrimental effects on the child - or through poor parental support of supply chain workers, such as excessive overtime or lack of support for childcare, leading to a lack of contact with parents or poor education and developmental care for children.

ASX listed companies should therefore better disclose their expectations on the protections of a much broader spectrum of child rights and impacts on children's wellbeing in their supplier codes of conduct, both to ensure that their suppliers are aware of their expectations on the protections for children and youth within their suppliers spheres of impact, but also so investors can ensure that the company is aware of, setting standards for and ensuring compliance with a broad range of actual and potential impacts on child rights.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company requires suppliers and/or contractors to respect children's rights, and the commitment is a part of the company's contract with its suppliers/ contractors.
- ✓ Company code(s) of conduct for suppliers or contractors should explicitly reference children's rights, including but broader than child labour.
- ✓ The code of conduct should explicitly reference children's rights, the Convention on the Rights of the Child OR the Children's Rights and Business Principles.
- ✓ The code of conduct should form a part of the company's contract with its suppliers and/or contractors.

Ensure and disclose that you are addressing a broad consideration of child rights in your supplier assessments.

> **Only 24% of companies specifically referred to child labour in their disclosure on their supplier assessments. There was also a nearly complete absence of disclosure on the consideration of a wider set of children's rights impacts in supplier assessments.**

At a minimum, include more disclosure on how you address child labour in your supplier assessments.

Whilst many modern slavery supplier assessments are obviously focused on forced labour, a specific child rights lens on child labour within supplier assessments should also be applied, as the assessment of the unique and heightened risk factors for children, and the prevention and remediation of child labour may also require a very different approach to other aspects of child labour, as noted in other recommendations.

However – as above, companies must also include a broader definition of child rights in their supplier assessments.

All ASX listed companies should ensure that their supplier assessments are also considering other ways in which children can be impacted along their supply chain – such as family friendly work environments, health and safety both in the workplace and for the communities affected by the suppliers, the protection of young workers or living wages, for example. This is particularly crucial in suppliers that have been identified, through a robust impact assessment process, as having an elevated risks profile in this regard[21].

The company should disclose to investors and other stakeholders how they conduct ongoing compliance monitoring and auditing of their suppliers and contractors with respect to their protections for children's rights, and furthermore, show how they have used their company's influence to help develop a stronger respect for children's rights throughout their supply chain.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company conducts ongoing compliance monitoring/ auditing of suppliers and contractors on respect for children's rights and family- friendly policies.
- ✓ The company's compliance monitoring or auditing program, at a minimum, addresses the following topics: child labour, hazardous work for young workers, maternity/paternity/ parental protections (parental (maternity/ paternity) leave, health, and safety protections for pregnant workers, and living wages.

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE BELOW:

The Ready-Made Garment Sector and Children in Bangladesh
https://www.unicef.org/bangladesh/en/reports/better-business-children

The Apparel and Footwear Sector and Children in Vietnam
https://www.unicef.org/vietnam/reports/apparel-and-footwear-sector-and-children-viet-nam

Palm Oil and Children in Indonesia: Exploring the Sector's Impact on Children's Rights
https://www.unicef.org/indonesia/documents/palm-oil-and-children-indonesia

The Apparel, Electronics and Agriculture Sector
https://www.unicef.nl/files/Child%20Labour%20in%20Global%20Supply%20Chains.pdf

Step Six: Child Labour and Decent Work for Young Workers.

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Ensure and disclose a comprehensive and thoughtful policy on child labour.

> **81% of the S&P/ASX 200 companies have made a clearly disclosed public commitment not to use child labour.**

ASX listed companies must ensure that they have a clearly disclosed policy that commits to not use child labour.

We would encourage these companies to now more deeply embed these commitments into their supplier codes of conduct and supplier assessments, as well as ensuring that a thoughtful child rights lens is applied to their modern slavery grievance policies and remediation practices.

Clearly, the remaining 19% of S&P/ASX 200 companies must ensure they have a public facing and robust commitment not to use child labour as a matter of priority.

There is an urgent need for ASX companies to accelerate action on child labour wherever possible.

The recent "Durban Call to Action" raised strong concerns that existing progress on child labour has slowed and is now threatened by the pandemic, armed conflict and the intersecting food, environmental and humanitarian crisis. It also emphasized the need to accelerate action on child labour in agriculture, accelerate multi-stakeholder efforts[22].

Be aware there is no quick fix.

It is crucial that ASX companies understand that child labour is deeply linked with poverty and inequality, and look to take approaches to tackling child labour that also take sociocultural and economic factors into account, looking to address the root causes of child labour through their impact on the SDG's, child health, living wage and other related sustainability issues as well as through their modern slavery due diligence programs[23]. ASX listed companies should also consider including commitments to multi-stakeholder collaborations that aim to address these underlying drivers of child labour within their actions to address their impact on this issue.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Companies should commit to not use child labour and to respect the minimum age of employment in line with ILO conventions and national standards (whichever is higher).
- ✓ The commitment should apply to own operations and the supply chain.
- ✓ According to ILO conventions, the minimum age for full time employment is 15 years, and the minimum age for hazardous work is 18 years.
- ✓ The company should also disclose actions taken to ensure it does not contribute to child labour, whether the disclosure is voluntary or part of a mandated disclosure.

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE BELOW:

Global Child Forum, Child Labour Policy: A child-centered approach, 2018
https://www.globalchildforum.org/wp-content/uploads/2018/11/Child-Labour-Policy_181120.pdf

ILO-IOE Child Labour Guidance Tool for Business: How to do business with respect to children's right to be free from Child Labour, 2015
https://shiftproject.org/wp-content/uploads/2015/12/ILO-IOE-Child-Labour-Guidance_Web_20151224.pdf

International Labour Organisation (ILO) Child Labour in Mining and Global Supply Chains, 2019
https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-manila/documents/publication/wcms_720743.pdf

Ensure and disclose a thoughtful and specific child labour remediation policy.

Less than 1% of S&P/ASX 200 companies disclosed a specific remediation policy to address child labour.

Ensure that your remediation policy helps to address the ongoing cycle of child labour.

It is important that ASX listed companies apply a specific and targeted child rights lens to their modern slavery remediation policies and practices, in order to ensure that children's rights are properly protected when child labour is identified, and that the remediation is responsibly managed. It is well known that without continued support and attention to appropriate remediation, children found in child labour are likely to fall right back into another exploitative employment situation. It is imperative that this child then be continued to be supported through this process, re-enrolled in education or be offered safe and decent alternative work if they are a youth of working age in the relevant jurisdiction, rather than just be terminated when child labour is found, in order to help break the insidious cycle of child labour.

The company should also proactively prepare for what they will do if child labour is found.

This should include considering the roles and responsibilities that will responsibly manage the remediation of any children found in child labour through their due diligence, and what collaborations with child rights experts, community groups or NGO's could be created to help deal with their child labour remediation in the most appropriate way.

The company should also proactively consider how they will report on their child labour remediation to investors and other stakeholders, and how they will continue to monitor for the effectiveness and satisfactory resolution of any child labour cases found.

It is also imperative that, as noted above, the company consider and disclose either through this policy, or in other relevant disclosures, how they can help to take wider action and impact on the root causes of child labour through their other sustainability initiatives, partnerships, philanthropy, integrated SDG commitments and spheres of influence.

ASX EXAMPLES:

- **Coles**' Ethical Sourcing Child Labour Remediation Policy requires that the child is given access to schooling, paid an ongoing wage and benefits and guaranteed a job at the workplace upon reaching the appropriate age. It also requires that the supplier organise and fund a reunion with the child's family, that work be offered to another adult member of the child's family where possible, that the child's progress at school is monitored, that detailed records are kept by the supplier and that a corrective action plan to ensure reoccurrence of child labour is implemented at the supplier. The policy also requires detailed reporting, follow up audits, and monitoring outcomes be shared with Coles.
- **Westpac's** Safer Children, Safer Community remediation plan, arising from their AUSTRAC November 2019 Statement of Claim details their actions and investments to 2023 to improve child safety and protection, including catalysing change in the company including deeper awareness and accountability, raising awareness of the issue of online sexual exploitation of children and the role of business in taking responsibility for safeguarding and protecting children. The remediation program includes the establishment of a roundtable of experts in human rights, child safety, online safety and law enforcement, partnerships with several civil society groups and NGO's involved in child protection and trafficking, enhanced child safeguarding policies, financial grants and regular progress reports.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company has a child labour prevention and remediation policy or plan that is led by best interests of the child and ensures that children are enrolled in a remediation / education programme rather than dismissed from employment; if young workers are found to be in hazardous work, they are removed immediately and given age-appropriate work.
- ✓ The child labour remediation policy or plan does not have to be a formal policy commitment, but could be part of, e.g., the company's supply chain codes of conduct, operating procedures or reported in its CSR/ sustainability reports.
- ✓ The key is that the remediation plan is centred on the best interests of the child and does not simply involve removing the child from employment but ensures that the child is enrolled in a remediation or education programme.
- ✓ For young workers above the minimum age of employment, they should be removed from hazardous work but given age-appropriate work as a substitute and supported to re-enter education if it is in their best interests.

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE BELOW:

Tackling Child Labour: An Introduction for Business Leaders by UNICEF and the World Business Council for Sustainable Development (WBCSD), 2021.
https://www.wbcsd.org/Programs/People-and-Society/Tackling-Inequality/Human-Rights/Resources/Tackling-child-labor-An-introduction-for-business-leaders

Disclose how you specifically consider working conditions for young workers.

Only 20% of S&P/ASX 200 companies clearly and publically disclose how they proactively protect their young workers.

All young workers require special protections which should be proactively disclosed.

Companies must ensure that any children and young people in employment in Australia are protected by the minimum employee entitlements under legislation that safeguard against interference with education or inappropriate work hours, as well as ensuring that there are appropriate health and safety protections for young workers, who are more vulnerable to injury from chemicals, physically demanding work, complex work environments, high pressure situations and toxic chemicals.

For example, in 2013 SafeWork Australia found that on average, every 4 minutes and 24 seconds a young person is injured in an Australian workplace, mostly due to a lack of experience and maturity, and less ability to identify risk and manage it effectively[24].

Whilst the compliance with legal requirements is generally well-considered by ASX listed companies, the outward facing disclosures on these protections are often lacking, which can make it hard for investors to assess the companies' policies and practices in these regards, particularly in regard to a company's proactive and leading responses to protecting their young workers over and above the minimum legal requirements.

The company should also clearly disclose their proactive protections for young workers in their supply chains.

The ILO Convention No. 138 on the Minimum Age for Admission to Employment[25] sets the general minimum age for admission to employment or work at 15 years for non-hazardous work. As such, there will be many young workers within ASX listed companies supply chains that, whilst not falling into the category of child labour, are still markedly vulnerable, need to be considered as a specific stakeholder, and have their rights and wellbeing actively protected.

In fact, there are around 541 million 15-24 year old young workers globally, which makes up around 15% of the global workforce, many of these youth employed in the informal sector, with little or no transparency, higher risks of abuse, forced labour, and in need of special consideration to their responsible recruitment, a supportive environment and development planning[26]. These young workers often also experience precarious or temporary work, leading to increased job insecurity, and poor wages and working conditions. Young workers are also less likely to demand better wages and working conditions[27].

As such, ASX listed companies should proactively disclose how they are addressing the rights and conditions for young workers, their health and safety, pay and job security, both within their domestic operations and within their supply chains. ASX listed companies should also actively consider how they can provide extra support for their young workers, as well as how they can incorporate an emphasis on protections for young workers into their supplier codes of conduct, supplier assessments, grievance mechanisms and due diligence processes.

For example, the Responsible Business Alliance Code of Conduct notes that young workers may be of legal age to work in their jurisdictions, but are nonetheless deprived of the opportunity to learn, and that appropriate vocational and life skills workplace learning programs should be supported, as well as noting the need to maintain proper records on young workers, ensure tailored health and safety provisions, including regarding overtime and shift-work, and ensure fair wages are paid[28].

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company has special health and safety protections in place for young workers to protect them from hazardous work and excessive hours in all operations.
- ✓ Young workers are defined as those below 18 but above the minimum age of employment.
- ✓ The company's approach should ensure that young workers are not subjected to excessive overtime or hazardous working conditions and should be paid at least the minimum wage for their work.
- ✓ The company's policy should apply to all operations.

Ensure and disclose that you have a focus on training and development of young workers through traineeship/graduate programs.

> **Only 25% of S&P/ASX 200 companies clearly disclosed that they had a focus on training and development of their young workers.**

Ensure that your company actively implements best practice skills development and vocational training for your young workers.

Quality skills development, ongoing training, mentorship, and career development assistance are powerful ways in which ASX listed companies can create positive impact on youth and their wellbeing and rights. However, our benchmarking research found that a statistic that could clearly be improved.

Increased disclosure of these programs should also be considered as a powerful opportunity for the company to attract quality employees, retain staff and ensure a quality future workforce, as well as to enable investors to better assess a company's ability to positively impact children and youth in this way.

Companies should also particularly consider how they can use these skills development and training programs to also create a positive impact for particularly vulnerable youth, such as Aboriginal and Torres Strait Islander young people, or how these programs can help address their integrated commitments to SDG 4, and align their initiatives and disclosures on with these deeply interconnected sustainability topics as well.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company has a defined approach to employing young workers that ensures they have access to skills development and vocational training (e.g., apprenticeships/ internships).
- ✓ Young workers are defined as those below 18 but above the minimum age of employment.
- ✓ The company's approach should ensure that young worker's employment contributes to their education and skills development, e.g., through internship or apprenticeship schemes.

Step Seven: Decent Work for Parents and Caregivers.

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Ensure and disclose your company's diversity and/or inclusion policies that support equal opportunities and non-discrimination.

Pleasingly, 94% of the S&P/ASX 200 companies publicly disclose these policies.

It is well understood that the health and wellbeing of mothers is a key factor in the health and wellbeing of their children and families. It is also well known that pregnancy and caring related discrimination and stigma persist for employees of all genders[29]. It is imperative therefore that ASX listed companies have well disclosed, clear, detailed and well executed policies on equal opportunity and non-discrimination.

As such, Ethical Partners would strongly encourage the remaining 6% of the S&P/ASX 200 companies we benchmarked who do not yet publically disclose these policies to do so as a matter of urgency. The external disclosure of these policies is critical for both investors, but also potential employees and other stakeholders to be able to understand the company's commitment to these crucial issues.

The challenge now is to better disclose how these policies are actually enacted, the outcomes of these programs and the methods used to ensure their effectiveness.

A recent report by the UNICEF and Parents at Work Family Friendly Workplaces (FFW) initiative found that workplace diversity and inclusion plans are falling short in their communication and the execution of a clear strategy to support families and carers in the workplace[30].

Our benchmarking research confirmed that companies across the ASX can also provide more detailed disclosures how the company ensures accountability at board and management level for these policies, including within remuneration, as well as their progress towards clear and defined diversity targets.

Companies should also disclose their gender pay gap, as well as disclosure on their management of sexual harassment in order to further assure stakeholders that their anti-discrimination policies and diversity and inclusion practices are robust and integrated. ASX listed companies could also consider joining collaborative initiatives such as the Champions of Change coalition, which aims to engage business leaders in addressing the systemic and societal issues relating to gender equality and building respectful and inclusive workplaces.

ASX EXAMPLES:

- **Mirvac** has been ranked number one in the world for gender equality by the 2022 Equileap global report, and has also held its gender pay gap at zero for the past six years.
- **Transurban**, **Medibank**, **Viva Energy** and **BHP** also rated very highly for gender equality in the Equileap report.
- **QBE**, **Fortescue**, **Lendlease**, **Commonwealth Bank**, **Stockland**, **CSR**, **Suncorp**, **Charter Hall**, **IAG**, **Cochlear**, Qantas, **Steadfast**, **Vicinity**, South 32, **Medibank**, **Mirvac**, **AMP**, **Telstra**, **Dexus**, **Viva Energy**: Are all Champions of Change Coalition Members.
- **ANZ**, **BHP**, **Bluescope**, **IGO**, **Mirvac**, **Origin**, **Westpac**, **South 32** and **Ramsay Healthcare** have committed to the Hesta Investor initiative, with a gender target of 40:40:20 by 2030.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company commits to equal opportunities and non-discrimination on the basis of gender, pregnancy, maternity/paternity and family responsibilities.
- ✓ This indicator is based on ILO Conventions No. 111 on Non-Discrimination in Employment, No. 183 on Maternity Protections and No. 156 on Workers with Family Responsibilities.
- ✓ Non- discrimination on the basis of gender, pregnancy, maternity and family responsibilities is important to children's rights because it ensures that workers can provide for their families while balancing their work and family life.
- ✓ Companies should commit to equal opportunities and non-discrimination on these four grounds.
- ✓ Evidence of this commitment can be either in a formal policy, or in CSR/sustainability reporting on employment practices.

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE BELOW:

Equal opportunity and Diversity, Business.Gov.Au, https://business.gov.au/people/employees/equal-opportunity-and-diversity#equal-opportunity-and-diversity-overview

Champions of Change Coalition: Leading on Gender Equity, Pay Equality, Achieving Gender Balance, and Safe and Inclusive Workplaces Resources and Reports: https://championsofchangecoalition.org/reports-and-resources/

Ensure and provide detailed public disclosure on adequate parental leave policies.

> **6% of S&P/ASX 200 companies did not publically disclose any parental leave policy.**

Our benchmarking research found that 57% of the S&P/ASX 200 companies offered their employees fulsome parental leave policies that included primary and secondary care-giver adoption, surrogacy, and stillbirth leave, and offered full pay. Another 15% of these companies disclosed that they have parental leave policies that include primary and secondary care-giver leave, but do not include all the above-mentioned leave provisions or offer full pay. Another 22% of these companies only disclosed primary care-givers parental leave, and as noted above, 6% disclosed no details on parental leave.

The length of paid parental leave across our benchmarking varied widely. Recent Workplace Gender Equality data has also found that across Australian employers, leaders are offering as much as 26 weeks paid parental leave, whilst only 6% of employers are offering more than 18 weeks, and the most common length of paid leave offered was between 7-12 weeks[31].

Adequate parental leave policies are a critical way in which your company can positively impact children and their rights.

It is increasingly well understood that the employment conditions for parents and caregivers can have direct impacts on their children's health, well-being, and development.

For example, the positive impact of adequate paid parental leave include improved maternal health, decreased postpartum depression, decreased intimate partner violence, improved infant and child development, decreased infant mortality and hospitalisation, increased attendance at child health checks and immunizations, educational outcomes and increased breastfeeding rates and durations. Paternity leave is also associated with increased life and relationship satisfaction, whilst keeping women in work can increase women's ability to escape family violence through enhancing their financial capacity.

Family friendly work practices such as adequate parental leave have also been proved to increase female workforce participation, increase women's leadership, reduce gender wage gaps and improve women's economic outcomes, which has a clearly positive impact for their children[32].

Fulsome parental leave policies are also good for your business.

Decent work conditions for parents and caregivers also have a number of business benefits, such as increased employee engagement, talent attraction, decreased employee turnover, improved diversity and inclusion, improved diversity of thought and innovation, brand eminence, customer engagement, better employee health and wellbeing, increased retention of employees and increased employee effectiveness[33].

Ensure that your parental leave program details are clearly and publically disclosed.

We also discovered that many of these parental leave policies were not public facing and had to be requested from the companies. We do however believe there is a real benefit to companies who do publicly disclose leading parental leave policies, in attracting talent, community and investor support, and would encourage all ASX listed companies to make these policies both as robust as possible, and clearly disclosed.

Parental leave protections must also be addressed throughout your supply chains.

This is a crucial way in which companies can make a positive impact on the SDG's, particularly on Decent work (SDG8), Health and Wellbeing (SDG 3), Gender equality (SDG5), Inequality (SDG 10) and Poverty (SDG 2). As such, all ASX listed companies should consider this issue as a material impact that they can have on children and the protection of their rights

ASX listed companies' efforts to ensure these protections within their supply chains are particularly important in jurisdictions where labour protections are weak and gender discrimination is widespread. For example, approximately 80% of workers in the apparel and footwear supply chains[34] that many ASX listed companies are exposed to, are women, whose children can be markedly impacted by their mother's lack of ability to take parental leave.

Other ASX listed companies operating in or sourcing from industries with large, low skill, low paid workforces in labor-intensive industries also need to pay particular attention to respecting the rights of women, parents and caregivers in their supplier assessments, codes of conduct, due diligence, and proactive collaborations to protect the rights of children throughout their supply chains. Migrant workers in particular face specific challenges, and supporting these parents with leave, or the ability to move with family, and improving access to basic services for these women and children is something that should be considered by all ASX listed companies in their supplier codes of conduct, assessments and relationships[35].

ASX listed companies are strongly encouraged to consider becoming certified under the Parents at Work and UNICEF Family Friendly Workplace collaboration.

This certification, launched in 2021, provides employers with a national work and family standards benchmark of best practice guidelines across flexible work, parental leave, family care, family wellbeing, leadership culture and measurement, as well as a pathway to certification.

It can also assist employers to identify and close gaps in their policies and practices, develop a committed and endorsed action plan and begin to better measure, track and record employee's family caring responsibilities. Benefits for companies of certification also include becoming an employer of choice, enhancing productivity by reducing work life tensions[36].

Room to improve.

Whilst it is encouraging to see many leaders emerging in this area, Family Friendly Workplaces recent analysis found that there is still a need across Australian businesses for parental leave policies to expand inclusivity, remove primary and secondary carer labels and broaden the definition of family types within parental leave policies[37]. Another important factor is the visibility and role modelling of parental leave uptake by senior staff, which can be critical to the success of parental leave policies and programs.

Provide provisions for paid superannuation entitlements during maternity leave.

The lack of paid superannuation during maternity leave has been shown to be one of the key contributors to the 47% less on average superannuation balance at retirement held by Australian women[38]. This is an area where there can be widespread improvement across the ASX.

ASX EXAMPLES:

ASX, **Telstra** and **Woolworths** have introduced programs to pay superannuation on maternity leave.

Commonwealth Bank and **QBE**: were founding members of the Family Friendly workplaces certification. **AGL**, **Macquarie** and **Medibank** have also achieved FFW certification.

Stockland: highlight male parental leave stories on their intranet.

Telstra: was rated as one of the best workplaces for new dads in 2022 by Direct Advice for Dads and CoreData, offering all new parents 4 1/2 months paid leave.

QBE: have removed language around primary and secondary carers, and expanded access for early pregnancy loss as well as increased flexibility in how care could be accessed over the first 2 years of life.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company provides at least 6 months of paid maternity leave, and/or at least six months of paid parental leave, across all its operations.
- ✓ This indicator should be assessed regardless of whether the company's policies are voluntary or in compliance with national laws and regulations.
- ✓ An adequate period of paid maternity leave of at least six months is crucial for new mothers to recover from childbirth and breastfeed their infants exclusively as recommended by UNICEF and WHO guidelines.
- ✓ Parental leave allows fathers to play a role in the raising of children, which research shows has positive impact on child development.

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE BELOW:

Developing a leading practice parental leave policy: A guide for employers, Workplace Gender Equality Agency, 2022, https://www.wgea.gov.au/sites/default/files/documents/WGEA-Leading-Practice-Parental-Leave-Policy-Guide.pdf

Designing and supporting gender equitable parental leave: Insight Paper, Workplace Gender Equality Agency https://www.wgea.gov.au/sites/default/files/documents/Insight_paper_designing_and_supporting_gender_equitable_parental_leave.pdf

Fair Work Ombudsman Australian Government, Maternity and Parental Leave, https://www.fairwork.gov.au/leave/maternity-and-parental-leave

Family-friendly policies Handbook for Business, 2020, https://www.unicef.org/eap/media/5901/file/Family-Friendly%20Policies%20Handbook%20for%20Business.pdf

Family Friendly Workplaces –Bridging the Work and Family Divide: Understanding the benefits of family friendly workplaces report, 2022, https://familyfriendlyworkplaces.com/

Ensure and disclose that your company explicitly guarantees job security for parents returning to work after parental leave.

> **Only 43% of S&P/ASX 200 companies clearly disclose that they guarantee job security for parents returning to work after parental leave.**

All ASX listed companies are encouraged to provide clear and public disclosures on job security for parents returning from parental leave, as well as how they support parents in returning to work.

As noted by the Fair Work Ombudsman, an employee who has been on unpaid parental leave is entitled to come back to the job they had before going on leave[39], however, as the Australian Human Rights Commission has shown, this is not always the experience of employees returning from paternal leave[40].

ASX companies are therefore encouraged to clearly disclose their retention rates after maternity leave, as a key indicator of the success of their current programs and their adherence with this indicator. Tracking career progression post paternal leave is also evaluation and monitoring tool[41]. This can be reported by ASX companies using the GRI reporting initiative under Indicator 401.3: Return to work and retention rates after parental leave, by gender, or through their WGEA Public reporting submissions, however ASX companies could be further encouraged to provide this disclosure proactively in their sustainability reports or on the company's website, creating clear visibility for both investors and potential employees.

It is also important to note that there is not always this legal protection in other jurisdictions – for example, the ILO has noted that 82 countries do not guarantee the right to return to work at the same post or an equivalent one after maternity leave. They also note that in practice, many women will experience a lack of maternity protections, reduction in wages, discrimination and compromised economic and employment security[42].

All ASX companies could more proactively consider and disclose how they can positively impact children and their rights through their operations in these jurisdictions, as well as through their supplier selection, codes of conduct, assessments, clauses and due diligence. ASX listed companies can also proactively work with their supply chain, NGO partners, unions and civil society advocates to assess the maternity protections in practice throughout their supply chains, conduct advocacy and awareness raising on maternity protections at work with their suppliers and their employees and support capacity development and training on maternity protections[43].

In addition, providing specific support, training and programs designed to help employees transitioning back to work post parental leave can be a key enabler to greater wellbeing and gender equality outcomes[44], and more disclosure on how companies are proactively addressing their impact on children and their rights through this transition period are welcomed.

ASX EXAMPLES:

- **NAB**: clearly discloses on their website that 83.3% of colleagues returned to work after parental leave in 2021.
- **Bega**: has partnered with Circle in, a platform for new parents and carer to help employees navigate their roles at work and home, provides resources to support working parents and team members navigating parental leave.
- **Westpac**: has a parents@work program to assistance both mothers and fathers to transition successfully from paternal leave, including information on childcare, returning to work, training courses and personalised coaching. CBA also provides a similar parents@work program.
- **Fonterra**: provides a returning to work with confidence program and community of parental support for NZ employees, called "Te Hokinga Mai", with coaching and workshops on navigating the return to work, and confidence as a working parent.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ More than 75% of parents return to work after taking maternity, paternity or parental leave.
- ✓ Retention rates are an indicator of job security after maternity, paternity and parental leave.
- ✓ Parents should have the right to return to their previous job when taking these forms of leave, which is a standard based on ILO Convention No. 183 on Maternity Protections.

Ensure and disclose that your company includes the health and safety of pregnant and breastfeeding workers in your policies.

> **Only 33% of S&P/ASX 200 companies clearly disclose how they specifically consider the health and safety of pregnant and breastfeeding mothers in their policies.**

ASX listed companies should ensure that they have specifically considered their impact on the health and safety of pregnant or nursing mothers.

This can also provide the company with a powerful way in which they can impact the health and rights of children, by ensuring that nursing mothers are not exposed to excessive hours, arduous work or hazardous chemicals that could cause severe impacts on the health of the child.

The Maternity Protection Convention 2000 (No.183) stipulates that pregnant or breastfeeding women should not be obliged to carry out work that is prejudicial to or has a significant risk to their health or safety of that of the child. Specific consideration of the needs of pregnant and nursing women, both within ASX listed companies own operations and, importantly, their supply chain, is crucial as women are more susceptible to some workplace hazards during times of pregnancy or breastfeeding, and their health needs and protection requirements can change regularly through these periods[45]. As such, companies can address this indicator as part of their wider sustainability work regarding environmental pollutants or chemicals, water, or working conditions, but with a specific child rights lens to the unique vulnerabilities of children in-utero or whilst breastfeeding, that may change the materiality lens, or the protections offered to this stakeholder group. This should also form part of an ASX listed companies strategic alignment and integration of relevant SDG goals, including SDG 3, SDG 5 and SDG 8.

These protections should also apply across all ASX companies' supply chains.'

Safe Work NSW clearly outlines several potential risks to women throughout pregnancy, the legal requirements, and the stipulation that if there is no safe job available, that you may be paid no safe job leave until a safe job becomes available, as well as support services if discrimination is experienced[46]. However, it is important for all ASX companies to note that these protections are often not afforded to women throughout their supply chain, or in their operations in other jurisdictions, and must also therefore be considered in ASX company's responsible sourcing policies and practices.

For example, women in the apparel and footwear sector (who constitute 80% of the workforce) can be exposed to profound air pollution, and over 72 chemicals through the textile dyeing process, whilst due to wages below the cost of living they often lived in inadequate and crowded housing, with limited access to health services, water and sanitation and exposure to pollution. Long hours and poor maternity leave provisions also mean increased health risks for these women during pregnancy and breastfeeding. UNICEF's research has also shown that lack of nutritious diets, anemia and malnutrition are common in these women, leading to childhood stunting, as well as easily preventable water related diseases due to limited access to sanitation at work. Vitamin deficiencies and lack of prenatal care due to failure to provide paid time off for attending health checks are also widespread across this industry[47].

Research by UNICEF and Norges Bank Investment Management in 2020 also found that only around 24% of the apparel and footwear companies they studied addressed the special health and safety protections for pregnant and nursing mothers and that non required their suppliers to provide paid time off for prenatal health care, and further advocate for better frameworks and processes on assessing and integrating, monitoring and reporting on, collaborating and supporting suppliers on implementing these protections[48].

It is crucial then, that ASX companies adopt a proactive and preventative approach to how they are ensuring enhanced occupational health and safety protections for pregnant and nursing mothers, undertaking specific workplace assessments, and considering how their supplier selection, codes of conduct, due diligence and assessments can support this throughout their whole supply chain. Enhanced disclosure on how they are addressing these risks, and the opportunities to proactively impact children, and their health, wellbeing and right to health for investors is also crucial.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company has clear and effective occupational health and safety policies and procedures, conducts special health and safety risk assessments for pregnant and breastfeeding employees, and puts in place protections where required.
- ✓ Occupational health and safety protections for pregnant and nursing women are important measures to protect both child and maternal health, and to provide decent working conditions for mothers.
- ✓ For pregnant and nursing workers, excessive hours, arduous work and exposure to hazardous chemicals can contribute to severe impacts on pre-natal and post-natal health.

Ensure and disclose that your company supports workers to breastfeed for as long as they choose.

Only 47% of the S&P/ASX 200 companies benchmarked publicly disclosed how they supported breastfeeding at work.

ASX listed companies, under various ILO indicators on maternity protections, as well as Australian Sex Discrimination legislation, must respect the rights of mothers who are breastfeeding, which in turn is a key way in which companies can also impact the rights, health and wellbeing of their children.

We would encourage all ASX listed companies to consider improving their disclosures on how they support breastfeeding mothers, in order to provide investors with the ability to assess their commitment to addressing their impacts on children, as well as to provide their current and potential employees with more information on their policies and practices. ASX companies can also ensure that breastfeeding protections are clearly enshrined in anti-discrimination policies, that they assist employees with resources to support their transition back to work, and that they have clear and trusted feedback mechanisms to support nursing mothers.

ASX listed companies could also consider collaborating with initiatives such as the Breastfeeding Friendly Workplace[49], which provides expertise in assisting organizations to facilitate their breastfeeding employees to return to work through the key elements of providing employees with the time, space and supportive culture to feed, as well as an accreditation program for companies.

It is also crucial that ASX companies address how they are supporting breastfeeding in their supply chains.

The support of breastfeeding, for workers throughout the supply chain is particularly crucial for supplier and operations within jurisdictions and communities that have limited access to clean water, or where the companies supply chain activities have also affected water quality or pollution, as a failure to proactively facilitate breastfeeding in these areas will have an even more profound impact on child health.

Unfortunately, research by UNICEF and Norges Bank Investment Management in 2020 also found that only 2/25 apparel and footwear companies studied had standards on the workers ability to breastfeed during the working day, and that breastfeeding support was widely neglected in supplier standards, with no companies having addressed paid breastfeeding breaks.

ASX listed companies therefore have a real potential to create a positive impact on children and their rights, through how they can encourage and require action on better supporting breastfeeding in this, and other industries, through their supplier codes of conduct, supplier assessments, supplier education, due diligence and audits and possible collaborations with local NGO's or breastfeeding support services for nursing mothers in their supply chains. This indicator could also be an important consideration to align with the company's other sustainability initiatives, for example on the SDG's regarding water, health or decent work.

ASX EXAMPLES:

- **ASX**: is an accredited Breastfeeding Friendly Workplace, and publically discloses that they provide up to one hour of paid leave a day for lactation breaks.
- **AGL**: has been an accredited Breastfeeding Friendly Workplace for 11 years and has achieved best practice standards on their support for breastfeeding mothers in the workplace.

BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ The company supports breastfeeding employees by providing paid breastfeeding breaks during working hours and dedicated nursing facilities in the workplace.
- ✓ Nursing mothers should be entitled to one or more paid breastfeeding breaks or a reduction in hours to allow for breastfeeding.

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE BELOW:

Australian Breastfeeding Association, BFW eToolkit, https://www.breastfeeding.asn.au/workplace/resources/bfw-toolkits

Family Friendly Policies Handbook for Business, UNICEF, 2020, https://www.unicef.org/eap/media/5901/file/Family-Friendly%20Policies%20Handbook%20for%20Business.pdf

Breastfeeding in the Workplace: Good for the mother, child, business and society, International Labour Organisation, 2013, https://www.ilo.org/global/about-the-ilo/newsroom/comment-analysis/WCMS_218710/lang--en/index.htm

Ensure and disclose that the company offers and supports flexible working arrangements.

Only 62% of companies disclose that they offer and support flexible working arrangements.

Flexible working practices can create more gender equitable workplaces, which in turn has "proven causation to positive company performance"[50], as well as increasing employee engagement, retention and attraction. A recent Family Friendly Workplace report notes that while this has been a strong area of focus during the pandemic, significant work however remains to be done to ensure the supporting practices for flexible work are in place across Australian companies[51], including providing such tools as work guides and training, making it a cultural norm, supporting managers to implement it and leaders to champion it, recognizing the central role of employees voice in the design and implementation of flexible working and better outcome measurement for key stakeholder groups, including children, of a company's flexible work practices.

ASX listed companies are therefore encouraged to disclose clear definitions, company goals and standards around flexibility, as well as track and disclose clear performance data on their progress towards more flexible working arrangements. ASX companies are also encouraged to ensure that they concurrently build a culture that supports the uptake of these options, provides the right training and technology to employees to support flexibility, train management, removes bias, provides transparency and role models flexibility at senior levels[52].

ASX EXAMPLES:

- **IAG**: has a variety of has a variety of flexible working programs that offer adjusted work times, reduced hours, and compressed working weeks, remote options, alternative sites, job sharing and secondments, career breaks and recreational leave. IAG has also created an app called "Switch "that supports flexible working by enabling contact centre employees to make changes to their rosters and work hours online without seeking manager approval.
- **NIB**: has introduced Life at NIB, which allows each employee to come to an agreement with their leader on what works best for them in terms of hours and location. They also provide an annual allowance to cover costs of working in remote locations and have a focus on assisting employees' mental and physical health when working at home through proactive internal campaigns.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ The company has a flexible working policy that covers all operations and applies to all employees, but especially those with family and/or caring responsibilities.
- ✓ The policy can be stand alone or part of HR/ employment policies and procedures.
- ✓ The policy encompasses a range of flexible work arrangements allowing employees to facilitate, combine and achieve work and family life commitments. Examples of flexible working arrangements include part time working, remote working or flexible locations, job sharing, reduced hours, compressed hours or altering start/stop times. Disclose specific benefits and support for flexible work.

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE BELOW:

Thrive at Work: Workplace Flexibility,
https://www.thriveatwork.org.au/resources/workplace-flexibility/

Family Friendly Workplaces,
https://familyfriendlyworkplaces.com/

Shifting expectations: Flexibility for frontline, shift and site based roles, Champions of Change Coalition,
https://championsofchangecoalition.org/resource/shifting-expectations-flexibility-for-frontline-shift-and-site-based-roles/

Creating a work/life balance, Business.Gov.Au,
https://business.gov.au/people/employees/create-a-worklife-balance

Flexible Work, Gender Workplace Equality Agency,
https://www.wgea.gov.au/flexible-work#:~:text=A%20flexible%20work%20arrangement%20is,pattern%20and%20location%20of%20work.

Flexible working arrangements, Fair Work Ombudsman,
https://www.fairwork.gov.au/tools-and-resources/best-practice-guides/flexible-working-arrangements

Australian Human Rights Commission, Flexible Work Arrangements,
https://humanrights.gov.au/quick-guide/12036

Ensure and disclose that the company offers subsidies for childcare, onsite childcare or Referral services.

> **Only 62% of companies disclose that they offer and support flexible working arrangements.**

Access to affordable, quality and culturally appropriate childcare and early learning opportunities for all children, especially Aboriginal and Torres Strait Islander children, was identified as one of the key recommendations of the UNICEF Australia's 2019 Building Better Business for Children report[53]. Unfortunately, UNICEF Australia still find that access to quality childcare services for families, particularly in regional, rural or low socioeconomic areas is scare, and that Australian parents now pay some of the highest childcare fees in the world[54].

Supporting employees and their children access to quality and affordable childcare is therefore an immediate and powerful way in which ASX listed companies can help positively impact children and their rights, as well as align with their sustainability commitments towards attaining SDG 4, Quality Education (as well as SDG 5 – Gender Equality – and SDG 8 – Decent work for parents and caregivers).

Furthermore, as the National Framework for Protecting Australia's Children (2009-2020) noted, ''protecting children is everyone's business", and the support by the business and corporate sector for parents and children through family friendly policies, including ensuring universal access to quality early childhood education and care is vital[55].

Ensure that your company supports access to quality childcare throughout your supply chain.

It is crucial that ASX listed companies also recognise that their ability to impact children through the provision of quality childcare also extends down their supply chains, and should be considered in their supplier selection, codes of conduct, due diligence and capacity building.

It is well understood that the working conductions of the predominantly female workforce in the garment and footwear sector, for example, is inextricably linked to the welfare of their children[56], with the long hours mothers in this sector are forced to work to earn a living wage hindering childhood development and sadly putting children at risk of lack of supervision or neglect[57]. Lack of childcare poses particular problems for migrant workers, who often have to leave their children behind, or bring their children to work, exposing them to safety risks. For examples, there are tens of millions of "left-behind" children in China growing up experiencing prolonged separation from their parents, and resulting challenges to psychosocial and emotional wellbeing[58]. Alternatively, number of children left unsupervised in down or work camps, or on production floors or in harvesting fields swell during holiday periods in workplaces with high numbers of migrant workers[59].

Unfortunately research by UNICEF and Norges Bank Investment Management has also found that only 5 out of the 25 apparel and footwear companies they studied have provisions on access to childcare that either require facilities when stipulated by national law, or have provisions on the safety of childcare facilities. None of the companies benchmarked had any provisions on the quality of the childcare[60].

ASX listed companies therefore can help positively impact children, and the provision of quality childcare throughout their supply chains – particularly in industries with high concentrations of women or migrant workers - through their collaboration with NGO's, or by supporting their suppliers to partner with groups such as The Centre for Child Rights and Business, who work with suppliers to establish safe and secure child care facilities at factories and farms to support parents workers and facilitate children's educational and social development. The Centre's Child Friendly Space program has now opened supportive childcare spaces at over 100 factories in China, as well as innovative tent based spaces in agricultural work settings in Turkey. These programs have resulted in an increase in worker trust and satisfaction, worker retention, increased efficiency and decreased stress for working parents, as well as providing safety for children, and even reducing child labour[61].

ASX EXAMPLES:

- **Iress**: Provided emergency school/childcare leave in COVID, providing an additional 10 days paid leave in the event of school shutdowns.
- **Stockland**: Supports an on-site childcare facility and with the aim of keeping fees as competitive as possible covers rent, building costs and maintenance of facilities. Parents also have the ability to salary sacrifice child care fees.
- **Commonwealth Bank**: provides employees with priority access to a number of long day care places in corporate childcare centres in their Sydney head offices, and also offers salary sacrifice.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company supports workers' children to access good quality childcare and early childhood education across all operations.
- ✓ Examples of support for access to childcare include providing on-site childcare or crèche facilities, or support for community-based childcare facilities, or subsidies to cover childcare tuition, whether these initiatives are voluntary or legally required.
- ✓ The support should apply to all workers across all the company's operations.

FURTHER GUIDANCE ON THIS INDICATOR CAN BE FOUND HERE:

Family Friendly Workplaces Services, *https://www.childrights-business.org/index.php/family-friendly-workplaces.html*

Ensure and disclose that the company is addressing 'living wages'.

Only 7% of S&P/ASX companies clearly disclose how they are addressing living wages in either their own operations or their supply chains.

It is well understood that insufficient wages paid to workers undermine their ability to adequately provide for the health, nutrition and education of their children[62], yet unfortunately, very few ASX listed companies disclose how they are addressing living wages across their supply chains. Additionally, even in those few companies who do commit to addressing living wage, further disclosure on how this is assessed and implemented is often lacking.

The concept of a living wage extends beyond the alignment with minimum wage regulations, and is defined as a wage that covers the basic needs of workers and their families, including food, clothing, shelter, healthcare, education, transport to work, and a little extra for unforeseen circumstances[63].

The ability for parents to provide these crucial rights for these children is clearly linked to an adequate wage, yet in reality, low wages within supply chains are directly linked to the poor nutrition and limited access to services of their children, and a lack of ability to support their education. For example, Oxfam Australia has found that many of Australia's big brands are not ensuring that the garment workers in their supply chains are being paid enough to cover the basics of life, and have launched a campaign to ask these brands to publically commit to living wages, as well as publically tracking these brands on their progress towards living wages[64].

Even within Australia, the Australian Council of Trade Unions has called for the minimum wage to become a living - or "'socially acceptable" minimum wage, one that keeps workers out of poverty, rather than a bare minimum wage, pointing to slow wage growth, the denial of minimum entitlements to vulnerable workers and the reality of the struggle to make ends meet amongst Australia's lowest paid workers, particularly single income families[65]. The current cost of living crisis is also markedly underlining the importance of this consideration by ASX listed companies.

Living wages are also increasingly becoming a focus for investors, with a recent shareholder resolution raised at Sainsbury's AGM in July 2022, with calls for the supermarket to pay a living wage to all employees and contractors. 18 financial institutions with FUM of over 4.3 trillion pounds have also collaborated to form the Platform Living Wage Financials[66], which encourages and monitors investee companies to enable living wages across their global supply chains, and Share Action have released a toolkit for responsible investors called "'Investing in the Living Wage"[67].

Living wage strategies can also benefit companies themselves, by signally to investors an advanced and proactive level of respect for human rights and the SDG's, provide long term supply and workforce stability, provide insights into supply chains and root causes of human rights impacts, provide chances to engage with business partners, build a positive company culture and marketing opportunities, and help prepare the company for increasing human rights due diligence requirements[68].

Research by Deloitte Access Economics further found that paying a living wage (which equated to a 13% increase in factory wages would increase the final garment price by only 1%, meaning that these are achievable commitments for ASX listed factories[69].

Our benchmarking research would therefore suggest that ASX listed companies can much more proactively consider how they can support children and the protection of their rights through their actions to build internal understanding on living wages, and by adopting a strong policy commitment to embedding living wages throughout their value chain.

It is also crucial that these companies then actively undertake and disclose to investors their risk assessments and living wage benchmarking, using a recognized tool such as the Anker Methodology/ Global Living Wage Coalition,[70] and proactively disclose a detailed action plan for how they are going to address wage remediation's, procurement practices, supplier selection and management and contracts going forward, as well as training, monitoring, evaluation, accountability and KPI's and reporting on their living wage commitments.

The "Action Collaboration Transformation (ACT) on living Wages" agreement also provides a thorough framework through which ASX listed companies can consider their impact on living wage, through ensuring collective bargaining, freedom of association and responsible practices are supported throughout their supply chains[71].

ASX EXAMPLES:

- **Woolworths**: Big W has disclosed that they joined ACT in 2020, which will drive action on improved purchasing practices and collective bargaining agreements. They also provide disclosure on their progress towards these commitments, including forming a cross functional working group, cost base calculation model trials, supply chain financing trials and purchasing practice supplier surveys. Finally, they provide clear timelines for launching responsible exit policies and training teams and suppliers on their living wage commitments.
- **Wesfarmers**: Kmart also disclose their membership of ACT, their use of the cost based calculation model to isolate labour costs, their training of all team members and suppliers, and the timeline for the full compliance with the ACT Purchasing Practices commitment of December 2023 clearly disclosed. They also disclose he percentage of workers who receive digital payments, their supplier payment terms, the continued roll out of their enhanced planning and forecasting, the implementation of their responsible exit strategies and procedures and their first ACT purchasing practices baseline assessment progress.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ The company commits to paying all employees living wages across all operations.
- ✓ Living wages are defined as wages that are sufficient for employees to meet their basic needs and the needs of their families (whether voluntary or legally required).
- ✓ Compliance with minimum wage requirements is not enough.
- ✓ The company utilizes some independent means of assessing whether wages meet a living wage standard (e.g., using benchmarks calculated by independent organisations or using their own company benchmarks based on an established living wage methodology).

MORE GUIDANCE ON THIS INDICATOR CAN BE FOUND HERE:

Oxfam Australia: Shopping for a Bargain, Made in Poverty: The True Price of Fashion, The Consequences of Low Wages, A Sewing Kit for Living Wages & What She Makes: Power and Poverty in the Fashion Industry.
https://www.oxfam.org.au/what-she-makes/resources/

Deloitte: A Living Wage in Australia's Clothing Supply Chain,
https://www.oxfam.org.au/wp-content/uploads/2021/11/A-Living-Wage-in-Australias-Clothing-Supply-Chain_Deloitte.pdf

The ACT on living wage global framework,
https://actonlivingwages.com/

The IDH Sustainable Trade Initiative Roadmap on Living Wages,
https://www.idhsustainabletrade.com/living-wage-platform/

Ensure and disclose that the company have some level of support for domestic violence through policies or support mechanisms.

Only 53% of companies disclosed that they have some level of support for domestic violence through policies or support mechanisms.

Another area in which ASX listed companies can proactively support the protection of children and their rights is through the support they provide for employees who are suffering domestic violence. Domestic violence has been identified as the leading contributor to death, disability and illness in women 15-44 years[72], and affects approximately one in six female workers[73]. Domestic violence clearly also has extremely detrimental effects on the wellbeing and rights of the children involved in these situations.

As Elizabeth Broderik, the former Australian Sex Discrimination Commissioner and Former UN special rapporteur for Discrimination against Women and Girls has noted, domestic violence is both a hidden problem affecting Australian business, and a business imperative to address. Broderik further noted that the costs of domestic violence to Australian business through absenteeism, search, hiring and retraining costs, loss of labour capacity and lost productivity are immense, and were estimated to rise to over $600 million by 2022. Furthermore, she notes that access to paid work enables survivors to leave violent and abusive relationships, highlighting the crucial role ASX listed businesses can play in supporting employees to transition out of domestic violence[74].

As such, ASX listed companies could further consider and disclose how they are aiming to proactively impact children and their rights through how they are identifying domestic violence as a workplace issue, providing a supportive environment, establishing clear policies and procedures to support women, and clearly articulating the roles and responsibilities of managers and senior leadership in enacting this support. This support could take the form of paid or unpaid leave, referral services and access to Employee Assistance Program/Psychologist or counselling, medical support, Domestic and Family Violence (DFV) phone lines, the flexibility to redesign their work duties/relocate/work hours or emergency accommodation and assistance, for example. The monitoring and evaluation of these programs and their impact is also crucial, as is their disclosure of these to investors.

ASX listed companies should also be aiming to take a leadership role in educating themselves and employees about domestic violence. They can also take action through participating in a wider workplace and civil society conversation about domestic and family violence, such as through the Champions of Change Coalition program, which includes members from every major sector of the economy, business, government, community, not-for-profits and academic, and aims to address the systemic and societal issues related to gender equality, including domestic violence.

The company must also ensure that they proactively promote awareness of these policies and the support available, and additionally, could consider extending these policies to customers and other stakeholders as well.

ASX EXAMPLES:

- **Mirvac**: Have partnered with Halycon and DV Connect to provide a bridging accommodation facility safe haven for victims of domestic violence in QLD.
- **Medibank**: Provides information and resources on their website for customers experiencing domestic violence, as well as information on what options are available for their cover, and how to make changes to policies and accounts while keeping details safe on a dedicated support page. They also provide 24/7 support for customers through their nurse and mental health support phone lines.
- **Telstra** and **TPG**: have joined the Telco's pledge to take a stand against domestic and family violence, which recognises that telecommunication devices can be a lifeline in a situation of domestic violence but can also be tools for control or abuse. The DFV action framework commitment consists of four action plans for continual improvement in the support by these companies of domestic and family violence victims and survivors. https://www.telcotogether.org/telcos-pledge-to-take-a-stand-against-domestic-and-family-violence/
- **TPG**: also has a range of domestic violence support policies and procedures including providing financial hardship support, and the safe transfer of a mobile numbers to dedicated pages on our brand websites to assist customers experiencing DFV. Additionally they provide "Ask Izzy' which connects people in need with support services near them free on their network. Additionally, employees can access ten days of additional paid domestic and family violence leave.

- **NAB**: provides domestic and family violence leave for employees, provides domestic and family violence assistance grants for customers leaving a violent relationship and is working with community partners. They also provide confidential support to customers experiencing domestic and family violence on through their phone line and online customer support, as well as providing complementary professional counselling session, assistance resetting passwords or whit account security, assistance for financial hardship, provide education on their website on domestic and family violence warning signs, advice on protecting finances, links to support services, and even provide a quick exit button on the relevant website pages.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

✓ The company is committed to reducing and supporting victims/survivors and families that experience domestic violence and abuse. The company has a domestic violence and abuse policy and support mechanisms in place to support victims/survivors and families. The company has clear and confidential communication channels to report domestic and family violence and abuse or seek support in times of crisis. The company proactively promotes awareness of the policies and procedures, and the support made available to employees and formally denounce and act on all forms of family and domestic violence and abuse that may occur in the workplace. Companies may consider extending this policy to customers and other stakeholders as well.

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE AT:

Playing our part: A Framework for Workplace Action on Domestic and Family Violence, The Facts about Domestic and Family Violence. Implementation Guide and Tools and Resources, Champions of Change Coalition, https://championsofchangecoalition.org/resource/domestic-and-family-violence-resources/

Fair Work Ombudsman: Employer Guide to Family and Domestic Violence: https://www.fairwork.gov.au/sites/default/files/migration/1414/employer-guide-to-family-and-domestic-violence.pdf

Australian Human Rights Commission: Fact sheet: Domestic and Family violence – a workplace issue, a discrimination issue, https://humanrights.gov.au/sites/default/files/13_10_31_DV_as_a_workplace_issue_factsheet_FINAL6.pdf

Step Eight: Child Protection and Safety.

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Ensure and disclose that the company has some sort of child safeguarding mechanism or policy.

Only 2% of all companies clearly disclose that they have some sort of child safeguarding mechanism or policy.

Unfortunately, according to UNICEF, more than 1 billion children aged 2-17 suffered physical, sexual or emotional violence or neglect in the past year[75], with obvious and tragic impacts on their rights, health and wellbeing.

Our benchmarking research found that many ASX companies did not believe this indicator applied to them as they did not interact directly with children on a daily basis. Whilst for all Australian based employees there is clear and detailed requirements through the Working with Children Child Protection legislation, these same protections for child safeguarding do not apply for all levels of ASX company supply chains, nor in all areas of their operations.

It is therefore crucial to understand that **ALL** ASX listed companies will come in to contact with children at some point in their operations or value chains, either directly through their operations or their supply chains, or indirectly through their interaction with communities. Therefore, ensuring that all companies have thought deeply about their potential responsibilities to safeguard children and their rights, at any level of their spheres of influence is a clear responsibility under the UN Guiding Principles on Business and Human Rights, as well as under the Children's Rights and Business Principles.

For example, ASX listed companies can also consider the protection and safeguarding of children who are living near company premises, as customers in their retail outlets, interacting with their contractors or security, are involved in charities with whom the company undertakes volunteering activities, with whom they communicate online, or whom may be involved in their marketing activities, or whom they may come into contact with through corporate travel, sales or other activities.

ASX listed companies should also therefore more widely commit to a child safeguarding policy, conduct detailed child safeguarding risk assessments, provide guidance for employees for what to do if they discover actual or potential child safeguarding risks, address the reporting of these risks, and provide detailed disclosure for both employees, investors and other stakeholders on how this programs are being rolled out. They should also detail what governance structures have accountability for these issues, and acknowledge their duty of care and legal responsibilities in this area.

All ASX listed companies should also consider what processes they have in place for handling child sexual abuse content on employees IT equipment, what exploitative content could be shared on their platforms or facilitated by their services and what zero-tolerance clauses for child exploitation are included in their corporate policies and codes of conduct.

All ASX listed companies should also consider what standards and requirements on child safeguarding are applied to their suppliers, contractors and business partners in their codes of conduct, assessments and due diligence as well as what information on these policies are communicated with employees, and what awareness and training on child protection is conducted within the company, from board level down.

Companies should also actively consider how they cooperate with relevant authorities and external stakeholders to promote child safeguarding, as well as actively considering the remediation of any infringements that may occur, and their monitoring and evaluation on their child safeguarding programs.

ASX companies should also actively consider how they are listening to children and youth as a stakeholder group in order to help better identify potential child safeguarding risks, and how they are providing that voice, through evaluating the effectiveness of their grievance and reporting mechanisms for their appropriateness and accessibility to children themselves.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ The company has a child safeguarding / protection policy that covers all operations and activities.
- ✓ The child safeguarding or protection policy prohibits the use of any company facilities, property, expense accounts, and IT networks for any purposes involving child exploitation and physical, emotional, sexual, or verbal abuse.
- ✓ It outlines child safeguarding controls and accountabilities for all employees (and other persons whom the company is responsible for e.g., volunteers, business partners and suppliers) who come into contact with children as part of their work, whether in person or online.
- ✓ The company also has a child safeguarding / protection code of conduct that stipulates zero tolerance for any type of violence, exploitation or abuse of children.
- ✓ This is particularly relevant if the company provides services to children, has direct contact with children, or if the business is located in an environment where there is a significant presence or risk of child exploitation. The company ensures that procedures are in place that can be implemented if an abuse or violation is reported.
- ✓ If a child rights violation is reported, take the necessary steps to contact the relevant authorities to investigate the allegation and to ensure suitable care for the victim/survivor.
- ✓ Describe child safeguarding and protection policies and codes of conduct to ensure the protection and safety of children in all business activities, facilities, products, and services, both digital and in person.

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE BELOW:

UNICEF's Child Safeguarding Toolkit for Business: A step-by-step guide to identifying and preventing risks to children who interact you're your business, 2018
https://sites.unicef.org/csr/files/UNICEF_ChildSafeguardingToolkit_FINAL.PDF

Child Safe Organisations: National Principles,
https://childsafe.humanrights.gov.au/national-principles/about-national-principles

Child Safety Policy, e-safety Commissioner, Australian Government and Australian Communications and Media Authority,
https://www.esafety.gov.au/sites/default/files/2021-01/ACMA%20and%20eSafety%20Child%20Safety%20Policy_Jan%202021.pdf

Child Protection (Working with Children) Act 2012 No.51,
https://legislation.nsw.gov.au/view/whole/html/inforce/current/act-2012-051

Ensure and disclose that you have clear, proactive and thoughtful measures in place to protect children in relation to digital services throughout your company's spheres of influence.

> **Less than 3% of companies disclose that they have measures in place to protect children in relation to digital services.**

Ensure that your company has identified children and youth as a uniquely and particularly vulnerable group in terms of digital safety.

Digital safety is a serious, increasing, and powerful area of vulnerability for children and youth. Statistics show that significant numbers of children are exposed to real violence or pornography, child exploitation or child abuse material, gambling, or cyberbullying, and other online safety concerns every year. Additionally, there are growing concerns about the excessive use of digital media by children and youth, and a lack of consideration of child safety in emerging technologies such as Artificial Intelligence. Furthermore, digital technologies are implicated in exacerbating poor mental health, anxiety, depression, distorted body image and disturbed sleep for children and youth, for whom being online has become an integral part of their lives[76].

The Convention on the Rights of the Child however, clearly establishes the requirement for the protection of children and young people from all forms of violence, exploitation, abuse and discrimination of any kind, whilst also underlining their rights to appropriate information; freedom of thought and expression; and privacy, and to express their views on matters that affect them in accordance with their evolving capacities, and the responsibility of the community - including companies - to nurture and support children and young people in their passage to adulthood[77].

This consideration applies to all companies, not just ICT companies.

Whilst there is an increasing understanding of these responsibilities for the ICT industry, by the community, corporates and investors[78], it is also important to note that all ASX listed companies can ensure that they have deeply considered their ability to positively and proactively impact child and youth digital safety throughout their own digital footprint, within the digital platforms and services of their business partners and suppliers and in their wider sector, industry and community spheres of influence.

For example, all companies can consider the impact on child digital safety they can have through avenues such as their use of artificial intelligence, product design, online marketing, online access to harmful products or inappropriate content, online competitions, privacy standards and data collection, or child safety in corporate social media channels, for example.

All ASX companies can also more actively consider the limitations of digital safety tools, and further consider that all digital material related to their company could potentially be accessed by children, which may in turn inform the content that ASX companies wish to utilize in their digital activities, marketing, or wider digital footprints: for example.

As such, all ASX companies should familiarize themselves with the Australian eSafety Safety by Design Principles and regulations and ensure their adherence with the same.

The Australian eSafety Commission principles and online assessments aim to assist industry to embrace their responsibilities and to address child abuse material, image-based abuse and serious cyberbullying material targeting Australian children from online services. These include making "every attempt …to ensure that online harms are understood, assessed, and addressed in the design and provision of online platforms and services". These principles also underline that the dignity of users is of central importance, and that design features and functionality must preserve fundamental human rights. They also call for a proactive and preventative focus on safety to be embedded into the culture and leadership of the organization[79].

So - what should all ASX listed companies do to protect children and youth online?

All ASX listed companies should ensure:

- That children's online safety has been carefully considered and is not an afterthought, and that the company's practices in relation to child digital safety are proactive and preventative.
- That they have implemented and publicly disclosed specific policies and practices to protect children online.
- That they actively consider child digital safety protection within supplier/business partnership codes of conduct and due diligence.

- That they have undertaken documented risk assessment and impact assessments on digital safety protections for children and youth.
- That they allocate and disclose clear internal governance channels and accountability for child digital safety protection.
- That they ensure user friendly, easily understandable and accessible terms and conditions for all digital products, platforms and services, particularly considering the digital and intellectual literacy capacity of the children/youth who may access it.
- That they have a clearly advertised, accessible grievance mechanism format for children and families to raise concerns about digital safety.
- That the company has an internal framework to ensure children have suitable recourse when their rights have been threatened, and clear escalation protocols.
- That the company sign post age-sensitive content, whilst always considering the possibility of children being able to access all content.
- That they have considered where in their spheres of influence that they could implement or encourage measures such as parental control tools, content filtering, age verification or easier opt-out functionalities.
- That they have ensured appropriate training of the protection of child and youth digital safety for all relevant employees, including board and management, product design and customer facing roles.
- That they ensure rigorous transparency and public accountability for child and youth digital safety, including an assessment and analysis of any actual or potential reported breaches in safety, and the resulting risk mitigation, enforcement or remediation undertaken.
- That the company conducts active and open engagements with children, their representatives and other key stakeholders on digital safety and children's digital needs. For example, The Australian eSafety Commissioner, for example, has appointed an Online Safety Youth Advisory Council, as well as asked youth to outline a vision statement for what they want in terms of online safety and their expectations of industry. ASX companies can also actively seek feedback from children, youth and families on how they can better address digital safety, inclusion and literacy in their spheres of operation and influence.
- That the company has committed to invest in safety enhancing technologies and innovation, where able, as well as sharing best practices and partnering with other companies in their sector to improve digital safety within their areas of operation and influence.

Emerging technologies, such as Artificial Intelligence, that may be used by all ASX companies also deserve special attention.

Children face specific concerns and a heightened vulnerability to the use of Artificial intelligence, which can affect their rights to privacy, play, education and nondiscrimination under the Convention of the Rights of the Child. As such, ASX listed companies should actively consider how mechanisms such as machine learning algorithms, burying advertisements with content, smart toys, or facial recognition software could detrimentally impact children and their rights.

ASX listed companies should also actively seek to be part of the wider civil society and policy conversation regarding the use and regulation of these technologies, and to proactively look to seek feedback from children's rights experts, psychologists, families and youth themselves in their formulation of policies and conditions for use of Artificial Intelligence.

ASX companies should also be aware that Artificial intelligence is fast becoming an area of investor attention and advocacy, with a newly formed Ethical AI collaborative engagement aiming to drive the adoption of ethical AI principles in line with the World Benchmarking Alliance's Investor Statement on Ethical AI[80]. Additionally, HSBC, MacFarlane's and the London School of Economics have also released an Investors Expectations on Ethical Artificial Intelligence in Human Capital Management that addresses the use of AI within the workplace, which is also of crucial relevance to all ASX listed companies that have adopted this technology.

ASX listed companies can also proactively look for ways to play a positive role promoting digital citizenship.

This can include assisting parents, caregivers and educators in guiding children and young people towards safer, more responsible and appropriate online and mobile phone experiences, either through providing education directly on their websites, social media, or in product disclosures and customer information packs, or could include partnering with schools, parents, NGO's or child rights organisations to help provide information directly to children, youth and families on enabling safer and more positive online experiences.

ASX listed companies can also aim to help in developing new products and platforms that facilitate the positive use of digital technologies by children and youth where able.

This might include initiatives such as a safe online platform for teaching nutrition or financial literacy for example, or other educational, age appropriate and positive online activities. Companies can also proactively support children and young people's rights through providing safe digital mechanisms and tools to facilitate youth participation, engagement and feedback: for example, providing children and youth with a safe and secure voice mechanism to provide stakeholder engagement on a company's sustainability programs, or in providing opportunities for youth to contribute their innovative and entrepreneurial ideas on global and business challenges, for example.

Finally, ASX listed companies can also proactively help support children and young people's digital rights through how they support digital inclusion for children, through how they are partnering with philanthropic partners, or through their public policy advocacy in closing the digital divide, which remains a serious issue for up to 1 in 4 people in Australia[81].

ASX EXAMPLES:

TPG: TPG provides proactive education on their website and social media channels regarding digital safety, including information for parents, tips to keep children safe online, and links to further resources on digital safety, including family friendly filters, webinars, family guides, picture books and children's songs that promote online digital safety. TPG has also partnered with Raising Children Australia to provide customer education on deciding when to give children their first mobile phone.

Telstra: also provides information for parents on family friendly filters, parental controls, password safety, and online role modelling, balancing screen time and setting ground rules. They also provide a template for a "My first mobile agreement" to help parents negotiate digital safety with their children, and a Safe Social Dashboard that allows parents to set up protection levels and receive alerts for when new friends are added or threats or anti-social behaviour occurs in the child's social network conversation.

JB Hi-Fi: has a Family Gaming Guide - or parents' guide to buying games and consoles - online to help assist parents to work out which games are suitable and prioritise online safety. It also provides a printable buying checklist, suggested questions for parents, and examples of family friendly games for different gaming platforms.

Commonwealth Bank: Provides information and links on their website for parents on child digital safety and enables parental controls on their Smart Access accounts for youth. CBA has also partnered with ACA on a School Cyber Security Challenge for Year 5 and 6 students, a tool for teachers and parents which encourages students to think from a hacker's point of view to teach digital security concepts.

Suncorp: donated $1 million to the Smith family to help combat the digital divide facing vulnerable children and their families, resulting in 650 vulnerable families receiving new laptops, internet connection or technical support to help with schooling at home.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company has comprehensive measures in place to protect children using digital services.
- ✓ In order for measures to be comprehensive, the company should:
    - Have an explicit high-level commitment and accountability to child online protection.
    - Have a clear notice and takedown policy and procedures for tackling child sexual abuse material (may be referred to as 'child pornography').
    - Have accessible and age-appropriate privacy settings and reporting tools for inappropriate or illegal content or behaviour.
    - Cooperate with local and international hotlines and law enforcement agencies as part of its processes, along with industry bodies, helplines, and support services as required.

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE BELOW:

Australian Government eSafety Commissioner: Industry: including Safety by Design Principles, Basic Online Safety Expectations, Tech Trends and Challenges, Regulatory information and assessment tools.
https://www.esafety.gov.au/industry

UNICEF Child Online Safety Assessment tools
https://sites.unicef.org/csr/toolsforcompanies.htm

Guidelines for Industry on Child Online Protection, International Telecommunication Union (ITU) (in collaboration with UNICEF along with leading technology companies and others), 2020,
https://www.unicef.org/media/90796/file/ITU-COP-guidelines%20for%20industry-2020.pdf

Discussion paper series: Children's Rights and Business in a Digital World: UNICEF, 2017: Freedom of Expression, Access to Information and Participation [PDF], Access to the Internet, Education and Digital Literacy [PDF]

UNICEF Briefs for Policymakers: Children's Rights in the Digital Age, Children's Freedom of Expression

Voluntary Principles to Counter Online Child Sexual Exploitation and Abuse,
https://www.justice.gov/opa/press-release/file/1256061/download

Sound Practices Guide, and SAFER Child Sexual Abuse Identification Platform, THORN,
https://www.thorn.org/our-work-to-stop-child-sexual-exploitation/

Age Appropriate Design: a code of practice for online services, Information Commissioners Office, UK, 2020, *https://ico.org.uk/media/for-organisations/guide-to-data-protection/key-data-protection-themes/age-appropriate-design-a-code-of-practice-for-online-services-2-1.pdf*

Investor Alliance for Human Rights, Sector Wide Risk Assessment Information and Communications Technology (ICT), Salient Issue Briefing: Child Rights, *https://investorsforhumanrights.org/sites/default/files/attachments/2022-06/Issue%20Brief%206%20-%20%20Investor%20Alliance_Salient%20Issue_ChildRights.pdf*

Children and Young Peoples Mental Health in the Digital Age: Shaping the Future, OECD, 2018 *https://www.oecd.org/els/health-systems/Children-and-Young-People-Mental-Health-in-the-Digital-Age.pdf*

UNICEF and Human Rights Centre: Executive Summary: Artificial Intelligence and Children's Rights, *https://www.unicef.org/innovation/media/10726/file/Executive%20Summary%20Memorandum%20on%20Artificial%20Intelligence%20and%20Child%20Rights.pdf* *and the*

Artificial intelligence and privacy, and children's privacy: Report of the Special Rapporteur on the right to privacy, Joseph A. Cannataci Human Rights Council Forty-sixth session 22 February–19 March 2021* *https://documents-dds-ny.un.org/doc/UNDOC/GEN/G21/015/65/PDF/G2101565.pdf?OpenElement*

World Benchmarking Alliance, 2022, Investor Statement on Ethical AI, 26th April 2022, *https://www.worldbenchmarkingalliance.org/impact/investor-statement-on-ethical-ai/*

UNICEF Global Insight Policy Guidance on AI for Children, 2021, *https://www.unicef.org/globalinsight/media/2356/file/UNICEF-Global-Insight-policy-guidance-AI-children-2.0-2021.pdf.pdf*

Ensure and disclose that the company has specific data privacy standards for children.

No ASX listed company clearly and publicly disclosed specific data privacy standards for children.

Specifically note that they have addressed children as a particular stakeholder group within their data privacy standards and protections.

Data collection is an area of increasing concern in relation to the protection of children and their rights. Many data collection practices by companies occur without children's knowledge or consent, or under circumstances that do not empower them to understand or control the use of their own information[82]. Children and youth are also particularly vulnerable because they may lack the maturity to appreciate the wider social and personal consequences of revealing or agreeing to share their personal information online, or to the use of their personal information for commercial purposes[83].

We note that whilst several companies disclosed their data privacy standards, we were unable to find any policies or standards with specific reference to their heightened standards for children, or their risk or impact assessments or due diligence as it particularly related to children. Given the heightened vulnerabilities for children in this area, we would suggest that it would be good practice for ASX listed companies to address children as a specific area of risk in their data privacy policies, practices and impact and risk assessments.

ASX listed boards should also be aware of the increasing regulation in regards to this issue.

In 2021, the UK released a sweeping set of regulations on how children's online data should be handled, and mandates that websites and apps take "the best interests of their child users into account, or face fines of up to 4% of annual global turnover"[84]. The UK Information Commissioners Office further notes that this code of practice is both firmly rooted in the Convention on the Rights of the Child, and consists of 15 standards to protect children, including ensuring that settings for children are "high privacy" by default, that only the minimum amount of personal data should be collected and retained, that children's data should not usually be shared, that geolocation services should be switched off by default and that nudge techniques should not be used to encourage children to provide unnecessary personal data, weaken or turn off their privacy settings[85].

The Australian Information Commissioner and privacy commissioner has also noted that the protection of children's personal data was a key concern raised in their Australian Community Attitudes to Privacy Survey, particularly the profiling, targeting and tracking of children's location without permission, as well as selling of children's data to third parties and the provision of clear and non-misleading data privacy information to children. The commissioner further notes that business "needs to respond to these concerns and do more to meet community expectations by building in privacy safeguards by design[86]", particularly while binding regulations are still being developed in this space.

A coalition of childhood, youth and data rights organizations have also united to ask policymakers for a "Children's Data Code" and better privacy protections for children and youth in Australia, particularly noting the need for express and meaningful consent by children and parents, transparency and accountability, restricted data sharing and full disclosures of how data is shared and the minimization of data collection, as well as calling for better regulation, meaningful penalties and criminal sanctions for serious violations[87]. A recent YouGov survey also found that 80% of children and youth themselves want more rules in place to limit how their data is collected and used[88].

These risks relate to all ASX companies who collect data on their consumers.

It is also important to note that whilst this is a clear business risk for large ICT companies, such as YouTube and Google who have both received large financial penalties for violations of child privacy laws, these risks also relate to all ASX companies who collect data on their consumers, regardless of size or the type of data collected.

For example, as noted by the Guardian, the UK Age Appropriate Design Code of Practice means that "unless they can prove their service is not likely to be used at all by children, companies now face a choice: they must make their entire offering compatible with the code or attempt to identify younger users and treat them with care"[89].

As such, all ASX listed companies should ensure that they have transparently and thoroughly considered data privacy in the design of products and services that may be used by children and adopted the highest privacy standards when it comes to collecting, processing and storing data from or about children and young people[90], including their standards on ages of consent, requirements for parental permission and the reasonable steps that they can put into place to verify age and permission.

ASX companies should also ensure that they clearly and publicly disclosed these standards, as well as clearly provided children and youth with information outlining their rights regarding access, correction and deletion of their data, and their rights to refer a complaint to the relevant authorities.

ASX listed companies should also ensure that they have developed specific plans for child protection and the handling of especially sensitive data, including any reports of harm that may be shared with the company through its platforms or products[91]. They should also ensure that they provide adequate transparency and reporting on the use of data from children and youth to both investors and the community at large.

Finally, it is crucial that ASX listed companies consider these data protection policies for children and youth in their wider business relationships, supplier codes of conduct, due diligence and policy advocacy activities as well.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company has comprehensive standards on privacy and collection of personal data from children.
- ✓ The company's collection, storage and sharing of children's data should meet applicable legal requirements.
- ✓ In order to be comprehensive, company standards should state that the company does not collect or store data from children below the digital age of consent (typically 13-16 years) without parental consent and that children's data is not made public or used for marketing purposes.
- ✓ The company should clearly identify which data is processed for each particular legal basis and specify any categories of sensitive data that may be collected.
- ✓ Privacy and data usage policies should include details on how children's data is handled and outline their rights regarding access, correction and deletion of their data.
- ✓ The company informs data subjects about their right to complaint to a specified supervisory authority and how to do so.
- ✓ The company undergoes independent audit and transparency reporting on data use with appropriate mechanisms in place.

FURTHER GUIDANCE FOR THIS INDICATOR CAN BE FOUND AT:

Children's Rights and Business in a Digital World: Privacy, Protection of Personal Information and Reputation Rights: Discussion paper series: UNICEF 2017, Privacy, Protection of Personal Information and Reputation [PDF]

Children and Online Privacy, Brief for Policymakers, UNICEF

UNICEF's Good Governance of Children's Data Project and Manifesto:
https://www.unicef.org/globalinsight/good-governance-childrens-data

Age appropriate design: a code of practice for online services, Information Commissioners office, UK,
https://ico.org.uk/for-organisations/guide-to-data-protection/ico-codes-of-practice/age-appropriate-design-a-code-of-practice-for-online-services/

Ensure and disclose that the company has specific mechanisms for children's product safety.

Only 21% of the 71 companies for which this indicator is relevant clearly disclose to investors that they have specific mechanisms for children's product safety.

Discussion and ASX examples:

Additional to digital safety, as discussed previously, children, both as direct consumers, and as family and community members within almost all ASX listed companies wider value chains, also need specific consideration for the protection of a wide spectrum of their safety.

Children are more vulnerable to safety risks due to factors such as their developmental stage and ability to understand danger or warnings, greater hand-to-mouth and oral sensory seeking (or mouthing) behavior, or the greater vulnerability of their developing brains and bodies.

These considerations need to extend past basic legal and regulatory requirements, particularly in countries in which these regulations are missing or inadequate. For example, whilst Australia has mandatory standards that limit the amount of lead permissible in material used to make and paint children's toys, imported toys may still pose a risk[92]. ASX listed companies should therefore understand and disclose how they are mitigating the risks of causing serious harm to children who may come in to contact with these products.

Whilst products aimed at children clearly must meet particularly high quality and safety requirements, these considerations should also extend to products that are not specifically designed for children's use, but are potentially accessible or attractive to children. In this case, the company can consider heightened safety protections, or conversely, what steps they can take to increase education, awareness, or limit children's access to the product. ASX listed companies also need to ensure that they have the appropriate age grading and labelling in place, as well as safety information and warnings that are visible easily legible, understanding and indelible[93].

ASX companies should more clearly disclose their considerations on product safety.

ASX listed companies should more clearly disclose to investors their impact and risk assessments regarding child safety, any non-compliances, the remediation taken and the increased protections the company will initiate going forward, in order to help investors better assess the companies understanding of the particular vulnerabilities of children and their management of these risks.

For example, **Officeworks** (**Wesfarmers**) clearly disclose on their website their compliance with all Australian regulatory standards, their internal and external stakeholder focus on safety, their risk appetite, and importantly, their identification of products for children as a high risk area on which resources are focused. Officeworks also noted their specific focus in FY2021 on toppling furniture and clearly disclosed the findings of an internal audit which found that that there was an opportunity to improve the consistency of warnings used for furniture at risk of toppling in environments with children. Officeworks also clearly disclosed the number of audits undertaken, and percentage of direct products audited.

ASX listed companies can also think more broadly about how they can proactively support and advocate for child safety across the community through their product or services.

For example, the company can consider if they could proactively aim to protect child safety through their sphere of influence, such as **Transurban**, who recently partners with Kid safe to undertake free safety checks on over 620 child car seats, provides information for parents on the importance of well installed child restraints, webinars, and links to where parents can get their children's seats checked. They have also partnering with Neuroscience Research Australia to conduct research on issues such as child restraint testing in real world crash condition, the effect of seating posture on injury risk for children and improving features of child restraints to reduce misuse.

Companies can actively be involved in leading advocacy and mandatory standards around child product safety. For example, The Industry Code of Conduct for Consumer Goods that contain Button Batteries, designed to reduce child deaths and serious injury from swallowing them, was developed by a range of businesses led by **Officeworks**, and subsequently voluntarily adopted by other ASX listed companies such as **Woolworths** and **Coles**. Several ASX listed companies have also been proactive in removing potentially dangerous items from the shelves, adding warnings to product listings online, and in how button battery products are displayed in store, which is to be applauded.

As above, collaborate on product safety with suppliers, papers and industry – and ensure that this is publicly disclosed.

For example, **Officeworks** publicly discloses that their risk based approach to product safety also focusses on working collaboratively and with suppliers who share their commitment, which is crucial. As a whole, however, we would strongly encourage all ASX listed companies to better disclose to investors and other stakeholders how they are collaboratively assessing and supporting their supplier to better ensure child safety product and quality, as well as how they are collaboratively working with peers and their industry sector on advocating for child safety.

ASX companies could also extend their thinking about safety to more proactively consider a wider definition of safety, such as body safety, or psychological safety in their products and services.

For example, **Wesfarmers** (Kmart) has recently released a new range of fashion dolls with Down syndrome, and hearing, vision and mobility disabilities, assisting to normalize disability and minimize stigma. Kmart is also growing their diversity in their product range for children, by including same sex parent family sets and dolls of diverse ethnicities. It is also important to note that Kmart connected with multiple community advocacy organization to ensure meaningful representation in the development of these dolls[94].

As such, we would encourage all ASX companies to more deeply consider how they could help impact children and their rights more broadly by proactively developing more product and service ranges that can help to teach children gender diversity, consent and respect, or help address stigma and discrimination.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company has a policy to ensure that products are safe for children and all protects are labelled with safe information for children.
- ✓ The policy should state that the company complies will all relevant legal standards on product safety for children, and restricts children's access to products that are harmful to them.

FURTHER GUIDANCE FOR THIS INDICATOR CAN BE FOUND AT:

KidSafe Australia:
https://kidsafe.com.au/

ACCC Product Safety Australia,
https://www.productsafety.gov.au/

Australian Toy Association,
https://austoy.com.au/

NSW Fair Trading, Children's Products and Toys,
https://www.fairtrading.nsw.gov.au/buying-products-and-services/product-and-service-safety/childrens-products

INPAA: Industry,
https://www.inpaa.com.au/industry

Ensure and disclose that the company considers child rights in their security arrangements.

Only 16% of the companies for whom this indicator was relevant disclosed that they considered child rights in their security arrangements.

Consider whether your company could have any impact on children through the use of security services – either in your direct operation or your supply chain.

Whilst this indicator was seen by most ASX listed companies we benchmarked as very sector specific, we would also encourage all companies to consider in their impact assessments and risk mitigation whether children or youth come into contact with security at any point in their sphere of influence, be it through security on office premises, at events, in shopping centers, or even within the raw materials sourced for their products or services. For these companies, they could further consider disclosing the codes of conduct that they expect suppliers or contractors to adhere to regarding child protection.

There are also very clear links between security and impacts on human rights and the rights of children in the extractive sector.

UNICEF research has clearly shown large extractive projects can pose specific risks to children, including sexual and physical violence. Concurrent risk factors such as migration and poverty also exacerbate these risks to children. Human rights impacts on families and in particular, women, by the infringement of their rights by security personnel also can have real consequences for children and their rights. Additionally, there is often little training provided for security personnel on how to protect children and their rights, and in some cases, children under 18 are themselves recruited into security roles on these projects[95 96 97].

As such, all ASX listed companies operating extractive projects should ensure that the security personnel at all sites adhere to the Voluntary Principles on Security and Human Rights.

These are a clear set of principles on how to conduct security operations while respecting human rights, which further note that the specific vulnerabilities of children that should be considered by security personnel, and the considerations required of companies to ensure that children's rights are respected in these operations[98].

All ASX listed companies operating extractive projects should also ensure that they have clearly and publicly disclosed their adherence to these Voluntary Principles, as well as how their policies, contracts, agreements, codes of conduct, screening, risk assessments, leverage and engagements with governments, employment processes and age verification, training, reporting, monitoring, and governance assure alignment with these principles.

The company should also clearly disclose their (accessible, appropriate and child-sensitive) grievance mechanisms, how they adhere to the UN Rules on apprehension and detention of children, their gender protection programs, their stakeholder engagement and their monitoring of compliance for investors to be able to better assess the companies impact, risk mitigation and protection of child rights on these projects.

A clear checklist for all the considerations noted above can be found in the Child Rights and Security Checklist, found here: https://www.voluntaryprinciples.org/wp-content/uploads/2021/11/Child_rights_and_Security_Checklist_English.pdf

The adherence by extractive companies to these principles is also relevant to all ASX companies further down the supply chain.

We would therefore encourage all ASX listed companies for whom the extractive companies raw materials form part of their supply chain to ensure that clear disclosure of the adherence to the Voluntary Principles on Security and Human Rights be clearly stipulated in their supplier codes of conduct and contract agreements.

Enhanced disclosure by extractive companies on how they consider and adhere to these principles in practice will also better allow ASX listed companies for whom these extractive products are part of their supply chain to ensure they can understand their potential supply chain risks, as well as to allow investors to better understand their portfolio exposures to human rights risks in this space.

ASX EXAMPLES:

BHP: outlines a commitment to operating in a manner consistent with the Voluntary Principles on Security and Human Rights within their Human Rights Policy Statement, and further notes on their website Human Rights page that they will communicate their commitment to the Voluntary Principles on Security and Human Rights to any security providers engaged. They also disclose their requirements for security management, the designation of a single point of accountability for security management and the use of approved security specialists, as well as the introduction of tools for security risk assessments and security operating standards within their Security, Crises and Emergency Management plans.

South 32: disclose on their website their expectation that all security operators must be professionally trained and operate consistently with the Voluntary Principles on Security and Human Rights on their website. They also note that their Africa based security providers must meet the requirements of the International Code of Conduct for Private Security Providers, and that these are also mandated within internal standards and company assurance programs.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company has a policy in place on the procurement of security services that incorporates respect for children's rights.
- ✓ The policy should specifically reference children's rights, and should also prohibit the use of children in security provision.
- ✓ The policy should cover procurement of both public and private security providers.

FURTHER GUIDANCE FOR THIS INDICATOR CAN BE FOUND AT:

Child Rights and Security Checklist, Government of Canada, UNICEF, Barrick Gold,
https://www.voluntaryprinciples.org/wp-content/uploads/2021/11/Child_rights_and_Security_Checklist_English.pdf

Geneva Centre for Security Sector Governance: Security and Human Rights Toolkit
https://www.securityhumanrightshub.org/toolkit/challenge-topics.html

Child Rights and the Mining Sector, UNICEF, 2015,
https://www.voluntaryprinciples.org/wp-content/uploads/2021/11/Childs-Rights-and-the-mining-sector-English.pdf

Oil and Gas Scoping Study: UNICEF Extractive Project, 2015,
https://www.voluntaryprinciples.org/wp-content/uploads/2021/11/Oil_and_Gas_Scoping_Study_English.pdf

Step Nine: Marketing to Children.

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Ensure and disclose that the company has a responsible marketing commitment on limiting marketing to children.

> **Only 6% of the S&P/ASX 200 companies benchmarked disclose that they have a responsible marketing commitment on limiting their marketing to children.**

All ASX companies should be aware of their ability to impact children through their marketing activities.

It is increasingly clear that corporate marketing can impact and infringe children's rights[99]. It is also increasingly clear that a proactive approach to how ASX listed companies consider their marketing programs and activities can also help to positively impact children and their rights.

This applies to all marketing activities, not just for products and services directly marketed to children.

A common misunderstanding we encountered in our benchmarking research and subsequent engagements with ASX listed companies, was that many companies thought this indicator only applied if you were marketing to children.

However, whilst acknowledging that the current Children's Advertising Codes contain rules around marketing "directed primarily to children" below 14 years – there is a rapidly growing understanding that this is both too narrow a concept of responsibility, as well as too narrow a definition of vulnerable youth.

In reality, children and youth are also exposed to wider marketing, including that targeted to adults, on a regular – and increasing basis: particularly in the digital and social media space – and as such, all ASX listed companies should strongly consider in the design of their marketing materials and mediums the likelihood of contact of all their marketing with children.

ASX companies should also therefore consider that, as a child is usually quite likely to see their marketing, even inadvertently, that they always employ a very thoughtful impact and risk assessment of whether their advertising material could cause harm to a child or adolescent youth, using a broad definition of mental, moral and physical harm, and adjust accordingly.

ASX listed companies are also encouraged to clearly disclose these risk assessment and mitigation considerations they have taken to investors, in order to more proactively show their understanding and management of their impact on children and their rights in this indicator.

Children's unique vulnerabilities should be actively considered in the design of all marketing materials.

Research has shown that children and youth are not adept at the subtleties of persuasive intent, are more likely to make impulsive choices, and their prefrontal brains are not yet fully developed[100]. Younger children are unable to tell the difference between a program and an advertisement, and even older children who can identify advertising the lack the cognitive skills and experience to critically interpret marketing messages, whilst adolescents' brains are biased towards rewards and are more likely to respond to marketing cues[101].

Therefore, as noted above, ASX companies should actively seek to understand and consider these unique vulnerabilities in the design of their marketing materials and activities, and note these clearly in their responsible marketing policies.

The protection of child rights in marketing practices also pertains to how you are advertising – not just what you are advertising.

As such, all ASX listed companies can have a positive impact on children and the protection of their rights by actively considering in their advertising and marketing materials (regardless of whether or not it is targeted at children) their use of unrealistic, unhealthy or sexualized body images, marketing stereotypes or disempowering gender norms[102].

Further to that, ASX listed companies can proactively impact child rights, development, health and wellbeing by how they help stimulate positive behavior change, model healthy behaviors or attitudes, or through their efforts to increase inclusivity and representation, and to challenge stigma, discrimination or unhealthy stereotypes through their marketing.

The rights of children within ASX listed companies actual marketing material is also crucial.

All ASX listed companies can therefore more proactively address or disclose their responsible marketing policies that stipulate parental consent or permission for use in advertising, the appropriate age checks, image protections, contexts, dress, supervision and other considerations to ensure the safeguarding of involved in the creation of the marketing materials.

Responsible digital marketing is increasingly important to protect child rights.

The Foundation for Alcohol Research and Education note that currently there are limited protections to restrict the "relentless digital marketing to which children are exposed", particularly that of harmful and addictive products like alcohol. They also note the clearly evidence that exposing children to the marketing of these products when young increases the risk of both earlier drinking and drinking at riskier levels[103].

These exposures can be inadvertent, through inadequate age verification methods, but may also be targeted: as shown by recent controversies such as those in which Facebook was found to be allowing businesses to advertise to children as young as 13 who express and interest in smoking, extreme weight loss and gambling[104].

As such, ASX listed companies across the board should clearly consider the unique risks posed by the difficulties in restricting children's access to digital marketing, as well as robustly engaging on the ethical standards of the platforms and entities through which they choose to partner and conduct their online marketing campaigns.

Given this broad understanding of the relevance of protecting child rights in marketing across the ASX: What should ASX listed companies consider in their responsible marketing policies?

ASX listed companies should ensure that they make specific reference to the unique vulnerability of children, the possibility of exposure (including inadvertent) by children to their marketing material and how children's rights are incorporated into their responsible marketing commitments, policies or codes of conducts.

ASX companies should furthermore ensure that these policies are communicated to all relevant internal teams and made easily and publicly available for external stakeholders, including investors[105].

This includes considering whether adult focused marketing takes place at certain times of the day, but also considering the likelihood of children being exposed to adult focused advertisements during sports broadcasts, or in public spaces or events, as well as on their digital platforms[106]. Responsible marketing policies should also consider restrictions around unsuitable marketing locations such as schools or playgrounds[107].

The clear disclosure of the risk and impact assessment of sponsorships of sports or community groups related to children by companies by companies whose products could be deemed to be harmful to children should be another key consideration for ASX companies within these responsible marketing policies.

ASX listed companies should also clearly disclose their adherence with any Responsible Marketing Codes of Conduct or guidelines (such as the Responsible Marketing of Breastmilk Substitutes) with which they claim compliance, including providing clear detail for investors and other external stakeholders on how this commitment is enacted in practice, including how the company aligns their risk assessments, internal policies, marketing activities, operations and governance accountabilities with these codes.

ASX companies should also consider where they can proactively aim to impact child rights, through how they themselves advocate for and collaborate on enhanced responsible marketing practices, as well as clearly disclose these activities and associations in order to allow investors better insight into the companies understanding of their impact on children and their rights in this regard.

Specific focus area: Unhealthy food advertising

Reducing children's exposure to the marketing and advertising of unhealthy food and beverages was identified as one of the key gaps and limitations in protecting children for the actual or potential adverse impacts of business in UNICEF's Better Business for Children 2019 baseline assessment.

ASX companies who operate in this sector can therefore play a clear and powerful role in supporting child rights in this area, and have a unique opportunity to improve child health through how they proactively lead in shaping their impact in a more positive way.

Studies have shown that the average Australian 5-8 year old is exposed to at least 827 unhealthy food advertisements on television a year. It is also clear this influences children's purchasing requests – research has also found that children aged 4-6 believe a product tastes better if it has a cartoon character on the pack, whilst 10-14 year olds think food and drink sponsors of sports clubs are cool and subsequently want to buy the products[108].

ASX listed companies in this space should also be aware of and clearly disclose their adherence with initiatives such as the Australian Food and Grocery Councils Responsible Children's Marketing Initiative and the Australian Association of National Advertisers Codes on Ethics and Advertising and Marketing Communications to Children, which call for the representation of healthier dietary and lifestyle choices, as well as core principles product placement, the use of products in interactive games and advertising in schools and day care[109].

This area is also discussed in further detail in the next indicator.

ASX EXAMPLES:

Bega: Clearly discloses on their website their adherence with the Responsible Children's Marketing Initiative and publicly discloses their Company action plan, outlining their clear commitment to the core principles on advertising messages, the use of popular personalities and characters, product placement, advertising in schools, the use of products in interactive games and the use of premium offers, as well as their commitment to annual reporting of their marketing activity against this plan.

Woolworths: Clearly discloses their voluntary commitments to marketing their own brand products responsibly, and specifically identifies children as a priority in this commitment. They also clearly disclose their commitment to only use characters, graphics and activities that could be perceived as primarily appealing to children on healthier product packaging by 2025 in their sustainability plans and reporting.

Wesfarmers: Has received praise from the Youth Disability Advocacy Service for their promotion of inclusion and diversity in their advertising catalogues at Kmart and Target, including children of various cultural backgrounds, as well as children with disabilities. Kmart has also been praised for its gender neutral advertising and challenging gender based toy preferences in their advertising material on Facebook.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company has a responsible marketing policy that is specific to marketing to children.
- ✓ The responsible marketing policy should apply to all operations and to children under 18.
- ✓ Direct marketing to children under 12 should be prohibited.
- ✓ There should also be guidelines on the use of children in marketing (e.g. to ensure parental consent).

FURTHER GUIDANCE FOR THIS INDICATOR CAN BE FOUND AT:

UNICEF's Promoting diversity and inclusion in advertising playbook
https://www.unicef.org/documents/promoting-diversity-and-inclusion-advertising-unicef-playbook

Children's Rights and Marketing: Rights, risks and opportunities: Discussion Paper, UNICEF, 2019, Children and Digital Marketing: Rights, risks and opportunities [PDF] Children and Digital Marketing,

Starting with Julius: Recasting Difference, http://www.startingwithjulius.org.au/

Australian Network on Disability,
https://www.and.org.au/

Australian Food and Grocery Council, Responsible Children's Marketing Initiative,
https://www.afgc.org.au/wp-content/uploads/2019/06/Responsible-Childrens-Marketing-Initiative-March-2018.pdf

Ad Standards, Advertising to Children,
https://adstandards.com.au/issues/advertising-children

VicHealth, Harmful industries digital marketing to Australian Children,
https://www.vichealth.vic.gov.au/media-and-resources/publications/harmful-industries-digital-marketing-to-australian-children

Foundation for Alcohol Research and Education, Harmful Alcohol Marketing Online,
https://fare.org.au/harmful-alcohol-marketing-online/

Australian Association of National Advertisers (ANNA) Code for Advertising and Marketing Communications to Children,
https://aana.com.au/content/uploads/2018/03/180316-Code-for-Advertising-and-Marketing-Communications-to-Children.pdf

Australian Association of National Advertisers (ANNA) Code of Ethics, Accompanying Practice notes and Overtly Sexual Imagery in Ads Guide,
https://aana.com.au/self-regulation/codes-guidelines/code-of-ethics/#:~:text=Its%20object%20is%20to%20ensure,fairness%20and%20responsibility%20to%20competitors.

World Health Organisation (WHO) Set of Recommendations on the Marketing of Foods and Non-Alcoholic beverages to Children, 2012,
https://www.who.int/publications/i/item/9789241500210

UNICEF's Child Rights Based Approach to Food Marketing:
https://sites.unicef.org/csr/files/A_Child_Rights-Based_Approach_to_Food_Marketing_Report.pdf

Over branded, Under protected: How industry self-regulation is failing to protect children from unhealthy food marketing, Obesity Policy Coalition, 2018,
https://www.opc.org.au/downloads/overbranded/overbranded-underprotected.pdf

The International Code of Marketing of Breast Milk Substitutes, World Health Organisation (WHO), 2017,
https://apps.who.int/iris/bitstream/handle/10665/254911/WHO-NMH-NHD-17.1-eng.pdf

Ensure and disclose that the company has a focus on healthy food for children.

Only 38% of the 26 companies for which this indicator is relevant disclose that they have a focus on healthy food for children.

The Convention on the Rights of the Child clearly recognizes that all children up to 18 years of age are entitled to the right to healthy food and adequate nutrition, however, it is clear that poor diet remains a significant problem for children. In fact, it is known that only one in 20 children eats the recommended daily amount of fruit and vegetables and that more than a million (or 27%) of all Australian children are now overweight or obese[110].

Therefore, as noted above, ASX listed companies operating in this sector can, and should aim to have, a powerful and tangible impact on children and their rights through the marketing of unhealthy food, as well as having a clear and positive impact on children's food preferences and future good health through their marketing of healthier food and lifestyle choices.

It is however, also important to note that the responsibility to focus on healthy food for children also goes past marketing, and includes the company's proactive focus on factors such as the availability of healthier options, pricing, and packaging, in store placement and the active promotion and incentivisation of healthier options[111].

Additionally, enhanced labelling and certification are powerful levers for impacting children's health, as are limitations on the use of licensed movie and cartoon characters on unhealthy foods[112], or more thoughtful considerations of competitions, giveaways and the sponsorship of children's sport[113], as noted previously.

Unfortunately, misleading and inadequate labelling continues to be a widespread problem, and therefore, providing clear, accurate and sufficient product information to allow parents to make healthy food choices is a crucial consideration for all ASX listed companies operating in this space. Doing so in a manner that specifically aims to provide simple, easily understandable health messages can also allow children to become empowered, and act as advocates for their own health, and therefore, impact children and their rights in a deep and long-lasting fashion. Education on healthy choices, as well as the adoption and promotion of credible and accurate health rating systems can also be important tools to impact child health.

Product reformulation is another crucial lever companies can use to address their impact on child health[114]. The Australian Government Partnership Reformulation Program, for example, has set targets to work with Australian food companies on reducing fat, sodium and sugar, with current targets on 46 food categories[115].

ASX listed companies are therefore strongly encouraged to deeply consider and disclose how they are proactively focusing on promoting and enabling healthier food options for children, and what initiatives they are undertaking to advance these goals.

ASX companies are also encouraged to ensure, as well as more proactively disclose, how they are engaging with their peers, industry bodies and regulators, as well as how they are participating in wider advocacy and engagement on these issues.

ASX EXAMPLES:

- **Woolworths**: Have committed in their 2025 Sustainability goals to reduce salt, sugar and saturated fat in their own brand products, as well as ensure clear, transparent labeling and health star rating on 100% of their own brand products by 2025. They also have committed to only allowing characters, graphics and activities perceived as appealing to children on healthier products by 2025. Woolworths also publically disclose a case study on their work on Salt Reformulation through the VicHealth and Heart Foundation "Unpack the Salt" initiative, and are involved in the Australian Government Partnership Reformulation Program. Woolworths is also part of the Foods for Early Childhood Reference group, which is developing a guide for the food industry to help improve commercial foods for infants and young children, and has created a $5 million partnership with the Children's Hospital Foundation to create the Woolworths Centre for Childhood Nutrition research. Woolworths have also partnered with UNICEF on their Working Groups on Child Nutrition.
- **Mirvac**: Has partnered with the Stephanie Alexander Kitchen Garden Foundation on a multi-year program, which involves building community gardens at one of their developments that support a program on healthy food habits at a nearby school.

- **Coles**: Have developed a Healthy Kicks program to help inspire children in adopting a healthier lifestyle, by partnering with various schools and the AFL. Coles also has partnered with Stephanie Alexander Kitchen Garden Foundation to provide financial support for their food education program. Coles is also involved in the Partnership Reformulation Program, and publicly disclose that 70% of their own brand products now meet HFP nutrition criteria. Coles has also partners with the Heart Foundation on their Healthier living project and the Vegetable Intake Strategic Alliance on increasing children's vegetable intake. They have also expanded their own brand health product range, and are improving their front of pack labelling on the same.
- **Bega**: Have set clearly disclosed targets to remove 15 tonnes of salt from their food products by 2023, and to reduce sugar by 10% in Bega Peanut butter by 2023. Their dairy and drinks business is also committed to removing 1,000 tonnes of added sugar from their portfolio by 2025. They have also developed a Nutrient Profiling standard, and have had their commitment independently review and approved by the CSIRO and Deakin university.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company has a responsible marketing policy that comprehensively restricts all forms of marketing of unhealthy foods to children under 18 and uses independent nutritional criteria.
- ✓ The company's policy is comprehensive in covering all forms of marketing to children under 18 and uses a definition of unhealthy foods that is based on independent nutritional criteria, such as the World Health Organisation nutrient profile models of nutrient profile models developed by government authorities.
- ✓ It should cover all forms of direct and indirect marketing.

FURTHER GUIDANCE FOR THIS INDICATOR CAN BE FOUND AT:

Australian Government, Healthy Food Partnership, Partnership Reformulation Program,
https://www.health.gov.au/initiatives-and-programs/healthy-food-partnership/partnership-reformulation-program

Australian Institute of Health and Welfare, 2020, Overweight and obesity among Australian children and adolescents. Available at:
https://www.aihw.gov.au/reports/overweight-obesity/overweight-obesity-australian-children-adolescents/summary

Obesity Policy Coalition,
https://www.opc.org.au/what-we-do

UNICEF, The State of the World's Children, 2019, Children, Food and nutrition: Growing well in a changing world,
https://www.unicef.org/reports/state-of-worlds-children-2019

Protecting Children's right to a Healthy Food Environment,
https://www.unicef.org/media/96101/file/Protecting-Childrens-Right-Healthy-Food-Environment.pdf

VicHealth and Heart Foundation,
https://unpackthesalt.com.au/salt-reformulation-in-australia/

Ensure and disclose that the company has responsible digital marketing practices in regard to children.

Only 2% of companies disclose that they have responsible digital marketing practices in regard to children.

As noted in the previous two indicators, digital marketing is a specific area of concern for its potential to negatively impact children and the protection of their rights. Digital marketing can be more pervasive than traditional methods of TV or print advertising, can be very immersive and engaging, are available to children all of the time, and increasingly, can also allow for micro targeting of marketing in an ever evolving, data driven fashion[116].

As such, ASX listed companies, across the spectrum, should specifically consider and disclose how they ensure the protection of children and their rights when using any digital marketing, whether it is specifically directed at children or not, but especially when deliberately choosing to target children with these modalities.

All ASX listed companies should therefore ensure that they explicitly acknowledge children's unique vulnerabilities in their impact assessments, responsible marketing policies, and clearly disclose to investors and concerned stakeholders their initiatives to proactively protect and support children who come into contact with their digital footprints.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company has a responsible digital marketing policy affording special consideration and comprehensive protections to all users under the age of 18.
- ✓ Company policy on digital marketing explicitly affords comprehensive protections to children.
- ✓ In order for protections to be considered comprehensive, the company should:
  - (1) not conduct behavioural advertising targeting child users and maintain a zero-data environment for children;
  - (2) ensure children are easily able to distinguish marketing from editorial content using clear labels or other markers;
  - (3) not use sentiment analysis or neuro-marketing techniques on child users.

FURTHER GUIDANCE FOR THIS INDICATOR CAN BE FOUND AT:

UNICEF's Children and Digital Marketing: Rights, Risks and Obligations
https://sites.unicef.org/csr/files/Children_and_Digital_Marketing_-_Rights_Risks_and_Opportunities(1).pdf

Step Ten: Environment and Land Use.

Ensure and disclose that the company considers children's rights specifically in their land acquisition and land use policies.

None of the 57 companies for whom this indicator is relevant clearly and publically disclosed children as a uniquely vulnerable stakeholder group within their policies relating to land acquisition or use.

The concept of Free, Prior and Informed Consent, and the understanding that ASX listed companies land acquisition and use policies and practices can have adverse impacts on human rights is becoming increasingly well understood. It is also however, crucial to note that children in particular can be even more vulnerable to these human rights impacts if there policies are managed poorly, and as such, it is strongly recommended that ASX listed companies specifically acknowledge these unique vulnerabilities in their impact assessment, community consultations, consent and remediation policies, and land acquisition and resettlement codes of conduct.

For example, UNICEF's research in the extractive space, has found that children, particularly those aged 1-5 years' experience a marked vulnerability to the impacts of resettlement, including through factors such as changes to family structures and social dynamics[117]. Children are also often less able to rebuild their lives after resettlement, are more psychologically vulnerable to change, and are more severely impacted by the changes in health, education, food consumption or changes to informal employment that are associated with resettlement[118].

Compounding these risks is the fact that children's voices are also often left out of community consultations and stakeholder analysis, underlying the importance of calling out the specific vulnerabilities and potential impacts on children and proactively targeting these stakeholder views when conducting impact assessment and consent processes.

All relevant ASX listed companies should therefore specifically recognize that children are very likely to be negatively affected by land acquisition, and ensure that they are specifically represented in all baseline studies, that risks to child rights are proactively mitigated, and that adequate disclosure in provided for investors and other stakeholders to be able to assess how the protection of children and their rights has been considered in these land acquisition activities, as well as in continuous and through due diligence evaluations[119].

The UNICEF Child Rights and Mining Toolkit also contains detailed guidance on how child rights should be considered within other international guidelines on resettlement, including the IFC Performance Standards on areas such as the companies compensation frameworks, collaborations with local governments, site selection, transitional assistance, social services, restoration of livelihoods, security of tenure and monitoring and evaluation[120].

ASX listed companies should also ensure that they adhere clearly to and publically commit to Free Prior and Informed Consent, and adequately disclose how they are considering children and youth as a large stakeholder group within this consent process.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ The company has a policy on land acquisition and resettlement that considers children's unique vulnerabilities.
- ✓ The company's policy commits to respecting land ownership and natural resource rights, recognising legitimate tenure rights and IFC Performance Standards to obtain Free, Prior and Informed Consent (FPIC) from Indigenous people and local communities for transactions involving land and natural resources.
- ✓ In addition, companies should recognise children's unique vulnerabilities in resettlement and relocation and commit to considering them in impact assessments and addressing them in the consultation and resettlement process.

FURTHER GUIDANCE FOR THIS INDICATOR CAN BE FOUND AT:

UNICEF Child Rights and Mining Toolkit
https://sites.unicef.org/csr/files/FINAL_Child_Rights_and_Mining_Toolkit_060217.pdf

Children's Rights and The Mining Sector: UNICEF Extractive Pilot,
https://media.business-humanrights.org/media/documents/files/documents/UNICEF_REPORT_ON_CHILD_RIGHTS_AND_THE_MINING_SECTOR_APRIL_27_0.pdf

Ensure and disclose that the company specifically considers pregnant women and children as a unique stakeholder group in their environmental assessments.

No S&P/ASX 200 company clearly disclosed that they consider pregnant women or children as a uniquely vulnerable stakeholder group in environmental assessments.

Whilst it is pleasing to see the continuously increasing focus on ASX listed company's environmental impacts in company sustainability policies and practices, there is a however a broad failure to disclose a recognition of children's unique vulnerabilities to harm, or the recognition of children as a specific stakeholder group in their impact assessments and disclosures.

The reasons for these increased vulnerabilities are numerous, and include more time spent playing outside, children's physical and mental developmental stages, hand to mouth behaviors, and their decreased ability to understand warning signs are a few – but the effects are clear.

Research has clearly shown adverse birth outcomes and an increased risk of congenital heart defects for babies born to mothers living near oil or natural gas well sites, as well as the serious implications for child health of dust, noise, exposure to toxic chemicals and the contamination of soil and water by hazardous chemicals by mining operations have all been shown to have serious implications for child health[121]. Other studies have shown the seriously high risks of increased lead levels in children living near smelters in Africa[122], or the impacts on children of the 72 known toxic chemicals in the footwear and apparel supply chain, which are particularly harmful for children, affecting growth, development, reproduction and causing liver damage[123]. It is also tragically proven that children today are born pre-polluted with a cocktail of unquestionably toxic substances, many of which have no safe level of exposure[124].

As such, the UN Special Rapporteur on Human Rights and the Environment has recommend that all businesses view and document their environmental impact assessments through a child rights lens. ASX listed companies should therefore also clearly disclose how they are considering the unique vulnerabilities of children, and how the negative impacts they may be having on the environment may be experienced in a more material manner by children: for example, the air pollution they cause may not be material for adults, but may be for children: in fact, children breathe twice as quickly as adults and take in more air relative to their body weight, have more permeable respiratory track, weaker immune systems and developing brains, and can suffer greater damage from ultrafine airborne pollutants that can even cross the placental barrier.

As such, hundreds of thousands of children under the age of 5 die every year from diseases caused or exacerbated by air pollution, particularly in areas if extreme disadvantage[125] – areas in which the supply chains of many ASX companies operate – making this an important and relevant consideration for all ASX listed companies within their risk assessments and supplier assessments.

ASX listed companies should therefore ensure that they consider adherence to the highest possible environmental standards throughout their value chains, particularly in jurisdictions in which regulation and environmental protections are inadequate, as well as ensure adequate training on handling, storage and disposal of environmental pollutants for all relevant employees and suppliers. They should also ensure that any mitigation measures, such as the provision of PPE are appropriate for use by young workers as required, as well as ensuring that the perspectives of children and youth are adequately integrated into environmental assessments.

Conversely, the disproportionate effects on environmental impacts on children and pregnant women also mean that any proactive impacts that ASX listed companies seek to have on children and their rights, through their environmental risk and impact assessments, due diligence, supplier requirements, codes of conduct, policies and practices, will also have an outsized positive impact.

As such, we strongly encourage all ASX listed companies to consider how they can proactively use a focus on child rights to move forward their commitments to seek to positively address their environmental impact and the attainment of the SDG goals related to the positive impact they can influence throughout their value chains, philanthropy, advocacy and spheres of impact.

UNICEF INVESTOR TOOL BEST PRACTICE GUIDANCE FOR THIS INDICATOR IS THAT:

- ✓ Company has a process for assessing, identifying and monitoring special environmental risks to pregnant women and children.
- ✓ The company's process for identifying, assessing and monitoring environmental risks should take into account particular risks to which pregnant women and children may be more susceptible, e.g., risks of pesticide exposure, harmful chemicals, and air and water pollution.

FURTHER GUIDANCE FOR THIS INDICATOR CAN BE FOUND AT:

Principles and Policy Guidance on Children's rights to a safe, clean , healthy and sustainable environment in the ASEAN region, UNICEF, UNEP & UN Human Rights, 2021, *https://www.unicef.org/eap/media/9276/file/Principles%20and%20Policy%20Guidance%20on%20Children%E2%80%99s%20Rights%20to%20a%20Safe,%20Clean,%20Healthy%20and%20Sustainable%20Environment%20in%20the%20ASEAN%20Region.pdf*

Children's Rights to a Healthy Environment in the ASEAN Region: Principles and Policy Guidance, *https://bangkok.ohchr.org/wp-content/uploads/2021/11/Childrens-Rights-to-Healthy-Environment_Child-friendly-Brief.pdf*

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Realising Children's rights to a healthy environment: A joint call to Action, Human Rights Watch, 2020, *https://www.hrw.org/sites/default/files/media_2020/06/ADRC_Call%20for%20action_0.pdf*

Ensure and disclose that the company specifically considers children's rights or considers children a unique stakeholder group in relation to the risks of climate change.

Less than 1% of S&P/ASX 200 companies disclose that they specifically consider children's rights/ consider children a unique stakeholder group in relation to the risks of climate change.

As noted above, whilst it is very pleasing to see the increasing attention to and action on climate change across the ASX, very few companies are disclosing if, and how, they specifically consider children and the protection of their rights in their climate change commitments and policies.

Whilst it is true that all climate action will have positive impacts on the rights of all stakeholders, it is also very true that the climate crisis is in fact, a child's rights crisis[126].

Climate change will pose stark and disproportionate issues for child development, including lower cognitive capacity, stunting, anaemia, malnutrition, and through disproportionate vulnerabilities to climate emergencies[127]. Climate change is also having impacts on children and youth mental health, with around 58% of children reporting fear about the impact of climate change on their lives, and around 20% of children reporting that they are losing sleep due to their worry about the climate[128].

Not only is climate change already threatening child health, but it is also true that our children have inherited a problem, not of their own making, that will have long lasting, and increasingly severe impacts on their lives. As such, it is also clear that children and young people must become a key part of the decision making process if global goals for tackling climate change are to be met[129].

As such, it is crucial that ASX listed companies recognise children's rights to a healthy environment as part of their commitments to and ambition to address climate change.

As previously noted, while adopting a net zero target and a clear and credible strategy to decarbonise will clearly be beneficial to the rights of all stakeholders, understanding the outsized and amplified impact this can have on children can also help spur action, engage employees, customers and public support for climate action.

Using a child rights lens within their climate action plans will also ensure that ASX listed companies:

- **Better consider children's stakeholder voice** and ensure that they are actively seeking to capture and represent the opinions and needs of our future generations within their climate policies and actions.
- **Adequately consider the specific steps that may be needed to adequately support children and families affected by emergencies in their climate adaption, risk reduction, resilience and remediation policies and practices**.

Children's rights within the transition metal supply chain, with its well known risk of child labour and exploitation, should also be an explicit consideration in ASX company's climate action plans, as climate action, whilst crucial, cannot come at the expense of the rights of the child, or human rights more generally. Children and their rights should also be an explicit consideration in the just transition planning of all relevant ASX listed companies, as children will also be uniquely vulnerable to the impending effects of stranded assets, company closures, job losses and socioeconomic impacts of industry transitions, and as such, will require particular planning for the protection of their rights and an equitable transition process.

FURTHER GUIDANCE FOR THIS INDICATOR IS AVAILABLE AT:

The Climate Crisis is a Child Rights Crisis, UNICEF, 2021, *https://www.unicef.org/reports/climate-crisis-child-rights-crisis*

Born into the Climate Crisis: Why we must act now to secure Children's Rights, Save the Children, 2021, *https://www.savethechildren.org.au/getmedia/dfb07742-4f10-40fa-8011-971399140136/_stc-cc-full-report_final_220921_no-map.pdf.aspx*

Be aware that any positive impact your company can have on the climate crisis will have an outsized positive affect on the rights of children and youth, for generations to come.

It is our hope that this understanding will help spur ASX listed companies to be more ambitious, more proactive and more deliberate in how they are aiming to positively impact climate change and natural capital, and to accelerate action, wherever possible throughout their corporate strategies, and across their entire operations, value chains, spheres of influence, lobbying activities, wider advocacy and philanthropy.

"There is no trust more sacred than the one the world holds with children. There is no duty more important than ensuring that their right and respected, that their welfare is protected"

Kofi Annan.

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