

Sector scorecard



FOOD & BEVERAGE



The State of Children's Rights and Business 2022

Part of the Global Child Forum Corporate Sector and Children's Rights Benchmark

In collaboration with:



About this scorecard

The aim of this industry scorecard is to provide an overview of different risks and opportunities with regard to children's rights within the Food & Beverage industry. It seeks to highlight how companies are doing within different impact areas and how far along companies have come on their maturity journey. It also compares this industry against others within the Food, Beverage & Personal Care sector, illustrating where there is room for improvement and where this industry scores on par with or above other indu-

stries. The results are based on the scores of 172 companies in the Food & Beverage industry, benchmarked in **The State of Children's Rights and Business 2022** study.

The study includes 25 indicators, based on the Children's Rights and Business Principles¹. These indicators are divided into four impact areas; Governance & Collaboration (G&C), Workplace (WP), Marketplace (MP) and Community & Environment (C&E). The boxes below illustrate examples of different children's rights issues covered under the different areas.

The indicators are also divided into three levels of maturity for each impact area; Policies & Commitments (P&C), Implementation (I) and Reporting & Action (R&A). These maturity levels allow for an understanding of how deeply a company has integrated a children's rights perspective into its governance, practices and operations.

For more information about our methodology, read [here](#).

Collaboration & Governance (C&G)
Standards, Governance structures & Collaboration with others

E.g. commitments to frameworks, board accountability, grievance mechanisms and collaboration with peers or NGOs.

Workplace (WP)
Operations & Supply Chain

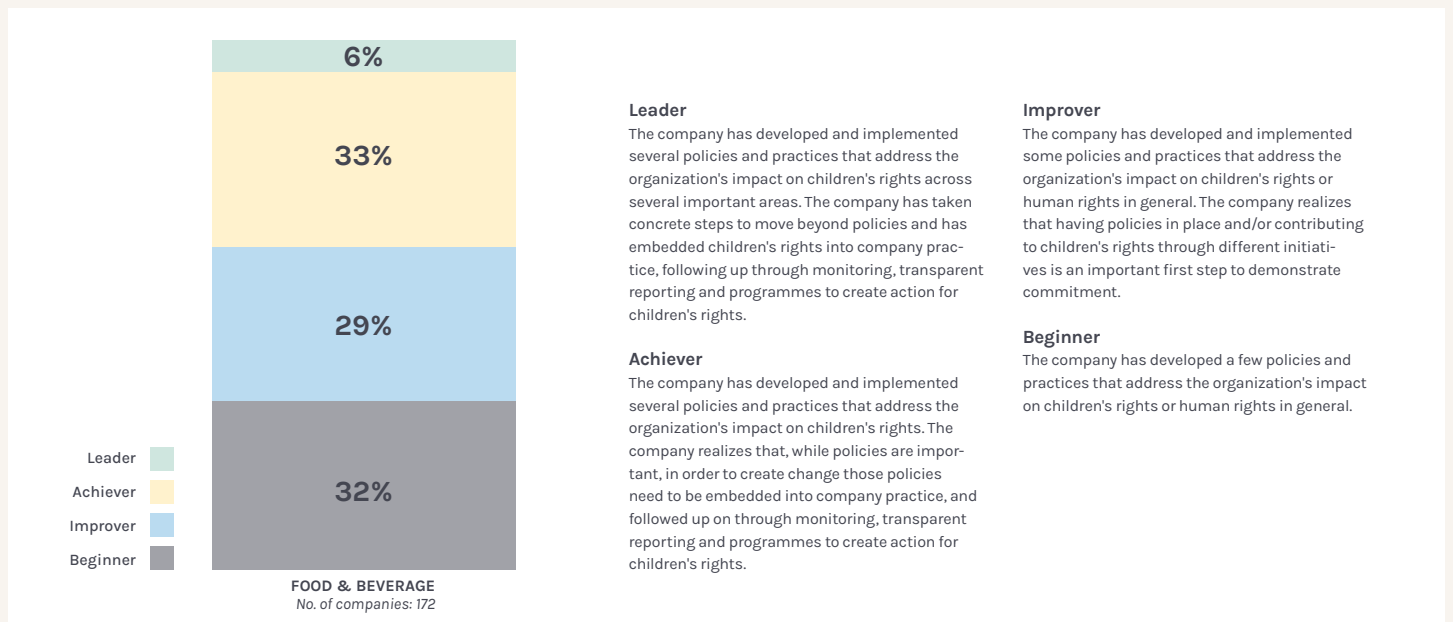
E.g. decent work for young workers, parents and caregivers, and prevention of child labour.

Marketplace (MP)
Marketing, Products & Services

E.g. marketing and advertising, protection from online abuse and exploitation, and product safety.

Community & Environment (C&E)
Impact on Surroundings

E.g. access to health, education and social services, as well as use of natural resources, damage to the environment as a result of land acquisition, and the impact of conflict and emergencies.

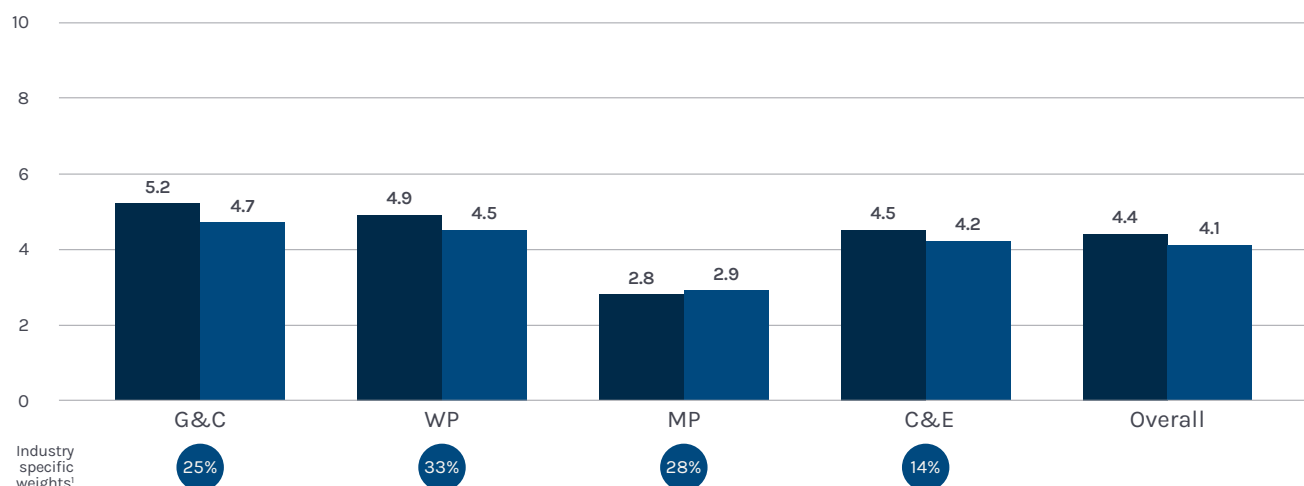


¹ A comprehensive framework for understanding and addressing the impact of business on the rights and well-being of children developed by UN Global Compact, UNICEF and Save the Children.

Industry average score

Average score per impact area overall

No. of companies in the industry: 172



¹ Indicator averages are multiplied with respective weights to produce overall score. Source: GCF data 2022, BCG analysis

Industry description

Companies in the Food & Beverage industry produce food and beverage products that are typically sold through other retail outlets.

Food & Beverage

Governance should equate to board oversight that involves not only commitments at the board level, but also regular followup on progress. This is key to addressing some of the challenges in this industry. It is also important to have grievance mechanisms in place, not only to allow for complaints from employees, but also to receive reporting of incidents from the supply chain and customers.

Collaboration with industry peers is of particular importance when setting industry-wide standards on marketing and advertising of food and beverage items, ensuring that children are not exposed to images that promote unrealistic body images, unhealthy lifestyles or

discriminatory stereotypes. Collaboration with industry peers can also be key when working to address the root causes of child labour and forced labour in agricultural production in supply chains.

While child labour and forced labour are less likely in the production of food & beverage items, a key supply chain risk within the **Workplace** is the use of forced labour or child labour in food and agricultural production and processing. There is an opportunity here for companies in this industry to work with suppliers to address these issues, both through preventive and/or remediation efforts. Companies in this industry can also use their leverage and purchasing practices to ensure decent work and family-friendly environments for parents and caregivers, both in operations and supply chains.

Within the **Marketplace** area, children as direct consumers are vulnerable to inaccurate

labelling or marketing and advertising content that promotes unrealistic body images and unhealthy choices. Even when companies do not directly market to children, children might become unintended receivers of marketing messages. On the other hand, companies which contribute to providing healthy and affordable nutritional choices for households on limited budgets reduce the risk of malnutrition or obesity for the poorest children.

While land use for manufacturing is limited, land use, displacement and pollution in the production of these commodities and its effects are more prevalent issues in supply chains. Within the **Community & Environment**, companies can work to promote water efficiency and waste management to prevent pollution of water supply and water stress, as well as to increase efforts to reduce energy use and GHG emissions, switch to renewable energy and recycle raw materials.

Material topics

WP MP C&E C&G

Impact	Where	What
Child labour	Supply chain	Work collaboratively with others against child labour in informal sector around supplier and/or beyond tier 1 (e.g. agriculture and minerals).
Supporting youth	Employees/ Supply chain	Provide opportunities for youth/teenagers to gain worklife skills under safe circumstances.
Access to parents	Employees	Provide and promote flexible work, parental leave, etc.
Access to parents/child labour	Procurement/Supply chain	Ensure that purchasing practices (lead times and pay) are contributing to decent working conditions with suppliers.
Children's health and safety	Products	Develop products that are low in salt, fats, sugars and artificial substances, which contribute to children's health and development.
Children's health and safety	Marketing	Consider marketing as an opportunity to encourage healthy lifestyles for young people, both physically and physiologically, through positive images and campaigns.
Future wellbeing of children	Operations/Supply chain	Reduce scope 1, 2, and 3 emissions, switch to renewable energy and recycle raw materials.
Future wellbeing of children	Operations	Improve water efficiency and waste management to prevent pollution of water supply and water stress.
Children's health & wellbeing	Surrounding Communities	Ensuring safe and healthy living environment for children, through safe production of agricultural products (protection from pesticides, etc.). Contributing to the wellbeing and development of children, for example, by providing access to education, care, opportunities for safe play.

Top performing companies

WP MP C&E C&G

Company name	Governance & Collaboration	Workplace	Marketplace	Community & Environment	Total average score	Country of HQ
Suntory	10,0	10,0	9,0	6,8	9,3	Japan
Ferrero	10,0	10,0	7,0	8,0	8,9	Luxembourg
Kellogg's	10,0	10,0	6,4	8,8	8,8	United States of America
The Hershey Company	9,4	10,0	6,9	7,8	8,7	United States of America
Nestlé	10,0	10,0	6,1	7,6	8,6	Switzerland

Top performing indicators

Indicator number	Indicator	Percentage of companies scoring 10/10	Corporate response
2.1.1	Child labour policy	74%	Policies & Commitments
4.1.1	Commitment to measurable reduction targets for impact on environment	62%	Policies & Commitments
4.3.3	Programmes focused on reducing environmental impact on children or reducing negative/ increasing positive impact on children in communities	59%	Reporting & Action

Challenging indicators

Indicator number	Indicator	Percentage of companies scoring 10/10	Corporate response
4.3.2	Disclosure of actual or potential negative impacts on children in communities (beyond the scope of operations)	<1%	Reporting & Actions
3.3.2	Disclosure of positive impact on children from product responsibility initiatives or incidents of non-compliance with product safety commitments and regulations	1%	Reporting & Actions
4.2.1	Materiality assessment with regard to environmental or community impacts on children	2%	Implementation

About our Industry Scorecards:

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

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Global Child Forum

Founded in 2009 by the Swedish Royal Family, Global Child Forum is a leading forum for children's rights and business dedicated to innovative thinking, knowledge-sharing and networking. We believe in the power and responsibility of business, working in partnership with all parts of society, to create a prosperous, sustainable and just society for the world's children. In addition to our forums, Global Child Forum delivers research perspectives, best practices and risk assessment tools designed to unlock opportunities for business to integrate children's rights into their operations and communities.

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