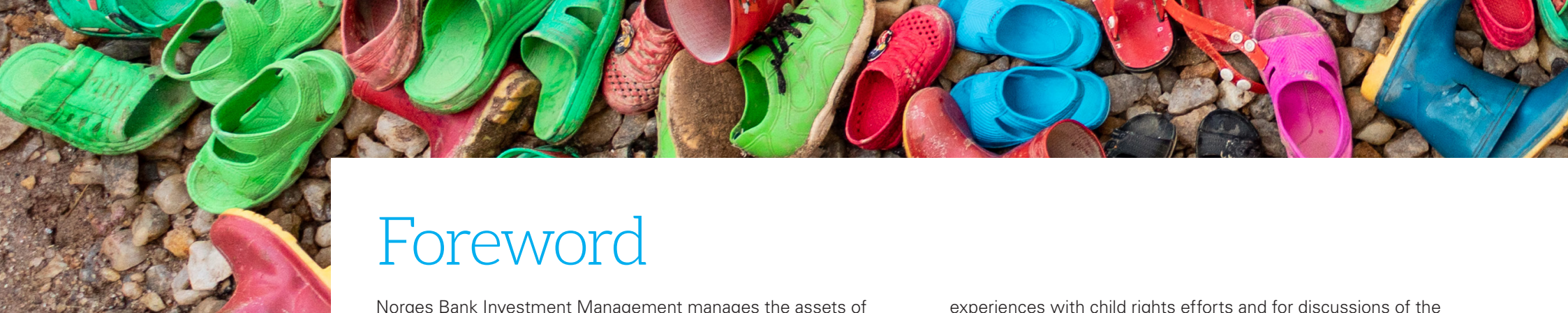




NETWORK ON CHILDREN'S RIGHTS IN THE GARMENT & FOOTWEAR SECTOR

Summary Report (2017–2019)





Foreword

Norges Bank Investment Management manages the assets of the Norwegian Government Pension Fund Global. Our mission is to safeguard and build financial wealth for future generations. We do this within our objective to secure the highest possible return with moderate risk. Responsible investment is at the core of this objective. It supports the long-term economic performance of our investments and reduces financial risks associated with the environmental and social practices of companies in our portfolio.

Children's rights have been a focus area for us since 2008 when we published our first set of expectations of companies. Children are the basis for future prosperity – and they are also vulnerable members of society. For us, respecting children's rights is an inherent part of good business practice and risk management.

In 2017, together with UNICEF, we established a children's rights network for companies in the garment and footwear sector. Our aim was to facilitate dialogue between leading brands and retailers in the industry about how children are affected in supply chains, what the related risks are, and how companies can improve their respect for and work on children's rights. Over time, our ambition is to contribute to improved market practices among companies and greater respect for children's rights.

In the past two years, the network has regularly brought together companies and subject-matter experts for in-person workshops and group calls. The network has been a forum for exchange of

experiences with child rights efforts and for discussions of the challenges and opportunities related to the integration of child rights in responsible sourcing programmes.

This has also been an opportunity for us at Norges Bank Investment Management to enhance our own understanding of how companies manage child rights risks. Reflecting some of the discussions in the network, we updated our public company expectations on children's rights in 2019, emphasizing the importance for children's rights of decent working conditions for young workers, parents and carers.

Today we publish the network's summary report along with a practical guidance tool for companies. The guidance tool is intended for use by company practitioners who would like to integrate child rights in their responsible sourcing policies and practices and explore appropriate mechanisms for their supply chain. The tool also contains suggested metrics that companies can use to monitor and report on their own processes and on outcomes at factory level.

We want to thank UNICEF, the companies and experts that have participated in the network. Our collaboration has led to improved understanding and clarity on an important topic. We now encourage others to explore and make use of the guidance tool. We hope that we can continue this conversation together.



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Carine Smith Ihenacho
Chief Corporate Governance Officer
Norges Bank Investment Management



Foreword

A garment and footwear sector that upholds the rights of children and guarantees decent work for parents and caregivers has the potential to positively transform the lives of millions of families around the world. It can strengthen local communities, promote skills, training and education, and support children of parents who work in the sector as they aspire to reach their fullest potential.

We have seen tremendous progress in the fight against child labour in recent years. Its gradual decline has taken place against the backdrop of a concerted and sustained effort at global and national levels. Many multinational companies have adopted codes of conduct prohibiting child labour in all its forms. Focusing on root causes, improving access to and the quality of education, addressing issues around poverty and inequity, strengthening legal and policy frameworks, and creating better coordination across governments and industry appear to be a winning formula.

Yet, the lives of children are touched by the garment and footwear sector in many more ways than just child labour. As dependents of workers and community members living near farms and factories, children are affected every day. It is imperative that we address their challenges holistically, tackling squarely issues that pertain to decent work deficits, weak maternity protection, the absence of childcare support, environmental impacts, and access to basic services, including health and nutrition, to name a few. These are common challenges in garment communities across many countries, and

they affect the lives of millions of workers and children.

We cannot shift the dial on these issues alone. We can only realize the opportunities associated with a responsible and sustainable industry in collaboration with others. At UNICEF, we are deeply grateful for the partnership with Norges Bank Investment Management, with which we have joined efforts to bring together a variety of stakeholders including some of the world's largest apparel and footwear brands, to lead the change we wish to see – a world in which all children enjoy all their rights, everywhere.

This report summarizes the outcomes of these discussions and suggests promising ways forward. Together with an accompanying guidance tool for companies, this report reminds us of the urgency with which we must act. There has never been a more important time than now – a time in which the socio-economic fallout of the COVID-19 pandemic has thrown into sharp relief the vulnerabilities of workers and their families.

What lies before us is a critical opportunity to 'build back better' and to realize a garment and footwear sector that supports the rights of every child. We look forward to continuing the dialogue and working with our partners to help foster a new reality that is better for children than the old.



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Charlotte Petri Gornitzka
Deputy Executive Director
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Introduction

This report presents a summary of the activities and outputs of the Network on Children's Rights in the Garment & Footwear Sector (the network). The network was established in November 2017 by Norges Bank Investment Management and the United Nations Children's Fund (UNICEF). Its purpose was to provide a platform for dialogue between international garment and footwear brands and retailers, manufacturers and sustainability experts. The aim was to identify challenges, explore solutions and share innovative practices to improve the impact on

children's rights in the global garment and footwear supply chain.¹

The network was active for two years, between November 2017 and November 2019. It was succeeded by a peer-learning group of companies that participated in the network. The peer-learning group seeks to build on network learnings and support the practical integration of children's rights in human rights due diligence and responsible sourcing.

Network participants

The network brought together leading garment and footwear companies from Asia, Europe and the US, representing a market value of more than US\$280 billion. The companies represented in the network covered more than one million employees in their own operations and an estimated eight million workers in the garment and footwear supply chain.²

The network also involved experts from international and non-governmental organizations, local civil society groups and business and human rights experts. The network was led by UNICEF with support from Norges Bank Investment Management.

Network participants included:

Companies: adidas AG, Carrefour SA, Hennes & Mauritz AB, Kering SA, Li & Fung Ltd, Tesco PLC, Next, The Walt Disney Co, VF Corporation

Organizations and experts involved in workshops and seminars: Article One, Better Work, Center for Child Rights and Corporate Social Responsibility (CCR CSR), Fair Labor Association (FLA), International Labour Organization (ILO), Organisation for Economic Cooperation and Development (OECD), Phulki (Bangladesh)

¹ The network focused on addressing the impact on children in supply chains. It did not address the many other ways in which children can be affected in the garment and footwear sector, such as through marketing practices, advertising, product safety and working conditions for employees in the companies' own operations.

² Rough estimates based on information provided by the companies in the first workshop, as well as desk research.



Aysha Khatun, 16, tailoring clothes at her home in Nimtala, Satkhira, in southwestern Bangladesh.

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Main objectives of the network

The network was established to provide a forum to enhance the understanding of the impact on children in the garment and footwear supply chain and improve business practices for children in sourcing activities. Specifically, the network's objectives were to:

- Deepen the understanding of the ways in which children are directly and indirectly affected in addition to child labour, both positively and negatively;
- Facilitate peer learning, and disseminate innovative and good practice examples of the embedding of children's rights in human rights due diligence and responsible sourcing frameworks;
- Contribute to improved monitoring, assessment and disclosure of children's rights and the measures taken by companies to improve the management of children's rights in the supply chain over time.

The network brought together leading garment and footwear companies from Asia, Europe and the US, representing a market value of more than US\$280 billion.

Key activities and outputs

Workshops and webinars

The network organized three in-person workshops, four webinars, and several bilateral company conversations between November 2017 and May 2019. The workshops were held in Geneva, Switzerland, and Dhaka, Bangladesh. In addition, network insights were presented at a seminar on child rights metrics in global supply chains, organized by UNICEF, and during a UNICEF-led session at the OECD Forum on Due Diligence in the Garment and Footwear Sector in 2019.

Second workshop in Dhaka, Bangladesh, in May 2018, attended by 25 representatives from five international brands and retailers, six manufacturers, civil society groups, Norges Bank Investment Management and UNICEF.



Development of practical company guidance

During the discussion at the first workshop, participants expressed the need for more research and evidence on the different ways in which children are affected in the supply chain in addition to child labour (such as working conditions for parents and living conditions for workers and their families). They suggested that the network develop practical guidance for companies on the effective integration of children's rights in human rights due diligence and responsible sourcing practices.

Responding to these suggestions and recognizing current gaps, UNICEF partnered with Article One, a business and human rights consultancy, to develop a guidance tool on children's rights in the garment and footwear supply chain. The guidance tool outlines practical steps that companies can take – individually and collectively – to embed children's rights in company policy and practice in the supply chain. The document was designed to:

- synthesize evidence on the impact on children in the garment and footwear supply chain;
- review and identify limitations in prevailing company approaches to managing children's rights;
- suggest concrete steps to integrate children's rights into approaches to responsible supply chain management.

The guidance tool was developed in 2018 and 2019 based on discussions during the workshops and webinars, a detailed literature and desk review of the children's rights practices of 25 leading garment and footwear companies, and in-depth interviews with companies in the network.

The guidance tool and its suggested practical steps for companies do not propose the creation of parallel processes. Instead, they seek to support the integration of children's rights within existing responsible sourcing policies and practices.

Moreover, the guidance tool includes a comprehensive set of metrics that can support the continuing assessment and reporting of children's rights integration, including outcomes for working parents and children. These metrics are designed for use by garment and footwear buyers (for instance, brands and retailers) as well as by manufacturers who seek to assess their potential and actual impact on children's rights in their operations and supply chains and to monitor progress over time.

A first draft version of the guidance tool was presented to network participants at the third in-person workshop in Geneva in November 2018. Following comprehensive feedback, a revised version was shared for further feedback with network participants in 2019. Companies in the network and peer-learning group had the opportunity to further discuss the recommendations and draft metrics before the guidance tool was published in June 2020.



Excerpt from an initial draft of the child rights guidance tool, including corresponding metrics.

Children's rights guidance tool published in June 2020. The tool summarizes evidence on the impact on children in the garment and footwear supply chain and practical steps, including metrics, that companies can take to embed child rights in company policy and practice.

“From a child rights perspective, our current audit scope covers the presence of child labour, and only if required by local law, maternity protections, breastfeeding corners and in-factory childcare.”

Company representative in the first workshop in Geneva, November 2017

Key discussion topics and insights from the network

1 Expanding the focus beyond child labour

When the network first convened, Article One reviewed children's rights integration in responsible sourcing practices among 25 leading garment and footwear companies. The review showed that, beyond child labour, children's rights are rarely included explicitly in sustainability commitments, codes of conduct or human rights due diligence processes. The review, which included bilateral company interviews, showed that many companies operate within narrow definitions of children's rights.

Key findings of the assessment of child rights integration among 25 apparel and footwear brands and retailers.



Most importantly, existing practices and standards typically tended to exclude the situation of working parents, especially mothers. For instance, just four out of the 25 companies reviewed referenced entitlements to maternity leave in their supplier codes of conduct. Most companies referred to compliance with local law, and only one company required a minimum maternity leave period that meets international standards set by the International Labour Organization (14 weeks).

Furthermore, only seven out of the 25 companies expressly required that suppliers pay legally mandated maternity benefits. As the network activities progressed, UNICEF presented findings from factory and community assessments in Bangladesh and Viet Nam.³ These assessments provided insights into the ways children are affected directly and indirectly in both the factory and community context.

They emphasized that impacts on children in the factory and community context are often interlinked. Living wages, for example, can positively affect health and education outcomes of workers' children.⁴ Equally, better living conditions (such as improved water, sanitation and hygiene and access to essential services) in communities can improve worker health in the factories and reduce occupational health and safety risks.

3 UNICEF, The Ready-Made Garment Sector and Children in Bangladesh, 2018, <www.unicef.org/csr/files/CSR_BANGLADESH_RMGM_REPORT.PDF>, accessed 6 May 2020; UNICEF, The Apparel and Footwear Sector and Children in Viet Nam, 2017, <www.unicef.org/vietnam/reports/apparel-and-footwear-sector-and-children-viet-nam>, accessed 6 May 2020.
4 See BetterWork, Progress and Potential: How BetterWork is improving garment workers' lives and boosting factory competitiveness, International Labour Office, Geneva, 2016, <https://betterwork.org/wp-content/uploads/2016/09/BW-Progress-and-Potential_Web-final.pdf>, accessed 6 May 2020.

Building on these insights, discussions in the first workshop and subsequent webinars highlighted the importance of including children's rights considerations in social risk and impact assessments, and then mainstreaming them throughout the human rights due diligence cycle by, for example, improving management systems, monitoring and disclosure.

Lack of child rights awareness was identified as a concern not only among brands and retailers, but also at factory level. Generally, there was agreement that too little awareness exists among factory management about the different ways in which children are affected by parents' working conditions.

Moreover, discussions about decent work deficits concluded that workers were often unaware of protections and services available to them, and that appropriate training may not be provided by factories. This was seen as a particular problem around the challenges faced by female workers and their protection, issues which were often not included in new employees' induction and training. The lack of training and sensitization to improve workers' knowledge of legal entitlements (for instance, maternity protections) was therefore identified as a key concern.

The fact that middle managers in many garment and footwear producing countries are mostly male was seen as another root cause of adverse impact on child rights. Lack of female representation in factory management and supervisory functions often means less possibility for women workers to discuss their challenges, raise grievances and receive gender-specific support.

2 Implement approaches that focus on root causes

Network participants identified and explored the root causes underlying negative impacts on children and the limitations in companies' current approaches to addressing them.

Participants concluded that a strong focus on compliance, monitoring and audits can prevent a holistic understanding of negative consequences for children. There was agreement that compliance approaches were of limited use in identifying more complex, and often indirect, impacts on children such as lack of decent work for parents and caregivers.

"We cannot rely on worker interviews during audits to understand the issues workers face, as very often they are coached by factory management to respond in a way that paints the supplier in a positive light."

Company representative in the second workshop in Dhaka, Bangladesh, May 2018

While participants acknowledged that supplier codes of conduct and auditing have contributed to greater awareness of workers' rights in the supply chain, they discussed the limitations of prevailing compliance approaches. The following key shortcomings were among those identified.

- Focus on the existence, rather than the quality and enjoyment, of available protections, services and facilities;

- Exclusive focus on the workplace, neglecting the living situation of workers and their families in the community context;
- A 'snapshot' mentality that fails to identify root causes and systemic challenges;
- Duplication of audits and audit fatigue;
- Lack of meaningful engagement with rights-holders;
- Lack of focus on human rights concerns in the deeper supply chain (beyond tier one).

"We need to understand the needs of workers. When you say 'worker', every worker has a family."

Statement from a participant in the second workshop in Dhaka, Bangladesh, May 2018

As an example, participants in the second workshop in Dhaka, Bangladesh, pointed out that day care centres and breastfeeding facilities provided by factories were established to comply with legal requirements, but without the additional steps of considering quality and accessibility. Breastfeeding facilities are often located in day care centres that are far from the production lines and impractical for nursing mothers to use.

While childcare facilities do often exist in factories as required by law, they are seldom properly equipped to cater for the needs of working mothers. One factory manager noted that

a typical factory has several thousand workers yet only a few children in the childcare centre. This indicates that the system is not working, but this failure is not detected in typical audits.

3 Strengthen laws, enforcement and government service provision

Gaps in legislation and enforcement were highlighted as key challenges that underly negative impacts on children's rights. In particular, it was noted that strengthening business practices in certain areas can only have a limited effect unless accompanied by strengthened laws, oversight and government enforcement capacity to address challenges at scale. On the question of decent work, laws regulating wages and maternity protections were acknowledged to be inadequate in many garment and footwear producing countries.

Low wages in particular was identified as a root cause for many of the adverse impacts of the sector on children, with poverty remaining a major challenge for workers and their families throughout the garment and footwear sector. Inadequate length of maternity leave was also seen as a key concern. Participants also discussed the typical absence of paternity leave entitlements in many countries or as part of responsible sourcing standards. Lack of paternal involvement and support before and after childbirth has a detrimental impact on mothers and children.

Limited access to basic services and poor infrastructure were identified as further root causes, creating and perpetuating poor living conditions for workers and their families. Industrial development has outpaced social infrastructure in many garment

and footwear production countries, resulting in gaps in access to basic services for workers and children.

It was noted that there is a lack of urban planning in many areas where factories are concentrated, limiting the open space and housing available to workers. This has an impact on the housing market, driving down the quality of available housing while driving up the cost. Residents in poor working communities often pay more for essential services than residents in middle-class neighbourhoods.

Access to and quality of health and education services were also highlighted as key challenges undermining children's rights. Both buyers and manufacturers were perceived to be important agents for improved government-led service delivery through advocacy, provision of technical support, expertise and funding. Importance was placed on companies supporting rather than duplicating government service provision.

4 Align purchasing practices with responsible sourcing priorities

During the workshop in Dhaka, Bangladesh, which included representatives from six garment manufacturers and five global brands, the link between purchasing practices and working conditions was explored in detail.

This nexus is important not only for overall working conditions, but also for children's rights since poor conditions for working parents also affect their families. For example, longer working

hours and low wages prevent parents from spending time parenting and caring for their children.

Other identified risks include higher production pressures that incentivize factory managers to outsource production, where risks to children are generally higher, and tap into vulnerable workforces such as adolescent workers or rely on child labour.

The discussions showed that, in many companies, responsible sourcing and buying teams can be out of alignment, resulting in suppliers receiving mixed messages. For instance, while a responsible sourcing team may be asking suppliers to provide better maternity policies, childcare support or breastfeeding breaks, a buying team from the same company may simultaneously undermine suppliers' ability to invest in these standards by pushing for cheaper prices or shorter lead times.

This is corroborated by a global UNICEF business survey on family-friendly policies, which showed that companies (especially small and medium-sized enterprises) in industries exposed to price fluctuations were less likely to offer employees guarantees such as paid leave, childcare and flexible working arrangements due to greater uncertainty and planning difficulties.⁵

“Services may exist, but because of high pressure many workers are not able to avail of them. You cannot capture this in an audit.”

Statement from a participant in the second workshop in Dhaka, Bangladesh, May 2018

⁵ UNICEF, Family-Friendly Policies: A global survey of business policy, working paper, 2020, <www.unicef.org/documents/family-friendly-policies-global-survey-business-policy-2020>, accessed 6 May 2020.

Garment manufacturers participating in the Dhaka workshop stated that if brands were to look beyond simple compliance with codes of conduct, and consider factories' social sustainability efforts in price negotiations, this would have an encouraging effect. It was also argued that brands are well positioned to promote specific sustainability concerns, build supplier capacities and allocate resources to influence factory practices. Here it was emphasized that brands should not only punish suppliers for non-compliance with sustainability standards, but also use good sustainability performance as a positive incentive, rewarding it with longer contracts, higher order volumes or even premium payments.

Purchasing practices that correlate with substandard factory workplace conditions include:

- a. Short-term relationships between buyers and suppliers
- b. Downward pressure on prices
- c. Increased quality demand at the same price levels
- d. Short (or changes in) turn-around times

"We need to emphasize training, implementation and making sure the right processes are in place ... rather than just ticking the box."

Statement from a participant in the second workshop in Dhaka, Bangladesh, May 2018

Also highlighted was a possible solution to the challenge of over-commitment by factories through improved order transparency. Although brands often check whether factories have capacity to produce their orders while maintaining decent working conditions, over-commitment is still possible if different brands are placing orders at the same factories.

More transparency from brands about order volumes and factory capacity could help to ensure better working conditions in factories. 'Fairer' purchasing practices among brands should also be underpinned by strengthened management systems at factory level through sound production planning, capacity reviews and internal communication between relevant stakeholders (e.g. human resources and production).

Manufacturers acknowledged that unfavourable purchasing behaviour was often exacerbated by improper production planning at the factory level, and this adds to challenges for working parents with potential negative impact on children.

5 Proposed areas for improvements

A number of opportunities were highlighted during the network discussions that could address identified shortcomings and more effectively improve negative consequences for children. Among the opportunities discussed were:

- Integrating children's rights more holistically into the responsible sourcing programmes of international brands and retailers;

- Improving management systems and increasing capacity to address child rights at the factory level;
- Creating a more worker-centric approach in responsible sourcing, which ensures that the actual needs of workers are understood and addressed, for instance through meaningful worker engagement and voice;
- Promoting women's empowerment in the supply chain, especially for working mothers, including in higher management;
- Strengthening trade unions and workers' collective bargaining rights;
- Improving buying practices and greater purchasing transparency;
- Coordinating and joining up advocacy for improved government action between brands and factories, particularly addressing weak legislation and enforcement.
- Identify children's rights gaps in their responsible sourcing policies and programmes;
- Take proactive steps to integrate child rights in existing processes, for instance through audits and capacity building activities;
- Monitor outcomes for working parents and children;
- Measure progress and evaluate effectiveness of responsible sourcing processes for children;
- Report on steps taken and progress made in improving impacts on working parents and children, including positive contributions towards the Sustainable Development Goals (SDGs).

6 Need for improved monitoring and reporting metrics

The current gap in metrics to measure and monitor negative (and positive) impacts on children's rights beyond child labour was discussed. There was consensus about the importance of better outcome and performance metrics that aid the implementation and monitoring of children's rights considerations in responsible sourcing practices. Current company or industry standards rarely include child rights indicators. Specifically, discussions explored how adequate process and outcome metrics can enable companies to:

"We need collaborative, centralized solutions rather than each factory and brand developing its own systems."

Statement from a participant in the second workshop in Dhaka, Bangladesh, May 2018

Furthermore, to reach scale and sustainability, the network discussed how a critical next step will be embedding children's rights in relevant sustainability and reporting standards and frameworks. This is particularly pertinent in light of the current gap on children's rights in many existing sustainability standards and initiatives, including the absence of relevant metrics.

Examples of buyer-level process and factory-level outcome metrics that can be used to assess, monitor and disclose children's rights risk management and outcomes.

Follow-up activities may also include sharing network insights and learning within the investment community to promote awareness, uptake and alignment in the financial sector.

The guidance tool includes a broad set of suggested metrics that support the measurement of and reporting on child rights integration and outcomes by garment and footwear buyers and manufacturers over time.

Annex B: Supplier-Level Outcomes Metrics

The following factory-level metrics can be used to assess the state of child rights outcomes at the factory/community level, respect for children's rights and the intended outcomes. The metrics also support the monitoring and public disclosure of progress and outcomes, and the intended outcomes. The metrics also support the monitoring and public disclosure of progress and outcomes, and the intended outcomes.

IMPACT AREA	DESCRIPTION	METRICS
General	A list of factory-level indicators is provided to assist in understanding and monitoring the state of child rights outcomes at the factory/community level, respect for children's rights and the intended outcomes. The metrics also support the monitoring and public disclosure of progress and outcomes, and the intended outcomes.	<ul style="list-style-type: none"> Number of workers with children under 18 Percentage of workers' children in the following age brackets: <ul style="list-style-type: none"> Under 5 years 5 to 10 years 11 to 15 years 16 to 17 years Percentage of workers' children in the following age brackets: <ul style="list-style-type: none"> Under 5 years 5 to 10 years 11 to 15 years 16 to 17 years Percentage of workers' children in the following age brackets: <ul style="list-style-type: none"> Under 5 years 5 to 10 years 11 to 15 years 16 to 17 years
Health and Safety	An occupational health and safety (OHS) system is in place to ensure the health and safety of workers. It includes measures to prevent accidents, injuries, and occupational diseases. The system includes measures to prevent accidents, injuries, and occupational diseases. The system includes measures to prevent accidents, injuries, and occupational diseases.	<ul style="list-style-type: none"> Average length of time between OHS training for workers Average number of OHS training sessions per worker per year Percentage of workers who receive OHS training within the required time frame Percentage of workers who receive OHS training within the required time frame Percentage of workers who receive OHS training within the required time frame
Working Conditions	Working conditions are safe and healthy. The system includes measures to prevent accidents, injuries, and occupational diseases. The system includes measures to prevent accidents, injuries, and occupational diseases. The system includes measures to prevent accidents, injuries, and occupational diseases.	<ul style="list-style-type: none"> Percentage of workers who receive OHS training within the required time frame Percentage of workers who receive OHS training within the required time frame Percentage of workers who receive OHS training within the required time frame Percentage of workers who receive OHS training within the required time frame Percentage of workers who receive OHS training within the required time frame

Annex A: Buyer-Level Process Metrics (continued)

Buyer-level process metrics

1. ASSESS AND INTEGRATE

1.1 Assess child rights risks and integrate them into the company's risk management system. The company includes child rights in its risk management system. The company includes child rights in its risk management system. The company includes child rights in its risk management system.

1.2 Integrate child rights into policies and management systems. The company includes child rights in its risk management system. The company includes child rights in its risk management system. The company includes child rights in its risk management system.

2. MONITOR AND REPORT

2.1 Monitor progress on child rights outcomes. The company includes child rights in its risk management system. The company includes child rights in its risk management system. The company includes child rights in its risk management system.

2.2 Report on child rights outcomes. The company includes child rights in its risk management system. The company includes child rights in its risk management system. The company includes child rights in its risk management system.

3. COLLABORATE AND SUPPORT

3.1 Collaborate with stakeholders to address child rights challenges. The company includes child rights in its risk management system. The company includes child rights in its risk management system. The company includes child rights in its risk management system.

3.2 Support and advocate for children's rights. The company includes child rights in its risk management system. The company includes child rights in its risk management system. The company includes child rights in its risk management system.

markets and sectors, giving them exposure to a range of sustainability risks including those related to children's rights.

Investors can engage and encourage companies in the garment and footwear sector to address the potential and actual negative impacts on children in their direct operations and supply chains. They can also encourage improved disclosure, influence standards and publicly advocate for better business practices.

Under the UN Guiding Principles on Business and Human Rights, investors have a responsibility to respect human rights, including children's rights. Considering children's rights in investment analyses can also shield investors from reputational and financial risks.

Building on the network discussions, the guidance tool includes recommendations for how investors can encourage better integration of children's rights among investee companies by: (a) integrating children's rights into responsible investment policies and practices; (b) directly engaging with investee companies and actors that influence business practices on children's rights, such as standard setters; and (c) considering companies' exposure to children's rights risks, how these are managed, and relevant performance metrics.

The metrics included in the guidance tool can also help investors to evaluate the maturity of children's rights risk management among investee companies. A common set of metrics can also help contribute to greater alignment among investors on expectations and requirements for company disclosure of specific sustainability topics – including children's rights.

7 The role of investors

The network also explored the role of investors in promoting respect for children's rights among garment and footwear companies. Many investors diversify their investments across



Female workers in the Pro Kingtex textile factory in Pou Yuen industrial zone, Tan Binh District, Ho Chi Minh City.

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Next steps

In November 2019, the network's activities concluded with the sharing of the draft guidance tool on children's rights among participants. Towards the end of the network's existence, several companies expressed interest in continuing the dialogue and further exploring practical implementation of the suggested steps and recommendations contained in the tool.

In the third and last in-person workshop in Geneva in 2018, the network suggested building on the activities and knowledge the project had generated by establishing a peer-learning group that supports brands and retailers in driving integration and action on child rights, building on the guidance tool. The aim of the group has been to:

- Support implementation of the child rights guidance tool;
- Share examples of experiences and innovative approaches;
- Inspire others to drive integration of child rights and support the business case;
- Improve disclosure and reporting (including testing of metrics and reporting indicators).

The peer-learning group had its first virtual meeting in October 2019 and will run until the end of 2020. It will conclude with a compendium of company examples that showcase children's rights integration, to be published in 2021.

NETWORK ON CHILDREN'S RIGHTS IN THE GARMENT & FOOTWEAR SECTOR

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