**Save the Children submission to the UN Working Group on Business and Human Rights call for inputs for its report on “ESG, Investors and Human Rights" to be presented at the 56th session of the Human Rights Council**

**September 2023**

**Annex I**

**Additional points on integrating child rights in ESG / Sustainable finance**

In addition to the points raised in the main response document, Save the Children would like to raise additional perspectives that would offer value in the further analysis on the topic:[[1]](#footnote-1)

* **There is a need for a holistic approach to child rights and ESG/ Sustainable finance**
* Governments, businesses, and investors are making progress to integrate the rights of children into responsible business conduct, but the advances are often incomplete and unsystematic. Although children are core stakeholders for businesses, they are rarely acknowledged explicitly – so their rights remain invisible, even when the rights of adults are acknowledged.
* Business practices and operations have a complex relationship with child labour. Many companies report that they have a child labour policy, which at a minimum is likely to declare a company’s prohibition of hiring children in its operations and/or supply chain. Further analysis, however, demonstrate the gap between having a policy on child labour and implementation of due diligence and remediation to address it.[[2]](#footnote-2)
* Furthermore, a company that recognizes risk of child labour in its operations or supply chains might not consider that it needs to undertake more comprehensive child rights due diligence. However, **child labour may be only the tip of the iceberg**. Simply identifying, removing and remediating child labour is potentially a short-term solution unless the root causes that cause child labour are addressed.
* **Moving beyond audit to outcome-oriented ESG**
* At a fundamental level, putting words into measurable action – and **moving beyond “tick box” monitoring and reporting** – is the cutting-edge issue for ESG for children’s rights just as it is for other ESG issues. This means that the reported information, which is frequently a basis for decision-making for investors, is based on *efforts* (the existence of a policy) rather than on *effects* (the outcomes and results achieved by the policy in question).
* In general, most companies that disclose do so around their risks and policies but rarely on how company measures are changing lives for rights holders, including children.[[3]](#footnote-3) **Strengthened ESG, for children as well as for other rights holders, requires that this disjunction is addressed**.

1. Recommendations above are drawn from UNICEF, UN Global Compact, Save the Children [Charting the Course: Embedding Children's Rights in Responsible Business](https://www.unicef.org/reports/charting-course) (2022) which reviews progress on embedding children's rights in responsible and sustainable business conduct [↑](#footnote-ref-1)
2. Global Child Forum ‘[Investor Perspectives on Children’s Rights’](https://resourcecentre.savethechildren.net/pdf/gcf_ges_ok.pdf/), GCF (2014) [↑](#footnote-ref-2)
3. See, for example: Short, Jodi L., Michael W. Toffel and Andrea R. Hugill, ‘[Monitoring Global Supply Chains](https://dash.harvard.edu/handle/1/11591700)’, Strategic Management Journal, vol. 37, no. 9, September 2016, pp. 1878–1897. [↑](#footnote-ref-3)