EDITORIAL

Dear readers,

Welcome to the summer 2014 edition of the BSCI Echo, a quarterly newsletter that shares the ongoing efforts of BSCI, its participants and stakeholders to improve working conditions in international supply chains. This issue focuses on the value and impact of collaborative action between business and other stakeholders in protecting and supporting child rights.

With this in mind, we invited new BSCI Stakeholder Council member Bo Viktor Nylund, Senior Advisor for CSR at UNICEF, to share an update on their actions to stimulate this increased collaboration, which was also reinforced during the recent revision of BSCI’s Code of Conduct.

Following input from stakeholders, BSCI’s Code now distinguishes between on one hand, the special considerations needed for young workers, and on the other, prohibition of child labour.

In May 2014, BSCI welcomed two further members on its Stakeholder Council; Simone De Colle, Professor of Business Ethics & Strategy, IESEG School of Management in Paris and Anthony Miller, Focal Point for CSR, United Nations Conference on Trade and Development (UNCTAD). As well, the Council’s newly-elected Chair, Daria Cibrario, from the Eliminating Child Labour in Tobacco Foundation (ECLT), joined the BSCI Steering Committee as representative of the Stakeholder Council to act as a liaison between the two bodies. Through its Stakeholder Council, BSCI ensures the systematic inclusion of key stakeholders in providing advice in decision making processes of the initiative.

Inside this issue, you can also read about BSCI’s first stakeholder meeting with Swiss financial stakeholders in light of recent trends in non-financial reporting. We inform you about BSCI’s capacity building efforts in India through the Rights & Responsibilities project, which uses multimedia methodology and tailored local content to bring good management practices to garment factory managers in India. We are excited to enhance BSCI’s Capacity Building offering as part of our strategic efforts to empower participants and their business partners.

Finally, BSCI has published its Annual Report for 2013, covering challenges and successes during what was a milestone year. As well as launching the revised Code of Conduct and celebrating 10 years since BSCI’s launch, we also review the efforts of BSCI and its participants to tackle labour challenges which occurred in the global supply chain in China, India and particularly in Bangladesh. We also include highlights from BSCI’s Achievement Study, which rounds up the impact and future challenges for BSCI on working conditions over the decade.

Wishing you an enjoyable read,

Bernardo Cruza (El Corte Inglés, Spain)
Chair, BSCI Steering Committee
Supporting Child Rights through Corporate-Stakeholder Partnership

BSCI interviews its new Stakeholder Council member Bo Viktor Nylund, Senior Advisor for CSR at UNICEF, about UNICEF’s role in the development of the Children’s Rights and Business Principles (CRBP), a framework that supports companies to incorporate child rights at the core of their business, and Elisabeth Dahlin, General Secretary of Save the Children Sweden (SCS). SCS shares inspiring cases of corporate-stakeholder partnerships and a list of resources for companies.

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Better Relations Between Management and Workers in India

On 6 March 2014, BSCI held a workshop for garment suppliers in Bangalore, India as part of the Rights & Responsibilities programme to foster better relations between garment suppliers and employees and to build a more responsible and productive workforce. This programme provides multimedia training content and follow-up coaching in local languages for producers in India on workers’ rights and responsibilities. BSCI joined this programme in 2013 to share this knowledge with its participants, building on the collaboration between involved companies and local stakeholders.

Read more

First BSCI Financial Stakeholder Dialogue

On 19 May 2014, more than 30 attendees including BSCI companies, policymakers and financial stakeholders, gathered in Zürich, Switzerland to take part in the first BSCI Financial Stakeholder Dialogue. This dialogue was initiated to enable better understanding by financial stakeholders of BSCI’s activities and the improvement generated by its system.

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Reinforced CSR Partnerships in China

The 10th Sino-European CSR Round Table Forum which took place on 5 June 2014, in Beijing, China, focused on CSR partnerships which are becoming more important as a result of trends such as the increasing public awareness of social responsibility and the continued development of globalisation. The forum therefore discussed the implications of CSR partnerships, shared lessons from public-private partnerships as well as how corporate actors can collaborate to promote CSR.

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New BSCI Steering Committee Starts its Work

On 23 May 2014, the Board of the Foreign Trade Association (FTA) appointed a new BSCI Steering Committee for the coming three-year term (2014 - 2017). The BSCI Steering Committee is the central steering tool of the initiative. Candidates include BSCI participants representing companies from different sizes and types, to ensure the fair representation of constituent participant groups.

BSCI Publishes Annual Report for 2013

BSCI recently published its 2013 Annual Report which covers a milestone year in which BSCI celebrated its ten-year anniversary. BSCI also revised its Code of Conduct to reflect the growing demand for responsible entrepreneurship and the latest thinking around important business ethics. Other highlights include BSCI’s joint work with stakeholders to address complex challenges such as prison labour and strengthen worker-management dialogue in sourcing countries.

Save the Date for BSCI Annual Conference

On **12 - 13 November 2014**, BSCI will hold its Annual Conference in Brussels gathering leading companies and stakeholders. The conference will begin during the afternoon of 12 November, which is exclusive for BSCI participants to reflect on the past years’ activities and to gather around specific breakout sessions that impact BSCI participants in their day to day work. On 13 November the conference will be opened to all stakeholders to explore the most pertinent issues affecting supply chains.

Supporting Child Rights through Corporate-Stakeholder Partnership

2012 marked the global release of the *Children’s Rights and Business Principles (CRBP)*, a comprehensive framework for companies that supports them to incorporate child rights at the core of their business. In this edition, we interview new BSCI Stakeholder Council member Bo Viktor Nylund, Senior Advisor for CSR at UNICEF, about UNICEF’s role in the development of the CRBP, and find out about their coming project to support business to engage with stakeholders. Such engagement is crucial for companies to play their part in tackling the root causes of labour challenges.

Finally, Elisabeth Dahlin, General Secretary of *Save the Children Sweden (SCS)*, an NGO working for child rights in Sweden and internationally, being a co-developer of the CRBP, shares some inspiring cases of successful corporate-stakeholder partnerships, useful take-home points, and a list of resources for companies.
Bo Viktor Nylund heads the CSR unit in UNICEF’s Private Fundraising and Partnerships Division to engage with business and government on advancing children’s rights within business. He is also acting Deputy Director for the Private Sector Engagement Section focusing more broadly on multi-stakeholder platforms, innovation and child rights advocacy. He is a protection and legal practitioner focused on advocacy and engagement with state and non-state actors to drive accountability in the implementation of human rights.

BSCI: UNICEF recently joined as member of BSCI’s Stakeholder Council – what was the motivation for this, and how does UNICEF see its role in the initiative?
BVN: UNICEF works bilaterally with many companies to cooperate on cases and programmes for children’s rights across the world. However, it’s important to be part of wider platforms like BSCI, to introduce ideas, tools and concepts for these rights to a larger audience and to increase impact. BSCI has a huge membership, so we really see this as a great opportunity to achieve this. Also, BSCI’s approach moves beyond social compliance alone, to addressing root causes and working within communities in sourcing countries. This is something UNICEF also has extensive experience in, so we really see an opportunity to add value here.

BSCI: How did UNICEF get involved in the development of the Children’s Rights and Business Principles (CRBP)?
BVN: Three years ago, we got involved along with Save the Children and the UN Global Compact, to bring the perspective of children to business and human rights principles – specifically, the Ruggie principles – which were being finalised at the time (see BSCI Echo, Winter/Spring Edition 2014). The perspective of children’s rights was not specially addressed by these, which we considered a huge gap. The project leaders wanted to identify an approach that supported companies to do their due diligence and provide a framework on how to integrate human rights issues, in a way that considered children’s rights.

What are the Principles of the CRBP?
The CRBP incorporate ten principles that support business to:

1. Meet their responsibility to respect children’s rights and commit to supporting the human rights of children
2. Contribute to the elimination of child labour, including in all business activities and business relationships
3. Provide decent work for young workers, parents and caregivers
4. Ensure the protection and safety of children in all business activities and facilities
5. Ensure that products and services are safe, and seek to support children’s rights through them
6. Use marketing and advertising that respect and support children’s rights
7. Respect and support children’s rights in relation to the environment and to land acquisition and use
8. Respect and support children’s rights in security arrangements
9. Help protect children affected by emergencies
10. Reinforce community and government efforts to protect and fulfil children’s rights.

**BSCI: One of the parallels between the CRBP and the BSCI Code of Conduct is the change of mindset moving beyond compliance towards integration of social responsibility at the core of business. How mature is this shift in thinking?**

**BVN:** Moving beyond compliance refers to businesses that aim to do more than the minimum social compliance work in their supply chain – for example, factory auditing alone does not go far enough to generate lasting, sustainable change to the social and economic reasons that lead to poor working conditions. Therefore extra efforts, like engaging with stakeholders and empowering local communities and workers in developing countries where production takes place, are essential ingredients. More and more, that is the direction many companies are moving in. In general, society and business are in the early stages of learning how this can work in practice - the CRBP assist companies to make the transition. Collaboration is essential to driving this change. Besides business, other stakeholders play a role. The investment community is an important stakeholder, because they are keen to find ways to support a corporate approach that looks beyond compliance.

**BSCI: How should business respond to child labour?**

**BVN:** Many companies concerned about the risk to their reputation when child labour is detected in their supply chain, will immediately break business relations off. However, this leaves the child at risk. Instead, companies should leverage their influence to generate lasting change in the factory and support affected children. The first step is to do the necessary due diligence to understand the factors that lead to child labour. The next step is doing an impact assessment. There is no quick fix solution, because it’s rooted in systemic social issues like poverty. For this reason, companies need to develop partnerships to help tackle endemic social issues that cause not only child labour but workforce issues in general.

Tackling workforce issues is not just a matter of responding on a case-by-case basis, but partnering with stakeholders such as local authorities. The underlying concept is one of proactively taking responsibility – in the case of child labour, for example, some companies look at ways of getting the child in question into school and once they are old enough, allowing them back to work. Companies need to look at the management systems they have in place. They should ask “What can we do as a company?” and “What kind of partnerships can we engage in to look beyond the factories?”

**BSCI: How did you make sure that these voluntary principles would be taken up by the different stakeholders?**

**BVN:** We wanted to provide tools to support business to put the CRBP into practice. We created tools that
make it practical for business to implement them, and are in the stage of finalising a new “Engaging Stakeholders on Child Rights” tool for companies which should be published later in 2014. To ensure governments played their part we involved the Committee on the Rights of the Child to develop a general comment that looks at how governments can call on business to improve child rights. Another partnership has been with Global Child Forum, a new organisation for child rights and business with a focus on the investment sector. By involving all these different stakeholders, we have a better chance to set this agenda in motion within the corporate world.

**BSCI: Has UNICEF already seen positive impact since the launch of the CRBP?**

**BVN:** Since their launch, many companies successfully used the CRBP to integrate child rights in their CSR policy. The principles are not necessarily provided as an off-the-shelf solution. Many use it as a framework to innovate their own specific ideas. They also take inspiration from other companies that already applied the principles. Measuring the impact of the principles has not just been about business take-up. Over the three years, the strong response from different stakeholders like academia and governments shows that the principles are already quite well known.

**BSCI: What key take-home advice would you offer to companies interested in enhancing their commitment to respecting children’s rights beyond legal compliance alone?**

**BVN:** Rather than reading the CRBP first, pick up our updated Children are Everyone’s Business: Workbook 2.0 and look at that – this highlights practical examples and is an easy way for companies to familiarise themselves with what this work involves. In Sweden, we were requested by 20 multinational companies to develop a package of multimedia training materials that helps them to introduce children’s rights in-house for staff working on sustainability. This will be released later in 2014. We also provide an overview of all the relevant tools which can be downloaded here. As well, there is a Guardian Sustainable Business Partner zone supported by UNICEF where companies can find a lot of interesting examples – it is a good place to start.

**Save the Children Sweden: Building Relationships with Corporate Partners for Child Rights**

An NGO that supports child rights in Sweden and internationally, and co-developed the Child Rights & Business Principles (CRBP), Save the Children Sweden (SCS) is also represented on the BSCI Stakeholder Council by Mattias Forsberg. SCS has built a number of interesting models for corporate-stakeholder partnerships in the field of child rights. Here BSCI speaks with Elisabeth Dahlin, General Secretary of SCS about why this cooperation is so important.
How does SCS value cooperation between child rights stakeholders and business?

SCS has always valued cooperation and believes that knowledge transfer, best practice sharing and honest dialogue on challenges in the child rights agenda are as close to bringing about sustainable change as you can get. Companies have important access to young people and children. If we create a win-win situation where they are in the position to influence and we provide the know-how, it benefits everyone. For example, a year ago SCS, Accenture and investors Swedbank Robur began a collaboration to show the links between child rights and business, and why this is important to the private sector as well as society at large. Results from two surveys conducted on this will be presented later this year. This demonstrates that we all have added value when advancing the child rights agenda.

How has SCS worked with corporate partners to raise awareness of child rights?

In 2009, SCS established the social enterprise Center for Child Rights and Corporate Social Responsibility (CCR CSR) in Beijing, China. CCR CSR kick-started their operations by investing in research showing how young people and children are affected by business operations, allowing their voices to be heard. CCR CSR has performed a number of studies, amongst them two studies on student workers and on migrant parents. From the results and findings, trainings and capacity building events are being designed and held for management and staff from numerous brands on how to communicate with and motivate young workers, and how to combine good parenting with professional life for migrant workers. CCR CSR is currently working with companies such as Disney, HP, and BSCI participant ICA, among others.

CCR CSR has also developed a child labour remediation plan for corporate clients. One component of this plan is a specific phone number that companies can call when they detect child labour. CCR CSR will then follow up with the brand, the supplier and most importantly the child. This ensures that the child is heard, remediation takes place immediately, and that the child is presented with education options.

Together with Accenture, SCS developed a model on how to integrate child rights into core business activities and to translate the Child Rights and Business Principles (CRBP) into practice. This model ensures that the work on child rights and business is continuous and not a one-off incident. We have performed this corporate assessment model with a number of companies and the results are now taking shape.

What key pieces of advice would you give to businesses wishing to take account of the impact of their activities on children and young people?

1. **Think long-term:** See every dollar you invest in children as a key investment in your business.
2. **Have a context-based approach:** Invest in understanding the situation of children and young people through context-based studies. All challenges related to child rights and business will change with context and hence, solutions will change as well.
3. **Collaborate cross-sectorally and create genuine partnerships:** We can learn from each other by sharing best practice and having open dialogue.
Further Resources

On the Save the Children site you will find:

- The Civil Society Guide on Child Rights and Business
- Our Corporate Assessment Tool for Companies
- A user-friendly version of the UN General Comment Number 16 on Child Rights and Business Principles
- Relevant examples and cases

On the CCR CSR site you will find:

- A study on migrant workers with left behind children
- A study on young workers in China
- Movies: “24 hours in a young migrant workers life”
- Parenting handbook
- Examples of collaborations with Disney, HP and other companies

On the UNICEF site you will find:

- The updated Children are Everyone’s Business: Workbook 2.0
- An overview of all the relevant tools which can be downloaded [here](#)
- UNICEF also support the Guardian Sustainable Business Partner zone with articles

Activities in Sourcing Countries

- **BSCI at 10th Sino-European Round Table Forum**

The 10th Sino-European CSR Round Table Forum took place on 5 June 2014 in Beijing China, organised by the BSCI in cooperation with China WTO Tribune, the Sino-German Corporate Social Responsibility Project, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and supported by the China National Textile and Apparel Council (CNTAC). Gathering over 100 attendees, the forum focused on CSR partnerships which are becoming more important as a result of trends such as the increasing public awareness of social responsibility and the continued development of globalisation. These have increased the need for companies to think of new CSR solutions based on partnership and cooperation rather than acting alone.
The forum therefore discussed the implications of CSR partnerships, shared lessons from public-private partnerships as well as how corporate actors can collaborate to promote CSR. Sabine Van Depoele, BSCI Stakeholder Relations Manager, shared how BSCI's new Code of Conduct can take CSR partnership to the next level in the current global supply chain through the cascade effect - through which BSCI participants are encouraged to proactively cascade the BSCI Code of Conduct to their business partners throughout their supply chain. Ms. Maren Barthel, CR Manager of Otto Group and Vice-Chair of the BSCI Steering Committee, joined other panelists from Mary Kay, Philips and a Beijing-based supplier involved in the BSCI process, Joywin Fashion Textile, to discuss challenges and best practices to strengthen CSR partnerships. As a follow-up to this meeting, a next Round Table meeting will be held in December in Shanghai.

- **BSCI Supports Workers’ Rights & Responsibilities Project in India**

As highlighted in BSCI’s recently published [2013 Annual Report](#), non-compliances in Indian garment factories are often underscored by low awareness by factory managers of the need for better relations between themselves and workers. Another factor is workers’ lack of knowledge about their rights and responsibilities.

To tackle this, on 6 March 2014, BSCI held a workshop for garment suppliers in Bangalore, India as part of the Rights & Responsibilities programme to foster better relations between garment suppliers and employees and to build a more responsible and productive workforce. This programme provides multimedia training content and follow-up coaching in local languages for producers in India on workers’ rights and responsibilities. BSCI joined this programme in 2013 to share this knowledge with its participants, building on the collaboration between involved companies and local stakeholders.

Workers’ issues are explored through five films on Health & Safety, Misconduct, Good Working Environment, Overtime and Worker Representation supported by a training manual and posters as well as virtual and in-person training support. In this way, suppliers are empowered to use these films to train factory workers, increasing their awareness of their rights and responsibilities. BSCI will follow up to involve them in the long-term process of going into the factory to conduct training sessions for workers in order to train them on their rights and responsibilities. The next edition which is open to producers of BSCI participants, will take place in Tirupur, India, on 10 September 2014.
Activities in BSCI National Contact Groups (NCGs)

- Update from the first BSCI Financial Stakeholder Dialogue

On 19 May 2014, more than 30 attendees including BSCI companies, policymakers and financial stakeholders, gathered in Zürich, Switzerland to take part in the first BSCI Financial Stakeholder Dialogue. This dialogue, was initiated to enable better understanding by financial stakeholders of BSCI’s activities and the improvement generated by its system.

Non-financial indicators are increasingly used when evaluating company performance, including environmental, social and governance (ESG) factors. ESG is a set of standards for companies operations that socially conscious financial stakeholders may use to screen investments. The social element of these standards evaluates how a company manages relationships with its employees, suppliers, customers and the communities where it operates. Here, companies often refer to their BSCI commitment. BSCI and BSCI’s platform provide a good system to enable companies to quantify their efforts and impact towards socially compliant supply chains and to report on them to financial stakeholders.

Link: More information on the EU Directive on Disclosure Non-Financial Information

Join BSCI!
The Business Social Compliance Initiative is a leading business-driven initiative for companies committed to improving working conditions in factories and farms worldwide. We unite more than 1,300 companies around a development-oriented system applicable to all sectors and sourcing countries.

BSCI welcomes companies with commercial trade activities worldwide, trade associations and other organisations that support the goals of FTA for free and sustainable trade. Please click here to read more about the advantages of joining FTA/BSCI.

For information concerning any of the news items or articles published in this newsletter, please contact BSCI at: info@bsci-intl.org