

THE EU CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE:

How to implement it for
children's rights

INTRODUCTION

The European Union (EU), as a key actor in global trade, has an immense impact in shaping the present and future of children in the EU and around the world. The [EU](#) is the largest trading bloc and the largest economy in the world. As the home to 440 million consumers and the top trading partner for 80 countries, its decisions on how to regulate business conduct in the EU and abroad contribute to determining whether children across the globe have their rights respected.

Businesses have the responsibility to respect children's rights in every decision, action and relationship linked to their business operations. While business can contribute positively to the realisation of children's rights, the conduct of certain businesses continues to cause adverse impacts on children's rights. Children are [exploited](#) in various industries that produce goods that Europe consumes, such as food and clothes. Child labourers miss out on their education and childhood and are exposed to safety and health risks. Around 1/3 of world's children are poisoned by [lead](#), which is found in water, paint, spices, toys, cosmetics and other consumers products. Children's exposure to lead causes irreparable damage to their brains.

Businesses can cause, contribute, or be linked to these and many other reported situations where children's rights are not respected. Failing to both identify these risks and take adequate action places business at risk of being involved in child rights abuses. Despite children accounting for [almost one third](#) of the world's population, children are still not sufficiently visible and accounted for in companies' due diligence.

The EU Child Rights Strategy, endorsed in June 2022, committed the EU and its Member States to place children's rights at the center of EU policy making, including when it comes to business conduct. After years of negotiations,

on 25 July 2024 the [EU Corporate Sustainability Due Diligence Directive \(EUCSDDD\) entered into force](#). The Directive explicitly requires companies to identify, address and remedy their negative impacts on children's rights.

The Directive establishes the obligations for large EU and non-EU companies to undertake sustainability due diligence, which means that companies in scope will have to:

- Identify and address potential and actual adverse human rights and environmental impacts in their own operations, subsidiaries and in those of their business partners in their 'chains of activities'.
- Adopt and put into effect a transition plan for climate change mitigation.

The Directive also tasks EU Member States with the enforcement of these obligations through:

- The designation of an administrative authority to supervise, enforce and issue administrative sanctions.
- The establishment of a civil liability mechanism for damages resulting from failure to carry out due diligence and of measures to support access to justice for victims.

UNICEF has actively engaged in the process leading up to the adoption of the EU Corporate Sustainability Due Diligence Directive advocating for the inclusion of key provisions to make it effective for children's rights.

The EU Corporate Sustainability Due Diligence Directive has a great potential to contribute to the respect and protection of children's rights, if EU and national policymakers, businesses, judges and supervising authorities transpose it and implement it with children's rights at its core.

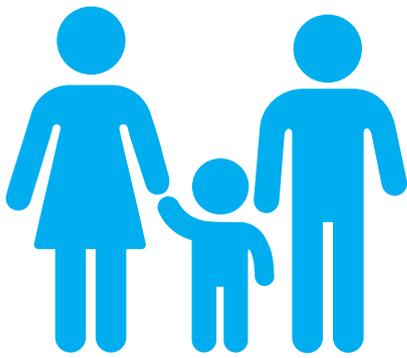


- Read [UNICEF's comments on the proposal for an EU Corporate Sustainability Due Diligence Directive](#)
- Read [UNICEF's briefing with recommendations for the trilogue negotiations of the EU Corporate Sustainability Due Diligence Directive](#)
- Read the [UN joint statement on the EU Corporate Sustainability Due Diligence Directive](#)



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How children's rights are reflected in the EU Corporate Sustainability Due Diligence Directive



01.

Children's rights and the UN Convention on the Rights of the Child form the legal basis of the due diligence obligation

The Directive specifically identifies the UN Convention on the Rights of the Child (UNCRC) as the legal basis for the due diligence obligation. This means that businesses will need to perform due diligence according to the rights set out in the UNCRC and that judges and supervising authorities will need to use the UNCRC as the reference to assess whether companies have performed adequate due diligence and whether they have abused child rights.

The Directive also explicitly highlights some specific child rights:



Right to highest attainable standard of health (art. 24);



Right to be protected from economic exploitation, and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development (art. 32);



Right to education (art. 28);



Right to be protected from all forms of sexual exploitation and sexual abuse and to be protected from being abducted, sold or moved illegally to a different place in or outside their country for the purpose of exploitation (arts. 34 and 35).



Right to an adequate standard of living (art. 27);

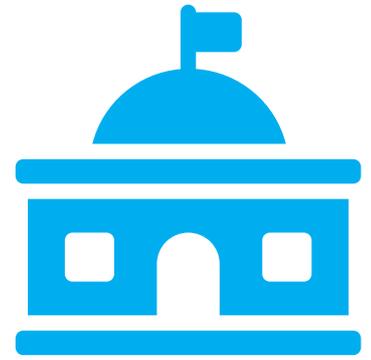
The fact that a short list of children's rights is included in the first part of the Annex does not mean that due diligence should only be conducted and assessed on this narrow normative scope. The UNCRC as a whole is included in the Annex and business can have adverse impact on the whole range of children's rights as outlined in the UNCRC.

In addition, the two ILO Conventions on minimum age (138) and on the worst forms of child labour (182) also form the legal basis for the due diligence obligation. Finally, as children have the same fundamental rights as adults,

in addition to those specific to them, the other human rights and human conventions listed in the Annex apply to children too.

Adverse impacts on children can also occur when their parents, caregivers or communities' human rights are not respected. As such, abuses of rights for specific categories and groups listed in the Annex, such as the right to a fair wage and adequate living income, decent working conditions, right to lands and resources, etc... might also cause adverse impacts on children's rights.

02.



EU Member States need to take steps to facilitate children's access to justice

Children and their legitimate representatives, regardless of whether they live in the EU or outside of the EU, will be able to seek remedies in EU courts for damages deriving from failure to conduct adequate due diligence. To remove some of the barriers that children and other groups in vulnerable or marginalized situations face in accessing justice, EU Member States will have to:

➤ **representation**

allow NGOs, national human rights institutions and trade unions- provided they meet certain criteria – to bring a case on their behalf;

➤ **injunctive measures**

provide for the possibility for claimants to seek injunctive measures while the case is ongoing;

➤ **costs**

ensure the cost of the proceedings for claimants is not prohibitively expensive;

➤ **evidence**

provide for judges to have the power to compel companies to disclose relevant evidence;

➤ **time limitations**

allow enough time for victims to bring a complaint, which at a minimum should be 5 years.

In addition, children and their legitimate representatives will be able to submit substantiated concerns about a company not complying with the legislation to the national supervisory authorities enforcing the Directive, which also could start an investigation on their own.

When children or their legitimate representatives submit substantiated concerns, measures to protect their identity should be put in place. Children and their legitimate representatives who submit a substantiated concern have also the right to be informed of the outcome of the investigation by the authority and, if they have a legitimate interest in the matter, they can ask a court to review the legality of such outcome.





03.

Children need to have their views considered as part of companies' sustainability due diligence

As children are explicitly recognised as stakeholders and rightsholders in the Directive, and companies need to pay special attention to impacts on individuals at higher risk of adverse impacts (recital 33), companies will need to seek children's views as part of their meaningful engagement with stakeholders. This will ensure that companies will better identify adverse impacts on children and devise adequate due diligence measures and remediation for children, among others.

As it might not always be reasonably possible to consult with children directly, the Directive recognises that companies might consult additional experts on children's rights. In the case of children, indirect consultation with children's legitimate representatives and experts might include NGOs, IGOs, teachers, social workers, parents, guardians, etc...

Companies are required to consider and address specific barriers to participation and risks of retaliation for children. Within this framework, engagement with children should be voluntary, in an accessible and understandable format, safe, meaningful, culturally appropriate and specific to issues relevant to them.



04.

Children can submit complaints to companies for adverse impacts on their rights

Children will be able to submit complaints to companies for abuses of their rights:



in their own capacity;



through their legitimate representative, such as a parent, guardian, NGOs and human rights defenders;



through their trade union representative or workers' representatives if they are legally employed.

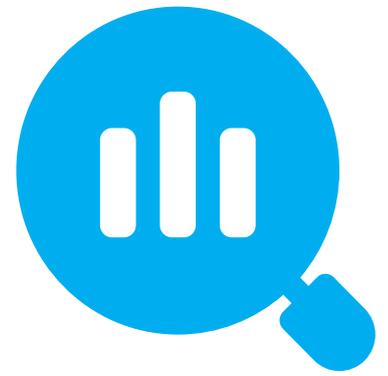
Companies will need to design complaints mechanisms that are accessible to children and complainants. This also means that children and their legitimate representatives, have the right to receive follow up information about their complaint, meet with the company to discuss their complaint and be provided with the rationale about the decision about their complaint.

In doing so, companies should ensure that follow-up information is communicated in an understandable and age-appropriate manner.

Children and any other person or entity can also submit information or concerns regarding adverse impacts on their rights to companies. Notification mechanisms should equally be designed so that they are accessible to children.

Companies will have to consider and address specific barriers to participation and risks of retaliation for children in using the notification mechanism and complaints procedure.

05.



Companies will have to integrate children's rights in their sustainability due diligence

The explicit inclusion of children's rights in the Annex, strengthened by the explicitly stated need for companies to consider impacts on groups in vulnerable and marginalised situations (in recital 33), creates the legal obligation for companies to consider adverse impacts on children's rights as part of their sustainability due diligence processes and act on them.

In practice, this means that companies must assess whether they have adverse impact on children's rights and, when necessary, prioritise accordingly. In addition, companies will have to identify adequate measures to prevent, mitigate and remediate adverse impacts when it comes to children. As the UNCRC is included in the Annex, companies will need to consider children's best interests (art. 3 UNCRC) when adopting preventative, mitigating and remediating measures. For example, focusing merely on removing children from a supply chain instead of considering alternative safe and legal work options, when these exist and are available, might not be in a child's best interests as it might push children into more exploitative situations.

The Directive explicitly mentions some preventative and mitigation measures of due diligence, which can also contribute to addressing child rights abuses. For example, changes in [purchasing practices](#) (arts. 10 and 11) can effectively contribute to addressing and reducing child labour exploitation as well as other child right impacts. Equally, changes in business strategies, including design strategies (arts. 10 and 11), can effectively contribute to preventing known adverse child rights impacts stemming from use of products.

Adverse child rights impacts occur in every step of a company's value chain. However, the Directive has limited its application to 'companies' own operations, the operations of their subsidiaries and the operations of their business partners in the chains of activities of those companies' (art. 1(a)).

Issues such as 'sale, marketing and advertising, end use and waste management' do not appear in the definition of downstream chain of activities. Despite the lack of explicit mention, it needs to be noted that some of these functions are performed by the companies themselves as part of their own operations or companies provide instructions to their business partners that eventually deliver these functions. Child rights impact in the downstream value

chain can be linked to business decisions and strategies taken at the early stages where the company has control over, as it is part of its own operations, or a significant influence. As such, they can be prevented by embedding child rights considerations into these phases already. Indeed, the EUCSDDD recognise change in business strategies, including design strategies, as a due diligence measures and "product development" as an upstream activity in scope of the due diligence obligation. Therefore, the due diligence obligation under the EUCSDDD can be considered as covering impacts on child rights arising from end use and commercialisation in some circumstances.



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06.

Addressing the root causes of adverse impacts on children's rights is key to a fair and sustainable global economic system

The Directive encourages the European Union and its Member States to use their development and international cooperation mechanisms, including trade agreements, to support third countries and local economic partners in addressing adverse impacts on human rights and the environment, including through working in partnership to address their roots causes. This can contribute to creating an enabling environment for businesses to fulfil their sustainability due diligence obligations under the Directive and for third countries to benefit from the raising of human rights and environmental standards that the Directive aims to drive.

Some companies' reaction to due diligence obligations might lead to approaches, such as the establishment of business-led compliance initiatives to address child labour, that might undermine local and national governments' efforts or might result in the decision to divest from a country to avoid risks. These reactions might create additional risks for children and their families and negatively affect the economy of trading partners. As such, development and international cooperation mechanisms need to be designed in a way that avoids unintended consequences for children.

Legislation on sustainability due diligence needs to go hand in hand with investments in effective interventions on the ground that aim at addressing the root causes of adverse impacts on child rights, such as child labour. These investments can include public and private sector collaborations. In order to tackle the socioeconomic factors at the root of child labour, [a multisectoral approach](#) is

needed that links the strengthening of laws and policies with the expansion of social protection, the building of a social services workforce, the promotion of equal access to quality education, as well as a focus on labour market policies and business practices which addresses child rights holistically including generating decent work for adults, parents and caregivers.

Supporting system-strengthening approaches allows businesses to fulfil their responsibilities in contributing to preventing and mitigating child rights abuses that they are linked to. At the same time, it supports Governments and national authorities to strengthen national and local systems needed to uphold their child rights obligations. Ultimately, this will create a sustainable environment for both rightsholders and businesses, lowering the risks for children to be adversely impacted by business and for business to be involved in child rights abuses.





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UNICEF's asks for an effective implementation of the EU Corporate Sustainability Due Diligence Directive for children's rights

European Union



Publish guidelines for EU Member States and companies that explicitly clarify the child rights aspects of the EUCSDDD and guide companies conducting sustainability due diligence that is child-responsive, including on specific sectors and on risks assessments.



Use EU External Action to support partner countries address the root causes of systemic challenges to child rights that business exacerbate or contribute to. Such support should be done transparently, in coordination and alignment with other EU Member States and in cooperation with other actors such as civil society, international organisations, trade unions and national human rights institutions with child rights expertise.



Work closely, via the EU Delegations, in collaboration with Governments, civil society and child rights organisations to understand child rights risks connected to global value chains and ways to adequately support responses to the root causes of child rights deprivations.



Ensure that the Global Gateway investment portfolio is aligned with the objectives of the EUCSDDD and the international human rights framework, including the [UN Guiding Principles on Business and Human Rights](#) and the [UN Convention on the Rights of the Child](#), so that child rights risks are identified, addressed and remedied. To do so, the European Commission, via the EU Delegations, must work closely with Governments, civil society and child rights organisations to understand child rights risks connected to the projects and ways to adequately address them, including through addressing the root causes of child rights deprivations.



Use EU trade policy to support efforts in third countries to raise standards on children's rights and the environment in global value chains.



EU Member States



Ensure an ambitious and swift transposition of the EUCSDDD into national legislation



Include the need for companies to consider the differentiated impacts on groups at higher risk of adverse impacts, including children (recital 33) in the text of domestic legislation



Extend the scope of the domestic legislation to cover companies' full value chain



Establish or extend the application of collective complaints mechanism for victims to bring civil liability claims under the EUCSDDD



Introduce the reversal of the burden of proof for civil liability claims under the EUCSDDD



Ensure all rights in the UNCRC are justiciable in domestic courts



Build the capacity of judges, supervising authorities and companies on business impacts on child rights and adequate due diligence for child rights



Engage through diplomatic missions in partner countries with Governments, civil society and child rights organisations to understand child rights risks connected to global value chains and ways to adequately support responses to the root causes of child rights deprivations.



As part of accompanying measures include sector initiatives that support system strengthening approaches and support for innovative approaches and pioneers. Such measures should be designed and implemented transparently, in coordination and alignment with the EU and other EU Member States and in cooperation with other actors such as civil society, international organisations, trade unions and national human rights institutions with child rights expertise



Support third countries to address the root causes of child rights systemic challenges, as well as national legislation aligned with the [UN Guiding Principles on Business and Human Rights](#) and the UN Committee on the Rights of the Child [General Comment no. 16](#). Such support should be done transparently, in coordination and alignment with the EU and other EU Member States and in cooperation with other actors such as civil society, international organisations, trade unions and national human rights institutions with child rights expertise



Companies



Start integrating children's rights in sustainability due diligence policies and processes.



Consider all children's rights under the UNCRC, going beyond child labour and the explicit list of para. 8 Annex, Part I.



Conduct sustainability due diligence on the whole value chain and prioritise risks according to severity, not proximity.



Conduct child responsive due diligence, which addresses barriers and root causes of child rights deprivations.



Collaborate with Governments, communities and child rights organisations to address the root causes of child rights systemic issues.



Ask Governments for a swift, ambitious and adequate transposition into national legislation, going beyond the text of the Directive to strengthen and expand protection for children's rights, as well as for accompanying measures for third countries.



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What is the current status of children's rights in companies' sustainability due diligence?

There are still significant gaps in business' efforts to identify and act on their adverse impact on children's rights that are often overlooked in companies' sustainability due diligence. The inclusion of children's rights in the EU Corporate Sustainability Due Diligence Directive is a unique opportunity to address this gap by driving companies' awareness and action to respect children's rights.

There are already some examples of companies integrating children's rights into the steps of their sustainability due diligence process. The EU Corporate Sustainability Due Diligence should accelerate and expand this practice, allowing for impact at scale.

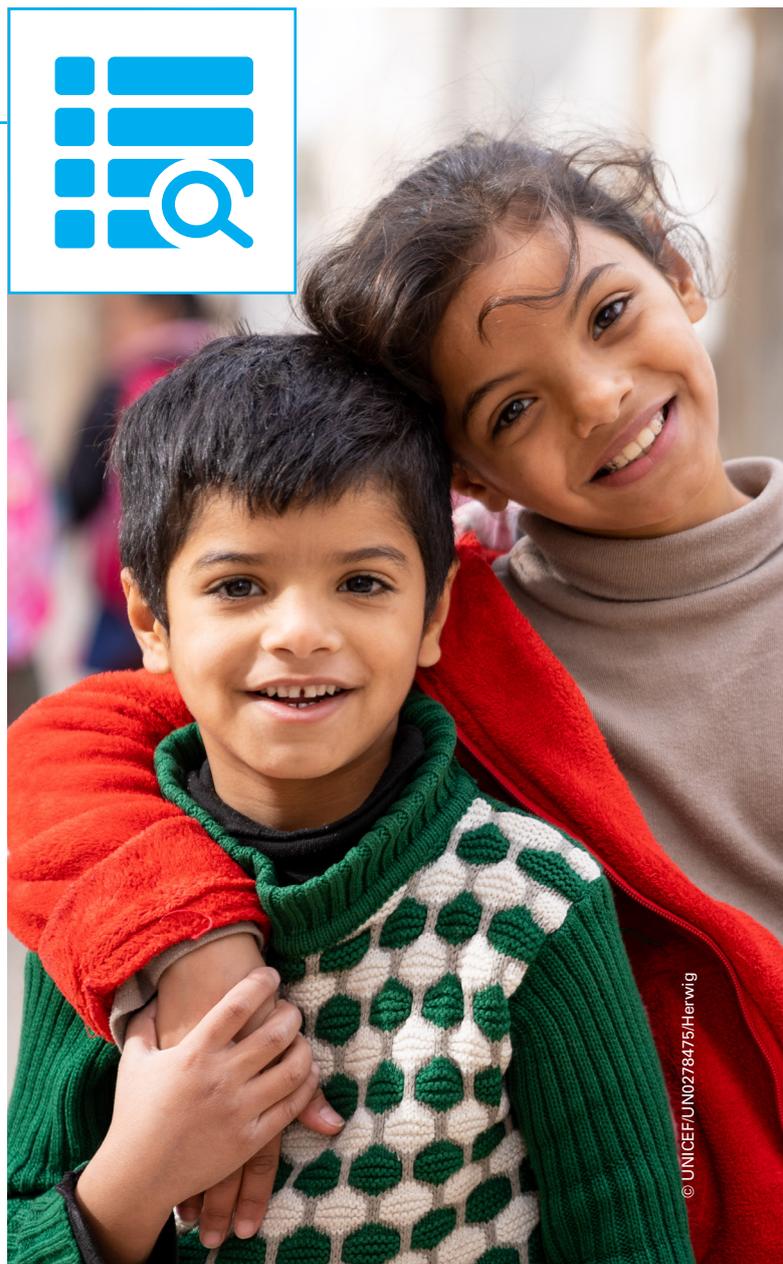
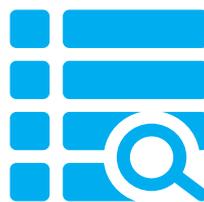


Engaging with business partners

- [IKEA](#) has developed a set of expectations and requirements on all suppliers to respect children's rights, and regularly follows up on these expectations. In addition, following projects to better understand the risks and impact on children in the natural fibers supply chains, IKEA developed [child protection guidelines](#) and provided trainings for suppliers, sub-suppliers collectors and harvesters.

Identifying and assessing actual and potential adverse

- [Verizon](#) undertook a child rights impact assessment to identify, prevent and mitigate risks to children's rights across its business operations. Children's rights were considered as defined under the UNCRC and in the UN Committee on the Rights of the Child General Comment no. 25 on Children's Rights in relation to the Digital Environment. Potential impacts on children's rights that were identified were: digital access, inclusion and skills; digital child safety (child sexual abuse and exploitation and children's privacy) and product design.
- [Twitch](#) conducted a company-wide human rights impact assessment and used the UNCRC, among others, as part of the international human rights instruments to identify human rights risks. This led to the prioritization of 10 salient human rights issues, which also included child rights. However, the impact assessment recognised that all the other salient human rights risks listed are also child rights risks.





Preventing potential adverse impacts

➤ [IKEA](#) established a Youth Development Support Programme (YDSP) for young workers (i.e. children of legal working age in safe jobs) in Southeast Asia. Young workers (16-17 years) were hired in non-hazardous positions in factories, provided special protective measures and received soft skills and technical trainings. The programme contributed to providing decent work and learning opportunities for young workers, and helped preventing and reducing child labour, among other benefits. The programme was later expanded to more regions within the IKEA supply chains.

➤ [Pandora](#) puts in place safeguarding measures during photoshoots involving children.

➤ [Sorwathe Tea Company](#), in collaboration with UNICEF, has established early childhood development (ECD) centers around its tea plantations and built preschools in the surrounding communities. This allows mothers to leave their children in a safe environment, i.e., childcare centers instead of bringing them to the tea plantations, where they would be potentially exposed to health and protection risks. The Rwandan Government and the National Agricultural Export Development Board have subsequently expanded the presence of 61 ECD centers to all (20) tea companies and multiple other sectors, such as mining and rice, manufacturing, and banking.

➤ [IKEA](#) supported the opening of a child-friendly space in the village of a sub-supplier in Indonesia, where young children of rattan workers are supervised by trained caregivers. This contributes to preventing safety risks for children, as it ensures they are not left unattended or do not join their parents at the rattan processing site.

Addressing adverse impacts with respect to own operations

➤ [Pandora](#) developed a Responsible Marketing Standard to outline its expectations for the business, its employees and its business partners and a policy prohibiting marketing to children under 13. To implement responsible marketing practices throughout the value chain, Pandora has integrated sustainability requirements into media and marketing tenders, as well as contractual agreements. It also established a Responsible Marketing Committee which reports to the Sustainability Board annually and representatives from marketing, sustainability, legal and compliance are consulted by the company throughout a campaign development to ensure compliance with the Responsible Marketing Standard.





Product development and design practices

- [H&M](#) integrated child rights considerations into their wider process to identify and prevent harms and unintended consequences from their integration of Artificial Intelligence into their sales of products, recognizing children as a group at particular risk of vulnerability that needs specific attention throughout their process. In practice, it resulted in the incorporation of additional design features and questions into their processes to prevent the potential negative impacts on children during the sale of their products.

Meaningful engagement with stakeholders

- [VF Corp](#) uses worker interviews across key sourcing regions to understand the needs and living conditions of workers in its supply chains. The results also inform VF's child rights programs and investments, including those aimed at addressing the root causes of child labour and at providing child-friendly spaces where childcare options are not available.
- [Telia](#) assessed specifically the impact on children for certain products directed to children and used children's views to inform such assessment.



** The mention of specific companies or business practices is for illustrative purposes and UNICEF has not assessed the effective impact of these actions on children's rights. The inclusion of these examples does not imply any intention to infringe proprietary rights, nor should it be construed as an endorsement or recommendation on the part of UNICEF.*



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