

Incorporating Children and Adolescents' Rights in Corporate Management: A Tool Based on Strategic Maps and the Sustainability Balanced Scorecard

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Keywords: business, children and adolescents, large-scale investment projects, sustainable infrastructure, sustainability balanced scorecard

I. INTRODUCTION

Over recent decades, Brazil has seen a boom in large-scale investment projects, mainly due to the Growth Acceleration Program (PAC), a massive federal investment in infrastructure development implemented from 2007.¹ The country's economic stability, especially in the 2000s, also fostered private investments in, for example, mining, the installation of new manufacturing plants and the expansion of production chains to further regions.

Such projects constitute a challenge for local development. Small municipalities and the surrounding areas hosting these developments are usually ill-prepared to manage the rapid changes brought by them, because of fragile social organization and lack of strong institutions. Migration, mainly by male workers, higher income basis, and pressure on infrastructure, services, social organization and natural resources bring long-term social and human rights challenges, not only for state actors but also for entrepreneurs.

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¹ Ministério do Planejamento, 'Programa de Aceleração do Crescimento', <http://www.pac.gov.br/> (accessed 26 October 2015).

In this context, children and adolescents are frequently one of the most vulnerable groups, therefore in need of extra care. This is reinforced by the Brazilian *Statute of the Child and Adolescent (ECA)*,² which considers both groups an ‘absolute priority’, meaning that state, but also private and civil society’s, policies and actions concerning this group shall always come first. Despite the law, measures designed to prioritize children and adolescents’ human rights and to prevent their violations are not always included in both risk assessment and management by the organizations in charge of investment projects.

This trend might be changing in Brazil as some recent court decisions have held businesses accountable for the direct and indirect impacts of their activities and products on children and adolescents’ rights.³ One example is the construction of the Corinthians Arena, the football stadium built in the city of São Paulo for the 2014 World Cup where the Labour Public Attorney’s Office suggested to all companies involved in the construction that, considering the great concentration of male workers, preventive measures be taken in order to avoid sexual exploitation of individuals under 18 years of age who at that time were living in the region.

It is in consideration of this gap—between guaranteeing priority and full protection to children and adolescents—that this piece presents a corporate tool designed to facilitate the incorporation of children and adolescents’ full protection guidelines into business processes and practices. In addition, two corporate experiences are presented.

II. INTERNALIZING HUMAN RIGHTS IN BUSINESS MANAGEMENT: A PROPOSAL BASED ON STRATEGIC MAP AND SUSTAINABILITY BALANCED SCORECARD

The proposed management tool *Generating Shared Value From Full Protection of Children and Adolescents: Business Guidance Under the Context of Large Projects*⁴ was inspired by strategic maps and the Balanced Scorecard (BSC)⁵ and its derivative, the Sustainability Balanced Scorecard (SBSC).

SBSCs consist, as in an original BSC, of a set of two components: a strategic map, or strategic objectives, and a control panel, which entails indicators, goals and actions. Their purpose is to conduct an integrated approach to measure and manage business sustainability

² Brazilian Child and Adolescents Statute (ECA) 1990, Law # 8,069/90. The ECA regulates Art. 227 of the Federal Constitution, which mentions Children’s Rights in Brazil.

³ GVces, ‘Generating Shared Value From Full Protection of Children and Adolescents: Proposition for Business Guidance Under the Context of Large Projects’, https://s3-sa-east-1.amazonaws.com/arquivos.gvces.com.br/arquivos_gvces/arquivos/296/IDLLocal2013_English.pdf (accessed 20 November 2015).

According to specialists from the Fundação Getulio Vargas Law School, these court decisions were based on the following criteria: (i) the existing level of economic influence/dependence between the companies; (ii) exclusivity of production from the contracted party to the contracting party; (iii) same economic goal; (iv) belonging to the same production chain; (v) lack or existence of inspections to check working conditions in the contracted companies; (vi) competitive economic edge (compared to the market price of the goods) obtained from slave labour.

⁴ The proposed management tool was created in 2013 by the Centre of Sustainability Studies of Fundação Getulio Vargas (GVces), in partnership with the Business and Human Rights Group, from GV Law School SP, and Childhood Brazil along with a group of 17 large companies.

⁵ Robert Kaplan and David Norton, *Strategy Maps: Converting Intangible Assets into Tangible Outcomes*, 5th edn. (Elsevier, 2004).

behaviour by incorporating non-monetary and qualitative information related to social and environmental issues into the core business of the organizations using them.⁶

The process of developing the strategic map, targeted at generating shared value from full protection of children and adolescents in territories where businesses operate, consisted of four major steps: (i) identifying the challenges and opportunities for businesses when it comes to protecting children and adolescents; (ii) identifying value generation opportunities; (iii) analyzing roles and responsibility and; (iv) defining the strategic map.⁷

These steps were implemented through several meetings and workshops with a group of 17 large companies, a seminar with specialists and a field trip to Altamira,⁸ located in the Brazilian Amazon State of Pará, to submit the preliminary guidelines for appraisal by local state, private and civil society actors involved in children and adolescents' rights protection.

A number of international human rights-related hard and soft laws and Corporate Social Responsibility (CSR) advancements were of great value in providing content guidance for the tool's development. The 2011 United Nations Guiding Principles (UNGPs) on Business and Human Rights⁹ constitute one of the major milestones in the international arena. The polycentric approach adopted throughout the Principles' elaboration¹⁰ is one characteristic that led to their widespread adoption by many other organizations and existing commitments and guidelines, such as the UN Global Compact, ISO 26000 and the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. UNICEF is also a key player in contributing to a better understanding of the impacts businesses may have along their value chain regarding children and adolescents' rights.¹¹

Once the proposed management tool design was concluded, four companies applied the tool as a pilot project in the following year. Two of these experiences—the Bunge Foundation and Klabin—are described in Section III below.¹²

⁶ For different SBSC approaches, see Frank Figge et al, 'The Sustainability Balanced Scorecard' (2002) 11 *Business Strategy and the Environment* 269–84.

⁷ GVces, 'Generating Shared Value From Full Protection of Children and Adolescents: Proposition for Business Guidance Under the Context of Large Projects', https://s3-sa-east-1.amazonaws.com/arquivos.gvces.com.br/arquivos_gvces/arquivos/296/IDLocal2013_English.pdf (accessed 20 November 2015).

⁸ The city of Altamira is home to Belo Monte Dam, one of the world's largest hydroelectric dam complexes.

⁹ United Nations Human Rights, 'Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework', http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf (accessed 27 November 2015).

¹⁰ The importance of polycentric governance for the UN Guiding Principles on Business and Human Rights is highlighted in: John Ruggie, 'Global Governance and "New Governance Theory": Lessons from Business and Human Rights' (2014) 20 *Global Governance* 5–17.

¹¹ Two main UNICEF's publications have highlighted the relationship between business and children's rights: *Children's Rights and Business Principles* (2012) and *Children are Everyone's Business: Workbook 2.0* (2013).

¹² The Bunge Foundation and Klabin joined the group of 17 companies that participated in the process of developing the corporate guidelines and management tool (Balanced Scorecard) during 2013 and 2014. Both organizations had their management practices published in the document 'Generating Shared Value From Full Protection of Children and Adolescents' (GVces, 'Generating Shared Value From Full Protection of Children and Adolescents: Proposition for Business Guidance Under the Context of Large Projects', <http://www.idlocal.com.br/generating-shared-value-from-full-protection-of-children-and-adolescents-id-local-2014-cycle?locale=en> (accessed 20 November 2015). For the present piece, the information about the cases and their developments in 2015/2016 were updated by: (i) phone interviews with the Bunge Foundation's Director and a Project Manager and with Klabin's Sustainability Manager and; (ii) documentary review of recent developments related to the practices implemented by both organizations between 2014 and 2016, i.e., evidence of corporate policies, processes and tools.

III. PUTTING THE STRATEGIC MAP INTO PRACTICE: TWO BRAZILIAN EXPERIENCES

The Bunge Foundation, the social branch of the agribusiness and food company Bunge Brazil, and Klabin, the largest Brazilian paper producer and exporter, are two organizations that have decided to implement the proposed management tool *Generating Shared Value From Full Protection of Children and Adolescents: Business Guidance Under the Context of Large Projects*. During a two-year timeframe (2014–2015) they were able to make efforts to internalize the corporate guidelines and test their implementation.

A. From the Bunge Foundation to Bunge Brazil: A Matter of Coupling Balanced Scorecards

Developing a SBSC focused on children and adolescents' full protection was one of the strategies implemented by the Bunge Foundation as guidance for its corporate initiative the *Integrated Community Program*, implemented in the Brazilian Amazonian State of Pará.

Founded in 1955, the Bunge Foundation is the social organization of the Bunge Group in Brazil, responsible for developing social responsibility actions. The *Integrated Community Program* is one of its main initiatives, aimed at voluntarily contributing to the local development of regions affected by the installation of the company's business operations. Initiated in 2010 in the Brazilian State of Tocantins, the five-year program was extended to Pará State in 2014, more specifically to the municipalities of Itaituba and Barcarena, both strategic from a logistics perspective of grain transportation and exportation through the country's Northern region.

The opportunity for the Bunge Foundation to develop the SBSC focused on children and adolescents' full protection has its origin in the realization of a broad socio-economic diagnosis, which was the starting point for identifying local characteristics and vulnerabilities, along with opportunities for the organization's plan of action in both cities. Based on the diagnosis, three major social areas were identified: (i) full protection of children and adolescents, with actions covering the areas of education, health and social protection; (ii) strengthening of local public administration through the training of public servants to enhance planning and management mechanisms; and (iii) technical training and development of local entrepreneurs.

Interestingly, strategic maps and BSC were already used by the Bunge Foundation for corporate strategic planning and management, which greatly contributed to the internalization of topics related to children and adolescents into the management system. In practice, this means that, between 2014 and 2015, 13 process and result indicators (and their correspondent goals and actions) focused on the specific target groups were coupled to the Bunge Foundation's main BSC. Content wise, the actions mainly aimed at strengthening the network of local actors responsible for public policies related to the combat of sexual violence against children and adolescents. Moreover, raising the awareness of the drivers that belong to Bunge's fleet of trucks (and their families) on these issues was another objective, along with developing a strategy to internalize new procedures into the company's policies and processes, in close dialogue with employees and their families.

From 2015 on, meaningful results could be observed regarding Bunge's children and adolescent's corporate policy countrywide. What started as a voluntary action restricted to the municipalities of Itaituba and Barcarena turned into a set of compliance, managerial and relational corporate policies valid for all of Bunge's Brazilian sites. For example, specific contractual clauses were introduced in all contracts with suppliers and outsourcers. A 'logistics policy' was introduced to prevent truck drivers from exploiting children and adolescents. The main idea is that all transport carriers' drivers that are Bunge's service providers must undergo awareness raising actions on legal issues regarding the prevention of children and adolescents sexual exploitation. Moreover, it is intended that the drivers act as children's rights protection agents by means of reporting incidents involving rights violation. The awareness actions are held by Bunge employees who have undergone training offered by Childhood Brasil, a non governmental organization part of the World Childhood Foundation. This policy was followed by the establishment of an award that recognizes suppliers' best performances in developing effective actions towards full protection of children and adolescents.

B. The tool as a trigger to children and adolescents' rights incorporation into corporate practices: the case of the Brazilian company Klabin

One main element differentiates Klabin's experience in adopting the proposed tool focused on internalizing the rights of children and adolescents in corporate practices from the process undertaken by the Bunge Foundation. Rather than developing a SBSC encompassing indicators, goals and actions, Klabin used the proposed management tool to scale up the company's commitments towards human rights protection and to foster further corporate practices.¹³

Thus Klabin's fundamental reason for joining the network of companies involved in the process of creating the proposed management tool was to use its results as a trigger to the internalization of children and adolescents' rights among the company's departments, starting with the sustainability corporate department and then throughout the operational areas.

Klabin's main motivation for engaging with the development of this tool was to reduce legal risks and litigation regarding the infringement of children and adolescents' rights. The *Puma Project*, the greatest investment in the company's history, with the mission of doubling Ortigueira's industrial plant capacity by 2016, introduced new challenges regarding both target groups due to the establishment of new local dynamics induced by the project. The aforementioned national context indicates that large-scale investments, such as the US\$1.5 billion *Puma Project*, imply, through the increases in the contingent workforces, especially male workers, the worsening of living conditions of vulnerable groups. Klabin was also strategically interested in a local environment that would enable the industrial plant's expansion and, at the same time, contribute to children and adolescents' rights protection.

¹³ Klabin is a signatory of the 'United Nations Global Compact and the Brazilian Pact to Eradicate Slave Labor'. Moreover, two corporate policies had special clauses regarding children and adolescents' rights protection introduced in their scope: the Code of Conduct and the Suppliers Policy.

In this context, Klabin developed the *Puma Project for Childhood Protection*, an action plan focused on a children and adolescents' rights agenda, and more especially on the strengthening of public institutions and facilities present in the three municipalities directly influenced by the *Puma Project* (Telêmaco Borba, Ortigueira and Imbaú, located in the Brazilian state of Paraná).

The *Puma Project for Childhood Protection* consists of a two-fold strategy: (i) training agents among employees in order to combat varying forms of violence against children and adolescents along Klabin's value chain, as well as to implement common standards for the different sites; and (ii) a diagnosis of the local public Rights Guarantee System (RGS) and more specifically related to the type of assistance provided in cases of child labour and sexual abuse and exploitation. Based on this diagnosis, Klabin supported an initiative of complementary training for the RGS public officers as a preparation for the upcoming development of a *Municipal Plan to Combat Sexual Exploitation of Children and Adolescents* for all three municipalities.

IV. CONCLUSION

The full protection of children and adolescents' rights has been widely recognized in recent decades as a responsibility shared by state and corporate actors. Major political progress has been achieved in the development of principles at the international level. Now it is fundamental that such global commitments and guidelines, including those pertaining to children and adolescents, are translated into corporate management tools fostering their internalization into business practices and processes, along with domestic laws capable of enforcing the global commitment at the national level.

In this sense, the management tool presented here is one contribution to the current efforts to bridge the gaps between corporate practices and the human rights field. Nevertheless, many challenges remain for companies that are willing to implement it. One example is customizing the tool to every operation, considering that each territory has its own characteristics and network of actors. Another challenge, more broadly applicable to most business and human rights efforts, concerns monitoring the implementation of this tool to assure compliance and effectiveness. On the other hand, opportunities may arise regarding inspiring similar processes and tools for other vulnerable groups, such as indigenous and traditional peoples.