



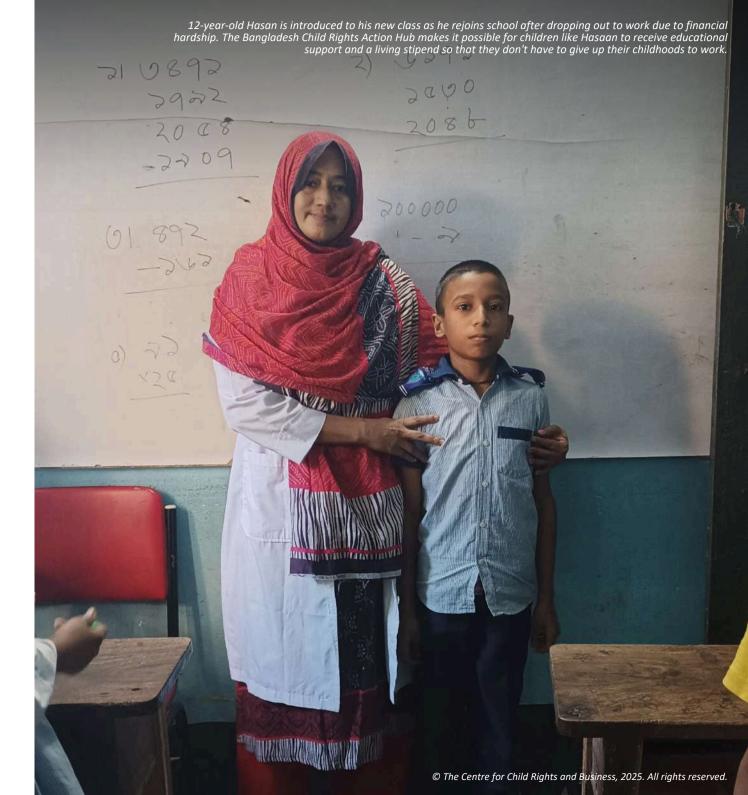
BEYOND PLEDGES ON CHILD LABOUR

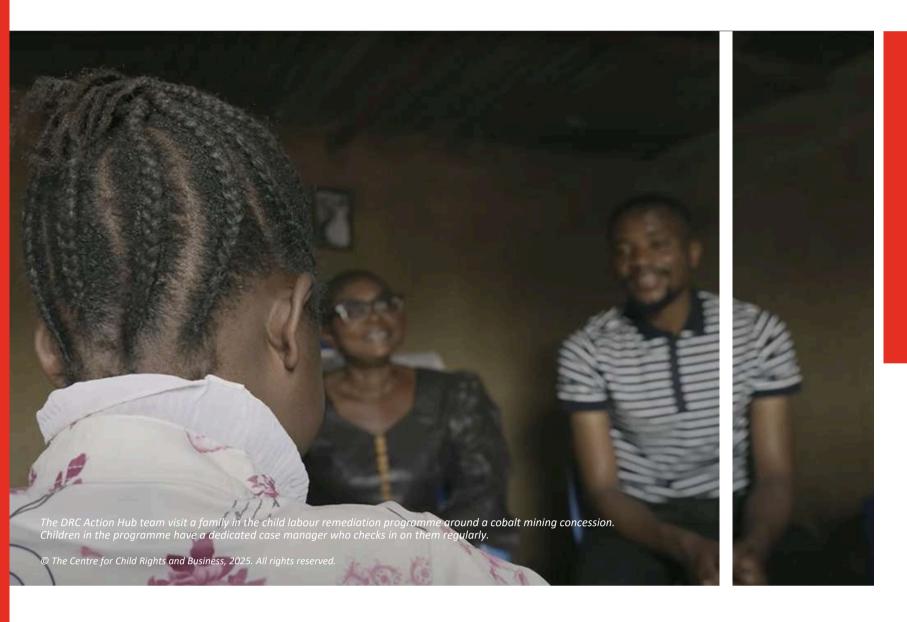
It's not just a human rights issue, it's your business too



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Beyond rhetoric

We are only scratching the surface when addressing child labour and need more than collaboration to achieve actionable solutions

Message from the CEO

On May 19, 2025, we hosted a high-level event in Dhaka to celebrate a year of progress for the Child Rights Action Hub Bangladesh, a multi-stakeholder initiative combating child labour in the ready-made garment sector. We showcased positive outcomes and highlighted the importance of collaborative industry efforts, sharing stories of children and young workers whose lives have improved through the programme.

While we received strong support from industry leaders and international governments, it became clear that we are only beginning to address this urgent issue. The common refrain—"Child labour is a complex challenge, and we need collaboration"—often feels like a barrier to action, for government systems to be fixed, for global markets to become fairer and for more CSO-driven support systems to materialise. In the meantime, millions of children are deprived of their fundamental rights to safety, protection and education.

It's time to move beyond rhetoric. This publication outlines concrete steps businesses can take to combat child labour. No single business can solve poverty or replace governments, but they can evaluate their supply chain practices to prevent child labour.

This will require difficult discussions and bold actions. We highlight businesses that are investing in youth employment, reassessing sourcing practices, and openly addressing child labour issues.

While collaboration is essential—exemplified by the Child Rights Action Hubs in Bangladesh and other countries—it must translate into tangible action. We hope this publication inspires reflection and decisive steps forward in the fight against child labour.

Ines Kaempfer

CEO, The Centre for Child Rights and Business



Ambitious or counter-productive?

Was SDG Target 8.7 the right goal in the fight against child labour? It's time to reassess our strategies to ensure tangible actions are taken

BEYOND PLEDGES ON CHILD LABOUR — 03

The Fight Against Child Labour – Between Hope and Hard Truths

SDG Target 8.7 aimed to eliminate forced labour, modern slavery and child labour by 2025. However, as we reach this date, it's evident that we're far from achieving this goal, with 138 million children still in child labour according to the latest estimates by ILO and UNICEF. This raises key questions: Why did we fall short, and was the target realistic?

Overly ambitious goals can lead us to act prematurely. They demand immediate eradication of child labour, despite its deep roots in poverty, inequality and inadequate education. Such pressures often result in unrealistic zero-tolerance policies, pushing businesses to conceal child labour rather than eliminate it, making it less visible in their supply chains.

Businesses, particularly those with limited resources and operating in challenging contexts, struggle to prevent child labour. Some have even implemented blanket bans on workers under 18, regardless of legal allowances, to avoid scrutiny, resulting in millions of young workers being pushed into the informal sector, where they lack protection and opportunities. This example shows how calls for "no child labour" that lack support from fair purchasing practices and poverty alleviation efforts can do more harm than good.

We need a shift in mindset but also acceptance that that change won't happen overnight. The first step is acknowledging the issue.

What's the alternative?

Should we allow child labour to exist openly in supply chains? To be clear, child labour refers to work that deprives children of their basic rights such as safety, protection, health and education. That deprivation is, and must remain, unacceptable.

However, a more realistic and pragmatic strategy begins with acknowledging and admitting that child labour does exist in many supply chains. Only when we're open about this widely recognised fact can we start building real solutions.

Not evil, but contextual

Secondly, we must recognise that child labour is rarely driven by malicious factory managers, nor is it driven by a lack of awareness of parents who do not know better, but by a combination of both contextual and industry-related factors. For the latter – those tied to business or industry – responsibility spans the entire supply chain. Addressing these requires action from all actors, including downstream companies that too often shift accountability onto their suppliers.

Once we have this shared understanding, we can begin to think clearly about what each supply chain actor can contribute to mitigate and ultimately eradicate child labour.

Important questions to ask

If you are an international buyer or trader, here are a few questions you can ask yourself:

- Are we attempting to understand child labour challenges in our lower-tier suppliers, subcontractors, informal producers and home workers in our child labour risk assessments?
- How might our buying policies be perpetuating structures of poverty and the need to engage children?
- Have we supported our suppliers not just audited them?
- When cases have been identified, have we provided remedy or simply severed ties?

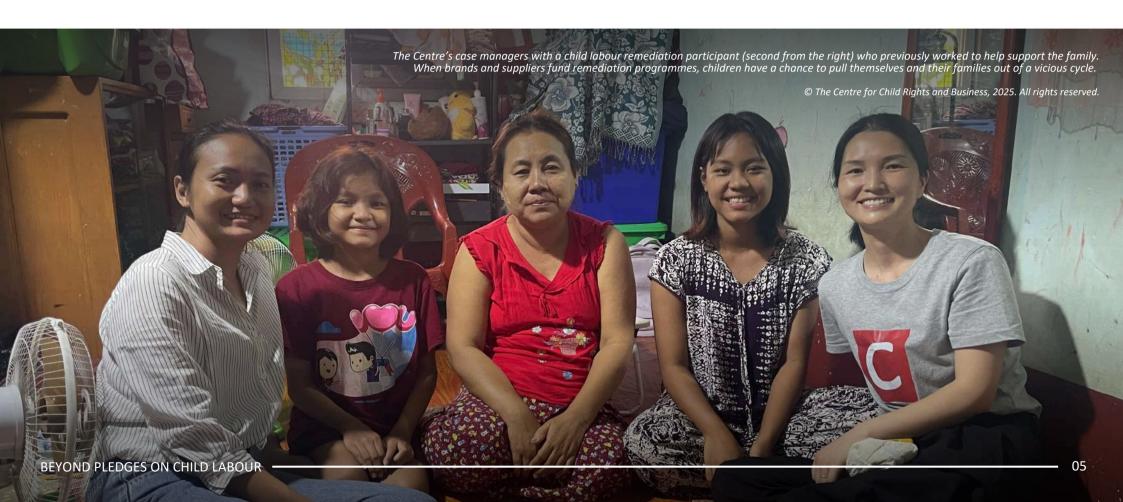
We should accept that change won't happen overnight, but facing these questions honestly is the first step towards genuine child labour prevention and remediation. In the meantime, we must work collaboratively with different actors, inviting them on a journey of change, one that begins with acknowledging the issue.

In the following pages, we spotlight our child labour due diligence principles to offer high-level guidance to companies on how to carry out due diligence effectively. We also highlight critical questions that businesses can ask themselves to interrogate their approach to child labour and whether it is strong enough. These are basic starting points to get on track and swing the needle in the right direction.

We also need to see a cultural shift among companies. Instead of presenting a picture of child labour–free supply chains in your sustainability reports, be transparent. Share the challenges you've encountered and explain how you're addressing them through collaboration and shared accountability with your direct suppliers and the many layers beyond.

Let's not make 2025 just another missed target. Let's use it as a turning point – to move beyond rhetoric and toward stronger, more targeted approaches to child labour prevention, monitoring and remediation.

That's how we can make progress in the fight against child labour.





The hidden crisis we can't ignore

How funding cuts and migration policies are fuelling exploitation and child labour risks in America

Child Labour and Domestic Sourcing Trends in the United States

It's been just over half a year since we co-published a white paper on "Child Labour in the US – A Call for Corporate Responsibility". In that short time, the policy landscape in the US has shifted dramatically. Cuts to the US Department of Labor (USDOL), agencies and organisations that provided essential support to marginalised children, have heightened risks for vulnerable children and youth within US borders.

In response to this evolving landscape, a growing number of companies that are committed to creating more resilient supply chains domestically and internationally have taken it upon themselves to respond to this growing risk. One such initiative is our collaboration with <u>AIM-Progress</u> to develop a nationwide child labour remediation network. This specific project focuses on mapping and assessing local capacity in two states in the Midwest to deal with child labour remediation. In addition to this, our team has travelled across 17 states over the last two years and engaged with more than 75 organisations to identify child labour hotspots and explore local solutions to support remediation efforts including access to decent work for youth. These conversations have spotlighted several key trends:

Lack of local remediation capacity

Across the country, we found a severe shortage of organisations equipped to handle child labour remediation. Many nonprofits provide related services such as housing, legal aid or education, but few have direct experience addressing child labour. Compounding the issue, funding for social services — including health care and refugee resettlement — is being cut, leaving fewer safety nets for at-risk children.

Child labour is an open secret

Despite the headlines, child labour remains largely hidden yet widely known. Many service providers acknowledge it exists but aren't sure how to respond.

Poverty and family instability are major drivers. Many families seeking help from social services are employed, yet still unable to meet basic needs – a group known as ALICEs (Asset Limited, Income Constrained, Employed). This need, combined with the willingness of some employers to engage children under 18 without proper work contracts and protection, means that we have heard

countless stories of children working evening or nights shifts, and arriving at school exhausted, sleeping through the first hours of their school day.

Labour shortages are an increasing risk

While the number of unaccompanied minors entering the US has slowed, many who arrived in past years remain and are working, often in informal or unregulated roles. With deportations straining the labour market, there is a growing risk that undocumented minors will be pulled into exploitative work to fill the gap.

This situation creates a dangerous mix of high vulnerability and low visibility. These children are unlikely to show up in official data, and existing systems aren't built to respond. Given the increased fear of many migrants to contact official or unofficial channels for help, we have to assume that neither children nor adults are inclined to ask for support. At the same time, there is still little clarity around liability. Companies are uncertain whether disclosing suspicions of child labour in their operations might expose them to penalties.

More companies are focusing on building resilient supply chains in response to funding cuts and stricter US migration policies.

While these observations might intensify uncertainties, the engagement of AIM-Progress and its members shows that many companies have taken a pragmatic approach, recognising the challenges and working toward clear guidance on what can be done during this period of uncertainty. We're truly thankful for every company that remains committed to fighting child labour in their supply chains, and who uphold that commitment even in less conducive contexts.

BEYOND PLEDGES ON CHILD LABOUR — 07





The evidence is clear

The Centre's child labour data shows that more needs to be done to end child labour

By the Numbers

The Centre's child labour data since 2018



64% of our child labour cases are girls



44%

of the cases are children of working age, found in hazardous working conditions

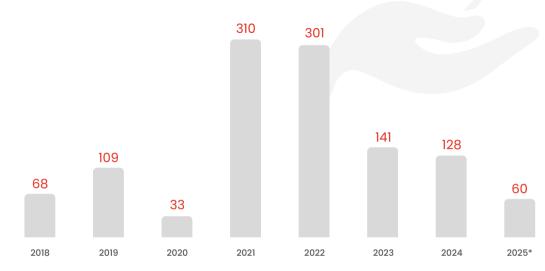


43%

of the cases were introduced to work by their relatives



cases have been referred to The Centre over the years



*Data up until end of April



77%

of those cases were integrated into remediation programmes



92%

of those integrated successfully completed their remediation

POVERTY

is the number one reason for children to go into child labour, cited by more than half of the children

BEYOND PLEDGES ON CHILD LABOUR

The Business Side of Things

The Centre's child lahour data since 2018



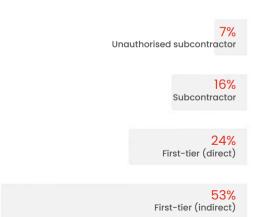
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brands and clients have approached us for our CLPR services

77%

of child labour cases were found in first-tier factories

While child labour is more common in the lower tiers, this result shows that the majority of companies have little visibility in lower tiers and only detect child labour when it happens in their first tier.





58%

of cases were found through audits



77%

of the factories found with child labour or young workers in hazardous work were fully cooperative



76%

of the cases found through audits were conducted by the buyers' (brands) own staff



44%

of the cases found had used fake IDs during recruitment, signalling a need for more robust age verification mechanisms



80%

of cases were found in smaller factories with less than 500 employees



54%

of the factories accepted training from The Centre to strengthen their child labour prevention and remediation systems

BEYOND PLEDGES ON CHILD LABOUR

Locations and Industries of our Child Labour Prevention and Remediation Services and Child Rights Action Hubs







Where do we start?

Key questions and child labour due diligence principles to help companies get back on track

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Ten Critical Questions to Strengthen Your Approach to Child Labour

1 Are your purchasing practices supporting fair wages and child labour prevention?

Do your pricing, payment terms and planning cycles give suppliers the financial stability needed to pay living wages and avoid shortcuts that can lead to child labour, especially during shocks and crises?

2 Do you include your lower-tier suppliers in risk assessments and monitoring systems?

Have you mapped and engaged with subcontractors, informal workers and home-based units at lower tiers where the risk of child labour is highest?

3 Are you allocating realistic, long-term budgets for child labour due diligence?

Does your company dedicate enough resources to make detection, prevention and remediation of child labour possible across your supply chain?

4 Are you working collaboratively with suppliers on remediation and covering your share of the costs to ensure remediation is adequately resourced?

Do your policies clearly outline who is responsible for funding remediation, and do you treat business termination as a last resort?

5 Are you helping suppliers understand and meet your child rights and HRDD expectations?

Do you offer guidance, tools and practical support to suppliers who may lack the capacity to fully implement these standards? Do you assess how your purchasing practices impact suppliers' ability to fulfil your standards?

6 Is your approach to child labour risk reactive or preventative?

Are you taking action only after issues are uncovered by others, or are you investing in early detection, worker engagement and upstream prevention?

7 Are you using multiple methods to detect child labour risk – not just audits?

Are you engaging with local stakeholders, worker groups and civil society organisations to gain real visibility on the ground? Are you doing unannounced audits, not to play watchdog or assign blame, but with a sincere intent to understand the challenges in your supply chain?

8 Are you targeting high-risk sectors and geographies with more tailored due diligence?

Does your risk strategy focus on the areas where children are most at risk and are you adapting your actions accordingly?

Are you clearly communicating your expectations to suppliers and following up?

Are your child labour policies embedded in supplier contracts, onboarding materials and ongoing supplier engagement?

10 Are responsibilities and accountabilities for the prevention and remediation of child labour clearly defined?

From sourcing and HRDD to sustainability and compliance — is every relevant team accountable for protecting children in your supply chains?

Strengthen your child labour prevention and remediation approach by reflecting on and taking actions for effective child-centered due diligence.

Due Diligence Principles for Child Labour Remediation





The Centre's Due Diligence Principles provide guidance for effective remediation that prioritises child rights and ensures sustainable outcomes.

Every company must prevent and address child labour. But how can we do it effectively? These 11 principles provide high-level guidance for businesses to drive practical action covering responsibilities to deliver child labour remediation in supply chains.

The rights of the child

1 The rights of the child are always prioritised over commercial or other interests

The <u>UN Convention on the Rights of the Child</u> illustrates the basic human rights of children everywhere, including the right to non-discrimination; the best interest of the child; the right to survival and to develop to the fullest; the right to be heard; the right to protection from harmful influences, abuse and exploitation; and the right to participate fully in family, cultural and social life.

The responsibilities of companies

2 Establish a comprehensive child labour policy

Defines a commitment to effectively identify, prevent and remediate all forms of child labour (e.g. hazardous work, underage work etc.), including all direct and indirect suppliers.

3 Establish monitoring capacity in sourcing countries

Supported by the company's responsible sourcing teams or appropriate partnerships with the capacity to effectively monitor high-risk supply chains. Partnerships may involve sector-led initiatives such as certification initiatives and multi-stakeholder programmes to address child labour.

4 Ensure monitoring programmes are adapted to supply chain risks and structures

Supply chains that have complex or informal features require an alternative approach to traditional audit methodologies. In this case, robust local stakeholder engagement is key to establish effective and sustainable approaches to monitoring.

5 Prevent and mitigate business practices that directly or indirectly increase the risk of child labour

Examples include assessing buying practices; supporting pricing that allows the payment of a living wage; providing decent work opportunities for youth; supporting the formalisation of informal work settings etc.

6 Establish remediation mechanisms that ensures access to remedy for victims of child labour

Mechanisms include sufficient funds, as well as personnel with adequate skills and a mandate to support remediation (see also Principles 7-10). This includes the company's commitment to contribute to or cover the remediation costs.

Key elements of child labour remediation management

7 Remediation responds to the needs of the child

Each case is remediated based on a full understanding of the circumstances and needs of the child(ren) concerned. (e.g. informed by comprehensive needs assessments, which allow both children and parents to have a voice, and permit informed consent). This includes economic support (cash transfers, wage substitutes), normally at least until the child reaches the minimum working age; access to education at a minimum until mandatory schooling is completed; psychosocial support for all instances of child labour; and where relevant access to skills development and/or decent work.

8 Remediation responds to the scale and severity of each case

For example, community programming may be adapted to support large-scale cases with lower individual severity levels, whereas severe cases may require more intensive support.

9 Child labour cases are remediated with the professional support of independent child rights experts

Independent child rights experts should NOT be linked to the employer who hired the child/children or to any of the employer's business partners.

10 Access to adequate remedy is provided to ensure appropriate support for each case

The company ensures that there is funding to provide the remediation activities as described above. Ideally, remediation is funded jointly by buyers and supply chain partners to secure sustainable outcomes. Companies do not create situations where suppliers have an incentive to hinder the remediation (e.g. by threatening families) to avoid payment.

Links to government structures

11 Where functioning government structures are available, companies shall support and build on these

This may include sharing information on cases with government agencies and/or integrating child labour victims into government-run structures. These actions should only be taken if the services are accessible, effective, transparent and where the wellbeing of the child is guaranteed.





No silver bullet, but we are taking a shot

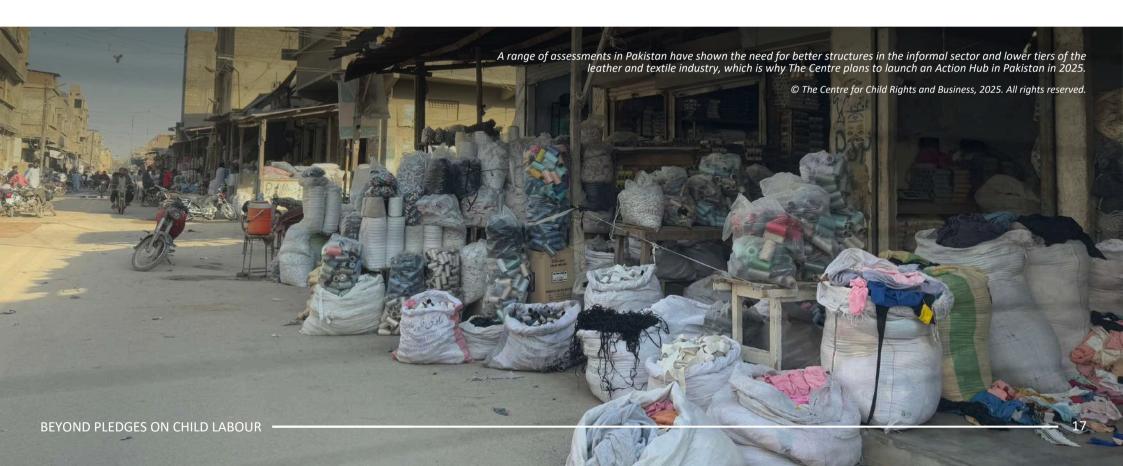
Moving the needle in the right direction for children in lower-tiers through Child Rights Action Hubs

Our Approach to Addressing Child Labour in the Lower-Tiers

Data sources and lower-tier risk assessments indicate that child labour is most prevalent within deeper supply chains. However, many of these cases remain unreported or undetected. Historical data from The Centre shows that the majority of child labour notifications (77%) come from first-tier factories, not because the lower tiers have no child labour, but because it goes undetected. Ineffective monitoring, identification and reporting systems in these deeper supply chains allow most cases to stay hidden and leave children trapped in cycles of poverty. At the same time, brands and retailers often lack the solutions, resources, leverage or will to engage with the lower tiers on their own.

This is why, from 2022 to 2025, we have intensified and scaled our efforts with the <u>Child Rights Action Hubs</u> ('Action Hubs') to support businesses to tackle child labour in lower tiers. These Action Hubs offer a new approach that brings multiple stakeholders together – from buyers to CSOs to government programmes – to lay the groundwork for long-term, sustainable systems to prevent and remediate child labour. Action Hubs aim to specifically target risks in challenging, often informal, contexts linked to the supply chains of multiple companies within a given region.

In doing so, they respond to a key challenge in effective human rights due diligence: companies know that through their products, business models, purchasing practices and sourcing habits, they can be linked to child labour risk in the lower tiers. Many understand that this linkage comes with a responsibility to prevent, mitigate and remediate these risks and human rights violations. At the same time, the complexity of modern supply chains means they are often too far removed to simply tackle the issue through sourcing decisions alone, especially as disengagement is rarely a viable solution. These Child Rights Action Hubs offer an opportunity for companies to invest in, take action and give back to high-risk upstream communities. As such, investing in Child Rights Action Hubs is not an act of charity, but a concrete form of human rights due diligence in the upstream.



Moving the needle in the right direction for children in lower tiers

Our strategy for addressing child labour is grounded in pragmatism and empathy. We aim to protect children while understanding the environments they come from. This means meeting supply chain actors where they are, building trust and working side-by-side to create long-term solutions. That approach has made us one of the few organisations that not only identifies problems in the lower tiers, but actually follows through with meaningful, on-the-ground support.

We empower local stakeholders to serve as the eyes and ears for identifying and reporting child labour, and they, in turn, can continue to train others to keep the system going. This approach means that children from at-risk communities who would normally fall through the cracks and never receive support, can also fall within the scope of the Action Hub's programmes e.g. children working in artisanal mines that are not officially part of any company's supply chain, children who are engaged in recycling of industrial waste from first tier textile suppliers, or children on smallholder farms, linked to international supply chains only through loose networks of collectors, traders and local textile-producing communities.

Our Action Hubs also take up practical collaboration opportunities with existing frameworks, including government services and civil society organisations (CSOs), to ensure alignment and integration wherever and whenever possible. This ensures that the Action Hubs are not isolated programmes but are woven into existing structures. By doing so, we strengthen often weak and fragmented support systems for children and youth.

Although there is still a lot of work to be done for those in child labour in remote areas and lower tiers of the supply chain, we are encouraged by the progress made through our global Action Hubs and see it as a viable model that fosters strong, multistakeholder collaboration. In 2025, building on the success of the established Action Hubs in Bangladesh, the DRC and Malaysia, we plan to establish three additional Action Hubs in India, Pakistan and Sri Lanka

Finding strength in numbers

There is strength in numbers, and Action Hubs bring brands together to tackle child labour collectively. By pooling funding and resources, an Action Hub can expand its child labour prevention and remediation network by integrating more children into the programme to receive long-term support, including living stipends and educational support, allowing access to decent work and training more case managers to handle individual cases. By taking a holistic landscape approach. Action Hubs directly work with a wide network of relevant stakeholders. including buyers, suppliers, factory staff, child rights focal points (e.g. teachers, healthcare providers, trade union leaders), case managers and even local government departments, to ensure alignment with existing local approaches. For brands, Action Hubs offer an unparalleled opportunity to gain a deeper understanding of their lower tiers through transparent reporting and direct engagement via update meetings and other industry events.

How can brands participate in the Action Hubs?

- Brands can become a funding partner
- Brands can nominate suppliers in their supply chain to be included in Action Hub activities (or they can request their direct suppliers or vendors to share details of lower-tier suppliers). The Centre will then approach these facilities and invite them to participate in Action Hub activities
- Engage, convince and support suppliers to implement change-maker programmes

Invest, take action and give back to high-risk upstream communities through Child Rights Action Hubs.

<u>Contact us</u> to discuss options for participating in any of our Action Hubs.



Introducing Our Global Child Rights Action Hubs

In the following pages, we introduce the three Child Rights Action Hubs currently active in Bangladesh, the Democratic Republic of Congo, and Malaysia, which help us address child labour in the lower tiers.



Bangladesh

Child Rights Action Hub Bangladesh (Ready-Made Garment)

Key industry and focus

The ready-made garment industry, with a specific focus on the lower-tiers

Key workstreams

- Research, mapping and networking
- Training and technical support for lower tiers
- Access to decent work for youth
- Child labour remediation

Key stakeholders

- Buyers
- Tier 1, 2, and 3 suppliers and sub-contractors
- Children and youth found in child labour situations; young people from the local community looking for decent work
- childrights-business.org

Child Rights Action Hub Bangladesh was launched in 2024 to tackle child labour in the ready-made garment sector. The Action Hub collaborates with fashion brands and retailers to engage both first-tier and lower-tier suppliers in a systematic way to prevent and remediate child labour. The Action Hub's work includes training and capacity building on child labour risks, an Access to Decent Work for Youth (AD-Y) programme and the establishment of a local remediation network staffed by trained case managers and supported by child rights focal points. Eight brands currently support this initiative. Below is a summary of the Action Hub's progress as of May 1, 2025:

- 87 child labour cases integrated into the remediation programme
- 42 young workers now have access to decent work thanks to an AD-Y programme in a factory
- 139 staff from 86 lower tier suppliers and subcontractors trained on child labour prevention and remediation
- 18 factories have participated in training to enhance youth development awareness for young workers
- 2 factories have initiated efforts to improve the lives of children and young workers under the Child Rights Change Maker initiative
- 21 staff from 14 Tier-1 factories trained on CSDDD and human rights due diligence
- 31 focal points trained to identify and remediate child labour in the lower tiers



Democratic Republic of Congo

Child Rights Action Hub DRC (Copper and Cobalt)

Key industry and focus

Mining of the critical minerals copper and cobalt, with a specific focus on remediation and education support

Key Workstreams

- Child labour remediation
- · Emergency and education fund
- Access to Decent Work for Youth programme
- After-school centres
- Training and awareness raising

Kev Stakeholders

- Companies along the critical minerals supply chain
- Local CSOs & initiatives
- International donors
- Government agencies
- Child labour case managers
- Children and youth in child labour and hazardous work

The Hub was established as a local not-for-profit association in Kolwezi, Democratic Republic of Congo in 2022 by The Centre and six local civil society organisations, with support from the Fair Cobalt Alliance (FCA) and initial funding from Save the Children Germany. It provides a scalable, collaborative solution for companies sourcing cobalt and copper to proactively address child labour risks in artisanal and small-scale mining (ASM) and supports a just transition in mining of critical minerals

By building a strong local network of eight civil society organisations, the Action Hub's programmes are delivered by trained local actors with deep knowledge of mining communities and are designed to create long-term impact for children and families while reducing child labour risks in the supply chain. Backed by seven organisations and continued FCA support, The Hub has:

- Integrated **76** children into the remediation programme
- Extended educational support to 14 siblings
- Prioritised 2 Kolwezi and Tenke & Fungurume mining hubs to carry out activities
- Trained **31** junior case managers
- Accredited 4 case managers
- Secured direct financial support from 8 organisations and expanded its CSO network

clrhub.org



Malaysia

Child Rights Action Hub Malaysia (Palm Oil)

Key industry and focus

Palm oil industry, with a specific focus on community case management

Key Workstreams

- Child labour prevention and remediation support system
- Case manager training
- Capacity building for lower tiers
- Forced labour awareness
- · Research and mapping

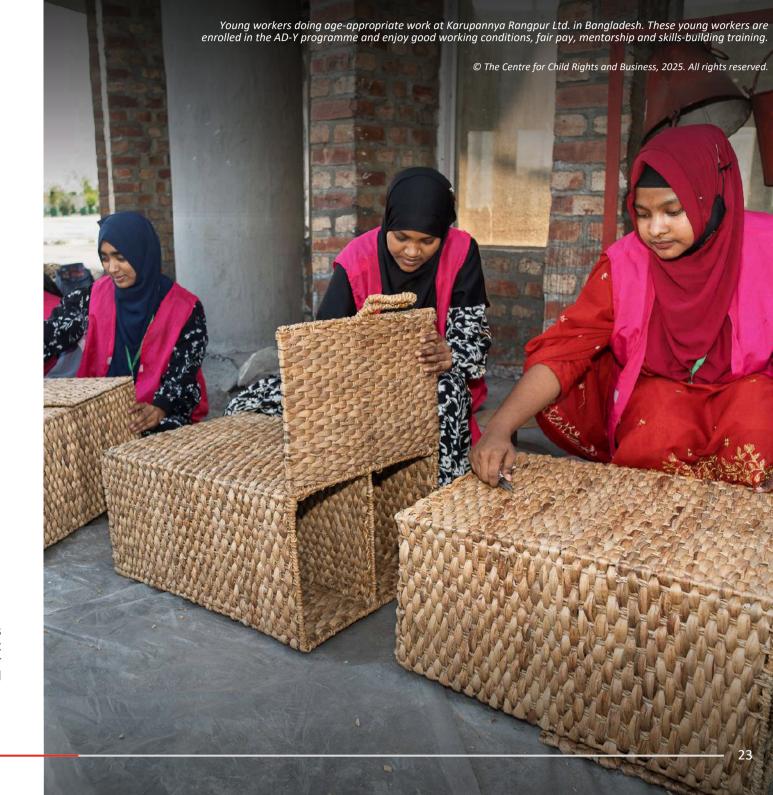
Key Stakeholders

- Buyers (retailers, brands and traders)
- Local CSOs
- Plantation companies
- · Community focal points
- Child labour case managers
- Children found in child labour

childrights-business.org

Initially piloted as part of the MY Voice project funded by USDOL, with Social Accountability International as the lead grantee, Child Rights Action Hub Malaysia is now independently run by The Centre for Child Rights and Business, supported by private sector funding. Launched in June 2024, it aims to address child labour in palm oil plantations. It collaborates with a network of remediation service providers and case managers through partnerships with local organisations, focusing on a community-based approach to identify and approach child labour. Engaging the private sector is key to ensuring the sustainability of these efforts, with 14 local organisations advocating for child labour prevention and remediation. The outcomes of these efforts include:

- 8 plantation companies and suppliers participated in 4 child labour prevention training sessions, reaching
 a total of 200 participants
- 42 case managers were trained, with 15 junior case managers approved for their roles
- 36 community focal points from plantation communities received training
- 1 child labour prevention and remediation guideline, along with 11 child labour remediation toolkits and 12 training modules, were developed in 2 languages (English and Malay)
- **36** key stakeholders from the palm oil supply chain were engaged through workshops and awareness-raising activities



Case Studies from Our Global Child Rights Action Hubs

In the following pages we spotlight case stories from each our Child Rights Action Hubs that highlight the important role that buyers and their suppliers play in ensuring sustainability and impact of this initiative.

Reducing Child Labour and Building a Young, Motivated Workforce Through the Access to Decent Work for Youth (AD-Y) Programme

Buyers and factories often think that excluding anyone under 18 from the workforce is a safe bet when it comes to preventing child labour in the supply chain. Unfortunately, this approach has the *opposite* effect.

Buvers and factories often think that excluding anyone under 18 from the workforce is a safe bet when it comes to preventing child labour in the supply chain. Unfortunately, this approach has the opposite effect. When youth who are of legal working age and out of school struggle to find work in the formal sector, they are pushed into informality, where they do not have any rights or protection. As a result, what was intended to prevent child labour may actually exacerbate the issue. It is therefore important that youth of working age are given opportunities to work under conditions that protect their physical, mental and social development. For example, they should not operate dangerous machinery or equipment, or work night shifts, and their work hours must not interfere with their schooling. However, young people above the minimum legal working age have a right to access decent work where they can earn a living and develop their skills.

For IKEA, this understanding has led to a proactive investment in young workers (both those who are under 18 but of legal working age, and those aged between 18-24). To date, IKEA has collaborated with The Centre in Bangladesh, <u>China</u>, <u>Vietnam</u> and Indonesia to create decent work opportunities for local youth in its global supply chains.

Through the Child Rights Action Hub in Bangladesh, IKEA is supporting The Centre's Access to Decent

Work for Youth (AD-Y) programme for its supplier factory, Karupannya Rangpur Ltd. (Karupannya), which targets young workers under 18 who have reached the legal working age. Rather than concentrating on short-term and isolated improvements, both IKEA and Karupannya have committed to actively transforming procedures and systems in the factory to responsibly hire, manage and upskill young workers.

Karapunnya employs approximately 9,900 staff, of whom 82% are female. Through the AD-Y programme under the Child Rights Action Hub, the factory has restructured work positions to assign young workers to non-hazardous tasks and ensure suitable working hours. 42 young workers, all of them female, have so far been hired through the programme and provided with access to decent work opportunities. Because of the reduced working hours (young workers work about 5 hours per day in line with applicable laws), the programme also allows the young workers to combine work and school. 36 out of the 42 young workers benefit from this opportunity and are continuing their education.

As the programme has developed, the factory has established a buddy system to ensure that young workers have role models to guide them. 15 adult workers and staff have been trained to become mentors and buddies. 16 factory management staff have received training on young worker management.



"At Karupannya, we believe that, when you invest in young people, you not only uplift individuals but you create impact in the entire community."

This support structure has helped young workers feel more connected to their workplace, fostered a sense of belonging and increased job satisfaction. But that is not all. Young workers at Karupannya have also received training focused on soft skills and life skills development to enhance their career prospects. For many of these young workers, mainly girls participating in the programme, it serves as their first introduction to important topics like financial literacy and family planning, which helps them not only at work but also in managing their lives outside of it.

Karupannya's implementation of the AD-Y programme has earned them the title of 'Child Rights Change Maker', the Action Hub's highest recognition for suppliers who complete six key steps and demonstrate proactive, tangible contributions to child

rights and the prevention or remediation of child labour. It has also committed to continuing continuing to hire more young workers under suitable conditions and working hours, with plans to double the number of young workers working in the factory within the next six months.

This goal is achievable only when brands leverage their influence to help suppliers understand the importance of hiring young workers and the positive impact it can have when both parties are dedicated to fostering change in the lives of youth in surrounding communities.

Investing in Change When the Norm is No Longer Sufficient

Companies increasingly acknowledge that critical minerals from ASM sources cannot be fully excluded from global supply chains. As a result, the most responsible approach is a risk-based strategy that prioritises direct engagement and targeted investment at the source.

Two years have passed since The Centre, with support from private sector funding and the <u>Fair Cobalt Alliance</u>, established <u>The Hub for Child Labour Prevention and Remediation</u>. Focused on Kolwezi and the Tenke and Fungurume area in the Democratic Republic of Congo (DRC), The Hub's mission is to prevent child labour and provide targeted, long-term remediation for the most vulnerable children involved in artisanal and small-scale mining (ASM). To date, over 60 children have successfully integrated into The Hub's remediation programme, thanks to our funders and donors. But what motivates these contributors to support this initiative?

Based on The Centre's experiences over the past two years, it's clear that companies and donors have recognised an essential truth: their efforts in tracing their critical minerals supply, ensuring that no cobalt or copper is sourced from artisanal mines, are often disconnected from the realities on the ground. In the current situation, it is nearly impossible, even for companies present in the DRC, to exclude the possibility that artisanally mined minerals enters their supply chains. And, even if they could, this wouldn't create a positive impact on the artisanal miners, their families and communities, given that artisanal mining is often the only possible source of income for these communities.

To tackle this tricky situation, companies that work with us have decided that the only way they can effectively contribute to change is by engaging in initiatives such as The Hub, that strengthen the

community and aim to provide solutions for children impacted by child labour in ASM. By investing in The Hub, these companies are creating pathways for real change and remediation in ASM communities.

Some of those companies, like <u>dormakaba</u>, are far removed from the cobalt supply chain, but the mere fact that cobalt is used in their products was enough for them to decide that they want to be part of the solution rather than the problem. As part of their long-term human rights due diligence strategy (and through their partnership with Save the Children Switzerland), they committed to long-term support for the Child Rights Action Hub. Others tackle the commitment under the umbrella of the Fair Cobalt Alliance, which ensures that part of their membership fees go to child labour prevention and remediation.

Other supporters operate at the source and are faced with the challenging context of the DRC, day in and day out. CMOC, a leading mining company of copper and cobalt, has recognised the necessity of strengthening child rights within its mining concession and is determined to address the plight of the most vulnerable children. In collaboration with The Centre, in 2024 they worked to further identify the risks and root causes of child labour in ASM. This foundational work has shaped a targeted prevention and remediation strategy. One piece of the strategy is to support children in being integrated into The Hub's remediation programme. Another is to strengthen the prevention of child labour through existing community programmes and networks.

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"For dormakaba, it was essential to embrace our collective responsibility and take meaningful steps toward remediating the impacts of child labour on the ground. The Hub serves as the ideal platform for downstream companies to actively engage in supporting affected children and strengthening responsible supply chain practices in the mining sector."

How does this practically work? When companies approach The Hub to join our remediation programme, trained case managers assess the needs of children in child labour reported to us via government systems or other local stakeholders, which in turn allows us to create a targeted remediation plan. Given our limited resources, we prioritise the most severe situations of child labour, those with immediate needs to ensure their safety, and create long-term, individualised remediation plans for these children. Our approach considers overall family socio-economic dynamics to effectively address each child's unique circumstances. To ensure a sustainable path out of child labour, our case managers engage closely with the children and their families, working collaboratively to overcome key obstacles. We have also introduced a sibling fund to support the education of siblings, ensuring that the remediation of one child does not come at the expense of another in the family.

Investing in The Hub allows donors and contributors to access a coordinated system designed to effectively address child labour cases within ASM communities. We support improved cooperation among various initiatives on-the-ground and strive to enhance the overall response to child labour issues. Currently, The Hub works with eight local civil society organisations, engage with various government entities and forms part of the local child protection network to ensure that our strategies align with other efforts and build local capacity. By supporting The Hub, investors not only meet key human rights due diligence requirements but also contribute to creating lasting change for children and families in the DRC.

How the Child Rights Action Hub Malaysia Survived and Grew

All too often we have seen quick-fix programmes collapse as soon as primary funders pull out. The Child Rights Action Hub model was first piloted as an attempt to build a long-term system capable of withstanding such shocks. Our aim was to establish a robust, sustainable programme that provides ongoing child labour prevention and remediation support to companies in their at-risk supply chains, pooling support from multiple companies, donors and service providers.

This approach faced its first real test in 2025 with the Child Rights Action Hub Malaysia. Launched in 2024 as part of the MY Voice project to tackle child labour in palm oil plantations, the programme was funded by the U.S. Department of Labor (USDOL) with Social Accountability International (SAI) as lead grantee. Behind the scenes, three years of rigorous groundwork had established local remediation solution providers, trained case managers and child rights focal points to identify, report and remedy child labour. We also trained suppliers on child labour prevention and remediation, thanks to companies like Wilmar, who have played a key role by facilitating engagement sessions with their suppliers.

When USDOL funding was abruptly cut earlier this year, it was a devastating blow to everyone who had poured time, energy and effort into this programme. However, because we'd built strong processes, infrastructure and relationships, we were able to pivot quickly, securing financial backing from two international brands and in-kind support from two other companies, to keep the Action Hub fully

operational and even expand its reach.

Thanks to private sector support, The Centre has now transitioned to independently operating the Action Hub with local partners. Fortunately, the groundwork we laid allows us to continue providing palm-oil companies sourcing from Malaysia with a fully functional prevention and remediation system that prioritises children's rights and drives meaningful change.

We've also produced comprehensive child labour prevention and remediation guidelines along with toolkits that help stakeholders understand how to provide effective and tailored solutions for children. The industry's first comprehensive forced labour guideline for businesses operating within Malaysia's palm oil sector has been developed, marking another step in our mission to end child labour.

Our trained child rights focal points and case managers continue to make an impact through our partnership with a local alternative learning centre. The selected teachers, who have strong connections within the community, include schoolteachers, social workers, and community leaders. They identify children's rights violations, particularly suspected child labour, and collaborate with the Action Hub on these cases, while also raising awareness about children's rights within their communities.

We'd like to thank everyone who has helped establish and sustain the Child Rights Action Hub Malaysia, and we warmly invite more companies to join us in driving lasting change.

The Child Rights Action Hub
Malaysia faced its first real
challenge in 2025 when its
funding was suddenly cut earlier
that year. Everyone began to
wonder what this would mean for
the three years of dedicated
groundwork that had been laid.

Action Hub Supporters

Our global Child Rights Action Hub would not be possible without the funding and commitment from brands, governments and organisations dedicated to addressing child labour risks and preventing them in the lower tiers of the supply chain across various industries. Below, we have listed our supporters organised by Action Hubs.¹

Bangladesh

Democratic Republic of Congo

Malaysia

Legacy partner(s)

Creating lasting, transformative impact





Sustaining partner(s)

Providing consistent support for change







Entry-level partner(s)

Laying the groundwork for impact



otto group









& one beauty and wellness company

Other partner(s)

Non-financial supporters













Save the Children





Note

- 1 Action Hub supporter tiers reflect both the duration and level of financial commitment
- 2 The Otto Group supports the Bangladesh Child Rights Action Hub through a partnership with Save the Children Germany
- 3 FCA contributions are made through FCA members
- 4 Lidl supports the Malaysia Child Rights Action Hub through a partnership with Save the Children Germany



Upcoming Action Hubs

Pakistan

Child Rights Action Hub Pakistan (Leather and Textiles)



Pakistan's textile and leather industries, employing over 19 million workers, play an important role in the global supply chain. However, these sectors face ongoing challenges, including child labour and inadequate protection for young workers.

To address these issues, a new European Union-funded Child Rights Action Hub Pakistan will officially launch in the second half of 2025. Implemented by the NGO Society for the Protection of the Rights of the Child (SPARC), with technical support from The Centre for Child Rights and Business, the Action Hub will focus on two key production centres: Karachi and Multan. This initiative aims to strengthen human rights due diligence (HRDD) and access to decent work for youth across Pakistan's textile and leather supply chains.

Sri Lanka

Child Rights Action Hub Sri Lanka (Tea and Tourism)

Child Rights Action Hub Sri Lanka is slated to be launched in Sri Lanka, with a specific focus on the tea and tourism sector.

The Action Hub will bring together government departments, civil society organisations and tea stakeholders such as brands and retailers, tea factories and tea estates. The key pillars of the Action Hub will involve child labour prevention and remediation, capacity building of tea factories and estates on human rights due diligence, creating community champions who will be able to identify and refer children at risk in the tea sector.



It's time for action

Despite growing hurdles, we must not give up. We owe it to children and youth to take decisive action

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Child Labour Prevention and Remediation Services and Support from The Centre

The Centre is a leading expert in helping businesses prevent and remediate child labour across supply chains – spanning factories, farms and raw material sourcing sites. Our Child Rights in Business (CRIB) Working Group brings brands and retailers together to collaborate, share best practices and stay informed on the latest developments in child rights and human rights due diligence. For a full range of The Centre's services, please visit childrights-business.org or contact us at info@childrights-business.org.

Investing in child rights, including child labour prevention and remediation, builds more resilient, stable supply chains and positions businesses as a force for good for children and youth.

Child Labour Risk Assessments

We offer four types of assessments to assess companies' supply chains or specific areas within them in terms of child rights and human rights due diligence:

- High-level desktop risk assessments:
 Provide a broad overview of potential risks using existing data to help companies prioritise further investigations.
- Targeted child rights impact assessments:
 A cost-effective, standardised approach focusing on child labour risks at specific production sites or regions.
- Sector-wide child labour risk assessments:
 Combine on-site visits with contextual research to provide insights into child labour risks across specific sectors.
- Comprehensive risk assessments:
 In-depth assessments which combine surveys, quantitative data, and on-the-ground assessments.

Child Labour Remediation

A child labour rapid response service available through our CRIB Working Group membership or on a case-bycase basis.

Child Rights Action Hubs

Collaborative, multi-stakeholder initiatives that address systemic child labour risks in different sourcing categories/regions.

Child Labour Prevention and Remediation Training

For in-house teams, auditors and suppliers, which builds capacity to address child labour at multiple tier levels.

Policies and Guidelines Review and Development 🕒

Our review and development process includes a comprehensive assessment of management systems, policies and practices, covering all aspects of child labour including prevention and remediation.



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