

Agreement on International Responsible Investment in the Insurance Sector

ESG INVESTMENT FRAMEWORK for the theme: CHILDREN'S RIGHTS

Version 2020



Preamble to ESG theme-related frameworks

On 5 July 2018, the insurance companies affiliated with the Dutch Association of Insurers and the Dutch Association of Health Insurers concluded the Agreement on International Responsible Investment in the Insurance Sector¹ (hereinafter: the Agreement) with the Dutch government, NGOs and a trade union (hereinafter: the Parties). The purpose of the Agreement is to make a positive impact on themes relating to the environment, social conditions and governance (hereinafter: ESG²) and to strive to mitigate any adverse impacts. Insurers acknowledge their responsibility to act in accordance with international guidelines, specifically:

- UN Guiding Principles on Business and Human Rights (hereinafter: UNGPs). The UNGPs are the foremost international framework for human rights in the context of business;³
- OECD Guidelines for Multinational Enterprises (hereinafter: OECD Guidelines).⁴ The OECD Guidelines are one of the most important internationally recognised guidelines for International Responsible Business Conduct (IRBC). They address a wide range of issues, such as human rights, labour rights, the environment, corruption, taxation, health and safety.

Both of these frameworks form the basis for the provisions of the IRBC Agreement.

Based on these international guidelines, insurance companies are expected to define sector- and theme-specific investment policies. The Agreement documents this commitment. The policies define the ESG principles and standards that an insurer applies when investing in sectors and themes assessed as relevant and high-risk.⁵ Insurers are also expected to identify, prevent or limit the actual and potential adverse impact of their actions and explain how they deal with the risks. That applies as well to the insurer's own 'value chain' (for example businesses linked to the investee companies).

In the Agreement, the Parties have undertaken to seek out opportunities to improve the investment policy based on ESG themes, including those not or not conclusively covered by the international guidelines.⁶ This framework concerns the development and implementation of a responsible investment policy on the theme of **Children's Rights**.

Due diligence

At the heart of any ESG theme-related framework are tools to assist in conducting due diligence on the investment portfolio.

The document *Responsible business conduct for institutional investors* is based on the OECD Guidelines (hereinafter: the Document).⁷ The Document describes the due diligence approaches available to institutional investors, including insurers. The *OECD Due Diligence Guidance for Responsible Business Conduct* offers a clear description of the steps involved in the due diligence

¹ Read the Agreement here: www.imvoconvenanten.nl/-/media/imvo/files/verzekeringsector/convenant-verzekeringsector.pdf. The English version can be found at <https://www.imvoconvenanten.nl/-/media/imvo/files/verzekeringsector/agreement-insurance-sector.pdf?la=en&hash=FB556D9429722E8F362B3B012310391A>

² These terms and the abbreviation are used internationally

³ https://www.ohchr.org/documents/publications/GuidingprinciplesBusinessshr_eN.pdf

⁴ OECD Guidelines: <http://www.oecd.org/daf/inv/mne/48004323.pdf>

⁵ By relevant, we mean that the ESG theme applies to your investments. The Agreement does not provide a framework for determining when a subject is relevant for an insurer. That is up to the insurer itself to determine.

⁶ The Agreement establishes the themes: animal welfare, children's rights, climate change, land rights and controversial weapons and the trade in controversial weapons.

⁷ <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>

process.⁸ We look at this more closely in Section 4.

Disclaimer

The Parties have examined the options for each theme in this framework in accordance with international standards, treaties and initiatives. The framework should **not** be seen as an obligation imposed on insurers. Rather, the Parties regard this framework as a **tool/guidance** to help insurers embark on a theme-specific investment policy. The framework will be subject to an assessment every other year.

The Parties are, of course, prepared to engage in further discussions with the insurer if questions arise.

⁸ <https://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>

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1. Introduction

Children account for almost a third of the world's population and companies interact directly and indirectly with children in various ways. Children are consumers, young workers and family members of employees, and they live in communities and environments in which business operates. At the same time, children need extra care and protection during their development. They are particularly vulnerable to violence, exploitation and abuse.

Children's rights can be threatened by business activities in many different ways. The International Labour Organisation (hereafter: ILO) reports that 152 million children worldwide work in the formal and informal economies.⁹ Almost half of these children do hazardous work and a large proportion of them do not attend school. Climate change and environmental pollution have long-term consequences for children's lives and well-being. When their parents cannot earn a living wage or if they work in poor and/or hazardous conditions, children's lives are impacted directly. Child-directed marketing and advertising of unhealthy food contributes to overweight and obesity in children.¹⁰

⁹ <https://www.ilo.org/global/topics/child-labour/lang--en/index.htm>

¹⁰ <https://www.who.int/dietphysicalactivity/publications/recsmarketing/en/>

A growing number of companies, such as Unilever, recognise the impact of nutrition on children and are updating their marketing policies: https://www.voedingnu.nl/voedingscommunicatie/nieuws/2020/02/unilever-stopt-met-reclame-voor-kinderijsjes-10113725?_ga=2.255742088.1256469124.1582637135-500645180.1582637135

2. Relevance for insurers

Insurers that invest in companies play an important role in shaping and influencing business activities related directly or indirectly to children's rights. Companies that violate children's rights pose legal, operational and reputational risks. Preventing or mitigating violations of children's rights can prevent reputational damage both for the company concerned and for the insurer; conversely, promoting children's rights can have a positive impact, for example positive news reporting, a positive image with consumers and greater employee satisfaction. Products and services that help to protect children's rights can open up new markets for companies.

2.1 Sectors

The main sectors with investable assets in which children's rights play a role are:

- textiles (including footwear and tanneries)¹¹: risks associated with child labour, lack of decent work¹² for young people and parents, and exposure to toxic substances;¹³
- agriculture (including coffee, cocoa, tea, cotton, sugar, spices): risks associated with child labour, hazardous work and exposure to toxic substances;¹⁴
- mining (such as gold, silver, cobalt, mica, copper, natural stone) and oil and gas: risks associated with child labour, hazardous work, unsafe living environment caused by industry, environmental pollution and health risks due to toxic substances;¹⁵
- electronics (including recycling): risks associated with child labour and hazardous work; risks arising from exposure to toxic substances;¹⁶
- food and beverages: risks associated with inadequate access to nutrition and marketing of unhealthy foods (which can lead to overweight, obesity, diet-related diseases or malnutrition);¹⁷
- pharmaceuticals: risk of inadequate access to medicines owing to the high price of drugs;¹⁸
- IT: risks associated with exposure to inappropriate online content, products and services, sexual abuse and exploitation, and risks of violation of online privacy;¹⁹
- travel and tourism: risks of sexual exploitation and trafficking in children.²⁰

The above list (including the risks) is not exhaustive. The following factors can also increase or exacerbate the risk of children's rights abuses:

- A. the context, such as: affiliation with a certain (minority) group, parents' living and working conditions (including lack of adequate income, long working hours at the expense of child care duties, gender-related issues with respect to motherhood,²¹ parents' absence because they are working elsewhere) or the community in which the child is growing up (for example in the case of economically-driven labour migration or loss of land rights due to industrialisation);

¹¹ <https://www.childrensrighsatlas.org/industry-analysis/apparel-and-footwear/overview/>

¹² For a description of the factors that define the concept of 'decent work', see: <https://www.ilo.org/global/topics/decent-work/lang--en/index.htm>

¹³ This risk is associated with children's rights because chemicals have a greater adverse impact on children (who are still growing) than on adults.

¹⁴ <https://www.childrensrighsatlas.org/industry-analysis/food-and-beverage/overview/>

¹⁵ <https://www.childrensrighsatlas.org/industry-analysis/extractives/overview/>

¹⁶ <https://www.childrensrighsatlas.org/industry-analysis/ict/overview/>

¹⁷ <https://www.childrensrighsatlas.org/industry-analysis/food-and-beverage/overview/>

¹⁸ <https://archive.crin.org/en/library/publications/health-childrens-rights-and-pharmaceutical-industry.html>

¹⁹ <https://www.childrensrighsatlas.org/industry-analysis/ict/overview/>

²⁰ <https://www.protectingchildrenintourism.org/child-protection-in-travel-and-tourism/>

²¹ This refers to circumstances in the workplace that disadvantage (expectant) mothers, either directly or indirectly, such as dismissal during pregnancy, unsafe working conditions and lack of opportunities to breastfeed.

- B. the authority of (local/national) government in the country where the business activities take place, including the scope of legislation and law enforcement (such as prohibition of child labour and its enforcement, enforcement of environmental standards), and the availability of public facilities such as education and health services.²²

²² For more country data, see also: <https://www.childrensrightsatlas.org/>

3. Frame of reference

International Convention on the Rights of the Child and the Children's Rights and Business

Principles

Children's rights are recognised internationally as fundamental, inalienable rights. Among other things, they entail that every child has the right to grow up healthy, to go to school and to be physically and mentally safe. These rights are enshrined in the United Nations' Convention on the Rights of the Child (UNCRC), adopted unanimously in 1989²³ and subsequently ratified by virtually every country in the world, including the Netherlands in 1991. The convention defines the civil, political, economic, social and cultural rights of children, whereby 'child' refers to 'every human being below the age of eighteen years unless under the law applicable to the child, majority is attained earlier' (Article 1 UNCRC).

The Children's Rights and Business Principles

The UNCRC and UNGPs prompted the UN Global Compact, Save the Children and UNICEF to draw up the Children's Rights and Business Principles (CRBPs) in 2011.²⁴ These ten principles interpret the UNGPs as they apply to children's rights, differentiating between the workplace, the marketplace, the community and the environment, and provide a basis for companies and investors to identify and mitigate the risks of these rights being violated:

- General:
 - Principle 1: all businesses should meet their responsibility to respect children's rights and commit to supporting the human rights of children.
- Workplace:
 - Principle 2: all businesses should contribute to the elimination of child labour, including in all business activities and business relationships.
 - Principle 3: all businesses should provide decent work for young workers, parents and caregivers;
 - Principle 4: all businesses should ensure the protection and safety of children in all business activities and facilities.
- Marketplace:
 - Principle 5: all businesses should ensure that products and services are safe, and seek to support children's rights through them.
 - Principle 6: all businesses should use marketing and advertising that respect and support children's rights.
- Community and the environment:
 - Principle 7: all businesses should respect and support children's rights in relation to the environment and to land acquisition and use.
 - Principle 8: all businesses should respect and support children's rights in security arrangements.
 - Principle 9: all businesses should help protect children affected by emergencies.
 - Principle 10: all businesses should reinforce community and government efforts to protect and fulfil children's rights.

²³ UN Convention on the Rights of the Child www.ohchr.org/en/professionalinterest/pages/crc.aspx

²⁴ <http://childrenandbusiness.org/>

ILO Conventions²⁵

- ILO Convention no. 138 provides for the abolition of child labour and a minimum age for admission to employment. In most countries, the minimum age for admission to employment is not less than the age of compulsory schooling and in any case no less than 15 years. For low and middle income countries, the minimum age is 14 years. Light work is permitted for children 13 to 15 years of age. In low and middle income countries, light work is permitted for children 12 to 14 years of age.²⁶
- ILO Convention no. 182 concerns the elimination of the worst forms of child labour, i.e. all forms of slavery and the sale and trafficking of children, the use of a child for prostitution or pornography or the use of a child for illicit activities, such as drugs trafficking. This Convention also addresses work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.²⁷ The prohibition of this form of child labour is also particularly relevant for 15- to 18-year-olds.
- In 2015, the ILO published a Child Labour Guidance Tool for Business.²⁸

WHO International Code of Marketing of Breast-Milk Substitutes (BMS) with Subsequent Resolutions

There are guidelines pertaining to specific sectors. This Code is often a factor in dairy sector investments.²⁹ Breast-feeding offers unique benefits for infant health.³⁰ It is safe compared to bottle feeding, especially in countries where there is a greater risk of water pollution, and it is inexpensive. Breast-feeding is a matter of human rights. The World Health Organisation has therefore drawn up a code prohibiting the inappropriate marketing of breast-milk substitutes. Manufacturers and distributors must comply with this code regardless of national legislation in the country in which they are selling the product.

²⁵ ILO Conventions No. 183 and No 77 also provide protections for children, but have yet to be ratified by many countries.

²⁶ For a list of the minimum age specified in the various countries, see:

https://www.ilo.org/dyn/normlex/en/f?p=1000:11300:0::NO:11300:P11300_INSTRUMENT_ID:31228

²⁷ Various countries have drawn up lists of what they regard as 'hazardous child labour':

https://www.ilo.org/ipec/Informationresources/WCMS_382487/lang-en/index.htm

²⁸ https://www.unglobalcompact.org/docs/issues_doc/labour/tools_guidance_materials/ILO-IOE-child-labour-guidance.pdf

²⁹ <https://www.who.int/nutrition/publications/infantfeeding/9241541601/en/>

The marketing of BMS products is an important theme for children's rights organisations such as UNICEF and Save the Children. See also the Access to Nutrition Global Index, which includes a section on BMS: <https://accessstonutrition.org/index/global-index-2018/bms-marketing/>

³⁰ https://www.who.int/maternal_child_adolescent/topics/child/nutrition/breastfeeding/en

4. Due diligence

If an insurer is investing or considering investing in value chains relevant to children’s rights, the OECD Guidelines stipulate that it must undertake a due diligence process.

4.1 Embedding RBC measures in policy

If children’s rights are a significant factor in the insurer’s investment portfolio, adequate policy measures should be adopted to manage the related ESG risks. Points of concern for institutional investors can be found in the ‘Investor actions’ text blocks in the Document.³¹

4.2 Identifying investment criteria

It is advisable to work with specific investment criteria under this theme. The Parties have a number of suggestions in that respect.³²

The ten CRBPs can be used to develop a set of criteria for screening investments. The relevance of the CRBPs and these criteria depends on the sector and the risk factors that may arise in the production chain.

CRBP	RISK FACTORS	CRITERIA
1 General	<p>Little or no awareness of the impact of business processes on children’s rights.</p> <p>Little or no integration of children’s rights in management processes.</p> <p>Little or no awareness of relationship between work, parents and the impact on children’s rights.</p>	<ul style="list-style-type: none"> • Policies recognise children’s rights by referencing the UNCRC and CRBPs. • Due diligence procedures have been implemented in the relevant management processes with a focus on the (potential) impact on children’s rights. • Children are recognised as stakeholders in stakeholder engagement processes (Article 12 UNCRC).
2 Child labour	<p>Poverty, low availability or quality of schools, weak governance, high levels of labour migration, discrimination against minority groups, prevalence of the informal economy, large number of young workers, compulsory government work placement programmes, lack of respect for freedom of association and collective bargaining.</p> <p>Use of hazardous materials or aids in work; working at heights or depths; absence or non-use of protective clothing or equipment.</p>	<ul style="list-style-type: none"> • Prohibition on child labour for children up to the age of 15. • Prohibition on hazardous work for young people between 15 and 18 years of age. • Provisions for the (physical, psychological and moral) safety of children from the minimum age for admission to employment. • Establishment of monitoring and remediation mechanisms if child labour is detected.³³

³¹ Pages 21 and 22: <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>

³² The NGO Party wishes to emphasise that it regards these as minimum criteria for this theme (e.g. the normative lower limit).

³³ A specific tool has been developed for child labour known as the Child Labour Monitoring and Remediation System (CLMRS). Its purpose is to detect child labour and see that children enter education or apprenticeship programmes. See for example <https://cocoainitiative.org/news-media-post/a-look-into-the-child-labour-monitoring-and-remediation-system-clmrs/>

3 Decent work	High level of labour migration, long working hours, extreme work pressure, inadequate facilities for parents to fulfil parental tasks in addition to working, gender discrimination.	<ul style="list-style-type: none"> • Decent work for young people from minimum age for admission to employment, including learning pathways. • Measures to protect young people from harassment, exploitation and violence. • Training managers to deal correctly with young workers. • Establishing and complying with codes of conduct. • Provisions for parents with regard to care tasks, including adjustment to working hours and leave and breast-feeding provisions for mothers. • Protection against dismissal and prohibition on discrimination against women based on maternity. • Accessible grievance mechanism.
4 Protection in business activities	Companies, suppliers or sub-contractors are located in an area where child exploitation is prevalent; employees come into contact with children due to the nature of the business activities.	<ul style="list-style-type: none"> • Obligation to sign and implement a code of conduct for the protection of children. • Zero-tolerance policy applied. • Making suppliers and business partners subject to similar contractual obligations.
5 Safe products and services	No regulations governing product safety or health or lack of compliance with the same, children are exposed to or use unsafe or unhealthy products, children are involved in testing, products/services have potential or unintended effects causing mental, moral or physical harm or violate children's privacy, nutritious food or medicines are not available or unavailable to certain groups of children.	<ul style="list-style-type: none"> • Compliance (where appropriate) with national regulations, international standards and WHO Codes and opinions, including monitoring.³⁴ • Protecting children's right to privacy and prohibiting the sharing of personal data without parental consent. • Safety guidelines and quality processes for tests involving children. • Setting age limits for certain products. • Establishing a low-threshold grievance mechanism.
6 Marketing and advertising	Children are addressed as consumers; no regulatory standards governing how children are approached or shown in advertisements; social media networks are widely used in marketing to reach children.	<ul style="list-style-type: none"> • Drawing up marketing codes, including implementation and monitoring, in line with national rules or sector-specific codes of conduct.³⁵ • Responsible product labelling.
7 Environment and land rights	Environmental pollution, extraction of natural resources, lack of protective legislation or lack of enforcement.	<ul style="list-style-type: none"> • Necessity of an Environmental Impact Assessment (EIA) and, based on this, an action plan for prevention, with a specific concern for children's vulnerability to environmental pollution. • Ensuring that children and their families do not see their livelihoods and basic resources eroded.

³⁴ See also the Access to Nutrition Index: <https://www.accesstonutrition.org/>

³⁵ <https://iccwbo.org/global-issues-trends/responsible-business/marketing-advertising/marketing-and-advertising-to-children/>

		<ul style="list-style-type: none"> Establishing a grievance mechanism and compensation scheme for environmental and health damage.
	Lack of land registers, property titles, families displaced by business activities, overcrowded areas with many families living in poverty.	<ul style="list-style-type: none"> Policy statement on responsible land acquisition and use. Commitment to stakeholder engagement with populations, including women and children.
8 Security arrangements	Zones and regions affected by conflict, rural and remote areas, high-crime areas, countries without a juvenile justice system (risk that justice system will treat juveniles as adults).	<ul style="list-style-type: none"> Prohibition on the recruitment of minors for surveillance activities. Establishing and adhering to a code of conduct and training for private security services, including a ban on humiliating treatment or corporate punishment. Procedure for dealing properly with minors suspected of crime. Zero-tolerance policy applied.
9 Emergencies	Emergencies resulting from conflict, political instability, food insecurity, natural disasters, epidemics and other causes.	<ul style="list-style-type: none"> Recognition of increased risk (including in the value chain) of children's rights being violated, with a special concern for children with disabilities or from migrant backgrounds, unaccompanied minors, and girls. Description of precautions, and modalities of cooperation with other parties (government, NGOs, etc.).
10 Community and government efforts	Population insufficiently empowered to implement protection of children's rights in governance, weak governance, corruption, tax evasion, large informal sector, poverty.	<ul style="list-style-type: none"> Respecting government and community, complying with rules, including paying taxes. Zero-tolerance policy on corruption.

4.3 Conducting a risk analysis

Screening of the investment portfolio is based on self-determined criteria, the point being to identify the ESG risks to which the insurer is exposed. The insurer can then add these criteria to the ESG criteria, which are subsequently incorporated into the investment process.

4.4 Identifying and prioritising risks

Risks are prioritised based on the gravity (severity, scope and irreversibility) of the actual or potential adverse impact. If the investee company disregards the criteria such that children's rights are seriously compromised, the insurer must consider its options. On the one hand, it can use leverage by engaging with the company in question in an attempt to induce it to end the relevant practice. On the other hand, it can rule out investing in the company in advance.

4.5 Implementing policy to minimise impact and to mitigate identified risks

Depending on the screening results and how they are interpreted, the insurer may:

1. actively adapt its voting behaviour accordingly;
2. engage with the companies concerned;
3. exclude the companies concerned;
4. choose impact investing.

By **voting (1)** at shareholders' meetings, the insurer can influence the policy of companies in which children's rights are a factor. The insurer must, of course, decide on its own voting behaviour, which can range from voting against management decisions to introducing or supporting resolutions aimed at mitigating the violation of children's rights in the company's business operations. The insurer can also endorse collective children's rights shareholders' resolutions.

Engagement (2) on children's rights involves the insurer entering into a dialogue with investee companies that do not comply with the insurer's policy. The aim is for the company to make structural improvements. There are many different ways to achieve effective engagement:

- develop engagement activities independently;
- join an existing engagement provider;
- join an engagement alliance or network, for example PRI or the Platform Living Wage Financials.³⁶

In engagement, it is advisable to work with as many like-minded (institutional) investors with regard to one and the same company. The greater the investment capital they represent, the more leverage they will have on the company in question. For more information, see the Document.³⁷

Examples of engagement questions:

- Have children's rights been included in the impact assessment and what are the results of this assessment? What data have become available on that basis?
- What steps have been taken so far to mitigate risks associated with children's rights and prevent them from arising in the future?
- Have (local) stakeholder meetings been organised and are children explicitly involved? If so, what was the outcome? If not, why not?
- What is the action plan and is there a timeline? What critical performance indicators have been defined?
- Which experts, NGOs and/or local stakeholders, if any, will be consulted regularly during implementation?
- How will the action plan be monitored?
- How will the impact of the action plan be assessed?

If engagement fails to deliver satisfactory results within a reasonable period of time, e.g. three years, or if a company turns out to be involved in practices that are already on the insurer's exclusion list, the business may be **excluded (3)** from investment. There are no general guidelines for exclusion; the insurer will base its approach largely on its own principles. Experience shows, for example, that some insurers regard preventing child labour as a ground for exclusion. Others, however, see it as a reason for engagement, and only proceed to exclusion if it takes a very serious form. The same holds for companies that market breast-milk substitutes, which some insurers exclude automatically whereas others do not.

Impact investment (4) in relation to children's rights may include microfinance projects allowing parents to earn a living wage and giving the child's family greater financial resilience.³⁸

³⁶ PRI: <https://www.unpri.org/pri/what-are-the-principles-for-responsible-investment>

PLWF: <https://www.livingwage.nl/> In many cases, parents' ability to earn a living wage is an important factor in securing such rights as access to education and health care for children.

³⁷ See Box 7 on page 27: <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>

³⁸ For example: <https://www.idhsustainabletrade.com/initiative/smallholder-finance-facility/>

Other options are micro-insurance³⁹ or impact bonds⁴⁰ addressing climate change and focusing on ‘disaster risk reduction and resilience’,⁴¹ which may benefit children living in regions that are feeling the impact of climate change most.

4.6 Measures aimed at preventing and/or mitigating actual and potential adverse impacts

The purpose of due diligence is to identify and prevent risks, but it is still possible for an investee company to have an adverse impact on children’s rights.

Insurers usually hold a minority stake in investee companies and are therefore unlikely to have ‘contributed to’ an adverse impact on children’s rights (the term used in the OECD Guidelines). Nevertheless, in most cases it is possible to establish that an insurer’s investment is ‘directly linked’ to the adverse impact caused by an investee company (again, the term used in the OECD Guidelines). In the latter case, the insurer is expected to use leverage to persuade the company to take appropriate action. For more information, see the Document.⁴²

In addition to measures preventing or reducing adverse impacts, an insurer can also focus (in specific domains) on achieving a more far-reaching or positive impact and on promoting children’s rights. There are many real-life examples of positive engagement with children’s rights.⁴³

4.7 Monitoring risks and the results of the mitigation strategy

The due diligence policy should be monitored at regular intervals. It is advisable to pay particular attention to:

- the way in which the established children’s rights criteria have been effectively applied when screening investments for theme-related risks and the choices to which this has led;
- progress on and results of the chosen engagement and/or mitigation strategy addressing children’s rights.

³⁹ For example: <https://www.microinsurancenetwerk.org/our-commitment-address-climate-change>

⁴⁰ For example: <https://www.ebrd.com/news/2019/worlds-first-dedicated-climate-resilience-bond-for-us-700m-is-issued-by-ebrd-.html>

⁴¹ Focuses on climate adaptation measures meant to reduce the impact of climate change (e.g. long-term interruption of education due to destructive hurricanes) and increase the resilience of people in affected areas.

⁴² See Figure 1, ‘Addressing adverse impacts under the OECD Guidelines for Multinational Enterprises’ on page 35: <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>

⁴³ Appendix 1 gives examples for each CRBP. An insurer can also integrate this in its ESG policy.

5. Accountability and reporting

The OECD Guidelines require the insurer to report publicly on its due diligence policy and associated results at regular intervals, preferably annually. The OECD Guidelines describe this as:

- knowing: tracking the insurer's performance against its own investment policy;
- showing: publicly communicating the same. The Document sums up the procedures for this step.⁴⁴

The insurer identifies the most appropriate indicators for reporting on its efforts to address children's rights in its investment policy. The insurer itself is responsible for selecting relevant indicators (taxonomy) for assessing its performance against its policy.

An insurer can also report on its engagement with or exclusion of companies, thereby sending other investors, the companies in question and its own customers an important signal.

When an insurer invests through a fund, it can ask the (external) asset manager to provide taxonomy-related information on the impact of its investments on children's rights issues. The insurer can then use this for accountability and reporting purposes.

This section will be elaborated in more detail over the term of the Agreement (see Section 5 of the Agreement).

⁴⁴ See 'Investor actions' on page 43: <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>.

Appendix

CRBP	POSITIVE ENGAGEMENT
1 General	<ul style="list-style-type: none"> Promote children's rights by deploying core business skills or activities. Use leverage on partners or other stakeholders. Make social investments. Take on the role of advocate vis-à-vis government.
2 Child labour	<ul style="list-style-type: none"> Commit to supporting programmes and initiatives that contribute to social protection structures. Commit to working with governments, partners and others to promote education. Use engagement to promote a living wage.
3 Decent work	<ul style="list-style-type: none"> Undertake to recruit young workers above the minimum age for admission to employment, including for educational and training opportunities, especially in areas of high youth unemployment. Commit to family-friendly employment conditions.
4 Protection in business activities	Not applicable
5 Safe products and services	<ul style="list-style-type: none"> Get involved in national, international and industrial standards of safety and quality. Commit to age restrictions on product use. Commit to reducing misuse of products/services harmful to children. Encourage positive lifestyles and attitudes. Cooperate in public-private initiatives aimed at eliminating industrial trans-fats.⁴⁵
6 Marketing and advertising	<ul style="list-style-type: none"> Commit to disseminating information that allows parents and children to make informed choices and promote healthy behaviour.
7 Environment and land rights	<ul style="list-style-type: none"> Set up a fund for remediation following termination of business activities.
8 Security arrangements	Not applicable
9 Emergencies	<ul style="list-style-type: none"> Support children's rights by cooperating with (local) authorities and aid organisations, in accordance with local needs.
10 Community and government efforts	<ul style="list-style-type: none"> Commit to cooperating with local government on investing in the community. Use leverage by engaging in dialogue to persuade government to protect children's rights.

⁴⁵ <https://www.who.int/news-room/detail/23-04-2019-fats-oils-food-and-food-service-industries-should-join-global-effort-to-eliminate-industrial-trans-fat-from-processed-food-by-2023>