Deloitte.







Children's rights are everyone's business

All companies, large or small, in every sector, have significant impact on the lives of children. The way in which they produce and market their products, provide their services and exert their influence on the economic and social development of the country gives them a crucial role in the protection of the rights of Uruguayan children. Conversely, some corporate policies or practices may inflict lifelong damage to children, threatening their development.

In Uruguay, children are the most vulnerable segment of the population, and require special attention to guarantee the respect of their rights. Companies have the responsibility to respect children's rights, and the opportunity to

promote them through their business activities.

As increasingly more companies assert strong and public positions on corporate social responsibility, it is essential that children are at the centre of the conversation, given their importance in the present and future of the country.

This report presents the results of a survey conducted by Deloitte in the framework of its Corporate Social Responsibility (CSR) strategy to support the work of UNICEF. The aim of the survey is to identify the major policies adopted by businesses in the private sector on child related issues, and thus describe the characteristics of their involvement.

Before presenting the survey findings, we review below companies' responsibilities to respect and support children's rights.

UNICEF in Uruguay

Although poverty in general and among children has decreased in Uruguay, it is still concentrated among children, hindering them from enjoying their rights and affecting the country's medium and short-term development opportunities. While children represent over a fourth of the population of the country $(26.04\,\%)$, the poorest among them are almost half $(49.51\,\%)$ of all the people who live in poverty in Uruguay.

UNICEF staff analysis based on Encuesta Continua de Hogares, ECH 2014 (Permanent Household Survey, 2014)



The Children's Rights and Business Principles

All businesses should:



Meet their responsibility to respect and promote children's rights.



Contribute to the elimination of child labour, including in all business activities and business relationships.



Provide decent work for young workers, parents and caregivers.



Ensure the protection and safety of children in all business activities and facilities.



Ensure that products and services are safe, and seek to support children's rights through them.

Companies have a responsibility to respect children's rights and the opportunity to promote them through their business activities.





Use marketing and advertising that respect and support children's rights.



Respect and support children's rights in relation to the environment and to land acquisition



Respect and support children's rights in security arrangements.



Help protect children affected by emergencies.

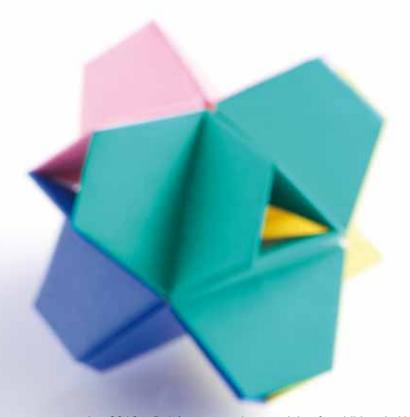


Reinforce community and government efforts to protect and fulfil children's rights.



What are companies doing for children in Uruguay?

The survey findings are highly relevant for businesses, policymakers and social organizations focusing on childhood.





In 2012, Deloitte agreed to support UNICEF's efforts by conducting a research on the actions taken by Uruguayan companies in relation to children. The findings of the first survey were published and presented in 2013.

From its inception, a systematic approach was adopted in the survey to enable repeated application in subsequent years, as a form to measure progress in the area. Thus, the second edition of the study, entitled *What are companies*

doing for children in Uruguay? was conducted in 2014, with the aim of enquiring further into the link between the private sector and childhood in Uruguay.

This time, data collection was conducted through an online survey on the activities of companies in the various dimensions of CSR related to children and adolescents.

The study findings are highly relevant for businesses, which may use them to make decisions related to children, but also for policymakers who may use them in policy design, and for children's social organizations that may create strategies to strengthen the involvement of companies in the promotion of the rights of the child.

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ACTIONS TARGETING THE WORKPLACE

The first setting where companies may take action to protect and promote children's rights is within the organization itself, with the employees of the company. In most companies, a large part of the employees are parents. Therefore, it is important to start the analysis by describing the actions taken by companies to support parenting practices.

Companies can make an important contribution to children's rights by establishing family friendly workplaces where employees are supported in meeting both their work commitments and family responsibilities.

When creating family-friendly policies, companies should refrain from any form of discrimination based on family composition. All families should be afforded the same supports for childcare, regardless of the parents' marital status or sexual orientation, of whether the children are biological or adopted, single parent or nuclear families, or whether the children are under the care of a caregiver.

Maternity and paternity leave, policies to facilitate breastfeeding, and flexible workplace policies allow parents and caregivers to care for children during early childhood, when interactions with family and caregivers profoundly influence children's development.

Based on the responses collected in 2014, the most widely used program among the surveyed companies to allow employees to reconcile family and working responsibilities is flexible hours. This policy is in place in 54% of the companies in the sample. In a second place appear the family day, with 25% of responses, and teleworking, mentioned by 18% of respondents, while only four companies (of a total of 124) have in-house childcare facilities.

Additionally, one third of the surveyed companies organize activities involving employees' children. Among others, Children's Day, internship opportunities for the youth, and wellbeing programs for parents and children.

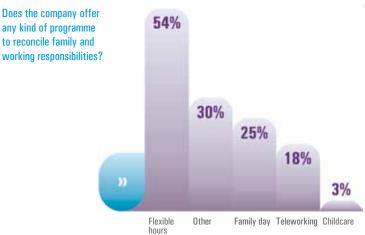
In general terms, these results are consistent with the findings of the previous survey.

Companies can make an important contribution to children's rights by establishing family friendly workplaces.



Moreover, 21% of respondents said they provide additional leave beyond the legal minimum for mothers, and 18% said they provide it also for fathers. These percentages are below those of the previous survey, but it should be noted that new regulations have recently been passed to extend the days of compulsory leave, which is probably influencing results. Around 5% of respondents stated that they are considering implementing these policies.

When asked about the provision of birth allowances and other supports, either monetary or in kind, it was found that over one third of respondents provide those benefits. 6 % of the companies surveyed state that they are considering including these benefits in the future. In the two latter, there has been no significant variation in relation to the survey conducted in 2012.



Does the company provide additional benefits to new parents other than those required by law?

Flexible working hours for workers with children under their care

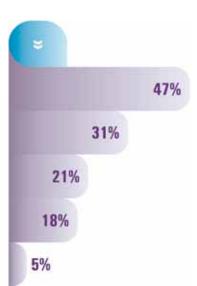
Birth allowance or other monetary, or in-kind support

Additional leave beyond compulsory minimum for mothers

Additional leave beyond compulsory minimum for fathers

On-site childcare facilities or partial

subsidy of childcare fees



Actions geared at protecting pregnant workers are much more widespread. 90% of companies grant leave from work for medical check-ups, while the remaining 10% grant such leaves when possible, depending on the operational requirements of the company.

Moreover, 84% of companies have policies for the protection of pregnant workers, such as avoiding overtime and jobs that require standing up for long periods of time, or physical effort. 12% understand that it is not necessary to take any special measures due to the type of work conducted by the company.

About nursing women, 37% of the companies surveyed said to have nursing facilities, while 9% are considering providing one. When asked about granting permissions for shorter working hours in order to breastfeed or pump breast milk, the percentage was significantly higher, with 77% of companies that permit it.

In general, employees are allowed to take time off work to attend activities related to child rearing. About taking time off work for medical appointments, companies in general are permissive: 61% always allow employees to take time off and 32% almost always allow it.

On the subject of leave from work to attend non-compulsory school events, companies are somewhat less permissive, with 35 % of them saying that they always allow parents to leave work, and 48 % that they almost always allow it.

On the other hand, companies were asked whether they provide workers with guidance programmes on pregnancy and child rearing. Responses show a higher emphasis on healthy eating habits: 45% of respondents focus their in-house programmes on this issue. Around 1 out of 10 companies provide information on recommended child rearing practices, newborn care and pregnant women care. A smaller percentage (3%) provides information on promoting cognitive and emotional development of the child.

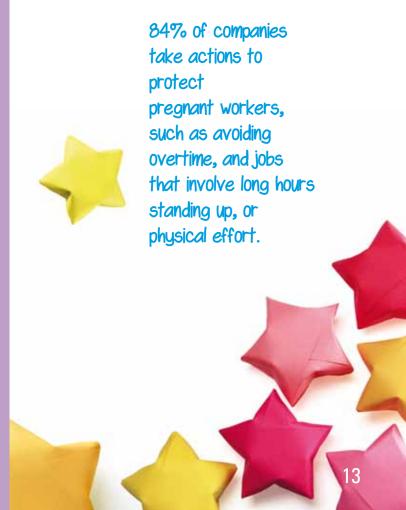


Children's rights in businesses' policies and codes of conduct

When asked whether issues related to children's rights were included in the company's statement of values, code of conduct, or other policies and expressions of company values, 11% responded affirmatively, and 14% said they were considering including them.

Almost 20% of companies have written policies, or an employee code of conduct including a zero-tolerance policy for child abuse or exploitation. Around 6% say they do have a zero-tolerance code of conduct, but covering only some of the aspects mentioned, 45% do not have such policies and 29% do have these policies, but are not formally stated.





ACTIONS TARGETING THE COMMUNITY

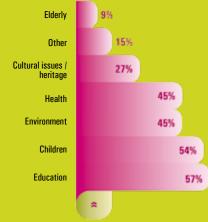
The community is the second setting where businesses can take actions to protect the rights of children and adolescents.

Companies are increasingly recognizing that they are part of the community, and can have a significant role in community development. Therefore, as part of the survey, companies were asked about their involvement in activities to benefit children and adolescents not directly linked to the company, but that are part of the community where the company operates.

Companies were asked whether they have defined one or more priority areas for their community support actions, and 93% responded affirmatively. Education was the most widespread option, chosen by 57% of businesses surveyed, while childhood ranked second, with 54%. In most cases, there is no specific focus on gender.

Health and the environment are other major issues that 45% of companies focus on. In lower percentages, companies focus on the elderly and culture. Although these percentages vary greatly from those recorded in the 2012 survey, the ranking of the variables is similar.

Types of community programmes developed by businesses in 2013



On the question of what company departments are involved in deciding what programmes and projects will be supported, responses show that in many of the cases more than one department is involved.

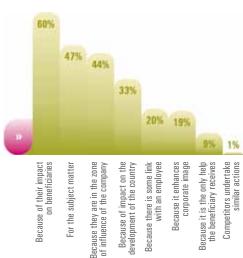
39 % of companies have a CSR department that decides on this issue. However, main leadership lies with the General Manager, as shown in 53 % of responses, while 35 % said that there is some involvement of the Human Resources Department. The other departments more frequently mentioned were Marketing and Institutional Relations, but none of them exceed 20%.

The programme impact on beneficiaries ranks among the top reasons why companies select the social schemes, projects and institutions they support.

With reference to the reasons why companies select the social schemes, projects or institutions they support, there is often no single reason involved, but rather a mix of motives. The impact of the programme for the beneficiary ranks first among the list of reasons (60%), followed by the subject matter (47%), the fact that the project is within the area of influence of the company (44%), and the impact in terms of country development (33 %). Around 20 % of companies said that their choice was based on existing links with employees, or the enhancement of corporate image. 9% claim to undertake these supports because it is the only help the beneficiary institution receives.

As for the nature of participation in the programmes, in-kind donations or donations in the form of services are most frequently mentioned, in 69% of responses. On the other hand, 57% stated that they promote corporate volunteer work (volunteer work of company employees), while 49 % said that they provide support in the form of cash donations. A smaller, but significant, percentage of respondents said they advertise the programmes, projects organizations in their products (20% of all respondents). These results are comparable to those of the previous survey.

How does the company select the social programmes, projects, organizations, or institutions it supports?



Because of their impact on beneficiaries For the subject matter Because of impact on the Because there is some link with an employee development of the country

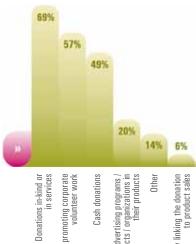
Because it enhances corporate image

Because it is the only help the beneficiary receives Competitors undertake similar actions

How does the company participate or become involved in the programmes or organizational projects it supports?

57% of companies have education as a priority for their

actions to support the community



Cash donations

advertising programs / ojects / organizations in their products By adverti projects/

By linking the donation to product sales

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On the issue of what institutions receive support, it is worth noting that in most cases, businesses choose to support children organizations. Schools and high schools were mentioned in 57% of responses. Teletón was the other organization mentioned in the greatest number of responses, 44%. UNICEF, Aldeas Infantiles, CAIF and DERES centres were mentioned in 25-30% of responses. Also, Niños con Alas, hospitals, DESEM, Peluffo Giguens

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and Techo were mentioned in 20-25% of responses. The Álvarez-Caldeyro Barcia Foundation was mentioned in 12% of responses. Other responses mention: soup kitchens, Gurises Unidos, Tacurú, INAU, Ronald MacDonald House Association of Uruguay and Jubilar and Impulso high schools, among others.

In only 15% of cases social investment programmes are designed or implemented under a partnership with the government, and of those, most are coordinated at a national level, followed by provincial and town council levels.

In relation to the environment, around 8 out of 10 companies take some form of action or have an inhouse programme on environmental protection. Moreover, 1 out of 5 companies consider the actual and potential impact on children and pregnant women when designing policies and goals related to the environment or the use of resources.

only 15% of social investment programmes are designed or implemented under a partnership with the government, and of those, most are coordinated at a national level.





ACTIONS TARGETING SUPPLIERS AND CUSTOMERS



The third setting where companies can take action is throughout the value chain

Only 19% of companies include express requirements on the use of child labour in their contracts with suppliers, while 13% are considering including them. Although percentages are low, they are higher than those recorded in 2012.

Child labour is not perceived as an issue. In the majority of cases (85%) companies do not implement actions to prevent child labour by targeting their suppliers, and only 15% of companies invite suppliers to partner with them in the development of programmes for children and adolescents.







Communication

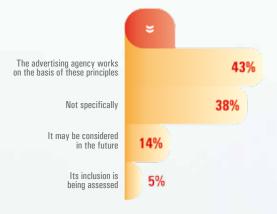
When asked whether at the time of creating communication materials they consider if they are consistent with children's rights, 43% of respondents stated that their advertising agencies comply with these principles, while 19% said these principles may be considered in the future, or that their inclusion is being assessed. On the other hand, 38% of the companies surveyed stated that they do not specifically take into consideration if the materials they produce are consistent with children's rights.

When planning to include children in their advertising, 43% of companies require an assessment of the values to be conveyed, while 36% conduct such assessment but not as a formal requirement. Six of the companies surveyed stated that they leave the matter in the hands of the advertising agency.

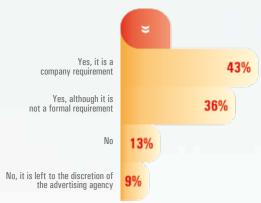
As for CSR reporting, only 10% report on progress and outcomes in terms of children's rights.

Are children's rights considered when the production of communication materials is defined?





Does the company specifically conduct an assessment of the values conveyed in their advertising efforts involving children and/or adolescents?





SURVEY TECHNICAL DATASHEET

The survey was conducted between August and September 2014. The responses obtained were purged to ensure data quality. This resulted in two sets of responses:

- 124 responses for the «workplace» and «community» sections.
- 81 responses for the «suppliers and customers» and the «communication» sections.

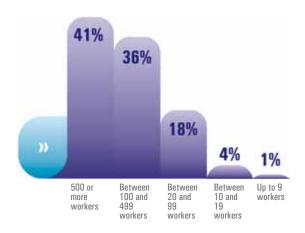
The percentages of responses for each section were calculated on the basis of those numbers in the two sets of responses received.

A large majority of the organizations that responded about their institutional sector (91%) belong to the private sector. As for capital composition, 56% of companies that responded this question are of national capital, 34% foreign capital, and the rest (9%) have a mixed capital composition.

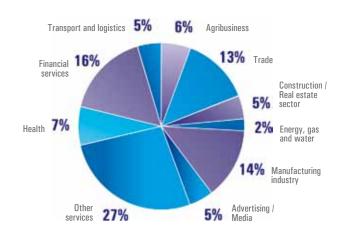
Although responses were received from companies from diverse sectors and sizes, most came from large companies. Indeed, of the total number of companies that reported on the number of workers, 78% have more than 100 workers. But, because very few responses came back from small and medium-sized companies, the general results may not be extrapolated to all the companies in the country.

Moreover, it should be noted that responses are likely to be biased, since businesses that take CSR actions are probably more inclined to respond to a survey of this kind. Finally, we should clarify that on this occasion, substantially more responses were received than in the first study, but due to the fact that the incorporation of new companies in the current sample can have a significant impact on results, it is not advisable to compare directly the number of responses of both iterations.

Companies that took part in the survey by number of employees. (% of the total number of companies that included this information in the survey)



Companies that participated in the survey by industry. (% of the total number of companies that included this information in the survey)





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