

TOOLKIT

Tool 2 Guidelines

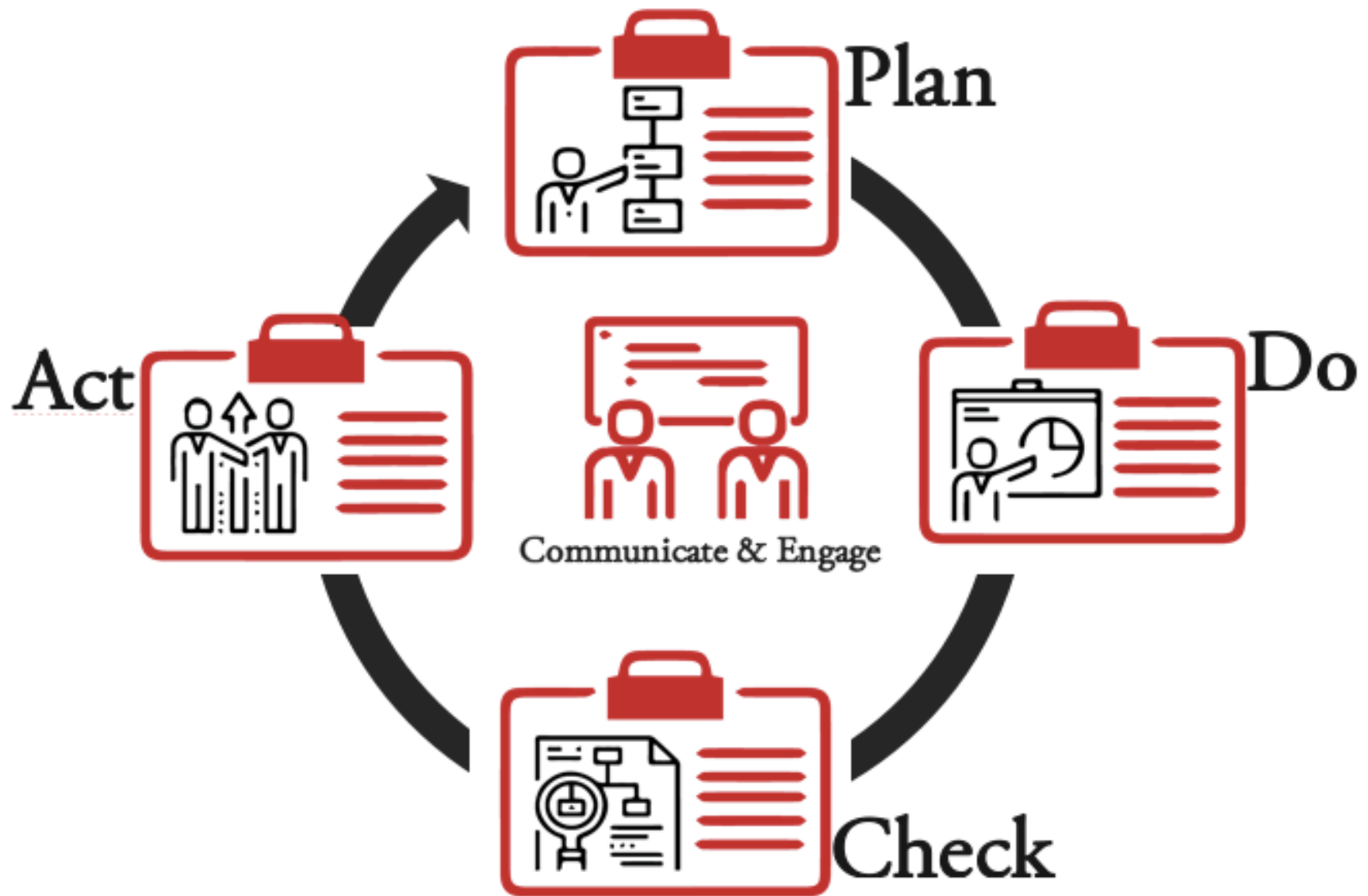
Children's Environmental Rights and the O&G Industry

¿How to consider children's rights in due diligence?



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Foreword

The underlying framework for this tool is provided by the UN Guiding Principles (UN Special Representative for Business and Human Rights , 2011), and specifically, its operational principles. These operational principles address three elements that can be rephrased in terms of children's environmental issues:

- *Political commitment: in the context of this tool, companies should at least show evidence from their policy documents and reports of an explicit commitment to children's rights. Ideally, specific mention to Children's Rights and Business Principles and how they are to be incorporated into their management systems. This provides the seed to build a culture to "respect children's rights" in O&G companies, which should include those dimensions related with environmental issues.*
- *Due diligence and bi-directional risk analysis (risks for the company/risks for the children): A diligent company is able to understand the context of the projects and how they connect with situations where children's rights can be affected. Management systems also need to assess the ability of public institutions to provide access to remedy to protect children's rights, including those situations originated in environmental impacts.*
- *Adaptation to operational contexts: the companies' ability to incorporate knowledge about children's vulnerabilities in specific contexts into their planning, implementation and monitoring actions. This is the acid test to establish how well decision criteria operate in everyday circumstances that can occur in very diverse contexts of operation.*

*Due diligence is the central requisite that makes it possible for companies to turn their commitment to Children's Rights and Business Principles into a proactive and preventive approach to environmental management; it also leads to more integrated management systems (De Angulo & Goucem, 2013). **Tool 2** is designed to provide guidance on key aspects of the management system that can incorporate some adjustments to reach a feasible and accountable commitment to Principle 7.*

*Taking a broader perspective on the current state of the discussion about management systems, the gaps that originate this set of recommendations (see **Tool 1**) are a reflection of a fundamental aspect in the interaction between Human Rights and risk management that is currently taking shape:*

*“Only a few companies have meaningfully explored what respect for human rights means for the **Risk function**. Even those companies in sectors that have been tackling issues related to preventing and addressing negative impacts on affected stakeholders for the longest, such as in the extractive sector, acknowledge that this remains the most challenging aspect of the new expectations of companies reflected in the Guiding Principles.” (CSR Europe, 2016)*

The same observation, maybe to a greater degree, applies to the situation regarding environmental impacts and their effect on children’s rights. The convergence of compelling scientific evidence on the extent of the potential damages and the development of the agenda for human rights/ children’s rights and business, creates a scenario with raising expectations on finding more effective ways to prevent these impacts.

***Tool 2** offers resources to help O&G companies improve the way they address children’s rights in the context of environmental impacts. These are organized according to the PDCA cycle, with an additional section that describes communication and engagement issues.*

Users of the tool kit can easily identify suggested tools to address each recommendation (identified through the document with the “tool” symbol), and examples of either positive experiences or cases that illustrate companies’ potential for improvement (identified with the “companies’ experiences” symbol):

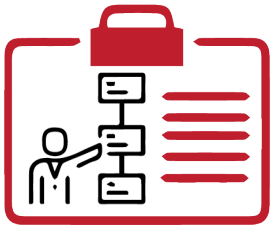


Tools



Companies’ experiences

I. System Management



Plan

Recommendation

1. Knowledge - regulatory framework. The company should look for the reliable sources of information available on children's environmental risks

2. Knowledge – Demographic and epidemiological data. Gather and analyse baseline information on age distribution, health conditions, key socio-economic characteristics and their link to these health outcomes in the communities and.

Lessons learned or tools



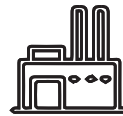
Keep track of recommendations from experts' discussions on children's environmental risks, using resources such as:

[Healthy Environments for Children Alliance](#).

Resources include a monthly newsletter on latest reports from health/environmental organisations, journal articles and events.

WHO – [Website on Children's environmental health](#) Publications on latest evidence on current topics of discussion, such as endocrine disrupting chemicals. Other (not updated) information on Action plans, indicators.

[Network of WHO Collaborating Centres for Children's Environmental Health](#). List of member research centres (3 of them in Latin America) and their publications.



According to an [IOGP-IPIECA](#) report health impact assessments are a relatively weak area in O&G companies, compared to other information on health related issues. The elements that score lower are:

- Data on Community health status, including identification of vulnerable groups.
- Coordinated work between health impact assessors and social/environmental assessors.

One positive aspect of the O&G sector is that companies generally perform detailed identification of environmental factors affecting health.

Recommendation

3. Knowledge - regulatory framework. The company should look for normative gaps to determine if local regulation is adequate in terms of international standards to protect children from environmental risks



Lessons learned or tools

Compare expert discussions on children's environmental health and changes in international standards with current local regulation:

- Has the company considered building partnerships or participating in industry initiatives to incorporate this knowledge into its own planning process?
- Example of potential scenario for this discussion: an SPE forum on "[The role of O&G industry in community health](#)" considered many key aspects that could be applied specifically to children.

4. Participative approach to planning. During planning processes, particularly during baseline studies, the company should consider appropriate consultation mechanisms to engage stakeholders who represent children's rights, and to perform direct consultation with children regarding environmental issues.



For guidelines on best engagement practices, some useful resources are:

- UNICEF's tool for companies: [Engaging stakeholders on children's rights](#).
- OECD [general guidelines on stakeholder engagement](#) in the extractive sector, provide elements that apply to children's rights.

5. Commitment – Policies. Company's policies should incorporate commitments, guidelines and strategies to comply with international instruments such as the Convention on the Rights of the Child and the Children's Rights and Business Principles.



O&G companies usually state a clear commitment to respect human rights in their corporate governance instruments. However, when these documents mention children's rights, they usually refer to child labour issuesⁱ. This practice is not providing enough guidance to ensure that companies consider environmental risks to children in their planning.

One example of guidelines that are consistent with children's rights due diligence: Establishing prevention as a principle regarding environmental risks associated with company's operationsⁱⁱ.

Recommendation	Lessons learned or tools
6. Commitment – Goals and objectives. The company should include in its environmental goals and objectives aspects specifically related with children’s wellbeing.	<i>Identify the way these goals and objectives interact across areas of the organization. What mechanisms are set in place to ensure their communication, incorporation in planned actions, and accountability?</i> <i>One O&G company has established a human rights committee that operates monitoring their strategic and tactic plan on human rights. The committee provides the right scenario to discuss company’s performance regarding children’s environmental issues. However, activities, indicators and reports are too general to incorporate children as a specific dimension.</i>
7. Commitment – resources and training. Companies should prepare their staff to identify opportunities to prevent or reduce environmental impacts on children, to be able to interact with other actors in the organization and outside the organization and incorporate their insights in the planning process.	<i>UNICEF, along with partner organization provides training opportunities, such as short sessions to learn how to identify and manage business impacts on children</i>



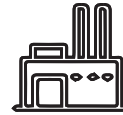
Do

Recommendation

I. Decision criteria during implementation. *The company should have clear and adequate procedures that incorporate principles and criteria regarding children's environmental risks in every aspect of the operation in a meaningful and consistent way.*

Companies "should prioritize impacts if delaying action would affect their ability to remediate" (Guiding Principles on Business and Human Rights , 2011)

Lessons learned or tools



All documented cases and testimonies of stakeholders show that in the case of environmental management decisions, companies face a black box when they are asked about children's impacts and how are they incorporated in company's decisions.

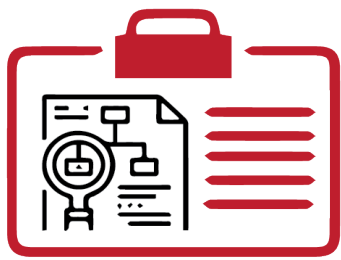
There are no specific tools to support implementation, as most of the discussion has dealt with children's environmental issues at the commitment level. This is a reasonable finding, considering the relatively low level of awareness in the sector about the need to consider in more detail children's impacts.



Where to start?

Engage different areas of the organization to develop procedures that specifically incorporate in management decisions:

- *Findings on relevant environmental issues with the largest impacts on children.*
- *Identification of efficient tools and interventions to promote change in the operations. This may involve training, and the development of incentives within the organization and its value chain to adopt clean technologies.*
- *Develop an in-house training plan on policies and guidelines to protect biodiversity, and climate change mitigation. Include specific components to help trainees identify how these impacts are associated with children's wellbeing.*



Check

Recommendation

1. Measuring the economic impact associated with children. The company should establish priorities in the evaluation of the economic costs and benefits of their operation and how these affect children.

2. Improving accountability – establishing consequences for employees and members of the value chain linked to performance levels regarding children’s environmental rights.

Lessons learned or tools

Companies can design key indicators that reflect the effect of company’s performance on children’s wellbeing, for instance:

- Changes in health outcomes of interest identified in baseline studies, establishing transparent criteria to define attributions.



Compliance with environmental standards particularly important for children in each context. For instance, in a region with high heavy metals concentrations, the company may choose a more restrictive criteria and any deviation may trigger specific actions with different priority levels.

One example of these indicators and how they can act as red flags is the scale used in the [aggregated children’s rights index](#).

Companies can design a mechanism that links employee incentives to key indicators that reflect company’s efforts to reduce negative environmental impacts on children. This mechanism can initially start as a pilot, and according to its results, it can gradually escalate until it reaches all areas of the organization.



O&G companies may bring their own experience embedding human rights in their management systems to establish monitoring actions that focus on children’s environmental rights. Who is in charge of supervising due diligence in children’s rights? Does this area of the organization receive reports on children’s rights affected by environmental issues?





Act

Recommendation

1. Fair and accessible compensation that is sensitive to children's wellbeing. The company should establish policies and procedures that incorporate possible effects of environmental impacts on children's rights as an explicit criterion to define compensation conditions.

2. Grievance mechanisms with active search for children's environmental issues. O&G companies should consider the general principles for grievance mechanisms:

- Legitimacy
- Accessibility
- Predictability
- Equitability
- Transparency
- Compatibility with rights

Identify actions to make them more sensitive to children's rights in connection to environmental issues.

Lessons learned or tools



Land use practices: review the company's compensation policies and processes reasonable in aspects such as:

- Compensation for crops and land
- Below market rate compensation
- Consideration to information about changes in the situation of children as a result of affectations to different rights, for instance, the right to an adequate standard of living or the right to housing.

Water quality and access to water: identify compensation mechanisms that channel resources to regeneration and restoration of freshwater ecosystems. One example is the water funds that create a financial vehicle for agents that use water to compensate other agents for their actions to preserve the resource.

UNICEF's guidelines to integrate children's rights into impact assessments (UNICEF-The Danish institute for Human Rights, 2013) call for the need to establish a formal grievance mechanism for receiving, processing, investigating and responding to complaints related to environmental risks to and impacts on children and pregnant women.

A proactive approach may include:

- Training of personnel to make them proficient at communicating with children and be able to identify environmental issues as a potential source of the complains.
- Communication interventions with communities and key stakeholders address environmental impacts and how they affect children, and explain how to identify situations that should be reported.



Communicate & Engage

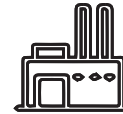
Recommendation

1. Adapt reporting mechanisms to communicate clearly company's performance on children's rights, **including those results and situations specifically influenced by environmental impacts.**

Lessons learned or tools



The launching of the [UN Guiding Principles Reporting Framework](#) provides an excellent opportunity to place the framework's "smart questions" in the context of children's rights, and put environmental issues into consideration.



Communication tools about environmental issues in O&G companies do not refer often to children's circumstances. For instance, a very detailed report on the effect of oil spills caused by conflict-related incidents, reviews many aspects of the negative impacts and the company's actions. However, it does not mention how are children affected by the environmental damaged associated with this spills.

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ⁱ Documents reviewed during desk research and interviews with two case studies in Latin America show some form of explicit commitment to children's rights. However, the first thing that comes to mind when the interviewees are asked about this, is prevention of child labour.

ⁱⁱ One of the stakeholders consulted mentioned that O&G companies in many cases adopt a preventive approach in the context of environmental impacts. This provides an opportunity for better due diligence in children's environmental rights in the O&G sector. However, children are almost invisible across the risk management system. It is difficult to find documented examples of risk management plans, risk evaluation, or treatment focused on children.