

TOOLKIT



Tool 1

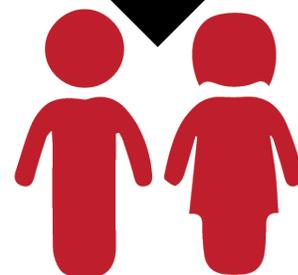
Children's Environmental Rights and the O&G Industry

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



Centro Regional de Empresas y
Emprendimientos Responsables

Institute for Human Rights and Business



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Children's Environmental Rights and the O&G Industry

INTRODUCTION

There is no question about the importance of children's rights to achieve sustainable development in Latin America. Protecting and promoting human rights, and particularly children's rights, should be at the core of the strategy to reach this goal. Children represent 25% of the population in the region¹ and are both beneficiaries of the economic growth that comes with business activities – including the oil and gas sector- and a vulnerable group, subject to the negative impacts associated with those activities.

A growing number of efforts have played a role in the advancement of the agenda on children's rights. UNICEF, in collaboration with its partners, has contributed with multiple initiatives that aim at transforming the Convention on the Rights of the Child into viable and effective policies and practices. Since the release of the Children's Rights and Business Principles (CRBP) in 2012, at least four essential tools have been developed to help companies improve children's rights due diligence. As a result, issues like child labour are now more visible in the public policy scenario –with a comprehensive perspective in the interventions- and in companies' policies and plans – increasingly adopting a more proactive approach. However, in order to be able to follow a path of progressive improvement in this and other dimensions of children's rights, the Latin American region still needs to explore and promote ways to develop coherent and synergic actions for government institutions, the private sector, and civil society organizations.

On the other hand, the Oil and Gas sector has played an active role in the dialogue about business and human rights. O&G companies provide a broad range of experiences that have been a source of good practices and capacity development, particularly in the area of human rights due diligence. The starting point to produce this report is precisely the question of the current state of due diligence regarding environmental impacts on children in O&G companies in Latin America. Thus, it focuses on aspects of the operation closely related with CRBP-Principle 7: "Respect and support children's rights in relation to the environment and to land acquisition and use". Regardless of this limited scope, it is impossible, even inconvenient, to separate each principle as an isolated compartment. The lessons inferred from the review of the current practices in the O&G sector presented in this report are linked in many ways to the other principles.

This report also builds from the United Nations Guiding Principles on Business and Human Rights, which is the most comprehensive agreement over the management mechanisms that ensure respect for human rights. The UN Guiding Principles have offered the framework to develop guidelines both for UNICEF and O&G companies. In fact, the latter is one of the key sectors to apply tools to integrate children's rights into policies and processes. O&G companies are aware of their potential impacts on human rights, in general, and of their association with environmental impacts. However, there is clearly room for improvement in the specific knowledge and actions required to protect children. This report aims at providing guidance on the pathways to strengthen a systematic approach to address children's rights in the context of environmental management practices.

¹ Population under 15 years old as a percentage of total population. [CEPAL projections](#) reviewed in 2015.

Why is this important?

“Business enterprises should pay special attention to any particular human rights impacts on individuals from groups or populations that may be at heightened risk of vulnerability or marginalization” (United Nations, 2011)

On its most basic level, respecting human rights requires a commitment to “do no harm”. Children have been repeatedly acknowledged as one of the most vulnerable and marginalized members of society. And when it comes to health issues the potential impacts related to business activities, they are an increasing source of concern. Most notably, because of the raising rates of chronic disease in children² (Landrigan & Etzel, 2013), and these are conditions where environmental quality plays a central role. Certainly, there is a growing awareness about the importance of environmental quality for an adequate development of children and its relevance for an effective prevention of disease and promotion of health. The special circumstances regarding children’s health and the environment are keenly displayed during the sensitive periods characterized by the vulnerability in foetus and children when certain exposures take place. Furthermore, the severity and permanency of the effects is determined by body weight factors when exposed to chemicals, and immature metabolic conditions. This demands a special consideration of exposures, because their effects are different from exposures to adult population.

A recent review of environmental exposures and their influence on children’s health in Latin America (Laborde, et al., 2015) confirms the relevance of these issues in the region. Its results may not surprise, as the main environmental threats to children’s health are indoor and outdoor air pollution, drinking-water contamination, increased exposure to toxic chemicals, hazardous electronic waste, and climate change. The materiality for the O&G sector of each one of these items may vary according to particular circumstances in the context of each operation, and surely companies already act on all these areas. However, the question is if the decision making process that these actions require is explicitly considering consequences on children’s health as a criteria for planning, monitoring, and as an element to be included with the appropriate level of specificity in their stakeholder engagement strategy.

Two sources of difficulties for companies to act with due diligence are: a) outcomes related with environmental impacts often remain at a state of latency and come forth later in life, and b) they usually are not the result of a single event, but a combination of causes. The importance of efforts to improve identification of impacts on children is critical regarding environmental exposure. But even in the case of uncertain attribution of responsibilities, O&G companies operating in countries facing epidemiological transition can make a contribution to reduce the burden of disease in populations where chronic diseases among children, and chronic diseases in adults attributable to early exposure in life to environmental risks, may be gaining participation.

On the other hand, the challenge for companies must reach beyond the “do no harm principle”. In order to fulfil the commitment to CRBP-Principle 7, O&G companies should start by reviewing if current practices privilege **prevention** of exposure to mitigation, whenever children’s health is concerned. Additionally, in those instances where damage or a reduced access to natural resources occur as a result of their operation, they should provide remedy that is sensitive to children’s rights.

² Chronic conditions that show this pattern include: asthma, cancer, autism, attention-deficit/hyperactivity disorder, birth defects, obesity, and diabetes.

Finally, the strongest commitment to respect children's rights requires **promotion** actions. These can take the form of encouraging innovative practices, embracing more ambitious goals, or influencing other agents that are closely related with critical environmental impacts of an aggregated nature. For instance, contributions to curb climate change trends require coordination of multiple stakeholders, and O&G companies can identify opportunities to play a proactive role in changing those stakeholders' attitudes, their capacity or their resource allocation and, as a result, trigger the right actions to reduce emissions of greenhouse gases.

The report has three components that are primarily intended as resources for O&G companies. However, many of the tools may be adapted to companies in other sectors:

- **Tool 1.** Reviews the state of play in environmental management practices regarding children. The analysis in this core document is mainly addressed to O&G companies to encourage dialogue on specific topics regarding the management of environmental impacts with a children's rights perspective. The stepping-stone for this analysis was a previous O&G scoping study (UNICEF, 2015), and several other tools developed either by UNICEF and its partners or by other sector organizations and companies. But this information is not only useful for companies. Organizations involved in children's protection will find here a source of information to identify opportunities to improve public policies or to establish critical elements for the agenda when they interact with O&G companies.
- **Tool 2.** A toolkit with guiding questions and resources to help O&G companies improve the way they address children's rights in the context of environmental impacts. The UN Guiding Principles provide the structure for the toolkit.
- **Tool 3.** A guide to find and update resources on children's environmental health in order to help companies review new scientific evidence on this topic, and therefore, encouraging a proactive approach, as opposed to an excessive reliance on legal compliance.

The analysis of environmental practices and children's rights

Performing the analysis of O&G companies due diligence regarding children's rights in the context of environmental impacts required a systematic review of different sources:

- **Public policy instruments**, such as Environmental Impact Assessment regulations in several Latin American countries, local air and water quality standards and international standards that were considered as benchmarks. This aspect of the analysis contributes to establish the regulatory context in which O&G companies operate. This exploratory desk research extended to documents available for five countries: Bolivia, Brazil, Colombia, Ecuador and Peru.
- **Desk research and interviews with companies and key stakeholders** to identify policies, guidelines, processes, monitoring tools, reports and other meaningful evidence about the specific approach to respect children's rights in the context of environmental management. The results provided information on current practices adopted by O&G companies in Latin American countries, and sometimes, in a broader scenario, regarding protection of children's rights. Part 2 of this document summarizes the findings and conclusions; the latter presented as lessons according to management dimensions. Tool 2 builds from there, to provide specific guidelines to address those lessons.

- A summary of scientific literature obtained from a search protocol focused on published systematic reviews. Tool 3 in this report provides a summary of the results of this search and some useful guidelines to update it.

All this information provided an input to carry out a gap analysis that supports the lessons for UNICEF and O&G companies about best practices to respect children's rights.

Gap analysis

 Compare current evidence on Environmental children's health with commitments stated in CRBP-Principle 7 and in UNICEF's O&G scoping study.

 Compare current regulation³ on environmental standards (air, water) with international standards that consider risk to children.

 Compare current management practices in O&G companies to practice recommendations specific for vulnerable groups' human rights

Purpose

Discuss which issues according to evidence should be addressed to protect children's rights as expressed in CRBP-Principle 7.

Identify issues not considered in current regulatory framework in Latin America to inform decision making on a) regulation improvements (an input for UNICEF's strategic plan) and b) management practices in O&G companies to address local regulatory weaknesses regarding CRBP-Principle 7

Identify issues relevant for children's environmental health not considered in current management practices to propose guidelines for O&G companies to ensure compliance with CRBP-Principle 7.

³ The search considered environmental regulation applicable to the O&G industry in selected LA countries

PART I: REGULATORY CONTEXT

This section describes the situation of two of the most widely used policy instruments to protect the population from environmental impacts of any industry: Environmental Impact Assessments (EIAs) and Environmental Quality Standards.

Environmental Impact Assessment Regulations And CHILDREN'S RIGHTS

EIAs have the purpose of identifying the impacts associated with each project. They follow a protocol that is usually established by the regulator in each country. This description of the regulatory context establishes whether this policy tool provides the right incentives for companies to comply with CRBP-Principle 7. To answer this question, this report considered two aspects. First, EIAs should effectively provide enough guidelines for O&G companies to identify environmental health risks in general. International instruments such as the Equator Principles consider this is an important aspect that must be considered in EIAs (The Equator Principles Association, 2012). And second, EIAs should provide instruction about vulnerable groups in a way that allows companies to identify children as such in their risk analysis process.

Health as a topic in EIAs *Regarding the first criteria, an extensive review that included EIAs from the mining sector in LMIC concluded that “routine and comprehensive assessment of health impacts within EIAs remains underdeveloped” (Harris, Vilianni, & Spickett, 2015). Ideally, EIAs offer the opportunity to identify both the positive and negative impacts of a project on the health of the community. However, this review finds that EIAs rarely incorporate*

- *Assessments of pathways between environmental exposures and health outcomes*
- *Baseline health data to estimate community health impacts*
- *Impact assessment on different population groups*

Likewise, WHO's broad analysis of health topics' treatment in different types of impact assessments suggests some areas for improvement (Fehr, Vilianni, Nowacki, & Martuzzi, 2014):

- *More consistent use of health as a wider concept than the absence of disease.*
- *Incorporate reliable health data, and include both immediate and indirect health determinants.*
- *Engage health experts in early stages of the assessment.*
- *Promote awareness within assessment experts and decision makers on the connections of projects and health.*



If EIAs analyse general health issues in a limited way, it follows that children's health considerations are also limited. This is finding coincides with two previous extensive reviews and it shows potential sources of evolution of EIA regulations in the world regarding issues such as their methods, scope and stakeholders to be engaged. Such changes should contribute to promote

children's health, make children's health a more visible topic across the management system, and incorporate children's health as an explicit criteria in O&G companies' decisions.

Children as a vulnerable group *IPIECA guidelines on EIAs (IPIECA - DIHR, 2013) identify the following situations in O&G projects, closely related with environmental quality, as relevant for health issues:*

- *Land use: effects on communities' livelihoods, quality of housing and cultural practices.*
- *Direct effects on people's livelihood: viability of other economic activities due to restrictions in access to resources as a result of the project.*
- *Water quality and availability.*

All this situations call for particular attention to the effects on vulnerable groups. This is the second aspect of EIA regulations considered essential for children's rights. Certainly children are acknowledged in some way, although the IPIECA guide provides no specific recommendations. Here are its general guidelines for vulnerable groups and then one tool that may help companies to take specific measures to specifically address children's rights:

- *Engagement of vulnerable groups and individuals in consultation stage.*
- *Separate engagement with vulnerable groups, when appropriate through company representatives with the skills needed in each context.*
- *Check legitimacy of stakeholders who claim to represent children's interests.*
- *Gather knowledge on social tensions that can result in children discrimination.*



Several resources provide guidelines for engaging stakeholders to gain understanding and identify different perspectives on children's rights and the way the company can address this issues. For instance, UNICEF (2014) developed a tool to identify which stakeholders to engage; guiding questions to establish in which cases children should be consulted directly; and how to perform these consultations.



The desk research did not reveal any experience using this or similar tools in the context of environmental management in O&G companies operating in Latin America. Reviewed EIA regulations did not provide specific guidelines for children, although interviews with companies and some stakeholders point at a common practice of considering children as a group within the community. The premise here is that taking appropriate measures for the community as a whole would secure adequate treatment for children's risks. However, this is not always the case. Here there is an opportunity for the sector to develop a more specific protocol to obtain relevant results for children's health from EIAs. This information should feed the planning and monitoring processes in environmental management.

Environmental Quality Standards And **CHILDREN'S RIGHTS**

The US Environmental Protection Agency (EPA) and the World Bank Group Environmental, Health, and Safety Guidelines (EHS Guidelines) are two of the most influential sources of international standards to address environmental risks. The following summary is based on a review of technical documents from these institutions and the current situation of country standards related to some key environmental risks relevant for the O&G industry.

One of the main purposes of the review was to identify how children's particular vulnerabilities were taken into consideration during the decision making process to set standards. The search field was limited to air and water quality standards. Although these two environmental media do not cover all aspects of environmental risks relevant for the O&G sector, they provide enough illustration about the way children are considered in environmental risk management systems, and the type of inputs used in decision criteria processes about treatment of these risks.

EPA documentation proved particularly useful, as it provides enough detail to track efforts done to identify epidemiological information that considers age as a component to determine risk levels. EPA is also clear about the aspects of this information that were considered in the discussion about specific environmental quality norms and about the concerns and considerations that lead to a decision of maintaining or modifying said standards.



Some valuable sources of information on children's environmental health that should be considered to keep track of new knowledge:

WHO

Documents on children's environmental health and WHO air and water quality guidelines.

EPA

Documents incorporated in the review of US National Ambient Air Quality Standards (NAAQS) and water quality standards.

IFC's

General EHS Guidelines for air emissions and ambient air quality.

A comparison of selected country environmental STANDARDS in Latin America

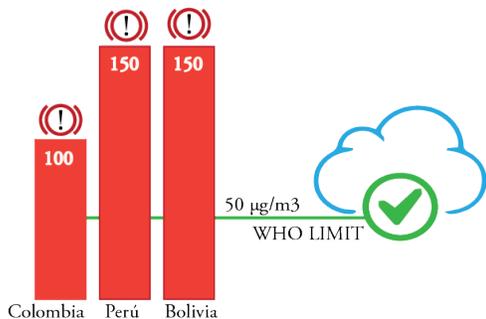
The following comparisons consider a group of air and water pollutants typically included in air quality standards. Pollutant standards are used in the environmental legislations as a tool to limit population's adverse exposures, and ideally, they should be evidence-based and consistent with children's health objectives. Some questions about the suitability of local standards are not easy to address, for instance, it is not clear whether these countries standards' definition is based on effectiveness or cost-effectiveness analysis, or if there was a careful discussion of children's health to define limits and guidelines. Additionally, some comparisons are difficult to establish, because the time period of reference is not the same in every country. However, this selection illustrates clearly enough the differences within countries and suggests there is need of a discussion about comparability, transparency and convergence of standards in the region.

Air quality

There is heterogeneity in the allowed levels of air pollutants among countries in Latin America.



Colombia and Ecuador have the lowest levels allowed for **ozone** concentrations: 80 and 100 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$) in 8 hours. Colombia has an additional restriction of 120 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$) in 1 hour. This two countries are the only ones in the sample below the threshold of $100 \mu\text{g}/\text{m}^3$ in 8 hours suggested by the World Health Organization (WHO). Comparisons are not straight forward due to different time references, but the information suggests that Peru ($120 \mu\text{g}/\text{m}^3$ in 8 hours), Bolivia ($236 \mu\text{g}/\text{m}^3$ maximum hour-average) and Brazil ($160 \mu\text{g}/\text{m}^3$ in one hour) allow for higher ozone concentrations.



Particulate Matter of 10 micrometers or less in diameter, as a 24-hour average: in Colombia and Ecuador the maximum annual level allowed is $100 \mu\text{g}/\text{m}^3$, while Peru and Bolivia allow 150. All these are higher than the $50 \mu\text{g}/\text{m}^3$ threshold suggested by WHO.



As for **PM_{2.5}** in Colombia the 24-hour limit is 50µg/m³. Peru's, 24-hour standard is 25 µg/m³ and to Ecuador, whose annual limit is 50 µg/m³. Only Perú is within the WHO's suggested critical value of 25 µg/m³ (24-hour).

The comparison suggests that, even though the standards for particulate matter are very similar across countries in the region, most of them remain above WHO's suggested standards that represent concentration levels with no impact or minimum impact. As a consequence the local regulation may not provide enough protection for communities and children with respect to particulate matter pollution.

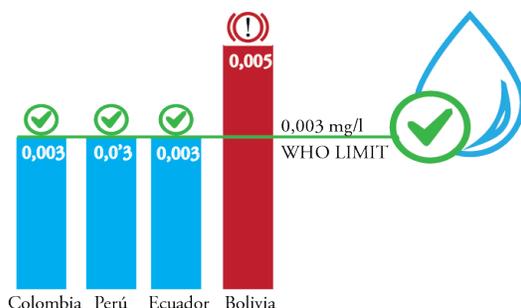
Lead. Colombia's annual limit for lead and lead compounds is 0.5 µg/m³, the annual limit for lead in Perú is 0.5 µg/m³, and the quarterly limit in Bolivia is 1.5 µg/m³. All critical values are much higher than EPA's 0.15 µg/m³ (quarterly average).

Water quality

The regulation's limits on water contamination and quality are close, in general, to the standards defined by the World Health Organization (WHO). Here is a graphic comparison of selected water pollutants.



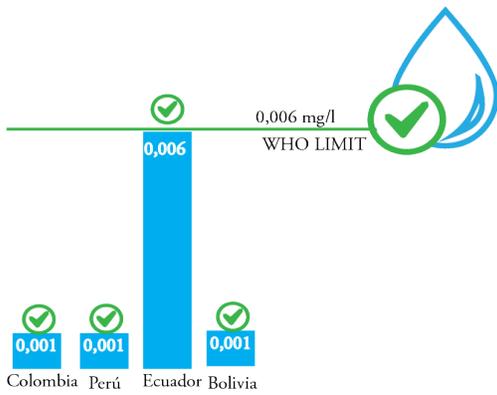
Arsenic WHO's standard is 0.01 milligrams per litre (mg/l), and it matches the limit for Colombia, Ecuador Peru, and Bolivia. No differences in standards compared to WHO were identified in other substances: chromium (0.05 mg/l) and lead (0.01 mg/l).



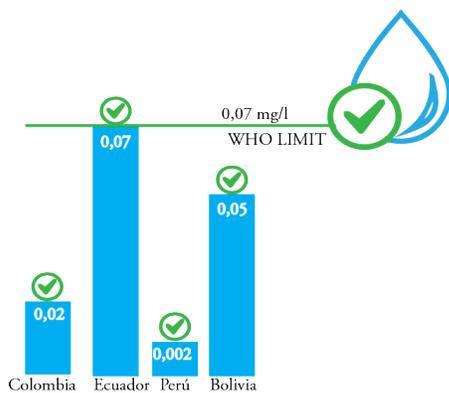
Cadmium WHO's standard is 0.003 mg/l, and it matches the value for Colombia, Ecuador and Peru. In this case, Bolivia's standard of 0.005 mg/l is significantly higher.



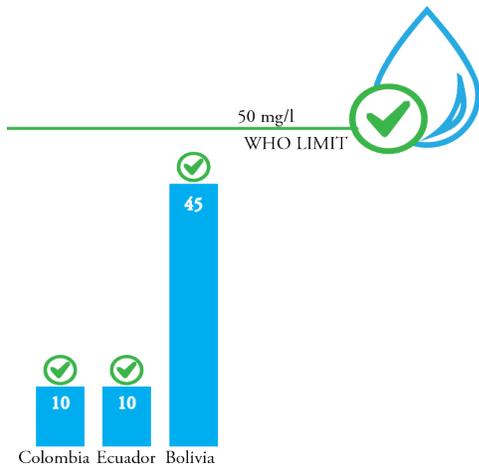
In the case of **Copper** WHO's suggested threshold is 2 mg/l. This contrasts with the higher standard of 1 mg/l for Colombia and Bolivia, while Ecuador and Peru match WHO's standard.



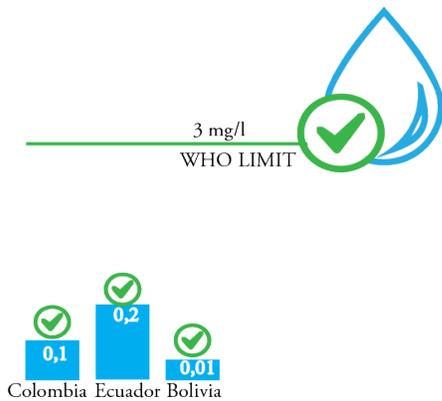
In the case of **mercury**, Colombia's limit of 0.001 mg/l (shared with Peru and Bolivia) is lower than WHO and Ecuador's threshold of 0.006 mg/l.



Nickel WHO's standard is 0.07 mg/l (shared by Ecuador), higher than Colombia's threshold of 0.02 mg/l. For this pollutant, Bolivia's limit is the highest and Peru's the lowest.



Nitrates (NO_3), WHO's limit is 50 mg/l, higher than Colombia and Ecuador's standard of 10 mg/l, and Bolivia's limit of 45 mg/l, and it matches Ecuador's limit.



Nitrites (NO_2) the standard defined by WHO is 3 mg/l, higher than Colombia's limit of 0.1 mg/l Ecuador's limit of 0.2 mg/l, Ecuador's limit of 1 mg/l and Bolivia's limit of 0.01 mg/l.



Selenium, WHO's standard is 0.04 mg/l, higher than Colombia's limit of 0.01 mg/l (shared by Ecuador and Bolivia), and Peru's limit of 0.001 mg/l.



For information on other air and water pollutants, the normative appendix summarizes the current standards in each country. For the purposes of this exercise, the former comparisons provide enough illustration on the gaps between international benchmarks and local norms. It is evident that air standards have a larger dispersion. Therefore exposure of vulnerable groups in the context of operations that are closer to populated areas have to pay careful consideration to the possibility of stronger controls if the results of risk assessments conclude that it is desirable to match the international standards.

The following chart mentions some of the links between environmental risks and health outcomes relevant for Latin America. These are not all specific to children (a more comprehensive description of children's outcomes is presented in tool 3). However, they show the importance in terms of the burden of disease. In particular "Toxic chemicals in the environment have become an important problem and are recognized as major causes of disease and disability among children in Latin America" (Laborde, et al., 2015). The O&G sector is not necessarily the main driving force behind this trend, but companies must be sensitive to the cumulative impacts in this particular context in order to dedicate more efforts to define their own standards for air and water quality. There are other actions, which involve the use of companies' potential influence on other stakeholders regarding health outcomes. The column to the right presents some examples of the type of actions O&G companies can perform to influence directly or indirectly those results.

Environmental risk – health outcomes	Examples of O&G materiality
<i>Pollution of air, water, or soil with chemical or biological agents: associated with respiratory infections, asthma, selected cardiopulmonary diseases, lung cancer.</i>	<i>Traffic related air pollution can be influenced either directly by improving fuel quality or indirectly, by influencing transport policies. For instance, participating in discussions to define regulations on technical requirements of engines.</i>
<i>Lead: Mild mental retardation, cardiovascular diseases</i>	<i>Removal of lead from gasoline is an example of a successful intervention with positive effects in children's health.</i>
<i>Land use patterns: effects on nutritional levels associated with changes in patterns of traditional agricultural practices.</i>	<i>Land management policies oriented to prevention of impacts in children and that are sensitive to children's particular vulnerabilities.</i>
<i>Man-made climate change and ecosystem change: Diarrhoeal diseases, malaria, selected unintentional injuries, protein-energy malnutrition</i>	<i>Actions to prevent deforestation associated with O&G projects generate positive effects on ecosystems and on water availability. Other indirect effects include reduction of flooding.</i>

Source: (Prüss-Üstün & Corvalán, 2006) and (Laborde, et al., 2015)



The gap analysis suggests a regulatory framework in Latin American countries with significant differences in standards compared to when it comes to adjusting standards according to scientific evidence on children's environmental health. The current discussion on emerging hazards indicates that benchmark standards such as WHO and EPA may eventually include other substances or change current levels. Thus, results showed that not meeting the standards based on the latest scientific consensus represent a potential weakness when companies only consider local regulation in their environmental risk management when the result of interest is the protection of children's health. In the case of water pollution, thresholds defined by local regulation are below WHO's suggested thresholds, which means the current regulation plays a reasonable role in protecting children's health.

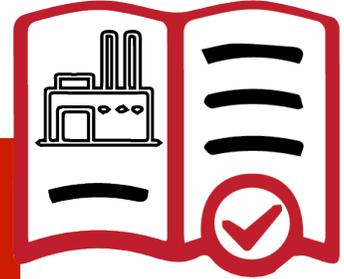
A RISK EVALUATION PROCESS IN-TUNE WITH CHILDREN'S VULNERABILITIES

Standards are meant to be applied with a thoughtful consideration to specific contexts. Even the best standards can fail to provide protection to children under challenging conditions. Companies should commit to adopt, when possible, preventive actions, rather than mitigation or remedy. These are some key reasons, that are relevant for the general population, but have an even greater meaning for children (Prüss-Üstün & Corvalán, 2006):

- Preventing disease before it arises eliminates treatment costs. Children generate the greatest benefits, as the avoided costs through the years are larger than the costs for older populations.
- Interventions that modify in a positive way the environment may achieve a longer-term impact on health, as compared to medical treatment. Children are usually more sensitive to these changes.
- Environmental modification is often the most equitable option, generating benefits across broad groups or populations, particularly children.



Lessons regarding environmental quality standards



Extrapolating some recommendations from O&G sector guidelines on best practices when dealing with vulnerable groups, the following recommendations can help companies to decide when the standard, either local or international is not enough and additional measures should be considered.

Lesson 1:

O&G companies can adopt a proactive approach to local environmental regulation by making individual or, in some areas of general concern, collective efforts to keep track of WHO and EPA's technical documents and the specific information they provide on children's risks. These efforts should involve understanding of the evidence and discussions, and when appropriate, efficient procedures to ensure this information is considered within environmental risk management processes.

Lesson 2:

O&G companies should consider specific mechanisms to make more visible the way children's health is taken into consideration during environmental risk identification and risk treatment planning.

Lesson 3:

When a particular topic regarding children's wellbeing attributable to potential environmental impacts warrants additional attention, companies should establish procedures to conduct issue-specific assessments⁴.

Lesson 4:

Design of baseline studies should include specific requirements to provide enough information on children's situation and sources of vulnerabilities⁵. For instance:

- *History of environmental health issues pertaining children in the area.*
- *Evidence on poor access to health care for children*
- *High levels of poverty that might affect in a greater way children*

⁴ (IPIECA - DIHR, 2013)

⁵ (IPIECA - DIHR, 2013)

PART II: O&G Companies and environmental risks to children: TWO CASES IN LATIN AMERICA

Two companies, one operating in Colombia and the other in Bolivia, were selected to identify current management practices that address environmental risks and how they are considering potential impacts to children. The main sources of information were public documents available in each company's websites and in depth interviews with company staff. The information provided by other stakeholders also contributed to gain a better insight of the situation of companies in the region in a broader perspective.

The following are the guiding questions to identify the state of play in companies:



1. *How are O&G companies meeting their responsibility to respect children's rights and commit to supporting the human rights of children?*



2. *What is the current situation according to selected companies' documents? Analysis of due diligence practices.*



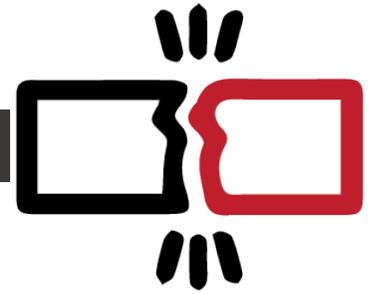
3. *Do O&G companies use indicators to measure their performance regarding their commitment to respect and support children's rights in relation to the environment and to land acquisition and use?*



4. *How do O&G companies reinforce community and government efforts to protect and fulfil children's rights (and in particular environmental issues that have an effect on these rights)?*

Using these key questions as a starting point to explore the situation in companies, the next section summarizes the findings, considering several aspects of the due diligence process: company's commitment, management's awareness and knowledge of children's environmental issues, and related risk management tools.

Gap Analysis



SUMMARY OF GAPS AND OPPORTUNITIES

1. General situation of the management system to secure respect for human rights:



In company activities

Both companies have upstream and downstream operations with a management system that establishes the company's commitment to human rights and incorporates management elements to secure compliance.



In their relationships to others

- At least one of the companies has established clear contracting mechanisms to promote the same type of commitments in their value chain.
- Both companies have potential influence on energy/fuel policies, as demonstrated by its involvement in the debate on sulphur content standards for diesel ten years ago.

2. Awareness on the importance to consider explicitly children as a group in their environmental risk analysis:



This information cannot be obtained from the public documentation. Interviews provided insight on this topic. In their risk analysis the community is considered as an aggregate. The underlying assumption is that as long as plans consider appropriate risk measures to protect the community, the children will be equally protected.

3. Sensitivity of risk management tools to ensure adequate consideration of children's rights (in management of environmental impacts).



Monitoring and evaluation of practices:

One of the companies is currently performing a self-assessment exercise on children's rights applying UNICEF guidelines. The other is actively involved with ARPEL's to strengthen an integrated approach in its management system. Both have stated their interest in children's rights issues.



Measuring performance:

One of the companies established an operative goal referring specifically to the respect for children's rights. However, reporting indicators, at this point, do not allow establishing performance regarding this goal, and consequently, no information on performance in one particular component – environmental issues- is available either. Company officers find this presents an opportunity to improve human rights performance indicators.



Use of information to determine children's vulnerability:

According to the HSS area, demographic characterization of communities includes age as one of the variables, but this does not necessarily secure a differentiated treatment of the environmental risks. No documents or statements during interview informed on the use of external studies on children's rights to inform decisions on the appropriate treatment (which may or may not include a differentiated

treatment). Instruments that are available (but were not mentioned during the interviews) may include:

- *Unicef's Children's human rights index (this analysis is based on the Colombian version of the index). Making this information relevant for environmental risks requires some additional input to link environmental impacts to indicators used in the "survival" category (mortality indicators).*

4. Knowledge management.



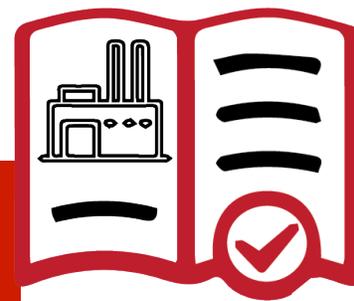
The companies don't have specific procedures to improve its knowledge regarding children's environmental health in those areas that would be relevant for them. The fact that one of them has formally engaged UNICEF to assess their current status in their goal to respect children's rights is a step in the right direction, and the results of the evaluation could trigger improvements in many areas, including environmental management.

5. Regulatory framework.



In addition to the formulation of standards discussed in the previous chapter, the current requisites of EIAs indicate that terms of reference provide general guidelines, but no specific mention to children and in which contexts their situation should be considered relevant for these studies. Under these circumstances it is up to each company to determine if children are treated as a group with particular vulnerabilities regarding environmental issues. This is a contrasting case when compared with the way indigenous communities are considered in EIAs. (Please refer to Part I "Regulatory context" for an explanation on the limitations in EIAs regarding children's environmental health).

Lessons from companies' experiences



Stakeholder identification and engagement

Lesson 1:

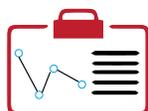
Companies should review the effectiveness of their processes to identify, mitigate, and track potential impacts, integrate children's rights (with explicit consideration to environmental aspects). This integration should occur throughout the lifecycle of a project into project planning⁶. For instance, they should study the convenience of a closer collaboration with their social management area at early stages to identify and prioritize potential environmental impacts relevant for children's health.

Lesson 2:

Companies should gain a better understanding of children's as stakeholders in environmental issues. One step in this direction is a more detailed characterization of children's vulnerabilities in their operating contexts.

Lesson 3:

Companies should adopt measures to check if local leaders represent adequately children's environmental issues, to be aware of potential conflicts of interest within communities that might result in inadequate representation of these issues⁷.



Monitoring and reporting

Lesson 1:

Companies should design within their monitoring and control instruments indicators specific to priority environmental issues that are particularly sensitive to children. These may be different in each case, depending on each community's socio-economic conditions and cultural practices and the characteristics of each project.

⁶ (UNICEF, 2014); (IPIECA - DIHR, 2013)

⁷ (IPIECA - DIHR, 2013)

Lesson 2:

Companies should consider the convenience of including in their key performance indicators in Human Rights a specific measurement of the management of children's environmental impacts. These indicators should be :

- *Integrated into continuous improvement actions*
- *Included in reporting instruments*
- *Appropriately communicated to relevant stakeholders.*

Lesson 3:

Companies should find cooperation mechanisms to design and promote reporting mechanisms that could be gradually adopted with explicit information on actions taken to respect children's rights, particularly those potentially affected by environmental impacts.



Contribution to shape environmentally sustainable policies

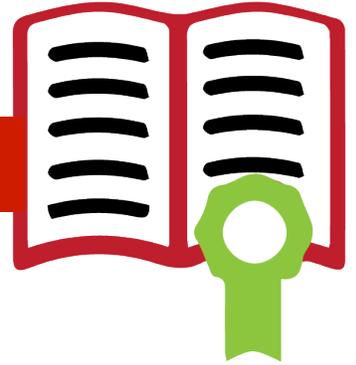
Lesson 1:

Companies might consider appropriate engagement paths in the discussion and design of fuel policies. For instance, assuming a leadership role to encourage authorities to adopt environmentally sustainable measures in terms of fuel characteristics and refining requirements that are relevant to children's health, particularly respiratory diseases.

Lesson 2:

Companies should pay attention to gaps in environmental standards in some countries that clearly are not protecting adequately children's health, and adopt in their own policies specific guidelines to ensure that international standards are incorporated when necessary.

Conclusions



The following are strategic findings that provide some guidance on the priorities and areas in which **COLLABORATIVE EFFORTS** may be more beneficial:



-  **1. The O&G sector needs a systematic approach** to incorporate emerging issues in the field of children's environmental health. The sector might be in a position to become a leader, as it has been the case in other HSS practices, and encourage better local regulatory standards for children.
-  **2. Country environmental standards are diverse** (both in accuracy and enforcement capacity). Targeting improvements in influential international standards such as the World Bank Group EHS guidelines could facilitate the process of incorporating children specific provisions when appropriate. Other standards already considering explicitly children's health are those of EPA and WHO. Specific topics to address with environmental authorities and other stakeholders to improve the role of environmental standards as a tool to protect children's health include: promoting an effects-based approach to define standards, encourage governments to make more visible the principles they are consulting to set environmental quality objectives, finding appropriate mechanisms to make explicit how children's health criteria are applied to establish limit values, and encourage harmonization and children-oriented risk-assessment methods in the region.
-  **3. Reporting** might benefit from a more sensitive approach to children. Companies could build partnerships or generate consensus sector indicators that are children-specific. This could be approached as a gradual effort; starting with those issues where measurement instruments are already available.
-  **4. Continue advances toward an integrated system management approach**, which still is a relatively new trend. This will further improve interaction and coordination between Environmental – Human rights/CSR areas. Discussing children's issues might trigger opportunities to strengthen companies' commitment with this integrated approach.
-  **5. O&G companies have potential influence** in environmental policies and investment of royalties. This provides an opportunity for them to consider more explicitly children's in their stakeholder engagement plans.

This report also suggests a number of lessons that could be explored individually by O&G COMPANIES. The following five statements summarize them:

 **6. Rethink** stakeholder identification, to incorporate children in meaningful ways that provide criteria for decision making.

 **7.** Consider explicitly children's environmental issues in **baseline** design.

 **8. Identify** weaknesses in local regulatory frameworks and act accordingly to close the gaps.

 **9.** Consider using children's issues as a pilot topic to test their advances in **Integrated management systems**.

 **10.** Review current **reporting** practices and identify/prioritize opportunities to include children's environmental issues. Consider bringing this issues to attention in the working agenda of international or sector level reporting initiatives.



Tool 2 in this toolkit offers guiding questions and resources to identify opportunities for O&G companies to incorporate these lessons in their management systems.

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Appendix: Environmental standards in selected Latin American countries

Country	Norm description	Link
Bolivia	Norma Boliviana NB 512 - 2004 Reglamento en Materia de Contaminación Atmosférica	http://pasa-pyr.org/multimedia/menu/2012-10-30_0210.pdf
Bolivia	(RMCA) RESOLUÇÃO/conama/N.º 003 de 28 de junho de 1990	http://bolivia.infoleyes.com/shownorm.php?id=2227 https://sites.google.com/site/marconormativoambiental/bolivia
Brasil	RESOLUCIÓN 0610 DE 2010	http://www.mma.gov.br/port/conama/res/res90/res0390.html
Colombia	(Resolucion 601/2006) Anexo 4 Libro VI Texto Unificado de Legislación Secundaria del Ministerio de Ambiente. Modificacion de acuerdo 50	http://www.alcaldiabogota.gov.co/sisjur/normas/Norma1.jsp?i=39330#2
Ecuador	Decreto Supremo No. 002-2008- MINAM NORMA TÉCNICA ECUATORIANA NTE INEN 1 108:2011 Cuarta revisión Agua Potable Requisitos	http://www.ambiente.gob.ec/wp-content/uploads/downloads/2012/10/Acuerdo-50-NCA.pdf http://www.minam.gob.pe/calidadambiental/wp-content/uploads/sites/22/2013/10/ds_002_2008_eca_agua.pdf
Peru	Decreto Supremo 003-2008- MinAm	https://law.resource.org/pub/ec/ibr/ec.nte.1108.2011.pdf http://www.minam.gob.pe/calidadambiental/wp-content/uploads/sites/22/2014/07/D.S.-N%C2%B0-003-2008-MINAM-Est%C3%A1ndares-de-Calidad-Ambiental-para-Aire.pdf
Peru	DECRETO SUPREMO N° 069- 2003-PCM	http://www.senace.gob.pe/download/senacenormativa/NAT-3-2-3-02-DS-069-2003-PCM.pdf
Peru	DECRETO SUPREMO N° 074- 2001-PCM	http://www.senace.gob.pe/download/senacenormativa/NAT-3-2-3-01-DS-074-2001-PCM.pdf
Peru	Decreto Supremo No. 002-2008- MINAM	http://www.minam.gob.pe/calidadambiental/wp-content/uploads/sites/22/2013/10/ds_002_2008_eca_agua.pdf
WHO	Guidelines for drinking water quality	http://apps.who.int/iris/bitstream/10665/44584/1/9789241548151_eng.pdf
WHO	WHO Air quality Guidelines	http://www.euro.who.int/_data/assets/pdf_file/0005/78638/E90038.pdf?ua=1