aim for human rights

Human Rights and Business
To develop, and especially implement, a vision and strategy on human rights, is a challenge to all companies. The Dutch human rights organisation *Aim for human rights* started a Human Rights and Business programme to assist companies in doing this. Within the programme, we raise awareness on corporate responsibilities for human rights. *Aim for human rights* advises and supports companies to bring human rights policies into practice.

Guide to Corporate Human Rights Impact Assessment Tools

Guide to
Corporate Human Rights
Impact Assessment Tools

Table of Contents

Foreword

In 2008 we marked the 60th anniversary of the Universal Declaration of Human Rights. Despite six decades of major developments and achievements, injustice, poverty and inequality are still widespread. A renewed commitment to human rights is needed more than ever.

We recognise better today that impacts on human rights do not only occur from a state perspective. The role of non-state actors such as multinational enterprises has increasingly been acknowledged. The footprint of a multinational company on society can be enormous, both in a positive and in a negative sense. There are many examples in the past 60 years which emphasise this.

In order to address these challenges, it is imperative to measure the corporate footprint and Human Rights Impact Assessments (HRIAs) are a very welcome tool in this respect. Based on the Universal Declaration of Human Rights, HRIAs assist the private sector to recognise and act on its responsibilities towards ensuring respect for human rights.

However, the private sector does not stand alone in this. In order to work towards a more equitable and sustainable future, governments must be held accountable for their legal obligations to protect rights, and civil society and the private sector have to join in on their appropriate responsibilities. Only then will the vision of the Universal Declaration of Human Rights be realised for all people.

Mary Robinson
President of Realizing Rights:
The Ethical Globalization Initiative;
Honorary Chair of BLIHR,
former UN High Commissioner for Human Rights,
former President of Ireland.

Chapter 1

Photo by Mariëtta Smid

Introduction to Human Rights Impact Assessments

Globalisation has increased the need for Corporate Social Responsibility. The motives companies may have for using Human Rights Impact Assessments are manifold. While governments have a duty to respect human rights, a company has a responsibility to ensure respect for human rights within the workplace and towards the surrounding community. How do we know whether a company lives up to this expectation? This is something both the company itself and its stakeholders would like to find out.

Human Rights Impact Assessments (HRIAs) are an important strategy for companies to accomplish this due diligence, and for stakeholders to monitor a company's performance. This Guide to HRIA Tools aims to assist business managers of (multinational) corporations and their stakeholders to find their way in the world of Human Rights Impact Assessments. It helps to select the best tool(s) to assure the best HRIA process for the project.

This first chapter introduces the theory and history of the HRIAs. The second chapter gives a summary of all the HRIA tools that have been developed to assess the impact of business on human rights. The third chapter maps these HRIA initiatives in order to facilitate the selection of an HRIA tool, while chapter four provides an overview of when and how these tools can best be used.

1.1 The business case for HRIA
Since the 1960's, **globalisation** has reached proportions never equalled in history. In addition to the number of multinational enterprises increasing a thousand fold, the interdependence between companies and institutions worldwide has grown enormously. Nowadays, a Dutch company may have suppliers in Vietnam; Chinese companies may obtain raw materials from

Tanzania; and a Canadian financial institution may invest in a company in Brazil.

With this outburst of globalisation, the impact of multinational enterprises on communities worldwide has increased substantially. The international and national protection of human right has not kept pace, however. Human rights violations as a consequence of activities by multinational enterprises are widespread.

In the field of human rights and business, states have a duty to protect human rights including providing access to justice for victims of violations. Companies themselves have the responsibility to respect human rights within their sphere of influence. **Corporate Social Responsibility** (CSR) demands that companies consider the (potential) negative and positive implications of their activities on the human rights of stakeholders, including employees, shareholders, customers and communities in all aspects of operations. This applies to an extent that goes beyond ordinary statutory obligations. It requires a due diligence process, which guides companies in becoming aware of, preventing and managing human rights impacts within their sphere of influence.

The main objective of conducting a **Human Rights Impact Assessment** (HRIA) is to identify, understand and manage corporate impacts in the field of human rights. An HRIA helps a company to gain a thorough understanding of the (potential) impact of corporate activities, a better understanding of the stakeholders perspectives, and ways to manage corporate impacts in a process that benefits all involved.

The business case for HRIA
There is a strong business case for performing an HRIA:
- Maintaining a good company and product reputation
- Effective risk identification and management
- Improvement of stakeholder relations
- Creating a legal and social license to operate
- Increased motivation and productivity of workers
- Understanding the society in which the company works
- Attractive investment climate
- Contribution to CSR and sustainable development

1.2 Introduction to HRIA for business

"Many corporate human rights issues arise because companies do not consider the potential implications of their activities before they begin. Proactive steps are necessary to understand how existing and planned activities may affect human rights. The scale of Human Rights Impact Assessments will depend on the industry, and national and local context. While these assessments can be linked with other processes like risk assessments or environmental and social impact assessments, they should include explicit references to internationally recognised human rights. Based on the information collected, companies should refine their plans to address and avoid potential negative human rights impacts on an ongoing basis."
John Ruggie, April 2008

The topic of impact assessment is not new to business. For the past thirty years, private enterprises have been involved in environmental impact assessments (EIAs) and social impact assessments (SIAs). Both have become quite common, especially within the financial sector and extractive industries. Some national laws require such impact assessments.

The HRIA is the younger sibling of the environmental and social impact assessments. It is based on the normative framework of international human rights law laid down in the Universal Declaration of Human Rights, the international Covenants on Civil and Political Rights, and on Economic, Social and Cultural Rights. It focuses on each human right in the business context.

Human Rights Impact Assessments assist companies in adhering to both national and international human rights standards and norms. Effective HRIAs contribute to the implementation of human rights at a corporate management or project level. The objective of an HRIA is to identify, avoid and manage (potential) negative human rights impacts. It is important that all companies have a clear insight in order that they can anticipate and address (potential) positive human rights impacts and opportunities.

An impact assessment represents proactive and structured approaches to gathering objective and comprehensive information about a project, investment or policy. It identifies and assesses the possible challenges and opportunities. Viable alternatives are also taken into account and all options are assessed on their potential impact on the human rights situation, which includes economic, legal, environmental and social fields. The advantages and disadvantages of each option is examined and mapped out, as are the possible synergies and trade-offs.

An impact assessment can be done before the activity takes place (ex ante), or after the activity has taken place (ex post). Ex ante HRIAs aim to evaluate the potential impact of activities on human rights. The objective is to prevent human rights violations. It is important to carry out the HRIA at the earliest possible stage so that the outcome can be incorporated in the decision making process. Ex post HRIAs aim to determine the actual impact of activities on human rights and can therefore take place during as well as after the business activity.
Ideally, ex ante and ex post HRIAs should be combined in order to provide a full picture of the impact and to manage the adverse impacts and opportunities in the most effective and efficient way. Ex post HRIAs at the start could be carried out at different intervals in order to capture long-term impact. Both types of HRIAs are interdependent and form an ongoing process that must be repeated several times. They therefore require a cyclical approach.

HRIA differs from other assessments in that it is framed by the International Bill of Rights. Moreover, it takes into consideration how business activities may interact with each human right.

Human Rights Impact Assessment:
Measuring the effect of business activities on the human rights of the corporate stakeholders.

Human Rights Risk Assessment:
Measuring the potential operational or reputation risks of becoming involved in human rights violations.

Human Rights Compliance Assessment:
The performance of the company measured against the legal framework of human rights.

SIA - Social Impact Assessment:
Measuring effects of business activities on societies.

EIA - Environmental Impact Assessment:
Measuring the effects of business activities on the environment.

While private enterprises could use HRIAs within the company, subsidiaries or partner businesses, the corporate stakeholders (civil society organisations, community) could also apply an HRIA to the private enterprise and its activities.

The benefit for stakeholders of becoming involved in HRIAs is that they support consistent monitoring of corporate performance. The assessment could also support evidence-based advocacy, which in turn can serve the lobby for transparency, accountability and the integration of human rights into policy-making and management systems. An HRIA could function as a basis for informed and structured dialogue or campaigning. In addition, through the engagement and participation of the community and other marginalised stakeholders, the HRIAs strengthen the position of the rights-holders and help in their empowerment.

The whole procedure is carried out in a way that involves stakeholders in the planning and decision making. With all possible impacts clearly mapped and discussed, a well informed decision on the plans and activities can be made.

HRIAs not only determine the past, present and future effects of the direct or indirect activities of a company. They also provide the company, its partners and stakeholders with an insight into the broad range of opportunities for respecting, protecting and promoting human rights. Moreover, they function as a basis for constructive and sustainable engagement with stakeholders.

Photo by IRIN

Human rights indicators

Human rights indicators play a central role within the HRIA process. By assessing compliance with international human rights, they support the process of verifying positive or negative impacts.

What are indicators?

- Indicators are based on and linked to human rights standards.
- They measure the extent to which duty-bearers are fulfilling their obligations and right-holders enjoying their right.
- Indicators need to be accurately formulated and must be appropriate to the context of the business activity.
- Indicators are a means to identify changes and measure short and long-term impacts.
- They assist in the identification of risks and warn of potential violations.
- Indicators can be divided in policy, process and performance indicators.

- Policy indicators determine the status of corporate strategies, policies and codes of conduct.
- Process indicators measure the effects of procedures to implement the strategies and policies on human rights.
- They include qualitative and quantitative indicators. While qualitative indicators ask for descriptive information, quantitative indicators relate to numeric data. HRIAs for private enterprises make use of qualitative rather than quantitative indicators.

The purpose of performance indicators is to:

- Measure the direct results and impacts of the operation
- Monitor the implementation of strategies, policies and procedures
- Measure the efficiency of the management process
- Evaluate the policies and procedures
- Focus on challenges and opportunities
- Indicate the need for corrective measures.

1.3 The HRIA process

In the business context and generally speaking, a Human Rights Impact Assessment process[1]:

- Describes the (proposed) business activity
- Considers the full life cycle of the business
- Maps international, national (home and host country) legal framework, including standards, conventions, requirements of financiers, internal company policies, indigenous customary laws and traditions
- Describes the human rights conditions in the surrounding area
- Engages with human rights experts and local stakeholders
- Describes the baseline conditions
- Describes the view or multiple scenarios of the possible changes due to the business activity
- Prioritises human rights risks
- Involves experts in the industry, local context and human rights
- Promotes genuine dialogue and relationship-building
- Makes sure that human rights protections are built into agreements and contracts with government and suppliers
- Makes practical recommendations to address human rights risks
- Includes company action and collaboration with government and local community in its recommendations
- Integrates recommendations into a management plan or system
- Monitors the baseline indicators during the entire process
- Discusses good practices with peers in the industry and/or companies in similar situations
- Publishes the HRIA in full or as complete as possible considering reasonable potential risks
- Recognises that the process of carrying out an HRIA is as important as the final report and working with the findings of the assessment.

1.4 HRIA Guiding Principles

In order for a Human Rights Impact Assessment to be effective, the process needs to contain the following ingredients:

- **Human rights-based approach**
- **Engagement and participation**
- **Transparency**
- **Balancing positive and negative impacts**
- **Internalising and institutionalising**

It is imperative that a **human rights-based approach** is taken to impact assessment. This identifies rights-holders and duty-bearers based on international human rights standards and principles. Such an approach defines its objectives in terms of human rights and considers the whole range of interdependent and interrelated human rights, including civil, political, economic, social, cultural and people's rights.

Human Rights Impact Assessments are based on the normative framework of international human rights law laid down in the Universal Declaration of Human Rights (UDHR), the international Covenants on Civil and Political Rights, and on Economic, Social and Cultural Rights - together called the Bill of Rights. Furthermore, international standards such as the ILO Conventions and Declarations, the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises and the draft UN Norms on the Responsibilities of Transnational corporations and Business Enterprises with regard to Human Rights also provide guidance for an HRIA for private enterprises.

Different perspectives on rights should be taken into consideration within an HRIA, such as the workforce, the community, civil society, the national and local government and future generations.

Apart from the various stakeholders, the social, political and legal context in which the stakeholders and company interact should be considered in the HRIA. This is the framework that determines the duties of the company, the claims that the stakeholders can make on the company and the way the company can be held responsible. Through a participatory process, goals and results can be achieved that reflect a consensus between the corporation and its stakeholders.

Engagement with the different stakeholders is essential for the quality of the impact assessment. It is the only way to ensure the diverse perspectives of the relevant stakeholders are

[1] John Ruggie, February 2007

integrated in the assessment. The complexity of the context in which the project of a company operates should be clearly discussed and result in an overview of the situation that represents all parties involved. This overview is vital to all involved. While in most cases it is impossible to realise all expectations and clashes of interest are inevitable, seeking engagement creates openness to discuss conflicts, creating a basis for mutual respect and understanding of the perspectives and positions of the other parties involved. It gives a clear starting point for the decision process, in which all relevant parties participate on equal grounds.

"An engagement process, though essential for a proper HRIA, will not always go smoothly. The different actors all see the project from their own point of view. While large-scale participation is to be encouraged, it should be regulated if HRIAs are not to get out of hand. Not regulating participation will weaken HRIAs as the process is delayed and budgets

may be over-extended. Participation should therefore follow a clearly defined strategy, and the selection of participants should be transparent and objective."
Human Rights Impact Resourse Centre

Engagement and **transparency** go hand in hand. It should be clear to the stakeholders why an HRIA assessment was undertaken in one project and why other projects are not assessed. The same is valid for the components of an assessment and why certain issues are left out of the assessment. And, crucially, the engagement process can only function properly if stakeholders have adequate and timely access to all relevant information in a language that is understandable to all. Transparency is imperative throughout the HRIA process. Without the necessary information, stakeholders cannot become properly involved in discussions, nor can they understand the position and perspective of the company. A transparent participatory process is likely to result in strengthened social cohesion and will empower the marginalised. By working together it will build relationships between company and stakeholders.

For an HRIA to be effective, the principle of **balancing positive and negative impacts** should be taken into account. It is essential to recognise the fact that the benefits and the negative effects of the project or investment are never distributed equally among the different stakeholders. In the spirit of non-discrimination it is important for the company to address this point. Participation of the stakeholders in the process is imperative to ensure that the positive effects will outweigh the negative effects. In order to gain a licence to operate, the company has to guarantee the participation of all stakeholders.

The final guiding principle relates to **the internalisation and institutionalisation of HRIAs**. Especially in sectors or regions in which there are major (potential) impacts of corporate activities on the human rights of stakeholders, it is essential to structurally integrate HRIA within the management system of a company operating in such sectors/regions. HRIAs could be institutionalised into corporate practice through a code of

conduct and explicit policies. Used as an integral source of information HRIAs provide an objective basis for decision-making. Long term perspectives can be based on the structuralised process of the HRIA and, together with monitoring and mitigation programmes, help manage uncertainty and minimise adverse effects as the project proceeds.

1.5 HRIA within the management system

When internalised and institutionalised within the management system of a company, Human Rights Impact Assessments feed into the various phases of the management system.

Primarily, an HRIA assists in the **analysis of risks and opportunities** of a project, investment or activity as well as in the continuous **monitoring and measuring of the impacts** thereof. However, the information obtained through an HRIA could also contribute to the development of corporate **strategies**, the identification and prioritisation of human rights **issues** and the development of **policies, procedures and practices** in the field of human rights not only within the workplace but also in respect of the community, suppliers or customers. Moreover, the process of an HRIA is the basis for internal and external communications including **reporting**, thereby allowing for engagement of various stakeholders.

Management System

International Principles

Strategies, Issues

Reporting

HRIA

Analysis of Risks and Opportunities

Monitoring, Measuring Impact

Policies, Practices Procedures

1.6 Impact assessments from environmental to human rights

Human Rights Impact Assessments are derived from Environmental Impact Assessments. The 1992 Rio Declaration on Environment and Development is a set of non-binding principles designed to commit governments to ensure environmental protection and responsible development. Principle 17 states that Environmental Impact Assessments (EIAs) are a national instrument that should be undertaken for proposed activities that are likely to have a significant adverse impact on the environment and are subject to a decision of a competent national authority. The Rio Declaration had a major impact: Countries from South Africa to Egypt, China to Rwanda have adopted EIA legislation. According to the UNEP, EIA provisions now exist in 55 developing countries.

Social and community impacts were at first incorporated into EIAs. In the 1990s, separate Social Impact Assessments (SIAs) were developed. For instance, the IFC established a Social Review Unit, which promoted the adoption of SIA principles in both the public and the private sector. Thus far, while European legislation does not require SIAs, a law does exist in India to cover the relocation of people.

HRIAs are still in their infancy compared to EIAs and SIAs. HRIAs for private enterprises were first introduced in the 1990s. With the negative consequences of globalisation becoming more visible, the demands for holding companies responsible for complicity with human rights violations became more urgent. Following this, the emphasis from a corporate perspective was initially laid upon risk assessments.

Several voluntary international standards and initiatives relating to human rights and business exist. Some of those initiatives even require HRIAs. Generally speaking, international legislation pertaining to human rights and business is lagging behind world developments. Interestingly, it is this gap in international law that is a major reason for companies and stakeholders to see HRIAs as the best alternative to secure accountability and non-violations of human rights.

By conducting an HRIA, a company is able to identify and manage human rights risks. The work by the Special Representative of the Secretary-general on Human Rights and Business underwrites this perspective: As the development of international legislation in the field of human rights and business will take years, HRIAs are to become the leading tool for companies that acknowledge their role and responsibility in human rights issues. Companies are slowly moving towards

more formalisation via voluntary initiatives such as the UN Global Compact as well as sectoral initiatives.

1.7 HRIA in corporate practice

The activities of private enterprises have an impact on both the human rights of those within the company and the broader community. Recently, there has been an increasing interest from the business community, civil society and international organisations to develop and use Human Rights Impact Assessments. The interest in HRIAs has been boosted by the development of (inter)national standards and initiatives which ensure the implementation of human rights within the corporate sphere of influence, but also by practices of companies in, for instance, the financial and extractive sectors. At a state level, some national laws do require companies to conduct impact assessments in specific situations. For example, several Australian laws require the assessment of social and environmental impacts of projects in the field of mining and infrastructure. In 2008, a new regulation in India

made it mandatory for companies to conduct a social impact assessment in the case of the displacement of over 200 people. Even though these assessments might include human rights impacts of corporate activities, they are not HRIAs as such. In short, there are no international or national laws that require the conduct of an HRIA.

Export Credit Agencies

Export Credit Agencies (ECAs) are public entities providing government-backed funds, loans, credits or insurance to companies and projects. A few ECAs require impact assessments which contain human rights aspects, at least to a certain extent (in policy). In a survey conducted by the Special Representative of the Secretary-general on Human Rights and Business, it is emphasised that:

"In export and foreign investment promotion policies only a few ECAs require human rights impact assessments. While virtually no country requires impact assessments for incoming investments, some do undertake informal impact assessments for these investments. In Canada for example, foreign investments above five million dollars are assessed on their benefits to the Canadian society. This assessment is on economic and labour issues."
John Ruggie, February 2007

Social Responsibility Investment

Social Responsibility Investment funds ask for human rights accountability of private enterprises. Several of these SRI indices, such as the Calvert Social Index, the Dow Jones Sustainability Indices, FTSE4Good Index and the Domini Social Equity Index, use screening criteria on social issues, mainly labour standards. The Calvert Social Index requires a social audit in the area of the workplace and the Dow Jones Sustainability assesses a company's labour practices before it is admitted. This should not be mistaken for a requirement for an impact assessment; these assessments are based on desk research involving mainly publicly available information. Only the FTSE4Good claims it requires an HRIA for those companies identified as having the highest impact on human rights (oil, gas and mining). The same goes for companies with significant involvement in countries of concern.

Photo by Mariëtta Smid

(extractive and energy sectors). The Equator Principles, an initiative formed by private financial enterprises engaged in project finance, requires social and environmental assessments of client projects that have a potentially significant adverse social or environmental impact. Impact assessment should propose mitigation and management measures that are relevant and appropriate to the nature and scale of the proposed project. The Voluntary Principles on Security and Human Rights is an initiative by governments, companies from the extractive sector and NGOs. These principles require companies to do a risk assessment that includes an assessment on the human rights records of the public and private security forces, paramilitaries and of the local and national law enforcement. Furthermore, civil society should be consulted to identify risks of potential violence.

The International Council on Mining and Metals (ICMM), a voluntary sector initiative consisting of 16 of the largest mining and metal companies, focuses on sustainable development. The ICMM requires impact assessments of its member companies in which they engage with communities. To be an ICMM member, a company must build trust and respect with key stakeholders as a result of good performance in sustainable development, including clear and comprehensive approaches to reporting and assurance. Members are to implement and measure their performance against ten principles relating to human rights and security.

The Electronic Industry Code of Conduct (EICC), the members of which are major electronics companies, requires risk assessments and periodic self-evaluations from its members and the next tier of suppliers. These assessments are to be integrated in the management system of the company.

Social Responsible Investment funds and indices rely on rating agencies such as Vigeo, Dutch Sustainability Research, Ethibel and Eiris for their information. A short analysis of their websites shows that, to a certain extent, all provide attention to the human rights policies and performances of companies to be analysed. In most cases, however, the methodology used and the human rights indicators on which the research is based are not public.

Voluntary initiatives
The financial and extractive industries, in which due diligence is a standard business practice, are sectors in which (human rights) impact assessments are relatively common. This practice has been particularly stimulated by international standards such as the Equator Principles (financial industry) and the Voluntary Principles on Security and Human Rights

Anglo-American introduced a socio-economic toolbox which includes engagements with stakeholders, impact assessment and mitigation of the negative effects. For major projects this is carried out every three years.

Rio Tinto has a Community Relations Standard that states that a multi-year community plan will contain a community assessment related to risks and opportunities over the medium to long term.

Shell was the first company to test the HRCA tools on its practical use and advised the Danish Institute for Human Rights (DIHR) on the development of the tools. It has used these self-assessment tools in several countries.

For the BTC project BP has performed an ESIA in Georgia and Azerbaijan, and for the Tangguh project in Indonesia. All the BP assessments included human rights issues, but were not human rights impact assessments as such. The difference is that some human rights issues might be overlooked because of the different focus of the assessment. BP also supported the development of the IFC/IBLF HRIA, together with the UN Global Compact, Novartis and Newmont.

Corporate experiences

The impact assessments conducted by companies on the basis of the abovementioned standards and initiatives are more like social and environmental impact assessments than genuine human rights impact assessments. They focus on human rights issues such as health, culture, environment, safety and working conditions, but often do not contain a broad human rights-based approach.

Most companies conduct human rights impact assessments occasionally rather than routinely. These companies stem from sectors such as the extractive sector and financial institutions and are usually large multinational enterprises.

Even though it is positive to see these developments, it should be noted that in the context of the geographical location, size and nature of activities of companies in these sectors, the number of HRIAs conducted is still rather low. What is valuable is the growing awareness among companies and their stakeholders of the importance and necessity of HRIA, and the use by companies of HRIA tools as described in the following chapters. This is a first step towards a trend of customising HRIA into everyday business practice.

Photo by IRIN

Summary of HRIA Tools

Over the past decade, the following five Human Rights Impact Assessment (HRIA) tools have been developed:

- Community HRIA Guide for Foreign Investment projects

- Guide for Conflict Sensitive Business Practice: Guidance for Extractive Industries

- Guide to Human Rights Impact Assessment and management (draft)

- Human Rights Compliance Assessment

- Human Rights Risk Tools

In this chapter, we provide you with an overview of the tools, how and when they can be used and how to use the results. The overview is in alphabetical order.

2.1 Community HRIA Guide for Foreign Investment projects

The Community HRIA Guide for Foreign Investment Projects is the only tool described here which is meant for civil society organisations. It helps to assess human rights impacts on communities and was developed by Rights & Democracy.

What to expect
Communities have used various means to make their voices heard, either because they have already experienced negative impacts or because they are concerned that the arrival of a company can have harmful repercussions in the future. Often confronted with a very unequal balance of power with respect to the government and the company in question, their participation is frequently very limited. This is due to the fact that the communities are ill-equipped and have insufficient access to financial resources and information. The Community HRIA Guide for Foreign Investment Projects is an assessment model that allows civil society organisations to identify the specific human rights impacts of a foreign investment on communities and to seek appropriate remedies.

The Community HRIA Guide is a step-by-step process which comprises a comprehensive list of open-ended questions derived from international human rights law, primarily the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.

"This research experience has shown that it is possible to demonstrate the human rights impact of foreign investment at the project level; perhaps more importantly it has shown that placing the affected communities at the centre of the process enriches the outcomes. All of the case study research teams reported having a better understanding about human rights and they placed significant value on the sense of empowerment experienced with the production of the final reports."
Rights & Democracy

The objective is to prepare a report with recommendations for improvement to the government and the company. In addition to making an actual human rights impact assessment, the guide can assist with other related tasks such as communicating with the government or the company in question, informing a large group of people about the situation, sending recommendations to the stakeholders involved, and building community capacity in terms of human rights and research processes.

The Community HRIA Guide prioritises training and capacity building at a community level. The assessment is focused on project assessment rather than the broad corporate management structure, including policies and processes. This effectively narrows down the scope of the assessment to the actual human rights risks and violations and those affected by them. For a broader focus on other levels within an investment or corporation, additional assessments would be valuable.

The six phases of the Community HRIA

1 Preparation of the study
2 Legal framework
3 Adapting the guide
4 Investigation process
5 Analysis and report
6 Engagement, monitoring and follow-up

How to use

The guide is intended primarily for organisations and groups that prioritise the needs and interests of communities. Using a participatory approach, the HRIA guide seeks to promote the involvement of all stakeholders through the entire HRIA process.

An assessment team composed of organisations working directly with affected communities is set up to go through the six-phase process. After researching the legal framework of both the country and the investment project, the team will need to adapt the HRIA guide to ensure it suits the country's context and the specific investment project. To do so, the team will select the rights that are at stake as well as relevant

questions for their own case. Interviews, consultations, workshops and expert meetings are among the various techniques that teams can decide to use.

When to use

The Community HRIA Guide is a project-based process that can be started before the actual investment has begun. However, difficulties in accessing information from the corporation and government might limit the process at this point. It is easier to start the assessment in existing foreign investment projects. This could not only result in the identification of positive and negative human rights impacts but also reveal violations that have already occurred as a result of the investment.

How to interpret the results

The results will primarily be qualitative, focusing on seeking remedies and accountability. The results are communicated to all stakeholders in the process. Unresolved disputes should also be covered in the report, explaining the nature of the dispute. The conclusions from the assessment will be translated into proposals for appropriate corrective measures. Recommendations can be directed to the host government,

since human rights are the primary responsibility of the state. Furthermore, steps to be taken by civil society and company are also covered in the report.

"All of the research teams reported that the experience enriched their understanding of human rights and built confidence in their ability to demonstrate the human rights impacts of foreign investment projects in the affected communities. They found that the methodology and research guide became tools of community empowerment."
Rights & Democracy

2.2 Guide for Conflict Sensitive Business Practice: Guidance for Extractive Industries

The Guide for Conflict Sensitive Business Practice is specifically developed by International Alert for extractive industries operating in conflict regions.

What to expect

The basis for the Conflict-Sensitive Business Practice: Guidance for Extractive industries (CSBP) are the UN Declaration on Human Rights and related covenants, all relevant UN and ILO conventions, the Geneva conventions, the relevant OECD conventions and the Rio Declaration.

CSBP Documents

The CSBP mirrors the project cycle of a company in the extractive industry. It consists of four practical documents, separately guiding the company through the different stages of its business activities in the conflict region.

1. Introduction to conflict-sensitive business practice and Operational Guidance Chart

2. Screening Tool for early identification of conflict risk

Using the Screening Tool at the outset of a project or investment can determine whether the country is at risk of conflict. Through the analysis of governance, economic, socio-cultural and security spheres, a range of potential issues can be detected. This framework is the initial assessment of the type and level of conflict risk. Through the use of the Screening Tool, risk conditions are identified, priorities given and a conflict-sensitive approach can be initiated.

3. Macro-level Conflict Risk and Impact Assessment tool (M-CRIA)

The M-CRIA builds on the findings of the Screening Tool and focuses on the national level. Information is gathered through macro-level context analysis; together with inter-department discussions and consultations, the company impact on a conflict can be identified. This analysis is the basis for designing mitigating action and should be regularly updated. The M-CRIA gives a detailed understanding of the (potential) conflict situation in a country so that the company make well informed investment decisions and develop prevention strategies by minimising the impact of the company on the conflict and vice versa.

4. Project-level Conflict Risk and Impact Assessment tool (P-CRIA)

The P-CRIA takes its information from the prior conducted M-CRIA. The focus is on the local and project level of the investment. It is a mechanism for the company and the community to work towards mutual understanding and respect for each other's objectives in the project design, operation and closure of the investment. With an enhanced understanding of the interests of the major stakeholders in the conflict, the P-CRIA helps a company to build trusting relationships with the relevant communities and other stakeholders in order to minimise tensions and prevent conflict.

The CSBP also includes documents in which several issues and key conflict sources are explained and guidance is given in the form of relevant options and alternatives. These issues include stakeholder engagement, resettlement, compensation, dealing with armed groups, corruption and transparency.

The aim of the CSBP is to close the gaps that remain with the assessments currently in use by companies: Political risk methodologies, Financial Risk Assessments and Environmental and Social Impact Assessments. It focuses on potential conflict actors, the causes and consequences, and the full sphere of influence that a company or project may have on the conflict at different levels.

How to use
The CSBP is a guide for managers working in the field and for headquarters staff working with issues that relate to the business in the conflict region.

The CSBP is an ongoing assessment from the earliest stages of an investment until the closure or termination. The different stages require several activities. The Screening Tool requires a desk-based research at headquarters. The M-CRIA is partly desk research, complemented with internal brainstorming and consultations. The P-CRIA is a participatory approach, while the decision-making process is more transparent.

The CSBP is best implemented with a small multidisciplinary team including conflict analysis expertise, knowledge of the local context, history and languages and company staff.

When to use
The CSBP guidance is intended to start at the earliest stages of a potential investment. The Operational Guidance Chart explains at every stage of the investment the typical activities and the related assessment activities, giving a summary of when to use the CSBP at the various stages of an investment. The tool will be therefore used during the entire lifecycle of an investment. While stepping in at a later stage of the project is also possible, this requires conducting a preliminary review of the conflict risks, stakeholder relationships and the effectiveness of the existing risk assessments.

How interpret the results
The Screening Tool results in a table that flags key conflict issues and level of risks. On a macro level the tool results in a conflict profile, issues and stakeholder analysis, and a summary of interacting issues. At a project level the tool gives

regularly updated analyses of the project context, including stakeholders and conflict situation. The whole CSBP tool results in ongoing understanding of the project impact, management and mitigation strategies that address real needs, plus transparent and mutually trusting relationships with the stakeholders and thus a license to operate. Multi-stakeholder decision-making results in an action plan aimed at peace building and conflict prevention. The method is ongoing and iterative, requiring regular analysis of the operating environment.

2.3 Guide to Human Rights Impact Assessment and Management (draft)
The Guide to Human Rights Impact Assessment is a management tool that was developed by the International Business Leaders Forum (IBLF) and the International Finance Corporation (IFC), in close collaboration with the United Nations Global Compact.

What to expect
International and national laws, principles, guidelines, conventions and practices form the basis of the Guide. The methodology is an eight-step process through which, in a systematic way, the human rights impacts of the business can be identified, evaluated and managed. The process is designed in such a way that companies can adjust it to their specific needs. It is intended that the steps can be integrated into existing management systems.

The eight steps of the Guide on Human Rights Impact Assessment and Management are as follows:
1. Determine assessment need and scope.
2. Identify and clarify the context.
3. Set the baseline.
4. Consult with stakeholders.
5. Assess actual and potential human rights impacts.
6. Prepare and present conclusions and recommendations.
7. Eliminate or mitigate negative impacts and implement human rights into management process.
8. Monitor, evaluate and report on the project in operation.

The Guide is a proactive management tool that outlines a process for identifying potential human rights challenges at each stage of the project lifecycle. The Guide can be complemented by other HRIAs to obtain a good indication of the relevant indicators or content-based guidelines. The Guide's steps ensure that risks are identified and a constructive engagement with stakeholders is established.

How to use

The Guide is set up for use by business managers from all sectors. As a general tool, it is especially suitable for larger multinationals with a separate CSR department. The Guide assists in the process of identifying those human rights issues that are linked to the business, and can help the company respond accurately and effectively to the corresponding challenges.

Both teams or individuals can carry out the assessment, either as an internal or an external party. It is important that the assessors have access to expertise in the areas of human rights, social and environmental issues, the business sector practice, local business culture and stakeholder engagement.

When to use

The eight-step process can be applied to the entire lifecycle of a project or the process can be started at different stages of a business project; for example, the initial feasibility study

stage, the implementation phase, and/or during the full operation of the project.

How to interpret the results

The Guide to Human Rights Impact Assessment and Management is a practical tool for business managers to integrate human rights impact assessments into their core business planning and management systems. It is currently being road-tested. IBLF continues to invite companies from all sectors to road-test the Guide and the final version will be published in 2010. At this point, lessons learned from the road-testing phase will be made publicly available.

2.4 Human Rights Compliance Assessment

The Human Rights Compliance Assessment (HRCA) is a tool assisting in corporate risk and impact assessment. It was developed by the Danish Institute for Human Rights in close cooperation with companies and human rights organisations, including *Aim for human rights*.

What to expect

The aim of the HRCA tool is to detect potential human rights risks and opportunities for companies and to detect gaps between corporate policies and practice. The tool assists in determining the impact of the company's activities on the human rights of its employees and the wider community in which it operates. The tool also raises awareness on corporate responsibilities and the boundaries thereof. It can also be the basis for stakeholder engagement.

The HRCA is an interactive web-based self-assessment tool which can be used by companies, governments, NGOs and academics. It is based on the Universal Declaration of Human Rights (UDHR), the OECD Guidelines for Multi-National Enterprises and about 80 human rights and ILO conventions and declarations. For each right of the UDHR, the responsibility of companies is defined and rewritten into practical questions and indicators.

The HRCA is a practical instrument to translate the existing company principles into practice. The same is valid for voluntary initiatives and standards to which a company has committed itself. Initiatives for which the HRCA can be helpful include the

UN Global Compact and the OECD Guidelines. The tool gives structure to human rights issues and clarity on which actions are needed, making it helpful in monitoring and certification processes. The HRCA can be combined with other HRIA tools as it creates a practical component for the HRIA process.

The term HRCA includes the tools Country Risk Assessments, the full Human Rights Compliance Assessment and the Quick Check.

Country Risk Assessments

Country Risk Assessments (CRA) are developed to determine the areas in which companies can be at risk of being involved in human rights violations due to ineffective laws and certain cultural practices in the country of operation. Each right is assigned an overall company risk rating. As well as identifying potential risks, the CRA also provides practical guidelines on avoiding human rights violations. CRA's exist for the following 14 countries: Algeria, Azerbaijan, Brazil, China, India, Kazakhstan, Kenya, Libya, Oman, Russia, South Africa, Tanzania, Ukraine and Vietnam.

(Full) Human Rights Compliance Assessment

The HRCA is a web-based database of questions concerning those human rights that are relevant for a company. Each question is accompanied by a narrative description of the issue and references to relevant international laws. The tool provides companies with the entire spectrum of human rights issues: Land management, gender equality, repressive regimes, corruption and bribery, child labour, forced labour, indigenous people, intellectual property, non-discrimination, health and safety, trade unions and working conditions. The issues are discussed with regard to their relevance to companies and their operations. Within a company the tool can be used to select those questions relevant to the company, the sector and the region of operation. It can also be used by topic or company department.

Quick Check

The web-based Quick Check is a shorter, faster HRCA for small en medium enterprises (SMEs) and larger companies requiring a fast introduction into the world of human rights assessments. It contains 28 questions regarding the most essential human rights issues faced by companies. A specialised Quick Check, adapted to the vulnerable group of Dalits in India and other counties with the caste system, has also been developed. For South Africa, a country-specific check (Masizibheke or the HRCA South Africa) has been developed by *Aim for human rights*, DIHR and South African organisations. In addition to these tools there is also the CSR Compass, a tool developed for supply chain management.

How to use

At the very start of a new investment, the CRA can be used to map the human rights situation of the region. Based on the CRA, the questions to the issues to be assessed are selected. Using the HRCA a selection can be made out of 350 questions, while the Quick Check contains 28 questions. Before replying to a question, several indicators are analysed. This gives a detailed overview of the situation and allows for the main question to be answered. A general overview of all assessed issues is provided in the final report, which identifies areas of compliance and non-compliance with international standards.

Using the HRCA in ten steps

1 Define the scope of the assessment.
2 Establish a task team and divide the work.
3 Familiarise with the HRCA issues and questions.
4 Answer the questions.
5 Report back to the task team, identify gaps.
6 Second round of research and reporting to task team.
7 Verification of findings with stakeholders.
8 Adjustment of findings to verification process and finalisation.
9 Follow-up: Make the necessary adaptations to policy, procedure & practices and external reporting.
10 Determine date for next assessment.

When to use it

The HRCA is structured to be implemented throughout the different stages of the management process. It has been designed to fit the management systems that most larger companies currently have in practice. The HRCA fits the

management systems for quality, health and safety, productivity, the environment, supply chain and social issues. The HRCA can be used at a corporate level, providing the most essential issues for the company to base its policies on and formulate and monitor performances throughout the company. The HRCA can also be used for project-based assessments, both for new investments and those already in operation or finalised. Moreover, the tool is very useful to the level of compliance at the supply chain.

Example: Using HRCA in South Africa

Although Corporate Social Responsibility (CSR) is on the agenda in South Africa, the issue of human rights for business enterprises is still a relatively new and emerging subject. NGOs and trade unions in the country have ample knowledge and expertise on human rights and labour rights to provide companies with the necessary feedback, but human rights awareness at the business level remains low. It is for this reason that *Aim for human rights* started a capacity enhancement project in South Africa in 2006. The HRCA tools are used in this project for awareness creation and capacity enhancement. The project is targeted at civil society organisations and companies operating in South Africa.
Website: www.africagrowth.net/humanrightsandbusiness

How to interpret the results
In the final report the results of the assessment are ordered through a traffic light system to help prioritise needed actions. A red is given to those human rights issues that are at risk of being or are being violated, meaning that action by the company is urgently needed. Yellow indicates gaps in the company policies or performance, and that further improvement is necessary to minimise the risks of human rights violations. Green indicates that the company policies and performance meets international human rights standards. Suggestions on implementation are given for the identified human rights issues. Procedures and issue-specific action plans can be developed and monitored. Continual improvement can be guaranteed by repeating the process on a regular basis.

Photo by Mariëtta Smid

2.5 Human Rights Risk Tools
The Human Rights Risk Tools consist of several tools that were developed by Maplecroft. The tools link business sector at overall risk exposure in a country or region, with a specific focus on gender issues. The goal is to help understand the operational context as well as the inter-relationships between human rights and other the issues.

What to expect

Maplecroft uses as its basis the Universal Declaration of Human Rights and its covenants, and all relevant UN and ILO conventions. Maplecroft has developed several tools for detailed risk assessments. One set focuses on country risk exposure. Assessments are based on annual country risk monitoring and evaluation. Data is coded by sector and location, so risk can be assessed at the site level. Another set of tools focuses on monitoring and auditing human rights risks at the company level.

At Maplecroft, a team of experts on human rights risk at a national, sub-national and site-specific level carry out the country risk assessments. Various sources are used for the assessments, including the US State Department, Amnesty International, Human Rights Watch and various UN reports. County risk assessments are based on reported violations.

Every reported violation and event is categorised and evaluated in accordance with a strict methodology to understand the nature of the risk. Produced annually, the report provides an assessment of the methodology limitations and observations.

"The work done by Maplecroft for us on the Namdeb Closure Plan was and remains world class."
Inge Zaamwani, Managing Director, NAMDEB

The country analysis is supplied in a range of different formats. There are indices and maps, but also scorecards (1 page) for a country overview, briefings (5-7 pages) for more detailed appraisals of a country and reports (25-plus pages), which can be tailored to a client's needs. All products are illustrated with maps built using data mapping (Geographic Information System - GIS) systems and Maplecroft human rights research. The mapping and expert analysis assesses

human rights risk for 196 countries. A total of 24 issues are covered in the categories human security, labour rights and protection, civil and political risk and remedy.

Aggregate indices are available for overall human rights risk, complicity and rule of law; human security, labour protection, civil and political risk and access to remedy. The indices summarise human rights risks and complicity according to severity, prevalence and levels of impunity. Country scorecards include risk profile, risk trend analysis, key incidents, analysis, stakeholder viewpoints and sub-national risk maps. For high and extreme risk countries, 30 'key incidents' are reviewed for each country in 2007 and 2008. The tool also focuses on access to remedy.

The company-specific assessments are based on the same indices but tend to be tailored to different companies and sectors. Here the focus is on the company's policies and procedures. The company risk assessment and related monitoring is based on smart workbooks and self-assessment. Inherent risk and management proficiency risk are captured for each pertinent human rights category. This helps to prioritise where auditing is warranted or where best to invest efforts to mitigate risks.

Key Human Rights Risk Tools of Maplecroft
Country Risk Exposure tools:
- Human Rights Risk Report 2009
- Human Rights Risk Indices
- Interactive and GIS maps
- Country briefings and reports

Company risk management proficiency:
- Gap analysis
- Monitoring and audit tools
- Policy Bank of human rights policies

How to use
The company-specific risk assessment monitoring tools and smart workbooks are designed to be developed by Maplecroft jointly with the user organisation. Implementation is done by

the company with minimal external assistance needed. The country risk exposure tools are presented via a web interface on the client's intranet site, hosted by Maplecroft. The GIS data mapping systems gives a range of maps that give a clear indication of the business exposure to human rights risks at the level of operation, city or other scale. Maplecroft translates the data analyses into narrative reports. When companies have their own risk analyses system, the data analysis can also be provided as statistics and in spreadsheets. The HRR tools are used for impact assessment, benchmarking, scenario planning as well as to inform investment and supply chain decision-making.

When to use
Maplecroft tools can be useful for businesses that have a value chain with operations in countries identified with high or extreme human rights risk. They can be implemented by organisations at every stage of the business lifecycle. The monitoring systems can be applied to the organisation as a whole and/or to operating business units of the company. The tools are also helpful to build awareness across different functions within the group – corporate affairs and communications, risk and strategy functions, human resources and procurement.

"I am very happy with the whole audit process... and I think the added risk assessment in the Maplecroft tools has deepened the impact of the outputs."
Allison Murray, Corporate Responsibility Manager, T-Mobile

How to interpret the results
Maplecroft developed management systems to support the interpretation of results, but the tools can equally well plug into an organisation's own management system. The results from both country risk assessments and also the company risk management proficiency assessments all help to understand risk and help determine auditing, corrective actions and monitoring priorities.

Selecting the tools

When planning to conduct a Human Rights Impact Assessment it is important to know more about the specific characteristics of a tool in order to make a decision on which tool to use.

3.1 How to select an HRIA tool
The following steps need to be taken:

For your company to be able to choose between the tools, the first thing to do is to get a basic idea of the context of the situation to be assessed:

- What is the company's sphere of influence?
- What is the sector in which the company operates?
- What are the activities of the company?
- Does it concern a new or existing project or company?
- What is the country of operation?

Second is to decide on the exact purpose of conducting the HRIA followed by the formulation of the objectives. In this phase it is important to be clear about the boundaries of the assessment: Does it concern the corporation as a whole, a specific project or activities in a certain region of operation?

The third step is to specify the limitations of the project: What is the maximum timeline, the available budget and the number of people needed to conduct the HRIA? It is advisable to be realistic. Rome wasn't built in a day and a proper HRIA needs proper investment.

The fourth step is to screen HRIA tools making use of the HRIA criteria discussed in the next subsection.

The final step is to select the HRIA tool that fits the specific situation.

These steps are not only the basis for the selection of the HRIA tool but also the basis for the HRIA process and its potential effects. This chapter will discuss the characteristics of the HRIA tools, based on steps 1-5. The criteria used should enable you to screen the tools on how they fit the project or situation and to select the right tool or combination of tools.

3.2 HRIA Criteria
The criteria defined below will assist you in the decision as to which tool to use in a specific situation.

A. Purpose, social focus	H. Kind of assessment
B. Scope	I. Target users
C. Normative framework and thematic issues	J. Approach
D. Cross-sector	K. Indicators
E. Country focus	L. Participatory approach
F. Location business management system	M. Results
G. Operational or planning	N. Practicality of the tool
	O. Costs
	P. Timeline

These criteria provide handles for choosing the right tool. Different HRIA tools are designed with different **purposes** in mind. Together with the **scope** of the tools, this is a good starting point for the selection of the tool that best fits the project or situation of the company. The **approach** of the tool describes how the tool is structured to capture those elements that are essential to the purpose and the **target users**. It is the essence of the HRIA process and is usually designed to streamline the different elements of the HRIA into a process that is clear and tangible. The **indicators** and the **thematic issues and human rights focus** are elements that are closely related to the purposes of the HRIA project. **The kind of impact assessment, operational or planning assessments,** and **sector focus** are elements that help fine-tune the selection on the practical level. The characteristics **place within the management system, practicality of the tool** and **results** are elements that can help to place the tool within the context, the perceived way of working within the project. Together with the other HRIA criteria mapped in this section, you should be able to attain a good view of the possibilities of a specific tool.

Tool	Description
Conflict Sensitive Business Practice (IA)	This set of tools helps extractive companies operating in conflict zones to improve their impact on host countries, understand and minimise conflict risk, and actively contribute to peace and economic and social development. Focus is on business operations.
Guide to Human Rights Impact Assessment and Management (draft) (IBLF/IFC/UNGC)	Assists companies in identifying the human rights issues associated with their business operations. Methodology to manage and develop mitigative actions. Aims to bring HRIA into core business planning and management processes. The tool is business focused.
Human Rights Compliance Assessment (DIHR)	A diagnostic self-assessment tool for businesses (and other stakeholders) to assess the impact of business operations on people within the company, local residents and other stakeholders (as defined by political, cultural or geographic boundaries).
Community Human Rights Impact Assessment (R&D)	Tool for civil society organisations working directly with local communities. Process helps to take stock of the positive and negative impacts of foreign investment projects on human rights. Attempts to measure the gaps between the human rights in principle (as ratified by governments) and the rights in practice. Aims at participation of affected communities in the decisions that affect them.
Maplecroft Human Rights Risk Tools	A set of tools to map and quantify human rights and related risks at both country and sub-country level. Helps to understand the operational context as well as the inter-relationships between human rights and other issues. The tool is business focused.

B. Scope

Tool	Description
Conflict Sensitive Business Practice (IA)	A broad perspective on human rights. Also includes environmental impact, trade issues, labour relations, and bribery and security arrangements. The tool is used at a project level.
Guide to Human Rights Impact Assessment and Management (draft) (IBLF/IFC/UNGC)	Addresses both external and internal impacts for the business. The Guide can be used at both a project level and corporate level.
Human Rights Compliance Assessment (DIHR)	A broad human rights spectrum. Scope includes the workplace, the community and in the supply chain. The focus is on past, present and future impact and compliance. Takes each right, defines the responsibility of the company and defines a baseline for compliance. The tool is used at a corporate, country and project level.
Community Human Rights Impact Assessment (R&D)	Human rights related to foreign direct investment projects. Seeks accountability and remedies. Gives special attention to the obligations of the state. The tool is used at project level.
Maplecroft Human Rights Risk Tools	Human rights are addressed in four categories: Human Security, Labour Rights & Protection, Civil Liberties & Freedom, and Redress. Provides insight into external risks for business, i.e. the operational context. The company risk management proficiencies, focusing on internal risks through gap analyses, can be used at a project and corporate level. Country tools are suitable at a project level. The focus is on present and future risks.

C. Normative Framework and Thematic Issues

Tool	Description
Conflict Sensitive Business Practice (IA)	Focus on civil and political rights, but also addresses economic, social and cultural rights from a conflict perspective. CSBP has a manual on nine key issues in conflict situations, explaining the context of the issues and making suggestions on how to deal with them.
Guide to Human Rights Impact Assessment and Management (draft) (IBLF/IFC/UNGC)	Covers the full range international and national laws, principles, conventions, guidelines and practices. Provides a general sector list on the most important human rights issues in the Appendix; highlights key human rights principles and issues for business sectors
Human Rights Compliance Assessment (DIHR)	Covers all human rights from a business perspective. It is based on the Universal Declaration of Human Rights, covenants, ILO conventions and 80 other human rights conventions.
Community Human Rights Impact Assessment (R&D)	Focused on is on the community's human rights, and can include conflict situations. The tool covers the rights contained within the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.
Maplecroft Human Rights Risk Tools	The focus of the tool is on country and geographic human rights risk exposures. It covers 196 countries across 30 distinct categories of risk and also includes other areas of risk. The tool is aligned with the framework of the Universal Declaration of Human Rights, its covenants and ILO conventions.

D. Cross-sector or sector-specific

Tool	Description
Conflict Sensitive Business Practice (IA)	Extractive sector (oil, mining and gas). Guidance notes for engineering contractors, project financiers, and forestry sector also available.
Guide to Human Rights Impact Assessment and Management (draft) (IBLF/IFC/UNGC)	Cross-sector
Human Rights Compliance Assessment (DIHR)	Cross-sector
Community Human Rights Impact Assessment (R&D)	Cross-sector with main focus on foreign direct investment
Maplecroft Human Rights Risk Tools	Cross-sector – country risk analysis is linked to sectors, location and impacts on gender, thus providing an overall risk exposure.

E. Country focus

Tool	Description
Conflict Sensitive Business Practice (IA)	-
Guide to Human Rights Impact Assessment and Management (draft) (IBLF/IFC/UNGC)	Provides several country issues in its Appendix. The country issues are short and general, but they are certainly useful when used for a first analysis.
Human Rights Compliance Assessment (DIHR)	Specific country focus with the Country Risk Assessment. CRAs are available for 14 countries (see page 22). The HRCA provides specialised Quick Checks: The HRCA SA for companies operating in South Africa and the Dalit Check for companies operating in countries where the caste system is still in practice.
Community Human Rights Impact Assessment (R&D)	-
Maplecroft Human Rights Risk Tools	These tools have a strong country focus as the tool provides detailed information covering every country in the world. Moreover, different risks affecting different countries can be provided as an "overlay" to understand how risks conflate with one another. The HRR tools provide human rights risk analyses based on reported violations of international human rights standards.

F. Location in the Business Management System

Tool	Description
Conflict Sensitive Business Practice (IA)	The tool applies to strategy, policy, process and procedure.
Guide to Human Rights Impact Assessment and Management (draft) (IBLF/IFC/UNGC)	The tool fits the process and procedure stages in the management system and includes monitoring and reporting.
Human Rights Compliance Assessment (DIHR)	Is designed to fit into existing management systems and can be applied at each stage of the management system. Compliance assessed on policy, procedural and performance level.
Community Human Rights Impact Assessment (R&D)	The tool fits the stages of process and procedures, communication, training, monitoring and reporting.
Maplecroft Human Rights Risk Tools	Designed to fit into existing management systems. The company risk management proficiency scores the human rights policy, procedures, communication, monitoring and audit and assurance programmes.

G. Operational or planning

Tool	Description
Conflict Sensitive Business Practice (IA)	Use early in the planning phase to identify key conflict issues at the pre-investment phase. The total CSBP is ongoing. Through a preliminary review it is possible to step in later in a project.
Guide to Human Rights Impact Assessment and Management (draft) (IBLF/IFC/UNGC)	Developed for the planning phase or when major changes in the operations are planned. Can also be used in operational projects.
Human Rights Compliance Assessment (DIHR)	Designed for projects that are in their operational phase, the assessments can start at every stage of a project or business activity. Through the use of the CRA and the HRCA the potential impact of activities in a (new) country can be evaluated to adapt policies and procedures to the legal framework.
Community Human Rights Impact Assessment (R&D)	For operational projects: Emphasises on actual impacts by an investment project as experienced by the affected community. Planning phase: Allows identification of human rights issues and the potential impacts of the investment project. Such assessment can be difficult since information is usually not available to the community.
Maplecroft Human Rights Risk Tools	Use as risk assessment and benchmarking tools, relevant at all stages of a project, especially the planning and closure phases.

H. Kind of Assessment (RA, IA, CA)

Tool	Description
Conflict Sensitive Business Practice (IA)	Risk assessment on, for example, social and political complexity in certain areas. Impact assessment of business in conflict zone, and impact of conflict in business operation (macro-level and project-level).
Guide to Human Rights Impact Assessment and Management (draft) (IBLF/IFC/UNGC)	Impact assessment of business operations on rights of individuals and communities. The general Country Issues in Appendix can be used for risk assessment.
Human Rights Compliance Assessment (DIHR)	Risk assessment (CRAs, focus policies, procedures and performance on sensitive issues and input for stakeholder dialogue). Compliance assessment against the international law framework. Impact assessment on broad scale of human rights issues, including community impact.
Community Human Rights Impact Assessment (R&D)	Risk assessment of the human rights situation. Impact assessment of foreign investment on local communities, community-based impact assessment.
Maplecroft Human Rights Risk Tools	Risk assessment, includes country risk analysis, gap analysis and audits of integration of human rights risk management in business practices. Valuable to use within an HRIA.

Tool	Description
Conflict Sensitive Business Practice (IA)	Developed for field-managers from extractive industries working as well as staff in political risk, security, external relations and social performance departments. Besides external experts, company staff should always be involved throughout the process. It is advised to select a team with mixed skills, including conflict analysis expertise and knowledge of the local culture.
Guide to Human Rights Impact Assessment and Management (draft) (IBLF/IFC/UNGC)	Developed for company managers responsible for evaluating key aspects and impacts of a business project but for whom the issues of human rights are not a core competence. External sources may be required for delivery of certain steps, for example, step 3: understanding the local business culture, and step 4: stakeholder engagement
Human Rights Compliance Assessment (DIHR)	To be used by country managers, functional area managers, corporate citizenship managers, investment officers and auditors. The process can be started by the company but also by other stakeholders such as the community, civil society organisations, trade unions or academics. The work can be divided between the members of a task team, consisting of representatives of different departments within the company (human resources, CSR, legal, procurement). For assessments, projects or companies, the task can be done by a single person.
Community Human Rights Impact Assessment (R&D)	Conceived for local organisations working directly with the affected communities, it can also be used by organisations outside the communities that wish to accompany local groups in this process. A mixed local and international team is advised to stimulate mutual learning and to combine capacity building into the assessment. Other stakeholders such as companies and governments may also use this assessment guide if they wish to understand the human rights impact of investment from a participatory and community-based perspective.
Maplecroft Human Rights Risk Tools	Initially to be used by group functions to evaluate country human rights risk. Monitoring tools are developed to be used by both group and business unit/country functions. The country analysis is a service offered by Maplecroft. These can be customised to the requirements of the business project. The tools are developed to be implemented across different functions within the company.

Tool	Description
Conflict Sensitive Business Practice (IA)	A step-wise format. Developed as a fixed process, companies adapt and further develop the core concept through their own practices. Includes an overview of relevant regulation, a screening tool for early identification of conflict risk, a macro- and project-level conflict risk impact assessment and special guidance on several issues.
Guide to Human Rights Impact Assessment and Management (draft) (IBLF/IFC/UNGC)	An eight-step process to measure potential human rights challenges for business. Collates information, consultation, opinion and expertise to inform business judgments and management decisions.
Human Rights Compliance Assessment (DIHR)	A web-based programme comprising 1400 indicators and 350 questions. The shorter version, the Quick Check, contains 28 questions. Country Risk Assessments on 14 countries. The assessment can focus on specific human right, a certain topic or department.
Community Human Rights Impact Assessment (R&D)	A step-by-step process organised into six main phases. Information, references and examples of research techniques, are provided throughout the steps.
Maplecroft Human Rights Risk Tools	Combines country risk across 30 indicators for 196 countries with company human rights risk management proficiency assessments, to target areas for action and monitoring.

K. Indicators

Tool	Description
Conflict Sensitive Business Practice (IA)	Uses qualitative indicators and can be the basis to develop quantitative indicators. Key conflict sources are explained and relevant options and alternatives are given. Reference to existing benchmarks which can serve as impact and compliance measurement for companies.
The Guide Human Rights Impact Assessment and Management (draft) (IBLF/IFC/UNGC)	No specific indicators.
Human Rights Compliance Assessment (DIHR)	Direct and indirect human rights indicators in employee rights, societal rights and political rights. Formulated on policy, procedure and performance levels, indicators are mostly qualitative (although quantitative indicators are also used).
Community Human Rights Impact Assessment (R&D)	The questions provided in the guide are presented by right and divided into three categories: Government and the national human rights context, company and community, and human rights. Project-specific questions are encouraged. While the indicators are mostly qualitative, quantitative indicators are also used.
Maplecroft Human Rights Risk Tools	30 different human rights risk indicators across the categories of human security, labour standards and protection, and civil and political risk. Includes access to remedies. Mainly quantitative indicators.

Tool	Description
Conflict Sensitive Business Practice (IA)	The Guide describes the process to promote stakeholder engagement, (local and national), shared decision-making, good communication, and participatory analysis.
Guide to Human Rights Impact Assessment and Management (draft) (IBLF/IFC/UNGC)	Participatory approach with consultation and stakeholder engagement, to identify and address issues of concern for workers and local communities.
Human Rights Compliance Assessment (DIHR)	Verification of the company information with stakeholders: Trade unions, NGOs, workers and community representatives or organisations.
Community Human Rights Impact Assessment (R&D)	The community HRIA is specialised in participation of the community and other stakeholders. The tool combines use of expert knowledge of human rights with a participatory approach of consultation and stakeholder engagement.
Maplecroft Human Rights Risk Tools	Country risk analysis includes stakeholder viewpoints from international organisations, non-governmental organisations, businesses, trade unions, peers and other groups.

M. Results

Tool	Description
Conflict Sensitive Business Practice (IA)	Ongoing understanding of the project impact, management and mitigation strategies, transparent and mutually trusting relationships with the stakeholders.
Guide to Human Rights Impact Assessment and Management (draft) (IBLF/IFC/UNGC)	Findings of assessment and recommendations presented to management. Implements a Human Rights management process. Monitors, evaluates and reports on the human rights experience of the project in operation.
Human Rights Compliance Assessment (DIHR)	Overview of gaps in company policies, procedure and performance. Identifies (non) compliance with international human rights laws and standards, gives suggestions on how to improve. Quantifies overall performance to track development on regular basis. Guides future policies, procedures and performance through recommendations and best practices.
Community Human Rights Impact Assessment (R&D)	Research team draws conclusions and proposes appropriate corrective measures. Final report written by community and its representatives. Monitoring and ongoing evaluation.
Maplecroft Human Rights Risk Tools	Provides in-depth quantitative and qualitative analysis down to site or entity level. Recommendations for the prioritisation of mitigation measures. Monitors suggestions to address reputational risk.

N. Practicality of the tool

Tool	Description
Conflict Sensitive Business Practice (IA)	Only for extractive industries in setting with potential conflict. Not easy replicable in other contexts.
Guide to Human Rights Impact Assessment and Management (draft) (IBLF/IFC/UNGC)	Bring HRIA into core business planning and management processes. The tool is very suitable for large-scale projects or large companies.
Human Rights Compliance Assessment (DIHR)	Comprehensive tool needs adapting to company to ensure covering all necessary issues and time-efficiency. Makes HRIA process more practical by clarifying what is expected from business. Provides ingredients for carrying out the steps of an HRIA.
Community Human Rights Impact Assessment (R&D)	Developed as a CD-ROM, the guide aims to help team and community build their capacities in terms of human rights. A comprehensive list of questions is available for the team to select according to the specificity of their case.
Maplecroft Human Rights Risk Tools	Enables traffic light approach to risk analysis as well as matrix approach that highlights the different risk exposures applicable to each user entity. Uses maps, quantitative indices, statistical techniques and graphs to illustrate risk exposure.

O. Costs

Tool	Description
As the costs of an HRIA depend on many (internal and external) factors, it is hard to provide a detailed overview of the costs involved when using a particular HRIA tool. Much depends on the scale of the assessment, its boundaries, the parties involved in the implementation, the participation of the stakeholders, the use of experts, the region of operation and the timeline.	
Conflict Sensitive Business Practice (IA)	Available free of charge at www.international-alert.org
Guide to Human Rights Impact Assessment and Management (draft) (IBLF/IFC/UNGC)	Currently being road-tested by companies at a cost. The Guide to HRIA (draft) is available free of charge after registering at www.iblf.org
Human Rights Compliance Assessment (DIHR)	Different fees apply for the full HRCA, the HRCA SA and the CRAs, depending on the size of the company and NGOs. The HRCAs price structure is flexible and depends on how the tool is used. The Quick Check and Dalit Check are available free of charge at www.humanrightsbusiness.org.
Community Human Rights Impact Assessment (R&D)	Provides an overview of the required budget and time. The tool is available free of charge at www.dd-rd.ca.
Maplecroft Human Rights Risk Tools	Maplecroft maps are available free of charge at www.maplecroft.com. Indices and scorecards are available either free of charge for humanitarian organisations or for a nominal sum for business. Different fees apply depending on the depth of analysis purchased. Bespoke assessment and monitoring tools are tailored to requirements and charged accordingly.

P. Timeline

The time investment needed for the HRIA depends on the objectives and the scale of the assessment. A simple one-issue assessment can be done in a few weeks. The Human Rights Risk tools and the Quick Check of the HRCA can be used for a short general assessment.

When an extensive HRIA is conducted, including thorough stakeholder participation, a more accurate estimate is a year or more. This type of HRIA can be done with the HRCA, Community HRIA and IBLF/ IFC and UNGC Guide to HRIA and the CSBP.

3.3 Similarities and differences between HRIA tools

Human Rights Impact Assessment as an essential part of a due diligence process requires good preparation. The selection of an HRIA tool is very important in this respect. This chapter showed the steps needed to select an HRIA and the criteria on which the selection can be based. Going through these preliminary steps helps to formulate the relationship between the HRIA and the project, country or company to be assessed.

The mapping shows several similarities between the tools. For example, most tools have a step-wise format to encourage a full process that is structured, practical for regular updating and monitoring, and can be integrated into existing management models. The tools also have specific characteristics of their own, which make it interesting to consider combining HRIA tools or adding parts of an HRIA tool to the HRIA process of another tool. This could also be an option if none of the HRIA tools perfectly matches your specific assessment goals. As HRIA for private enterprises is still in its infancy, we can only learn and improve by using the tools and experimenting with them.

Most HRIA tools focus on larger multinational corporations as the HRIA process is comprehensive. The CSBP, HRCA and HRR tools can be made suitable for medium-sized multinationals.
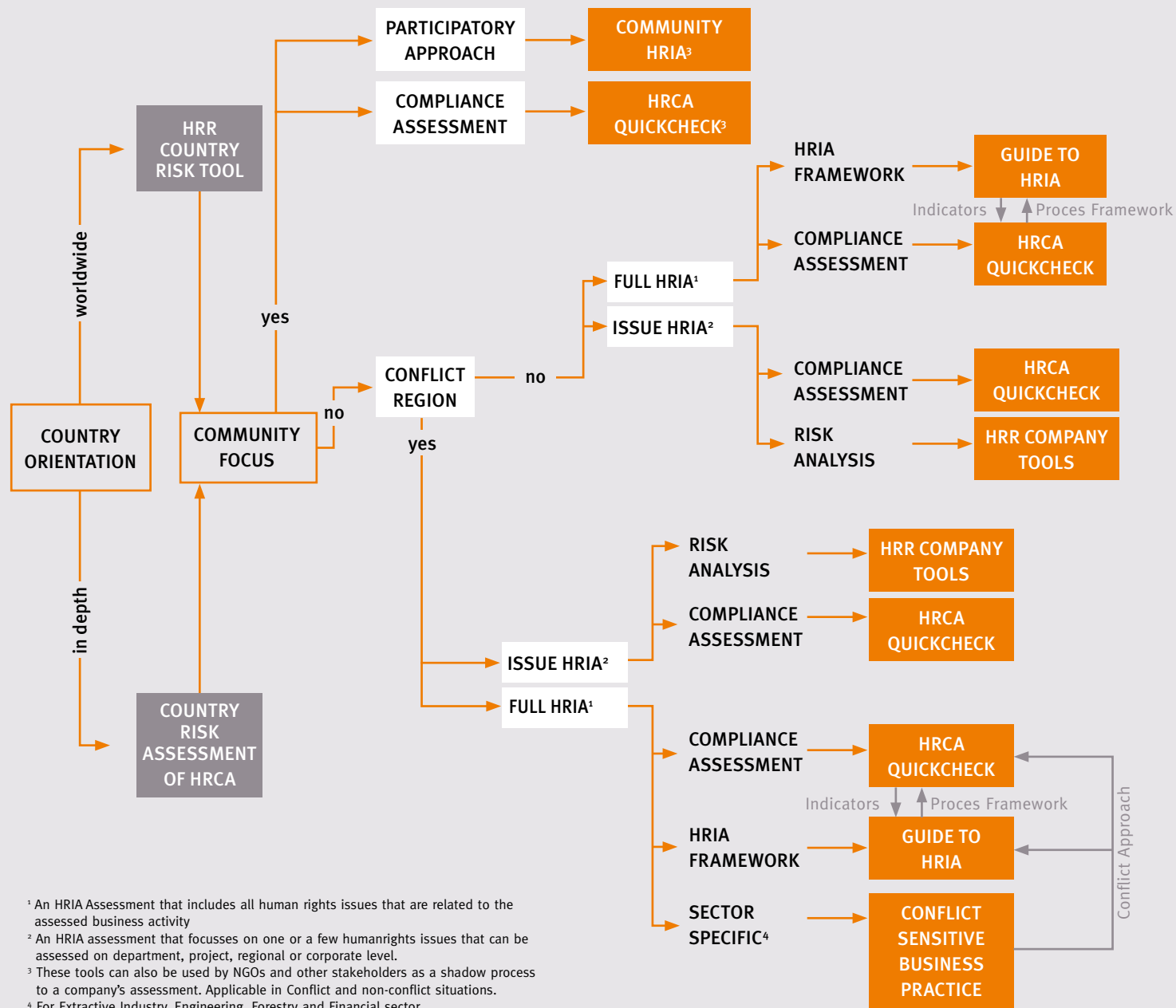
3.4 How do the tools relate to each other?

Comparing the HRIA tools to the general outline of an entire HRIA for companies (see chapter 1.3), it is clear that the tools will guide you through some parts of the HRIA process. HRIA tools are often frameworks that as such may not provide enough guidance to carry out an entire HRIA. It is therefore advisable to use the complementary parts of the different tools to facilitate the implementation of the various steps of an HRIA process. For example, the analysis of the human rights and political situation in a country is an important step in an HRIA. The Country Risk Assessments of the Danish Institute for Human Rights can be used to conduct such an analysis. It is often not clear to the corporation if a new investment or major change in the company will have an effect on the situation in the region. The country maps of Maplecroft can give a detailed overview of the conflict and human rights situation in the region. The CRAs of DIHR help to identify in which areas companies are at risk of being involved in human rights violations due to ineffective laws or cultural practices in a country. It may be reasonable to include the CSBP of International Alert into the earliest planning phase of the project. Even when not operating in the extractive sector, taking note of the conflict approach of the tool can prove very useful.

Although HRIA is still in its infancy phase, the fast developments have led to a broad variety on HRIA tools that are suitable to the different types of corporations and projects, in different phases of their business cycle operating in all parts of the world. The diagram below shows the broad spectrum of possibilities available in order to generate the optimal result of the Human Rights Impact Assessment.

3.5 CHOOSING AN HRIA TOOL

(This scheme is an example. It does not suggest to be complete in reflecting all possibilities.)

PARTICIPATORY APPROACH → COMMUNITY HRIA[3]

COMPLIANCE ASSESSMENT → HRCA QUICKCHECK[3]

HRR COUNTRY RISK TOOL

worldwide

yes

COUNTRY ORIENTATION

in depth

COMMUNITY FOCUS

no

CONFLICT REGION

no

yes

FULL HRIA[1]

ISSUE HRIA[2]

HRIA FRAMEWORK → GUIDE TO HRIA

COMPLIANCE ASSESSMENT → HRCA QUICKCHECK

Indicators ↓ ↑ Proces Framework

COMPLIANCE ASSESSMENT → HRCA QUICKCHECK

RISK ANALYSIS → HRR COMPANY TOOLS

COUNTRY RISK ASSESSMENT OF HRCA

ISSUE HRIA[2]

RISK ANALYSIS → HRR COMPANY TOOLS

COMPLIANCE ASSESSMENT → HRCA QUICKCHECK

FULL HRIA[1]

COMPLIANCE ASSESSMENT → HRCA QUICKCHECK

Indicators ↓ ↑ Proces Framework

HRIA FRAMEWORK → GUIDE TO HRIA

SECTOR SPECIFIC[4] → CONFLICT SENSITIVE BUSINESS PRACTICE

Conflict Approach

[1] An HRIA Assessment that includes all human rights issues that are related to the assessed business activity

[2] An HRIA assessment that focusses on one or a few humanrights issues that can be assessed on department, project, regional or corporate level.

[3] These tools can also be used by NGOs and other stakeholders as a shadow process to a company's assessment. Applicable in Conflict and non-conflict situations.

[4] For Extractive Industry, Engineering, Forestry and Financial sector

Challenges and Opportunities

Your company has successfully finished an HRIA process… What's next? Even though conducting an HRIA is a process that is important in its own right, it is not a goal in itself. In addition to the significant educational effect on those people conducting the HRIA, it has also great value as a basis for communication and engagement with all relevant stakeholders. The result of the process, the final report, will give you a well-founded idea of the human rights situation, the policies required and the measures and practical steps that need to be taken.

4.1 The Post-HRIA phase

The challenge at this stage is to **implement the outcomes** of the HRIA within the management system and corporate operations. This due diligence process, which should be tailor-made to each company or project, is outside the scope of this guide. Organisations such as *Aim for human rights* and the African Institute of Corporate Citizenship support companies to implement human rights within business operations. A Guide for Integrating Human Rights into Business Management by BLIHR (see chapter 1) also provides guidance in this respect.

And yet there is more. **Engagement and transparency** are crucial issues and remain so after the HRIA. Within the company itself, it is important to maintain regular communication with employees about the developments and future plans. Involvement of the stakeholders and their participation in the decision-making process creates a sense of ownership concerning human rights issues. Working on human rights becomes a natural part of the daily operations and changes are welcomed instead of feared. Another positive result of open communication within the company is that an understanding of the company's position generates a sense of trust that can lead to more openness about possible violations. This will enable you to take timely measures, and work on solving problems before they escalate.

To investors, peers and other interested parties, **transparent external reporting** is essential. It is one way of communicating the situation and developments your company is making in the field of human rights. Open communication stimulates good relationships with the stakeholders and is a basic requirement for a license to operate. This is especially important for those stakeholders who are directly confronted by the impacts of the company's activities: The community.

When your company is taking human rights issues seriously and integrates the outcomes of an HRIA within its business operations, **HRIA becomes an ongoing process.** Engagement with the stakeholders, including communities and employees, will eventually become a part of the day-to-day business practices. The ongoing HRIA process also involves continuous improvement on the company's performance. HRIA is an awareness-generating process.

4.2 Voluntary and mandatory approaches

HRIAs are yet to be included into national legislation in most countries. As John Ruggie accurately points out, the legal framework is lagging behind current developments in the globalisation process. There is still a clear need for better protection against possible human rights violations. HRIAs are becoming the leading tool to avoid complicity by multinational corporations. As they gain in importance, it is likely that, like EIAs, HRIAs will become mandatory within national legislation, at least for specific major infrastructure or development projects and within certain sectors such as banking, extractive industries and mining. The world is eager to learn from the experiences of frontrunners within this field. Companies conducting HRIAs or experimenting with the different tools have the **opportunity to give their input** on the further development of human rights impact assessments.

4.3 Corporate promotion of HRIA

At this point your company is still a frontrunner if it is considering conducting an HRIA for a project, investment or region of operation. This has the advantage of making you stand out from your peers and competitors, resulting in easier access to finance, a good reputation and a larger market share as clients and consumers become ever-more critical towards their suppliers.

There is also a case for taking along peers and competitors in the CSR and HRIA initiatives. Promoting HRIAs within the sector or region of operation is especially beneficial when the HRIA requires more than average time and capital investments due to sector or regional specific situations. A sector approach gives more leverage when negotiating with suppliers on improvements of labour conditions and the raising of wages to a living standard.

Another advantage of promoting HRIAs is that their positive impact will be much larger when there is concerted action by corporate actors. This is especially the case when trying to eliminate a specific type of human rights violation. In the case of child labour, a regional and sector approach may be the most efficient and sometimes the only way to avoid becoming complicit with child labour within the workforce and that of the suppliers and contractors.

Again, transparency is essential. When your company intends to stand out for its accomplishments, it is vital that your (potential) clients, investors and (future) employees know about it. When promoting the HRIAs to peers in the sector or region, an open stance on your experiences and best practices and the benefits you have gained will help convince and motivate other actors in the field to conduct HRIAs.

4.4 Stakeholder promotion of HRIA
There are other forces that play a role in starting the process of conducting an HRIA. There is a trend among stakeholders to become more active in promoting HRIAs. A recent example is the HRIA performed by Goldcorp, which was proposed by several of its shareholders. They required the company to conduct the HRIA after years of human rights controversies at the Marlin Mine in Guatemala.[2]

Potential Stakeholders

Employees, families of employees, trade unions, consumers, community, shareholders, financers, business partners, contractors, borrowers, clients, customers, NGOs, governments, indigenous people, future generations.

[2] The HRCA tool will be used and International Alert will be performing the peer review.

Photo by Mariëtta Smid

In addition to shareholders, export credit agencies and financers could become more involved in the promotion of HRIAs. The current financial and credit crisis may have a positive effect in the sense that financial institutions will hold their clients more accountable not only in the economic and financial areas but also in regard to their environmental, social and human rights performance. An HRIA would be the perfect tool for the financial sector to either use themselves or – more likely – to require clients to perform an HRIA assessment, regular reporting and monitoring, before and during the lifetime of the investment.

Civil society groups such as NGOs and trade unions also have a role to play in promoting HRIAs. The Community HRIA gives them a tool with which to assess the impact of a project or investment. This is preferably done in cooperation with business actors, but it can also go ahead without the cooperation of the company.

Stakeholders are more aware of the human rights impacts of business and will expect companies to make use of the existing options for conducting an HRIA. This might gradually shift from requests to requirements to demands. Lawmakers will eventually pull their weight by developing laws that require HRIAs for new and high-risk projects and investments.

4.5 Extending to other sectors
Most HRIAs are currently conducted within the infrastructure, finance, mining and extractive industries. At the same time, they often involve projects in conflict or weak governance

zones. Human rights violations are widespread, however, and also very common in more stable regions and in other business sectors. Examples include the IT sector, agrobusiness, clothes industry and tourism.

Within these sectors, human rights assessments are valuable for both larger multinationals and SMEs. However, as most HRIAs make significant demands in terms of time and finance, they can be difficult for SMEs to apply. *Aim for human rights* has initiated a project in the Netherlands that supports SMEs in using selected parts of the HRCA within their business operations as a basis for implementing human rights. As SMEs form the larger part of businesses in the world, it remains a challenge to adapt all HRIA tools to their requirements. Bearing in mind the limited capacity and resources of SMEs, it could be appropriate to focus HRIAs on specific human rights issues relevant to the nature of activities of SMEs and sectors as well as to the country or region of operation.

4.6 Role of HRIRC

An initiative by *Aim for human rights*, the Human Rights Impact Resource Centre (HRIRC) is an online portal that provides access to a broad range of information and expertise on human rights impact assessment. Interested parties are invited to contribute information and documents relating to human rights impact assessments. This may be from a business perspective or from a governmental or development perspective. The HRIRC is therefore a central reference point for all HRIA-related information.

This online tool allows users with varying interests and expertise to find relevant documents and learn about new developments and activities that are taking place. This includes papers from scholars, the HRIA business tools and best practices.

The HRIRC has a growing HRIA resource database to which registered members can submit new toolsets, reports, other documents and news items.

 There are several specialised discussion groups active on the HRIRC, including a discussion group on HRIA from a business perspective. This group has a wide range of HRIA tool-developing organisations as members and its goal is to bring the HRIAs for business to a higher level.

Human Rights Impact Resource Centre

The HRIRC can play an important role in the human rights and business context. It provides information on the different HRIA tools as well as listing and providing links to best practices. It can also be used:

- To gain a general understanding of human rights impact assessment
- To find information on terminology
- To find existing tools to promote work being done on any aspect of human rights impact assessment
- To record or find HRIA activities (such as case studies, training events, etc.) in a specific country or region
- To work with others in the workgroups on the theme of HRIA for private enterprises
- To share and learn about best practices
- To gain an overview of active organisations in the field of HRIA
- To access a wide range of HRIA-related publications
- To receive regular newsletters relating to human rights impact assessment.

4.7 Concluding remarks

This Guide has shown the different tools that currently exist to assess the impact of business activities on human rights. All tools have their specific characteristics, approaches and target users and tools are available for various kinds of uses. Further developments in HRIA tools and their application are desirable, however. For instance, there is a need for a sector-specific focus on human rights and business. Use of the tools in practice might lead to further developments in the field of HRIA. By conducting an HRIA, your company or NGO can contribute to these developments.

Ultimately, it is the responsibility of all sectors of society to work towards a more equal and sustainable world. Determining the human rights footprint of your company will not only improve corporate performance and stimulate engagement with stakeholders. It will also contribute to realising human rights for all, meeting the vision of the Universal Declaration of Human Rights.

Glossary

Baseline community assessment (BCA):
A study providing information on the socio-economic status, social structure and priorities of communities. A baseline community assessment may be updated to monitor social and economic change. For further information, see the Rio Tinto baseline community assessments guidance.

Complicity:
Indirect involvement (in human rights abuses); with regard to human rights, John Ruggie has defined complicity as "a company knowingly contribut[ing] to another's abuse of human rights". [3]

Corporate Social Responsibility (CSR):
The corporate responsibility to consider the impact of corporate activities on customers, employees, shareholders, communities and the environment in all aspects of operations, to an extent that goes beyond ordinary statutory obligations.

Due diligence:
The principle that, within a business context, a company is expected to ensure it operates in accordance with internationally agreed standards of fairness and reasonableness. In Protect, Respect and Remedy, John Ruggie defines due diligence as "the steps a company must take to become aware of, prevent and address adverse human rights impacts". [4]

Duty-bearer:
A person or entity responsible to a rights-holder; must ensure that the rights of the rights-holder are met.

Environmental Impact Assessment (EIA):
An assessment of the effects of business activities on the environment.

Human rights:
A universal set of fundamental rights that every person is endowed with by virtue of his being human, consisting of civil and political rights (first generation human rights or negative obligations), social, cultural and economic rights (second generation human rights or positive obligations) and, arguably, collective or peoples' rights (third generation rights).

Human Rights Compliance Assessment (HRCA):
An assessment of the performance of the company measured against the legal (human rights) framework. Also an impact assessment tool developed by the Danish Institute for Human Rights

Human Rights Impact Assessment (HRIA):
An assessment of the impact of business activities on the human rights of the corporate stakeholders.

Human Rights Risk Assessment:
The assessment of potential operational or reputational risk of getting involved in human rights violations.

Impact:
Short-term and long-term results for a wider community.

Impact assessment:
Analysis of the impact of business activities based on independent research and using pre-established indicators.

Project-based assessment:
The measurement of a company's human rights compliance with regard to a specific/isolated project.

Rights-based approach:
An approach that uses human rights (obligations) as a starting point when formulating a (business) policy.

Rights-holder:
A person or entity that can claim a particular right.

SME:
Small and medium enterprises

Social Impact Assessment (SIA):
An assessment of the impact of business activities on societies within a company's sphere of influence.

Sphere of Influence:
A concept introduced into the corporate social responsibility discourse by the UN Global Compact, as a "spatial metaphor" with "concentric circles with company operations at the core, moving outwards to suppliers, the community, and beyond, with the assumption that the 'influence' – and this presumably the responsibility – of the company declines from one circle to the next". [5]

Stakeholder:
A person or entity that can be affected by corporate activities.

Statutory obligations:
An obligation created under law.

[3] John Ruggie, 2008.

[4] John Ruggie, 2008.

[5] John Ruggie, 2008.

Sources

A Guide for Integrating Human Rights into Business Management
Business Leaders Initiative on Human Rights
2007

Business Recognition of Human Rights: Global patterns, regional and Sectoral Variations
Michael Wright and Amy Lehr
Study conducted under the direction of John G. Ruggie, Harvard University, UN Secretary-General's Special representative for Business and Human rights, December 2006.

Business and Human Rights: Mapping International Standards of Responsibility and Accountability for Corporate Acts, addendum 3
Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises (A/HRC/4/035), John Ruggie
February 2007

Conflict-Sensitive Business Practice: Guidance for Extractive Industries
International Alert, March 2005

Corporate Duty and Human Rights under Australian Law
Allens Arthur Robinson
Report prepared for the use of the Special Representative of the Secretary-General (SRSG) on the issue of human rights and transnational corporations and other business enterprises
March 2008

Getting it Right: A Step by Step Guide to Assess the Impact of Foreign Investments on Human Rights
Rights and Democracy, November 2008

Guide to Human Rights Impact Assessment and Management
Road Testing Draft, International Finance Corporation, the Global Compact, and International Business Leaders Forum
June 2007

Human Rights Impact Assessments for Foreign Investment Projects: Learning from Community Experiences in the Philippines, Tibet, the Democratic Republic of Congo, Argentina, and Peru
Rights and Democracy, 2007

Human Rights in Business: A Best Practices Guide to the Human Rights Compliance Assessment
Olga Lenzen and Marina d'Engelbronner
Aim for human rights, November 2007

The Corporate Responsibility Code Book
Deborah Leipziger, 2003

Export Credit Agencies and the International Law of Human Rights
Karyn Keenan, Halifax Initiative Coalition
January 2008

Extracting Corporate Responsibility: Towards a Human Rights Impact Assessment
Tarek Maassarani, Margo Tatgenhorst Drakos, Joanna Pajkowska, June 2007

Frequently asked questions on a human rights-based approach to development cooperation
United Nations , 2006

Human Rights and the Mining Sector in Indonesia: A Baseline Study
Chris Ballard, 2001

Is Corporate Citizenship Making a Difference?
Ralph Hamann

Protect, respect and remedy: a framework for Business and Human Rights.
Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie
April 2008

Rio Tinto Community Relations Standard
Rio Tinto
September 2007

Tribals to get special shield against industries, SEZs
Subhash Narayan & Rajat Guha
The Economic Times,
economictimes.indiatimes.com

www.africagrowth.net/humanrightsandbusiness
www.aimforhumanrights.nl
www.business-humanrights.org
www.dsresearch.nl
www.eicc.info
www.eiris.org
www.equator-principles.com
www.ethibel.org
www.gdrc.org
www.hria-guatemala.com
www.humanrightsimpact.org
www.iaia.org
www.icmm.com
www.sam-group.com
www.sustainability-indexes.com
www.vigeo.com
www.voluntaryprinciples.org

Acknowledgements

Globalisation has increased the need for Corporate Social Responsibility. The motives companies may have for using Human Rights Impact Assessments are manifold. While governments have a duty to respect human rights, a company has a responsibility to ensure respect for human rights within the workplace and towards the surrounding community. How do we know whether a company lives up to this expectation? This is something both the company itself and its stakeholders would like to find out.

This *Guide to Corporate HRIA Tools* deals with the assessment of the impact of activities by private enterprises on the human rights of stakeholders within the corporate sphere of influence. It provides an insight in the Human Rights Impact Assessment (HRIA) process and principles, and gives an overview of various tools that assist in assessing the impact of corporate activities within a human rights framework.

Existing HRIA Tools
- Guide to Human Rights Impact Assessment and management (draft)
- Human Rights Compliance Assessment
- Human Rights Risk Tools
- Community HRIA Guide for Foreign Investment projects
- Guide for Conflict Sensitive Business Practice: Guidance for Extractive Industries

While this *Guide to Corporate HRIA Tools* assists private enterprises, community and civil society users in the selection and application of HRIA tools, it also offers suggestions for broader use of HRIA as part of the corporate due diligence process.

aim for human rights