

INTRODUCTION TO HEIGHTENED HUMAN RIGHTS DUE DILIGENCE

Dr SINIŠA MILATOVIĆ, Business & Human Rights Specialist, United Nations Development Programme

Dr OLENA UVAROVA, Business & Human Rights Specialist, United Nations Development Programme

Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts

A Guide





BHR and conflict – the normative framework

The UNGPs suggest that, in **conflict-affected areas**, **companies should:**

- Be **aware of the elevated risk of complicity** in human rights abuses perpetrated by other parties and treat this risk as a legal compliance issue; and
- **Endeavor not to exacerbate conflicts**, consulting internally across the company and externally among expert parties in determining how best to respond to situations in which the company might exacerbate conflict.

Principle 17 of the UNGPs also suggests that HRDD is proportional to human rights risk:

- “Human rights due diligence will vary in complexity with the size of the business enterprise, the risk of severe human rights impacts, and the nature and context of its operations.”



How do I know if a company is active in conflict-affected contexts?



In contexts affected by armed conflict and other situations of widespread violence (others term these Conflict-Affected and High-Risk Areas). If any of the following apply:

- Is there an international armed conflict between the two sides?
- Is there an internal armed conflict?
- Is there a military occupation?
- Are gross human rights violations taking place?
- Is widespread “non-conventional” armed violence taking place?
- Are there early warning signs of any of the above?

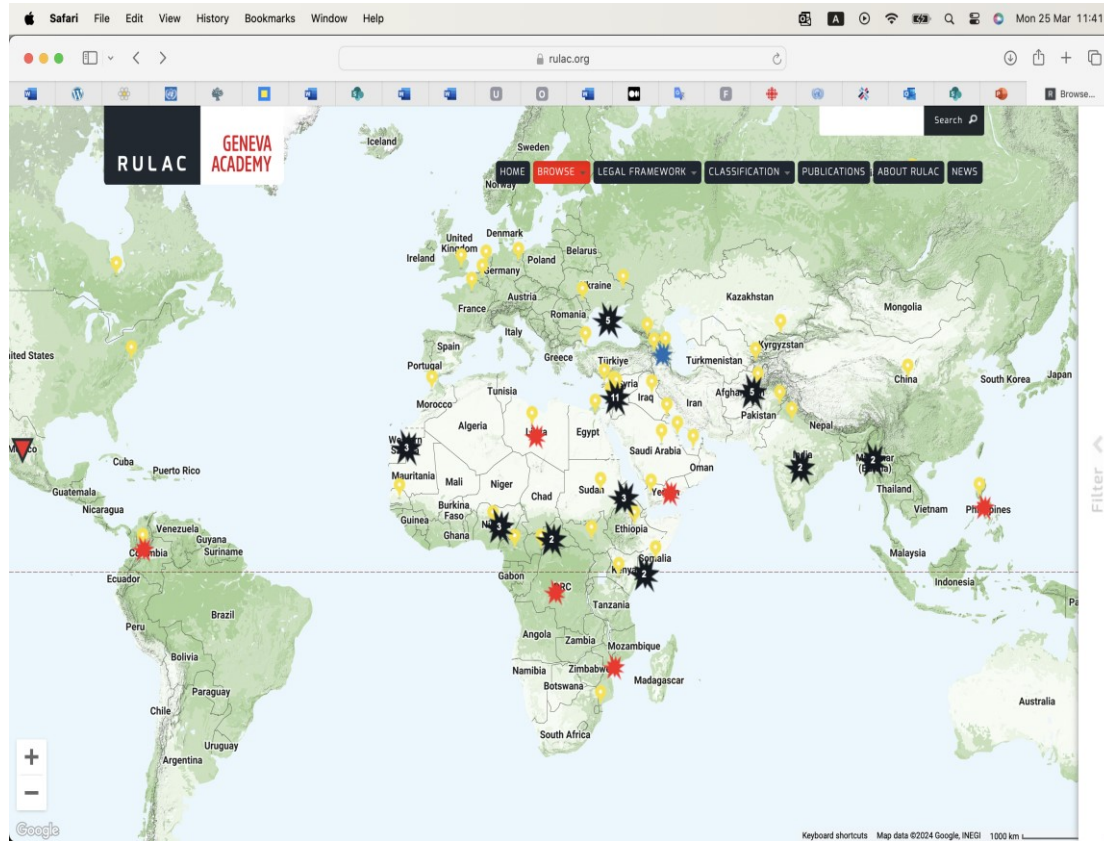


Early warning red flags

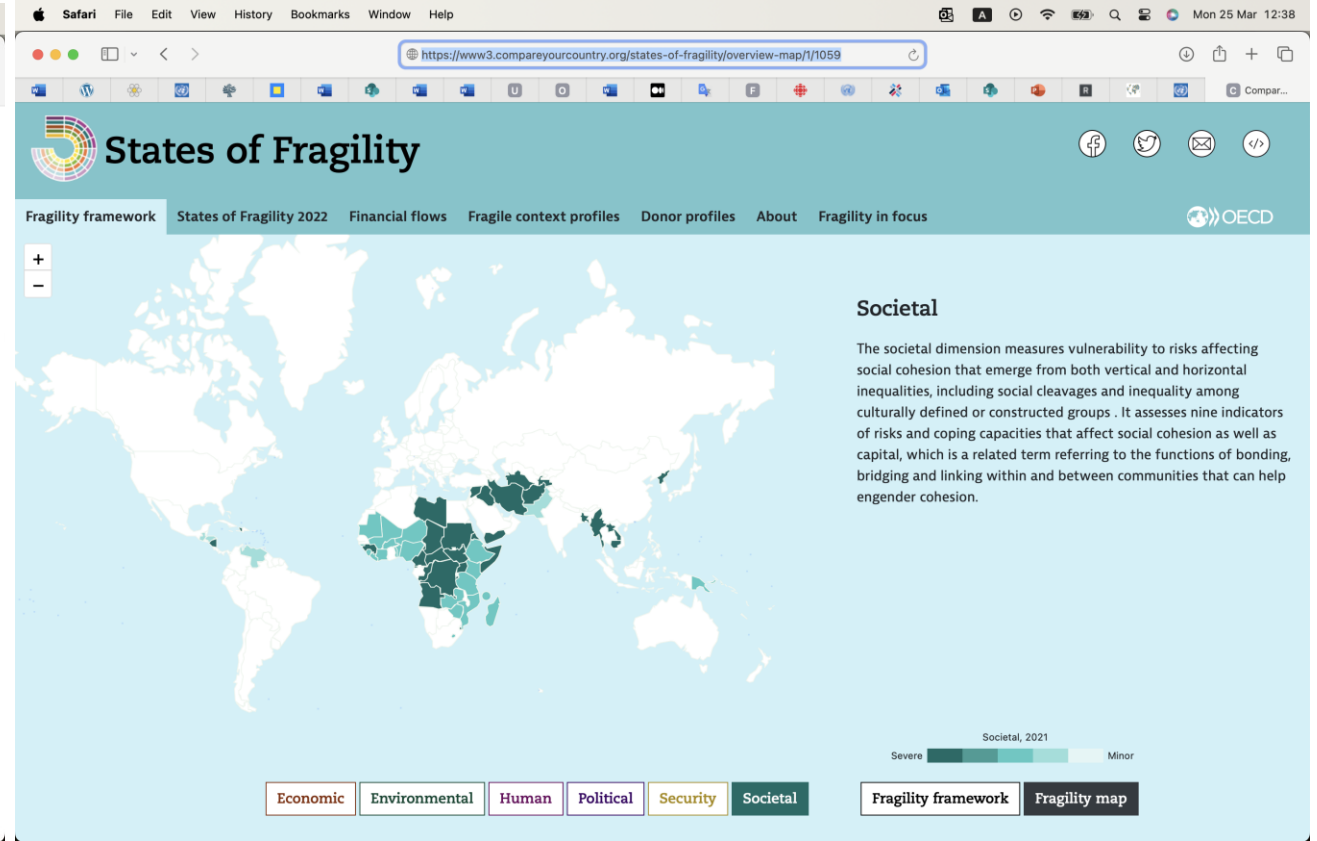
- Amassing of weapons, especially arms, especially by non-state groups.
- Records of serious violations of international human rights and/or humanitarian law.
- Increased inflammatory rhetoric or hate speech targeting specific groups or individuals.
- Signs of militia or paramilitary group recruitment, public appearances.
- Expulsion or banning of non-governmental organizations, international organizations, media, or other relevant actors.

How do I know if a company is active in conflict-affected contexts?

<https://www.rulac.org>



<https://www3.compareyourcountry.org/states-of-fragility/overview-map/1/1059>



HHRDD– when to do it?



If a company is uncertain whether a situation calls for hHRDD, consider a simple rule of thumb:
If in doubt, carry it out.

Heightened Human Rights Due Diligence – why?



Helps companies to:

- Understand **how their presence and activities interact with conflict and human rights.**
- **Identify options** to mitigate the conflict and human rights risks that are inherent in conflict-affected and high-risk contexts.
- It's acts **as insurance against legal, financial, reputational, security and other risks**

hHRDD risk management



Helps companies to manage _____ risks:

- Financial - Chevron
- Legal - Lafarge
- Reputational – Microsoft
- Security – Philippines

HHRDD— what and how?

In brief: hHRDD is about identifying potential and actual impacts on people (human rights) as well as on the context (conflict)

Consists of 8 steps:

1. **Understand the conflict** by undertaking a conflict analysis.
2. **Identify potential and actual impacts** of the business on the conflict and on human rights by mapping the operation to the conflict and engaging stakeholders.
- ▶ 3. **Prioritize potential and actual impacts.** In order of priority, companies are expected to address:
 - a. Risks to and impacts on the conflict that are also human rights risks or impacts.
 - b. Risks to and impacts on the conflict that are not human rights risks or impacts.
 - c. Risks to and impacts on human rights that are not impacts on conflict.
4. **Develop approaches to** addressing risks and impacts.

HHRDD— what and how?

In brief: hHRDD is about identifying potential and actual impacts on people (human rights) as well as on the context (conflict)

Consists of 8 steps - continued:

5. **Validate the mitigation approaches** with stakeholders and against the conflict analysis to ensure that mitigation efforts do not mitigate one impact in a way that generates another.
6. **Implement mitigation options and integrate them** into the company's internal governance and accountability systems and its standard operating procedures; implement mitigation approaches.
7. **Communicate/disclose hHRDD efforts**, when possible, to all key stakeholders.
8. **Repeat all of the steps.**

EU Corporate Sustainability Due Diligence Directive (CSDDD)

Stipulates that large companies operating in EU should carry out HRDD. As part of this, it:

- States that in Conflict-Affected and High-Risk Areas (CAHRAs) human rights abuses are more likely to occur and be severe;
- CAHRAs constitute "geographic and contextual" factors that increase likelihood of adverse impacts by companies;
- Companies in CAHRAs should adapt their HRDD processes, including in identifying negative impacts, consulting stakeholders, etc.

To do this, companies may rely on EC guidance (to be developed), which should take into account the UNDP Guide on Heightened Human Rights Due Diligence.

De-risking investments and the challenge of responsible engagement in Ukraine



Operating in wartime Ukraine: context for Norwegian companies



- **Key Message:** Business operations in Ukraine remain high-risk yet essential for recovery.
- Russia's invasion continues into its 4th year; 12.7 million people need humanitarian aid.
- 6.3 million refugees + 3.6 million IDPs → major social and labour market disruption.
- Companies are part of the national resilience effort — maintaining employment, services, taxes.



- **Future EU Market:** Simultaneously fast-tracking legal reforms to align with the EU *acquis*.
- **Government commitment to BHR:** Ukraine is actively promoting RBC standards as a core pillar of its EU integration. This is an internal, strategic priority.
- Norway's Transparency Act + EU's CSDDD/CSRD → heightened due diligence expectations.

Declaration on Responsible Investment for Ukraine's Sustainable Recovery

1. Respect for Human Rights

Inclusive and non-discriminatory recovery.

Decent work, community development, SME support.

Ongoing conflict-sensitive human rights due diligence throughout the investment cycle.

Consultation with local stakeholders and access to remedy.

2. Environmental Sustainability & Green Recovery

Prioritize low-carbon, resource-efficient investments.

Conduct proper environmental impact assessments (EIAs).

Implement mitigation and restoration measures.

3. Transparency, Accountability & Good Governance

Full disclosure of beneficial ownership and financing conditions.

Strong anti-corruption systems and independent oversight.

Alignment with EU corporate sustainability standards.

4. Cooperation & Partnership

Joint commitment of government, business, civil society, and international partners.

Creation of a multi-stakeholder platform to monitor and support responsible investment.



Conflict dynamics shaping the business environment



1. Geography & Control

- Active frontlines → asset destruction, UXO contamination, logistical paralysis.
- Anti-collaboration laws → legal uncertainty for firms in occupied or de-occupied zones.
- Weak local governance and uneven enforcement → exposure to **corruption and extortion risks** in permits, procurement, and recovery projects.

2. War-Economy Mobilization

- Strong social expectations for “brave business”: advance tax payments, donations, logistics or tech support for defense.
- Ethical/legal line between *voluntary aid* and *military contribution* blurred.
- **Deregulation drive** to attract investment under martial law (simplified licensing, relaxed labour and EIA rules) → faster recovery but higher **social & environmental risk**.

3. Sanctions, Nationalization & Governance Risk

- Multi-layered sanctions (Ukraine / EU / US) = compliance complexity.
- Over 1 200 assets nationalized → ownership, compensation, and political-vetting concerns.
- Companies must apply **beneficial-ownership screening, and anti-bribery controls** across supply chains.

Key human rights and RBC risk drivers in wartime Ukraine



1. Weakened labour law protections;
2. Military conscription;
3. Possible links to violations of international humanitarian law from business support to the military;
4. Prosecutions of prospective collaborators;
5. Systemic corruption
6. Changes to the environmental impact assessment framework;
7. Psycho-social consequences of the war;
8. Land-related human rights risks;
9. Inadequate implementation of data protection framework;
10. An enabling environment for tax misconduct; and
11. Inadequate state enforcement of human rights regulation.

Standard HRDD Asks...

Are my operations impacting my workers' rights?

Is my supply chain free from abuse?

Am I respecting community rights?

Focus: My Company's Impact on People.

Heightened HRDD (hHRDD) *Also* Asks...

...**Are** my workers safe from the conflict itself? Do I have evacuation plans and mental health support?

...**Is** any part of my supply chain in illegally occupied territories, making me complicit? How are sanctions affecting it?

...**Are** my operations becoming a military target or creating new social tensions over scarce resources?

Focus: My Impact on People, AND My Impact on the Conflict Dynamics.

De-risking investments and the challenge of responsible engagement in Palestine



Operating in occupied Palestinian territories: context for Norwegian companies



- **Key Message:** businesses operating in Palestine do so in a deeply contested context.
- The UN Special Rapporteur (2025) describes the Palestinian economy as one of “*occupation and de-development*” — where corporate activity is structurally linked to violations of international law.
- As of 7 October 2025, 68,172 Palestinians and 1,983 Israelis killed in Gaza war; further deaths have been recorded since.
- As of 17 October 2025, 1,001 Palestinians killed in West Bank and 59 Israelis killed in West Bank and Israel, with settler violence continuing during the olive harvest period.

Operating in occupied Palestinian territories: context for Norwegian companies



- **International Court of Justice** has found Israel's occupation to be illegal, in breach of highest-ranking rules of international law.
- The Court stipulated Israel's duty to **end the occupation** as rapidly as possible by 18.9.25.
- **Third states** have a duty to cooperate towards ending the illegal occupation and not recognize its illegal effects.
- This includes: 1) **abstaining from entering into economic or trade deals** with Israel concerning the oPt or parts thereof which may entrench its unlawful presence. 2) abstain from recognition thru diplomatic missions of Israel's presence. 3) **take steps to prevent trade or investment relations** that assist in the maintenance of the illegal situation.

Key human rights and RBC risks drivers in Palestine



1. **Legal risks:** corporate engagement with Israeli or settlement-linked entities risks complicity in crimes under international law, including *apartheid, annexation, and genocide*;
2. **Illegal settlements and land use:** construction, real estate, infrastructure, or resource extraction projects in or around settlements contribute to annexation and forced displacement. Any business benefit from occupied land or resources may constitute pillage or exploitation of occupied territory.
3. **Supply chains and technology:** ICT, surveillance, or dual-use technology can facilitate mass surveillance, profiling, or targeting of civilians in sectors including telecom, logistics, finance, and big tech cloud services supporting the Israeli military infrastructure.
4. **Reputational risks:** OHCHR database of all business enterprises involved in the activities detailed in paragraph 96 of the report of the independent international fact-finding mission to investigate the implications of the Israeli settlements; UN Special Rapporteur report.
5. **Labour:** Discrimination against Palestinian workers in the workplace under labour law;
6. **High risk sectors:** construction and real estate, infrastructure and utilities, tech/surveillance/security, extractives, logistics and transport, tourism and hospitality, finance, agribusiness, energy.

Some differences between HRDD and hHRDD

General HRDD Approach

1. Policy Commitment

A general corporate policy stating respect for human rights based on the UNGPs.

2. Risk/Human Rights Impact Assessment

Conduct a risk assessment based on global indices for labor rights, corruption, etc.

3. Prevention & Mitigation

Implement standard workplace safety protocols (e.g., protective equipment) and fair wage policies.

Contextualised hHRDD

1. Policy Commitment

An explicit policy committing to respect **International Humanitarian Law (IHL)** in addition to human rights, acknowledging the company's heightened responsibilities in a conflict zone.

2. Risk/Human Rights Impact/Conflict Assessment

In addition to the ordinary (human rights impact) assessment, conduct a **hyper-local, dynamic risk assessment**. This includes a **conflict analysis**: mapping conflict actors, dynamics, mapping operations against frontlines/occupied territories and critical infrastructure targets. This includes impact of companies on the conflict and war economies, as well as risks to physical safety, psychological trauma, and complicity in crimes.

3. Prevention & Mitigation

Implement a **people-centric Business Continuity Plan**: creating evacuation protocols, securing bomb shelters, establishing emergency communication channels, and providing specialised, **trauma-informed mental health support**.

Some differences between HRDD and hHRDD

4. Stakeholder Engagement

Engagement can include, e.g., employee surveys or town hall meetings with local communities.

5. Grievance Mechanisms

Grievance mechanisms can include corporate hotline or email for complaints.

6. Supply Chain Management

Measures could include mapping supply chains, sharing code of conduct with Tier 1 suppliers and conducting periodic audits.

7. Exit Strategy

Divestment or closure is a decision that should weigh human rights impacts following little stakeholder consultation.

4. Stakeholder Engagement

Engage through secure and indirect channels to protect stakeholders from retaliation. Partner with trusted local NGOs and civil society organizations who can act as intermediaries and provide real-time information.

5. Grievance Mechanisms

Grievance mechanisms should be secure, accessible offline, and trauma-informed. Use encrypted apps and provide multiple channels, guaranteeing confidentiality and non-retaliation in a high-fear environment.

6. Supply Chain Management

Conduct an immediate and ongoing mapping of all suppliers to illegally occupied territories and their impact on the conflict. Assess the resilience and safety protocols of critical suppliers in safer regions and be prepared to provide them with support.

7. Exit Strategy

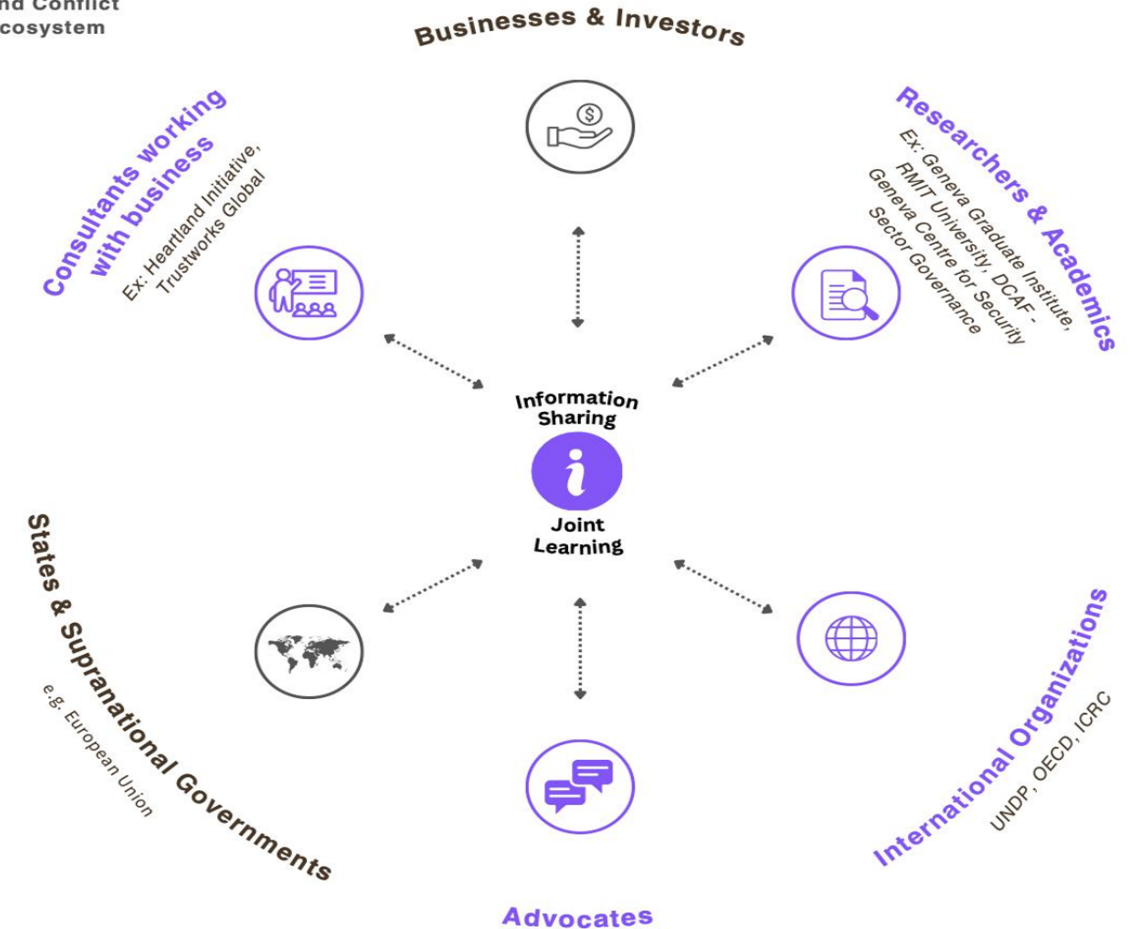
Responsible Exit plans are integrated into the due diligence process from the start. Any decision to leave is preceded by an assessment of the legal obligations, human rights and conflict impact of the exit itself, with a plan to mitigate harm to employees and the community.

The Business and Conflict Community

Members of the Business and Conflict Community each contribute a unique perspective and set of expertise to the group. Having a shared community provides a basis for convening, exchange, coordination, and relationship building, strengthening the work of each community member and enabling a greater collective impact. Together, community members co-create research findings, normative frameworks, and other building blocks towards a global conflict-sensitive business environment.

Key

Community Members
Greater Business
and Conflict
Ecosystem



<https://www.businessandconflictcommunity.com>

Contact: Annika Erickson-Pearson,
aericksonpearson@gmail.com