BSR

Conducting an Effective Human Rights Impact Assessment

Guidelines, Steps, and Examples

March 2013

www.bsr.org

Foreword by Christine Bader

If you've picked up this report, you're probably a company manager who has been charged with figuring out what human rights means to your business and what if anything you need to do differently—amid many other responsibilities and demands on your time. You may have heard of human rights impact assessments (HRIAs), but perhaps you don't know how to do them and are concerned about imposing yet another process on your time- and cash-strapped colleagues.

Well, dear reader, I've been in your shoes—and can tell you that this report should be very helpful to you. BSR has 20-plus years of experience working with companies on human rights and other sustainability issues, and it shows in this report: for example, in its emphasis on incorporating HRIAs into existing company procedures.

As advisor to the UN Special Representative for Business and Human Rights, I had the honor of supporting the development of the Guiding Principles on Business and Human Rights. But despite the six years of extensive research and consultation that led to the Guiding Principles, as the Special Representative himself said to the Human Rights Council, the principles are merely "the end of the beginning." Now it is up to organizations like BSR and its member companies—specifically, people like you—to show what the Guiding Principles mean in practice.

Congratulations to my colleagues at BSR on the publication of this report, which will be of great service to the burgeoning field of business and human rights, the companies seeking to meet their social responsibilities, and most importantly, the individuals and communities around the world that those companies touch.

Christine Bader
BSR Human Rights Advisor, former Advisor to the UN Special Representative for Business and Human Rights,
and former Manager of Policy Development at BP plc

About This Report

This report was written by Faris Natour, Director, Human Rights, and Jessica Davis Pluess, Manager, Research, with contributions from many BSR colleagues and advisors. It captures key lessons learned from BSR's work conducting human rights impact assessments (HRIAs) and outlines our approach to corporate-, country-, site-, and product-level HRIAs using eight guidelines. The report outlines a framework that should be carefully tailored to a company's unique risk profile and operating context; it is not intended as an off-the-shelf HRIA tool or checklist. Our approach has evolved over the last couple of years, and we expect it to continue to evolve with further applications. We plan to update this report periodically to incorporate new insights and in-practice examples. For questions about the report or BSR's human rights practice, please contact Faris at fnatour@bsr.org or Jessica at jdavispluess@bsr.org.

Disclaimer

BSR publishes occasional papers as a contribution to the understanding of the role of business in society and the trends related to corporate social responsibility and responsible business practices. BSR maintains a policy of not acting as a representative of its membership, nor does it endorse specific policies or standards. The views expressed in this publication are those of its authors and not necessarily those of BSR members.

About BSR

A leader in corporate responsibility since 1992, BSR works with its global network of nearly 300 member companies to develop sustainable business strategies and solutions through consulting, research, and cross-sector collaboration. With offices in Asia, Europe, North and South America, BSR uses its expertise in the environment, human rights, economic development, and governance and accountability to guide global companies toward creating a just and sustainable world. Visit www.bsr.org for more information.

Contents

5 Introduction

8 Guidelines

18 HRIA Levels

22 Steps

29 Resources

Introduction

The UN Guiding Principles on Business and Human Rights[1] have emerged as the global standard for companies' management of their human rights impacts. Under the Guiding Principles, companies are expected to "know and show" that they do not infringe on human rights through their operations or business relationships. Human rights impact assessments represent a key first step in meeting this expectation.

BSR has been conducting human rights due diligence with companies since our founding, a little more than 20 years ago. Over the past two years, we have worked with companies in multiple industries conducting human rights impact assessments (HRIAs) that align with the Guiding Principles (GPs). This report is intended to capture the lessons we have learned and to share our eight guidelines for conducting effective HRIAs, as well as step-by-step guidance on the four levels of HRIAs: corporate, country, site, and product.

Q: How is an HRIA different from due diligence?

A: Human rights due diligence is the term the Guiding Principles use to describe the overall process companies undertake to ensure respect for human rights. Due diligence includes HRIAs, implementing findings, and measuring and reporting on performance.

WHAT IS AN HRIA?

The GPs provide clarity about how companies can meet their responsibility to respect human rights. Respect for human rights is defined as avoiding infringement on the rights of others and addressing adverse human rights impacts. To meet this responsibility, companies are expected to adopt a human rights policy and to carry out human rights due diligence. The key elements of human rights due diligence are:

- Assessing actual and potential impacts (including through HRIAs)
- Integrating and acting upon your findings
- Tracking performance
- Communicating how you are addressing actual and potential impacts

An HRIA simplifies the complexity of managing human rights by providing companies with a consistent, efficient, and systematic way to identify, prioritize, and address human rights risks and opportunities at a corporate, country, site, or product level.

Many companies are already assessing and addressing relevant human rights issues in a variety of ways, such as by enacting nondiscrimination policies, enforcing supplier codes of conduct and factory audits, conducting site-level social impact assessments, and engaging with communities.

[1] UN Office of the High Commissioner for Human Rights, Guiding Principles on Business and Human Rights, endorsed by the UN Human Rights Council in 2011, www.business-humanrights.org/Documents/UNGuidingPrinciples.

Where an HRIA differs from these processes is in how it:

» Uses international human rights instruments as its benchmark and framework
» Assesses risks to rights holders, not just the company, as well as the capacity of duty bearers
» Uses human rights expertise[2]

Every negative business impact does not necessarily infringe on human rights. An HRIA can help a company understand when a negative social or environmental impact begins to infringe on human rights. For example, contamination of a river stemming from a mining project would infringe on the right to water for nearby residents who depend on the stream for drinking water. However, low levels of contamination, while negative, may not infringe on the human rights of nearby residents who use the river only for recreational purposes.

WHY CONDUCT AN HRIA?

Assessing human rights impacts helps companies proactively shape a strategic approach to human rights based on relevant risks and opportunities rather than reacting to external pressure or unexpected incidents. Companies across many industries continue to wrestle with important questions about their role in respecting and promoting human rights. From questions surrounding the role of social networks and mobile technology in promoting and protecting freedom of expression during the Arab Spring to debate over responsible investment in Myanmar, a company must have a clear grasp of its human rights risks, opportunities, and impacts to meet societal expectations for business.

Business Case for an HRIA

- Meet expectations and address pressure from key stakeholders.
- Manage reputation, operational, legal, and financial risks.
- Engage, retain, and motivate staff.
- Demonstrate leadership and management standards.

An HRIA is part of every company's responsibility to treat all human beings with respect and dignity. Operating without infringing on human rights is one of society's baseline expectations of business. Meeting this expectation is not just an ethical imperative, it also makes business sense. We anticipate that in the years and decades to come, HRIAs will become a key component of companies' strategies for new product development, market entry, and other key business decisions.

In addition to avoiding risks, business has a significant role to play in promoting and advancing human rights. While this role extends beyond the baseline responsibility for business articulated in the GPs, harnessing this opportunity not only strengthens human rights protections; it also drives brand value and employee engagement.

---

[2] See also UN Special Representative for Business and Human Rights, "Human Rights Impact Assessments— Resolving Key Methodological Questions," February 5, 2007, www.reports-and-materials.org/Ruggie-report-human-rights-impact-assessments-5-Feb-2007.pdf.

Companies can draw significant value, not only from the results of an HRIA, but also from the process itself. We have found that the process of conducting an HRIA can help build internal capacity, strengthen stakeholder relations, and yield important insights into the effectiveness of existing company policies, processes, and tools. The guidelines introduced in this report are intended to maximize these process benefits, as well as the value gained from clear results.

The GPs are becoming more widely used and referenced by governments, stakeholders and business. Key provisions such as human rights due diligence are already being incorporated into public policy and regulation at the international, national, and local levels.[3] Thus, companies who are equipped with the processes, tools and data to avoid infringing human rights are more likely to meet regulatory requirements in the long-term.

HOW TO USE THIS REPORT
This report includes four key components:

» **Guidelines:** Eight principles to keep in mind when conducting an HRIA
» **In-practice examples:** Real company examples from our human rights practice that illustrate the guidelines
» **HRIA levels:** The four levels at which a company can conduct HRIAs
» **Steps:** The basic four-step process we follow when conducting an HRIA

Our HRIA approach is a **framework that should be carefully tailored to a company's unique risk profile and operating context;** it is not intended as a comprehensive, off-the-shelf tool or checklist.

[3] Ruggie, John, UN Special Representative for Business and Human Rights, "Progress in Corporate Accountability," The Institute for Human Rights and Business, http://www.ihrb.org/commentary/board/progress-in-corporate-accountability.html.

Guidelines

Our approach to HRIAs is based on eight guidelines that capture the lessons of what does and does not work when conducting HRIAs based on BSR's experience. They shape the decisions we make with companies during the process to ensure that an HRIA provides actionable results for business improvement, instead of ending up as a report that collects dust.

HRIA Guidelines

1. Customization
2. Integration
3. Ownership
4. Focus
5. Risks *and* opportunities
6. Meaningful engagement
7. Transparency
8. Strategic alignment

GUIDELINE 1: CUSTOMIZATION

In our experience, HRIAs (like any assessment) are most effective when they are tailored to a company's business strategy, risk profile, language, and culture. While off-the shelf tools have a number of benefits, it is important that the HRIA approach reflect the company's unique operating context and availability of human and financial resources without compromising on the necessary rigor. Based on our experience, it is more efficient and less expensive to customize an approach based on existing company practices rather than a one-size-fits-all assessment approach.

The HRIA levels and steps outlined in this report are intended as a guide for companies to develop a customized approach that builds on what is already known, aligns with the company's knowledge of human rights, and leverages existing processes, tools, and data. We have used this approach in all of BSR's HRIA projects, and yet in each case, the tools, process, and deliverables have looked different, reflecting the unique situation of the company partner. Over the last few years, BSR has developed a set of tools for analyzing and synthesizing qualitative and quantitative information gathered in the assessment that are tailored to the company context and relevant human rights issues.

Customization does not mean dilution. For example, the universe of human rights issues subject to assessment should always be based—at a minimum—on the rights included in the International Bill of Rights and the International Labour Organization (ILO) Core Conventions.[4] One way to be efficient while considering the full universe of business-relevant human rights is a multistep process that uses desk-based research to identify relevant human rights issues and then carries out a more in-depth analysis and engagement focused on this short list.

In Practice: Teck Resources

Over the past couple of years, BSR has been working with Canadian mining company Teck Resources to develop a global human rights due diligence system. To ensure that the HRIA process is embedded in the broader corporate and site management systems, we worked closely with Teck's corporate responsibility and community affairs teams to develop relevant and tailored HRIA guidance and tools.

Q: How is an HRIA different from other socioeconomic assessments?

A: While an HRIA will cover many of the same issues, it often considers a wider scope of issues since its starting point is the full suite of internationally recognized human rights. An existing infringement on human rights must be addressed, while a negative social impact can sometimes be acceptable. The HRIA captures risks to rights holders in addition to risks to the business.

Relying on human rights experts and engaging directly with rights holders are other differentiators for HRIAs. The HRIA can build on or be integrated with broader socioeconomic assessments.

[4] Guiding Principles on Business and Human Rights, Principle 12, www.business-humanrights.org/Documents/UNGuidingPrinciples.

We developed a Teck-specific human rights guidance document that describes human rights in the context of the company's overarching strategy and value system and refers to relevant company policies, codes, and management systems. Then, we worked with Teck to develop a customized site-level HRIA assessment tool that organizes and describes human rights indicators in a way that allows site-level staff to implement it. An instruction manual provides staff further guidance on how to complete HRIAs on their own with BSR serving only in an advisory capacity.

From pilot assessments at two sites, we gained valuable insight that allowed us to further customize the tool for Teck's operations in Canada and Chile by adjusting the way that the tool's indigenous peoples' rights section feeds into Teck's corporate-wide indigenous peoples' rights strategy. Having participated actively in the HRIAs with BSR, staff at the pilot sites are now equipped and empowered to serve as internal human rights leads.

Q: How does an HRIA align with a company's other standards and policies related to human rights?

A: An HRIA should incorporate and reinforce relevant existing policies and standards. An initial mapping exercise that assesses the company's current policy commitments against the full universe of potentially relevant human rights can help identify gaps that the HRIA can examine more closely.

GUIDELINE 2: INTEGRATION

Integrating an HRIA into other company processes and systems is critical to optimizing company resources and embedding[5] human rights principles and due diligence into business operations. In practice integration can be difficult, especially since human rights issues typically touch upon multiple departments. Identifying and taking advantage of opportunities for integration is valuable, but the degree to which a company can effectively integrate HRIAs varies depending on their existing due diligence processes and overall organizational structure.

While process integration (embedding an HRIA fully into broader assessment processes) sometimes proves too difficult; *data* integration, where the HRIA leverages research conducted for a related assessment or vice versa, is always advisable. For example, while conducting a recent HRIA of an energy project, we were able to populate many sections of our HRIA tool with important data from recent permit applications filed by the company and from public responses filed by community representatives.

While we have found that integration is the path to success, it is important to keep in mind the qualities that make an HRIA unique—its scope, the use of human rights standards and experts, and the consideration of and engagement with rights holders. Incorporating some human rights questions into a socioeconomic impact assessment is not sufficient to meet the aims of an HRIA.

[5] UN Guiding Principles on Business and Human Rights. Commentary to Principles 17 and 18, underline the importance of embedding human rights in relevant business processes and also refer to the option of integrating HRIAs into existing risk management processes. www.business-humanrights.org/Documents/UNGuidingPrinciples

In Practice: Mining Company in Southeast Asia

In 2011, BSR conducted a human rights and security assessment with a mining company located in a high-risk area during the permitting phase of its project. This human rights assessment was designed to be a part of the company's broader social impact management plan, and thus, integration into the company's systems and process was critical to ensuring internal alignment and maximizing resources. We took a three-prong approach to integration:

» **Analyzed existing data with a human rights lens** including ESIA; baseline data; company policies, plans, and processes; and external reports and articles. We used human rights instruments, such as the GPs, as a reference point.

» **Incorporated management of risks and opportunities into existing systems and processes.** For this company, we integrated the human rights assessment process into their risk register, which identifies risks by department and then consolidates them into a list of the top 10 risks for their president to manage directly. We then integrated their human rights and security risks into relevant department risk worksheets.

» **Leveraged the company's existing stakeholder engagement approach and strengthened existing relationships with stakeholders** by expanding the list of topics discussed to include human rights: In addition, the HRIA approach helped build relationships with new stakeholders, including those groups focused on human rights (e.g., Amnesty International, Human Rights Watch, and national and local legal and human rights groups).

» **Strengthened internal awareness** of how each department can impact human rights, issues relevant to mining companies, and opportunities and challenges to integrating human rights concerns into the department: We worked with the company in their corporate and project offices for three months. In addition to working with a core team, we also interviewed more than 30 internal stakeholders and facilitated workshops with the company's senior management team to develop recommendations to minimize risks and maximize opportunities.

Although the assessment approach was designed to be integrated into existing departments, plans, and processes, we found that it was important to have one person responsible for guiding the integration of human rights into department work plans and ensuring internal alignment.

GUIDELINE 3: OWNERSHIP

The GPs emphasize that human rights due diligence should be "ongoing, recognizing that the human rights risks may change over time as the business enterprise's operations and operating context evolve."[6] A mining company, for example, will face very different human rights risks during construction, operation, and then closure of a mine. In the information and communications technology (ICT) sector, the rapid evolution of technology sometimes means that the human rights risks associated with a specific product change during the course of an HRIA, as was the case in a recent BSR product-level assessment.

[6] UN Guiding Principles on Business and Human Rights, Principle 17, www.business-humanrights.org/Documents/UNGuidingPrinciples.

Q: My company already has a well-established supplier-auditing program. What value can an HRIA add beyond what we are already doing?

A: An HRIA will often uncover new risks by considering a broader universe of human rights. A corporate-level HRIA can identify risks in other aspects of a company's operations. Direct engagement with rights holders can verify and improve the quality of information a company gathers through its auditing program. An HRIA should always build on, rather than repeat or replace existing auditing processes.

The ongoing nature of human rights due diligence requires the company to take ownership of the HRIA process. Independent human rights experts can help guide companies through an HRIA and provide an independent perspective, challenge a company's thinking, and facilitate dialogue with rights holders. However, the company is ultimately responsible for implementing the recommendations and ensuring that the HRIA becomes a foundation for ongoing human rights due diligence. A company should use the HRIA process to build ownership for human rights within its relevant functions.

BSR has learned that the best way to build this ownership is through three elements:

» **Early and cross-functional engagement:** Ownership can best be built when representatives from key functions help shape the approach to an HRIA and are invested in the results—helping create an HRIA process and building awareness internally about how colleagues can contribute to its success. Forming a cross-functional human rights task force or committee can help companies strengthen internal engagement in the HRIA.

» **Executive support:** HRIAs are most successful when there is early and ongoing engagement with an executive sponsor. The worst outcome from an HRIA would be a robust assessment by people who are or feel powerless to address its results.

» **Capacity building:** Human rights touch most aspects of a company's operations, yet usually only a few people within a company understand its responsibility to respect human rights and how this responsibility impacts their own work. An HRIA should be designed to help build awareness and capacity internally.

In Practice: Global Telecommunications Company

With greater stakeholder expectations on the telecommunications industry to understand and manage its impacts on human rights, BSR partnered with a global telecommunications company to carry out an HRIA of its key human rights impacts, risks, and opportunities at the corporate level and in 16 key markets. One objective of the HRIA project was to build the capacity of the company's country-level staff to conduct ongoing human rights due diligence. To achieve this goal, the HRIA approach placed a strong emphasis on local ownership of the assessment process, tools, and outcomes.

In addition to customizing our HRIA tools for the company, BSR's role was to teach local teams how to use the tools, provide country-level support and guidance to ensure that they gathered results consistently across regions, challenge the company to think critically about how the direction of its business would impact human rights, and empower country-level and corporate-wide implementation of BSR recommendations.

The success of a HRIA with a high level of local ownership depends greatly on the knowledge of human rights issues and capacity of key in-country staff. Providing the training and support necessary for local staff to "own" human rights due diligence was a critical factor in the HRIA's success.

Q: My company is just getting started on human rights. What comes first: a human rights policy or an HRIA?

A: We recommend conducting an initial corporate-wide mapping of human rights risks and opportunities as a first step. The human rights policy statement can then articulate commitments in the major risk and opportunity areas. Last, you would conduct in-depth HRIAs focused on the high-risk aspects of your business.

GUIDELINE 4: FOCUS

An effective and efficient HRIA approach begins with a comprehensive view of all human rights,[7] but it quickly focuses on the most relevant issues. In line with the GPs, our HRIA framework maps the company's operations to the full universe of potentially relevant rights—but it then gets to the point quickly to maximize resources and focus on the human rights risks and opportunities that are relevant to the company. Unlike assessments that aim to identify issues of importance to the company and stakeholders, an HRIA prioritizes issues that represent risks to rights holders regardless of whether they also represent a business risk for the company.

While companies need to address all the relevant human rights impacts and risks identified by the assessment, they can prioritize these if necessary to determine where to focus resources initially. Companies should address ongoing infringements on human rights as soon as possible and prioritize them based on their severity and "remediability." In other words, they should prioritize impacts if delaying action would affect their ability to remediate. [8] In addition, companies should develop a time line for addressing remaining issues.

In Practice: Global Health-Care Company

BSR partnered with a global health-care company based in Europe to conduct a corporate-level HRIA that involved a three-step approach to prioritizing the company's key human rights risks and opportunities.

» **Industrywide human rights issues:** BSR developed a comprehensive reference catalogue of the industry-wide existing and potential human rights risks and opportunities. In doing so, it assessed industry-wide practices against the universe of human rights contained in the Universal Declaration of Human Rights (UDHR). For example, it highlighted how the product pricing policies and/or distribution channels of health-care companies may affect access to health and result in direct or indirect discrimination.

» **Company-specific human rights issues:** After identifying the most relevant issues to the industry, we mapped the issues based on (a) the likelihood and severity of impact and (b) the company's specific operating context. A key differentiator in determining the high/low impact to rights-holders was whether a given issue had the potential to result in loss of life or bodily harm. This analysis identified the issues that posed the greatest risks for rights holders and opportunities for company leadership. These included human rights issues in four key business areas: access to health / medicines, clinical trials, patient safety and pharmaceuticals in the environment.

» **Gap analysis:** As a next step, we will focus an in-depth assessment on the company's management of these most relevant issues to determine gaps which the company could more effectively manage.

[7] For most HRIAs, the baseline universe should be the rights contained in the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights and on Economic Social and Cultural Rights, and the ILO Core Conventions. Where relevant, we consider other conventions as well such as the Convention on the Rights of the Child or the ILO Convention 169 on Indigenous Peoples' Rights.

[8] UN Guiding Principles on Business and Human Rights, Principle 24, www.business-humanrights.org/Documents/UNGuidingPrinciples.

GUIDELINE 5: RISKS *AND* OPPORTUNITIES
HRIAs uncover key impacts and risks, but they can also identify opportunities to advance human rights. Although the GPs rightly limit a company's baseline responsibility for human rights to non-infringement, we believe that companies should also seek to understand and maximize opportunities to advance human rights protections.

Using the research and analysis that HRIAs involve to identify opportunities for positive impact is an efficient way to use resources to build a more robust human rights strategy. For example, companies in the ICT industry could use their technology to help advance such rights as the rights to freedom of expression and privacy, and health-care companies can contribute to the right to health through the development and provision of critical medicines and health services.

As noted in the GPs, a company's commitment to maximize opportunities for positive impact and contribute to the advancement of human rights does not offset its failure to respect human rights throughout its operations.

In Practice: Telecommunications Company

In 2012, the Myanmar government announced its intention to put four mobile communications licenses up for bid. The company announced its interest in bidding for one of them and, as part of its pre-investment due diligence in the country, partnered with BSR to conduct an HRIA. Fifty years of military rule has left Myanmar with crumbling infrastructure, poor education and health systems, crony capitalism, and underdeveloped government infrastructure. This situation presents a number of risks to companies entering the country, but it also contains opportunities for companies to support social and economic development. This is particularly true for telecommunications companies who, by increasing connectivity, can contribute to long-term development goals and support the greater realization of rights.

For these reasons, this HRIA assessed both risks and opportunities. Through a combination of desk-based research, workshops, and in-country interviews, the assessment revealed both risks (such as corruption, unequal treatment of ethnic minorities, surveillance, and land use rights) and opportunities (such as freedom of expression, access to health care, and mobile finance). The final HRIA report identified how the company's policies, processes, and management systems should be applied locally to Myanmar's unique circumstances and included strategic recommendations for how the company could make the most effective contribution to social and economic development, including human rights protections.

GUIDELINE 6: MEANINGFUL ENGAGEMENT
Engagement with rights holders (those potentially affected by the company's operations) often causes the most trepidation for companies in the HRIA process. In our experience, this trepidation stems from the cost and time pressures associated with engagement and companies' fear of discussing sensitive issues with stakeholders who are critical of the company. However, engagement with rights holders, a key provision in the GPs, is an effective and efficient way to identify potential human rights impacts and develop appropriate remedies.

The approach to engagement will vary by company and by the HRIA's context and scope. A social media company, which can have upward of 1 billion users,

for instance, cannot define its rights holders by their geographic scope the way a mining company setting up a project near a remote village can.

For consultation with rights holders and other relevant stakeholders to be meaningful, companies should build an approach to engagement that begins with a robust mapping of the landscape of rights holders that takes into account the local and cultural context. The following are some of the key elements to building meaningful engagement:

» **Participatory process:** 1) Ensure that stakeholders are informed about the context of the engagement in advance and use language they understand, 2) Promote dialogue, rather than one-way communication, by listening empathetically with the goal of finding common ground, and 3) Understand rights holders' objectives for engaging with the company, and design an approach to achieve mutual aims.

» **Action-oriented content:** Give rights holders an opportunity to share their perceptions, opinions, and knowledge, and be open to adjusting plans based on this input.

» **Follow up and communication:** 1) Integrate rights holder inputs into company decision-making (vs. approaching it as a check-the-box exercise) and 2) Follow up with rights holders to communicate relevant findings of the HRIA and resulting actions.

In Practice: HERproject

Engaging rights holders to assess potential and actual human rights impacts can use many of the tools and tactics applied by other community and stakeholder engagement strategies, particularly in cases where groups of vulnerable populations are involved. BSR's HERproject, which links multinational companies and their factories to local NGOs to create peer-to-peer education programs that increase women's health awareness, offers a number of valuable lessons for engagement as part of an HRIA.

While there are many common health needs across the eight countries where HERproject is active, factory workers' health needs vary depending on geography, culture, and context. To ensure that the education programs are aligned with the needs of the workers, HERproject requires a health needs assessment both before and after the project, which is based on listening to and engaging with workers.

Developed by HERproject NGO partners and BSR, the health needs assessment includes around 80 questions, half of which are asked in all countries. The other questions vary by country. These questions are asked of 10 percent of the randomized population in a factory ensuring diversity across business units.

Three key factors that are part of the program's design help ensure that the health needs assessment promotes and respects the rights of workers and provides high-quality input:

» **In-person engagement:** BSR strongly encourages that in-person interviews are carried out with workers to gather perspectives. In most countries, interviews are carried out one-on-one as part of the first round of information gathering. Following the interviews, the workers are engaged in focus groups to validate findings from the interviews.

» **Confidentiality:** Confidentiality of rights holders is critically important to ensuring that workers speak openly and honestly about their needs and risks. There have been cases where the respect for confidentiality has conflicted with the need to ensure protection for workers when the interviews reveal human rights violations. In cases of abuse, such as rape, the interviewer must take specific steps to ensure the abuse is reported while also respecting the privacy of the individual.

» **Skilled and neutral interviewer:** BSR requires that interviewers are independent and have the language skills, knowledge of the factory context, and an awareness of cultural factors that may affect workers' willingness to communicate needs.

GUIDELINE 7: TRANSPARENCY

Transparency on a company's human rights performance is a key component of human rights due diligence as outlined in the GPs.[9] Communicating about the HRIA process can help build trust with stakeholders and open lines of communication with communities of rights holders that can help identify problems before they become human rights infringements.

In the context of conducting an HRIA, transparency is often a major challenge for companies that are wary of disclosing sensitive information and afraid of drawing attention to problems. Further, disclosing too much detail about issues they have identified or stakeholders they have consulted can sometimes put those who have participated in the engagement at risk. For example, while conducting a recent HRIA, we uncovered the potential for retaliation against workers who were interviewed as part of the assessment, which led us to disclose fewer details about the engagement than we had originally planned to share.

An appropriate level of transparency in most cases includes the disclosure of a short summary report that includes a description of the HRIA process and method used along with a summary of high-level findings. In our work conducting HRIAs, we have found that the more direct engagement the company has with rights holders and other stakeholders, the less detail is needed for a wider publication of HRIA findings via the company website or CSR report; key stakeholders will have already been engaged during the assessment process.

[9] UN Guiding Principles on Business and Human Rights, Principle 21, www.business-humanrights.org/Documents/UNGuidingPrinciples.

In Practice: Hewlett-Packard

In 2010, Hewlett-Packard (HP) partnered with BSR and the Danish Institute on Human Rights to carry out an assessment of HP's human rights risks. This assessment identified a number of recommendations for how HP could strengthen its respect for human rights. One tangible output included revisions to the company's human rights policy to align with the priorities for the industry and support better integration of human rights into its operations and across the business.

To support transparency and to facilitate learning in the industry, HP shares information about the process and lessons learned from the assessment in its Corporate Citizenship report and on its website. HP also provides information about how the company is addressing its key human rights risks and links to relevant business areas, such as supply chain management, employee practices, and privacy protection for more in-depth analysis.

Finally, HP shares information about how the assessment led to changes in the governance of human rights at the company and how its engagement with stakeholders and collaborative initiatives strengthen its respect for human rights.

Source: HP Global Citizenship Report 2011, Ethics and Human Rights, http://www.hp.com/hpinfo/globalcitizenship/society/ethics.html

Q: How can an HRIA help address cases of conflict between local law and international human rights standards?

A: Conflict between local law and international human rights is one of the most difficult dilemmas companies face in this area. The HRIA process can help identify where these conflicts exist, and uncover ways that the company can comply with local law while honoring the underlying principles of human rights, as the GPs prescribe (See GP 23)

GUIDELINE 8: STRATEGIC ALIGNMENT

While an HRIA should identify impacts, risks, and opportunities based on a company's existing business operations, we have learned that an HRIA is most effective when it takes into account where the company is headed, rather than solely where it has been. An HRIA process that considers the company's overall strategic goals can accomplish both tasks. By considering changes at the company that could affect rights holders, such as a significant expansion or closure of a particular business, entry into new markets, or a new product launch, an HRIA can offer critical insights to support key business decisions.

HRIA results often present companies with complex challenges and dilemmas. For example, mitigating measures to address an infringement might trigger a new risk in another area. One company may view entering a difficult market as an unacceptable risk, while another may see it as a tremendous opportunity to advance human rights. Developing a strong point of view on its approach to respecting and advancing human rights will help a company navigate these difficult decisions.

In Practice: Microsoft

Microsoft has played a key role in shaping the role of ICT companies in respecting and promoting human rights through its own initiatives and in collaboration with peers in the Global Network Initiative (GNI) and the Electronic Industry Citizenship Coalition (EICC). With the announcement of the GPs, Microsoft sought to strengthen its human rights approach by embarking on an HRIA process.

With help from BSR, Microsoft developed a tiered HRIA approach beginning with a corporate-wide mapping of human rights risks and opportunities and followed by an inquiry-based assessment that sought to answer questions of strategic importance for Microsoft's approach to human rights.

This approach led to the development of Microsoft's human rights strategy built on four key principles:

» The power of technology
» A global approach
» The importance of engagement
» Good governance and the rule of law

Based on the results of the corporate-wide HRIA and informed by Microsoft's new human rights strategy, we were then able to undertake in-depth HRIAs of three key product areas, as well as a country-level assessment.

In this case, the HRIA process served as a key tool for Microsoft to develop a strong point of view and strategy on human rights and was then influenced by that same strategy during the later, more in-depth stages. Aligning the HRIA with the company's strategy and human rights principles resulted in clear, actionable recommendations that enabled Microsoft to manage its risks and maximize its opportunities for positive impact.

Source: Bross, Dan, "Microsoft Did It: Implementing the Guiding Principles on Business and Human Rights," *BSR Insight,* 2012, www.bsr.org/en/our-insights/bsr-insight-article/how-microsoft-did-it-implementing-the-guiding-principles-on-business-and-hu.

HRIA Levels

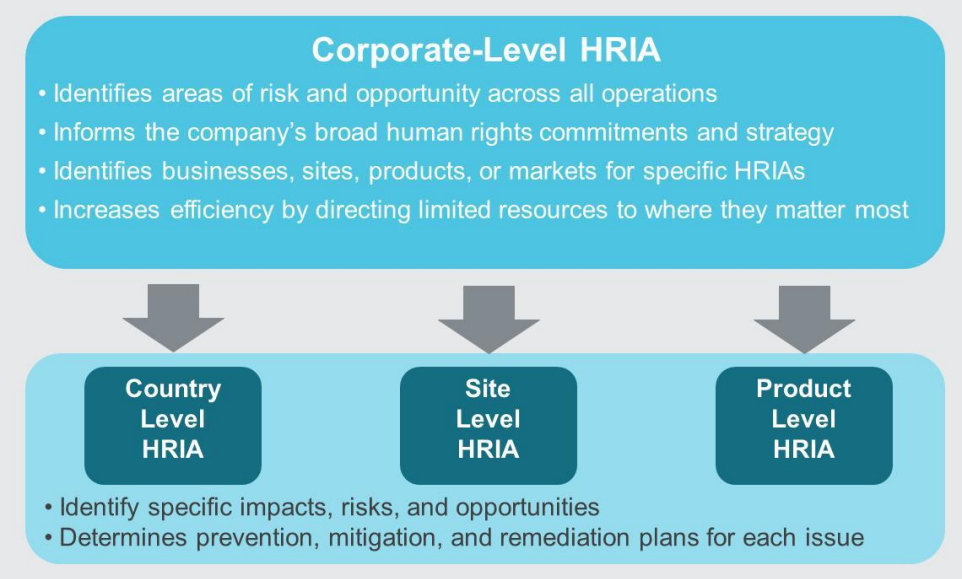
BSR's approach to HRIAs includes four different levels: corporate, country, site and product. They represent an efficient way for a company to identify, prioritize, and address human rights impacts, risks, and opportunities related to its operations and business relationships. Companies do not have to complete all four assessment levels. Rather, each company should identify the levels that most effectively capture its human rights impacts, risks, and opportunities. The corporate-wide assessment is typically the first step and helps a company identify countries, sites, or products that should be subject to a specific in-depth HRIA.

Q: Who in my company should be involved in the corporate-level HRIA?

A: The corporate-wide mapping should be overseen by a cross-functional task force or existing committee. While the relevant functions differ for each sector, they can include:

- CSR
- Legal
- Human resources
- Ethics and compliance
- Supply chain
- Government affairs
- Community affairs
- Product development
- Sales and marketing
- Security

Figure 1. Overview of HRIA Levels



Beyond the corporate assessment, a company should choose assessment levels based on the scope of its impacts. A mining company's greatest impacts on rights holders are likely to occur at its sites, while for a food company certain sourcing countries could present the highest risks. A telecommunications company's greatest risks are typically related to working conditions in the supply chain, as well as the use of its products and services.

Each company should decide which countries, sites, or products to assess in more depth. Guidelines 4 on focus and 8 on strategic alignment can help a company make this determination, while meaningful engagement with rights holders (Guideline 6) can also provide important insight about where a company should focus its assessment resources.

CORPORATE-LEVEL HRIA

A corporate-level HRIA maps all of a company's operations and functions against all human rights to identify key risks and opportunities and determine where a more specific, in-depth HRIA is needed at the country, site, or product level. A corporate-level HRIA also can highlight gaps in the current management system and provide a framework that the company can use to monitor its impacts over time. As mentioned above, a corporate HRIA should always consider the rights in

the International Bill of Rights, which includes the UDHR and its two implementing covenants, and the ILO Core Conventions.[10]

The corporate-wide mapping relies largely on desk-based research and interviews with key experts. It informs the company's overarching human rights strategy and allows it to narrow the broad universe of human rights issues to its unique list of relevant issues and hot spots for further investigation. It thus enables the company to focus its time and resources on the most important aspects of its business and the most relevant issues.

Desk-based research undertaken for a corporate-level HRIA should cast a wide net and consider a variety of sources, such as:

» Relevant information and data from previous HRIAs and recent social or environmental assessments
» Stakeholder perspectives and outcomes from recent relevant stakeholder engagement sessions
» Recent media reports covering the company or relevant industry sectors
» Cases and allegations of human rights infringement against the company or an industry peer
» Benchmarking of peer companies' human rights approaches

We also typically conduct a gap analysis of existing policies and processes to determine how a company's current management systems are equipped to address its key human rights risks. A cross-functional workshop to review initial findings can be an effective way to augment and finalize the corporate-wide mapping.

COUNTRY-LEVEL HRIA

A country-level HRIA typically builds on a corporate HRIA's findings to understand and prioritize human rights issues at a country or market level. The goal of the country-level assessment is to identify and address specific concerns in operating countries. In many cases, this assessment informs a company's decision about whether and how to enter a new market.

Depending on a company's overall HRIA process, this module can involve country visits or can rely heavily on desk-based research using existing data or indices on the country-level human rights risks and proxy indicators, such as armed conflict, corruption levels, or rule of law.[11]

To help identify impacts, risks, and opportunities specific to the company, a country-level HRIA typically gathers such contextual information as:

» Legal and regulatory framework governing human rights
» Rule of law and government capacity to enforce relevant laws
» Key stakeholders' external perception of human rights in a particular country
» Human rights risk drivers, including armed conflict, poverty, and the availability of natural resources

[10] UN Guiding Principles on Business and Human Rights, Principle 12, www.business-humanrights.org/Documents/UNGuidingPrinciples.

[11] Examples include Maplecroft Human Rights Risk Atlas, http://maplecroft.com/themes/hr/, and World Bank Worldwide Governance Indicators, http://info.worldbank.org/governance/wgi/index.asp.

In some cases, companies may decide to focus on one or a select number of countries identified as high risk in the corporate-level HRIA. Another company may instead focus on high-risk issues across all operating or sourcing countries, reviewing the relative risk at a fairly high level. For example, BSR has worked with a food and agriculture company to review key sourcing countries for main agriculture inputs (e.g., potatoes) with a focus on labor rights protections. An integrated assessment of human rights issues for specific crops enabled us to provide a more detailed picture of the relative risks the company faced in each country and for each crop.

As an example of more in-depth, single-country assessments, we have worked with companies in the ICT and energy sectors to identify country-level risks and opportunities and inform market-entry strategies in Myanmar. By focusing on a particular market, these assessments gained insights through country visits and interviews with a number of key local stakeholders, human rights advocates, and business experts.

Q: How much time is needed to carry out an HRIA?

A: The time it takes to conduct an HRIA varies greatly and depends on the type of HRIA and the overall risk level of the assessed operation. A corporate-wide mapping can take as little as six weeks, a country level HRIA with a field visit could take two to three months, and an in-depth HRIA of a high-risk mine site could take six months to a year from beginning desk-based research to completing the final assessment report. Timing of site visits and stakeholder engagement can have a major impact on the overall time line.

SITE-LEVEL HRIA

A site-level HRIA is designed for a company seeking to identify and address human rights impacts, risks, and opportunities related to a specific operation with defined boundaries, such as a mine site or a supplier factory.

Companies in the extractives industry often use this approach to assess project level impacts, while apparel, footwear, toy, and electronics companies conduct factory specific audits. However, companies in all sectors increasingly find value in a site-specific assessment. The individuals and communities close to a site (from data centers to resorts and theme parks) are those most likely to be impacted, and in the case of massive infrastructure development, those impacts may include infringements on human rights.

Any company siting a facility is required by local and/or national law to carry out certain levels of due diligence to gain regulatory approval. In some cases, such as for an EIA, due diligence may include human rights aspects. As a result, integrating an HRIA into other processes is important for an effective site-level HRIA. Local teams and headquarters should coordinate to ensure that they are aligned both in terms of the HRIA process and in terms of taking action on the results.

In a recent HRIA of an energy project in the planning phase, we were able to rely on a significant amount of data from the recently completed ESIA and from official communications filed by community groups as part of the regulatory approval process. Having all this readily available data made the collection process for the HRIA much easier and faster, allowing us to focus resources on the most relevant risks.

Gaining a solid understanding of the local context, including socioeconomic aspects of communities whose rights a project could affect, is a critically important part of a site-level HRIA. To achieve this, the HRIA includes interviews with key staff at the site, as well as external stakeholders.

PRODUCT-LEVEL HRIA

For many companies, the most significant human rights impacts, risks, and opportunities arise through the use of their products and services instead of in their operations. Companies, such as those in software, telecommunications, consumer electronics, consumer products, manufacturing, and pharmaceuticals, whose products and services present risks and/or opportunities to users or other rights holders should consider product-level HRIAs. A product-level assessment

identifies human rights impacts of products that can be used for beneficial purposes but can also be misused in a way that infringes on human rights.[12]

The product-level HRIA emphasizes a deep dive into understanding design processes, user communities, and the legal and human rights context in regions where the products are used. In particular, our approach to product-level HRIAs focuses on:

» **Services:** The services associated with the product. In most cases, the services (e.g., text messaging) enabled by the product should be the focus of the assessment instead of the product (e.g., a telephone).

» **Partners:** Partners in the design, development, and distribution of the product or service, including customers who may present complicity risks or partners who could help maximize the positive impact of the product or service. Some of the biggest human rights risks can occur when a product is delivered through a business partner.

» **Location:** Impacts associated with specific locations and jurisdictions including the legal and regulatory context. Some human rights impacts may be heightened by the location where the products are sold or used.

The role of the end user adds an important layer of complexity to a product-level HRIA, particularly for the ICT industry. Whether exposing human rights abuses online, using the internet as a platform for political discourse, or having privacy rights violated, the end user plays a particularly significant role in the human rights impact of ICT.

Moreover, end users are increasingly innovating with ICT products and services in unexpected ways that may be beyond a company's control. In such cases, companies are encouraged to prioritize the relatively few high-risk users, such as human rights defenders and political activists, as the biggest human rights impacts can reside in a very small subset of product users.

When companies undertake product-level HRIAs, the speed of innovation is often a major challenge. For example, for a recent HRIA of a software product, the underlying technology of the product changed significantly during the assessment, presenting a very different human rights risk profile. For this reason, we typically recommend assessing product categories, rather than individual products, and to use lessons learned from existing product categories to apply a human rights lens during the design phase of new products.[13]

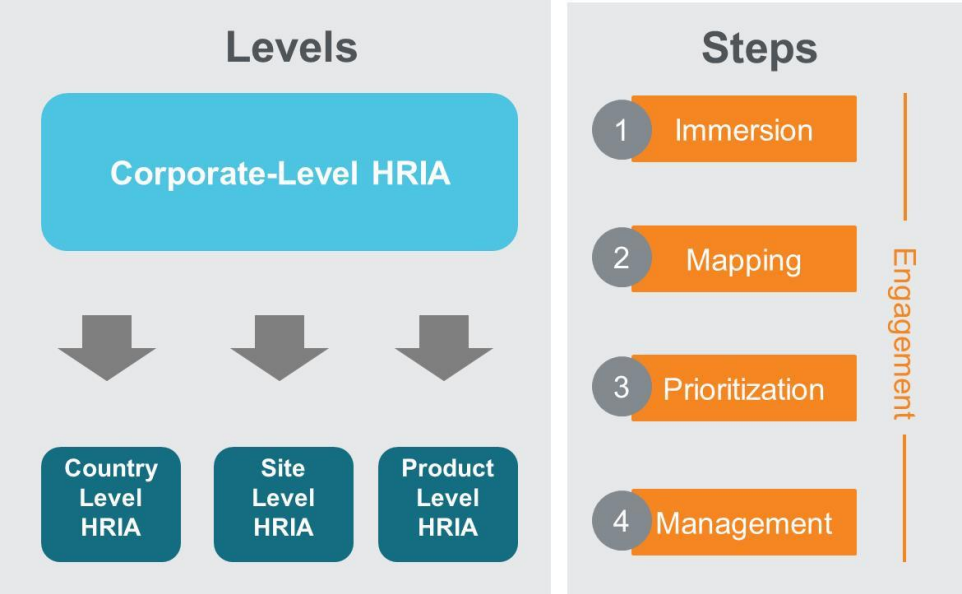
[12] Institute for Human Rights and Business and Global Business Initiative, "State of Play: The Corporate Responsibility to Respect Human Rights in Business Relationships,"

[13] BSR, "Applying the Guiding Principles on Business and Human Rights to the ICT Industry, Version 2.0," www.bsr.org/reports/BSR_Guiding_Principles_and_ICT_2.0.pdf, p. 9.

Steps

Each HRIA has four key steps: Immersion, Mapping, Prioritization, and Management. The depth and breadth of the activities and the types of tools used vary by HRIA-level and are customized to the company context. Engagement with rights holders, a critical component of every HRIA, can support each step and often takes place at multiple steps in the process.

Figure 2. Overview of HRIA Levels and Steps



As noted above, most companies should start with a corporate-level HRIA to understand their key human rights risks and opportunities and identify whether and where they should perform a specific HRIA at the country, site or product level.

Q: Is it possible to conduct an HRIA with limited financial resources?

A: Yes. The tiered approach outlined in this report can help focus limited resources on the most important impact areas. Close collaboration among company staff and external advisors on the HRIA can further reduce costs while building internal capacity at the company to conduct HRIAs with less external help in the future.

In planning for an HRIA at any level, a company should answer these key questions:

- **Which functions, regional offices, and individuals in the company** should be involved in the assessment process?
- **How can and should they be involved?** What aspects of the process can be led internally, and where should outside consultants/experts be involved?
- **When should the HRIA take place?** Are there suspected impacts that need immediate attention? Are there key milestones, such as a citizenship report publication date, that should be considered as part of the time line? Are there major internal conferences that could be leveraged for a cross-functional workshop or internal interviews?
- **What existing tools, recent assessments, or stakeholder engagement sessions** should the HRIA leverage? What other data is available to use in the assessment, and where are there gaps?

STEP 1: IMMERSION

The first step in our HRIA approach is to gain a robust understanding of the general business and human rights context. This requires human rights experts to immerse in the company context and the company to immerse itself in human rights to understand local, national, and international human rights standards and

expectations. Some of the key questions the human rights experts will seek to answer include the following (the questions vary depending on the HRIA level):

- What is the company's overall business strategy?
- Which aspects of the company's business are expected to grow, and which could decline?
- How are relevant decisions made in the company, and who makes them?
- What leverage does the company have over relevant business partners?
- Who are the company's key customers?
- What are the company's key product lines?
- How and where does the company operate?

To answer these and other questions, we carry out interviews with experts and key functional, department, or regional leaders and review existing policies, procedures, and relevant information about operations to better understand how each business area could positively or negatively impact human rights.

STEP 2: MAPPING

The second step aims to identify the most relevant human rights issues for the company by mapping the real and perceived intersection points with human rights across the business. This step helps companies narrow the long list of human rights issues to those that the company could impact and identify hot spots in the company's business activities, such as particular regions, operations, or product categories that are the most vulnerable to human rights risks or best positioned to have a positive impact. For a site-level assessment, the mapping will look different for each site.

BSR has developed a mapping tool based on the International Bill of Rights, the ILO conventions and, in some cases, other international human rights standards.

STEP 3: PRIORITIZATION

This next step aims to help companies prioritize human rights risks. While companies should address all impacts and risks, limited resources and complex networks of business relationships may require them to determine *the order* in which they should address the identified issues. As noted above in Guideline 4, the GPs state that companies should consider the severity and remediability of impacts when determining which impact to address first.[14]

A company can prioritize human rights opportunities, which extend beyond its baseline responsibility to avoid infringement, based on its business and sustainability strategies and its ability to maximize positive impact. Those opportunities that are closely tied to the company's core competencies should, in most cases, be at the top of the list.

STEP 4: MANAGEMENT

HRIAs should not only identify existing impacts and risks but also help anticipate future trends and provide clear, actionable, and business-relevant recommendations that will ultimately result in greater protection of human rights. This last step aims to help companies build a robust approach to managing human rights risks and opportunities by remediating existing impacts and

[14] UN Guiding Principles on Business and Human Rights, Principle 24, www.business-humanrights.org/Documents/UNGuidingPrinciples.

strengthening key elements of a company's policies and processes, internal and external communications, and stakeholder engagement.

When developing recommendations from an HRIA, a company should clearly differentiate between its baseline responsibility to avoid negative impacts and its opportunities to go further and maximize positive impacts. In addition to addressing human rights impacts uncovered during the HRIA, recommended actions can range from putting a formal human rights policy in place to pursuing more in-depth engagement with rights holders on specific aspects of the business to developing key performance indicators related to human rights and linking individual incentives to progress in addressing the HRIA's findings.

The following tables provide an overview of what these four steps typically entail for each of the four HRIA levels.

Corporate Level		
Steps	**Activities**	**Engagement**
Step 1: Immersion Build human rights experts' knowledge of the business and the company's knowledge of human rights issues and expectations.	• Review company strategy and relevant policies and processes. • Review recent human rights disclosures and results from relevant assessments and engagements. • Benchmark industry peers. • Form a cross-functional task force to lead the HRIA. • Align expectations and knowledge of process internally, possibly through human rights training for key company leaders.	Carry out internal interviews with key departments (e.g., human resources, purchasing, product development, etc.) to hone in on the human rights issues that are likely to be relevant to the company.
Step 2: Mapping Identify the most relevant human rights issues for the company by mapping the real and perceived intersection points with human rights across all operations.	• Customize a human rights mapping tool for the company's context and objectives. • Determine the organizing framework for mapping (i.e., by business line, region, and value chain step). • Conduct a media search, including cases and allegations against the company or peer companies. • Map the operations against the full universe of potentially relevant human rights issues to identify risk and opportunity areas.	Conduct external interviews with key stakeholders and experts to verify results.
Step 3: Prioritization Prioritize human rights risks and opportunities to determine where the company should focus resources (note that all impacts and risks should be addressed).	• Prioritize the relevant human rights risks identified in Step 2 based on risk to rights holders, using likelihood, scale, severity, and remediability. • Rank opportunities based on the company's overall strategic goals and ability to have an impact.	Share a summary of findings from external interviews with company participants.
Step 4: Management Build a robust approach to addressing impacts, managing risks, and maximizing opportunities by strengthening the company's human rights strategy, policies, processes, and engagement.	• Conduct a gap analysis of current policies and processes based on the priorities identified in Step 3. • Strengthen the current management system based on the gap analysis results. • Draft a human rights strategy based on the most important risks and opportunities. • Develop action plans to further investigate identified issues, including through in-depth HRIAs. • Build an ongoing due diligence process. • Develop a plan to raise awareness and build capacity internally.	• Share high-level HRIA findings with key stakeholders and experts. • Gain input from key stakeholders and experts about the new human rights strategy.

Country Level		
Steps	**Activities**	**Engagement**
Step 1: Immersion Build human rights experts' knowledge of the business and the company's knowledge of human rights issues and expectations.	• Study the specific country and local human rights context to develop an initial view of the risks and opportunities. • Review the national and local regulatory environment. • Review relevant internal and third-party country reports and assessments. • Review the nature and scale of current operations and/or prospective investment impact in the country.	• Carry out internal interviews in countries to identify potential human rights issues arising from company activities. • Engage with international and regional stakeholders with relevant expertise to assess perceptions of risk and opportunity.
Step 2: Mapping Identify the most relevant human rights issues for the company by mapping the real and perceived intersection points with human rights across all operations.	• Consult key company functions in issues that present challenges to policy compliance. • Conduct a media search on risk factors and human rights issues, cases, and allegations relevant to the sector. • Map existing or planned activities that could impact human rights in the local context. • Develop impact assessment questionnaires and stakeholder interview guides. • Identify at least one key stakeholder for each major issue. • Integrate the information available about country-level risks from reputable research organizations or government statistics agencies.	Engage local stakeholders with expertise on key human rights risks and opportunities. Stakeholders include rights holders, national and local governments, local civil society organizations, local businesses and chambers of commerce, local communities, and local business partners.
Step 3: Prioritization Prioritize human rights risks and opportunities to determine where the company should focus resources (note that all impacts and risks should be addressed).	• Assess identified risks based on their likelihood, scale, severity, and remediability, considering existing and planned operations and the country context. • Hold a workshop to discuss preliminary findings internally and assess any material connection to planned investment.	Share a summary of your interview findings with participants.
Step 4: Management Build a robust approach to addressing impacts, managing risks, and maximizing opportunities by strengthening the company's human rights strategy, policies, processes, and engagement.	• Conduct a gap assessment of current policies to assess the company's ability to manage risks. • Develop a market engagement strategy based on the most important issues and the company's ability to manage them, drawing on existing strengths and addressing existing weaknesses and vulnerabilities. • Identify mitigation measures for each risk, strategic opportunities across multiple risk areas, and systemic issues that need to be addressed collaboratively. • Identify existing and proposed programs that can help the company manage risks. • Categorize mitigation measures and recommendations into policies, capacity building, programs, and engagement.	• Identify local partners that can assist with mitigation measures and programs. • Develop an executive summary for public disclosure with stakeholders. • Engage stakeholders in the country on your findings and solicit recommendations.

Site Level		
Steps	**Activities**	**Engagement**
Step 1: Immersion Build human rights experts' knowledge of the business and the company's knowledge of human rights issues and expectations.	• Create a cross-functional human rights task force or steering committee at the site. • Review the nature and scale of current operations. • Identify and review current internal policies and external commitments (e.g., voluntary principles). • Understand the existing assessment systems and data collection practices. • Review recent stakeholder and community engagement outcomes. • Study the specific community and local human rights context to develop an initial view of the risks and opportunities.	• Identify internal business leads and legitimate representatives of rights holders for engagement. • Engage internal stakeholders on human rights through discussions or formal training.
Step 2: Mapping Identify the most relevant human rights issues for the company by mapping the real and perceived intersection points with human rights across all operations.	• Review recent relevant assessments, including country- and site-level assessments, such as ESIAs or audit results. • Conduct a media search on relevant human rights issues, cases, and allegations related to the site or to similar business activity in the region. • Collaborate with the site-level leads to populate the HRIA tool to map the relevant issues based on their significance and source (e.g., project, contractor, etc.).	• Interview site-level business leads about potential human rights risks. • Engage with legitimate representatives of potentially affected communities and local stakeholders and experts.
Step 3: Prioritization Prioritize human rights risks and opportunities to determine where the company should focus resources (note that all impacts and risks should be addressed).	• Analyze the populated HRIA tool to identify existing and potential human rights impacts. • Prioritize impacts and risks based on their scale, remediability, and likelihood.	Conduct an internal workshop to review your findings and prioritize risks and opportunities.
Step 4: Management Build a robust approach to addressing impacts, managing risks, and maximizing opportunities by strengthening the company's human rights strategy, policies, processes, and engagement.	• Develop action plans to address specific impacts, risks, and opportunities. • Integrate HRIA findings into existing policies, management systems, and work plans. • Introduce new policies and systems, including grievance mechanisms, to mitigate risks. • Develop and implement human rights trainings. • Monitor ongoing human rights performance. • Institutionalize human rights management and ongoing due diligence within site-level governance. • Apply lessons to your corporate human rights strategy and policies.	• Conduct an internal workshop to review recommendations. • Conduct training on priority issues for key site-level staff. • Share high-level findings with stakeholders.

Product Level		
Steps	**Activities**	**Engagement**
Step 1: Immersion Build human rights experts' knowledge of the business and the company's knowledge of human rights issues and expectations.	• Review public information (e.g., websites, terms of use, published reports, etc.) to become familiar with the product or service, its underlying technology, and its functionality. • Meet with key company staff to augment desk-based research on the product or service. • Educate key company staff on human rights, the company's responsibility to avoid infringement, and key concepts, such as leverage and complicity. • Review relevant external stakeholder perspectives, such as those found in reports and campaign literature and on websites.	Interview key company staff in engineering, public policy, government affairs, sales and marketing, legal affairs, etc.
Step 2: Mapping Identify the most relevant human rights issues for the company by mapping the real and perceived intersection points with human rights across all operations.	Analyze the human rights impacts, risks, and opportunities of the product or service across three important dimensions over a 10-year timeframe: • **Services:** The services associated with the product, regardless of business partners or geography. • **Partners:** Partners in the design, development, and distribution of the product or service, including customers who may present complicity risks or partners who could help maximize the technology's positive impact. • **Location:** Impacts associated with the specific locations and jurisdictions, including the legal and regulatory context.	Interview external stakeholders and experts, especially those familiar with and able to speak on behalf of high-risk users, or (where possible) users themselves.
Step 3: Prioritization Prioritize human rights risks and opportunities to determine where the company should focus resources (note that all impacts and risks should be addressed).	• Identify the most significant human rights risks and opportunities arising from the product or service. • Develop conclusions that are forward looking, and incorporate the uncertainties that can arise from the often rapid and unpredictable nature of a product or service development over time, for example, by focusing on categories of products.	Share high-level findings of the HRIA with stakeholders, for example, through an executive summary report for publication on the company's website.
Step 4: Management Build a robust approach to addressing impacts, managing risks, and maximizing opportunities by strengthening the company's human rights strategy, policies, processes, and engagement.	• Assess priorities against existing policies and management systems to identify any gaps. • Develop forward-looking recommendations that set out key policies, processes, operations, activities, etc., that the company can enact to mitigate human rights risk and maximize human rights opportunities. • Categorize recommendations, for example, by whether they are short, medium, or long term and by policy, process, and operations.	Engage stakeholders and experts on the HRIA's findings.

Resources

INTERNATIONAL HUMAN RIGHTS INSTRUMENTS

International Labour Organization, Declaration on Fundamental Principles and Rights at Work, 1998, www.ilo.org/declaration/thedeclaration/textdeclaration/lang--en/index.htm.

International Covenant on Civil and Political Rights, 1966, http://www.ohchr.org/EN/ProfessionalInterest/Pages/CCPR.aspx.

International Covenant on Economic, Social, and Cultural Rights, 1966, http://www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx.

The Universal Declaration of Human Rights, 1948, www.un.org/en/documents/udhr/index.shtml.

HUMAN RIGHTS AND BUSINESS BACKGROUND

Bader, Christine, "UN Guiding Principles on Business and Human Rights: Analysis and Implementation," The Kenan Institute for Ethics at Duke University, 2012, http://kenan.ethics.duke.edu/humanrights/resources/u-n-guiding-principles-on-business-and-human-rights

Portal on the UN Guiding Principles at the Business and Human Rights Resource Centre, http://www.business-humanrights.org/UNGuidingPrinciplesPortal/Home

Officer of the High Commissioner for Human Rights, "The Corporate Responsibility to Respect Human Rights: An Interpretive Guide," 2012, www.ohchr.org/EN/Issues/Business/Pages/Tools.aspx.

UN Special Representative for Business and Human Rights, "Protect, Respect, and Remedy: A Framework for Business and Human Rights," 2008, www.reports-and-materials.org/Ruggie-report-7-Apr-2008.pdf.

UN Special Representative for Business and Human Rights, "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect, and Remedy' Framework," 2011, www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf.

HRIA GUIDANCE

Aim for Human Rights, "Guide to Corporate Human Rights Impact Assessment Tools," www.humanrightsimpact.org/fileadmin/hria_resources/Business_centre/HRB_Booklet_2009.pdf.

Dan Bross, "How Microsoft Did It: Implementing the Guiding Principles on Business and Human Rights," *BSR Insight,* 2012, www.bsr.org/en/our-insights/bsr-insight-article/how-microsoft-did-it-implementing-the-guiding-principles-on-business-and-hu.

BSR, "Engaging with Free, Prior, and Informed Consent," 2012, www.bsr.org/en/our-insights/report-view/engaging-with-free-prior-and-informed-consent.

BSR, “Human Rights Training and Engagement Guide,” www.bsr.org/files/BSR_Human_Rights_Training_and_Engagement_Guide.pdf.

BSR, “IAMGOLD: Integrating Human Rights Management throughout the Business,” case study, 2011, www.bsr.org/en/our-insights/case-study-view/iamgold-integrating-human-rights-management-throughout-the-business.

Danish Institute of Human Rights, “Human Rights Compliance Assessment: Quick Check,” www.humanrightsbusiness.org/compliance+assessment/hrca+quick+check.

Dunstan Allison Hope, Farid Baddache, and Faris Natour, “Applying the Guiding Principles on Business and Human Rights to the ICT Industry, Version 2.0: Ten Lessons Learned,” BSR, 2012, www.bsr.org/en/our-insights/report-view/applying-the-guiding-principles-on-business-and-human-rights-to-the-ict-ind.

Dunstan Allison Hope, “Protecting Human Rights in the Digital Age,” BSR, 2011, www.bsr.org/en/our-insights/report-view/protecting-human-rights-in-the-digital-age.

Institute for Human Rights and Business, “The ‘State of Play’ of Human Rights Due Diligence,” 2010, www.ihrb.org/pdf/The_State_of_Play_of_Human_Rights_Due_Diligence.pdf.

Institute for Human Rights and Business, “The State of Play: The Corporate Responsibility to Respect Human Rights in Business Relationships,” 2012, www.ihrb.org/publications/reports/state-of-play.html.

International Finance Corporation, UN Global Compact, and International Business Leaders Forum, “Guide to Human Rights Impact Assessment and Management,” 2010, www1.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/publications/publications_handbook_hria__wci__1319577931868

IPIECA, “Human Rights Due Diligence Process: A Practical Guide to Implementation for Oil and Gas Companies,” 2012, www.ipieca.org/publication/human-rights-due-diligence-process-practical-guide-implementation-oil-and-gas-companies.

Maplecroft, “Human Rights Risk Tools,” www.maplecroft.com.

NomaGaia, “Methodology for Human Rights Impact Assessment,” 2010, www.nomogaia.org/HRIA/Entries/2011/1/1_A_Methodology_for__Human_Rights_Impact_Assessment_files/Methodology%20for%20HRIA%202.0.pdf.

Chloë Poynton, “Five Best Practices in Human Rights Reporting,” *BSR Insight,* 2012, www.bsr.org/en/our-insights/blog-view/five-best-practices-in-human-rights-reporting.

UN Global Compact, Human Rights and Business Dilemmas Forum, http://human-rights.unglobalcompact.org/.

UN Special Representative for Business and Human Rights, “Human Rights Impact Assessments— Resolving Key Methodological Questions,” February 5, 2007, www.reports-and-materials.org/Ruggie-report-human-rights-impact-assessments-5-Feb-2007.pdf.