



General Guidance Human Rights and Labor Practices

2. Human Rights Impact Assessment (HRIA)



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1. INTRODUCTION

- Human right assessment focus on the prospective of risks to people, rather than risk to business. The salient issues will be properly mitigated and improved to reduce risks the business;
- The human right due diligence process is similar to the business risk assessment that include risk indentification and prioritization;
- Identification and prioritization is specific process. Prioritization is based on the following criterias;
 - The impacts categorization in 3 aspects including scale, scope, capability to remediate
 - The impacts Likelihood and frequency of the impact

2. RELEVANT PARTIES

- **CSR /Sustainability team** are expertised in human rights and have a capability to expand the HR commitments from the social aspects to sustainable aspects. Human rights assessment focus on the impacts to people, not impact to the business. This is not enterprises risk but the result from the assessment should be considered to reduce risk of enterprise appropriately.
- **Business operations team** can ensure that the HRIA result will be accepted and implemented to align with the HR policy.
- **Legal, Internal audit, Compliance team** support the review and consider the legal blinding in HR policy when policy is enforced in the future.
- **Specific functions/Operations** may involve in the human rights risks for instance security, procurement, human resources, sell etc. These functions shall be participated in the process of impact identification and prioirtization.
- **Government /Public affairs team** can five the insight of the HR issues to be integrated into the law enforcement.

The first step of human right assessment is to identify business activity and business relationship that may pose human right risk that should consider potential impact from both current and planned activity. It should also include the business relationship to person or community. Next is to priortise the risks in order to mitigate those risks. Human rights assessment is the important strategy to create an awareness within organization and minimize the human rights risk.



3. TIMING OF HRIA

HRIA should be periodically reviewed. The minimum frequency is every three years and the progress should be tracked against CPG 2030 sustainability framework and goals.

4. IDENTIFICATION OF HUMAN RIGHT ISSUES

Human rights issues are identified through several processes, including desktop review to research on international, regional, and national levels. Then, the review can scale down to business sector. In addition, other sources of data include grievance mechanism, supplier self-assessment, internal audit report, and opinions from trade union or employee representative.

With a diversified business context and operation in different countries, human rights issues that are covered in the CPG risk identification process are listed in **Annex B**.

5. INITIAL METHOD TO IDENTIFY HUMAN RIGHTS ISSUES

- Mapping the operation in the country that has the highest risk and identify potential issues
- Mapping the most common risks in the business sector or in the context of region or country
- Obtain the information and engage with employee and representative from each function. The types of engagement can be selected properly for instance the employee who potentially expose to human rights risk or has responsibility to manage HR impacts, should be face-to-face meeting.

6. RECOMMEND METHODS TO IDENTIFY AND ASSESS HUMAN RIGHT IMPACT

Brainstorming workshop is one of the options to assess human right impact as a team. Executive, manager, and employee who are responsible for the human rights issues are participated in the workshop to share ideas and facilitator moderate the participants to discuss about human rights issues in the past, the present, and the future. The HR impacts are also discussed during the workshop.

This process clarifies the human rights issues, raise awareness, and create a culture of responsibility toward human rights. The discuss focus on the linkage between risk and impact. This motivates the participants to systematically research and investigate.

7. EXPECTED OUTCOMES

- A right holder are identified
- The human right issues are identified including what is an human right risks, how does this impact, and direct or indirect impacts;



- Who or which organization does expose or cause the human right risk (to fix the issues, but not to find violator)
- The human risk issues must cover activity, service, business relation, and important decision etc.

8. HUMAN RIGHT ISSUES IDENTIFICATION BY STAKEHOLDER ENGAGEMENT

Identification and assessment of human rights issues focus on individual, group of people, and representative who represent the source of information or can connect to the rights holder - or legal representative.

- Trade union is the source of information for human rights risk and impact on the member;
- Consultation with community leader could be another way to understand the human rights risk;
- Corporate may start from potential right holders inside to outside organization for instance employee, worker, daily staff, monthly staff, part-time employee, supplier, customer, surrounding community, vulnerability. This could be the starting point for HRDD and continuously expand to other right holders, other HR issues.

9. EVALUATION OF HUMAN RIGHTS IMPACT

The following step is prioritation of impact by considering impact characterization and likelihood. It is not a risk assessment that focus on person rather than a business. The main point is that the assessment is according to the principle of UNGPs as follows.

- Impact severity: this is considered human rights impact to people, not impact to business
- Severity of impact is more impact than likelihood. If the impact has low likelihood but high severity e.g. fatality etc. This impact should be mitigated and remediated in the first place.
- The following criteria can be used for evaluation.

Aspects	Definition	Comparative Examples	
		Low Severity	High Severity
Scale	Impact severity	14 year-old girl is the cashier at the family-owned shop	10 year-old child works in mining
Scope	Widespread of the impact (Size of people impacted)	1-2 persons	Community
Remediability	Ability to return or restore those affected to a situation at least the same as, or equivalent to, their situation before the impact	The employee was fired due to the discrimination but reinstatement immediately. The appropriate payment	Contractor has an incurable illness caused by unsafe work and no measures implemented by the



		and compensation are provided, apology, and guarantee that this event is not occurring again	organization
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The prioritization of high severity does not mean that low severity impacts are not fixed. Low severity impacts are easily to fix and require less resource to manage impact. Therefore, there is no reason not to manage the low severity impact.

In addition, corporate should consider the likelihood that the impact may occur in the organization or business partner. Participation by risk management and corporate governance is important to HRIA. This creates comprehensive assessment process and raise the human rights awareness. Therefore, human rights topics are incorporated into business risk management at this point. Risk team should be awared that human rights risk is different from risk management.

10. IMPORTANCE OF DEEPEN ASSESSMENT THROUGHOUT THE ORGANIZATION

HRIA seems to be complex and applicable to the large corporate. In fact, HRIA is an initial concept for all size of corporate and applicable for all type of business.

11. FOCUS ON HIGH RISKS COUNTRY

Review and data analysis can point out the high-risk countries for instance the countries having inequality in the legal context. This case should give the high priority and mitigate impact. Another example is the list of countries that are diplomatic boycotted by the United Nation due to human right violation.

For Client and Customer, Human Right Due Diligence (HRDD) Process should start with asking questions related to salient issues of this group before transaction. This process can improve the protection of human rights to cover business activities and business relation.

12. DUE DILIGENCE PROCESS FOR MERGING AND ACQUISITION

The corporate should have an intentive due diligence to screen a business partner or joint venture during merging and acquisition process. The scope may include suppliers, contractors, service providers etc. Beside the risk identification, it should consider the capability of the partner to manage the human rights risk. The

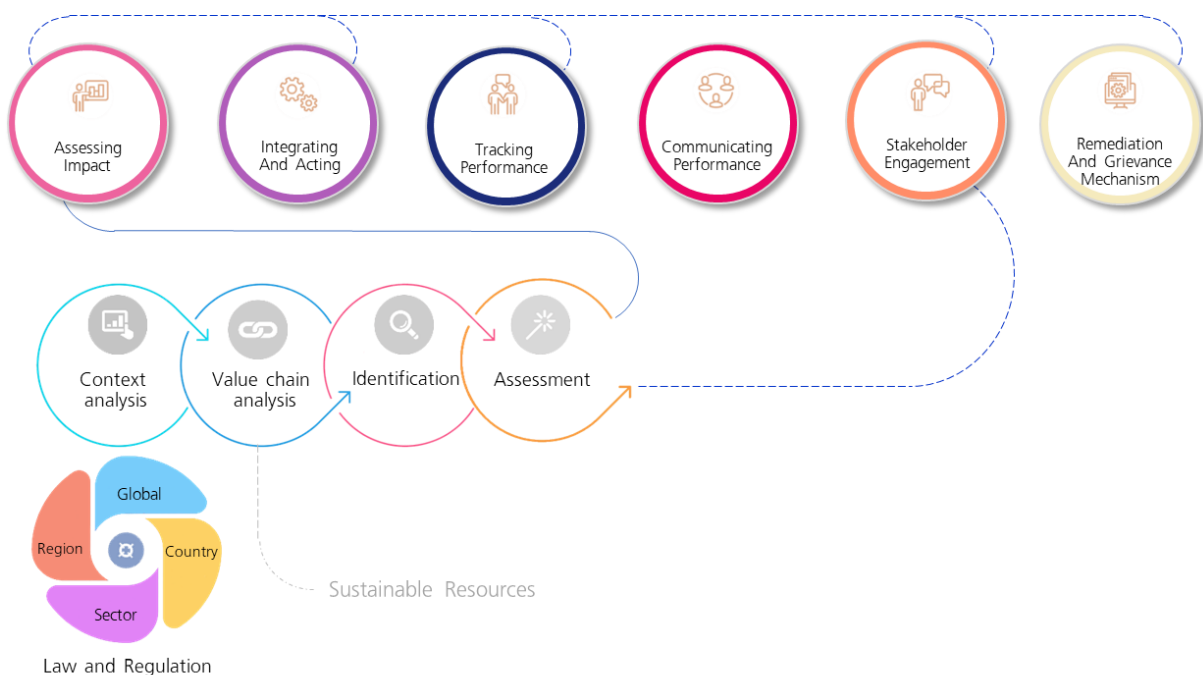
investigating method could be integration of human rights into self-assessment questionnaire, contractual term, and Vendor or Supplier Code of Conduct.

Salient issues identified should be linked to the selection of the HRIA due diligence process for instance a low-risk company is required a self-assessment questionnaire, but high-risk company is required an intensive HRIA. In the contract, there should be clearly indicated that a business partner/ joint venture is accepted or agreed on a site visit or audit by corporate representatives.

In merging and acquisition process, the corporate should integrate the human rights risk into work, operation and business relation, especially when corporate aware that the business partner does not pay much attention on human rights issue which is the corporate responsibility. This could create difficulty in the decision making or conflict between management level among 2 companies. Another case, the investor may discover that there is a conflict with community about the land right. The corporate may acquire the land from government agency but the conflict with the community is remaining. The site investigation and community relation should be conducted to discover the true cost of the land.

UN principle suggest using the term of “Assessment Impact” rather than “Impact Assessment” in order to focus on the importance of impact instead of assessing process. It is not required to conduct another assessment but should consider the nature of the business and relevant impacts.

13. PROCESS OF RISK IDENTIFICATION AND ASSESSMENT BY BRAINSTORMING WORKSHOP IN THE BUSINESS SECTOR (CORPORATE)





Brainstorming workshop has the following steps;

- 13.1) Review the context of organization. The topics to be reviewed are listed as follows;
 - Type of business risks, particularly human rights law and politic.
 - Sustainable risks in social dimension.
 - Planning for Stakeholder engagement to identify the rights holder.
 - Human right risks in national level and in the same industry.
 - Value chain, salient issues, and potential risks (See CPG Human rights risk universe)
 - The scope and boundary both product and services to be included, suppliers of raw material and labor, direct and indirect business relation
- 13.2) Identify the human rights inside the organization;
 - Brainstorming to exchange the idea and build an understanding
 - Identify the potential issues from Item 13.1 by the asking the question as follows;
 - What is human rights risks listed in the human rights risk universe e.g. occupational health and safety.
 - Who is fuction or department owned and can provide the details of the case? e.g. production line (Feed pellet machine)
 - Who is impacted group or right holders e.g. employees in the production line, migrant workers etc.
 - What is the impact e.g. hearing loss etc.
- 13.3) Evaluate the significanc of the impact
 - The information from Item 13.2 is reviewed by workshop participant.
 - Assessment is conducted by all participant together or breaking into small group. The criteria in Item no. 8 can be used for the assessment consisting of two dimensions that are 1) likelihood of impact and 2) severity of the impact. The detail are provided below;



1. Likelihood of Impact

Likelihood	Score
Occur regularly, both in the past and present (risks are identified every quarter or every month)	5
Occur regularly, both in the past and present (risks are identified every year)	4
Occur regularly, both in the past and present (risks are identified every 2-3 years)	3
Occurred in the past and has not yet been identified in the past 3-5 years.	2
Never occur in the past, and is unlikely to occur in the future	1

2) Severity of The Impact

Scale of Impacts	Size of Affected Group	Those Affected can't be Remediated	Score
Causing fatality, lifelong disability, or long -term impact on health or property of those affected	More than 200 people, or creating impact to the public - wide	Could not be returned or restored back to normal stage	5
Causing injury, impacting health, causing temporary disability (loss of workday), and losing asset or property	More than 100 people or impact at the community level	Able to return or restore back to the normal state, but - require excessive resources and timeframe - assistant or support from social is not available	4
Causing injury, impacting health, causing temporary disability (no workday loss) and/or losing asset or property	10 -100 people and majority are primary group of stakeholders	Able to return or restore back to the normal state, but - require excessive resources and medium timeframe - assistant or support from social is not available	3
Causing injury, which require first aid care (no workday loss), little property loss or affecting daily life	10 -25 people and mostly are secondary group of stakeholders	Able to return or restore back to the normal state, but - require limited resources and little timeframe	2



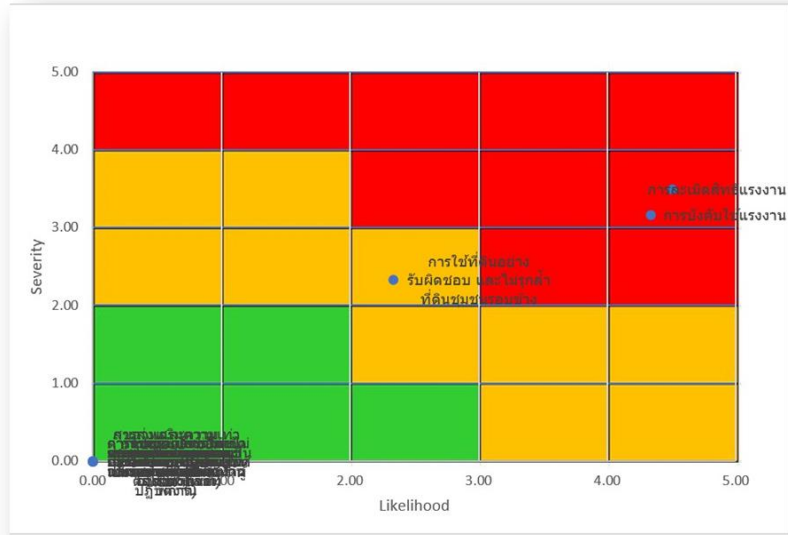
Scale of Impacts	Size of Affected Group	Those Affected can't be Remediated	Score
Causing minor loss of property or annoyance	Lower than 10 people and mostly are secondary group of stakeholders	Able to immediately return or restore back to normal stage	1

13.4) Assessment should consider the following;

- Assessment should assess the impact and likelihood by considering existing measures implemented in the organization e.g. labour standards on migrant workers that can reduce the severity and likelihood of the impact.
- Assessment and brainstorming should conduct one issue at the time. Beside severity and likelihood, the mitigation and suggestion to minimise the severity or likelihood should be discussed using mitigation hierachy as follows;



13.5) The result of Item 13.3 represents the human right issues of the organization as shown below.



13.6) Beside brainstorming, each function should implement the outcome from Item 13.4 in order to mitigate the impact. The mitigation should be developed into the action plan assigning the responsible person and corrective action should be integrated into the existing system of the organization.



14. ANNEX

A. Example of Rights Holders: Right holder / Affected people/ Impacted stakeholders

- i. Inside organisation
 1. All employee
 2. Worker
 3. Daily staff and monthly staff
 4. Contractor
 5. Visitor
 6. Others
- ii. Outside ornaization
 1. Supplier
 2. Customer
 3. Community
 4. Local development organization in national and internaltional level
 5. Government parties
 6. People in society
 7. Others
- iii. Vulnebility
 1. Olderly
 2. Disability (physical and mental)
 3. Migrant worker
 4. Pregnancy
 5. Ethnic minorities
 6. Others according to UN definition



B. Human rights issues

35 Relevant Rights*

1	Right to life
2	Right to liberty and security
3	Right not to be subjected to slavery, servitude or forced labour
4	Right not to be subjected to torture, cruel, inhuman and/or degrading treatment or punishment
6	Right to equality before the law, equal protection of the law, non-discrimination
7	Right to freedom from war propaganda, and freedom from incitement to racial, religious or national hatred
8	Right to access to effective remedies
9	Right to a fair trial
11	Right to privacy
12	Right to freedom of movement
15	Right of protection for the child
16	Right to marry and form a family
17	Right to own property
18	Right to freedom of thought, conscience and religion
19	Right to freedom of opinion, information and expression
20	Right to freedom of assembly
21	Right to freedom of association
22	Right to participate in public life
23	Right to social security, including social insurance
24	Right to work
25	Right to enjoy just and favorable conditions of work
26	Right to form and join trade unions and the right to strike
27	Right to an adequate standard of living (Housing, Food, Water & Sanitation)
28	Right to health
29	Right to education (ILO)
30	Right to take part in cultural life, benefit from scientific progress, material and moral rights of authors and inventors
31	Right of detained persons to humane treatment
32	Rights of minorities

*IFC Reference



C. CPG Rights Issues (2020)

1	Child labour
2	Children's rights (In general)
2.1	Children under 15 and 18 year olds
2.2	Emplyment in Adolescence - Intern - Part-time Intern
2.3	Work is not dangerous - Work is suitable for children
2.4	Children in working area
2.5	Others
3	Community rights
3.1	Consumption of natural resources e.g. vegetation, plantation (quality and quantity)
3.2	Potential impatcs to public health, society, culture, and well-being
3.3	Lifestyle and privacy
4	Natural resource
4.1	Discrimination and inequality
4.2	Harassment (Physical and verbal)
4.3	Special offer to specific group that is not reasonable and transparent
4.4	Others
5	Environmental Protection
5.1	Resource Contrain - Water (quality and quantity)
5.2	Emission that is potentially harmful to the environment or living organism
5.3	Others
6	Forced labour
6.1	Forced labour, any work which people are employed against their will
6.2	Employment of migrants workers using recruitment agencies
6.3	Working station and accommodation (restricted access)
6.4	Others
7	Freedom of association and collective bargaining
7.1	Assembly/ gathering
7.2	Collective bargaining
7.3	Providing opportunity and process to collect employeey opinion
7.4	Others
8	Health and safety
8.1	Work-related injuries
8.2	Work-related illnesses
8.3	Work-related Incident
8.4	Healthcare facilities
8.5	Others
9	Indigenous people's rights



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9.1	Invasion of indigenous land
9.2	Businesss operation affecting the livelihood, culture, resources, and lands
9.3	Others
10	Labour rights (general)
10.1	Labour rights;
10.2	Right to choose and accept work freely;
10.3	Nature of Work;
10.4	Contratual contact for part-time employee (20);
10.5	Remuneration (21);
10.6	Working time (23);
10.7	Welfare;
10.8	Others
11	Land rights
11.1	Invasion of public land for agricultural purposes;
11.2	Indigenous does not have access to the public land;
11.3	Land grabs;
11.4	Evict indigenous to move from their homeland.
12	Migrant labour
12.1	Provide good living condition;
12.2	Respect to culture and norm;
12.3	Access to the basic minimum needs;
12.4	Equal treatment;
12.5	Others
13	Privacy
13.1	Privacy data (employee, client, etc.);
13.2	Rights to have private life, working, and rest;
13.3	Others
14	Right to adequate housing
14.1	Providing dormitory, housing, or accommodation for the worker;
14.2	No housing benefits provide to the function that is needed;
14.3	Others
15	Right to water and sanitation
15.1	Access to clean, sufficient, accessible water;
15.2	Providing toilet and sanitary that are not adequate or meet the standard condition
16	Security and human rights
16.1	Poor secutiry system;
16.2	Secutiry system that violate human rights e.g. enforcement, threatening
20	Temporary work (Combining with No.12)
20.1	Temporary work that intentionally avoid giving right to the employee
21	Wages (Combining with No.12)
21.1	Minimum wage that allows for a decent living in the local area
22	Vulnerable rights



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| 22.1 | Reluctant to treat disability elderly pregnancy etc. (vulnerable groups) favourly; |
| 22.2 | Lack of facilities needed by persons with disabilities and vulnerable groups |
| 22.3 | Unfavourable treatment of women and pregnancy |
| 23 | Working hours (Combining with No.12) |
| 23.1 | Appropriate working hours including OT which is not exceed than the labour laws and reasonable, adequate rest and leisure time |