



INNOVATIVE PATHWAYS

When and How to Use Alternative
Approaches to Human Rights Impact Assessments

Companies are increasingly conducting human rights and environmental due diligence (HREDD), including assessing human rights through in-depth studies. Human Rights Impact Assessments (HRIAs) have emerged as a useful tool to identify and understand how people are impacted by business activities, but they can be complex and resource-intensive endeavors. Several alternative approaches to these HRIAs are being developed, such as rapid assessments, joint HRIAs, and sector-wide or landscape assessments. In this briefing paper, we outline these emerging HRIA alternatives and provide recommendations for when, how, and under what conditions companies can opt for a specific approach to ensure that the assessments serve their ultimate goal: ensuring that human rights are respected in the context of corporate activities.

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Cover image: Workers on a pineapple plantation in Costa Rica, Andres Mora/Oxfam

BACKGROUND

Human rights violations are widespread, impacting most companies and their global value chains. For instance, reports documenting human rights abuses in the berry supply chain and in-depth analysis linking tuna products to forced labor have shown that audits and certifications do not ensure compliance with social and environmental standards. More robust processes are essential. A key component of effective human rights due diligence is a Human Rights Impact Assessment (HRIA). When conducted properly, an HRIA involves a comprehensive analysis of a high-risk supply chain, and meaningful engagement with rightsholders to identify and assess the human rights risks and impacts, and to prioritize actions to prevent or address abuses.

An increasing number of companies are conducting HRIAs in line with the corporate responsibility to respect human rights under international standards like the UN Guiding Principles on Business and Human Rights. New European Union legislation, especially the Corporate Sustainability Due Diligence Directive (CSDDD), also makes in-depth assessments of companies' human rights impacts a mandatory process for large companies operating in the EU market.

Mandatory Human Rights and Environmental Due Diligence

For many large companies, assessing human rights impacts is no longer merely a voluntary endeavor. In July 2024, the European Union adopted a new piece of legislation: the Corporate Sustainability Due Diligence Directive. Starting in 2027, this law will require large companies operating in the EU market to conduct risk-based human rights and environmental due diligence (HREDD), including detailed assessments of the most likely and severe adverse impacts on people and the planet. Companies will also be required to consult their stakeholders, including rightsholders, and implement corrective action plans to bring negative impacts on human rights to an end and prevent further abuses.

The legislation requires companies to identify and assess their impacts on human rights and implement action plans to address negative impacts; Human Rights Impact Assessments are key tools to enable companies to meet those requirements. HRIAs also provide an opportunity for companies to engage rightsholders and address the root causes of the negative impacts they experience, including by assessing the impacts of the company's own policies and practices.

It is increasingly recognized that conducting HRIAs has tremendous value to companies' HREDD processes, by providing a deep understanding of the risks and impacts of business activities on human rights and the environment, and how to address them. This is particularly useful in complex supply chains with severe human rights risks and impacts that have not yet been well documented. Engaging in HRIAs with a strong focus on rightsholder participation can drive innovation. This process not only helps companies gain a deeper understanding of the issues at hand but also uncovers creative solutions. When implemented effectively, HRIAs can provide important benefits to companies. However, HRIAs are also resource-intensive processes that require significant time and financial investments from companies. This tends to be challenging for small- and medium-sized enterprises with limited resources, but also for large corporations with numerous and complex supply chains that cannot all be assessed simultaneously. As a result, several companies are exploring alternative approaches to make the process more efficient and scalable. The question is how to achieve this without compromising the robustness of the exercise.

What is a Human Rights Impact Assessment?

Human Rights Impact Assessments (HRIAs) are processes to identify the negative human rights impacts of business activities. These in-depth assessments can help companies understand where and how their operations or sourcing activities are harming people, and to establish and implement action plans to address those negative impacts or prevent potential risks.

Companies are increasingly engaging in HRIAs and as a result, numerous different approaches, methodologies, and strategies have been emerging. The [Oxfam Human Rights Impact Assessment Framework](#) identifies the key criteria that an HRIA should cover in terms of process and content to qualify as a robust exercise. These criteria include selecting an independent and experienced research team, selecting the right targets (in terms of suppliers, commodity, and country), engaging meaningfully with rightsholders, adopting a robust analytical framework to identify and assess human rights, analyzing and addressing the root causes of the human rights violations, and developing appropriate recommendations into a time-bound action plan.

It is important to note that an HRIA is one of the tools that businesses have at their disposal in conducting their human rights and environmental due diligence (HREDD). An HRIA is not an end in itself. Rather, it is one effective tool to enable companies to gain a deeper understanding of the human rights issues in their operations or supply chains in order to develop effective solutions that lead to meaningful change for the people affected.

This briefing paper examines the key ingredients that must be present when assessing human rights impacts. It provides guidance on the appropriate use of different HRIA approaches in line with international standards. It is important to stress that choosing an alternative approach should never be adopted as a strategy to cut corners. Regardless of the approach selected, companies must adhere to best-practices, such as those outlined in the

Oxfam HRIA Framework. This paper provides guidelines to help companies navigate these complex assessments while upholding their commitment to human rights.

KEY INGREDIENTS OF IMPACT ASSESSMENTS

When implementing HREDD and assessing companies' impacts on human rights, no matter what approach or tool selected, several key ingredients need to be present for the process to be effective and meaningful. Companies must ensure that all impact assessments follow several key criteria.

1. **Careful selection of assessment targets:** The decision on where to conduct the assessment should be based on human rights risks, considering factors such as saliency, severity, volume, supplier relationships, leverage, and opportunities for mitigating adverse impacts. To avoid duplicating efforts, companies should focus on supply chains where no recent HRIAs or similar studies have already been conducted, unless they mean to build on previous studies or cover new ground. Companies should never reach for the lowest-hanging fruit, for example by only focusing on low-risk supply chains while there may be heightened risks elsewhere.
2. **Meaningful engagement with rightsholders:** Regardless of the chosen strategy, it's essential to engage meaningfully with rightsholders potentially impacted by the company's operations. Even in a streamlined process, the voices of those affected by corporate activities must be heard, to identify or validate human rights issues and develop solutions effectively. Their input is crucial for addressing these issues effectively.
3. **Addressing root causes:** The assessment must examine root causes, including the impacts of the company's own policies and practices, such as the purchasing practices of both the company and its suppliers, and how these practices affect suppliers' ability to uphold human rights. It must also include an analysis of how the companies' purchasing practices, including pricing, affect other actors in the supply chain.
4. **Attributing responsibility to relevant actors:** A thorough analysis should clearly attribute responsibilities, including whether the company caused, contributed to, or is directly linked to human rights impacts via their operations, products, or services. This clarity helps ensure accountability and effective action.
5. **Transparency of process and results:** As part of their responsibility to "know and show," companies must communicate the findings of the assessment as well as the actions they plan to take to address them. Publishing the assessment and action plan and sharing those with stakeholders, including rightsholders, is a crucial part of this responsibility.

Taking action: Companies must clarify how they will address the identified human rights issues and how this fits within their ongoing HREDD efforts. Implementing an action plan and monitoring its results is essential, as are buy-in and commitments from high-level management to implement the action plan across departments.

Meaningful rightsholder engagement in an HRIA

Understanding human rights issues from the perspective of affected people is fundamental to any Human Rights Impact Assessment (HRIA), regardless of the approach employed. Only by listening to the voices of people directly affected by the operations and supply chains can companies ensure that the negative risks and impacts are accurately captured, and that any proposed solutions will be effective and trusted. This requires engagement with rightsholders, such as workers, smallholder farmers, and community members. To ensure the engagement is meaningful, it must do the following.

- **Start early and engage continuously:** Engagement should begin as early as possible in the investment project or corporate activities, starting when the company begins its due-diligence process. Rightsholders must contribute, from identifying risks and impacts to monitoring solutions, with involvement early enough to influence decision-making. Meaningful engagement must include a commitment to monitor the effectiveness of the measures proposed to respond to risks and to impacts on human rights.
- **Ensure informed participation:** Engagement is not about extracting information but about sharing project plans, listening to input, and clarifying how it will be used. Sufficient time must be allocated to interact with rightsholders and stakeholders, in order to hear their concerns and testimonials.
- **Facilitate the engagement appropriately:** People need to feel safe to discuss sensitive topics, and they need to be able to interact with people they trust, without fear of retaliation. When thinking about the logistics of engagement, address barriers to participation, including languages, location, and transportation. Offer anonymity when necessary.
- **Engage inclusively:** Companies need to reach a wide range of stakeholders, including people with divergent viewpoints. The company must engage with the people directly affected by the company's activities. Participation must be inclusive and sensitive to gender.

For more guidance, see [Meaningful Rightsholder Engagement: An Introduction](#).

GETTING IT RIGHT: SELECTING THE BEST APPROACH

While standard HRIAs are the tools most commonly used to conduct in-depth assessments of human rights impacts, a number of companies have explored other approaches, such as joint HRIAs, sector-wide or landscape assessments, and rapid assessments. Below, we highlight these three emerging approaches and outline when and how they could be used to complement or replace an HRIA.

Joint HRIAs: Many companies share supply chains and/or sourcing regions, making joint HRIAs a promising strategy. By pooling resources and expertise, two or more companies can share the costs and collaborate on solutions to address human rights issues. This approach is particularly useful for companies sourcing from the same suppliers, as it helps avoid duplicating efforts and overburdening suppliers. Multiple buyers can join forces to conduct a single assessment and propose shared solutions. Similarly, suppliers can collaborate with buyers to take joint responsibility for an HRIA process, particularly when addressing impacts in the second or third tier of the supply base. This collaboration is often most effective in contexts where companies are already collaborating, such as within a multi-stakeholder initiative (MSI). Even when companies do not share the same suppliers but source from the same region, a joint HRIA can provide valuable insights, especially when similar human rights issues are present.

While joint HRIAs may vary in form, their content and methodology do not differ significantly from a standard HRIA. The key distinction lies in the shared responsibility and coordination, and the pooling of resources. In addition, by proposing joint actions, companies can significantly enhance their leverage for effective solutions. However, it is important to remember that a joint HRIA must still include an analysis of each company's individual impacts, such as how the participating company's buying strategies or price pressures affect human rights in the supply chain.

Joint HRIAs by international buyers

In 2023, two supermarkets—Kroger (USA) and Lidl (Germany)—collaborated on a [joint HRIA of farmed shrimp production in India](#). Although the assessment did not focus on shared suppliers, it allowed the companies to identify key risks and impacts within the industry and adapt the findings to their respective operations. As a result, the companies collaborated on the implementation of a joint grievance mechanism.

Sector-wide impact assessment: Another scenario in which companies can collaborate is through a sector-wide impact assessment (SWIA), also known as a landscape assessment. As with a joint HRIA, this approach allows multiple companies to join forces and assess the impacts of their sector on a broad scale. By examining impacts at the sector, cumulative, and project levels, companies can gain a comprehensive understanding of their industry's overall footprint and their individual roles within it. A SWIA can focus on a specific region or look at the industry more globally. Companies may also collaborate on sector-wide assessments initiated by other stakeholders such as governments or MSIs. This approach can be particularly valuable for companies operating in multiple sectors or considering entry into a new sector or market.

A SWIA typically emphasizes the collective responsibility of all industry actors, and encourages broad-based solutions. It can also inform policy and legal reforms. However, since SWIAs generally do not provide a company-specific analysis of its policies and practices, they do not offer tailored recommendations. In such cases, companies should also distill their individual contributions to the identified impact, beyond the collective impacts, and adapt the sector-level conclusions and recommendations to their own specific circumstances.

Danish Institute sector-wide impact assessment

The Danish Institute for Human Rights and the Institute for Human Rights and Business (IHRB) developed a methodology for SWIA. The approach looks at the actual and potential impacts of a specific business sector in a particular geographic context through several different levels of analysis, in order to build a complete picture of the potential impacts of an entire sector on society and human rights. This methodology has been used in different contexts, including the salmon industry in Chile.

Rapid assessments: Given that a standard HRIA can take up to a year to complete, some companies are turning to rapid assessment as a faster alternative. A rapid assessment follows a similar process to a full HRIA but can be executed more swiftly by narrowing its focus—whether on specific human rights issues, regions, suppliers, or by limiting the data gathering scope. While this approach aims to deliver key insights more quickly, it still requires a strong commitment to understanding and addressing human rights impacts through meaningful rightsholder engagement.





Rapid assessments are particularly useful in situations requiring immediate information, such as a dam collapse or a conflict demanding urgent attention. Even in time-sensitive scenarios, engaging with rightsholders remains crucial. Once the immediate crisis is addressed, a full HREDD process must follow to ensure sustainable, long-term solutions.

Another situation where rapid assessments can be effective is when there is already a well-documented understanding of human rights issues in a

specific supply chain or region—such as through prior HRIAs from other companies or independent research. In these cases, it may not be necessary to conduct a full HRIA; the resources might be better spent on high-risk supply chains where less information is available. The emphasis should be on validating and prioritizing the most critical issues and taking decisive action. A robust validation process with rightsholders is essential, to confirm existing documentation and identify the most pressing concerns to prioritize. From there, companies should allocate resources to implement an action plan that effectively addresses these known issues. Additionally, rapid assessment should include an analysis of root causes to understand the structural drivers of human rights impacts and how the company is contributing to them.

E.G. Seafood HRAP project in Thailand

Oxfam partnered with Raks Thai Foundation and Stella Maris Seafarers Centers to launch a project addressing salient human rights issues in the seafood supply chain in Southern Thailand through meaningful rightsholder engagement. Building on extensive documentation of human rights violations in the sector and region, the project will validate workers' experience and priorities, and collaborate with rightsholders, government, and private-sector leaders to develop a joint action plan. Led by workers and civil society organizations, the process ensures that the priorities and actions reflect rightsholders' perspectives and foster meaningful engagement.

HRIA approaches	 (Standard) HRIA	 Joint HRIA	 Sector-wide assessment	 Rapid assessment
<i>What is it?</i>	In-depth study into a company's risks and impacts on human rights	Companies join forces to conduct the HRIA together, sharing costs and learnings.	Assessment across an entire sector rather than specific supply chains	An assessment with a reduced scope or streamlined process, for quicker results
<i>When can it be used?</i>	<ul style="list-style-type: none"> ✓ High-risk supply chains with insufficient existing knowledge base 	<ul style="list-style-type: none"> ✓ Significant overlap between supply chains ✓ Challenging contexts where joint action is necessary ✓ Issues are similar across the industry. 	<ul style="list-style-type: none"> ✓ Issues are similar across an entire sector. ✓ Difficulties accessing specific supply chains ✓ When entering a new country 	<ul style="list-style-type: none"> ✓ Rapidly changing environment and emergencies ✓ Existing knowledge base only requires additional insights/validation.
<i>What are the pitfalls to be avoided?</i>	<ul style="list-style-type: none"> ✗ Focusing on low-risk supply chains before tackling high-risk chains ✗ Insufficient rightsholder engagement ✗ Failing to assess the company's own policies and practices (root causes) 	<ul style="list-style-type: none"> ✗ Failing to commit to both joint and individual actions ✗ Not replicating the action plans to other suppliers not covered in the joint HRIA ✗ Failing to assess each company's own policies and practices (root causes) 	<ul style="list-style-type: none"> ✗ Not attributing specific impacts nor tailoring recommendations to the companies involved ✗ Not validating results for specific supply chains/ suppliers 	<ul style="list-style-type: none"> ✗ Insufficient rightsholder engagement ✗ Overestimating existing knowledge and overlooking actual impacts

TOWARD MEANINGFUL HUMAN RIGHTS IMPACT ASSESSMENTS

There is no one-size-fits-all solution. Companies must carefully consider their objectives, what knowledge they have of their supply chain, how the information will be used, and the specific context before deciding on an approach.

For any HRIA or alternative approach to be effective, it is crucial that it be used for its intended purpose, with full consideration of its benefits and limitations. Equally important is the commitment of each company to act on the findings and recommendations from the assessment. This process cannot be considered a shortcut; without genuine commitment by the companies to take meaningful action, the effort will be pointless.

While in some cases, other approaches may offer cost savings, scalability, or simply be more suitable in specific contexts, it is essential to remember that cutting corners in the due-diligence process is not an option. Maintaining the integrity of these assessments is crucial to effectively prevent and mitigate human rights issues. It is also important to stress that a collaborative or expedited approach to impact assessments is not necessarily cheaper or easier: joint approaches increase the complexity of the exercise and demand more coordination effort, while rapid assessments in a changing context may have to be repeated if the context changes again. Regardless of the approach, the most time-consuming and resource-intensive element of an HRIA—the engagement with rightsholders and the implementation of an action plan—remain. These are the key ingredients and must not be compromised.

Each company involved must commit to the action plan. This cannot be a shortcut; without individual commitment to take action, the effort is pointless.

Cutting corners in the due-diligence process is not an option.

Myth	Reality	Solution
Joint or rapid assessments are significantly cheaper and therefore preferable.	Every HRIA approach still requires rightsholder engagement and the implementation of action plans, which are the most resource-intensive elements.	A robust HREDD roadmap and saliency assessment will help companies select the most effective approach for each high-risk supply chain.
If we already know all the issues in a sector, we do not need an HRIA.	Documentation could be incomplete or not validated with rightsholders, human rights impacts can change over time, and impacts can differ among specific companies and suppliers.	Where issues are already well-documented, companies may use a rapid assessment, but they should still validate impacts for their supply chains, assess the company's own policies and practices, and then move straight to action.

<p>Human rights issues are often widespread and cannot be reduced to the impacts of a single company, so joint or sector-wide assessments are always better.</p>	<p>While often human rights issues are endemic, the specific policies and practices of companies can have significantly different impacts. Companies always need to assess their own contribution to these impacts, such as the influence of a company's purchasing practices.</p>	<p>When conducting HRIAs and joint or sector-wide assessments, companies should add an analysis of the impacts of their own policies and practices and take responsibility for their contribution to negative impacts.</p>
<p>An HRIA is not suitable when suppliers refuse to cooperate.</p>	<p>Building trust with suppliers is one of the key elements of an HRIA process. Not having access to suppliers' sites is not sufficient reason to forgo addressing risks under international standards and legislation.</p>	<p>First, companies need to build trust with suppliers, and increase leverage if suppliers refuse to cooperate. Companies should clarify that the purpose of the HRIA is to share responsibilities and address root causes among all actors, including the company itself. Companies can explore alternative methods to assess human rights, by engaging key stakeholders and rightsholders or conducting a sector-wide assessment. They should only drop a supplier when all attempts at improving the situation have failed.</p>

CONCLUSION

As mandatory HREDD legislation becomes more prevalent and companies are expected to adhere to higher standards, there is increasing pressure on companies to take proactive steps toward meaningful solutions. HRIAs lend themselves to these demands by guiding users to a deeper understanding of human rights risks and impacts from the perspective of rightsholders, and immediately coupling this with actionable solutions. While these initiatives aim to enhance transparency and accountability, there is a critical caveat: the danger of reducing these efforts to mere checkboxes. It is imperative that these assessments serve their intended purpose, which is to identify human rights issues early on. The goals are clear: prevention and mitigation.

There is no room for shortcuts or redundant processes. Every action taken must directly address the core human rights issues at hand. This means genuine commitment, effective implementation, meaningful engagement, and a collective effort to uphold human rights standards across industries. By adhering to these principles, businesses can not only meet regulatory requirements but also contribute positively to society, setting a precedent for responsible and sustainable practices.

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