

Paris, 21 May 2025

Call for Responsible Corporate Policy and Practices on Human Rights in Conflict-Affected and High-Risk Areas (CAHRA)

Amid major conflicts across Africa, the Middle East, Europe, and Southeast Asia, one in eight people worldwide were exposed to conflict in 2024, marking another year of significant human suffering on a global scale. In fact, 111 countries experienced some form of mass violence during the year. According to the Armed Conflict Location & Event Data (ACLED), 40% more conflict occurred compared to 2020¹.

Given the risk of geopolitical instability, ranked second in AXA's 2024 Future risk report,² **23 shareholders, asset managers, financial industry international stakeholders gathering more than 980 billion euros in assets under management³, the French Sustainable investment forum (FIR), with the support of the International Federation for Human Rights and expertise of several NGOs and foundations**, are setting out their expectations for companies as outlined in the UN Guiding Principles on Business and Human Rights (UNGPs) to adopt, implement policies and practices aimed at respecting human rights, and where applicable international humanitarian law (IHL) in Conflict-Affected and High-Risk Areas (CAHRA).

The risks of companies causing, contributing to, or being directly linked with gross human rights abuses are heightened in CAHRA. In a context where the world is facing an increase in intra-state and inter-state violent conflicts, the signatory investors are attentive to whether their portfolio companies are taking all the necessary steps to ensure that they are not involved with adverse impacts on human rights through their own activities or as a result of their business relationships with other parties. They are also attentive to ensuring respect for the obligations of IHL in conflict areas and situations of occupation, as laid out in the UNGPs⁴ and in guidance from the International Committee of the Red Cross (ICRC)⁵.

Recognizing their responsibilities to respect human rights as set out in the UNGPs, responsible investors seek to align their practices with the recommendations delineated by the UN⁶ as well as by other actors contributing to the development of detailed guidance, such as the work of the Institute for Human Rights and Business⁷, the RIAA's Investor Toolkit on Conflict⁸, the Saliency Materiality Nexus developed by Heartland Initiative⁹, or the pilot project between Heartland Initiative, PeaceNexus Foundation and the Investor Alliance for Human Rights¹⁰. Moreover, there are increasing legal and regulatory requirements that ask companies to account for their impacts in CAHRA.

Therefore, to meet their own human rights responsibilities and commitments, the investors who have signed this statement call on companies to adopt responsible policies, practices, and governance measures to prevent, mitigate, remedy and cease adverse impacts on human rights and conflict. These practices should cover all business activities in and value chain relationships exposed to CAHRA, as companies' and investors' exposure to salient human rights risks also pose material risks (e.g., reputational, operational, financial, legal).

In practical terms, responsible investors require that investee companies adopt and implement comprehensive policies and processes in relation to their exposure to CAHRA that respect both internationally recognised human rights and IHL, and are consistent with all applicable regulations, principles and guidance.

¹ <https://acleddata.com/conflict-index/index-january-2024/#:::text=How%20much%20conflict%20is%20occurring,in%20an%20actively%20conflicted%20area>

² Ranking based on consultation with 3,000 risk experts https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com/dad8b74b-e921-4b2d-bea8-2f7dabe369aa_axa_futurerisksreport_2024_va.pdf

³ the equivalent of over a trillion dollars in assets under management

⁴ https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

⁵ <https://shop.icrc.org/private-businesses-and-armed-conflict-an-introduction-to-relevant-rules-of-international-humanitarian-law-pdf-en.html>

⁶ see <https://www.ohchr.org/sites/default/files/documents/issues/business/bhr-in-challenging-contexts.pdf>

and <https://www.undp.org/publications/heightened-human-rights-due-diligence-business-conflict-affected-contexts-guide>

⁷ <https://www.ihrb.org/latest/when-does-conflict-become-a-companys-business>

⁸ <https://responsibleinvestment.org/wp-content/uploads/2023/05/Investor-Toolkit-on-Human-Rights-and-Armed-Conflict.pdf>

⁹ <https://heartland-initiative.org/wp-content/uploads/2024/09/The-Saliency-Materiality-Nexus.pdf>

¹⁰ <https://investorsforhumanrights.org/investor-engagement-cahra>

To protect impacted stakeholders in CAHRA, the policies and processes should take into account the specific risks posed by the conflict situation, for example by ensuring that workers, community members or other rights holders who agree to be consulted are protected in a context of increased risk of reprisals, in particular by guaranteeing the confidentiality of testimonies, discretion and the security of exchanges with the company.

In addition, policies and processes of companies should:

- Use authoritative sources and expertise to identify and prioritize CAHRA;
- Conduct heightened human rights due diligence¹¹ on an ongoing basis, to identify, assess, prevent and mitigate actual or potential risks associated with CAHRA. When undertaken in conflict settings, heightened HRDD entails conducting a conflict analysis and assessment of impacts on IHL protections, in addition to standard human rights due diligence;
- Develop corrective action plans and effective grievance and remediation processes;
- Establish mechanisms to monitor the effectiveness and the impact of such corrective actions;
- Establish robust systems of human rights governance and oversight with the involvement of relevant internal and external stakeholders;
- Undertake meaningful stakeholder engagement with internal and external stakeholders; and
- Publish detailed information, including key performance indicators and concrete examples of actions taken to ensure responsible corporate behavior in CAHRA to effectively manage potential and actual negative corporate impacts.

List of first signatories :

- INTERNATIONAL FEDERATION FOR HUMAN RIGHTS (FIDH)
- FRENCH SUSTAINABLE INVESTMENT FORUM (FIR)
- A.S.R ASSET MANAGEMENT
- COUNCIL OF ETHICS OF THE SWEDISH NATIONAL PENSION FUNDS
- DANA INVESTMENTS ADVISORS
- DE PURY PICTET TURRETTINI & CIE SA
- ECOFI
- EVERENCE
- FRIENDS FIDUCIARY CORPORATION
- GREEN BANK INVESTMENTS
- HEARTLAND INITIATIVE
- INVESTOR ALLIANCE FOR HUMAN RIGHTS
- LADY LAWYER FOUNDATION
- LGPS CENTRAL LIMITED
- LOCAL AUTHORITY PENSION FUND FORUM (LAPFF)
- MERCY INVESTMENTS
- MILLER HOWARD INVESTMENTS

¹¹ Heightened human rights due diligence in conflict-affected and high-risk areas, ONU, 2022

- MN
- MOZAIC ASSET MANAGEMENT
- NATURAL INVESTMENT
- NIA IMPACT CAPITAL
- PEACENEXUS FOUNDATION
- SDG INVEST
- SEVENTH GENERATION INTER FAITH
- STOREBRAND ASSET MANAGEMENT
- SYCOMORE ASSET MANAGEMENT
- THE PRESBYTERIAN CHURCH
- UNITED CHURCH FUNDS

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