

SUMMARY REPORT

Can Business Manage Chaos? Human Rights and Human Security Strategies for a Disordered World

This LSE Ideas /Human Impact Pathway webinar explored how businesses can navigate increasingly volatile, conflict-affected environments through heightened human rights due diligence. (hHRDD)

The event was chaired by **Dr Mary Martin**, Director of the Human Impact Pathway and Senior Policy Fellow at LSE IDEAS. Speakers included **Gerald Pachoud**, Managing Partner of Pluto & Associates and author of a recent UNDP report on hHRDD; **Diego Pérez-Claramunt**, Vice President for Corporate HSE and Sustainability at Gran Tierra Energy; **Maria Prandi**, Director of the Human Impact Pathway and Founder of Business and Human Rights; and **Daphne Ploegstra**, Senior Policy Adviser on International Responsible Business Conduct at the Dutch Ministry of Foreign Affairs.

What is hHRDD?:

Heightened Due Diligence as a Context-Sensitive Responsibility

Gerald Pachoud explained, it is about companies honestly examining their connection to conflict, violence, or instability, and taking steps to avoid exacerbating harm. This makes heightened due diligence an **obligation of conduct** rather than an obligation of result. Heightened due diligence is not about expecting companies to solve conflict or become peacebuilders. Heightened due diligence should not only apply in formally defined conflict zones. Maria Prandi noted that it is also relevant in high-risk environments marked by systemic violence, armed groups, illicit economies, or vulnerable populations. In these contexts, ordinary human rights due diligence may be insufficient because companies must assess both their **impact** on rights-holders and their impact on the broader conflict or violence dynamics.

How to do it:

From One-Off Assessment to Continuous Monitoring

A key theme of the webinar was that heightened due diligence must be **ongoing, adaptive, and reactive**. Due diligence should be preventive, by anticipating risks before they materialise, but also reactive, by responding quickly when situations deteriorate or red flags appear. This is especially important in volatile contexts where risks may change weekly or even daily.

Drawing on Gran Tierra Energy's experience in Colombia, Diego Pérez-Claramunt explained that periodic assessments provide only a snapshot of the context. In fast-moving environments, companies need live information on how risks are evolving. He described how **grievance**

mechanisms can become the “heart” of heightened due diligence when they are used not simply as complaint systems, but as continuous feedback and early-warning tools. Through community feedback, grievance systems can help companies identify emerging risks, understand the effectiveness of their responses, and adapt their actions over time.

Local Engagement, Human Security, and Community Trust

Heightened due diligence cannot be conducted meaningfully from headquarters. Companies need strong local knowledge of communities, rights-holders, armed actors, vulnerable groups, histories of violence, and power relations. **Engagement** should begin early, continue throughout operations, and adapt as the situation changes. Trusted local actors may be essential, particularly where fear, mistrust, or violence affect whether communities can speak openly.

The discussion also highlighted the value of a **human security approach**. Maria explained that human security broadens the analysis beyond individual human rights impacts to include safety, dignity, vulnerability, community security, and the wider balance of power in a particular context. This complements human rights due diligence, conflict sensitivity, and “do no harm” approaches. Rather than treating these frameworks as separate labels, speakers suggested that companies should combine them flexibly according to the local context.

Community repair was also discussed as part of responsible engagement. Diego emphasized that where companies inherit or contribute to mistrust, repair should be developed with communities rather than imposed from above. Listening, dialogue, and even preserving memory of past harms may be important starting points for rebuilding trust.

Embed Due Diligence into Decision-Making

A major practical lesson is that human rights must be operational, not only procedural. Policies and reports are not enough if they do not shape decisions on the ground. In volatile environments, companies risk responding too late if they wait until an issue escalates to headquarters. Field managers, social teams, engineers, and other frontline staff need training, tools, and authority to recognise risks and respond responsibly in real time.

Heightened risk requires heightened governance, including senior-level accountability, executive and board-level attention. Decisions on adaptation, disengagement cannot be left only to compliance or sustainability teams.

Legislation can be an important catalyst, but it should be seen as a floor rather than a ceiling. Responsible business conduct requires more than box-ticking; it requires ongoing learning, judgement, and a people-centred approach. Additional practical guidance, for example by the Dutch Ministry of Foreign Affairs (forthcoming) is being drafted to support companies in applying responsible conduct standards in conflict-sensitive contexts.

Key Lessons

- **Heightened due diligence is triggered by context**, not only by formal conflict classification. High levels of violence, armed groups, instability, or severe vulnerability may all require a heightened approach.
- **Companies must assess impacts on people and on conflict dynamics**. The question is not only whether rights-holders are harmed, but whether business activity may worsen the wider context.
- **Static assessments are insufficient**. Volatile environments require continuous monitoring, live feedback, and the ability to react quickly to change.
- **Grievance mechanisms should function as early-warning systems**. They can help identify emerging risks, escalate sensitive issues, and support organisational learning.
- **Local knowledge and engagement are essential**. Companies need trusted local insight and sustained dialogue with affected communities.
- **Frontline staff must be empowered**. Human rights responsibilities need to be embedded in operational decision-making, not kept only at headquarters.
- **Senior accountability matters**. Heightened risk requires governance structures that bring human rights into strategic business decisions.
- **Compliance is not enough**. Legal frameworks matter, but companies must go beyond minimum requirements by placing affected people, dignity, and human impact at the centre of risk management.