



## CAHRAs 101: An introduction to identifying Conflict-Affected and High-Risk Areas for companies and investors

### Overview

Recent escalating tensions and hostilities, including in Ukraine, Sudan, and across the Middle East, highlight a broader reality: armed conflict, protracted violence, and violations of human rights and international humanitarian law (IHL) have become enduring features of the contemporary geopolitical landscape. The number of armed conflicts taking place around the world – an estimated 185 incidents<sup>1</sup> – reached an historic high in 2024, costing the global economy almost \$20 trillion.<sup>2</sup> In this environment, exposure to conflict dynamics is no longer limited to governments and armed forces, but increasingly intersects with commercial activity, investment flows, and global supply chains.

Corporate and investment governance frameworks often refer to these environments as fragile and conflict-affected situations (FCAS) or conflict-affected and high-risk areas (CAHRAs). The choice of terminology is not arbitrary: certain institutions such as the World Bank and the IFC use FCAS framing, whereas others, including the OECD (distinct from the States of Fragility methodology) and the recent EU Corporate Sustainability Due Diligence Directive (EU-CSDDD), employ "CAHRA" as the operative standard for due diligence processes. While both terms capture broadly similar contexts, the CAHRA terminology has become more widely used in corporate due diligence. **In practice, determining whether a company operates in a CAHRA is not a descriptive exercise but an ongoing legal and risk assessment that shapes due diligence processes, informs governance escalation, and may determine the applicability of distinct bodies of international law.** However, despite the growing prominence of this concept, CAHRAs remain frequently misunderstood or misidentified – confused with political designations, conflated with sanctions regimes, treated as static country-wide

### About this series:

The Responsible business in conflict-affected areas series, led by TrustWorks, provides timely insights to questions raised by our company clients and partners; the briefs are designed to support company representatives navigate the responsible business in conflict agenda. This is the fourth brief in the series.

The brief is structured to cater for both busy and avid readers: on the left hand column, busy readers can skim through the main messages of the brief. Avid readers, with a bit more time on their hands, can read the right-hand side for a more in-depth understanding of the issues at hand.

Check out the other briefs in this series on our website [trustworksglobal.com](https://trustworksglobal.com)

<sup>1</sup> Uppsala University, 'Uppsala Conflict Data Program' (2025). Available: <http://ucdp.uu.se>.

<sup>2</sup> In 2024, the global economic impact of violence was \$19.97 trillion in purchasing power parity terms. See Institute for Economics & Peace, 'Global Peace Index 2025: Identifying and Measuring the Factors that Drive Peace' (June 2025). Available: <https://www.visionofhumanity.org/resources/>.

classifications, or determined solely by reference to fixed lists that may be either too narrow or too broad.

Accurate CAHRA identification is critical for companies and investors, not least because misclassification can have serious consequences. Under-identification can expose businesses to heightened human rights abuses, IHL violations, and the risk of causing, exacerbating or sustaining conflict ("conflict risks"). Over-identification, by contrast, can lead to unnecessary disengagement, distorted investment decisions, and the premature withdrawal from commercial activities that might otherwise be conducted responsibly.

This brief, which is the fifth in our [Responsible Business in Conflict series](#), examines how CAHRAs should be defined, identified, and understood within corporate and investment governance frameworks. It addresses four central questions:

- 1. What is a conflict-affected or high-risk area?**
- 2. What are the risks or consequences associated with doing business, or investing, in a conflict-affected area?**
- 3. Which sources and methodologies can companies and investors rely on to identify a CAHRA?**
- 4. What should companies and investors do once they have identified business activities in and/or portfolio exposure to a CAHRA?**

## 1. What is a conflict-affected or high-risk area?

**Although there is no single definition for the term "CAHRA", it generally captures contexts in which conflict dynamics or instability materially elevate companies' exposure to conflict risks.**

There is no single, universally accepted or consistently applied definition of the term "CAHRA". In practice, related terminology is often used to describe similar contexts, including "fragile and conflict-affected situations", "challenging or complex environments", and, in some cases, "failed states".

The concept of a CAHRA combines two related but distinct elements: "conflict-affected", which refers to situations of armed conflict as defined under IHL; and "high-risk", which encompasses a broader category of contexts characterised by violence, fragility, or systemic instability, but which do not meet the legal threshold of armed conflict. Taken together, CAHRAs should be understood as a spectrum of contexts in which conflict dynamics or instability materially elevate companies' exposure to conflict risks, including heightened human rights abuses, violations of IHL, and the risk that business activities may cause, exacerbate, or sustain violent conflict.

**The OECD and EU frameworks  
for describing CAHRAs provide  
helpful inputs for defining  
“high-risk” areas.**

While situations of armed conflict have a specific legal meaning under international law (explained below), “high-risk areas” are a much broader classification. According to the widely-cited OECD definition of CAHRAs, such contexts are typically characterised by a combination of ‘political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure, widespread violence [...] widespread human rights abuses and violations of national or international law’.<sup>3</sup>

The EU has adopted a similar formulation for the term “CAHRA”, which describes a number of indicators of a high-risk area. These include: fragile post-conflict areas; areas witnessing weak or non-existing governance and security, such as failed states; and areas witnessing widespread and systematic violations of international law, including human rights abuses.<sup>4</sup> While these markers are generally helpful for classification purposes, the list of contexts that accompanies this definition, referenced by the EU under Regulation (EU) 2017/821, should be considered neither exhaustive nor definitive. This list was developed primarily for the regulation of sourcing conflict minerals and therefore provides only a limited selection of CAHRAs.

Unlike armed conflict, high-risk areas do not have a clearly defined threshold. Rather, designation functions as a risk classification intended to capture environments where structural conditions, such as those listed above, materially increase the likelihood and severity of harm. Importantly, such risks are often sub-national and dynamic, requiring contextual analysis rather than reliance on static national-level labelling or lists.

**IHL provides the legal  
foundation for understanding  
when a situation qualifies as  
an armed conflict, or “conflict-  
affected”.**

The meaning of “conflict-affected” is best understood by reference to the body of law that regulates conduct in armed conflict: international humanitarian law. Although IHL does not contain a simple, comprehensive definition of armed conflict, the description articulated by the International Criminal Tribunal for the former Yugoslavia (ICTY) is now widely accepted:

*An armed conflict exists whenever there is a resort to armed force between States or protracted armed violence between governmental authorities and organized armed groups or between such groups within a State.<sup>5</sup>*

<sup>3</sup> OECD, ‘OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Third Edition’ (2016). Available: [https://www.oecd.org/en/publications/2016/04/oecd-due-diligence-guidance-for-responsible-supply-chains-of-minerals-from-conflict-affected-and-high-risk-areas\\_g1g65996.html](https://www.oecd.org/en/publications/2016/04/oecd-due-diligence-guidance-for-responsible-supply-chains-of-minerals-from-conflict-affected-and-high-risk-areas_g1g65996.html).

<sup>4</sup> Commission Recommendation (EU) 2018/1149 on non-binding guidelines for the identification of conflict-affected and high-risk areas and other supply chain risks under Regulation (EU) 2017/821, <https://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018H1149&from=EN>.

<sup>5</sup> ICTY, Tadić, Appeals Chamber, Decision on the Defence Motion for Interlocutory Appeal on Jurisdiction, IT-94-1, 2 October 1995, para 70.

IHL does, however, explicitly recognise two specific categories of armed conflict:

**International armed conflicts (IACs)** exist whenever any degree of armed force is used between two or more States.<sup>6</sup> This is true whether or not war is formally "declared", and irrespective of whether States party to the conflict, or indeed other States, refuse to recognise the existence of the conflict. For the purposes of IHL, and therefore relevant to defining the term "conflict-affected", IACs also include situations of **occupation**. Occupation exists when one State invades another State and exercises effective control/imposes authority over part or all of its territory, even if that occupation is not met with armed resistance.<sup>7</sup>

**Non-international armed conflicts (NIACs)** occur when there is protracted armed violence between State armed forces and non-State armed groups, or between such groups, within the boundaries of a State.<sup>8</sup> Such an assessment must be made on a case-by-case basis. To meet the threshold of a NIAC, two criteria must be met:

- i) Fighting must reach a minimum level of **intensity**. Factors such as the number and duration of clashes, the types of weapons used, and the number of casualties can help to determine intensity. Isolated and sporadic acts of violence or internal disturbances and tensions do not meet the required intensity (though, for the purposes of identifying a CAHRA, they may be indicative of "high-risk").<sup>9</sup>
- ii) The parties involved in the conflict must show a certain degree of organisation. Indicative factors may include the existence of a command structure and disciplinary rules, and the ability of the group to access certain weapons, recruit and train troops, plan and carry out military operations, and speak with one voice. While State armed forces are presumed to be organised, this assessment is far more challenging when evaluating groups such as rebel forces or large-scale criminal organisations.<sup>10</sup>

**Determining whether a situation qualifies as an armed conflict in a technical sense clarifies which legal frameworks apply – this has direct implications on the scope of corporate due diligence.**

While businesses may not necessarily be required to distinguish between IACs and NIACs, determining whether a situation qualifies as an armed conflict in this technical sense clarifies which legal frameworks apply, including whether the specialised rules of IHL are engaged alongside international human rights law and domestic law. In this case, once an armed conflict exists, IHL comes into effect triggering not only obligations for corporate actors but also rights and protections for companies as civilian entities. This classification, therefore, has direct implications for the scope of corporate due diligence.

<sup>6</sup> Article 2(1) common to the Geneva Conventions of 1949.

<sup>7</sup> Article 2(2) common to the Geneva Conventions of 1949.

<sup>8</sup> Article 3 common to the Geneva Conventions of 1949.

<sup>9</sup> ICRC, *Updated Commentary on the Fourth Geneva Convention (2025)*, Common Article 3.

<sup>10</sup> *Ibid.*

**A CAHRA is not a political,  
static or catch-all label.**

Clarifying what constitutes a CAHRA is only part of the task. Equally important is understanding what the term does not encompass.

Firstly, with specific regard to conflict-affected areas, conflicts are not synonymous with sanctions designations. While sanctions regimes may indicate elevated geopolitical or human rights risk, they are fundamentally political instruments. The existence, or absence, of sanctions does not in itself determine whether a context qualifies as conflict-affected. A country may be subject to sanctions without meeting the legal threshold of armed conflict, and conversely armed conflicts may exist in contexts where sanctions are limited or absent. For companies and investors, compliance with sanctions frameworks is a necessary legal obligation, but it should not be the primary frame of reference for assessing conflict-exposure, as it sometimes is.

Second, a CAHRA is not a static designation. The intensity of violence or conflict can fluctuate over short and long periods of time, for instance, armed conflicts meet and then fall below the legal threshold; ceasefires are negotiated and broken; and post-conflict environments remain fragile long after hostilities have eased. CAHRA identification must therefore be iterative and responsive to evolving conditions, rather than treated as a one-time 'check-box' exercise.

Third, a CAHRA should not be considered a "catch-all" label for general instability, criminality or episodic violence. As explained above, isolated terrorist incidents and other sporadic acts of violence do not meet the legal threshold of conflict, nor does every instance of political volatility amount to a high-risk environment.

**Understanding CAHRA-specific  
"boundaries" is essential.  
Without this conceptual clarity,  
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inclusive and dangerously  
complacent.**

Finally, a CAHRA is not merely a descriptive or political label. It is a risk classification that carries potential legal, operational, and reputational consequences. The purpose of CAHRA identification is not simply to categorise States and situations, but to signal environments in which the likelihood and severity of serious harm, including grave human rights abuses and war crimes, are elevated.

Understanding these boundaries is essential. Without this conceptual clarity, CAHRA identification risks becoming either over-inclusive and imprecise, or under-inclusive and dangerously complacent.

## 2. What are the risks or consequences associated with doing business, or investing, in a conflict-affected area?

**Once an armed conflict exists, IHL applies throughout the entire territory of the States party to that conflict, bringing within its scope all actors whose conduct is sufficiently connected to the conflict**

Identifying whether a situation qualifies as an armed conflict is not merely a technical legal exercise. For companies and investors, this determination has practical consequences because it clarifies when the specialised rules of IHL apply and signals that conflict risks may materially affect business operations, relationships, and value chains. Once a conflict-affected area is identified, the analysis then shifts from classification to understanding the legal and operational implications of doing business in such environments.

The existence of an armed conflict triggers the application of IHL and brings within its scope all actors whose conduct is sufficiently connected to the conflict, including corporate entities, regardless of where that conduct occurs. Importantly, IHL applies throughout the entire territory of the States party to an armed conflict, not merely in areas of active combat.<sup>11</sup> In the Democratic Republic of Congo (DRC), for example, although most of the fighting occurs in the eastern part of the country, this does not necessarily preclude IHL from applying to relevant activities and operations elsewhere in the country. Likewise, in Myanmar, while the most intense hostilities may be concentrated in particular states, IHL considerations should not be limited to those areas alone. In this sense, the applicability of IHL is not determined solely by geographic proximity to violence, but by the nature of specific business activities and their connection to the armed conflict.

Similarly, IHL is not limited to actors physically present within the territory where conflict is taking place. Individuals and corporate entities operating from outside the conflict-affected State may nonetheless fall within the scope of IHL where a sufficient connection to the armed conflict is established. For example, a company supplying weapons, logistical support, or funding from one jurisdiction may face legal exposure if it knowingly contributes to violations of IHL committed in an armed conflict elsewhere.

**Assessing exposure requires an examination of the nature of business activities and relationships, and the degree to which they are connected to armed conflict.**

For companies and investors, this means that assessing exposure requires more than mapping operational locations – CAHRA or otherwise. It requires a more nuanced and specialist examination of the nature of business activities and relationships, and the degree to which they are directly or indirectly connected to armed conflict.

<sup>11</sup> ICTY, *Tadić*, Appeals Chamber, Decision on the Defence Motion for Interlocutory Appeal on Jurisdiction, IT-94-1, 2 October, paras 67–70. See further: ICTY, *Delalić Trial Judgment*, 1998, para. 185; and ICTR, *Akayesu Trial Judgment*, 1998, para. 636. Also see: ICRC, 'How is the Term "Armed Conflict" Defined in International Humanitarian Law?' (2024).

**There are legal implications arising from corporate acts of complicity in violations of IHL in conflict-affected contexts.**

In contexts that meet the threshold of armed conflict, IHL applies as the governing legal framework regulating the conduct of hostilities and the protection of civilians. If conflict identification does not properly assess whether violence meets this threshold under IHL, companies and investors risk overlooking the application of a distinct and specialised body of law, with potentially significant consequences.

Because IHL applies to the conduct of corporate actors in certain circumstances, some business activities may increase an entity's legal exposure. For example, providing logistical support, financing, weapons, surveillance technology, digital tools, or infrastructure to parties to a conflict may, depending on the circumstances and the company's knowledge, give rise to civil and criminal liability. In the most serious cases, this can extend to allegations of complicity in war crimes, potentially triggering investigation and/or prosecution of both the corporate entity and associated individuals, including senior managers and directors. Therefore, failing to complement conflict assessments with IHL-informed risk assessment, training, and compliance controls may increase vulnerability.

Conversely, companies that understand and integrate IHL considerations into, or alongside, their heightened Human Rights Due Diligence (hHRDD) processes strengthen their resilience. By identifying conflict dynamics early, understanding the relevant legal frameworks and corresponding risks, and calibrating governance models and decision-making accordingly, companies are better positioned to operate responsibly, protect their personnel and civilian populations, and sustain legitimate commercial activity even in the most challenging environments. For more on hHRDD, see our brief: ["What is \(and what is not\) 'heightened' about hHRDD"](#).

**Accurate CAHRA identification enables proactive stewardship, mitigates legal and conflict risk, and strengthens long-term portfolio resilience.**

For investors, accurate CAHRA identification is critical to effective stewardship, prudent portfolio oversight, and the management of conflict risks. Traditionally, compliance reporting and ESG screening frameworks have been inadequate for characterising the elevated and context-specific risks present in CAHRAs. Without a structured approach to identifying such contexts, investors may underestimate their portfolio companies' exposure to conflict dynamics, human rights harm, and the associated legal, regulatory, reputational risks and financial risks.

When embedded within a broader conflict-specific due diligence framework, CAHRA identification enables investors to move beyond reactive crisis-management toward proactive stewardship. It provides a structured basis for identifying, assessing, and prioritising conflict risks across holdings, and supports informed engagement with portfolio companies on conflict-specific due diligence. Where violence meets the threshold of armed conflict, it also signals the potential applicability of IHL and the corresponding need to address these distinct legal and compliance risks.

In an era of sustained geopolitical instability, investors who can identify and respond to conflict exposure with transparency and precision will be better positioned to protect long-term value while meeting evolving expectations regarding responsible and conflict-sensitive investment.

### 3. Which sources and methodologies can companies and investors rely on to identify a CAHRA?

**Although external monitoring and data sources are helpful for identifying CAHRAs, these require triangulation and further analysis.**

As awareness of responsible business conduct has increased, a growing number of authoritative sources have emerged to assist companies and investors in identifying CAHRAs and assessing related risks. These include conflict monitoring tools and databases such as:

- The Heidelberg Conflict Barometer;
- The Rule of Law in Armed Conflicts (RULAC) database (now War WATCH);<sup>12</sup>
- Armed Conflict Location and Event Data (ACLED);
- The Uppsala Conflict Data Program (UCDP); and
- CrisisWatch.

In addition, intergovernmental guidance, human rights reports, analyses by international and regional organisations, thematic indices, and relevant legal jurisprudence (e.g., judgments and advisory opinions of the International Court of Justice) all provide useful information for identifying and assessing CAHRAs.

However, in the absence of a universally-accepted definition or consolidated list, uncertainty persists regarding how CAHRAs should be identified in practice. No single source is determinative. Rather, they should be understood as evidentiary inputs into a broader legal and risk assessment, and triangulated across multiple sources.

Crucially, with respect to conflict-specific practices, identifying that a context qualifies as a conflict-affected area is only a starting point. A designation alone does not reveal the nature, drivers, or geographic distribution of conflict dynamics, nor does it indicate how those dynamics intersect with a company's activities or an investor's portfolio exposure. An effective risk assessment requires an understanding of where the violence is occurring, who the relevant actors are, what forms of harm are prevalent, and why instability persists. Without that localised contextual analysis, conflict identification risks becoming a classification exercise rather than a meaningful governance tool. Ultimately, responsibility for that assessment rests with the company or investor, not with an external source.

<sup>12</sup> As of December 2025, the RULAC database has been integrated into a new portal 'War WATCH', which has been developed, and will continue to be monitored and updated, by the Geneva Academy. Available: <https://warwatch.ch>.

**TrustWorks uses its own unique FCAS index and methodology to provide companies and investors with a better understanding of their potential exposure to conflict risks.**

At TrustWorks, we have developed our own [Fragile and Conflict-affected Situations \(FCAS\) Index](#), which identifies three distinct categories:

- Conflict-affected areas, defined by law as described above;
- Occupying States, which are bound by IHL but are not themselves experiencing violent conflict within their borders; and
- Fragile situations, which do not have a formal legal definition but are informed, in particular, by global standard-setting frameworks, such as the OECD States of Fragility Framework, as well as sub-national sector- or activity-specific considerations, where relevant.

The Index draws on two widely recognised and internationally established frameworks:

1. The **RULAC** (now War Watch) **database**,<sup>13</sup> which identifies and classifies all situations of IACs, occupation, and NIACs in accordance with IHL; and
2. The **OECD States of Fragility Framework**,<sup>14</sup> which identifies fragile contexts by assessing the risk and coping capacities of countries across six dimensions: economic, environmental, human, political, security, and societal.

Importantly, “high-risk areas”, as described above, are not recorded in the Index. It is not possible to compile a universal list of such contexts because high-risk dynamics often emerge at the sub-national level and evolve rapidly over time. Determining whether business activities fall within a high-risk area therefore requires a contextual and activity-specific assessment. TrustWorks supports companies in undertaking this assessment through our proprietary prioritisation methodology. This approach examines where the company has business activities, the nature of those activities, and whether they may cause, exacerbate, or sustain conflict risks.

Our methodology also enables a unique ranking system that quantifies the severity of risk in a given context and the corresponding level of exposure clients face based on the precise location of their business activities. This is regularly reviewed and updated to reflect the fluid nature of conflict dynamics and fragile environments. While the OECD framework also incorporates a ranking system (RULAC does not), it does not distinguish between conflict-affected and fragile contexts – a distinction that is legally significant under international law.

By integrating these frameworks, we provide companies and investors with a more precise understanding of their exposure to conflict risks, including potential legal risks arising from corporate involvement in serious violations of IHL, which are often overlooked in conventional CAHRA assessments.

<sup>13</sup> The Geneva Academy of International Humanitarian Law and Human Rights (“the Geneva Academy”), ‘The Rule of Law in Armed Conflicts project’ (2025). Available: <https://geneva-academy.ch/projects/rule-of-law-in-armed-conflicts/>.

<sup>14</sup> OECD, ‘States of Fragility’ (2025). Available: <https://www3.compareyourcountry.org/states-of-fragility/overview/0/>. In the most recent edition of the framework, the report identified 61 contexts exposed to high and extreme fragility, with 18 being extremely fragile.

#### 4. What should companies and investors do once they have identified business activities in and/or portfolio exposure to a CAHRA?

**CAHRA identification should function as a trigger for conducting conflict-specific due diligence.**

International standards and normative frameworks – such as the UN Guiding Principles on Business and Human Rights, reports of the UN Working Group on Business and Human Rights,<sup>15</sup> the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, and the EU-CSDDD – recognise that where the risk of severe harm is elevated, as in CAHRAs, companies are expected to undertake heightened human rights due diligence.

For companies operating in, sourcing from, or otherwise connected to CAHRAs, this means moving beyond standard risk management processes toward a more targeted assessment of conflict-related exposure. As such, accurate CAHRA identification is more than a mere exercise in classification, it should function as a trigger for companies to undertake conflict-specific due diligence.

Conflict-specific due diligence requires companies to analyse all relevant conflict risks – not only the heightened risk of adverse human rights impacts, but also the potential for business activities to: i) contribute to violations of IHL, and ii) to cause, exacerbate, or sustain conflict dynamics. This due diligence process also enables companies to prioritise their efforts. Conflict risks are rarely uniform across an entire portfolio or geographic footprint, so companies must therefore assess where their activities, relationships, and value chains intersect most directly with conflict dynamics. For example, a company with a limited administrative presence in Syria, but with a manufacturing plant and supply chain in Yemen, is going to need to prioritise Yemen. Effective conflict-sensitive due diligence requires prioritising those contexts where business activities are exposed to the greatest risk.

**CAHRA identification functions as an escalation and prioritisation tool within corporate governance systems.**

In this sense, CAHRA identification functions as an escalation and prioritisation tool within corporate governance systems. Ideally, companies should be engaging in conflict-specific due diligence wherever they are exposed to significant risk. However, when prioritisation is necessary, TrustWorks' methodology can help to ensure companies are equipped with the tools, data, and expertise to achieve this.

<sup>15</sup> In particular: OHCHR, *Report on Business, Human Rights and Conflict-Affected Regions: Towards Heightened Action*, A/75/212, (21 July 2020).

## About TrustWorks

### ***No more business as usual.***

TrustWorks Global (TrustWorks) is a Geneva-based firm specialised in responsible business and investments in conflict-affected and high-risk areas (CAHRAs). With over twelve years of experience working with companies and investors, TrustWorks focuses on international humanitarian law, heightened human rights due diligence and conflict-sensitive investments and business activities in some of the world's most challenging contexts.

TrustWorks supports companies, governments, development finance institutions, and impact investors to put in place tailored conflict-specific policies, processes and practices at corporate/HQ levels. We deploy to CAHRAs to conduct conflict-specific due diligence of operations, supply and value chains for companies, and of sector, industries and/or investees for DFIs and government counterparts. We enable operationalisation and implementation conflict-sensitive practices through tailored training, facilitation, mediation, mentoring and accompaniment processes, and other on-the-ground services as and where needed.

TrustWorks also participates in investor-led engagement meetings with companies to present the results of our proprietary benchmarking methodology assessment, with a view to enabling portfolio companies' readiness to operate responsibly in CAHRAs.

As a boutique consulting company, TrustWorks operates in a nimble, discrete and constructive manner, and the TrustWorks team has experience working in over 70 CAHRAs.

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