chapter 4

Highlighted topics
4.1 How do the UN Guiding Principles relate to the Ten Principles of the UN Global Compact?

The Guiding Principles and the UN Global Compact’s Ten Principles are complementary frameworks developed within the UN system. They address the same set of human rights standards. They are both concerned with respecting human rights in the context of advancing socially sustainable globalisation.

Human rights principles of the UN Global Compact

The first two principles of the UN Global Compact’s Ten Principles state that:

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Make sure that they are not complicit in human rights abuses.

Principles 3–6 address core international labour standards, which are also part of the ‘internationally recognized human rights’ that the UN Guiding Principles refer to as the baseline for all companies.

The Guiding Principles and the Global Compact build on each other in two areas specifically, as explained below.

Baseline and beyond the minimum

The Guiding Principles provide the baseline for a company’s human rights responsibilities and apply to all companies, everywhere, regardless of whether or not they have signed up to the UN Global Compact. By becoming a signatory to the Global Compact’s Ten Principles, companies not only explicitly acknowledge their responsibility to respect human rights, they also commit to help promote (‘support’) human rights as part of their broader commitment to sustainable development.

Implementing respect for human rights

The Guiding Principles provide guidance on how to implement the ‘respect’ component of the Global Compact’s first principle. The Guiding Principles also outline the responsibilities of companies in relation to business relationships with suppliers, joint venture partners, clients, government and others – what the Global Compact refers to as ‘complicity’ (second principle).

The Global Compact recommends that its signatory companies refer to the UN Guiding Principles for “further conceptual and operational clarity for the two human rights principles championed by the Global Compact... [The Guiding Principles] provide an authoritative framework for participants on the policies and processes they should implement in order to ensure that they meet their responsibility to respect human rights”.

91 See Office of the UN High Commissioner for Human Rights and the UN Global Compact, “The UN Guiding Principles on Business and Human Rights: Relationship to UN Global Compact Commitments”, available at www.ohchr.org/HRGC.
The Global Compact also refers to and builds on the UN Guiding Principles in the various principles and guidance documents it has led or helped to develop, for example, the Children’s Rights and Business Principles.

4.2 The Guiding Principles and the Sustainable Development Goals

For many companies, the Sustainable Development Goals (SDGs) will provide a critical framework for their human rights efforts over the next decade. It is, therefore, important for them to be aware of the relationship between the SDGs and their human rights responsibilities under the UN Guiding Principles as they go about developing strategies focused on SDGs implementation.

What are the Sustainable Development Goals?
The SDGs are a global framework for action agreed to by all states in 2015. They last for 15 years, up until 2030. The SDGs include 17 goals and 169 targets, with numerous indicators. The SDGs are grounded in the belief that economic development should help to address poverty and other social and economic injustices. Businesses are increasingly seen by governments as an important engine for growth and as key to achieving specific goals (such as in the area of technological development and youth employment) as well as the overall promise of the SDGs. The SDGs also envision a role for other stakeholders, for example, through partnerships with civil society.

How do human rights relate to the SDGs?
The SDGs are grounded in international human rights standards, refer to specific human rights in some of the goals (for example, the right to water), and are intended to contribute to the fulfilment of human rights through the targets that they set. The SDGs explicitly reference the UN Guiding Principles and ILO standards in Paragraph 19. Some of the indicators may be helpful to businesses in their own tracking and reporting on human rights.

What is the connection for business between the SDGs and respecting human rights?
The SDGs are an important development in efforts to tackle the pressing world problems of poverty and inequality. There is a significant opportunity for business to mobilise around the SDGs and integrate them into their strategic approach to the promotion of human rights and sustainability more broadly.

However, there is a potential risk that positive action on the SDGs by business becomes disconnected from the recognition that business can also harm human rights. The UN Guiding Principles were developed precisely because there

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- John Ruggie, author of the UN Guiding Principles

was a need to set a baseline of ‘respect’ for business everywhere when it comes to human rights – that is, to prevent and address negative human rights impacts connected to their operations.

Among the voices reminding business of the importance of this baseline expectation in the context of attention to the SDGs are the UN Working Group on Business and Human Rights, John Ruggie, the author of the UN Guiding Principles, as well as Oxfam and many other civil society organisations.

According to Ruggie:\textsuperscript{93}

“Where people’s human rights are not fully respected, their ability to enjoy the fruits of development are much reduced, and the disparities between the poor and most vulnerable and the rest of society only grow. By contrast, where companies focus resources on reducing the risks to people’s human rights along their value chains, they not only reduce harm but also help advance development.

... Too many companies today put resources into social development initiatives that are worthy on their face, while ignoring serious negative impacts on people in their own operations and value chains. So they end up giving with one hand while taking away – or enabling others to do so – with the other.

This is not a pathway to sustainable development. Therefore, we need a discourse on the social aspect of the SDGs that mirrors the discourse on the environmental side. The starting point must be a reduction in negative human rights impacts associated with core business activities. The UN Guiding Principles provide the standard for achieving this and there is fast-growing experience of what it means to translate them into practice across different sectors and contexts.”

So companies need to ensure that they do not stop paying attention to negative impacts connected to their business where they decide to promote human rights through SDG commitments. Otherwise, they are at risk of sliding backwards towards the notion that doing good can offset doing harm to people’s human rights. Conversely, aligning efforts to address negative human rights impacts with broader commitments to promote human rights can bring significant benefits, as the example from Turkey below demonstrates. The Global Commission on Business and Sustainable Development was created to encourage businesses to take a leading role in implementing the SDGs. Shift was invited to submit a report on this topic to feed into the commission’s overarching report, due in early 2017, which may be a helpful resource for those wanting to understand the topic in more depth. \vspace{1em}
COUNTRY INSIGHTS: TURKEY

Connecting efforts to respect and promote human rights

An example from Boyner Group in Turkey illustrates how respecting human rights can be closely linked to a company’s efforts to promote or advance human rights. Boyner Group is Turkey’s largest publicly traded non-food and non-electronics retail group. It has an extensive supply chain, which the company says it monitors closely. Gender equality is a high priority for Boyner Group, both within group companies and the supply chain. As such, Boyner Group signed the Women’s Empowerment Principles, developed by the UN Global Compact and UN Women, and in 2015 the company launched the Boyner Group Women Suppliers Academy in partnership with the International Finance Corporation (part of the World Bank Group).

The aim of the programme, which includes education, training, mentoring and networking through the academy, is to reduce gender-based barriers, raise the productivity and performance of women-led businesses, and empower women entrepreneurs so that they have an equal chance in the market and eventually of becoming strategic suppliers to Boyner Group. Through this proactive approach, the company not only aims to meet its goals in relation to ensuring gender equality in its own supply chain, but also hopes to contribute to addressing gender issues in Turkish society more broadly.