

Do no Harm and do More Good too

Connecting the SDGs with Business and Human Rights and Political CSR Theory

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Do No Harm and Do More Good Too: Connecting Business & Human Rights with Political CSR to Identify Business Opportunities for Contributing to the SDGs

This is an advanced (pre-publication) draft of

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Keywords: Human Rights, Impact Assessment, Leverage, Moral Legitimacy, Political CSR, Risk-Based Due Diligence, Sustainable Development Goals (SDGs)

Abstract:

Purpose: Explaining how companies can benefit from their human rights due diligence process to identify opportunities for Sustainable Development Goal (SDG) activities in an operationalisation of political corporate social responsibility (PCSR).

Design/methodology/approach: Combining PCSR, SDGs and business & human rights (BHR) literatures, the article develops an extension of the risk-based due diligence process described by the BHR literature, helping companies identify societal needs to which they may contribute in accordance with PCSR through engaging in the SDGs.

Findings: Companies can benefit from resources they already invest in due diligence to identify their adverse human rights impacts, by drawing on the insights gained on broader needs, including human rights, to which they may contribute. This can help them develop appropriate interventions to address local needs and advance their moral legitimacy through assisting in SDG-relevant fulfilment of human rights.

Research limitations/implications: The article provides theory-based guidance on how companies can assess their capacity for contributing societal value through human-rights-oriented SDG-interventions. Future empirical research may explore how companies apply the extended due diligence process to assess needs and determine relevant actions.

Practical implications: The article offers a principle-based analytical approach for integrating the 'do-no-harm' imperative of BHR theory with PCSR's call for business assistance in the delivery of public goods and the SDGs' call for business action to 'do good'.

Social implications: Enhanced business implementation of the SDGs in line with PCSR and human rights theory, especially the emergent field of Business & Human Rights.

Originality/value: Theory-based guidance for companies for SDG contributions based on innovative combination of literatures.

Introduction¹

The adoption of the Sustainable Development Goals (SDGs) (UN, 2015) in 2015 instituted a new paradigm in development through the explicit recognition of the role of businesses to contribute to sustainable development together with governments and civil society (Fukuda-Parr and McNeill, 2015). This holds great promise, as the private sector has much to contribute in terms of innovation, skills and resources (Lucci, 2012; Porter and Kramer, 2011), but has also sparked concern. Some scholars warn that contributing to the SDGs cannot justify deviating from the ‘do-no-harm’ approach (Voegtlin and Scherer, 2017; Gupta and Vegeling, 2016) or warn against ‘cherry-picking’ at risk of not responding to the most pertinent needs (Ruggie, 2016). Others question the promise of profit-driven corporations setting their self-interest aside to achieve broad societal goals (Scheyvens, Banks and Hughes, 2016; Kumi, Arhin and Yeboah, 2014; Pingeot 2014). Yet other scholars focus on how companies can contribute to implementing the SDGs as a way to contribute value to society through doing good (Chakravorti, 2016; O’Connor et al., 2016).

Whereas previous UN declarations on sustainable development have focused on governments, the SDGs are innovative in directly designating a role for business through SDG 17 on global partnerships. Several SDGs relate directly to human rights of a socio-economic nature related to human well-being and the provision of public goods (such as education, health services and water, as elaborated below). In view of SDG 17’s call on business to step up partnerships for sustainable development and assist governments in addressing SDGs 1-16 that technically address states (Buhmann 2018), there is much overlap between the SDGs and the objectives of Political CSR (PCSR). A core line of PCSR theory concerns how companies can help address institutional voids and the delivery of public goods (Scherer et al., 2016). Yet the BHR and PCSR literatures so far have been largely overlooked in the context of the SDGs (compare Giuliani, Santangelo and Wettstein, 2016; Kourola and Mäkinen, 2017). The BHR literature contains well-developed theory on corporate responsibilities in regard to their impacts on human rights. The academic theory is complemented by guidance instruments adopted by the UN. Like the SDGs, these guidance instruments explicitly recognise the role of business for sustainable societies. The key element in the interdisciplinary BHR literature is the corporate responsibility to respect human rights by avoiding harm. This is based on the concept of ‘risk-based due diligence’ as a theoretical approach and a management tool for companies to identify and manage adverse impacts on society (Buhmann, 2017a; Ruggie, 2013).

Already preceding the SDGs, some BHR scholars have argued that increased emphasis should be paid to how business enterprises may actively contribute to the fulfilment of human rights by ‘doing good’ (Wettstein, 2012; Kolstad, 2012). This is in line with the current PCSR literature.

¹ A draft version of this article was presented at the conference ‘*The Private Sector in Development: New perspectives on developing country and emerging market firms*’ at Copenhagen Business School (CBS) 6-7 April 2016. The authors are grateful to the conference organizers and the audience for useful comments.

Displaying various sub-themes, PCSR discusses in-depth how companies can deliver public goods by complementing governmental responsibilities, and thereby enhance their own legitimacy (Frynas and Stephens, 2015; Scherer et al., 2016; Scherer and Palazzo, 2007, 2011). However, PCSR scholars have also observed that PCSR theory neglects operational accounts of how companies may in practice identify social needs to act upon where governments fail in the delivery of public services (e.g., Baur and Arenas, 2014; Edwards and Willmott, 2008; Mäkinen and Kourula, 2012). Although very focused on action, the SDGs, too, can be said to be lacking theory to assist their implementation, as observed in a recent call for papers for this journal (Pedersen et al., 2017).

This article addresses these gaps by explaining how BHR can advance emergent theory on how businesses can in practice contribute to the SDGs. While connections between BHR and the SDGs have been identified (Shift et al., 2017, Ruggie, 2016), the argument has mainly been that by respecting human rights (and avoiding human rights risks), companies also contribute to the SDGs. This article takes that argument further: We argue that companies can draw on the insights on human rights risks that they obtain through exercising due diligence in such a manner that they can identify opportunities for active SDG contributions. We explain how this can enhance their moral legitimacy in accordance with PCSR theory, and propose an extended due diligence model for identifying societal needs that a company may address as part of its SDG contributions.

The article proceeds as follows: First, theory aspects on human rights and business s are introduced, along with PCSR with a particular focus on the sub-theme of moral legitimacy. This frames the connection to human rights and policy objectives in the SDG context. Next, we describe the theory-based human rights due diligence process for identifying and managing business-related human rights harm with a strong emphasis on impact assessment. Moving into the analysis, we explain how companies can benefit from that management process to identify human rights-related needs, which they can turn into action to help fulfil human rights. Subsequently we introduce the main analytical contribution of this article, an extended due diligence process to identify human rights-related needs that companies can turn into SDG contributions. The conclusion sums up and highlights how the article's contribution to the literature emerges from BHR, adds operationalisation to PCSR, and helps companies target SDG actions.

Human rights and business: Key theory aspects

Based on a strong philosophical foundation (Sen, 2004), human rights are seen to derive from the inherent dignity of the human person. They are in principle universal, indivisible and inalienable (Donnelly, 2013; Griffin, 2009). This centuries-old moral view underpins the international legal regime on human rights that has matured since the UN was established as an international organisation in 1945 with the protection and promotion of human rights as one of its core

objectives (Shelton, 2014: 7-13). The Universal Declaration of Human Rights (UDHR), adopted by the UN in 1948, sets forth a comprehensive list of human rights that were at the time understood to be obligations of states towards citizens (Henkin, 1999). During subsequent decades a series of international treaties further detailed the UDHR into binding obligations for states vis-à-vis citizens. Human rights span freedoms (of speech, thought, association etc.) whose respect typically assumes non-interference by a powerful actor, and claims to socio-economic human rights (e.g., access to food, education, health services, or ‘rights-in-work’, such as salary, rest, leisure and occupational health and safety) that assume active implementation on the part of a powerful actor for their implementation. In practice, most human rights rely on a combination of an element of respect, and an active element for fulfilment (Shelton, 2014). Although the state’s duty arguably includes an obligation to protect individuals against harm caused by third parties, e.g. companies (Knox, 2008), business-related human rights abuse has been on the rise since the 1970s (e.g., Ruggie, 2013; Deva, 2012).

During the 1990s political and civil society pressure on governments and the UN to address the capacity of business to cause human rights abuse increased (Kolk, 2016). This led to a series of private and public initiatives to develop guidance for companies to respect human rights (Ruggie, 2013; Buhmann, 2017b). As these guidance instruments were quite general, support emerged within the UN for more detailed guidance. A task to clarify business responsibilities for human rights and develop appropriate guidance, including for human rights impact assessment, was charged on Professor John Ruggie, a Harvard academic who had been serving in a UN capacity to help develop the UN Global Compact (Buhmann, 2017b). This resulted in two reports, which are recognised to play a major role for current theory and practice to the point of presenting theoretical state of the art (Wettstein, 2012).

The first report, the so-called *UN Respect, Protect and Remedy Framework* (‘Framework’) is a theory-based normative and policy framework, which sets out the implications for businesses of existing international human rights (UN, 2008; Ruggie, 2013). The second report, the *UN Guiding Principles on Business and Human Rights* (UNGPs) contains guidance for states and businesses for implementing the recommendations of the Framework report (UN, 2011; Ruggie, 2013). Both reports are structured into three ‘pillars’: the state duty to protect against business-related human rights abuse; the corporate responsibility to respect human rights; and the joint provision of access to remedy when human rights are perceived to be infringed by businesses.

The Framework is informed by comprehensive academic studies by experts in human rights, economy, business operations and ethics, political science and law (Buhmann, 2017b; Ruggie, 2013). Unlike an international treaty or declaration (like the UDHR) which provide specific norms of conduct but not the academic reasoning, the Framework has academic value of its own in its analysis and elaboration of steps to reduce business-related human rights abuse. Combined

with the UNGPs' operational steps and detailed explanations in commentaries, the Framework offers theoretical foundations for further guidance for companies to contribute societal value.

The Framework attributes responsibility for human rights protection and fulfilment to nation-states only. This has generated critique with business ethicists who find the delimitation of the corporate responsibility to respect too limited, arguing that companies should be assigned positive duties to fulfil human rights as well (Kolstad, 2012; Wettstein, 2013; Arnold, 2016). It has been observed that the Framework overlooks the political and social power of corporations (Cragg, 2012; Wettstein, 2013), “stripping corporate responsibility to its bare minimum” (Wettstein, 2015: 165). In fact, a delineation of positive duties for private-sector human rights fulfilment is not uncommon, albeit typically transmitted through states. International human rights law recognises such obligations for public and private actors in regard to the elimination of gender or racial discrimination in work, accommodation etc. Another example is provided by OECD's Guidelines for Multinational Enterprises, a soft-law instrument for companies, which adhering governments have an obligation to promote. As part of their labour principles, the Guidelines include employment and capacity building of local labour. Moreover, some states condition mining concessions to companies on similar positive actions (author A, forthcoming).

Motivated by reaching a normative product likely to be adopted and avoid political opposition that had caused previous efforts to fail (Ruggie, 2013), the Framework and UNGPs pragmatically adopt a 'do-no-harm' focus for businesses. As part of this they set out a human-rights due diligence process for firms to identify, prevent, mitigate, account for and remedy their adverse human rights impacts (Ruggie, 2013). The risk-based due diligence concept includes some key sub-concepts that form part of the process. 'Leverage' is one of these; impact assessment for the company to understand how its proposed or planned activities may affect human rights is another. This section introduces the leverage term as applied by the UNGP and in business ethics BHR theory. Subsequent sections pick up on this by relating leverage and impact assessment to how companies can benefit from the due diligence process to not only identify adverse impacts, but also potential needs to be fulfilled.

The UNGPs underscore the importance of firms exercising leverage to influence business relationships to address human rights impacts as a modality to affect change with other companies or local institutions. This should form part of the due diligence process where relevant. While it stops short of providing guidance for how companies should actively contribute value to society, the Framework (para. 2) does recognise that businesses are powerful forces capable of generating economic growth, reducing poverty, and increasing demand for the rule of law, thereby contributing to the realisation of a broad spectrum of human rights. A pre-report for the Framework referred to moral reasoning in its recognition that companies can contribute to society (Buhmann, 2017b: 237). The Framework (para. 101) also underscores the power of leverage to reach solutions to BHR issues.

Business ethics scholars have championed the deployment of leverage for responsible companies to use their influence to affect change with other organisations. Kolstad (2012) argues that counting on states for human rights fulfilment presupposes an optimal division of moral labour that is rarely found in reality. As a result, he argues, companies should exercise leverage to pressure governments to fulfil their obligations when non-delivery is due to lack of will; and assume back-up roles where state capacity is limited. Kolk and Lenfant (2013) claim that companies can gain moral legitimacy from adopting a multi-stakeholder approach to identifying human rights impacts, ideally involving both civil society and governments. Providing a bridge to the role of moral legitimacy in PCSR theory as well, such steps will not only help firms achieve good human rights outcomes, but also help build governmental capacity.

Moral legitimacy through PCSR

PCSR literature perceives companies as not just economic but also ‘political’ actors that may contribute to the delivery of public goods and services that are generally considered state tasks (Scherer et al., 2016; Scherer and Palazzo, 2007, 2011) PCSR occurs when companies take over tasks that are essentially governmental functions with regard to the protection, facilitation and enabling of citizens' rights (Matten, Crane and Chapple, 2003) or filling institutional voids (Scherer and Palazzo, 2011; Vogel, 2008). A related shift in the role of the private sector in global politics is also evident in the SDGs, and the inclusion of industry leaders in developing the SDGs. Indeed, according to Scheyvens et al. (2016), this reflects a conscious shift to include the private sector in development policy and planning. In industrialised and emerging economies corporations increasingly provide public goods or services related to their specific sector or industry. In this capacity, they complement governments (Margolis and Walsh, 2003; Matten and Crane, 2005). To the extent that the delivered service or good has a human rights character, they also help providing or protecting the pertinent human right.

The motivations for corporations to assume political responsibility are complex, but institutional theory argues that corporations respond to coercive, normative and mimetic institutional pressures (DiMaggio and Powell, 1991). Coercive pressures are typically relatively strong in developed countries with strong states that can implement and enforce regulation and shape responsible behaviour in companies. However, studies of developing countries point to normative pressure by civil society driving firms to behave responsibly in the absence of significant coercive pressure by the state (Campbell, 2007; Jamali, Safieddine and Rabbath, 2008). As a result of the new political role of global corporations, their social licence to operate increasingly depends on moral legitimacy (Demuijnck and Fasterling, 2016; Palazzo and Scherer, 2006) endorsing ideas on whether the activity promotes societal welfare (Suchman, 1995). Moral legitimacy gains may also motivate managers to carry out human rights due diligence (Fasterling, 2017).

Accordingly, societal pressure on corporations may help convert them into part of the solution to institutional voids and enhance their moral legitimacy. Moral legitimacy in areas such as human rights comprises both consequential legitimacy (measured by concrete accomplishments, like increased access to health services or education) and procedural legitimacy, central to which is participation in decision-making (Suchman, 1995). Adopting a multi-stakeholder approach is significant for corporations to gain both consequential and procedural legitimacy (Swanson, 1999; Rasche and Gilbert, 2012). With companies' social acceptance increasingly relying on moral legitimacy (Palazzo and Scherer, 2006: 10), the need for a theory basis for their contributions to society grows, especially as moral legitimacy is conditional on company action to do good not simultaneously causing adverse impacts. Moreover, as critiques of CSR policies point to the lack of coherence and commitment from companies engaging in sustainable development, moral legitimacy is arguably even more relevant. One of its key challenges is to address the corporate focus on generating positive publicity, achieving short-term economic goals and satisfying immediate stakeholder pressures. When such focus becomes overly one-sided, risks arise that initiatives are detached from efforts by local governments and global developing agendas (Scheyvens et al., 2016; Hatcher, 2014; Banks et al., 2013).

International development scholars also warn that non-state actors taking over functions normally considered governmental responsibilities may undermine state capacity and legitimacy. They may cause an unsustainable dependence on multinationals to provide for essential public goods, which they have no democratic legitimacy to provide (Kolk and Lenfant, 2013; Idemudia and Ite, 2006). This underscores the need for a principles-based approach for companies to identify relevant needs that they can help fulfil, on their own or in collaboration with others. As explained in the following, the risk-based due diligence approach already offers a principles-based approach to identifying harm. This constitutes a theory-based foundation which, as we explain in the following, can be enhanced for helping firms identify wider societal problems of SDG relevance.

From do no harm to do more good, as well

Whereas SDG 1-16 address governments, SDG 17 calls for business enterprises to engage in SDG implementation in support of governmental action, emphasising the capacity of business to create value for society through their knowledge, expertise, technology and financial resources. While the SDGs in general aim for involved organisations to 'do more good', implementation provisions for SDG 17 emphasise that this must not be at the expense of the imperative of not doing harm: target 67 under SDG 17 makes explicit reference to the UNGPs as a foundation for a dynamic and well-functioning business sector "protecting labour rights and environmental and health standards in accordance with relevant international standards and agreements". This confirms the recognition of the role of the private sector, as discussed in the literature on PCSR and also confirms the importance of BHR to the SDGs.

The human rights aspects are underscored by the fact that several of the SDGs have direct human rights relevance (compare Giuliani et al., 2016). For example, SDG 2 ('zero hunger') relates to the human right to food (UDHR, art 25); SDG 3 ('good health and well-being') to the human right to health and well-being, including medical care (UDHR, art. 25); SDG 4 ('quality education') to the human right to education at various levels, directed to the full development of the human personality (UDHR, art 26); SDG 5 ('gender equality') to the human right to non-discrimination in general (UDHR, art. 2) and in regard to equal pay for work (UDHR, art 23); SDG 6 ('clean water and sanitation') to human rights to health (UDHR, art 26); and SDG 8 ('decent work and economic growth') to human right to work with just and favourable conditions of work and remuneration (UDHR, art 23). Moreover, effective, accountable and inclusive institutions at all levels (noted by SDG 16) is a precondition for effective and non-discriminatory access to and provision of many human rights. The interconnectedness of human rights and the SDGs accentuates the usefulness of applying the due diligence process in achieving the SDGs. The importance of the due diligence process to achieving the SDGs is emphasised by civil society organisations who advocate "[a]dvancing human rights due diligence as a core element of SDG implementation strategies" (Shift et al., 2017: 1).

Many companies already contribute value to society in ways that relate to human rights fulfilment: pharmaceuticals' provision of access to medicine (e.g., Brown and Knudsen, 2012; Hogerzeil, 2013) and companies' provision of water (e.g., Adelopo et al., 2015) contribute to fulfilling the right to health; vocational and technical skill-acquisition programmes (e.g., Murphy, 2010; Adelopo et al., 2015) to the right to education. The observation that business can and does contribute to policy goals related to human rights fulfilment underscores the pertinence of a theory-based model for identifying human rights relevant interventions that is in alignment with the SDGs and local priorities.

By enhancing due diligence to encompass opportunities for firms to actively contribute to human rights fulfilment, we address the concerns that a focus on fulfilling human rights would detract from the attention to the negative human rights impacts of companies. Indeed, much of academic debate on business and sustainability has been spurred by business-related human rights abuse, often related to industrial production or resource extraction (Akhter, 2017; Deva, 2012; Spar and La Mure, 2003), highlighting the capacity of business to cause human misery that is costing society due to health expenses, conflicts, decreased tax payment and lost international trade. It is precisely for this reason that the risk-based due diligence is targeted at identifying and preventing harm. The SDGs' call on business to contribute to sustainable development makes it relevant to extend the usage of insights gained from due diligence to identify human rights needs where the company can make a positive difference, either through direct action, e.g., capacity building, or by deploying leverage, on its own or in collaboration with other organisations. This adds to due diligence as a management approach that continues viewing human rights as a risk management issue but also helps identify opportunities to contribute to society. It also eliminates the need for

companies to distinguish between ‘doing no harm’ and ‘doing good’ as the two aspects are often interconnected. Leading up to the detailed explanation of the proposed extension, the following section explains the risk-based due diligence process and the role played by impact assessment to identify human rights risks.

Do no harm: Risk-based due diligence as a management process to identify and address adverse impacts

Based on research and stakeholder input, the Framework report analysed approaches to prevent business-related human rights abuse and made recommendations applying to companies of all sizes and forms. These entail two main activities: top management should adopt a human rights policy; and the company should undertake risk-based due diligence to map and address adverse human rights impacts (UN, 2008: paras. 56-64). The Framework established impact assessment as a cornerstone in due diligence for companies so that they may understand how their existing and proposed activities may affect human rights. The UNGPs elaborate steps for companies to discharge their responsibility to respect human rights (GPs 17-22). The process is guided by three impact assessment elements: The local and country context, in order to identify specific human rights issues; the human rights impacts that the activities of the company itself may have in that context; and the company’s indirect role in human rights abuses through their relationships to other actors, whether in their supply chain or through governments.

The risk-based due diligence process includes a series of complementary actions: assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed. The process should be ongoing, because human rights risks are dynamic and may change as the business enterprise’s operations and operating context evolve (GP 17). The due diligence process may be incorporated with environmental or social impact assessments and should involve meaningful consultation with potentially affected groups and other relevant stakeholders, taking into account the nature and context of the operation (GP 18). Thus, assessing contextual human rights issues and stakeholder needs is a key element.

In operationalising the responsibility to respect beyond the company itself, the UNGPs apply the concept of ‘leverage’ to indicate that companies should use their influence to require or stimulate changed practices with business partners or governments to which the company is directly linked through its operations, products or services (GP 16-19). A company’s exercise of leverage may have political connotations, for example where a local or national government depends on the company for finance, jobs, knowledge, and service provision.

Due diligence originates as a management practice to identify and limit (typically financial or legal liability) risks *to* the firm. Shifting the focus to risks caused *by* the firm to society the Framework introduced risk-based due diligence as relating to risk management in a way that

spoke to the rationality of business managers and contributed to generating business support for the approach (Buhmann, 2013). In line with literature on moral legitimacy and PCSR, advancing due diligence towards identifying business contributions to society is of further interest to companies.

Do more good: Enhancing due diligence towards identifying societal needs and opportunities for business contributions

Along with leverage, stakeholder involvement offers a bridge between a company not doing harm, and its potential to contribute value to society. The UNGPs stress the significance of stakeholder consultation in the due diligence process of identifying potential or actual harm, and particularly highlights meaningful engagement with stakeholders that are or may be affected by adverse impact. Broad stakeholder involvement is in line with business ethics theory on moral legitimacy as noted above. It also accords with social impact assessment theory which argues that broad stakeholder consultation helps identify adverse impact as well as potential benefits of an operation, such as local needs (Greenwood, 2007).

Based on the theoretical observations set out above on SDG implementation, PCSR operationability and BHR set out above, we propose that companies extend human rights due diligence from a process to identify and manage potential or actual harm, into also identifying societal needs to be translated into business potential for SDG contributions. This extension allows the company to benefit from resources it already invests in impact assessment and contextual analysis as part of the due diligence. Through stakeholder involvement, the company may obtain a broad understanding of local and societal needs. Extending the due diligence process, the needs assessment can be processed from a dual perspective, of which one adheres to the original objective of preventing harm; the other builds upon that to deliver insights for SDG contributions. The first entails identification of human rights risks that the company causes or to which it may contribute. These must be acted upon by the company at any rate, in accordance with the Framework and UNGPs. The second entails identification of opportunities for the company to contribute value to society. These insights can be acted upon, in accordance with the SDGs and PCSR, but do not have to.

In some cases, the dual assessment will result in an identification of contextual problems that may enhance human rights risks, and which may at the same time be within the capacity of the company to address. The company may decide to work with human rights experts in the due diligence process (as encouraged by the Framework). This may further help the company identify contextual private or public governance gaps that can cause human rights risk and be turned into SDG opportunities. Such gaps entail conditions that enhance the risk for the company to cause, contribute or be linked to adverse human rights impacts. As example, consider inadequate public building safety and occupational health and safety (OHS) controls, such as was the case with the Rana Plaza building, which collapsed in 2013, killing many employees (Akhter,

2017). Observations of practices or patterns in the local area or community that enhance human rights risks related to the company's activities may also be related to public or private governance gaps that need being addressed. Pollution of freshwater sources due to inadequate filters or controls would be an example. SDG interventions on this basis could include support for relevant institutions to develop enhanced OHS and building security protection, or monitor water quality and address it. This would address SDG 16 (on effective institutions for sustainable development) as well as the SDG 3 (healthy lives), 8 (decent work), or 6 (water management), and help fulfil related human rights.

On their own, or perhaps more often by collaborating with other organisations, companies can help human rights fulfilment by addressing institutional defects through training and capacity building. This may involve systems that companies may have in place, or to be developed in innovative collaboration with local companies, authorities or experts. Drawing on the examples noted above, this applies, *e.g.*, to OHS and related workplace training, or local administrative capacity to deliver and distribute socio-economic and other human rights, such as access to water, and to do so without discrimination. Companies based in countries with high OHS standards and supportive implementation can be well placed to identify deficient OHS practices and deliver training to local partners. For example, EU countries sport high OHS standards complemented by national monitoring and supportive training with training-of-trainers components (Hasle, Seim and Refslund, 2016; European Commission, n.d.). EU-based companies could help OHS capacity, thereby contributing to fulfilling rights to health, which may also resulting in increased up-times and production and lower health-related expenses for the individual, the community and governments. Building administrative capacity with local authorities could contribute to individuals gaining access to public goods in line with UDHR's fundamental premise that human rights should be enjoyed without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. Identifying contextual risks is already part of human rights due diligence and may already form part of assessments of leverage-relevant issues. Adding a lens of identifying opportunities for contributing to societal needs, the company can draw additional benefit from its due diligence process by gaining substantiated insights for identifying and designing SDG interventions that are relevant to contextual needs. As exemplified above, in some cases contributing to handling governance gaps and societal needs may even help the company address contextual reasons for human rights risks, and also contribute to achieving the SDGs.

Once needs have been identified, the company can proceed to plan activities aimed at fulfilling human rights and contributing to the SDGs. Importantly, an impact assessment of these planned activities should also be made. This would ensure that no human rights risks are caused by the SDG-intervention, and help adapt the activities if required. SDG interventions can be undertaken by the company on its own. In some cases, they may be better organized as multi-stakeholder

initiatives involving other relevant actors, such as governmental entities, business partners or civil society organisations with unique knowledge, resources, access or authority. This also builds on the UNGP and company practice according to which leverage is often stronger if exercised collectively. Indeed, SDG interventions may also involve exercising leverage to stimulate other actors, such as governments or business partners to fulfil human rights. Broad stakeholder consultation in line with BHR theory will increase the likelihood that SDG interventions be relevant to local needs, have a positive human rights impact and enhance the moral legitimacy of the intervention.

To illustrate how the enhanced due diligence process can work, consider this example: an assessment of risks of causing adverse health impacts through emission of product redundancies into fresh-water sources may find that local processes for rinsing water are deficient, that they cause discriminatory access to drinking water, or that wells are simply lacking. These problems can enhance the company's own human rights risks because access to water is already precarious, but they are outside its control beyond its own filters. The extended due diligence process suggests that the company's emission problem can be turned into value through helping build knowledge with communities, local companies and authorities of appropriate filter processes, complemented by capacity building for measurements and maintenance. The contextual discrimination problem can offer an opportunity to engage with authorities or private service providers to analyse what causes discriminatory water distribution. If the company lacks expertise in the field it can draw on and offer the services of human rights experts with whom it cooperated for the human rights impact assessment. The lack of wells offers opportunities for construction companies to contribute by building wells, and for others to partner with these for that purpose. Solutions building on IT capacity to help local contextual problems can be designed with broader application in mind, leading to innovation and broader opportunities for use. All interventions should take account of needs for local capacity to maintain structures and processes.

Extending the due diligence process to identify potential for contributions to society maximises the resources invested in the process for human rights betterment. Due diligence processes require extensive resources of companies and are therefore at risk of being superficial unless the manager understands the immediate business benefits (Fasterling, 2017). Exercising human rights due diligence can translate into enhanced social license to operate (Buhmann, 2016), and extending the focus on the SDGs as business opportunities adds further value for the company and society.

As illustrated by *figure 1*, the enhanced due diligence process constitutes a continuum with three different but potentially connected focal points, leading to a new similar continuum: At one end, human rights risks that the company may cause or contribute to. These are impacts that the company should address directly. In the middle, adverse impacts that the company is linked to

through operations, services or products of its business relations. These call for the company's leverage. Leverage may be directed at private actors and public actors, whether acting in economic or governance capacities. At the other end, human rights needs non-related to the company but potentially within its capacity and contextual strength, offering potential SDG contributions. Acting upon these goes beyond the theory-based directives of the Framework and UNGPs, but is in line with PCSR and may contribute moral legitimacy through human rights fulfilment.

The 'do-good' element of the continuum connects back to the 'do-no-harm' element through an assessment of human rights risks of proposed contributions. This sets in motion a new process assessing risks of human rights abuses through business relations, calling on the exercise of leverage, and assessing opportunities to contribute value to society. Thus, the due diligence process becomes an ongoing and self-reinforcing process, as illustrated in figure 1.

In line with the Framework, the extended due diligence process is relevant for small as well as large companies. Like a company's policy commitment and the process of engaging with human rights needs, SDG opportunities should be anchored with the top management to determine the political role to be assumed by the company. Specific actions can be assigned to managers at other levels.

Undertaking the initial impact assessment from the dual perspective set out above adds value in two ways: it enables the company to identify and manage adverse human rights impacts, and it adds direction to the company's identification of SDG opportunities by making it human rights relevant. Extending due diligence processes to coordinate and guide corporate contributions to fulfilling human rights and achieving the SDGs can serve as an early step towards ensuring that private sector efforts are relevant, sustainable, and supportive of the SDGs.

Conclusion

This article has combined PCSR and BHR literatures to contribute to filling the theory gap on how companies can contribute to achieving the SDGs. In doing so, it has addressed the critique of the UN's BHR regime for ignoring human rights fulfilment and contributed to an operationalisation of PCSR. It does so by developing an extended due diligence process that managers can apply to identify human rights needs that they can contribute to fulfilling in a manner that does not harm human rights, while also contributing to achieving the SDGs. By connecting the BHR and PCSR literatures, this article advances BHR theory towards corporate contributions to human rights in line with the SDGs in a perspective that operationalises PCSR.

The extended due diligence approach contributes to determining the opportunities for companies to exercise a 'political' role in fulfilling human rights, thereby adding theory-based insights for operationalising PCSR. The extension enables companies to benefit from the impact assessment

process undertaken in human rights due diligence so that they may identify SDG-relevant contextual needs with a human rights element that they can help address, and assessing such interventions against human rights risks. The extended due diligence process goes beyond the ‘do-no-harm’ focus by taking point of departure in the local situation with regard to human rights needs and by offering companies guidance for doing good where human rights are inadequately fulfilled.

Human rights fulfilment remains a state duty, but the proposed approach helps provide human-rights-principled direction to private efforts in line with the rationale of SDG 17 and target 62’s reference to the UNGPs. Corporate engagement in human rights initiatives may under certain circumstances function as a complement to governmental action. The extended due diligence process acknowledges that businesses operate in contexts of varying governmental presence and capacity and varying fulfilment of human rights. PCSR theory shows that institutional voids and weak governmental presence in many parts of the world today underscores a need for practical as well as moral legitimacy purposes for companies to contribute to human rights fulfilment. The extended due diligence process optimises the operational aspect of PCSR theory by offering guidance for firms to go beyond the responsibility to respect in providing solutions to persisting governmental failures to fulfil human rights. This contributes towards a targeted identification of human rights needs to which companies can contribute in line with the focal issues highlighted by topical SDGs.

The extension of risk-based due diligence from helping companies to ‘do no harm’ towards also ‘doing good’ provides theory-based insights for scholars and practitioners to understand and engage with positive responsibilities depending on the local institutional context and capacities based on a human rights needs assessment. It provides firms with a principle-based analytical approach to identifying ways in which they may contribute value to society that integrates the do-no-harm imperative with civil society’s, business ethics scholars’ and the SDGs’ call for business action to complement governments’ roles in fulfilling human rights.

This article constitutes an early step towards what may evolve into more detailed theory-informed guidance for companies to identify relevant options for contributing societal value through SDG-relevant human rights fulfilment. The development of processes to coordinate and guide corporate fulfilment of human rights and contributions to the SDGs are essential to monitor and ensure that business contributions are in alignment with societal needs. Future empirical research is needed to help determine how companies can apply the process and assess contextual societal needs and relevant actions to contribute, and how this can drive significant and sustainable private sector contributions to the SDGs.

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