16 PEACE, JUSTICE AND STRONG INSTITUTIONS
How business leadership can advance
Goal 16 on Peace, Justice and Strong Institutions

Progress in promoting peace and justice - together with fostering effective, accountable, and inclusive institutions - is a decisive challenge across the globe. Violence cost 12.6 per cent of world GDP in 2016. While homicides have declined and more citizens around the world have better access to justice, violent conflicts have increased in recent years. A few high-intensity armed conflicts are causing a large number of displaced persons and threatening rule of law. In 2016 IMF estimated the annual cost of bribery alone at about $1.5 to $2 trillion. Bribery and corruption impede business growth, raise transaction costs, and create an unlevel playing field. This ultimately creates social instability, fuels mistrust in public officials and institutions, and undermines the rule of law. Indeed, an estimated 4 billion people world-wide continue to live outside the protection of the law. There is also still a gulf between quality of governance globally, including government effectiveness, regulatory quality, and, pertinent to the private sector in particular, control of corruption. Corruption and bribery scandals can cause major societal instabilities.

Businesses have a vitally important role to play in respecting and supporting peace, justice, and strong institutions, both globally and in the countries in which they operate. Now more than ever, a growing number of business leaders are recognizing they have a crucial role to play in advancing anti-bribery and corruption, peace and rule of law efforts, as a complement to, not substitute for, government action. In a society that is based on the rule of law, all actors - including Governments, businesses, and individuals - are accountable to clear, fair, and predictable laws, regulations and impartial institutions. As such, businesses should respect the rule of law, and, wherever possible, work with all relevant stakeholders including Governments, civil society, and non-governmental organizations to strengthen institutions and the rule of law, working as a complement to Governments. Businesses can also strive to achieve zero violence, abuse, exploitation, and corruption across their own operations and supply chain while businesses operating in areas of conflict should regularly consult with international bodies and, where possible, relevant Governments and embassies to ensure that their activities contribute to advancing peace, justice, and strong institutions. At the same time, businesses should respect the lines of separation that are critical for well-functioning Governments taking care that their involvement in Goal 16 does not cross into domains that are exclusively the remit of government.

Business leadership on Goal 16 is about respecting and supporting Governments in efforts to advance peace, justice, and the proper functioning of effective, accountable, and inclusive institutions. Leading businesses will critically examine the direct and indirect consequences of their end-to-end operations to ensure that they are respecting and supporting the rule of law, including strengthening efforts to combat corruption, protect human rights, and reduce violent conflict. To this end business can implement such measures that ensure robust supply chain management and transparency of financial flows. Businesses can also be leaders through support of accountable and inclusive institutions and peace-building efforts by building organizational capacity in the public sector and the provision of technologies, skills, and logistical solutions in areas of conflict and humanitarian crises.

There is a strong interdependence between business success and the sustainability of the societies in which they operate. An operating environment which is governed by the rule of law provides the basis for commercial certainty and long-term investment, growth, and sustainable development for all. Women and minority-owned businesses may face particular obstacles from laws that are inconsistent with universal norms and standards.

Goal 16 is highly interconnected to all of the other Goals. Without a peaceful, just and inclusive society, which is supported by strong institutions, the 2030 Agenda cannot be achieved.
## Targets of Goal 16

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<tr>
<th>Target</th>
<th>Description</th>
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<tbody>
<tr>
<td>16.1</td>
<td>Significantly reduce all forms of violence and related death rates everywhere</td>
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<tr>
<td>16.2</td>
<td>End abuse, exploitation, trafficking and all form of violence against and torture of children</td>
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<td>16.3</td>
<td>Promote the rule of law at the national and international levels and ensure equal access to justice for all</td>
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<td>16.4</td>
<td>Reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms or organised crime</td>
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<td>16.5</td>
<td>Substantially reduce corruption and bribery in all their forms</td>
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<td>16.6</td>
<td>Develop effective, accountable and transparent institutions at all levels</td>
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<td>16.7</td>
<td>Ensure responsive, inclusive, participatory and representative decision-making at all levels</td>
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<td>16.8</td>
<td>Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements</td>
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<td>16.9</td>
<td>Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels</td>
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<td>16.10</td>
<td>Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels</td>
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## Business Actions

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<thead>
<tr>
<th>Action</th>
<th>Description</th>
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<tbody>
<tr>
<td>1</td>
<td>Identify and take robust action against corruption and violence in own operations and the supply chain</td>
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<tr>
<td>2</td>
<td>Work with government to strengthen institutions and increase respect and support for the rule of law</td>
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<td>3</td>
<td>Work with government and/or international institutions in areas of conflict and humanitarian crises to contribute to peace and institution building</td>
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**Do your actions satisfy the Leadership Qualities?**

<table>
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<tr>
<th>Intentional</th>
<th>Ambitious</th>
<th>Consistent</th>
<th>Collaborative</th>
<th>Accountable</th>
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| • Does your company commit to supporting Goal 16 across operations and the supply chain in its strategy?  
• Do you successfully implement your strategy to advance Goal 16 and is it supported by the highest levels of management? | • Do your actions achieve long-term outcomes that greatly exceed those resulting from current industry practice?  
• Are your actions aligned with what is needed to achieve Goal 16? | • Is support for Goal 16 embedded across all organizational functions, including company's external communications? Are staff and board incentives aligned with achieving Goal 16? | • Do you consult and work with employees, suppliers, civil society and industry peers to understand how you can best work together to advance Goal 16? | • Do you publicly express your commitment to advance Goal 16 across the workplace and your supply chain?  
• Do you monitor and report on impacts, including potentially adverse impacts?  
• Do you manage the risks associated with your action?  
• Do you engage stakeholders in a meaningful way? |

**Key Considerations for Goal 16**

- Intentionality and successful implementation of action on Goal 16 is crucial, as a lack of commitment can delay and hamper other action and lead to serious infringement of human rights.

- Leadership on Goal 16 requires far-reaching, innovative solutions and committed action that goes beyond changes in the context of own operations. It can inspire peers and other actors to take similar leading action.

- Goal 16, particularly where it relates to just behavior in workplaces, requires action to be consistently applied across all organizational functions and incentives to be aligned, to create a supportive corporate culture.

- All action on Goal 16 must be collaborative, as outcomes will, with few exceptions, depend significantly on efforts from other stakeholders. This, critically, includes Governments, alongside other stakeholders.

- Accountable action does not cross into domains that are exclusively the remit of government, and meaningfully engages all affected stakeholders to understand areas of need and enable management of the risks of negative impacts, particularly human rights.
How taking action on Goal 16 is interconnected with other Goals

The Global Goals are inherently interconnected. Action taken toward one Goal can support or hinder the achievement of others. Identifying and addressing these interconnections will help business to build holistic and systemic solutions that amplify progress and minimize negative impacts.

To help build a greater understanding, we have illustrated some of the ways in which the Goals connect. These are not exhaustive, and we encourage business to consider how they apply in their own operations.

**Maximise likelihood of positive impact on:**

Action on Goal 16 can positively contribute to all Goals. Salient positive impacts include those that are related to reducing inequalities (Goal 5 and 10) by building inclusive institutions, fostering partnerships (Goal 17) by encouraging collaboration on respecting and supporting the rule of law and, reducing poverty and creating economic growth (Goal 1 and 8) by creating a stable and predictable business environment.

**Minimise risk of negative impact on:**

Businesses should take care to ensure that their actions on Goal 16 do not cross into domains that are exclusively the remit of government. They should maintain the lines of separation between the private and public sector that are essential for retaining well-functioning democracies and effective partnerships (Goal 17).
BUSINESS ACTION 1
Identify and take robust action against corruption and violence in own operations and the supply chain

Businesses can contribute to peace and justice by developing, implementing, and sharing solutions to take robust action against corruption and violence throughout their own operations and the supply chain. All business should take action against corruption and violence, including by implementing strong whistleblowing and anti-bribery and corruption policies. Leading companies go further and extend their commitments to multiple tiers of the supply chain. This requires tools and frameworks for robust supply chain management and transparency of financial flows. Business can also advance Goal 16 by controlling the way in which products and services, including financial services, are used by its customers.

Example practice
- A textiles company adopts robust supply chain traceability practices to identify corruption and/or potential human rights violations in its overseas factories and develops a plan for redressal or disengagement as appropriate. It shares good practice with industry peers on how to disengage, and advocates for supply chain regulation and standards.
- A furniture company partners with UNICEF to address child labour issues in India; its program includes setting up child protection committees and addressing the root causes of child labour such as debt, poverty, lack of access to education, disability and ill health.
- A jewellery company develops careful partnerships with suppliers to ensure that strict labour and environmental standards are met in mining gems. It ensures that its supply chain is transparent and traceable, and donates a proportion of its profits to benefit communities harmed by dirty practices in the jewellery industry.

Consider the leadership qualities and interconnectedness of your action, including...

Intentionality: zero tolerance for corruption and violence driven from the top levels of management are crucial for creating a corporate culture required for fighting corruption and violence across all activities.

Ambition: ambitious action against corruption and violence should show the way and inspire other companies to step up their efforts as well. This usually means that action extends well beyond own operations to cover multiple tiers of the value chain, with high levels of transparency and traceability.

Accountability: accountability is essential in the context of action against corruption and violence, as companies should monitor and report on progress so as to be continuously and publicly accountable.

Interconnectedness: action against corruption and violence can contribute to decent work (Goal 8), health (Goal 3), and reducing inequalities (Goal 10).
BUSINESS ACTION 2
Work with government to strengthen institutions and increase respect and support for the rule of law

Companies can, in close consultation with Governments and civil society, become leaders on increasing respect and support for the rule of law, and building stronger, more accountable, and inclusive institutions that govern the workplace, marketplace and community. Companies can bring capabilities that can significantly bolster government efforts. They can build organizational capacity in the public sector where there are significant capacity gaps, contribute technological solutions such as information technology and data analysis, and facilitate the development of legal and regulatory frameworks.

Example practice

- An IT company partners with industry peers to create a standard code of conduct to address hate speech online. This commits them to efforts to tackle illegal hate speech online and to develop internal procedures and staff training. The IT companies work with government and civil society to identify and promote counter-narratives, new ideas and initiatives, and support educational programs that encourage critical thinking consistent with fundamental human rights.

- A shipping company creates a maritime anti-corruption network that helps companies identify and addresses vulnerable elements in maritime processes where corruption is prone to take place. The network collaborates with local Governments and other actors to identify and mitigate the root causes of corruption in the industry.

A global insurance company established a fund with a mission to support projects that advance the rule of law. The fund’s initiatives include support for the development of civil legal codes in emerging economies, training and support of domestic judges and fairer procedures for detained migrants and juveniles.

Consider the leadership qualities and interconnectedness of your action, including...

Collaboration: successful collaboration with governments involves understanding areas of need and opportunity for support

Accountability: actions need to ensure that all risks of negative impacts on people and planet are accounted for. This is particularly pertinent in developing countries where there are many areas of need

Interconnectedness: institution building and respect and support for the rule of law is fundamental to the achievement of all SDGs.
Companies that work in, or source from areas of conflict and humanitarian crises must conduct business with great care. They have a responsibility to make substantial efforts to respect and support human rights in the context of their end-to-end operations and are encouraged wherever possible, to appeal to international institutions and the embassy of a business’ home country to understand whether there is hard evidence that a particular state is engaging in crimes against humanity. Beyond that, there is scope for businesses to become leaders by supporting working with Governments, peace building and institution building organizations. This could include the provision of technologies, skills, logistical solutions, and security services, taking care that their contribution does not cross into domains that are exclusively the remit of government.

Example practice

• A shipping company dedicates a materially significant proportion of its fleet towards identifying and rescuing refugees on precarious boats. It works with local government authorities, NGOs, and multilateral agencies to rehabilitate the refugees in a manner consistent with international law and good practice

• A global technology company and its corporate partners work with United Nations High Commissioner for Refugees (UNHCR) to design and deploy a registration system for refugees from conflict, many of whom had been stripped of all identification documents. The database is used in the distribution of aid and assists in searching for and reuniting separated families

Consider the leadership qualities and interconnectedness of your action, including...

Collaboration: action can only be leading if essential stakeholders for resolution of conflicts and crises are involved, including government and international institutions, as well as ngos, civil society organisations, and other companies.

Accountability: action in areas of conflict and humanitarian crises must be fully accountable, with attention for identifying, monitoring, and managing risks of negative impacts on human rights in affected communities and providing opportunities for redress.

Interconnectedness: contributing to addressing conflicts and humanitarian crises, and helping to build institutions, can strongly contribute to people-oriented Goals including no poverty (Goal 1), zero hunger (Goal 2), and good health and well-being (Goal 3).
References

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Guidance on Responsible Business in Conflict-Affected & High-Risk Areas