

The 3rd National Action Plan (NAP) for the Promotion and Protection of Human Rights
Republic of Korea
2018 to 2022

*Note : Below is the provisional English translation of the Chapter 8 about business and human right of the general NAP of the Republic of Korea adopted by the State Council on 9 Aug. 2018.
by Korea House for International Solidarity (KHIS)*

- I. A society where everyone's life is protected
- II. A society where everyone is equal
- III. A society where everyone is free
- IV. A society where everyone joins hands for justice
- V. A society where everyone seeks for a better future
- VI. A society where everyone enjoys equal rights
- VII. A society where everyone promotes enhanced human rights culture
- VIII. A society where everyone works for human rights-friendly corporate operations
(Business and Human Rights)

Chapter 8 : Business and Human Rights

Table of Contents

A. Meaning and Background

- (1) Meaning
- (2) Background

B. International Standards

C. Current Status

- (1) Domestic Status
- (2) Implementation of the Second NAP

D. Tasks for the Third NAP

<Institutionalization of Human Rights Management>

- ① Secure corporate responsibility on human rights
- ② Establish and implement measures for corporate sustainability management
- ③ Public procurement considering social responsibility
- ④ Secure consumer safety on consumer products
- ⑤ Support corporate with gender equality management
- ⑥ Protect human rights through multilateral international organizations
- ⑦ Prevent human rights violations to local workers in Korean companies overseas

<Enhance the Effectiveness of Grievance Settlement · Relief Process>

- ① Relieve damage of humidifier disinfectants and prevent recurrence
- ② Run consumer friendly recall system
- ③ Enhance the effectiveness of government-based remedy

With the increasing influence of corporations in our society, there has been an increasing expectation for human rights protection and respect in business activities. States should take actions to address adverse impacts on human rights by business activities, ensure and support corporate responsibility to respect human rights, and realize effective policies to improve access to remedy. While tasks of improving protection and respect for human rights in business activities are discussed in other rights such as the right to work and the right to decent living, we are here separately addressing several tasks including institutionalization of human rights management and remedies for victims under the theme of business and human rights, given the special significance of establishing human rights policies on business activities.

A. Meaning and Background

(1) Meaning

The action plan on business and human rights is designed to prevent corporate human rights abuses by encouraging corporations to respect human rights and contribute to the promotion of human rights by guiding business activities in human rights-friendly ways.

(2) Background

With the expansion of corporate social influence and increased interest in human rights management, there has been increasing demands for corporate to protect and respect human rights across the world. As seen in the development of the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the OECD Guidelines on Multinational Enterprises, and the UN Global Compact, the international community has been interested in the issue of business and human rights. Since the United Nations adopted the UN Guiding Principles on Business and Human Rights in 2011, the Guiding Principles have been established as the standard international norms in business and human rights by being widely adopted in governments, corporations, civil society organizations and international organizations.

The UN Guiding Principles has encouraged the development and implementation of a National Action Plan on business and human rights as an effective way of implementing the Guiding Principles.

The UN published a guidance on a NAP on business and human rights in 2014.

Since then, already about ten states including the UK have established and implemented NAPs on business and human rights and 19 states including the US are developing one. The National Human Rights Commission of Korea recommended the Korean government to establish a NAP on business and human rights in September 2016.

B. International Standards

(1) ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

- States should develop and implement proactive policies for promoting employment, while multinational corporations operating in developing countries should strive to expand employment opportunities and number of jobs.

- The Declaration is to promote multinational business enterprises' contribution to social and economic development and minimize any potential impacts in multinational corporations' operation by encouraging cooperation among the three parties of labor organizations, employer organizations, and the government and enforcing appropriate policies and legislations.

(2) The OCED Guidelines for Multinational Enterprises

- The Guidelines promote socially responsible business conduct while minimizing adverse impacts on human rights caused by business activities

- For specific instances of violations of the Guidelines, national contact points provide good office for both parties to address the concern, issue recommendations, and promote and educate the Guidelines.
- Up to date, a total of 48 states adopted the OECD Guidelines.

(3) The UN Global Compact

- Corporations should protect, support and respect the internationally recognized human rights and make sure their activities not in collusion with human rights abuses
- The UN Global Compact is a professional UN organization dedicated to promoting corporate social responsibility. It highlights the compliance of ten principles in human rights, labor standards, environment and anti-corruption, etc.

(4) The UN Guiding Principles on Business and Human Rights

- The State duty to respect, protect and fulfil human rights and fundamental freedoms
- The role of business enterprises as specialized organs of society performing specialized functions, required to comply with all applicable laws and to respect human rights
- The need for rights and obligations to be matched to appropriate and effective remedies when breached

C. Current Status

(1) Domestic Status

- Increased discussion of corporate social responsibility as a result of human rights issues such as low wages, child labor, poor working environment and forced migration of indigenous people in the management process of multinational corporations
- Following the adoption of the ‘UN Guiding Principles on Business and Human Rights’ in 2011, various follow-up measures are being pursued to realize the guiding principle internationally
 - Establishment of ‘NAP on Business and Human Rights’ is being mentioned as one of the follow-up measures
 - The National Human Rights Commission of Korea also announced ‘National Human Rights Policy Basic Plan Recommendation of Business and Human Rights’ on September 2016.
- Description of the expiration dates of the comprehensive policy for sustainable management by amending the 「Industrial Development Act」 on December 2017
 - * Article 19 (Comprehensive Policies for Sustainable Management)
 - (1) The Government shall formulate and implement comprehensive policies every 5 year to encourage corporations to promote activities for sustainable management that takes into account economic profitability, environmental soundness, and social responsibility.
- Revision of 「Procurement Business Act」 and addition of an article promoting corporate social responsibility on January 2016
 - * Article 3-2 (Encouraging Social Responsibility)
 - The administrator of the Public Procurement Service may reflect social and environmental values such as environment, human rights, labor, employment, fair trade, and consumer protection in the procurement process to encourage corporate social responsibility
- According to ‘Operation Rules for National Contact Point (NCP) for Implementing OECD Guidelines for Multinational Enterprises’ enacted in 2001, NCP was established within the Ministry of Trade, Industry and Energy. But considering the fact that it is insufficient to prevent human rights

violations of corporations, NCP amends operational rules and strengthens the diversity and professionalism of its members

- The government has been passive in dealing with humidifier disease damage as a problem between the corporations and the victims, limited the cause of the incident as the fault of the enterprise, and admitted only patients with ‘pulmonary fibrosis’ as victims. However, it is necessary to take active measures to ensure the safety of the citizens
- There is growing anxiety about biochemical products after humidifier sterilizers, but since data needed for assessment of human hazards are managed and used by each department, effective response is difficult. It is necessary to eliminate safety blind spots and strengthen monitoring to 24 hours a day through integrated assessment of human hazards regarding directly applied products to prevent damage and further spread

(2) Implementation of the Second NAP

- Promotion of social responsibility, including respect for human rights in managerial activities
 - Publication of operating casebook of Creating Shared Value Forum and opening of training course for experts of corporate social responsibility and creating shared values
 - Revision of 「Procurement Business Act」 and addition of an article promoting corporate social responsibility on January 2016
- Improvement of OECD Guidelines for Multinational Enterprises National Contact Point (NCP)
 - Held meetings and seminars for overseas Korean companies to promote the implementation of OECD Guidelines
 - Operated NCP website (www.ncp.or.kr) and opened English website
 - Diversified the composition of the members as requested in the OECD Guidelines and professionalized the operational procedures

D. Tasks for the Third NAP

<Institutionalization of Human Rights Management>

① Secure corporate responsibility on human rights

- Express expectations of corporate responsibility on respecting human rights in a way that can be effectively communicated to corporations in order to fulfill their responsibilities in respect of human rights.
 - Express expectations of corporate responsibility on respecting human rights through its official website. (declaration)

- | |
|--|
| <p>(1) All corporations within the territory or jurisdiction of Republic of Korea, regardless of its size or location, should implement the corporate responsibility on respecting human rights defined by UN Guiding Principles.</p> <p>(2) To the extent possible, corporations should pay attention to prevent human rights violations happening at supply chain such as business partners or supplying companies</p> <p>(3) Government should provide necessary support and legal, policy, and institutional arrangements for corporations to fulfill their human rights responsibilities.</p> |
|--|

- Promote business and human rights through the economic organizations including Korea Employers Federation (KEF)

② Establish and implement measures for corporate sustainability management

- Reflect ‘respecting human rights·prohibition on discrimination’ ‘work-life balance’ on the criteria of factual survey on corporate sustainability management and reward assessment
- Include corresponding strategy about making global standard and norms of corporate sustainability management

③ Public procurement considering social responsibility

- Revise related institutions and bylaws with newly organized clause in 「Government Procurement Act」 which promotes social responsibility
- Highly recommend to apply the guidelines which reflects the corporate social responsibility
 - Give additional credit points to companies which are ‘female·disabled friendly companies’ and which offer work-learning dual program following the guidelines of qualification examination on goods purchase(Public Procurement Guidelines)
 - Give additional 10% point on management condition mark when female·disabled friendly companies or social enterprises record construction ratio over 30% according to detailed guidelines of qualification examination on facility construction(Public Procurement guidelines)

④ Secure consumer safety on consumer products

- Secure product safety of those close with consumer life
 - Strengthen supervision on markets of illegal and faulty items of critical safety products and improve blind spot for safety supervision
 - Settle down children’s products safety system and diversify safety supervision on a circulation market (of import products)
 - Secure product safety system and strengthen safety standards for an advanced product management system
 - Strengthen conducting a check on a legal duty of product safety and build up the confidence of certification
 - Develop and distribute children’s product safety education program and advance hands-on education
 - Provide the information related to children’s product safety and provide statistics based system

⑤ Support corporate with gender equality management

- Support gender equality education to managerial staff in private business·public institution and of human resources department
 - Conduct gender equality education to managerial staff or human resources manager who has strong sayings on decision making and recruitment

⑥ Protect human rights through multilateral international organizations

- Participation of multilateral international organizations including UN, WTO, ILO, OECD and

consideration of human rights issues related to business

- Actively participate when discussing on improving human rights and adopting a resolution related to business
- Emphasize the importance of efforts to improve business related human rights during our government speech

⑦ Prevent human rights violations to local workers in Korean companies overseas

- Share major issues and establish a cooperation system with related domestic and foreign institutions
- Open local briefing session on labor management for Korean companies overseas and domestic briefing session for companies scheduled to go abroad
- Publish and provide data of labor management country-by-country

<Enhance the Effectiveness of Grievance Settlement・Relief Process>

① Relieve damage of humidifier disinfectants and prevent recurrence

• Actively push ahead the relief efforts according to 「Special Act on Remedy for Damage Caused by Humidifier Disinfectants」('17. 8. 9.)

- Expand the approval of damaged disease by government through setting ‘Remedy for Damage Committee’ and ‘Remedy Account Management Committee’
- Support making an extra remedy account to aid victims who were excluded from government aid (125 billion won), actively find more victims, make the best use of emergency medical support system, and expand monitoring on victim’s health
- Conduct psychological counseling for victims and the bereaved (conduct online and face-to-face counseling to mentally ill patients with anger, sense of guilt, etc.)

② Run consumer friendly recall system

• Activate the recall system by consumer friendly recall system(joining up between government departments '17. 6. 29) and enhance the recall rate

Provide standard forms and use easy words to understand the cause and result of damage, weak subjects, record of incidents, etc.

- Provide causes and results, vulnerable subjects, incident and accident history of the fault, provide standardized forms, and use easily understandable terms
- Enhance the recall rate, rapidly kick out illegal and faulty children products
- Expand rating classification of risk regarding recall products to drinking water and cosmetics
- Strengthen blocking the circulation of recalled products and improve return procedures
 - Expand the application of system on blocking the sales of dangerous products and activate the operation
 - Cooperate with circulation business on implementing recalls

③ Enhance the effectiveness of government-based remedy

• Benchmark advanced countries who have operated NCPs for a long time through the OECD peer review process

• Improve the operation of NCP

- Diversify the composition of organization to make possible for neutral and professional personnel

to participate

- Share best practices of foreign objection to enhance the effectiveness of guidelines
- Expand the participation of the persons concerned including NGOs, employer's federation, etc.
- Strengthen consistent promotion on the NCP system including its functions
- Educate Korean companies overseas on human rights

<End>