



# UN GLOBAL COMPACT Korea Leaders Summit 2015

Business Engagement for  
Achieving Sustainable Development

## Outcome Report

**19 May 2015 (Tue)**  
**Conrad Seoul Hotel in Yeouido**



**United Nations** Global Compact



Global Compact Network  
Korea

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## **Acknowledgement**

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# **Photo Gallery**

## **UN GLOBAL COMPACT Korea Leaders Summit 2015**

Business Engagement for  
Achieving Sustainable Development

## Opening



## Keynote Address



## Launching of Business for Peace Korea





## Ceremony for the Korea Exchange's Joining SSE



## Special Session: Post-2015 Business Engagement





## Special Lecture: Business and Human Rights



## Luncheon Speech



## Special Session: Private Sustainability Finance and Investment



## Breakout Session A: Business and Human Rights







## Breakout Session B: Environment







Breakout Session C: Business for Peace







Breakout Session D: Anti-Corruption







## Adoption of the Seoul Declaration 2015 and Closing



## Group Photography



# **Outcome Report**

**UN GLOBAL COMPACT**

**Korea Leaders Summit 2015**

Business Engagement for  
Achieving Sustainable Development



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# 1. Executive Summary

The UNGC Korea Leaders Summit 2015, hosted by the Global Compact Network Korea in close collaboration with the UN Global Compact Headquarters, convened approximately 600 participants at Conrad Seoul in the Republic of Korea on 19 May 2015. Inaugurated by United Nations Secretary-General Ban Ki-moon, the Summit gathered business leaders, government officials and civil society experts from around the globe to discuss *Business Engagement for Achieving Sustainable Development*.

In anticipation of the Sustainable Development Goals (SDGs) to be launched later this year, the Summit provided an opportunity to explore the role of business in the post-2015 development agenda. The plenary sessions featuring distinguished speakers highlighted the business case for sustainability and presented how business can help implement the SDGs through their business activities and collective action. The four breakout sessions on business and human rights, environment, Business for Peace and anti-corruption were organized in partnership with relevant government organizations to promote public-private dialogue on advancing global priorities. The afternoon session focused on private sustainability finance and investment with a view of fostering greater social impact.

The Summit marked the official launching of Business for Peace Korea. The Secretary-General participated in the launching ceremony along with private and public signatories operating in the Gaeseong Industrial District to advance peace in the Korean peninsula through economic cooperation.

Furthermore, the Summit included the celebration of the Korea Exchange's commitment to the Sustainable Stock Exchanges initiative. In the presence of Secretary-General Ban Ki-moon, the CEO of the Korea Exchange publically announced their commitment to promoting improved corporate performance on environmental, social and governance issues.

The event culminated with all the participants gathering for the adoption of the Seoul Declaration 2015. Reiterating the importance of business engagement for achieving sustainable development, the Declaration called upon businesses to contribute to the post-2015 development agenda, protect the environment, respect and support human rights, advance world peace, combat corruption and help finance global sustainable development.

Calling Korean business leaders to join the concerted efforts of the global community, the Summit engaged various stakeholders in a discourse on the role and responsibility of business in the implementation of the post-2015 development agenda.

## 2. Overview

### 1) Background

The year 2015 holds much significance for the global community, as the Millennium Development Goals (MDGs) expire and the Sustainable Development Goals (SDGs) for the next 15 years will be launched. It is a year of emphasis on business engagement for sustainable development as well as a year of defining important agendas including poverty eradication and climate change.

In this regard, the Global Compact Network Korea and the UN Global Compact Headquarters co-hosted the UNGC Korea Leaders Summit 2015: *Business Engagement for Achieving Sustainable Development* to explore the global movement towards sustainability and discuss how business can engage in the post-2015 development agenda. The Summit presented an opportunity for the UN Global Compact to disseminate its values in the areas of human rights, labour, environment and anti-corruption and introduce its corporate sustainability initiatives including Business for Peace and Caring for Climate.

### 2) Agenda

Time	Programme	
09:30~09:33	Opening Remarks	- <b>Seung-han Lee</b> , President, Global Compact Network Korea
09:33~09:40	Congratulatory Address	- <b>Kyung-hwan Choi</b> , Acting Prime Minister, Deputy Prime Minister and Minister of Strategy and Finance
09:40~10:00	Keynote Address	- <b>Ban Ki-moon</b> , Secretary-General, UN - <b>Susilo Bambang Yudhoyono</b> , Chair of the Council and President of the Assembly, GGGI
10:00~10:10	Launching of Business for Peace Korea	
10:10~10:20	Ceremony for the Korea Exchange's Joining SSE	
10:20~10:30	Group Photography	
10:30~11:40	Special Session <Post-2015 Business Engagement>	- <b>Georg Kell</b> , Executive Director , UN Global Compact - <b>John Elkington</b> Co-Founder and Executive Chairman, Volans
11:40~11:50	Coffee Break	
11:50~12:20	Special Lecture <Business and Human Rights>	- <b>Michael K. Addo</b> , Chairperson, UN Working Group on the issue of human rights and transnational corporations and other business enterprises

12:20~14:00	Luncheon	- <b>Jeffrey D. Sachs</b> , United Nations Secretary-General’s Special Advisor on the MDGs		
14:00~16:20	Breakout Session			
	Business and Human Rights	Environment	Business for Peace	Anti-Corruption
16:20~16:40	Coffee Break			
16:40~17:30	Special Session <Private Sustainability Finance and Investment>	- <b>James Zhan</b> , Director of Investment and Enterprise Division, United Nations Conference on Trade And Development - <b>Joon Choi</b> , Vice President of Corporate Contribution Committee, SK Group		
17:30~17:50	Special Performance			
17:50~18:00	Adoption of the Seoul Declaration and Closing			

### 3) Host Organizations

#### ❑ Host: The United Nations Global Compact

The United Nations Global Compact is a voluntary strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. It is the largest corporate citizenship and sustainability initiative in the world, offering a unique strategic platform for participants to advance their commitments to corporate citizenship and sustainability. Since its official launch in 2000, the initiative has grown to include more than 12,000 participants, with over 8,000 businesses in 170 countries. It aims to mainstream the Ten Principles in business activities around the world and catalyze actions in support of broader UN goals, including MDGs and SDGs.

For more information: <http://www.unglobalcompact.org>

#### ❑ Host: Global Compact Network Korea

Established in September 2007, the Global Compact Network Korea has supported Korean UN Global Compact participants in implementing the Ten Principles by holding workshops, symposiums and conferences, translating UN/UN Global Compact related materials, promoting social dialogue and undertaking CSR projects. The initiative has grown to 285 participants in Korea as of April 2015.

For more information: <http://www.unglobalcompact.kr>

## ❑ Co-Hosts of Breakout Sessions



## 3. Plenary Session

### 1) Opening



Seung-han Lee



Kyung-hwan Choi

#### ❑ Opening Remarks

##### ▪ **Seung-han Lee: President, Global Compact Network Korea**

Mr. Seung-han Lee opened the Summit highlighting the expansion of the Global Compact Network Korea and expressing his appreciation for Secretary-General Ban Ki-moon's encouragement of corporate social responsibility and sustainability. He stressed the significance of the year 2015 as the Millennium Development Goals (MDGs) expire and the Sustainable Development Goals (SDGs) would be launched along with other significant agendas like the new climate change regime for the global community. In this regard, he encouraged participants to discuss a way forward on post-2015 private sector engagement for achieving sustainable development and corporate sustainability. In addition, he welcomed the launching of Business for Peace Korea and the Korea Exchange's joining the Sustainable Stock Exchanges initiative.

#### ❑ Congratulatory Address

##### ▪ **Kyung-hwan Choi: Acting Prime Minister, Deputy Prime Minister and Minister of Strategy and Finance**

Congratulating The UNGC Korea Leaders Summit 2015, H.E. Mr. Kyung-hwan Choi described the Summit as a "meaningful occasion" in recognition of the coming SDGs and thanked the Global Compact Network Korea for organizing the event. Highlighting the importance of business engagement for the post-2015 development agenda, he said that businesses can "achieve long-term growth when they act as responsible corporate citizens by seeking social values in cooperation with other players in society." Concluding his speech with encouragement for constructive, in-depth discussions during the Summit, he reiterated the importance of business leaders fulfilling their duty to achieving sustainable development in the areas of human rights, labor, environment and anti-corruption.

## 2) Keynote Address



Ban Ki-moon



Susilo Bambang  
Yudhoyono

### ▪ **Ban Ki-moon: Secretary-General, United Nations**

H.E. Mr. Ban Ki-moon commenced his speech congratulating the Global Compact Network Korea for its solid achievement as one of Top Ten Best Performing Networks in the Global Compact. He extended his appreciation to business leaders for their support and participation in the UN Global Compact's initiatives including the Sustainable Stock Exchanges initiative and Business for Peace. Calling this year "the time for global action," he said that business plays a key role in the success of several important international forums taking place in 2015 and would be deeply involved in the implementation of their outcomes.

Urging business leaders to be more creative in their contributions to international progress, he emphasized the need for private sector support for the SDGs with a broader, more comprehensive vision towards global issues like poverty, climate change and conflict. He particularly urged Korean companies that are leading innovation today to match their global presence with global engagement for the public good. Concluding his remarks, he stressed the importance of gender equality and encouraged business leaders to continue their support for the United Nations and the UN Global Compact.

### ▪ **Susilo Bambang Yudhoyono: Chair of the Council and President of the Assembly, Global Green Growth Institute**

H.E. Dr. Susilo Bambang Yudhoyono highlighted the critical role of business in achieving the SDGs. Pointing out the link between business and society, he argued that the private sector holds much capacity to create wealth and change the fate of societies undergoing serious challenges like climate change. He attributed to the UN Global Compact the commitments of businesses to mainstream the Ten Principles, as well as the strengthened partnership between business, governments, civil society, and labor across borders through the Global Compact Local Networks. Furthermore, he noted that the Summit is timely on the cusp of the post-2015 development era, presenting an important opportunity for business to further develop new strategies, partnerships and initiatives that would contribute to building a sustainable future. Mentioning that Korea has shown leadership toward inclusive, sustainable development, he concluded his speech with hopes for fruitful discussions to be made during the Summit.



### 3) Special Session: Post-2015 Business Engagement

#### □ Speakers:

- **Georg Kell:** Executive Director, UN Global Compact
- **John Elkington:** Co-Founder and Executive Chairman, Volans



Georg Kell



John Elkington

- **Georg Kell: Executive Director, UN Global Compact**

Mr. Georg Kell stressed both the moral and financial aspects to the call for corporate sustainability. He reminded business leaders that government regulations and sustainable investments are bound to grow, and stated the costliness of ignoring sustainability issues driven by changing business trends in foreign direct investment, transparency and externalities. Establishing the business case for sustainability, he encouraged business leaders to engage in solution-based, issue-specific platforms of the UN Global Compact such as Caring for Climate, Business for Peace and Women's Empowerment Principles.

He also used the Post-2015 Business Engagement Architecture – developed by the UN Global Compact and launched by UN Secretary-General Ban Ki-moon at the Global Compact Leaders Summit 2013 to illustrate the main building blocks necessary to enhance corporate sustainability as an effective contribution to sustainable development, creating value for both business and society – to explain how public and private interests overlap and to urge business leaders to support the United Nations by strategically aligning their long-term goals with specific SDGs. He concluded his speech appealing to Korean business leaders to demonstrate leadership on climate change, particularly, by influencing policy makers to introduce an ambitious climate policy to price carbon.

- **John Elkington: Co-Founder and Executive Chairman, Volans**

Mr. John Elkington emphasized that the next 15 years, which he referred to as “the breakthrough decade,” would be critical for sustainability and that the world is much closer to breaking the sustainability barrier than ever imagined. Looking beyond 2015, he noted that business has an indispensable role to play in implementing the SDGs, saying, “Sustainable development has to be delivered with business through markets.” Sharing his experience working with various experts and business leaders around the globe for over two decades, he said that there had been a notable change in the business world as more business leaders are setting ambitious goals and reaping rewards for pursuing sustainability.

He used his latest work, *The Stretch Agenda*, to illustrate how sustainability challenges are increasingly being understood as opportunities by high level corporate executives, including Chief Executive Officers (CEOs), Chief Financial Officers (CFOs), Chief Human Resources Officers (CHROs) and Chief Marketing Officers (CMOs).

## Discussion

- **Georg Kell:** “You have been a pioneer on the sustainability front for the past 20 years. The world today is very different. We live in a world that is fragmenting, where we face many challenges and disruptions but also have many solutions. How do you assess the possibility for making breakthrough changes happen? Do you think we have enough time to make it happen?”
- **John Elkington:** “I think that we have all the time in the world although we have a decade to make all the critical decisions and actions. We have to refrain from panicking and consider this as an intergenerational project. We have come a long way since the 1990s. For example, most business leaders today understand the impact of policies on their performance. In the past, NGOs were against the idea that business should lobby the government. It began to change in 1995 when NGOs called on Shell to lobby the Nigerian government. Also, the competition on sustainability was among few companies in the 1990’s. Now, the competition is between business to business platforms, indicating that sustainability is becoming deeply strategic for many companies. Although this fragmenting world you described will be a challenge, I am and remain optimistic.”
- **John Elkington:** “The number of the UN Global Compact signatories is impressive. It says that there are 7,000 to 7,500 companies. The Global Compact equally needs to go deep into particular industries just as it is growing broad. What is the Global Compact’s ambition for the next 3 to 5 years? Will it continue growing until it hits 10,000 signatories?”
- **Georg Kell:** “The Global Compact is a voluntary initiative that aims to transform the global market from within. As an open source movement, we want to win over all companies. United Nations Secretary-General Ban Ki-moon set the goal of reaching a critical mass of 20,000 companies 4 years back. Considering the fact that there are approximately 50,000 publically listed companies in the world, the goal of 20,000 is deemed a tipping point. Another pathway for breakthrough change is finance. Since the breakthrough last year, many asset managers and owners are moving from short-term to long-term interests. With the world of finance rewarding sustainability, this agenda will really take off. Thirdly, local networks are the future. At the end, all problems are to be addressed in the local context. We have to support the local networks to attain a critical mass at the country level and to set the tone for this bottom up movement.”
- **John Elkington:** “NGOs are increasingly concentrating on publically listed companies. The global economy, particularly Asia, has many family-owned businesses and state-owned businesses. How do they fit into the Global Compact’s membership and portfolio?”

- **Georg Kell:** “They have equal importance in our membership. We are open to all types of business and models of ownership. We have numerous state-owned companies. Generally, state-ownership allows for more long-term planning but there is a lack of resource efficiency and competition which may be at the expense of long-term productivity. We need a special group on state-ownership companies to address the risks to competition and openness. Excessive state-ownership can lead to oligopolistic behavior whereby performance-driven sustainability cannot prosper. Another risk is violence and breakdown of values occurring around the world associated with fragmentation. This is why Business for Peace is important. The world is really on the brink of crisis situations and we need to unlock the good in entrepreneurship to restore basic values and long-term attitude on ethics. Business is predestined to be a messenger of peace. Business makes commerce, connects culture and people and transfers values and understanding. So, calling on business to be ambassadors of peace makes perfect sense.”

## 4) Special Lecture: Business and Human Rights

### □ Speaker:

- **Michael K. Addo:** Chairperson, UN Working Group on the issue of human rights and transnational corporations and other business enterprises



Michael K. Addo

Prof. Michael K. Addo focused particularly on the work done by the United Nations Working Group on Business and Human Rights. He introduced the UN Guiding Principle on Business and Human Rights, which he called “the first authoritative global framework to define the respective duties and responsibilities of governments and business enterprises for preventing and addressing adverse human rights impacts.” He mentioned the state duty to protect human rights, the corporate responsibility to respect human rights, and access to remedy for victims as the three pillars of the Guiding Principles. Referring to a mix of legal and voluntary standards as a “Smart Mix,” he said that the state duty to protect and the corporate responsibility to respect work together for a holistic and effective system of business and human rights under the UN Guiding Principles.

Prof. Addo emphasized that human rights is one of the shared values that all stakeholders accept and consider as a priority regardless of context. “The shared nature of human rights also means that all actors might benefit from that social value,” he said. He also mentioned that both business and human rights as separate disciplines entities have developed a heritage of principles, theories and practices that could be mutually beneficial. Despite human rights being a universal value, he pointed out that the business community has not been fully aware of the relevance and significance of human rights. He said that the challenge of inviting business to take account of human rights would require a new strategy that would “bring human rights from its traditional privileged ‘high horse’ among social values and to be translated into business language.” He also mentioned the need to streamline and reconcile the diverse social policy initiatives that business enterprises already undertake, ranging from voluntary to quasi-compulsory initiatives.

To address these challenges, he announced the Working Group’s proposals for nations to develop a National Action Plan (NAP) and participate in regional forums for multi-stakeholder dialogue. He also shared that the United Nations Human Rights Council is in the process of establishing an inter-governmental working group on a legally binding instrument on transnational corporations and human rights. He closed his lecture encouraging Korea to develop a NAP and to take part in a regional forum for Asia.

## 5) Luncheon Speech

### □ Speaker:

- **Jeffrey D. Sachs:** United Nations Secretary-General's Special Advisor on the MDGs



**Jeffrey D. Sachs**

Prof. Jeffrey D. Sachs began his speech highlighting the critical role of the UN Global Compact in bringing together business, governments, academia, civil society and other stakeholders for collaboration since its inception. He also mentioned that the business community has been playing a leading role in the global agenda including the SDGs and climate change. He pointed out that there was not enough progress made since the Rio Declaration in 1992 despite having convened several important conferences. With the launching of SDGs in September and the Conference of Parties 21 (COP21) in December, he called this year an “urgent last year” for nations to collectively make an ambitious commitment for action. Stressing the worsening of desertification and El Nino year after year due to climate change, he warned that the goal of keeping global temperature rise below 2°C above pre-industrial levels is in danger of failing. He shared his expectations of Korea, which has become one of the main global economies through innovative technology, education and leadership, to play a key role in implementing the SDGs. He closed his speech urging Korea to pursue economic growth while still addressing challenges to sustainable development, particularly by reforming its energy system to reduce greenhouse gas emission.

## 6) Special Session: Private Sustainability Finance and Investment

### □ Speakers:

- **James Zhan:** Director of Investment and Enterprise Division, United Nations Conference on Trade And Development (UNCTAD)
- **Joon Choi:** Vice President of Corporate Contribution Committee, SK Group



James Zhan



Joon Choi

- **James Zhan: Director of Investment and Enterprise Division, United Nations Conference on Trade And Development (UNCTAD)**

Mr. James Zhan began his presentation explaining the importance of wider and inclusive stakeholder participation on the investment needs to achieve the SDGs. The latest UNCTAD figure on the scope of investment and finance for the SDGs shows that the private sector's role in financing the SDGs is indispensable. He mentioned that businesses not only have to adopt a more responsible approach to business practice but also have to increase investment and business activity in SDG-related sectors and communities. He introduced the UNCTAD's Action Plan for Investing in the SDGs consisting of priority packages and recommendations both to policy makers and corporate CEOs. Furthermore, he pointed out that aligning corporate goals with the SDGs also involves responsible investment. Taking the UN's Principles for Responsible Investment and the Sustainable Stock Exchanges initiative as examples, he concluded his presentation highlighting the potential of financial markets and stock market stakeholders now fostering responsible investment, sustainability reporting and sustainable business practice.

- **Joon Choi: Vice President of Corporate Contribution Committee, SK Group**

Mr. Joon Choi focused his presentation on supporting social entrepreneurship, which he believes has the power to foster social impact and also address global issues. He shared successful cases of SK's continued effort to support social entrepreneurs such as Happy Lunch Box, Happynarae and Social Entrepreneur MBA Program. In particular, he emphasized the Social Enterprise Action Hub, which is a platform for social entrepreneurs and stakeholders. Established in cooperation with the UN Global Compact, it organizes large amounts of socially innovative ideas through IT platforms to enhance market performance. Insisting that incentives could spur the market's attractiveness for investors, he also mentioned SK's Social Progress Credit, which helps foster an ecosystem for social enterprises by providing monetary incentives based on social impact.



## 4. Breakout Session

### 1) Session A: Business and Human Rights

#### □ Welcome Speech:

- **Byung-chul Hyun:** Chairperson, National Human Rights Commission of Korea (NHRCK)

#### □ Congratulatory Address:

- **Michael K. Addo:** Chairperson, UN Working Group on the issue of human rights and transnational corporations and other business enterprises

#### □ Main Speakers:

- **Eva Grambye:** Deputy Executive Director & Head of International Division, Danish Institute for Human Rights (DIHR)
- **Michelle Staggs Kelsall:** Deputy Director, Human Rights Resources Centre

#### □ Moderator:

- **Sang-don Shim:** Director-General, National Human Rights Commission of Korea

#### □ Panellists:

- **Jong-suk Ye:** Chairman, Beautiful Foundation
- **Cheol-ung Je:** Professor, Hanyang University School of Law
- **Seong-hoon Lee:** Executive Director, Korea Human Rights Foundation
- **Jong-oh Jin:** General Director, National Health Insurance Service



Byung-chul Hyun



Michael K. Addo



Eva Grambye



Michelle Staggs Kelsall



Sang-don Shim



Jong-suk Ye



Cheol-ung Je



Seong-hoon Lee



Jong-oh Jin

## ❑ Welcome Speech

- **Byung-chul Hyun: Chairperson, National Human Rights Commission of Korea (NHRCK)**

Mr. Byung-chul Hyun highlighted Korean society's increased interest in human rights management ever since the global community brought business and human rights issues to the table. He said that the NHRCK has been endeavoring to facilitate research and discussions on human rights. In particular, he mentioned NHRCK's efforts to galvanize voluntary corporate engagement by developing and disseminating human rights guidelines and checklists to complement the UN Guiding Principle on Business and Human Rights. He also said that NHRCK is developing a system to assess public organizations, and as a result, he said that 115 out of 117 organizations made commitments to comply with human rights management guidelines as of June 2014. Stressing that businesses including public organizations cannot be sustainable without proper human rights management, which is increasingly becoming a global standard, he expressed his hopes for human rights management to be widespread in corporate culture everywhere.

## ❑ Congratulatory Address

- **Michael K. Addo: Chairperson, UN Working Group on the issue of human rights and transnational corporations and other business enterprises**

Noting that Korean businesses are very conscious of human rights, Prof. Michael K. Addo highlighted the importance of human rights in business activity. "Why should not we separate business with human rights? This is because business is all about people and we cannot consider successful business out of human rights. Business that does harm to people is not successful business," he explained. He also mentioned that investors consider human rights as one of the key investment standards. "When it comes to investment, investors simply have to consider sustainability as investment standard for their long-term benefits. Investors have already acknowledged that businesses that disregard human rights in their operations cannot survive," he said, stressing the importance of human rights in investment decisions. Reminding the audience that markets around the world are taking human rights seriously, he closed his address warning Korean businesses against evading the issue of human rights in their operations.

## ❑ Speech

- **Eva Grambye: Deputy Executive Director & Head of International Division, Danish Institute for Human Rights (DIHR)**

Emphasizing that the DIHR aims to convince and advise rather than preach and shame, Ambassador Eva Grambye shared why and how DIHR is engaging with businesses to promote human rights. She pointed out that human rights and business fundamentally need each other to thrive. In her view, while business plays a critical role in realizing human rights, human rights offers greater predictability, stability, transparency and opportunity to optimize potential, all of which support business activity. She also said that businesses

need to consider human rights for their longevity and said the “ability of companies to engage with and understand their stakeholders is key to survival.” Moreover, she pointed out that there is a mounting body of evidence that a compelling business case could be made for human rights and sustainability, including women’s empowerment, anti-corruption and environmental protection.

She explained how the DIHR works with individual companies, international system, governments, and national human rights institutions in various projects to promote human rights in business. She described the international system as a platform where much of the guidelines and tools are and should be formulated for everybody to benefit. Also, she mentioned the role of governments in incentivizing and requiring companies to implement responsible business practices. In addition, she stressed the role of national human rights institutions in facilitating the development of a National Action Plan (NAP).

▪ **Michelle Staggs Kelsall: Deputy Director, Human Rights Resources Centre**

Ms. Michelle Staggs Kelsall introduced the UN Guiding Principles Reporting Framework and addressed four key questions: what the reporting framework is, why it matters, how the reporting framework was developed and how the reporting framework adds value. She introduced the UN Guiding Principles Reporting Framework as the first comprehensive framework for companies to report on how they respect human rights, and explained the framework in three parts: defining the focus of reporting, governance of respect for human rights and management of salient human rights issues.

Pointing out that human rights reporting has been weakest in sustainability and corporate responsibility reporting, she stressed the necessity of reporting framework reflecting and supporting respect for human rights in the core business. She explained that the reporting framework will help companies improve their management systems and provide guidance to companies about how best to disclose information about their human rights policies, processes and performance. Moreover, she said that the reporting framework helps companies to know and show that they are respecting human rights by supporting effective human rights due diligence and enables them to identify weaknesses they need to address. She concluded her speech encouraging Korean companies to adopt this framework.

## Panel Discussion

- **Jong-suk Ye:** Mr. Jong-suk Ye shared various programs of Beautiful Foundation that addresses human rights issues. He said that Beautiful Foundation has been supporting the labor union of Ssangyong Motor through the Yellow Envelope Campaign to ensure Ssangyong Motor workers receive proper compensation. Moreover, he said that they are undertaking various projects to investigate and address human rights abuse by Korean companies operating overseas, to help improve work environment and rights of workers in service and sales, to promote adoption of human rights standards among tear gas exporting companies and to support legal service for public interest. He said that these stakeholder-oriented projects aim to help companies continuously monitor and minimize their human rights impact. He closed his speech highlighting the need for support and engagement for these projects to continue.

- **Cheol-ung Je:** Prof. Cheol-ung Je emphasized that business has a critical role to play in protecting human rights. He said that the government has a keen interest in business and human rights, both of which are central to the social life of citizens, because it has the duty to protect and advance them. He pointed out that, in a sense, the level of human rights protection in business activity represents in general the level of human rights protection in our society. He claimed that human rights management in Korea is still inadequate and that businesses could not be ethical without properly managing human rights issues. Highlighting the rising human rights risks, he urged businesses to take human rights more seriously as a key component to ethical management.
- **Seong-hoon Lee:** Stressing the significance of the year 2015 as a milestone of business engagement in the implementation of the Sustainable Development Goals (SDGs) and a paradigm shift from CSR to CSV, Mr. Seong-hoon Lee emphasized the importance of Human Rights Impact Assessment (HRIA). He said that HRIA refers to monitoring and assessment of human rights impact before and after implementing human rights-related law, policy and/or activity. He also said that HRIA is a proactive measure to prevent negative impact and maximize positive impact through monitoring and assessment aligned with human rights principles. Using the example of Nestle's HRIA, he pointed out that companies might need assistance from an independent organization that has the expertise and objectivity to conduct a successful assessment. With this note, he encouraged government organizations, civil society and other stakeholders to work together to disseminate HRIA among various companies.
- **Jong-oh Jin:** Mr. Jong-oh Jin introduced the human rights management practices of the National Health Insurance Service. Describing his organization's progressive actions, he said that they are committed to protecting the civil rights of minority groups, socially disadvantaged persons, persons with handicap, and consumers. He mentioned that their human rights management is closely linked to Korean civil rights that value human dignity and healthy living. Furthermore, he said that they are in the process of establishing an HRIA and monitoring mechanism to proactively address human rights issues while making use of guidelines and checklists to minimize negative impacts. He said that they are monitoring their key partners and providing regular training for them as well.



## 2) Session B: Environment

### ❑ Welcome Speech:

- **Seong-kyu Yoon:** Minister, Ministry of Environment

### ❑ Main Speakers

- **Donald Cooper:** Coordinator, UN Framework Convention on Climate Change (UNFCCC)
- **Guido Schmidt-Traub:** Executive Director, UN Sustainable Development Solutions Network (SDSN)

### ❑ Moderator:

- **Soogil Young:** Co-Chair and Director, UN Sustainable Development Solutions Network (SDSN) Korea

### ❑ Panellists:

- **Yean-soon Ahn:** Director of Climate and Air Quality Management, Korea Environment Corporation
- **Chun-seung Yang:** Executive Director, Korea Sustainability Investing Forum (KoSIF)
- **Dae-woong Lim:** Korea Representative, United Nations Environmental Programme Finance Initiative (UNEP FI) & Principal Partner, Eco & Partners
- **Donna Chung:** Head of Industry Engagement & Strategic Planning, UN Global Compact



Seong-kyu Yoon



Donald Cooper



Guido Schmidt-Traub



Soogil Young



Yean-soon Ahn



Chun-seung Yang



Dae-woong Lim



Donna Chung

## ❑ Welcome Speech

### ▪ **Seong-kyu Yoon: Minister, Ministry of Environment**

Mr. Chun-kyoo Park, Director General of International Cooperation Bureau, who read on behalf of Minister Seong-kyu Yoon, emphasized that climate change is the greatest challenge for our planet today and requires urgent action of all players around the world. He said that copious research points not only to the continual rise of climate risks, but also to greenhouse gas emission from business activity as the main cause of climate change. He stressed the need to shift to a low-carbon, climate-resilient economy in response to climate change. Pointing to current progress towards this issue, he said that the global community is currently engaged in a heated discussion over the post-2020 climate change regime, which requires both developed and developing countries to reduce greenhouse gas emissions.

He emphasized that numerous companies are proactively responding to climate change by developing low-carbon, environmentally responsible products. He also highlighted the investment opportunities in climate-related sectors and the growing role of the private sector in creating markets and jobs. He asserted that the global community's goal of financing one hundred billion USD each year after 2020 would be difficult to reach without private sector financing. He closed his speech highlighting that business, civil society, government and academia need to work together to achieve climate-friendly economy, society, culture and technology.

## ❑ Speech

### ▪ **Donald Cooper: Coordinator, UN Framework Convention on Climate Change (UNFCCC)**

Mr. Donald Cooper shared collective efforts to limit global temperature rise to 2°C above pre-industrial levels. He introduced the UNFCCC and its goal of preventing the negative effects of climate change by-stabilizing greenhouse gas concentrations in the atmosphere. He said that under the UNFCCC for Conference of Parties 21 (COP21), which aims to introduce a new climate agreement, governments are in the process of developing a protocol, another legal instrument or an agreed outcome with legal force.

He also emphasized private sector engagement. Pointing out that emission reductions could be achieved through ambitious actions of private actors, he said that the private sector could lead the way in greening the economy, obtain recognition for its work and cooperate with governments for emission reduction. He added that businesses and investors are increasingly stepping up to the challenge of taking action on climate change. He concluded his speech by stressing the importance of the COP21 in Paris as a major milestone on the international climate regime, sharing his expectation that the agreement would lay the foundations for all actors to engage in addressing climate change starting from 2020.

**■ Guido Schmidt-Traub: Executive Director, UN Sustainable Development Solutions Network (SDSN)**

Mr. Guido Schmidt-Traub began his speech highlighting the seriousness of environmental problems caused by greenhouse gas emissions. Stressing the importance of keeping global temperature below the 2°C threshold, he introduced the Deep Decarbonization Pathway (DDP) project. He explained three pillars of deep decarbonization: energy efficiency, decarbonization of electricity and end use fuel switching to electric sources. He also mentioned the importance of global public-private partnerships on key low-carbon technologies and proposed that the DDP serves as an effective platform to build trust and promote problem solving.

He moved on to underscore potential roles of DDP in supporting the elaboration of ambitious Intended Nationally Determined Contribution (INDC) in the framework of the Paris agreement, providing long-term vision of the envisaged transitions and identifying strategic areas for a global technology push. Also, he pointed out that the decarbonization issue is a major opportunity for business to transform the need for low-carbon technologies into a new market. He encouraged faster technology innovation and diffusion, explaining that this would require public-private partnerships on technology for research, development, demonstration and deployment (RDD&D).

### Panel Discussion

- Yean-soon Ahn:** Highlighting the global community's dialogue leading up to the post-2020 climate regime and the INDC, Mr. Yean-soon Ahn said that Korea is endeavoring to establish a reasonable INDC in agreement with all stakeholders. He mentioned that Korea has already initiated emission trading since January and, in 2009, set the target of reducing greenhouse gas emissions by 30 percent from business-as-usual (BAU) levels by 2020, which is the highest target among the non-Annex B parties of the Kyoto Protocol. Viewing climate change as a global issue, he pointed out that inter-governmental cooperation is critical for progress to be made.

He said that the Korean government is making every effort to develop adaptation strategies and to support related industries in order to decouple economic growth from the emissions of carbon. He also stressed that the Korean government would continue its efforts to utilize market-friendly reduction policies, innovate new technology, create new markets and jobs, and foster a low-carbon economy. For example, he said that they are making it mandatory for companies emitting high rates of greenhouse gas to participate in an emission trading scheme. Other examples include developing alternative energy, energy-efficient facilities and smart intelligent transport system, setting a higher standard on automobile emission and introducing a carbon credit incentive policy.

- Chun-seung Yang:** Taking the development of fuel-efficient automobiles as an example, Mr. Chun-seung Yang emphasized that climate change is increasingly being understood as an opportunity to increase corporate competitiveness. He also mentioned that the consideration of environmental issues including greenhouse gas emission is

becoming widespread among investors. Moreover, he said that there would be greater demand for environmental infrastructure in the near future and this would serve as an opportunity for businesses to engage. Pointing out increasing investor and government interest in green bonds, which were estimated to be worth 36.6 billion USD as of 2014, he encouraged Korean businesses to take part in the emission trading scheme and other environment related market mechanisms.

- **Donna Chung:** Dr. Donna Chung introduced Caring for Climate initiative, which was launched by UN Secretary-General Ban Ki-moon in 2007. “Caring for Climate is the United Nation’s initiative for business leadership on climate change. It is a voluntary and complementary action platform for businesses that seek to demonstrate leadership on the climate issue. It provides a framework for business leaders to advance practical solutions and help shape public policy as well as public attitudes,” she explained. She mentioned that this knowledge-sharing platform is designed to provide all stakeholders with practical guidelines and tools to help respond to climate change. She invited businesses to join Caring for Climate by endorsing the Caring for Climate Statement, which requires CEO-level support. She also encouraged businesses to engage in and benefit from the Caring for Climate Business Forum which is held annually during the UN Climate Change Conference to provide a venue for business and investors to meet with governments, civil society and the United Nations.
- **Dae-woong Lim:** Mr. Dae-woong Lim stressed the importance of multi-lateral cooperation in addressing multi-dimensional nature of sustainability. “We understand through numerous studies and cases that sustainable development is dependent on synergy between socio-economic growth and environment. Achieving sustainable development requires cooperation between public and private sectors as well as investors,” he said. He also shared the UN Environment Programme Finance Initiative (UNEP FI)’s slogan: “Changing finance, financing change” and said that this slogan adequately explains sustainable finance.

Introducing UNEP FI’s banking, insurance and investment services as well as various activities to address climate change, bio-diversity and social issues, he said that UNEP FI promotes sustainable banking through the Driving Positive Impact initiative and sustainable insurance by providing UNEP FI Principles for Sustainable Insurance (PSI) and encouraging insurance companies to engage. Moreover, he said that they encourage sustainable investment through the Sustainable Stock Exchanges initiative and help respond to climate change through Portfolio Decarbonization Coalition activities to reduce investments in companies with high levels of greenhouse gas emission. Stating that the emission trading scheme, which was introduced in Korea earlier this year, is a meaningful step forward, he closed his speech sharing his hopes for the Korean government to demonstrate global leadership.



### 3) Session C: Business for Peace

#### ❑ Congratulatory Address:

- **Boo-gi Hwang:** Vice Minister, Ministry of Unification

#### ❑ Welcome Speech:

- **Nam-sik Kim:** President, Gaeseong Industrial District Foundation

#### ❑ Main Speakers:

- **Georg Kell:** Executive Director, United Nations Global Compact
- **Per L. Saxegaard:** Founder & Executive Chairman, Business for Peace Foundation
- **Kun-shik Cho:** CEO, Hyundai Asan

#### ❑ Moderator:

- **Sang-man Lee:** Professor, Economic Department, Chung Ang University & President, North Korean Policy Forum

#### ❑ Panellists:

- **Yang-ho Hong:** Co-Representative, Gaeseong Industrial Complex Forum
- **Bong-hyun Cho:** Senior Research Fellow & Director, IBK Economic Research Institute
- **Bo-hyun Pyun:** Project Manager of the Export Initiation Team, Korea Trade-Investment Promotion Agency



**Boo-gi Hwang**



**Nam-sik Kim**



**Georg Kell**



**Per L. Saxegaard**



**Kun-shik Cho**



**Sang-man Lee**



**Yang-ho Hong**



**Bong-hyun Cho**



**Bo-hyun Pyun**

## ❑ Congratulatory Address

### ▪ **Boo-gi Hwang: Vice Minister, Ministry of Unification**

Mr. Boo-gi Hwang congratulated the Global Compact Network Korea for launching Business for Peace in Seoul. He explained that the Gaeseong Industrial Complex (GIC) is a place of inter-Korean peace and prosperity that works with 800 South Korean businesspersons and 53,000 North Korean workers. He also addressed hardships such as temporary suspension of the GIC in April 2013 and North Korea's unilateral demand for a higher minimum wage. He highlighted the importance of communication in order to lay the ground work for peace and economic development of the GIC. He articulated that the Korean government would endeavor to develop a competitive, peaceful complex and pave a way towards Korean reunification. In this respect, he called on businesses and stakeholders to support the development of the GIC. Lastly, he extended his appreciation to business leaders operating in the GIC for their efforts to advance peace despite difficult management conditions.

## ❑ Welcome Speech

### ▪ **Nam-sik Kim: President, Gaeseong Industrial District Foundation**

Mr. Nam-sik Kim began his speech introducing the GIC, an inter-Korean industrial region located in North Korea. He emphasized that the role of the GIC is important not only from an economic perspective but also a cultural and social perspective. He explained that it not only contributed 2.7 billion KRW in total output since its first production in December 2014, but also helps form a bond of cooperation between the two Koreas. In this regard, he said that the GIC has contributed to peace in the Korean peninsula by easing the strained relations. Stressing the importance of business activity in advancing peace, he said that the GIC is a good example of Business for Peace. Despite the temporary shutdown of the GIC in 2013 and conflicts over minimum wage issues, he said that these challenges could be overcome and should be seen as stepping stones on the way to peace.

## ❑ Speech

### ▪ **Georg Kell: Executive Director, United Nations Global Compact**

Mr. Georg Kell gave a presentation on the background of launching Business for Peace and the historical relationship between peace and development. He addressed that peace and development are mutually interdependent and intertwined, and that both are critical for sustainable development. He explained that as trading historically promoted peace between countries, this phenomenon continues to apply today to Business for Peace in conflict-affected and high-risk areas. He proceeded to discuss the role of the UN Global Compact in spreading and assisting the implementation of responsible business practices at the local and national level. In this regard, he highlighted the sustainable supply chain practices, which are closely interlinked with the four Global Compact issue areas. He encouraged mutual, nondiscriminatory respect in the workplace despite existing conflicts. He also gave examples of businesses advancing peace in Colombia, Mexico and Pakistan to illustrate

how business could help build a peaceful society. He concluded his presentation by stressing the importance of peace in the Korean peninsula and the forthcoming SDGs to be adopted in September 2015.

During the discussion session, he mentioned his and his successor's intention to hold a Business for Peace forum in Gaeseong by increasing public awareness on current Gaeseong issues. He shared his positive view on Korean reunification, saying "Disputes in the world have different shapes by religion and race. However, as a single-race nation, there is a greater opportunity to unite Korea."

▪ **Per L. Saxegaard: Founder & Executive Chairman, Business for Peace Foundation**

Mr. Per Saxegaard delivered a speech with a theme of "Releasing the Peace Building Power of Being Businessworthy: working towards a better union between business and society." He explained that to be businessworthy is "to apply business energy ethically and responsibly with the purpose of creating economic value that also creates value for society." He highlighted that the purpose of business is not to make profit but rather create solutions to human problems through their products and services. He also explained that there is a great interdependence between business and the society and that business has a key role to play in advancing peace. He said that integrating CSR activities into the core business strategy would promote business success and social progress by building trust and fostering development and peace. Furthermore, he underlined the critical role of business in promoting peace by satisfying basic human needs including survival, well-being, freedom and identity.

Encouraging more businesses to acknowledge and realize their higher purpose, he introduced the Oslo Business for Peace Award, which is given to businesspersons with outstanding businessworthy accomplishments. During the discussion session, he gave examples of good business leaders in conflict areas: "One company in Israel hired its employees regardless of nationalities. Last year, we awarded a Lebanese businessman who made an effort to overcome the internal division. This year, the award went to a Colombian businessman who advanced peace in his country where disputes are undergoing." He also encouraged the participants to nominate a businessperson from Korea.

▪ **Kun-shik Cho: CEO, Hyundai Asan**

Offering the audience a business perspective, Mr. Kun-shik Cho began his presentation with a video on the historical relations between two Koreas including policies toward North Korea, development of GIC since its establishment in 2002 and Mount Kumgang tour. Then he addressed the importance of South-North Korean economic cooperation in advancing peace and explained that the GIC has contributed to moving the Military Demarcation Line northward and transformed the military strategic location to a land of peace. In addition, he shared the historical agreement of two Koreas for the reunion of the separated family members at Mount Kumgang. He pointed out challenges like the shutdown of the GIC and the suspension of Mount Kumgang tourist resort but also expressed his confidence that continued effort through inter-Korean economic cooperation would bring peace in Korea and Northeast Asia.

## Panel Discussion

- **Yang-ho Hong:** Mr. Yang-ho Hong delivered a speech on policy implications and demand for global community's interest in the GIC. Pointing out that Korea is the place still influenced by the Cold War, he stressed that the GIC fosters peace through reconciliation, cooperation and an easing of strained relations between two Koreas. He encouraged participants to pay high attention to the GIC and engage in business with the companies operating in the GIC by purchasing their products and/or investing in their operations. He said that this would significantly contribute to the reunification of Korea in the long-term.
- **Bong-hyun Cho:** Mr. Bong-hyun Cho delivered a speech from an academic point of view on the relationship between business and peace. He said that the GIC is not merely a common industrial complex but one that brings peace and prosperity in Korea. He expressed his belief that the GIC is an exemplary case of Business for Peace. He addressed the GIC's positive role in North Korean human rights issues, economic development and transformation into a market economy.

He highlighted that the importance of reducing uncertainty and helping North Korea understand that favorable business environment would benefit the North Korean economy in the long-term. He also suggested viewing the GIC from a global perspective instead of merely as a complex located in North Korea, and said that continued interest and participation is needed from global stakeholders in order to bring peace in the Korean peninsula as well as in the globalized world. Lastly, he asserted that the UN Global Compact has an important role to play in creating publicity for the GIC and holding global forums to help promote peace in the Korean peninsula.

- **Bo-hyun Pyun:** Mr. Bo-hyun Pyun discussed practices of Korean and multinational companies to advance peace in African region. He expressed his belief that business activities providing goods and services and satisfying basic needs would play a significant role in realizing peace in conflict-affected and high-risk areas in Africa. He introduced CSR activities by Guinness, Coca-Cola, Etisalat that contribute to advancing the quality of life and peace in Nigeria. Then, he described CSR activities by major Korean companies operating in Algiers, Cairo, Johannesburg and Khartoum mostly in the areas of health, education and infrastructure. In addition, he suggested supporting training, technology transfer and cooperation between businesses, as well as financial support through the partnership with Korea Trade Insurance Corporation, Export-Import Bank of Korea, African Development Bank and World Bank in order to advance peace in African region. He concluded his presentation underlining the importance of achieving prosperity alongside local businesses to advance peace in Africa.

## 4) Session D: Anti-Corruption

### ❑ Welcome Speech:

- **Sung-bo Lee:** Chairperson, Anti-Corruption and Civil Rights Commission

### ❑ Keynote Address:

- **Mark Pieth:** Professor of Criminal Law, Basel University

### ❑ Main Speakers:

- **Akharakit (Ryan) Keeratithanachaiyos:** Anti-Corruption Specialist, Regional Centre for South-East Asia and the Pacific of the United Nations Office on Drugs and Crime (UNODC)
- **Sabine Zindera:** Vice President, Legal and Compliance, Siemens AG

### ❑ Moderator:

- **Hong-jae Im:** Vice President & Secretary-General, Global Compact Network Korea

### ❑ Panellists:

- **Hyung-sok Kwak:** Director General of the Anti-Corruption Bureau, Anti-Corruption & Civil Rights Commission
- **Hyuong-koo Moon:** Professor of Business Management, Korea University
- **Jin Kim:** Editorial Writer, JoongAng Ilbo



Sung-bo Lee



Mark Pieth



Akharakit (Ryan)  
Keeratithanachaiyos



Sabine Zindera



Hong-jae Im



Hyung-sok Kwak



Hyuong-koo Moon



Jin Kim



## ❑ Welcome Speech

### ▪ Sung-bo Lee: Chairperson, Anti-Corruption and Civil Rights Commission

Mr. Sung-bo Lee emphasized that anti-corruption is on the rise as the most urgent challenge for both the public and private sectors. He pointed out that international organizations define corruption, whether in the public or private sector, as the abuse of entrusted power for private gain. He shared that international evaluation organizations such as the Transparency International consider private sector corruption as one of the key issues. He also mentioned that the UN Global Compact presents anti-corruption as one of the core values that companies must adhere to along with human rights, labour and environment and encourages companies to actively integrate it in their business activity.

He said that the Anti-Corruption and Civil Rights Commission, which is in charge of the Korean government's anti-corruption integrity policy, is scaling up legal and institutional frameworks to ensure that anti-corruption efforts extend not only to public offices but also to the private sector, to establish a culture of integrity. He explained that promoting anti-corruption culture would strengthen not only the competitiveness of businesses but also the nation itself, as it supports continuous economic growth and healthy development. He ended his remarks by sharing his hopes for this session to serve as an opportunity for dialogue on advancing business efforts for ethical management and helping the government in developing anti-corruption policies.

## ❑ Keynote Address

### ▪ Mark Pieth: Professor of Criminal Law, Basel University

Briefly reminding the audience how damaging corruption is, how much it impedes development and how much it hampers domestic and international trade, Prof. Pieth highlighted the critical role business would play in collective action against corruption. "It became obvious that the private sector was not going to remain in the role of the inactive observer – from now on the anti-corruption movement was driven by three forces collectively: governments and intergovernmental organizations, civil society and the private sector," Prof. Pieth said.

He mentioned that while corruption is still widespread across the globe, businesses are increasingly feeling the risks of law enforcement, with the steady toughening of sanctions, and confronted with the unattractive alternatives to pay and risk law enforcement, or to resist and possibly lose the job. Acknowledging that this makes individual resistance overly risky, he suggested that this is where collective action comes in. "Collective action is – for all the creativity – hard work on the ground with concrete institutions and concrete people. I am convinced that collective action is going to be a key component in moving from talk to action in anti-corruption over the next years," he said concluding his remarks.

## □ **Speech**

- **Akharakit (Ryan) Keeratithanachaiyos: Anti-Corruption Specialist, Regional Centre for South-East Asia and the Pacific of the United Nations Office on Drugs and Crime (UNODC)**

Mr. Akharakit (Ryan) Keeratithanachaiyos introduced the UNCAC and its Implementation Review Mechanism. “The UNCAC is legally-binding universal anti-corruption instrument. It recognizes and empowers the need to combat and prevent corruption through multi-sector and integrated approach which engages all stakeholders including the public sector, private sector and civil society,” he said. He moved on to introduce several countries’ implementation of the UNCAC and adoption of the Liability of Legal Persons based on UNCAC Article 26.

He also mentioned other notable developments such as the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and Joint Statement of the 10th Meeting of the South East Asian Parties Against Corruption (SEA-PAC). He said that the UNODC and Anti-Corruption Unit of Cambodia, with support of the Japanese Government, jointly organized the Regional Meeting on Curbing Foreign Bribery in ASEAN Economic Community. He concluded his speech saying that Korea might be in a strong position to comply with or avoid violating the existing and soon-to-be-enacted laws to allow for liability of legal persons for corruption/bribery offences in ASEAN countries and that Korea should rigorously implement the UNCAC and the OECD Anti-Bribery Convention as well as its related documents.

- **Sabine Zindera: Vice President, Legal and Compliance, Siemens AG**

Highlighting that corruption incurs heavy social costs and impedes corporate competitiveness, Ms. Sabine Zindera shared the case of Siemens. She said that Siemens suffered loss of up to two billion USD for being implicated in a bribery scandal in 2006. This incident served as an opportunity for Siemens to establish its anti-corruption related standards, policies and mechanisms and to integrate compliance in its business activities, which transformed Siemens into an anti-corruption champion.

Additionally, she mentioned that, in 2009, Siemens decided to invest one hundred million USD in anti-corruption activities, giving birth to the Siemens Integrity Initiative. The initiative, she explained, operates under agreement with the World Bank and the European Investment Bank. During the first round, it funded over thirty-seven million USD for thirty-one projects. In the second round, it would fund thirty-five million USD for twenty-one new projects. She explained that the initiative aims to foster an anti-corruption climate and promote collective action through various projects with partners in Korea, Brazil, Egypt, India, Nigeria and South Africa as well as other stakeholders.

Furthermore, she mentioned that Siemens is running various projects in Russia, the Middle East and Turkey in cooperation with the OECD and the UNDP. Stressing that businesses have the power to change the world when they strive to hold on to anti-corruption values with innovation, excellence and responsibility, she closed her speech with a quote from Werner von Siemens, the founder of Siemens: “I won’t sell the future for short-term profit.”

## Panel Discussion

- **Hyung-sok Kwak:** Mr. Hyung-sok Kwak stressed that Korea's integrity score is relatively low compared to its economic scale and status. Pointing out that the ethical states of business is worse than that of public institutions, he warned that ethical management is directly linked to survival and an entry barrier to international markets. He proposed establishing a proactive corruption control system for the Korean society to take a step forward. Emphasizing the foremost need to establish such a system to take a step further, he moved on to say that the Korean government is striving to regain the trust of the public.

He said that the government is working to put an end to the chronic corrupt practice of improper solicitation and receiving bribery, by passing the Anti-Corruption and Bribery Prohibition Act which prohibits public officials from receiving bribery even if the bribe was not related to their jobs or was not given on the condition of a special favor. Moreover, he said that the government is endeavoring to eradicate the breaching of public interest that puts the health and safety of citizens at risk and to revise the Whistle-blower Protection Act to reduce the blind spots of whistleblower protection, thus better protecting those reporting corrupt activity of business and private organizations. Also, he said that the government seeks to pass a bill to prevent contactors from defrauding the government, wasting national budget and false billing.

He stressed that we must move beyond thinking of corruption as “the way things are done” and strive to innovate our culture to make integrity part of our daily lives. Stressing the importance of collective action to realize this goal, he closed his speech by calling upon not only public officials but all members of the society to participate.

- **Hyuong-koo Moon:** Prof. Hyuong-koo Moon highlighted that governments, business and civil society need to work together to advance anti-corruption. In particular, he emphasized the vital role of governments in collective action as an independent arbiter who holds the power to leverage punishment and reinforcement. He also mentioned the importance of partnership between business and NGOs for social contribution. Pointing out that collective action does not guarantee results, he stressed the importance of research in making collective action successful.

He pointed to Siemens for its excellence in integrating anti-corruption into business strategies and operations. He said that Siemens entered into an agreement with other companies, suppliers and NGOs so that businesses in the same sector might join these efforts. He explained that this is meaningful because it serves as an example of business taking on the leading role in creating an anti-corruption ecosystem. He noted that this case is very interesting having succeeded in both market development and advancing anti-corruption.

“Just as people need to eat to survive but they don't exist to eat, in the same way, businesses need to make profit to operate but their purpose is not merely to make profit,” he said challenging businesses to re-think their purposes. He stressed that all businesses should pursue corporate social responsibility based on their business philosophy. For business to effectively play their role, he said that they need to address structural issues including leadership and job analysis to reduce inefficient behaviors.

- **Jin Kim:** Stressing that every type of corruption involves abuse of political power, Mr. Jin Kim emphasized the importance of cutting the linkage between the two. He said that many governments around the world, including ASEAN, are endeavoring to fight corruption, but that Korea on the other hand still has a long way to go. “Korea, which is becoming a developed country with its dynamic economy, remains underdeveloped country in terms of anti-corruption,” he chided. “Corruption in Korea is based on hexagon linkage: a President, relatives of President, rotten authority, public officer, conglomerates, and public enterprises. Every type of corruption that occurred in Korea could be explained by combinations of the hexagon linkage. The six bodies should try to cut the linkage themselves,” he said. Concluding his remarks, he called upon the Korean government and businesses to challenge the status quo and make a transformative impact.

## 5. Seoul Declaration 2015



United Nations Global Compact



Global Compact Network  
Korea

### UNGC Korea Leaders Summit 2015

#### *Post-2015 Business Engagement for Achieving Sustainable Development*

#### Seoul Declaration

We, the participants of the UNGC Korea Leaders Summit, are gathered here in Seoul in a historic year of 2015 to be marked by the launching of Post-2015 Sustainable Development Goals and the Post-2020 climate change regime.

The world today is facing severe, multi-dimensional challenges such as poverty, climate change, conflict and corruption. We fully understand and acknowledge the role of businesses in addressing the challenges we face and building a sustainable society and future. Particularly, we strive to cultivate a sustainable corporate culture and fulfill our social responsibility by integrating the principles of the UN Global Compact in the areas of human rights, labour, environment and anti-corruption into business strategies, policies and operations. To effectively implement this responsibility, the commitment and determination of business leaders are critical.

Moreover, we pledge to support, continuously cooperate and take action for the Post-2015 Development Agenda led by UN Secretary-General Ban Ki-moon with the goals of ‘Ending Poverty, Transforming All Lives and Protecting the Planet’. Accordingly, we will make every effort to embrace and promote the ‘Post-2015 Business Engagement Architecture’ adopted by the UN Global Compact Leader Summit 2013, which illustrates the alignment between Sustainable Development Goals and Long-term Business Goals and calls for Post-2015 business engagement through concrete action, measurement practices and reporting standards, partnerships and collective action for each issue area and industry.

Furthermore, we recognize the importance of partnerships between various stakeholders including governments, businesses, civil society and academia and, especially, close cooperation between the private and public sectors to address global issues. We emphasize comprehensive cooperation including policy support of governments to enhance corporate sustainability and to proliferate social responsibility. In this regard, hosting the UNGC Korea Leaders Summit in close collaboration with relevant government institutions such as the National Human Rights Commission of Korea, the Anti-Corruption and Civil Rights Commission, the Ministry of Environment, the Ministry of Unification and the Gaeseong Industrial District Foundation will serve as a meaningful momentum for public-private partnerships.



In our continuous effort to implement the declarations previously adopted at the conferences hosted by the Global Compact Network Korea in Seoul (2008, 2011, 2013), not only for sustainability and prosperity of our generation but also for the future generation, we are resolved to take action by committing ourselves to the following declaration:

Businesses can make a significant contribution in achieving the Sustainable Development Goals (SDGs) through innovation and investment. In this regard, business leadership and partnership among stakeholders are essential and we call on businesses to demonstrate corporate citizenship by concretely implementing the SDGs. Moreover, we urge businesses to integrate sustainability in all levels of their growth strategies and operations and link their Long-term Business Goals with the SDGs as emphasized in the ‘Post-2015 Business Engagement Architecture’.

Business efforts to preserve our one and only planet and secure a safe environment for the future generation are absolutely critical. In this regard, we should diffuse environmentally sound technologies and policies to minimize the impacts of climate change. We encourage governments and businesses to proactively respond to carbon pricing and, in anticipation for the new climate regime in December 2015, actively engage in collective efforts by joining UNGC environmental issue platforms such as Caring for Climate and CEO Water Mandate as well as other platforms of the UN Global Compact and other international organizations.

Human rights issues are one of most challenging areas of corporate sustainability. Businesses should ensure that they are not complicit in human rights abuse and proactively manage human rights risks occurring from the supply chain. We call on businesses to align all levels of their activities with ‘Guiding Principles on Business and Human Rights’ endorsed by the UN Human Rights Council in 2011 and participate in the UN Global Compact’s human rights issue platforms such as Women’s Empowerment Principles and Children’s Rights and Business Principles to fulfill their responsibility in respecting human rights.

Business leaders from all regions and sectors should contribute to advancing world peace. Conflict and political instability are not only hindrances to economic and social development, but also harmful to business operations and activities. Business engagement to advance peace helps establish a stable business environment and plays an important role in the health and development of local communities. Building on the momentum of the Business for Peace Korea launching event participated by businesses in the Gaeseong Industrial Complex symbolizing peaceful economic cooperation in the Korean peninsula, we encourage more Korean businesses to engage in this initiative.

Corruption is one of the greatest obstacles to sustainable development around the world and, despite the efforts of the global community, it is still prevalent and difficult to eliminate. In order to fight against corruption, effective internal control systems are vital and we must transform our corporate culture. We strongly urge businesses to continuously integrate the UN Convention against Corruption (UNCAC) and the Tenth Principles of the UN Global Compact. We also encourage businesses to act jointly, through cooperation and collective action among governments, businesses and civil society, to spread anti-corruption culture and foster fair and transparent market conditions.

The realization of SDGs requires comprehensive support and significant financing from the private sector. We also recognize the important roles of investors and businesses in developing strategies for implementing the private sustainability finance. We must make every effort to increase responsible investment which considers the environment, social and governance (ESG) in their investment and economic activities. At the same time, governments should encourage businesses to join in these efforts to realize the SDGs by providing policy incentives. In this regard, we ask our governments and businesses to demonstrate leadership.

The world 2015 is moving towards a sustainable society and future with new visions and goals. We, the participant of the UNGC Korea Leaders Summit, fully understand these goals and are resolved to cooperate, take action and commit ourselves through collective action to make the lives of our future generation better.

19 May 2015  
Seoul



# **Annex**

## **UN GLOBAL COMPACT Korea Leaders Summit 2015**

Business Engagement for  
Achieving Sustainable Development

# Annex 1. Keynote Address



United Nations Global Compact



Global Compact Network  
Korea

## **Address by UN Secretary-General Ban Ki-moon at UNGC Korea Leaders Summit 2015**

**Seoul, Republic of Korea, 19 May 2015**

Thank you very much for your participation.

Wherever I go in the world, I try to meet with members of our Global Compact Local Networks.

Korea network is one of our best.

I realize I may sound like I am favouring my own country. Certainly I am proud to be Korean – but I am a global citizen.

The fact is this Network is a leader.

Last year, you were named one of Top Ten Best Performing Networks in the Global Compact. Congratulations!

I also deeply appreciate your initiative to establish the China-Japan-Korea Roundtable.

This is an important forum for dialogue. And it is proof that you champion United Nations values of peace and mutual respect.

Today we are taking important steps forward.

I thank you for helping to bring the Korea Exchange into the fold of the Sustainable Stock Exchange.

I am also pleased to welcome the establishment of a Business for Peace chapter here in Korea.

The Korean Network now has 285 members. I hope it will grow even more and break the 300 mark.

I need you to do much more to respond to the great issues confronting our planet: poverty, climate change and conflict.

Companies that take this approach succeed. They find that helping people boosts the bottom line.

More and more companies want to respond to the concerns of shareholders and consumers for corporate social responsibility.



We live in an interlinked world.

For a long time, experts explained globalization in terms of economic integration.

But now there is a globalization of ideas and interests.

The United Nations is now developing a new set of sustainable development goals (SDGs) to continue our historic Millennium Development Goals.

The MDGs were the largest anti-poverty campaign in history.

The SDGs will be even more ambitious.

When it came time to set the MDGs, the United Nations convened governments from around the world.

That was 15 years ago. Today, this approach is not enough.

So to create the SDGs, we are consulting with partners from around the world, including the business community. I have very high expectations for the private sector to contribute to our global goals.

Businesses will be pivotal to success on ending poverty and rising to the climate challenge.

The SDGs provide a platform for aligning private action and public policies. This vision covers every country.

Ladies and gentlemen,

Korean industry is dynamic and growing.

I am here to call on you to be even more creative in your contributions to global progress.

I have applauded the very important measures that the Korean Government and companies have taken so far.

These are critical to address the fact that Korea is one of the highest emission-producing countries within the OECD.

I welcome the carbon market launched in January. I applaud lawmakers for adopting progressive legislation on the environment.

There is much more that you can do.

The Global Compact makes it easy to start.

If you have not already joined its initiatives – they are there to help your businesses.

I urge you to join Caring for Climate, the CEO Water Mandate and my Sustainable Energy for All initiative.

Distinguished Global Compact members,

This year is a time for global action.

We are building toward our two critical global conferences: in New York in September to adopt the SDGs, and in Paris in December to adopt the new climate agreement.

But there is a third meeting in July that will help to determine success.

The Conference on Financing for Development faces an enormous challenge.

Delegates will have to agree on a framework for amassing the financial resources needed to put in action SDGs and climate change agreements.

This might involve more than a trillion US dollars a year in extra investment.

Korean companies are at a strategic advantage. You lead a vibrant domestic economy with great global exposure.

Korea and Korean business have strong roots in the developing world. And of course they earned their place as leaders among the developed economies.

Korean firms are at the forefront of continuous innovation. On cell phone technology. On hybrid cars. On internet connectivity. They embrace global integration and show results.

Now it is time to match that global presence with global engagement for the public good.

Let me say a final word about gender equality.

When I came here in 2012, I said I would not return again unless more women were present.

I am pleased to see more women corporate leaders today. But if you really want to see dynamic growth, put more women in charge. Forbes Magazine did a study showing that the more women in the boardroom, the better the profits.

The values that the United Nations defends – equality, human rights, a healthy planet and a common future – can drive economic and financial progress.

I count on Korean companies to strengthen your partnership with the United Nations.

Thank you.



United Nations Global Compact

Global Compact Network  
Korea

**Address by Chair of the Council & President of the Assembly, GGGI  
Dr. Susilo Bambang Yudhoyono  
at UNGC Korea Leaders Summit 2015**

**Seoul, Republic of Korea, 19 May 2015**

Bismillahirrahmanirrahim

Your Excellency, Mr Ban Ki-moon, Secretary-General of the United Nations

Your Excellency Mr. Kyung-hwan Choi, Acting Prime Minister and Deputy Prime Minister of the Republic of Korea

Excellencies,

Distinguished guests,

Ladies and Gentlemen,

It is always great to be back in Seoul, Republic of Korea, and I am pleased to join all of you here for the UNGC Korea Leaders Summit 2015.

I join others in this room in expressing my sincere appreciation to Secretary-General Ban-ki Moon for opening this summit, and for his energetic leadership.

I totally agree with him that in essence businesses have a critical role in the global efforts to achieve sustainable development goals in the Post-2015 Development Agenda.

Indeed, we live in a time where the private sector has the capacity to do a lot more than Governments not just to create wealth but to change the fate of societies. There can be no vision about the 21st century without a vision for business. And I do believe, from my endless conversations with business leaders, that the private sector is keen to do their part.

The role of business becomes ever more relevant because, despite the impressive gains over the last 15 years regarding the Millennium Development Goals, the global community continues to grapple with serious challenges.

In the absence of a global consensus, climate change remains a huge risk for the future of the human race. We are experiencing growing resource scarcity as a result of population growth and unrestrained consumption. We are witnessing the loss of biodiversity, forests and water resources.

These stress points, if left unchecked, threaten to undo all that we have achieved in recent years. They also severely inhibit social and economic growth in the years to come.

What is encouraging is that we the global community have clearly identified these challenges and have come together to address them to ensure a viable and vibrant environment for generations to come.

Since establishing the Global Compact, more and more businesses throughout the world are committing to this vision and are partnering with various stakeholders for sustainable development. I believe we now have grown to over 7,500 business signatories in more than 140 countries and 101 Local Networks.

The more these businesses succeed in main-streaming into their strategy the UN Global Compact's 10 core principles in the areas of human rights, labor standards, anti-corruption and the environment, the more businesses can help foster sustainable development and more resilient societies everywhere.

There are those who may argue at first sight that these adjustments will take a toll on business. Well, change is usually not easy, but in the end it does pay off. After all, a good business is good for business.

Business, perhaps more so than Governments, are already contributing significantly to sustainable development through creative innovations that are helping to realize low-carbon economies and transition toward green growth.

As we all know, for green growth to fully materialize, countries need creative solutions – in financing, technological development and transfer, and development cooperation as well as sharing knowledge and experience. Business is uniquely positioned to deliver all this.

One key mandate of the Global Compact is to facilitate environments where business can effectively and transparently partner with green growth and development stakeholders to provide these services.

We are delighted that to date, Global Compact Local Networks have taken root in over 140 countries. They are making important contributions to building markets, combating corruption, safe-guarding the environment and ensuring social inclusion, and strengthening unprecedented partnerships and openness between business, governments, civil society, labor and the United Nations.

But I do believe we are only touching the tip of the iceberg. We can grow to a lot more than the present 7,500 business signatories. We need to push harder to raise awareness among businesses – especially micro, small and medium size businesses – about the Global Compact and how they too can join.

There is an ocean of opportunities and resources that remain untapped by business through the Global Compact to develop sustainable business strategy and operations around the world, and strengthen business collaboration and action in support of UN goals and issues.

On the cusp of the post-2015 development era, this summit is timely, and presents an important opportunity for business to further catalyze new strategies, partnerships and initiatives that will contribute to achieving sustainable development.

I am confident that all of us here will make the absolute most of this valuable opportunity.

Excellencies, Ladies and Gentlemen,

In closing, I would like to take this opportunity to thank Acting Prime Minister and Deputy Prime Minister Mr. Kyung-hwan Choi, the Government of the Republic of Korea, and the Global Compact Korea for organizing and hosting the UNGC Korea Leaders Summit 2015.

Time and again, Korea has shown its leadership toward achieving inclusive and sustainable development. Its hosting and continuous support of multiple international organizations, such as the Global Green Growth Institute, that are working to support this goal clearly demonstrates Korea's commitment.

GGGI is a very good organization, to implement the Green Growth and Sustainable Development globally. That's why I am here, as the Chair of GGGI.

I therefore have no doubt that our hosts will provide all that is necessary to ensure fruitful discussion and facilitate successful summit outcomes.

Thank you.



## Annex 2. Sponsors





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