

Groups File OECD Guidelines' Complaint Against Korean Steel Giant POSCO And Financing Pension Funds For Environmental And Human Rights Concerns In India

Orissa, India, 9 October 2012 – Lok Shakti Abhiyan, an Indian organization representing a broad civil society movement and supporting coalitions in S. Korea, Netherlands, and Norway filed complaints with the S. Korean, Dutch, and Norwegian governments today. The complaint concerns POSCO's failure to seek to prevent human rights abuses and carry out comprehensive human rights and environmental studies for its proposed iron mine and steelworks plant in the State of Odisha, India in violation of the Organization for Economic Cooperation and Development's *Guidelines for Multinational Enterprises* (OECD Guidelines).

POSCO's efforts to construct a 12 million tons per annum integrated steelworks plant, captive power plant, captive port and other related infrastructure in the Jagatsinghpur District (10 km south of Paradip Port) will lead to the physical and economic displacement of more than 20,000 of people, including individuals who have special legal protections under the *Scheduled Tribes or Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006*.

"The communities who will be displaced by POSCO's project have depended on the surrounding forest land and coastal ecosystem for sustenance and their livelihoods for generations," said Prafulla Samantara, convener of Lok Shakti Abhiyan. "Despite the enormous social and environmental impacts of its proposed project, POSCO has not taken any sincere steps to listen and reflect the opinions of affected communities at any stage of the project planning process."

The OECD Guidelines set out government-endorsed principles and standards for responsible business conduct. In 2011, OECD governments updated the Guidelines to include new sections on the need for multinational companies like POSCO to carry out "due diligence" to prevent and mitigate harmful human rights and environmental impacts of their operations.

The groups' complaint details how POSCO has failed to conduct human rights due diligence, including consulting with and preventing harm to affected communities. POSCO has also failed to carry out comprehensive environmental due diligence for all aspects of its proposed project, including consulting with and informing affected communities about the project's actual and potential impacts.

"POSCO has also turned a blind-eye to human rights abuses that have been perpetrated by the Odisha State Police, private contractors, and goondas (hired thugs)," said Mr. Samantara. "POSCO has not sought to use its leverage to affect change in abusive state practices to acquire land that, should its project proceed, will ultimately benefit the company. This is a clear violation of the OECD Guidelines as well as the United Nation's 'Protect, Respect and Remedy Framework' on business and human rights."

The complaint also calls on the Dutch pension funds ABP and the Norwegian Government Pension Fund - Global to pressure POSCO to address the human rights and environmental breaches to the OECD Guidelines and if necessary, to divest from the company.

To download the complaint, go to <http://oecdwatch.org/>

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