

## **Corporate Social Responsibility in the EU and in Israel: Corporate Cultures regarding Humanitarian Law and Human Rights and their Impact on Conflict Solutions**

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Since the early 1990's many corporations are engaged in redefining their traditional roles, identities and responsibilities. This process is due to several reasons: campaigns of non-governmental organizations (NGOs) targeting corporate misbehavior, initiatives by the United Nations to commit corporate behavior to the public interest and a policy to modernize the public sector through privatization of government services to the private sector.

All these causes paved the way for blurring the boundaries and responsibilities for tackling social and economic issues and gave rise to numerous governance arrangements in which business actors take on responsibility and participate in the setting and the implementation of norms and rules.

In addition, one should not ignore the intensifying globalization in the 90's that culminated with the establishment of the World Trade Organization (WTO) in 1995. The WTO is an international organization affiliated with the United Nations and is responsible for trade agreements between countries. The ultimate goal of the WTO is the removal of barriers to trade and thus its impact on the economy of countries and the livelihoods of many people around the world is crucial. The intensification of globalization has caused many corporations to work with several legal systems in different countries. Further more, the online information revolution which broke out in the mid 90's and the advent of online social networks

early in the 2000's hampered private corporations to hide their activities from the public.

These processes listed above have created a complex reality in which the corporation has more power than ever in the face of the country, but on the other hand is exposed to criticism and punishment from the public i.e. Consumer organizations, green groups, human rights organizations etc. One example is the consumer boycott that was imposed on the NIKE Company following the discovery that some of its products are manufactured under harsh working conditions (Sweatshops) in the Far East which severely damaged the company's profits. Another example is the criticism against the McDonald's Corporation relating to the nutritional value of its food culminating with the appearance of the documentary film "Super Size Me".

In a document issued by the European Commission<sup>1</sup> regarding strategies for promoting Corporate Social Responsibility (CSR) in the EU, the term CSR is defined as the "the responsibility of enterprises for their impacts on society". A necessary and prerequisite condition to this responsibility is the compliance with relevant legislation and collective agreements between the various parties. For businesses to meet the objectives of CSR they must integrate social, environmental, ethical, human rights and consumer rights considerations into their business plans and core strategies. This integration should exist in collaboration with the business stakeholders who are all those who affect or can be affected by the business's actions directly or indirectly.



The corporation presents itself not only as an economic entity which aims to maximize financial profits and maintain the interests of shareholders, but also as an entity which promotes social and environmental issues. It is a gradually based approach that the variety of corporate considerations should also include those which take into account the best interests of all stakeholders i.e. shareholders, employees, consumers, suppliers, the community and the environment. In order to protect their reputation, to retain and to add new customers and investors, more and more corporations speak in terms of 'Social Responsibility' and 'Corporate Citizenship'. These efforts of the corporation which are accompanied by financial costs often do not produce a short-term economic benefit. Differences between different businesses concerning CSR are reflected in the extent of sensitivity to the various issues, the degree of transparency to society and their ability to adapt themselves according to classic economic indicators.

Three causal mechanisms can be identified which help to explain the considerable variance in corporate behavior:

- > The threat of intervention by legally binding public regulation.
- > The embeddedness of the business sector in a societal environment which can generate reputational costs by public shaming.
- > The sense of appropriateness of making money without committing serious injustices, such as violating human rights.

The social and political environment may affect the behavior of a company just as the market does. No corporation is fully independent from

the society in which it operates. However, the risk of losing reputation is considerably higher for companies that produce consumer goods and are associated with brands.

The IEPN conference held in Herzliya on April 10<sup>th</sup>, 2014 has given a good opportunity to highlight the growing importance of CSR in general and in Europe and Israel in particular, to present economic implications of CSR and to exchange ideas concerning the advancement of CSR and its impact on conflict solutions, with emphasis on the Israeli-Palestinian conflict.

### **Corporate Social Responsibility in the EU**

There is a growing awareness among European corporations regarding to the source from which products originate and regarding the social, environmental and human rights implications that follow.

The EU has been increasingly emphasizing the importance of making the business sector aware of their responsibilities as corporate citizens. This importance is reflected in the document issued by the European Commission<sup>2</sup>.

Among the Commission's CSR agenda for action is:

- > Enhancing market reward for CSR.
- > Improving company disclosure of social and environmental information.
- > Further integrating CSR into education, training and research.
- > Emphasizing the importance of national and sub-national CSR policies.
- > Better aligning European and global approaches to CSR.

The criteria for formulating CSR in the EU are mainly based on:

- > OECD Guidelines for Multinational Enterprises<sup>3</sup>.
- > The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption<sup>4</sup>.
- > UNGP<sup>5</sup> – A global standard for preventing and addressing the risk of adverse impacts on human rights linked to business activity. Emphasizes the responsibility to respect human rights in the form of an international declaration.

The implementation of these guidelines and principles are of paramount importance to the EU and the EU is very active in the UN Human Rights Committee in Geneva regarding these issues.

An organization called "CSR Europe" was established in Brussels on 1996 and now is the leading European business network for CSR. Through its network of around 70 corporate members and 37 National CSR organisations, it gathers over 5,000 companies, and acts as a platform for those businesses looking to enhance sustainable growth and positively contribute to society. CSR Europe recently began to award rewards to outstanding related businesses across Europe.

On April 16th, 2013, the European Commission published a new proposal<sup>6</sup> designed to promote imposed regulation on the subject of social and environmental reporting by corporations. The European Commission proposes to require each firm with over 500 employees to disclose information concerning its activities on sustainability and CSR.

## Corporate Social Responsibility in Israel

In the past the state of Israel was falling behind the developed countries with respect to the adoption of different standards for CSR. In recent years, this topic has received great momentum in Israel as well. The kickoff was the establishment of the organization 'Maala' at 1998, a professional organization of businesses which aims to generate changes in CSR topics. Nowadays the organization consists of approximately 110 of the largest companies in Israel who develop the standards of business responsible management in Israel. It publishes each year the 'Maala' ranking and measurement for companies listed on the Tel Aviv Stock Exchange that allows any participating company to map, compare and set goals for responsible management. Hundreds of Israeli companies have already developed standards of CSR and some even implemented them as part of the ongoing management of the company. In addition, in recent years large partnerships have developed between businesses and NGOs with ideological identity.

Since the social protests of the summer of 2011, social issues in general and corporate responsibility in particular captured a significant share of the dialogue in Israel. A recent study estimated that about 75% of the companies traded in Israel are controlled by families or advocacy groups. Israel's corporate landscape is dominated by a small group of corporations owned by families or individuals using means such as a pyramid structures and cross-holdings. Due to the organizational structure of this type, there are concerns that the controlling shareholders in corporations may benefit from irregular methods



such as transactions with related parties and related selling.

Following Israel's accession<sup>7</sup> to OECD, it adopted OECD Guidelines for Multinational Enterprises in May 2011. The guidelines provide non-binding principles and standards for responsible business conduct in the following areas: Transparency, human rights, employment and labor, the environment, anti-bribery and anti-corruption, consumer protection, science and technology, competition and taxation. The guidelines were adopted by 41 countries that are the source of 85% of the world's direct investment flows as well as the home of most of the multi-national companies. The basic approach of the guidelines is balanced. There was no intention to set unilateral demands of governments toward companies but rather internationally agreed guidelines that can help promote principles while creating an atmosphere of mutual trust and increasing uncertainty in the interaction between companies, the labor market and governments. This sustained and pragmatic approach characterized the process of writing the guidelines and helped making them successful.

Each state associated to the framework program has a National Contact Point (NCP). The NCP's are designed to allow governments to promote and encourage the use of the guidelines and serve as a forum for discussion of all matters relating to them. In addition, the NCP's are responsible for processing requests for clarification submitted to them regarding the guidelines. The NCP of Israel was established in 2002 with the accession of Israel to the OECD Declaration on International Investment and Multinational Enterprises, and is located in the Department of the OECD, Foreign Trade Administration at the Ministry of Economy.

The NCP has no enforcement powers, but may publish conclusions following their inspections.

The understanding that CSR is not a luxury and can not remain entirely voluntary is expanding worldwide. In a large number of countries businesses are required to produce reports regarding its CSR activities. In India, for example, exists a law requiring companies (according to prescribed standards of profitability) to invest 2% of their profit in projects that contribute to society and the environment.

The state of Israel does not have binding legislation on the subject of mandatory reporting regarding CSR. Starting from 2015, a law requiring government companies to prepare an annually report on the plan of implementation of sustainable development in society will come into force. There are other legislative measures in the work process, that intend to expand this obligation to all major corporations operating in Israel, including public, private, municipal and government companies.

However, without detracting from the importance of reporting, the ambiguity of the concept of CSR combined with public ignorance about the effects of processes, products and services for society and the environment have left each corporation the freedom to choose the proper amount of transparency and action needed.

The media, social organizations and the general public treat these reports with suspicion. They are perceived as a product of a public relations department, designed primarily to improve the corporation's image. Even businesses who want to conduct a more thorough research and post a comment with more depth usually do not



have easy access to past data and data used for comparison to other companies is not usually available.

At first, the state of Israel must act to apply a reporting requirement for all large corporations based on the OECD guidelines. Such a requirement exists in different variations in many EU countries, such as Finland, Sweden, Denmark, France, the UK and the Netherlands.

In the long run, Israel should consider additional legislative moves beyond reporting, which require companies to meet with the spirit of the accepted OECD standards.

### **The Impact of CSR in the EU on the Israeli-Palestinian conflict**

Conflictual settings reflect extremely difficult operating contexts for companies. Companies obviously shy away from interfering in the core of public security. However, companies contribute quite frequently to peace and security in zones of conflict indirectly by taking up issues closely related to conflict drivers and causes, especially with regard to socio-economic issues and political issues such as human rights.

In recent years, many large corporations have limited or ended their trade and investment relations with Israeli firms which operate in the Occupied Palestinian Territories (OPT) or support the settlements on the pretext of violation of Palestinian human rights<sup>8</sup>.

Why do economic actors divest from Israeli entities?

> Instrumental reasons (i.e. consumer boycotts, negative reputation effects, prevention of stricter

legislation)

> Political pressure (i.e. silent diplomacy)

> Moral reasons (i.e. compliance with international standards, speaking out against human rights violations)

Corporations are corporate citizens with corresponding political authority: they are involved in all stages of policy formation, i.e. in setting standards, supplying public goods. This authority is accompanied by active and passive positive obligations: 'Do no harm'.

And by negative obligations: 'Speaking out against human rights violations'.

The second of the ten principles of the UN<sup>9</sup> states that "Businesses should make sure they are not complicit in human rights abuses". Corporate complicity can be distinguished into four different forms of complicity:

> Direct complicity – e.g. a corporation directly and actively exiles an indigenous human population in order to build facilities.

> Indirect complicity – e.g. a corporation provides weapons to home or host governments that are used by this government to exile an indigenous population.

> Beneficial complicity – when a company benefits from human rights abuses even if it did not positively assist or cause them.

> Silent complicity – when the company is silent or inactive in the face of systematic or continuous human rights abuse.

Many on the Israeli side are accusing the EU, and as a result, European corporations disconnecting ties with Israeli companies, in selectivity and double standards. Many Israelis, even those who oppose to the existence of settlements in the



OPT, claim that this policy is unique for products from settlements and not enabled in other conflict zones. Moreover, some claim that it is more convenient to focus the policy against Israel due to its small size and not against countries such as Turkey, China and Russia which are controversial about their human rights policies, but are more important business wise. There is a common belief, especially among the political right in Israel, who regard decisions to divest from Israeli companies or to sever ties to businesses because they operate in the OPT as the result of a Palestinian-driven campaign of de-legitimization of the Jewish State and more or less badly concealed anti-Semitism. These measures are often – incorrectly and frequently purposefully – conflated with the transnational movement for Boycott, Divestment and Sanctions (BDS). The BDS questions the legitimacy of Israel's existence as a sovereign and act for sweeping right of return of Palestinian refugees to the entire area of the State of Israel. BDS's activity is characterized by acting for a sweeping boycott of Israeli products, Israeli universities, Israeli artists etc.

On the other hand, the prevailing view in Europe is that the corporations are using non-violent means, Similar to the EU policy of labeling settlement products and limiting the privileges of trade in the OPT, focused and designed to pressure Israel to end its settlement policy in the OPT. There is an almost completely international consensus which denies Israeli policy in the OPT and it is even considered invalid under international law. These measures reflect increasing responsibility in the business world in Europe, sometimes due to ethical considerations and sometimes due to economic considerations arising from the management of reputational risks.

## Concluding Remarks

Corporations operate on social and environmental issues because they have a business justification to do so. A policy that often seems inconsistent, selective and disproportionate is actually the result of reputation risk management in the form of cost versus benefit. The cost of not operating according to a policy i.e. the reputational cost, along with the classical calculation of economic indicators such as the level of rates and market share, might outweigh the benefit.

The Israeli leadership and the Israeli companies should take seriously the economic reactions of European corporations and not dismiss them as having no significant economic importance or as concealed anti-Semitism. These reactions may be exacerbated as long as the Israeli-Palestinian conflict is not resolved. The EU countries are the largest trade partners of Israel. 37% of Israel's exports of goods are going to EU countries<sup>10</sup> and the economic implications of damaging trade relations with the EU are clear.

On the other hand, European corporations should refrain from supporting organizations such as BDS who do not recognize the right of Israel to exist and even take real steps in support of the legitimacy of Israel proper by coupling the severing of ties with Israeli companies that are involved in the occupation with the establishment of alternative ties to companies that are not involved. This kind of action would certainly strengthen the position of corporations which state that their actions are exclusively targeting the occupation.

EU leadership should take steps emphasizing the need for corporations to apply their policies

consistently and not selectively around the world and take a greater and more active role in achieving a solution to the conflict.

## OECD Guidelines

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The Organization for Economic Development and Cooperation (OECD) is the major club for formal and informal cooperation between the advanced economies of the world in relation to issues of good economic and social governance. The OECD was founded in 1961 and its headquarters are in Paris. 34 states currently are OECD members, including 21 of the 28 EU member states as well as states from both Latin and North America, from Asia, Oceania and two states from the Middle East, Israel and Turkey. The OECD is a good example for what global governance in the globalized world of the 21st century stands for. In today's world state sovereignty has changed character. States are no longer immune to external observation and what was once considered as "interference" into domestic affairs. Rules – both formal and informal – are increasingly shaped in global contexts and diffuse globally. This holds true for many policy areas, including economic governance.

The OECD sets economic and social benchmarks for its member states and the latter risk high reputational costs if they do not adhere to the often technical and administrative guidelines suggested by the OECD, e.g. in relation to tax or labor market policies. Moreover, as many International Organizations (IOs) and NGOs

do, the OECD compares member states' performance in relation to various economic and social indicators. States like to see themselves performing well in those rankings, also because this has economic repercussions, e.g. with a view to foreign investments. In short, the OECD is the "Champions League" amongst economic organizations in the field of global governance. States stand in competition with each other, and an organization as the OECD is both referee and coach.

Apart from technical issues of good economic governance, the OECD increasingly refers to business ethics as a cornerstone of governance. In 1976 the OECD adopted its Declaration on International Investment and Multinational Enterprises, and in 2011 it issued its current OECD Guidelines for Multinational Enterprises. These Guidelines are a non-binding instrument, however, for the reputational reasons stated above governments and multinational enterprises increasingly take these Guidelines into consideration, e.g. when formulating investment principles and internal ethic guidelines. Respect for environmental and social standards, in particular respect for human rights and international law is a key element of what multinational firms are expected to take into account when investing in specific countries. And the fact that multinationals do so has become evident in many cases around the world where firms disinvest because host countries do not adhere to universal human rights standards, violate international law or are insensitive to environmental and social standards.



## CSR in Conflict Zones

*Author: Melanie Coni-Zimmer*

The role of corporations in conflict zones has become a central issue in the broader debate about CSR. It is assumed that companies cannot only aggravate societal conflict – as it is often discussed in relation to the extraction of natural resources. It is rather expected that business can play a positive role in preventing and managing (violent) conflict.

The UN Global Compact as the largest global CSR initiative has initiated a policy dialogue on the topic already in 2000/2001. As part of this dialogue corporations and other stakeholder exchange best practices and have jointly developed different sets of voluntary guidelines for conflict-sensitive business practices.<sup>1</sup> Other international organizations, such as the OECD, and several non-governmental and multi-stakeholder initiatives have also developed guidelines and recommendations for responsible business practices in conflict zones that companies can follow on a voluntary basis. In 2011 the UN Human Rights Council endorsed the “Guiding Principles on Business and Human Rights: Implementing the United Nations ‘Protect, Respect and Remedy’ Framework” proposed by UN Special Representative John Ruggie based on a broad consultative process. According to this framework companies are expected to respect human rights. They must act with due diligence to prevent adverse impacts on human rights.


Three general options are available to corporations: (1) They can divest from a conflict zone, (2) they can stay and do business as usual,

or (3) they can try to positively influence conflict. Each of these options involves reputational and other risks for corporations. In some cases civil society campaigns demanded that corporations withdraw their investments. Transnational corporations operating in Apartheid South Africa are an often mentioned historical example. More recently, corporations active in Sudan and Myanmar/Burma came under increasing pressure. Proponents of divestment usually argue that corporations cannot avoid contributing to financing conflict or supporting a certain regime and its policies. Opponents often argue that leaving a country makes the general situation for the population or parts of it even worse and that it is better to work for change from within.

Academic research has shown that companies that have production facilities in conflict zones or source products from such countries or regions are increasingly expected to apply conflict-sensitive business practices. Such expectations are not only put forward by civil society actors, especially Western-based NGOs, but also but by international organizations and state actors. Applying conflict-sensitive business practices means that a company tries to avoid negative externalities on conflict and, at the best, contribute to the reduction of tensions. Companies can contribute (1) directly to security governance or (2) indirectly support peace and security by contributing to socio-economic development, promoting good governance and socio-cultural initiatives. Companies can become active either individually or by engaging collectively or together with other stakeholders. An example for collective activities are Global Local Compact Networks that have specifically worked to address issues related to conflict and peace in countries like Sudan, Colombia, Pakistan,

<sup>1</sup> UN Global Compact: [http://www.unglobalcompact.org/Issues/conflict\\_prevention/index.html](http://www.unglobalcompact.org/Issues/conflict_prevention/index.html) (last accessed 09.05.2014).





Egypt, Myanmar, and Iraq. Concrete examples of individual company engagement range from conducting conflict impact assessments, developing community development projects where they operate to providing infrastructure and educational initiatives.

Shell in Nigeria has developed extensive community development projects in the Niger Delta to respond to local conflicts.

The Spanish oil and gas company Eni has developed a training programme on human rights. Trainings were conducted in several countries, including the DRC and Iraq and involved Eni staff as well as local community representatives and private and public security providers.

The Swiss company Holcim conducted a human rights assessment in the Philippines and as a result adjusted aspects of its security system, including a no firearms policy for its staff.

Various companies in Northern Ireland have developed recruitment and employment policies with regard to anti-discrimination to offer equal opportunities to people from all backgrounds.

Various companies from the electronics sector have in recent years developed policies to screen their supply chains. The aim is to avoid sourcing conflict minerals, especially from the DRC.

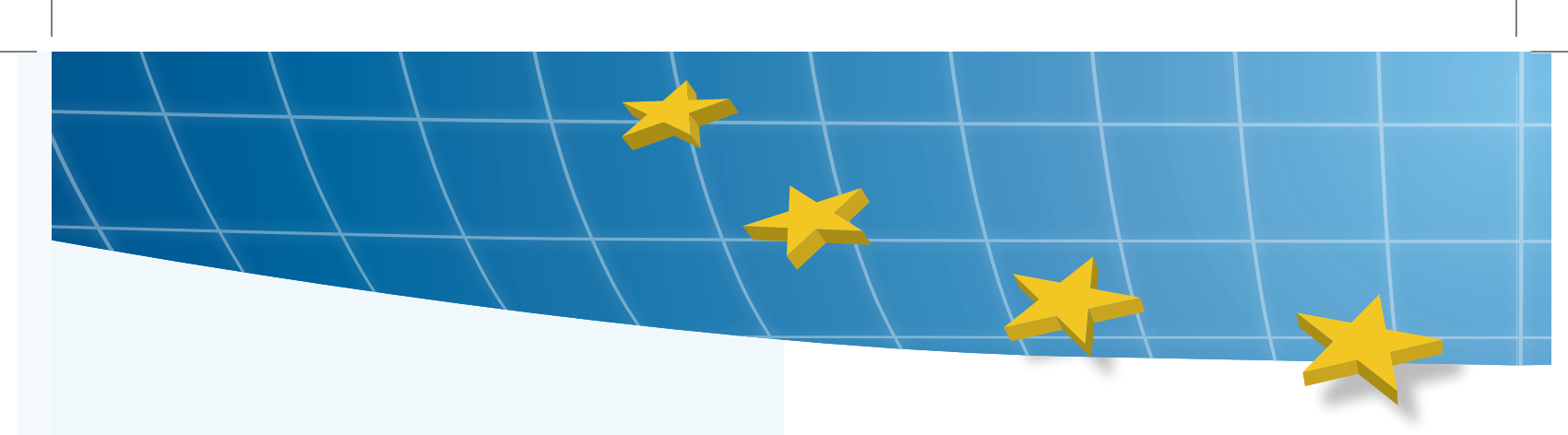
## European economic actors divesting from Israel

*Author: Markus Scholz & Stéphane Gartner, University of Applied Science Vienna*

Several banks, corporations as well as large pension funds recently divested from Israel. Among the more prominent companies that, in parts or fully, broke their economic ties by

delisting products from Israeli settlements in the so called Occupied Palestinian Territories (OPT), are large German retailers Kaufland and Kaiser Tengelmann, UK's Marks & Spencer, the Co-operative group and the Dutch water company Vitens terminated a contract with Israeli company Mekorot Water Co. Ltd. (cf. Vitens, press release). In addition some major actors from the financial industry also divested from Israel: Denmark's largest bank, Danske Bank, explicitly excluded Israeli companies such as Africa Israel Investments Ltd., Bank Hapoalim, Danya Cebus Ltd. as well as Elbit Systems Ltd. from their investment portfolios (cf. Danske Bank, exclusion list). PGGM, the Netherlands' largest pension fund management company, also decided to divest completely from Israel's five largest banks because they operate branches in the West Bank and/or are involved in financing construction of Israeli settlements in the OPTs (cf. PGGM, press release). Moreover, Norway's, The Government Pension Fund – Global (GPF) added Israeli companies Africa Israel Investments Ltd. and Danya Cebus Ltd. to its list of excluded companies which already includes Elbit Systems Ltd. since 2010 (cf. GPF, exclusion list). Following the GPF's lead, Sweden's largest pension fund Första AP-Fonden also excluded Israeli defense electronics company Elbit Systems Ltd. from its investment portfolios (cf. Första AP-Fonden, Annual Report).

The majority of the above mentioned economic actors refer to ethical reasons (i.e. violations of human rights) when asked to explain why they (partially) broke their economic strings with Israel: Notably none of these actors singularly divested from Israel alone but follow concrete internal policies that set clear and globally applicable ethical frameworks not to engage in business activities with parties that directly or indirectly



violate human rights. The following list and the according web links inform about the reason for the divestment and the corresponding decision procedures:

Co-operative Group: Is acting in line with its human rights and trade policy, which establishes exceptional circumstances under which all trade is to be withdrawn from a state or area. 'One such circumstance is where there is broad international consensus that the status of a settlement is illegal.'(cf. Co-operative Group, press release). The Co-operative group acts the same with regard to illegal Moroccan settlements in Western Sahara.

Press release: <http://www.co-operative.coop/join-the-revolution/our-plan/tackling-global-poverty/ethical-trading-and-human-rights/the-co-operative-and-the-illegal-israeli-settlements/>;  
Danske Bank: Maintains that the companies in question are 'Involved in [construction] activities in conflict with international humanitarian law' or 'Involved in supplying electronic equipment in conflict with human rights norms'(cf. Danske Bank, exclusion list). Danske Bank has divested for similar reasons from companies in Australia, Canada, China, India, Romania, Russia, Singapore, South Korea and USA.

Exclusion list: <http://www.danskebank.com/en-uk/CSR/business/SRI/Pages/exclusionlist.aspx>;

Decision procedure: <http://www.danskebank.com/en-uk/CSR/business/SRI/Pages/SRI-screening.aspx>

Första AP-Fonden: Asserts that Elbit Systems Ltd. 'can be associated with violation of international humanitarian law, contrary to the Fourth Geneva Convention' (cf. Första AP-Fonden, Annual Report). Första AP-Fonden requires that the companies in which the fund invests conduct

their operations in a manner consistent with the international conventions that have been signed by Sweden.

Press release: <http://www.ap1.se/en/Financial-information-and-press/Press-releases/NewsContainer/2010/The-Annual-Report-of-the-Ethical-Council-2009--Dialogue-and-cooperation-are-effective-tools-for-influencing-companies/>

Decision procedure: <http://www.ap4.se/etikradet/Etikradet.aspx?id=598>

GPFG: Has implemented the Norwegian Ministry of Finance's decision to exclude the companies Africa Israel Investments Ltd. and Danya Cebus Ltd. on grounds of 'contribution to serious violation of human rights in war or conflict through the construction of settlements in East Jerusalem' (cf. GPFG, exclusion list). Similarly, it excluded Elbit Systems Ltd. in 2010 because of the company's violations of fundamental ethical norms. GPFG also excluded companies from Canada, China, India, Mexico, South Korea and USA.

Press release: <http://www.regjeringen.no/en/dep/fin/news/news/2014/new-decisions-about-the-government-pensi.html?id=750091>

Exclusion list: <http://www.regjeringen.no/en/dep/fin/Selected-topics/the-government-pension-fund/responsible-investments/companies-excluded-from-the-investment-u.html?id=447122>

Decision procedure (see pp. 28-31): [http://www.regjeringen.no/upload/FIN/brosjyre/2010/spu/english\\_2010/SPU\\_hefte\\_eng\\_ebook.pdf](http://www.regjeringen.no/upload/FIN/brosjyre/2010/spu/english_2010/SPU_hefte_eng_ebook.pdf)

PGGM: Cites 'Exclusion following engagement on activities contrary to international humanitarian law' (cf. PGGM, press release) as the reason for divestment. It further proclaims

that compliance with international treaties is of great importance to PGGM, which sees itself as an 'active shareholder' on behalf of its clients. Next to companies from Israel, PGGM excluded companies from China, France, India, Romania, Singapore, South Korea and the USA.

Press release: <https://www.pggm.nl/english/what-we-do/Documents/Statement%20PGGM%20exclusion%20Israeli%20banks.pdf>;

Exclusion list: [http://vermogensbeheer.pggm.nl/About\\_PGGM/Investments/Publications/Exclusions\\_lists/Exclusions\\_list\\_Companies.asp#0](http://vermogensbeheer.pggm.nl/About_PGGM/Investments/Publications/Exclusions_lists/Exclusions_list_Companies.asp#0)

Decision procedure: <http://www.pggm.nl/english/what-we-do/Documents/Exclusions%20Policy.pdf>

Vitens: 'Following consultation with stakeholders, the company came to the realization that it is extremely difficult to continue joint work on projects, as they cannot be separated from the political environment.' Vitens 'Attaches great importance to integrity and adhering to (inter-) national laws and regulations,' (cf. Vitens, press release).

Press release (Dutch): <http://www.vitens.nl/overvitens/organisatie/nieuws/Paginas/Vitens-be%C3%ABindigt-samenwerking-Mekorot.aspx>

#### Notes:

1. European Commission, com (2011) 681 final, Brussels, 25/10/2011.
2. European Commission, See footnote 1.
3. OECD, OECD Guidelines for Multinational Enterprises. See Appendix 1.
4. United Nations Global Compact, The Ten Principles.
5. United Nations, Guiding Principles on Business and Human Rights, 2011.
6. European Commission, Com (2013) 207 final, Strasbourg, 16/4/2013.
7. See Appendix 1.
8. See Appendix 2.
9. United Nations Global Compact, See footnote 4.
10. Sources: Israel's Central Bureau of Statistics.



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I SBN 978- 965- 7523- 29- 2



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