



Date: December 18, 2020

Tevet 3, 5781

Dear Members of the Working Group on the issue of human rights and transnational corporations and other business enterprises,

The Permanent Mission of Israel to the United Nations and other International Organizations in Geneva presents its compliments to the UN Working Group on Business and Human Rights in Geneva and has the honor to present its vision for the implementation and promotion of Corporate Social Responsibility principles in the next decade, in response to your call for inputs on ***“Business and human rights: towards a decade of global implementation”***, shared with us on 5 October 2020.

Israel is committed to the protection and advancement of human rights as well as labor, environment, and anti-corruption standards in the context of business activity, and believes that this objective can potentially be furthered through the principles of Corporate Social Responsibility (CSR). The Government of Israel accordingly encourages Israeli corporations, as well as multinational enterprises operating in Israel, to support CSR principles in areas such as labor and industrial relations, human rights, gender, environment, information disclosure, combating bribery, consumer interests, science and technology, competition, etc.

The Government of Israel further encourages Israeli and multinational enterprises to support CSR principles reflected in the OECD Guidelines for Multinational Enterprises (OECD Guidelines) as a means to promote a consent-based system of social responsibility. For example, the Israeli National Contact Point for Responsible Business Conduct (INCP) is available to corporations and stakeholders with regard to the implementation of the OECD Guidelines. In addition, Israel's Responsible Conduct Unit within the Ministry of Economy actively promotes awareness of the OECD Guidelines and CSR principles among corporations, organizations and governmental agencies through conventions, lectures, informational brochures and other joint efforts with civil society partners. Furthermore, relevant governmental agencies work together with a wide range of non-governmental organizations that are active in this arena and with corporations, in order to disseminate information and tools to assist them in their CSR practice, including encouraging them to publish reports related to their practice.

Israel is also considered among the top countries in the world for innovation and socially responsible investment, and the Government of Israel is committed to building



on that progress. For instance, the Israel Innovation Authority has collaborated with several other government entities and created tailor-made research and development support tracks. Examples include the *GCI Grand Challenges Program*, focused on humanitarian health, agrotech and water challenges in developing nations; the *Assistive Technology for the Disabled Program*, aimed at improving the quality of life of persons with disabilities and easing their integration into society; and the *Diverse Startup Program* entrepreneurs, aimed at creating an incentive for investment in startup companies owned by entrepreneurs who are from the minority and ultra-Orthodox populations.

Similarly, Israel sees sustainable development, as vital to protecting and improving our world for the well-being of present and future generations. To this end, Israel was one of the 47 countries that recently conducted voluntary national reviews for the high level political forum on sustainable development (HLPF), convened under the auspices of the Economic and Social Council (ECOSOC) in July 2019. The Report that was prepared as part of that process was drafted after consultation with approximately thirty governmental agencies. Dozens of Israeli non-governmental organizations/civil society participated in and actively contributed to the roundtable discussions and the voluntary national review for the HLPF, an intensive process which took more than eighteen months. The comprehensive report submitted as part of this review surveys Israel's path toward the realization of Agenda 2030 and its seventeen Sustainable Development Goals.¹

As for Israel's vision for CSR in the next decade, Israel believes, as is widely accepted by many States, that CSR principles should be promoted through broad dialogue, in a holistic, inclusive, voluntary, and non-discriminatory manner that is both consensus-based and involves multiple stakeholders. Such a process is necessary if we seek to promote principles that would be widely practiced and fairly applied.

When creating a roadmap for the implementation of CSR over the next decade, the UN Working Group on Business and Human Rights should bear in mind a few important points, as follows.

First, CSR promotes social responsibility rather than legal accountability. CSR is based on the idea that corporations can, and should, contribute positively to the communities and environments in which they act and operate. CSR principles thus mainly focus on how a company operates, rather than where it operates. When envisioning the possible ways in which companies can contribute positively to the communities in which they operate, it is therefore important to take into account a wide range of factors, such as improvements to local infrastructure, the creation of business opportunities as well as educational opportunities, etc.

¹ https://sustainabledevelopment.un.org/content/documents/23576ISRAEL_13191_SDGISRAEL.pdf



Second, although the concept of CSR has undergone significant and important changes in the last decade, the concept of corporate liability for human rights violations remains highly contested, with various jurisdictions around the world taking different approaches to the role and scope of liability in situations of extrajudicial corporate activity. With regard to States that have imposed extra-territorial liability or expressed an intention to do so, concern has also been expressed in various fora that consideration should be given to the risk that expansion of such liability could deter corporate investments that can positively influence economic development and provide a foundation for human rights.

The international community has accordingly repeatedly emphasized the need for a voluntary and consensus-based approach when addressing the issue of human rights in the context of corporate activity. The process of establishing responsible business practice with respect to human rights activity can thus only be properly advanced through mutual dialogue and understanding, involving governments, corporations, civil society actors and others. Such steps are crucial to secure the broadest acceptance of CSR principles that pertain to human rights, and ensure their utility and legitimacy.

Finally, it is important to remember that traditionally, each aspect of a corporation's CSR work was examined independently. Nowadays, however, there is a clear shift towards voluntary internal corporate compliance programs that address a wide range of CSR features – such as environmental, labor, social and financial risks and policies – from a holistic perspective. Israel is therefore of the view that when considering its vision for the next decade, the UN Working Group on Business and Human Rights should examine how companies, as well as other key stakeholders, operating in different areas, can be encouraged to work together to promote overall progress in the realm of CSR.

The Permanent Mission of Israel to the United Nations and other International Organizations in Geneva avails itself of the opportunity to renew to the UN Working Group on Business and Human Rights the assurances of its highest consideration.

Meirav Eilon Shahr
Ambassador
Permanent Representative