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# The Role of International Law and Treaties in Corporate Sustainability

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## ABSTRACT

*The increasing globalisation of corporate activity has transformed the relationship between international law and corporate sustainability. Contemporary challenges such as climate change, biodiversity loss, labour exploitation, human rights violations and corruption transcend national boundaries and require coordinated legal and regulatory responses. This paper examines the evolving role of international law and treaties in shaping corporate sustainability, with particular emphasis on the interaction between binding international instruments and non-binding soft-law standards. It analyses the influence of the United Nations Sustainable Development Goals, the Paris Agreement, International Labour Organization conventions, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and emerging sustainability-related frameworks. The study further examines how international norms are incorporated into domestic legal systems and subsequently translated into enforceable corporate obligations through legislation, judicial decisions, regulatory mechanisms and contractual arrangements. Particular attention is given to corporate human-rights and environmental due diligence, ESG disclosure, climate accountability and the growing extraterritorial reach of sustainability regulation. The analysis is supported by case studies including Milieudefensie v. Royal Dutch Shell, corporate due-diligence developments in France and Germany, the OECD National Contact Point mechanism, Microsoft's human-rights practices and the Bangladesh Accord. The paper argues that international law is progressively moving beyond its traditional state-centric character and becoming an important determinant of corporate behaviour. The convergence of hard law, soft law, market expectations and judicial accountability demonstrates that sustainability is increasingly a legal, governance and strategic imperative for corporations seeking long-term resilience and responsible value creation.*

**Keywords:** International Law, Corporate Sustainability, ESG, Human Rights Due Diligence

## I. INTRODUCTION

In an increasingly interconnected global economy, corporations are no longer confined to national borders, and neither are the challenges they face. Issues such as climate change, labour

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exploitation, biodiversity loss and corruption transcend jurisdictions and demand coordinated, transnational responses. This convergence of economic activity and global social responsibility has placed international law and treaties at the heart of sustainable corporate governance. As corporations strive to align with the United Nations Sustainable Development Goals (SDGs), the legal frameworks established by international agreements play a crucial role in shaping, guiding and sometimes compelling their strategies.

Traditionally, international law has been perceived as the domain of states, operating through treaties, conventions and customary principles. The twenty-first century, however, has witnessed a paradigm shift in which private entities, particularly multinational corporations, are increasingly recognised as both subjects and shapers of international norms. This evolution is reflected in a growing body of soft-law instruments such as the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and sector-specific initiatives on responsible business conduct. At the same time, hard-law frameworks such as the Paris Agreement on climate change and the conventions of the International Labour Organization (ILO) exert direct and indirect pressure on companies to reform their operations in line with globally endorsed sustainability principles.

This paper examines the role of international legal instruments in facilitating and enforcing corporate sustainability. It explores how global treaties and norms are translated into national regulations that corporations must adhere to, and how they influence business practices even in the absence of domestic enforcement. The analysis also highlights the growing trend of extraterritorial regulation, such as the EU Corporate Sustainability Due Diligence Directive, which extends the reach of international principles into corporate supply chains worldwide.

Through a combination of legal analysis and case studies, the paper seeks to answer a fundamental question: how can international law serve not only as a regulatory constraint but also as a strategic enabler for businesses committed to long-term, sustainable value creation? In doing so, it offers insights for corporate leaders, policymakers and legal practitioners seeking to navigate the complex intersection of global legal obligations and sustainable development imperatives.

## **II. LITERATURE REVIEW**

The existing literature indicates a significant shift in the relationship between international law and corporate responsibility. Traditionally, international law was primarily state-centric; however, the growth of multinational enterprises and transnational business activity has increased the relevance of international norms to corporate conduct.

The UN Guiding Principles on Business and Human Rights (UNGPs) provide an important framework by establishing the corporate responsibility to respect human rights through due diligence, prevention, mitigation and access to remedy. Scholarly literature has also examined the conceptual and practical significance of human-rights due diligence in corporate governance.

Similarly, the OECD Guidelines for Multinational Enterprises, ILO standards, the Paris Agreement and other international instruments demonstrate how both binding and non-binding norms influence corporate sustainability. The literature further suggests that soft-law standards may acquire practical significance through domestic legislation, judicial interpretation, contractual obligations, investor expectations and reputational pressure.

Recent legal developments concerning corporate due diligence in France, Germany and the European Union further demonstrate the transition from voluntary corporate responsibility towards increasingly mandatory sustainability obligations.

### **III. RESEARCH GAP**

Although a considerable body of literature examines international environmental law, business and human rights, ESG, corporate due diligence and sustainable development separately, comparatively little attention has been given to their combined operation as an interconnected framework of corporate accountability.

The present study addresses this gap by examining how international treaties, soft-law instruments, domestic legislation, judicial decisions, due-diligence requirements, ESG mechanisms and transnational enforcement collectively influence corporate sustainability. It further seeks to explain how international norms, although often addressed primarily to states, are increasingly translated into practical and legal responsibilities for corporations.

### **IV. RESEARCH METHODOLOGY**

The present study adopts a doctrinal and qualitative legal research methodology. The research is primarily analytical and descriptive in nature and examines the legal principles, international instruments, domestic legislative developments, judicial decisions and corporate practices that collectively shape the contemporary framework of corporate sustainability.

The study relies predominantly on secondary and documentary legal sources, including international treaties and conventions, United Nations instruments, ILO conventions and standards, the OECD Guidelines, governmental and institutional reports, sustainability frameworks, judicial decisions, legislative materials and relevant corporate disclosures.

Particular consideration is given to the UN Sustainable Development Goals, the Paris Agreement, the Convention on Biological Diversity, the Basel Convention, the ILO core conventions, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and international anti-corruption instruments.

The research employs a doctrinal analytical approach to distinguish between binding international legal instruments and non-binding soft-law standards and to examine the manner in which these norms influence corporate conduct. The study further analyses the process through which international commitments are translated into domestic legislation and subsequently enforced through courts, administrative authorities, regulatory institutions and contractual mechanisms.

A comparative legal approach is also employed to examine different national approaches to corporate sustainability obligations. Particular attention is given to legal developments in France, Germany, the European Union, the United Kingdom and the other jurisdictions referred to in the study. The comparative analysis assists in identifying differences in the incorporation and enforcement of international sustainability standards within domestic legal systems.

The study additionally adopts a case-study method to examine the practical operation of international sustainability norms. Selected cases and corporate initiatives, including *Milieudefensie v. Royal Dutch Shell*, the French duty of vigilance framework, the OECD National Contact Point proceedings concerning Nestlé, Microsoft's human-rights practices and the Bangladesh Accord, are examined to demonstrate the different pathways through which international norms influence corporate accountability.

The research is therefore interdisciplinary in character, drawing upon principles of international law, corporate law, environmental law, human-rights law, labour law and corporate governance. The analysis seeks to identify the emerging convergence between international legal standards, domestic regulation, corporate governance, market expectations and judicial accountability.

The study is primarily qualitative and doctrinal; it does not purport to undertake an empirical statistical assessment of corporate sustainability performance. Its principal purpose is to analyse critically the legal transformation through which international sustainability norms are increasingly translated into corporate responsibilities and governance expectations.

## V. OVERVIEW OF INTERNATIONAL LAW AND TREATIES RELEVANT TO SUSTAINABILITY

The international legal landscape that governs corporate sustainability is broad and multifaceted, encompassing a wide array of treaties, conventions and soft-law instruments. These legal frameworks serve as the backbone of global efforts to achieve sustainable development and provide guidance, sometimes mandatory and sometimes voluntary, for corporate behaviour. This section categorises and briefly introduces the key international instruments that directly influence business practices in the context of the SDGs.

### A. The United Nations and the 2030 Agenda for Sustainable Development

The 2030 Agenda, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace, prosperity and planetary protection through seventeen interlinked SDGs. While not legally binding, the SDGs exert powerful normative pressure on both states and corporations to align their operations and strategies with global priorities. Goal 12 (responsible consumption and production), Goal 13 (climate action) and Goal 8 (decent work and economic growth) are particularly relevant to corporate actors. Increasingly, companies are integrating SDG targets into their strategic planning, CSR disclosures and ESG reporting.<sup>1</sup>

### B. Environmental treaties

Several multilateral environmental agreements (MEAs) create binding obligations that influence how corporations manage environmental risks and responsibilities. Prominent among these are:

- The Paris Agreement (2015), which binds its parties to prepare, communicate and maintain successive nationally determined contributions (NDCs) on greenhouse gas emissions and to pursue domestic mitigation measures, thereby indirectly shaping corporate carbon disclosure and climate-risk management.<sup>2</sup>
- The Convention on Biological Diversity (CBD), which addresses the conservation of biodiversity and the sustainable use of natural resources, matters of critical importance for corporations in sectors such as agriculture, forestry and pharmaceuticals.<sup>3</sup>

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<sup>1</sup> G.A. Res. 70/1, *Transforming Our World: The 2030 Agenda for Sustainable Development* (Sept. 25, 2015), <https://sdgs.un.org/2030agenda>.

<sup>2</sup> Paris Agreement to the United Nations Framework Convention on Climate Change, Dec. 12, 2015, T.I.A.S. No. 16-1104, arts. 3, 4(2), <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>.

<sup>3</sup> Convention on Biological Diversity, June 5, 1992, 1760 U.N.T.S. 79, <https://www.cbd.int/doc/legal/cbd-en.pdf>.

- The Basel, Rotterdam and Stockholm Conventions, which regulate hazardous chemicals and wastes and directly affect industrial operations, packaging and waste disposal.<sup>4</sup>

### C. Human rights conventions

International human rights law increasingly intersects with corporate obligations. Key instruments include:

- The Universal Declaration of Human Rights (UDHR), which, although not itself binding, is widely regarded as reflecting customary international law and as a moral benchmark for corporate conduct.
- The core ILO conventions (for example, Convention No. 87 on freedom of association and Convention No. 138 on minimum age), which set labour standards that are often incorporated into national labour laws and supply-chain requirements.<sup>5</sup>
- The UN Guiding Principles on Business and Human Rights (UNGPs), a soft-law framework that emphasises the corporate responsibility to respect human rights, to conduct due diligence and to provide remedies.<sup>6</sup>

### D. Anti-corruption and financial transparency instruments

International instruments aimed at combating corruption and enhancing transparency also shape sustainable corporate governance. These include:

- The United Nations Convention against Corruption (UNCAC), which requires states parties to criminalise bribery and to implement measures for financial transparency, thereby indirectly binding corporations through domestic enforcement.<sup>7</sup>

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<sup>4</sup> Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, Mar. 22, 1989, 1673 U.N.T.S. 57, <https://www.basel.int/TheConvention/Overview/TextoftheConvention/tabid/1275/Default.aspx>; Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, Sept. 10, 1998, 2244 U.N.T.S. 337; Stockholm Convention on Persistent Organic Pollutants, May 22, 2001, 2256 U.N.T.S. 119.

<sup>5</sup> INTERNATIONAL LABOUR ORGANIZATION, *Conventions, Protocols and Recommendations* (listing the fundamental Conventions, including the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Minimum Age Convention, 1973 (No. 138)), <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm> (last visited Sept. 6, 2026).

<sup>6</sup> U.N. HUMAN RIGHTS COUNCIL, *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, U.N. Doc. A/HRC/17/31, annex (Mar. 21, 2011), endorsed by H.R.C. Res. 17/4 (June 16, 2011), [https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf).

<sup>7</sup> United Nations Convention against Corruption, Oct. 31, 2003, 2349 U.N.T.S. 41, arts. 15–16, [https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026\\_E.pdf](https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf).

- The OECD Anti-Bribery Convention, which requires the criminalisation of the bribery of foreign public officials and has led to stronger compliance programmes and whistle-blower mechanisms in multinational firms.<sup>8</sup>

### **E. Trade and investment treaties with sustainability clauses**

A newer development is the inclusion of sustainability chapters in bilateral and multilateral trade agreements, which bind the signatory countries to uphold environmental and labour standards. These include:

- The European Union's "new generation" trade agreements (for example, the EU–South Korea Free Trade Agreement), which contain binding trade and sustainable development chapters subject to a dedicated panel-of-experts procedure, invoked for the first time in the labour-rights proceedings against Korea concluded in 2021.<sup>9</sup>
- The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which integrates environmental protections into trade disciplines.<sup>10</sup>

In sum, this complex patchwork of international legal instruments forms a layered regulatory environment that is increasingly shaping corporate conduct. While enforcement varies, the direction of travel is clear: businesses are expected to internalise international sustainability norms not only as a matter of reputation but also as a matter of legal and financial risk management.

## **VI. LEGAL NATURE OF INTERNATIONAL INSTRUMENTS**

Understanding the legal character of international instruments is essential to grasping how they influence corporate behaviour. International law comprises both "hard law" (binding legal obligations enforceable through legal mechanisms) and "soft law" (non-binding norms that, while lacking direct enforceability, shape expectations and can produce legal consequences through domestic incorporation or reputational effects).

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<sup>8</sup> Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, Dec. 17, 1997, 37 I.L.M. 1 (1998) (entered into force Feb. 15, 1999), <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0293>.

<sup>9</sup> Free Trade Agreement between the European Union and its Member States, of the one part, and the Republic of Korea, of the other part, ch. 13 (Trade and Sustainable Development), 2011 O.J. (L 127) 6, [https://eur-lex.europa.eu/eli/agree\\_international/2011/265/oj](https://eur-lex.europa.eu/eli/agree_international/2011/265/oj); see also Panel of Experts Proceeding Constituted under Article 13.15 of the EU–Korea Free Trade Agreement, *Report of the Panel of Experts* (Jan. 20, 2021).

<sup>10</sup> Comprehensive and Progressive Agreement for Trans-Pacific Partnership, Mar. 8, 2018, art. 1 (incorporating the Trans-Pacific Partnership Agreement, ch. 20 (Environment)), <https://www.mfat.govt.nz/assets/Trade-agreements/TPP/Text-ENGLISH/20.-Environment-Chapter.pdf>.

**A. Hard law: binding treaties and conventions**

Hard law refers to formal agreements between states, such as treaties, protocols and conventions, that create legally enforceable rights and duties. For corporations, these agreements are usually implemented through domestic legislation, with which they must comply under penalty of law. Examples include:

- The Paris Agreement on climate change, which obliges its parties to submit and update nationally determined contributions (NDCs). While the treaty does not directly bind corporations, national governments often translate these obligations into emission standards, carbon pricing and mandatory disclosures for the private sector.
- The Basel Convention, which mandates the control and reduction of transboundary movements of hazardous waste and has led many countries to adopt stricter regulations affecting corporate waste management and product packaging.
- The ILO core conventions, which, once ratified, require states to enforce labour standards through legislation, inspections and penalties, affecting all businesses operating within those jurisdictions.

**B. Soft law: normative guidance and voluntary standards**

Soft law consists of non-binding guidelines, declarations, codes of conduct and recommendations issued by international organisations or multilateral bodies. Although not legally enforceable, soft law exerts significant influence through mechanisms such as stakeholder expectations, investor scrutiny and reputational pressure. Notable examples include:

- The UN Guiding Principles on Business and Human Rights (UNGPs): these outline the corporate responsibility to respect human rights and have become a cornerstone of due-diligence policies, even in jurisdictions where they have not been codified.
- The OECD Guidelines for Multinational Enterprises (most recently revised in 2023): though non-binding, they have led to the creation of National Contact Points (NCPs), before which grievances against corporations can be filed.<sup>11</sup>
- The Global Reporting Initiative (GRI) standards and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD): these standards, while

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<sup>11</sup> ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *OECD Guidelines for Multinational Enterprises* (2011 ed.), pt. II (Procedural Guidance on National Contact Points), <https://doi.org/10.1787/9789264115415-en> (revised in 2023 as the *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct*).

voluntary, are increasingly demanded by investors and regulators as part of ESG reporting frameworks.<sup>12</sup>

### C. The dynamic interplay between hard and soft law

The line between hard and soft law is increasingly blurred. Soft-law instruments can evolve into binding obligations through:

- Incorporation into national legislation (for example, the EU's Corporate Sustainability Reporting Directive, which adopts TCFD-style disclosures).<sup>13</sup>
- Inclusion in contractual obligations with suppliers, lenders and investors (for example, ESG-linked loan covenants referencing the UNGPs).
- Judicial decisions or arbitral awards citing soft-law norms as interpretive tools.

Furthermore, many states and institutions now require companies to demonstrate adherence to international norms, soft or hard, as a precondition for public procurement, financing or stock-exchange listing.

### D. Compliance, voluntariness and legal risk

While hard law typically carries defined enforcement mechanisms (for example, penalties, withdrawal of licences and litigation), soft law relies on indirect enforcement through:

- Reputational damage and media exposure
- Shareholder activism
- Civil society campaigns and consumer pressure
- Internal compliance and governance structures (for example, ESG committees)

This dual system encourages companies not only to comply with what is legally required but also to adopt what is expected. Increasingly, the failure to follow “voluntary” standards is being viewed as a breach of fiduciary duty, especially in jurisdictions that mandate ESG considerations in corporate governance.

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<sup>12</sup> GLOBAL REPORTING INITIATIVE, *GRI Sustainability Reporting Standards* (2020), <https://www.globalreporting.org/standards/>; TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES, *Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures* (June 2017), <https://www.fsb-tcf.org/publications/final-recommendations-report/>.

<sup>13</sup> Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 as regards corporate sustainability reporting (Corporate Sustainability Reporting Directive), 2022 O.J. (L 322) 15, <https://eur-lex.europa.eu/eli/dir/2022/2464/oj/eng>; see also EUROPEAN COMMISSION, *Corporate Sustainability Reporting*, [https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting\\_en](https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en) (last visited Sept. 6, 2026).

In conclusion, the legal nature of international instruments, whether binding or not, has a profound impact on how corporations approach sustainability. Understanding this spectrum is crucial for risk assessment, strategic planning and long-term value creation.

## **VII. INCORPORATION INTO NATIONAL LEGAL SYSTEMS**

The impact of international law on corporate sustainability depends heavily on how these global norms are incorporated into domestic legal frameworks. While international treaties primarily bind states, their implementation at the national level determines how corporations experience their obligations. This section explores the legal pathways through which international sustainability norms become enforceable within national jurisdictions and affect corporate operations.

### **A. Monist and dualist systems: the gateway to domestic application**

The approach a country adopts to integrating international law into its legal system influences the immediacy and scope of corporate obligations.

- In monist legal systems (for example, France and the Netherlands), international treaties automatically become part of domestic law upon ratification. Corporations can, in theory, be held directly to standards found in international agreements without additional implementing legislation.
- In dualist systems (for example, the United Kingdom and India), international law must be explicitly translated into national statutes before it becomes binding on private actors. This often leads to time lags and interpretive divergences in the application of international norms.

### **B. National legislation enabling corporate compliance**

Many countries have developed legislative frameworks that translate international obligations into enforceable corporate duties. Examples include:

- France's Corporate Duty of Vigilance Law (2017), which requires large companies to conduct due diligence on human rights, health, safety and environmental risks across their global supply chains, in alignment with the UN Guiding Principles on Business and Human Rights.<sup>14</sup>

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<sup>14</sup> Loi 2017-399 du 27 mars 2017 relative au devoir de vigilance des sociétés mères et des entreprises donneuses d'ordre [Law 2017-399 of March 27, 2017 on the Duty of Vigilance of Parent and Instructing Companies], JOURNAL OFFICIEL DE LA RÉPUBLIQUE FRANÇAISE [J.O.] [Official Gazette of France], Mar. 28, 2017, <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000034290626>.

- Germany's Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, in force since 2023), which compels companies to monitor and mitigate human rights and environmental risks, particularly by reference to ILO and environmental treaty provisions.<sup>15</sup>
- The European Union's Corporate Sustainability Due Diligence Directive (CSDDD), adopted in June 2024, although its application has since been postponed and its scope narrowed by the 2025 and 2026 "Omnibus" amendments. It requires in-scope companies operating in the EU to align with international human rights and environmental standards, including the adoption of a climate transition plan consistent with the Paris Agreement.<sup>16</sup>

### C. Judicial enforcement and litigation trends

Courts around the world are increasingly recognising corporate obligations rooted in international law. This trend is reinforced by:

- Strategic litigation invoking international standards. For instance, in *Milieudefensie v. Royal Dutch Shell* (2021), the District Court of The Hague ordered Shell to reduce its carbon emissions in line with the Paris Agreement, even though Shell, as a private company, is not a party to that treaty. The reduction order was set aside by the Hague Court of Appeal in November 2024, although that court confirmed that Shell owes a duty of care to reduce its emissions.<sup>17</sup>
- The use of international human rights instruments in constitutional or tort claims. In Nigeria and Colombia, for example, communities have brought claims against multinational corporations using international norms to bolster arguments concerning environmental damage and community rights.

<sup>15</sup> Gesetz über die unternehmerischen Sorgfaltspflichten zur Vermeidung von Menschenrechtsverletzungen in Lieferketten (Lieferkettensorgfaltspflichtengesetz, LkSG) [Act on Corporate Due Diligence Obligations in Supply Chains], July 16, 2021, BUNDESGESETZBLATT, Teil I [BGBl. I] at 2959 (Ger.) (in force Jan. 1, 2023), <https://www.gesetze-im-internet.de/lksg/>.

<sup>16</sup> Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence, 2024 O.J. (L 2024/1760), <https://eur-lex.europa.eu/eli/dir/2024/1760/oj/eng>, as amended by Directive (EU) 2025/794 of 14 April 2025 and Directive (EU) 2026/470 of 24 February 2026 (Omnibus Directive), <https://eur-lex.europa.eu/eli/dir/2026/470/oj/eng>; originally proposed as EUROPEAN COMMISSION, *Proposal for a Directive on Corporate Sustainability Due Diligence and Annex*, COM(2022) 71 final (Feb. 23, 2022), [https://ec.europa.eu/info/publications/proposal-directive-corporate-sustainable-due-diligence-and-annex\\_en](https://ec.europa.eu/info/publications/proposal-directive-corporate-sustainable-due-diligence-and-annex_en).

<sup>17</sup> Rb. Den Haag 26 mei 2021, ECLI:NL:RBDHA:2021:5339, C/09/571932 / HA ZA 19-379 (*Vereniging Milieudefensie v. Royal Dutch Shell plc*) (Neth.) (English translation), <https://deeplink.rechtspraak.nl/uitspraak?id=ECLI:NL:RBDHA:2021:5339>, *rev'd*, Hof Den Haag 12 november 2024, ECLI:NL:GHDHA:2024:2100 (Neth.), <https://deeplink.rechtspraak.nl/uitspraak?id=ECLI:NL:GHDHA:2024:2100>.

- Extraterritorial application of domestic laws. Countries such as the United States (under the Foreign Corrupt Practices Act) and France (under the Duty of Vigilance Law) can assert jurisdiction over overseas corporate conduct that violates international norms translated into national law.

#### **D. Regulatory bodies and administrative enforcement**

Beyond the courts, administrative agencies and regulatory bodies increasingly play a role in monitoring corporate compliance with international norms:

- Securities regulators (for example, in the United States, the European Union and India) are beginning to require ESG disclosures aligned with international reporting frameworks such as the TCFD recommendations and the GRI standards.
- Environmental regulators impose penalties and require remediation plans in line with obligations arising from treaties such as the Basel Convention or the Paris Agreement.
- Public procurement authorities exclude companies from bidding processes if they fail to meet the international labour and environmental standards embedded in national policies.

#### **E. Challenges in implementation**

Despite these developments, several challenges hinder the effective incorporation of international law into corporate practice:

- Inconsistent implementation across jurisdictions creates an uneven playing field.
- Limited enforcement capacity in developing countries undermines treaty effectiveness.
- Legal uncertainty and compliance complexity discourage some companies from going beyond minimum legal requirements.

Nonetheless, the trend is clear: national legal systems are increasingly aligning with international sustainability norms and placing direct or indirect obligations on corporations to comply. Businesses must anticipate these shifts and integrate international legal developments into their governance and compliance systems in order to ensure resilience and competitiveness.

### **VIII. CORPORATE OBLIGATIONS UNDER INTERNATIONAL LAW**

Although international treaties are traditionally designed to bind states, corporations are increasingly being held accountable for conduct that intersects with global legal obligations, especially in the areas of human rights, environmental protection and anti-corruption. This

section explores the evolving landscape of corporate duties under international law, with emphasis on due diligence, liability frameworks, ESG obligations and emerging enforcement mechanisms.

### **A. The corporate responsibility to respect human rights**

Under the UNGPs, corporations are expected to “respect” human rights even where domestic law falls short. This responsibility includes:

- Avoiding causing or contributing to human rights abuses
- Preventing adverse human rights impacts linked to their operations, products or services through business relationships
- Conducting human rights due diligence to identify, assess and mitigate risks

Although the UNGPs are non-binding, many governments and regulators are codifying their principles into hard law. For example, Germany’s Supply Chain Due Diligence Act and the EU’s Corporate Sustainability Due Diligence Directive are direct transpositions of UNGP expectations into enforceable obligations.

### **B. Environmental obligations and climate accountability**

Corporations are increasingly expected to comply with international environmental standards, either directly or through national regulation. Emerging obligations include:

- Greenhouse gas emission reduction targets aligned with the Paris Agreement
- Climate-related financial risk disclosures (for example, under the TCFD framework)
- Environmental due diligence covering biodiversity, pollution and water usage

Lawsuits against corporations for failing to align their strategies with international climate goals, such as the Shell case in the Netherlands, signal a growing recognition of corporate responsibility under international environmental frameworks.

### **C. Corporate liability under international and transnational law**

There is a growing body of case law and legislation holding corporations liable for violations of international legal norms. Key trends include:

- Civil liability: victims of environmental damage or human rights abuses increasingly bring tort claims in the domestic courts of parent companies, often invoking international standards (for example, the *Vedanta* litigation in the United Kingdom).<sup>18</sup>

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<sup>18</sup> *Vedanta Resources plc v. Lungowe* [2019] UKSC 20, <https://www.supremecourt.uk/cases/uksc-2017-0185>.

- Criminal liability: some jurisdictions provide for corporate criminal responsibility under anti-corruption treaties (for example, the enforcement of the OECD Anti-Bribery Convention through national laws).
- Extraterritorial claims: courts in countries such as Canada, the United Kingdom and France are increasingly allowing claims against corporations for conduct that occurred in other jurisdictions but breached international norms.

#### **D. ESG reporting and alignment with international standards**

Environmental, social and governance (ESG) reporting is rapidly becoming a legal expectation, with many reporting frameworks aligned to international law. Companies are now required, or strongly encouraged, to disclose sustainability-related information that includes:

- Environmental metrics (for example, emissions, energy use and waste management)
- Social impact (for example, labour conditions, diversity and community relations)
- Governance issues (for example, anti-corruption practices and board oversight)

Frameworks such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the International Sustainability Standards Board (ISSB), whose first two standards, IFRS S1 and IFRS S2, were issued in 2023, integrate international legal principles to promote transparency and comparability.

#### **E. Sector-specific standards and industry compacts**

Certain sectors, such as extractives, apparel and finance, face sector-specific obligations derived from international norms:

- The Equator Principles (for financial institutions) require ESG due diligence aligned with the IFC Performance Standards.<sup>19</sup>
- The Extractive Industries Transparency Initiative (EITI) promotes financial and environmental disclosure in the oil, gas and mining sectors.
- The Bangladesh Accord on Fire and Building Safety, though not a treaty, is based on ILO conventions and demonstrates the private enforcement of international labour standards.<sup>20</sup>

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<sup>19</sup> EQUATOR PRINCIPLES ASSOCIATION, *The Equator Principles (EP4)* (July 2020), [https://equator-principles.com/app/uploads/The-Equator-Principles\\_EP4\\_July2020.pdf](https://equator-principles.com/app/uploads/The-Equator-Principles_EP4_July2020.pdf).

<sup>20</sup> Accord on Fire and Building Safety in Bangladesh (May 2013), <https://cbsd.ilo.org/sites/default/files/2023-08/2013-Accord-1.pdf>.

## F. The shift from voluntary to mandatory corporate accountability

Increasingly, international expectations are being translated into enforceable laws. This trend includes:

- Mandatory human rights and environmental due diligence legislation in the European Union, France, Germany and Norway
- Requirements to align business strategies with the Paris Agreement in climate disclosure rules (for example, the climate disclosure rule adopted by the United States Securities and Exchange Commission in 2024, although that rule was stayed and is now proposed for rescission)<sup>21</sup>
- Trade agreements linking market access to compliance with sustainability chapters

This evolution reflects a major shift from voluntary corporate social responsibility to mandatory legal compliance with international norms.

Corporations can no longer ignore international legal developments, even when these are not directly addressed to them. Whether through due-diligence mandates, climate litigation or ESG disclosure regimes, businesses are becoming key actors in the implementation of international law. Forward-thinking companies are proactively aligning with these evolving obligations, not only to avoid legal risk but also to build trust, resilience and long-term value.

## IX. CASE STUDIES IN CORPORATE IMPLEMENTATION OF INTERNATIONAL LEGAL NORMS

This section illustrates how companies in various sectors have incorporated international legal standards into their operations, demonstrating practical applications, challenges and lessons in aligning business strategies with the SDGs. These real-world examples highlight the legal, strategic and reputational impact of international law on corporate sustainability efforts.

### A. Shell and climate litigation: enforcing the Paris Agreement at the corporate level

**Case:** *Milieudefensie v. Royal Dutch Shell* (2021). **Jurisdiction:** the Netherlands. **Issue:** Dutch environmental NGOs and citizens sued Shell for failing to align its corporate strategy with the goals of the Paris Agreement. The District Court of The Hague held that Shell owed a duty of

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<sup>21</sup> The Enhancement and Standardization of Climate-Related Disclosures for Investors, 89 Fed. Reg. 21668 (Mar. 28, 2024) (stayed by the Commission in April 2024; defence of the rule withdrawn Mar. 27, 2025), <https://www.federalregister.gov/documents/2024/03/28/2024-05137/the-enhancement-and-standardization-of-climate-related-disclosures-for-investors>; Rescission of Climate-Related Disclosure Rules (proposed rule), Fed. Reg. Doc. No. 2026-11091 (June 3, 2026), <https://www.federalregister.gov/documents/2026/06/03/2026-11091/rescission-of-climate-related-disclosure-rules>.

care under Dutch law and ordered the company to reduce the net CO<sub>2</sub> emissions of the Shell group by 45% by the end of 2030 (relative to 2019 levels), including scope 3 emissions. In November 2024 the Hague Court of Appeal set aside the reduction order, while confirming that Shell is under an obligation to contribute to the mitigation of dangerous climate change; a further appeal in cassation is pending before the Supreme Court of the Netherlands.<sup>22</sup>

**Legal relevance:**

- The first-instance ruling marked the first time that a corporation was judicially ordered to reduce its emissions on the basis of international climate obligations.
- The court relied heavily on “soft law” norms, such as the UNGPs and climate-science reports, treating them as interpretive guides with legal weight.

**Implication:** international environmental law can shape enforceable corporate obligations through national courts, especially where domestic climate legislation incorporates treaty principles.

**B. France’s Duty of Vigilance Law: embedding human rights due diligence in corporate governance**

**Company:** TotalEnergies SE. **Jurisdiction:** France. **Issue:** TotalEnergies has been sued by environmental and human rights groups under France’s Duty of Vigilance Law in separate proceedings, one concerning the adequacy of its climate mitigation strategy and another concerning the impact of its Tilenga and EACOP oil projects on the land rights of affected communities in Uganda and Tanzania. In the Uganda proceedings the Paris Judicial Court dismissed the claims as inadmissible on procedural grounds in February 2023, and a fresh action was filed in June 2023.<sup>23</sup> The claims invoked international human rights instruments and environmental treaties as standards of care.

**Legal relevance:**

- France’s law operationalises the UN Guiding Principles and the ILO conventions, creating enforceable duties for companies with at least 5,000 employees in France or 10,000 worldwide, including their subsidiaries.<sup>24</sup>

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<sup>22</sup> *Milieudefensie v. Royal Dutch Shell*, *supra* note 17. On the further appeal in cassation, lodged in February 2025 and pending before the Supreme Court of the Netherlands (case no. 25/00497), see MILIEUDEFENSIE, *Our Climate Case Against Shell*, <https://en.milieudefensie.nl/climate-case-shell> (last visited Sept. 6, 2026).

<sup>23</sup> Tribunal judiciaire [TJ] [ordinary court of original jurisdiction] Paris, Feb. 28, 2023, No. 22/53942 (*Les Amis de la Terre France v. TotalEnergies SE*) (Fr.), <https://www.legifrance.gouv.fr/juri/id/JURITEXT000047805393>.

<sup>24</sup> Loi 2017-399, *supra* note 14, art. 1 (inserting Code de commerce art. L. 225-102-4).

- It requires the annual publication of a vigilance plan covering risk assessments, prevention measures and reporting mechanisms.

**Implication:** international norms, when transposed into national law, become enforceable corporate obligations with extraterritorial reach.

### C. Nestlé and the OECD National Contact Point: soft law with teeth

**Jurisdiction:** Canada. **Issue:** NGOs filed a complaint against Nestlé under the OECD Guidelines for Multinational Enterprises, alleging violations of labour rights in its cocoa supply chain in West Africa. Although the Guidelines are non-binding, the Canadian National Contact Point (NCP) accepted the complaint and facilitated mediation.<sup>25</sup>

#### Legal relevance:

- NCPs act as quasi-judicial grievance mechanisms under the OECD system, enhancing accountability for breaches of international labour norms.
- Findings, while non-binding, can significantly affect a company's reputation, market access and investor relationships.

**Implication:** even soft-law frameworks such as the OECD Guidelines can expose corporations to reputational risk and stakeholder pressure.

### D. Microsoft and the UNGPs: voluntary compliance with binding effect

**Jurisdiction:** United States (global operations). **Issue:** Microsoft publicly adopted the UNGPs as part of its global human rights policy. It implemented rigorous due-diligence procedures, particularly regarding surveillance technologies and data protection in authoritarian regimes.<sup>26</sup>

#### Legal relevance:

- Although the UNGPs are voluntary, Microsoft treats them as binding internal standards and embeds them in supplier codes, risk assessments and product development processes.
- This proactive approach aligns with emerging legal requirements and mitigates the risk of future litigation or regulatory scrutiny.

**Implication:** voluntary adherence to international legal standards can position companies as leaders and reduce legal exposure as the regulatory environment evolves.

<sup>25</sup> OECD WATCH, *Nestlé and Cocoa Supply Chain Complaint under OECD Guidelines* (2020), <https://www.oecdwatch.org/complaint/nestle-and-cocoa-supply-chain/>; ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, *National Contact Points for Responsible Business Conduct*, <https://mneguidelines.oecd.org/ncps/>.

<sup>26</sup> MICROSOFT, *Global Human Rights Statement* (2023), <https://www.microsoft.com/en-us/corporate-responsibility/human-rights>.

### **E. Rana Plaza and the Bangladesh Accord: private enforcement of international labour law**

**Issue:** the collapse of the Rana Plaza building in 2013, which housed multiple garment factories, led to over 1,100 deaths. In response, over 200 brands signed the Bangladesh Accord on Fire and Building Safety, a legally binding agreement grounded in ILO labour standards.<sup>27</sup>

**Legal relevance:**

- The Accord imposed obligations on brands and retailers to fund inspections, remediation and worker training.
- It created private enforcement mechanisms (including arbitration) grounded in international labour law.

**Implication:** where state enforcement is weak, international labour standards can be enforced through transnational private agreements.

These case studies demonstrate that international legal norms, whether through national legislation, soft-law instruments or private compacts, are increasingly shaping the boundaries of lawful and ethical corporate conduct. Businesses that internalise these norms are better equipped to manage risk, meet stakeholder expectations and create long-term sustainable value.

## **X. CONCLUSION**

The growing convergence of international law and corporate strategy marks a profound shift in the way businesses engage with global challenges. No longer confined to the realm of states, international legal norms are increasingly shaping corporate behaviour through a complex mix of binding laws, soft-law standards, judicial interpretation and market-driven expectations. This paper has traced the legal contours of that transformation, highlighting how the SDGs, international treaties and evolving doctrines of corporate accountability are reconfiguring the legal landscape for business.

### **A. Key takeaways**

- International legal norms as strategic imperatives: the Sustainable Development Goals, though non-binding, serve as a strategic framework for corporate conduct. Their influence is amplified when they are operationalised through treaties, national laws and private codes of conduct.

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<sup>27</sup> INTERNATIONAL LABOUR ORGANIZATION, *The Rana Plaza Building Collapse: 100 Days On* (2013), <https://www.ilo.org/resource/article/rana-plaza-building-collapse-100-days>; Accord on Fire and Building Safety in Bangladesh, *supra* note 20.

- The rise of corporate due diligence: human rights and environmental due diligence have emerged as the central mechanisms through which international obligations are internalised by businesses. Legal mandates in Europe and beyond increasingly require firms to map risks, prevent harm and report on progress, often by reference to global norms such as the UNGPs and the ILO conventions.
- Judicial and administrative accountability: courts are willing to interpret international legal principles when evaluating corporate responsibilities. From climate litigation to tort claims based on human rights violations, legal systems are embedding international norms into domestic corporate liability regimes.
- Voluntary standards with legal weight: even in the absence of binding rules, soft-law instruments such as the OECD Guidelines, the UNGPs and sector-specific initiatives such as the Equator Principles carry significant normative and reputational force. Increasingly, these standards inform legislative drafting, contract clauses and shareholder activism.
- Integration into corporate governance: international legal expectations are reshaping boardroom decision-making. ESG integration, sustainability-linked incentives and legal compliance frameworks are becoming standard practice in corporate governance.

## **B. Challenges and gaps**

Despite this progress, significant challenges remain:

- Fragmentation of legal obligations across jurisdictions creates uncertainty and raises compliance costs.
- Many developing countries lack the institutional capacity to enforce international standards effectively.
- There remains a regulatory lag between international commitments (for example, the Paris Agreement) and enforceable corporate obligations.

## **C. Looking ahead: trends on the horizon**

- Mandatory sustainability reporting: legal requirements to disclose climate and ESG risks will become increasingly aligned with international frameworks such as the TCFD recommendations and the GRI standards, transforming voluntary disclosures into compliance obligations.

- Treaty development on business and human rights: the ongoing UN negotiations on a legally binding instrument on business and human rights may, if the instrument is adopted, create direct international legal obligations for transnational corporations.<sup>28</sup>
- Green trade and investment agreements: new-generation trade deals are embedding sustainable development chapters, linking market access to compliance with international environmental and labour norms.
- Climate-aligned financial regulation: central banks and financial regulators are embedding international climate goals into prudential oversight, creating systemic incentives for corporate alignment with global treaties.
- AI, data and human rights: emerging technology firms will increasingly be subject to global human rights scrutiny, particularly as international bodies begin to address digital ethics and data sovereignty.

#### **D. Final reflection**

The relationship between corporations and international law is no longer optional; it is structural. As the world accelerates its push toward sustainability and justice, companies that anticipate and integrate these legal developments will not only reduce risk but also seize the opportunity to become leaders in sustainable value creation.

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<sup>28</sup> U.N. OFFICE OF THE HIGH COMMISSIONER FOR HUMAN RIGHTS, *Open-ended Intergovernmental Working Group on Transnational Corporations and Other Business Enterprises with Respect to Human Rights*, <https://www.ohchr.org/en/hr-bodies/hrc/wg-trans-corp/igwg-on-tnc> (eleventh session of negotiations held Oct. 20–24, 2025).