



**UiO** • **Faculty of Law**  
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# Our European Company Law Developments and challenges

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# Overview of my presentation

- Introduction to EU company law ([2020 presentation](#))
- Sustainability: a research-based concept
- Sustainability in EU Treaty law
- Barriers to sustainable business
- From CSR to Corporate Sustainability?

Photo: Michael  
Held

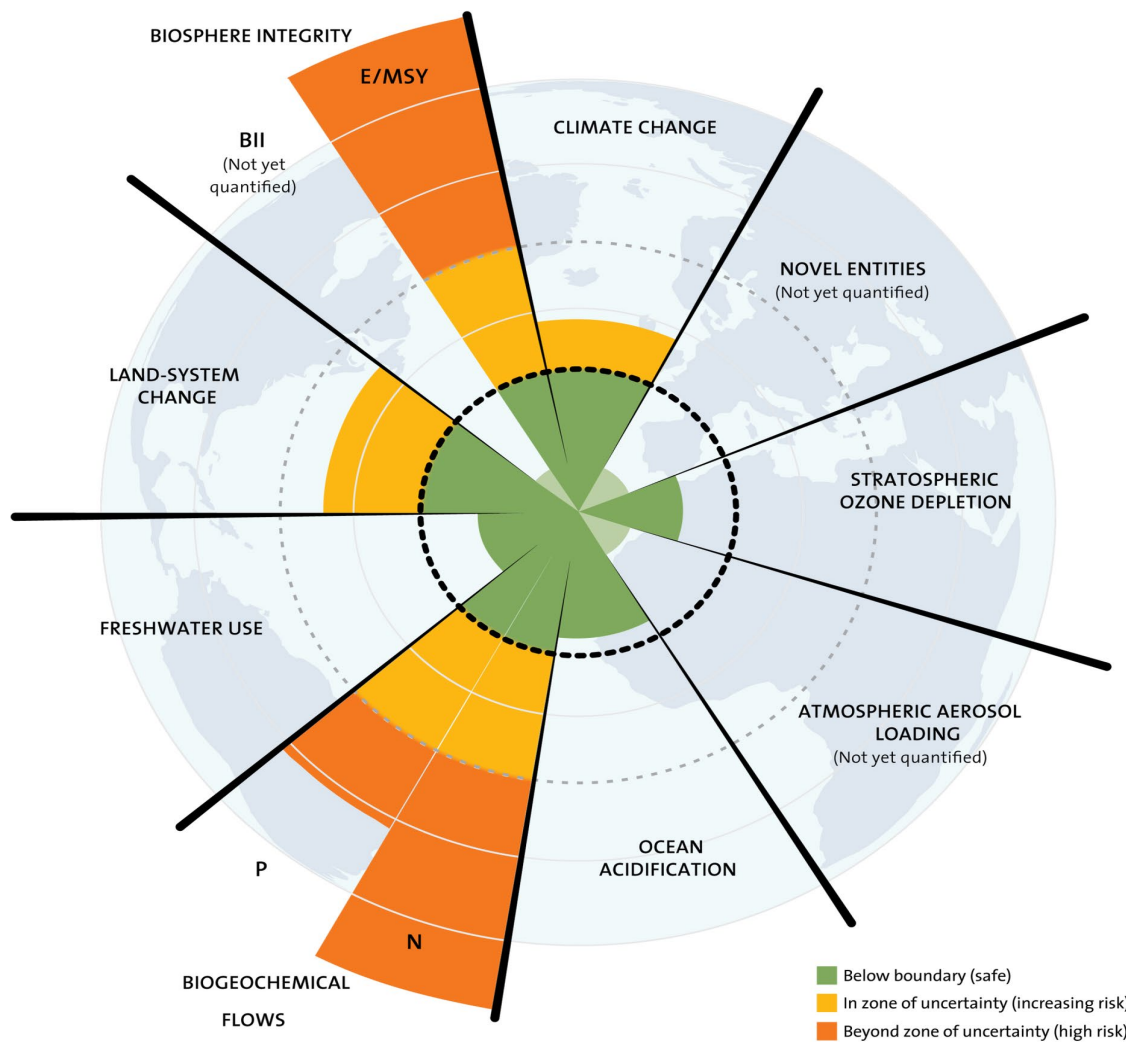




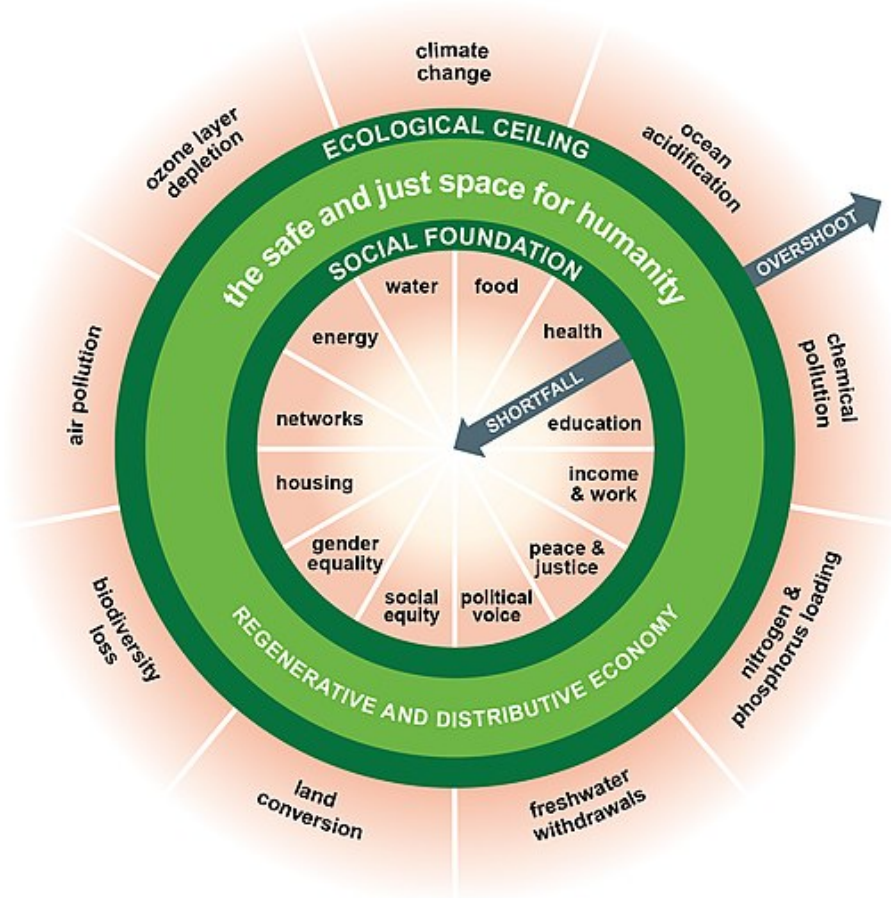
# UN Sustainable Development Goals



Photo source: un.org:  
About the Sustainable  
Development Agenda



Credit: J. Lokrantz/Azote based on Steffen et al. 2015.



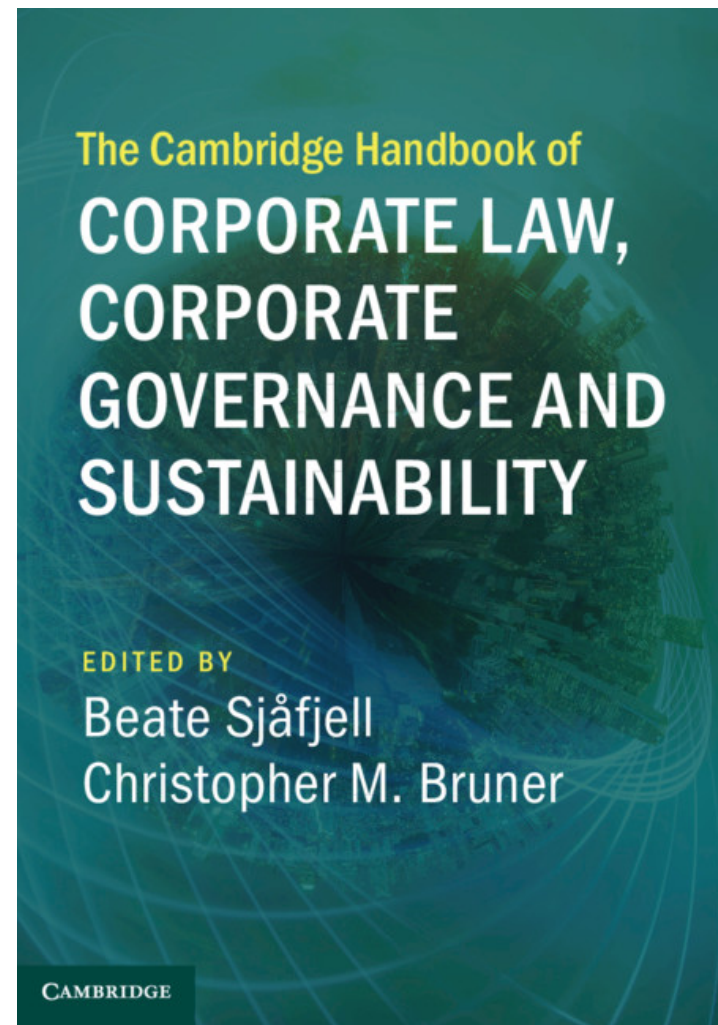
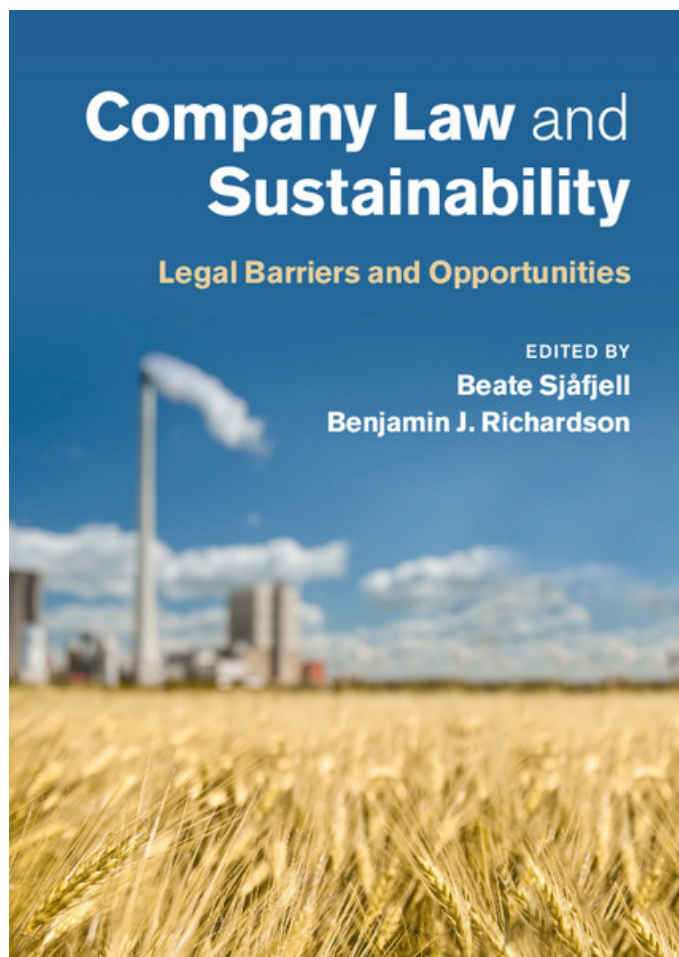
Source: Raworth 2017;  
Leach, Raworth &  
Rockström 2013

# Sustainability in EU Treaty Law

- Sustainability an overarching Treaty objective for the European Union internally in Europe and as a global actor:
  - [The EU] shall contribute to peace, security, *the sustainable development of the Earth*, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child, as well as to the strict observance and the development of international law, including respect for the principles of the United Nations Charter (Article 3(5) of the Treaty of the European Union)
- Horizontal integration rules in the EU Treaties:
  - Environmental protection requirements *must be integrated* into the definition and implementation of the Union policies and activities, in particular with a view to promoting *sustainable development* (Article 11 of the Treaty of the Functioning of the European Union)



- Shareholder primacy
- The shareholder vs stakeholder dichotomy





# From corporate social responsibility...

- [Paradigm shift in CSR definition](#) (2011)
- [Directive on 'non-financial' reporting](#) (2014)
- [Shareholder Rights Directive II](#) (2017)
- [Action plan for sustainable finance](#) (2018)
  - Disclosure Regulation (2019)
  - Taxonomy Regulation (2020)

# ... towards corporate sustainability?

- [The UN Guiding Principles for Business and Human Rights](#) (2011)
- Integrated into [OECD Guidelines for Multinational Enterprises](#) in 2011; [OECD Guidance for Due Diligence](#) (2018)
- EU [Action Plan on sustainable finance](#), Action 10 (2018)
- EU Parliament call for [mandatory due diligence for supply chains](#) (2020) – [legislative initiative report](#) (2021)
- EU Commission [Sustainable Corporate Governance](#) (2020)
- Various Member States' initiatives, including [Norway](#)
- [Proposal for directive on corporate sustainability reporting](#), April 2021
- Proposal for sustainable corporate governance directive expected late 2021 – definitely focus on [sustainability due diligence](#)

# SMART: Supporting the Transition to Sustainability



All SMART reform proposals are available at:  
[smart.uio.no/reform\\_proposals](https://smart.uio.no/reform_proposals)

# Possible further reading

- B. Sjøfjell, T. Häyhä, & S. Cornell, [A Research-Based Approach to the UN Sustainable Development Goals. A Prerequisite to Sustainable Business](#), 2020/2021
- B. Sjøfjell, [Reforming EU Company Law to Secure the Future of European Business](#), 2021
- J. Mähönen, [Comprehensive Approach to Relevant and Reliable Reporting in Europe: A Dream Impossible?](#), 2020
- H. Ahlström & D. Monciardini, [The Regulatory Dynamics of Sustainable Finance: Paradoxical Success and Limitations of EU Reforms](#), 2021
- M.B. Taylor, [Litigating Sustainability – Towards a Taxonomy of Counter-Corporate Litigation](#), 2020



# Corporate sustainability is possible, with legislative reform to support the transition

Research Group **Companies, Markets & Sustainability**  
(the Company Law Group): [jus.uio.no/companies](https://jus.uio.no/companies)

[Blogging for Sustainability](#)



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