

Part 1: Do foreign companies have a responsibility under international law to leave Russia?

Dr Irene Pietropaoli

This is a two-part blog series. In Part 1 Dr Irene Pietropaoli discusses whether foreign companies have a responsibility under international law to leave Russia. In [Part 2](#), Dr. Irene Pietropaoli and Dr. Daniel Aguirre discuss responsible exits from Russia.

Since Russia's invasion of Ukraine on 24th February, [over 300 multinational companies](#) have decided to leave Russia or suspend their operations there. Do they have an obligation under international law to do so?

Foreign companies have no direct obligations under international human rights law to leave Russia. They are obliged to do so if their operations fall under an international, regional, or national sanction regime. Some companies currently ceasing operations in Russia are doing so because of economic sanctions imposed by the US, UK, EU, Japan, and other countries. Others are suspending operations voluntarily either because they are indirectly affected by sanctions, because legal, reputational, or financial risks, or because ethical and human rights considerations.

In situations of armed conflicts, additional international humanitarian and international criminal law standards apply to companies and their directors who must consider whether their operations contribute to gross human rights violations or international crimes. International humanitarian law covers the entire territory of the countries involved in a conflict - whether combat takes place there or not. The UN General Assembly has recognised an '[act of aggression](#)'. Companies investing in or partnering with Russian state-owned enterprises have a particularly [salient risk](#) of aiding, abetting, or facilitating Russia's violations of international law. They could be accused of complicity - [direct, indirect, or silent](#) - with the Russian government.

While the International Criminal Court and international criminal tribunals do not have jurisdiction over legal entities, company personnel as natural persons may fall under their jurisdiction. Civil and criminal prosecutions have been brought against companies and their directors before national courts for international crimes. For example, Lafarge, a French company, [is currently charged](#) with complicity in war crimes and crimes against humanity during the Syrian civil war.

Both the [UN Guiding Principles on Business and Human Rights](#) and the [OECD Guidelines for Multinational Enterprises](#), which are non-binding standards, outline the decision-making process for business exit and termination, based on an enhanced human rights due diligence process and the concept of leverage. When considering '[ending the relationship](#)', the UNGPs elaborate on the business responsibility to engage with a business partner and use its leverage to address adverse impact; the OECD Guidelines refer to disengagement as a measure of '[last resort](#)'.

The UN Working Group on business and human rights [clarifies](#) that a conflict situation requires heightened human rights due diligence that considers the impact of business on the conflict itself as well as on human rights. Companies need to weigh the implications - on human rights and on the armed conflict - of withdrawing from Russia and the implications of staying. If a company's operations exacerbate the conflict or cause or contribute to human rights harms, it may be necessary to withdraw. Consequences of leaving must be considered - for example, the Russian government [announced plans](#) to seize the assets of foreign companies leaving the country.

Business and human rights standards and guidance stresses that it is critical for companies to have a thorough understanding of the conflict and to integrate conflict analysis into their human rights due diligence. Heightened due diligence should be based on consultation and engagement with external stakeholders - national and local experts, and local communities. Thorough understanding of the conflict and consultation with stakeholder is particularly challenging when the decision needs to be taken in a matter of days with many companies leaving Russia immediately after the invasion.

A responsible exit [requires](#) business to anticipate and plan a [clear exit strategy](#) in advance, to identify and assess the impacts of disengagement on all stakeholders, and to develop mitigation strategies. Companies have been accused of failing to develop and communicate a responsible exit strategy in other conflict situations. For example, there is currently [instance against Telenor](#) of non-compliance with responsible disengagement under the OECD Guidelines when it decided to sell its Myanmar operations.

Author:

[Dr. Irene Pietropaoli](#)

Research Leader in Business & Human Rights, British institute of International and Comparative Law

URL: <https://www.biicl.org/blog/33/part-1-do-foreign-companies-have-a-responsibility-under-international-law-to-leave-russia>