

[PRESS RELEASE](#): France adopts corporate duty of vigilance law: a first historic step towards better human rights and environmental protection

21 February 2017: The French Parliament adopted a much-awaited law establishing a duty of vigilance obligation for parent and subcontracting companies. The law marks a historic step towards improving corporate respect for human rights and the environment. ECCJ joins the French corporate accountability platform, [Forum Citoyen pour la RSE](#) in calling on European countries, the EU institutions, and the international community to develop similar legislation.

The law, which only applies to the largest French companies, will make the latter assess and address the adverse impacts of their activities on people and the planet, by having them publish annual, public vigilance plans. This includes impacts linked to their own activities, those of companies under their control, and those of suppliers and subcontractors, with whom they have an established commercial relationship.

When companies default on these obligations, the law empowers victims and other concerned parties to bring the issue before a judge. Judges can apply fines of up to € 10 million when companies fail to publish plans. Fines can go up to € 30 million if this failure resulted in damages that would otherwise have been preventable.

Despite being a major achievement, French civil society organisations argue the law's text could have been more ambitious. The law's scope is limited, only covering around 100 large companies. The burden of proof still falls on the victims – who often lack the means to seek justice – further accentuating the imbalance of power between large companies and victims of abuse. Furthermore, if damages are incurred despite a parent company having implemented an adequate vigilance plan, the company will not be liable: a company is not required to guarantee results, but only to prove that it has done everything in its power to avoid damages.

France has taken a first step today, but it should be followed by similar binding legislation at national, European and international level, to make globalisation work for all. ECCJ joins Forum Citoyen pour la RSE in asking the French Government to continue on this path and promote the duty of vigilance law at European and international level, and show support for other initiatives aiming to improve corporate accountability, like the UN Treaty on Business and Human Rights.

Although France is the first country to adopt binding legislation of this sort, the development is part of a larger movement across Europe. Similar legislation is currently being considered in Switzerland, where the necessary signatures have been collected for a referendum on mandatory human rights due diligence.

In February 2017, the Dutch Parliament adopted the Child Labour Due Diligence Bill. If approved by the Dutch Senate, the law would require companies to identify whether child labour is present in their supply chains and – if this is the case – develop a plan to combat it.

In 2016, the UK adopted the Transparency in Supply Chain Clause of the Modern Slavery Act. This provision requires companies domiciled or doing business in the UK to report on the measures they take to prevent slavery or human rights trafficking in their supply chains.

Numerous calls have been made by [EU Council](#), [Council of Europe](#), [the European Parliament](#) or [the G7](#) highlighting the need to improve corporate responsibility and access to justice for victims, especially in regards to human rights and environmental abuses taking place in supply and subcontracting chains.

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