

UN expert group welcomes legislative efforts in France and other countries to address adverse business human rights impacts

GENEVA (23 March 2017) – A group of United Nations experts applauded the adoption of a new law requiring human rights due diligence by large French companies in their operations and supply chains.¹ Companies covered by the law are required to establish, publish and implement a vigilance plan. Such plans require those businesses to take appropriate measures to identify and prevent risks of infringements to human rights and fundamental freedoms, as well as injury, health and environmental damage risks, resulting directly and indirectly from a company’s activities and those of its business relations. The law provides for fines if companies do not publish vigilance plans or if a failure to conduct due diligence results in harm that could otherwise have been prevented.

The Working Group welcomes this effort to more effectively prevent business-related human rights abuse, in line with the UN Guiding Principles on Business and Human Rights*. It views this as an example of efforts to implement the Guiding Principles through a smart mix of approaches, including regulation, policy and guidance to incentivize corporate respect for human rights. The Working Group encourages more countries to show leadership in this area.

“States have a duty to set out clearly the expectation that all companies within their territory or jurisdiction respect human rights throughout their operations, including in their supply chains,” said human rights expert Michael Addo, who currently heads the UN Working Group on Business and Human Rights. He drew attention to Guiding Principle 13 which requires companies “to avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur”, and to “prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.”²

Mr. Addo welcomed the fact that companies covered by the law are required to publish “vigilance plans” in relation to impacts linked to their own activities as well as in relation to companies under their control, and suppliers and

¹ The law adopted by the National Assembly of France on 21 February 2017 is available at: www.assemblee-nationale.fr/14/ta/ta0924.asp

² www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

subcontractors with whom they have an established commercial relationship. He also noted the vigilance plans should be developed in consultation with stakeholders and that it should include an early warning mechanism established in consultation with trade union representatives. “In line with the Guiding Principles, the process of identifying and assessing human rights risks should also involve consultation with affected groups, including human rights defenders and others from civil society,” he underscored.

The Working Group acknowledges that most companies want to do the right thing and welcomes States setting a clear regulatory environment in relation to the corporate responsibility to respect human rights in general, and good supply chain management in particular. Mr. Addo also remarked that while the law only applies to the large French companies, the corporate responsibility to respect human rights “applies to all enterprises regardless of their size, sector, operational context, ownership and structure.”

While the impact of the law remains to be seen, the Working Group notes that it illustrates the leadership role that parliamentarians can play in adopting legislation aimed to implement the State duty to protect human rights in a business context.

The Working Group sees this French law as part of a larger movement to put respect for human rights at the centre of business practice. One indication is the growing number of countries developing national action plans on business and human rights. There have also been other notable developments incorporating human rights due diligence elements into regulatory frameworks. For example, the Indonesian Ministerial Regulation 2/2017, issued in January 2017, establishes a certification mechanism to protecting against human rights abuse in the fishing industry. Under the regulation, fishing companies must have in place a human rights policy as well as mechanisms for human rights due diligence and remediation in order to be allowed to operate in Indonesian waters. Another example is the United Kingdom’s 2015 adoption of the Modern Slavery Act, which requires large commercial organisations to prepare a slavery and human trafficking statement for each financial year. Similarly, the EU non-financial reporting directive applying to about 8,000 large EU companies also includes requirements to report on human rights risks, with companies having to start to include this information in their annual reports from 2017 onwards.

The Guiding Principles apply to all States, and it is time for all countries to become part of the movement to protect human rights in global supply chains. This must also include ensuring access to effective remedy for victims of human rights abuse, which needs to be ensured through access to both judicial and non-judicial mechanisms.

Mr. Addo finished by saying that “the Working Group stands ready to provide advice and assistance to States in accordance with international best practice”.

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(*) The UN Guiding Principles on [Business and Human Rights](#).

The Working Group on human rights and transnational corporations and other business enterprises was established by the UN Human Rights Council in June 2011. Its five members are: Michael Addo (current Chairperson), Mr. Surya Deva (Vice Chair), Mr. Pavel Sulyandziga, Ms. Anita Ramasastry and Mr. Dante Pesce. The Working Group is independent from any government or organization. It reports to the Human Rights Council and to the UN General Assembly. More [information](#)

Read the Working Group's [report](#) to the to the 71st session of the UN General Assembly (A/71/291) "Addressing the human rights impacts of agro-industrial operations on indigenous and local communities: State duties and responsibilities of business enterprises" which dealt, in part, with human rights due diligence and supply chain issues.

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