

FOCUS: HUMAN RIGHTS, WORKER SAFETY, SUSTAINABILITY

The Duty of Vigilance Act

Region: France

Purpose

The French Duty of Vigilance Act, also known as the “devoir de vigilance” law, is a legislation that was passed in 2017 to hold French companies accountable for human rights violations and environmental damage caused by their subsidiaries, suppliers, or service providers. The law is considered one of the strongest of its kind globally, and sets a high standard for corporate social responsibility and environmental protection.

Under the Duty of Vigilance Act, companies must adopt a vigilance plan to

prevent or mitigate the risks of serious harm to human rights and the environment. The plan must outline the measures the company will take to monitor its business activities, ensure compliance with ethical and environmental standards, and prevent harm.



Who is it for?

All large French companies – with over 5,000 employees in France or over 10,000 worldwide. This means that even if a company operates primarily outside

of France, it may still be subject to the requirements of the law if it meets the size criteria.

Penalties

If a business fails to properly implement their Duty of Vigilance plan, the courts can penalize them with periodic payments or injunctions. Parent companies are held accountable if damage is caused due to insufficient preparation in implementing an adequate plan and could face civil liability if damage occurs.

Companies that fail to comply with their due diligence obligations under the Duty of Vigilance Act are subject to sanctions and are liable for damages caused by an improperly prepared and monitored vigilance plan, even if these damages are directly caused by third parties.

What are the requirements?

1



Due Diligence

Companies must conduct thorough due diligence on their activities and those of their subsidiaries, suppliers, and service providers to identify and assess the potential risks of serious harm to human rights and the environment. This includes reviewing their practices, policies, and procedures, and conducting regular monitoring and audits.

FRDM risk maps your supply chain from your tier one direct suppliers all the way up to nth tier suppliers and risk.

Assessments of supplier policies and procedures can be surveyed for free with no burden to the supplier.

2

Vigilance Plan

Companies must adopt a vigilance plan that outlines the measures they will take to prevent or mitigate the risks of serious harm to human rights and the environment. The plan must be updated annually and made publicly available. The plan must also be communicated to stakeholders, including employees, suppliers, and the general public.

FRDM is a core element to Vigilance Plans of some of the largest companies in the world. Our reporting tools allow for easy access to progress made year over year.



3



Reporting and Remediation

Companies must report annually on the implementation of their vigilance plan and the measures taken to prevent or mitigate the risks of serious harm to human rights and the environment. If harm does occur, companies must take appropriate remedial action to address the issue and prevent it from happening again in the future.

All actions and progress gets archived FRDM on for each supplier in your supply chain.

4

Duty of Vigilance Committee

Companies are required to establish a committee which is responsible for monitoring the implementation of the law and advising companies on their vigilance plans. **FRDM can support your Vigilance Committee with easy access to the platform and quarterly reports.**



Don't hesitate to reach out if you have any questions.