N° 376

SENATE

PROPOSED LAW

ADOPTED BY THE NATIONAL ASSEMBLY,

relating to **the duty** *of* **vigilance** *of* **parent companies** *and* **subcontracting companies,**

SUBMITTED BY

the PRESIDENT OF THE NATIONAL ASSEMBLY

TO

the PRESIDENT OF THE SENATE

(sent to the Commission of Constitutional Law, Legislation, Universal Suffrage, Regulation and General Administration, subject to the establishment of a special commission under the conditions specified by the Regulations.)

The National Assembly passed the bill which reads as follows:

Article 1

1. After Article L. 225-102-3 of the Commercial Code, shall be inserted Article L. 225-102-4, which reads:
2. "*Art. L. 225-102-4.* – I. – Any company that. at the end of two consecutive financial years, employs at least five thousand employees within the company and its direct and indirect subsidiaries, whose head office is located on French territory, or that has at least ten thousand employees in its service and in its direct or indirect subsidiaries, whose head office is located on French territory or abroad, must establish and implement an effective vigilance plan.
3. "This plan shall include measures of reasonable vigilance to identify and prevent abuses against human rights and fundamental freedoms, serious physical or environmental damage or health risks resulting from the company's activities or those of the companies it controls, as defined in II of Article L. 233-16, directly or indirectly, as well as the activities of their sub-contractors or suppliers, with whom it has an established business relationship. The plan shall also aim to prevent active or passive corruption in the company and the companies it controls.
4. "The vigilance plan shall be made public and be included in the report referred to in Article L. 225-102.
5. "A decree in Council of State shall specify the procedures and application of the vigilance plan, and also how its effective implementation shall be monitored, where appropriate with multi-stakeholder initiatives within sectors or at territorial level.
6. "II. – Any person demonstrating an interest may request that the appropriate jurisdiction order the company, if necessary under financial compulsion, to establish the vigilance plan, to ensure that it is made public and to give an account of its implementation in accordance with I.
7. "An application may be made to the president of the court, ruling in summary proceedings, for the same purpose.
8. "III. – The judge may impose a civil fine which may not exceed 10 million Euros. This fine is not deductible from taxable income.

Article 2

1. After the same Article L. 225-102-3, shall be inserted Article L. 225-102-5, which reads:
2. "*Art. 225-102-5.* – Failure to comply with the requirements stipulated in Article L. 225-102-4 renders the perpetrator liable under the conditions set out in Articles 1382 and 1383 of the Civil Code.
3. "An action for damages may be brought before the competent jurisdiction by any person mentioned in II of the Article L. 225-102-4 of the present Code.
4. "In addition to compensation for damage caused, the judge may impose a civil fine as set out in III of the same Article L. 225-102-4. This fine is not deductible from taxable income.
5. "The court may order the publication, distribution or display of its decision or an extract thereof, in accordance with its procedures.
   The costs shall be paid by the person convicted.
6. "The court may order its decision to be carried out under financial compulsion.

Article 3

1. Articles L. 225-102-4 and L. 225-102-5 of the Commercial Code are applicable in the Wallis and Futuna Islands.
2. The civil fine incurred under the same Articles shall be stated in local currency, based on the equivalent amount in Euros.

Deliberated in public session, Paris, 30 March 2015.

President,

Signed: CLAUDE BARTOLONE