



Principal Elements of a UK Corporate Duty to Prevent Adverse Human Rights and Environmental Impacts – a ‘Failure to Prevent’ law.

This document has been prepared by a coalition of UK civil society organisations who are working to strengthen corporate accountability for human rights abuses and environmental damage (including related to climate change). It provides an overview of the principle elements that we would like to see included in new legislation. The document is a summary of our current position and is intended to facilitate dialogue with business, investors, lawyers, decision-makers and academics.

1. Commercial and other organisations have a duty to prevent adverse human rights and environmental impacts of their domestic and international operations, products and services including in their supply and value chains.
2. Commercial and other organisations must develop and implement reasonable and appropriate due diligence procedures to identify, prevent and mitigate adverse human rights and environmental impacts.
3. Commercial and other organisations must publish a forward-looking plan describing the procedures to be adopted in the forthcoming financial year, and an assessment of the effectiveness of actions taken in the previous financial year.
4. Commercial and other organisations, and their senior managers shall be subject to a civil penalty if they fail to develop, implement and publish a due diligence plan within a reasonable time, or publish a misleading or inadequate plan.
5. Commercial and other organisations shall be liable for harm, loss and damage arising from their failure to prevent adverse human rights and environmental impacts of their domestic and international operations, products and services including in their supply and value chains.

6. It could be a defence from liability for damage or loss, unless otherwise specified, for commercial and other organisations to prove that they acted with due care to prevent human rights and environmental impacts.

7. Commercial and other organisations, and their senior managers shall be subject to a criminal penalty if they fail to prevent serious human rights or environmental impacts.

8. Commercial and other organisations to be included in this legislation include all businesses, no matter their size, nature or sector. It also includes public sector bodies, including those using public procurement and other public bodies providing financial and other support to businesses, such as export credit agencies, development agencies and development finance institutions.