



## Conference “Strengthening the role of the private sector in combating human trafficking and labour exploitation in supply chains”

Sofia, 28 May 2024

### Welcome remarks by Petya Nestorova, Council of Europe

I would like to warmly welcome you on behalf of the two international organisations which have joined forces to organise this conference, the Council of Europe and the OSCE.

The very title of this event – “Strengthening the role of the private sector in combating human trafficking and labour exploitation in supply chains” – may raise a few eyebrows. Most people associate trafficking in human beings with the exploitation of vulnerable women and girls in the sex industry by criminal gangs. Alternatively, human trafficking is conflated with the smuggling of migrants.

What has human trafficking to do with the private sector?

Trafficking in human beings – which is the recruitment, transportation, transfer, harbouring or receipt of people through force, deception or abuse of a position of vulnerability, with the aim of exploiting them for profit - frequently takes places for the purpose of labour exploitation. In fact, this form of trafficking has emerged as one of the major challenges in Europe and across the world, accounting for 40% of all detected cases of trafficking. Trafficking for labour exploitation occurs both in the formal and the informal economy, and concerns women, men and children. Victims include both EU citizens and third-country nationals, low-skilled and skilled workers alike. Trafficking for the purpose of labour exploitation may occur in all sectors of economy, at different stages of businesses’ supply chains, and as a consequence of public procurement practices. It generates significant profits and can be linked to other illegal activities, such as tax evasion, social benefit fraud, corruption and money laundering. The human trafficking industry is now estimated to be worth over 245 billion USD of illegal profits per year, including **76 billion from forced labour in the private sector**.

Trafficking in human beings is a serious criminal offence, often part of organised crime, but it is also a grave violation of human rights, reducing human beings to commodities and depriving them of their inherent dignity. It is for these reasons that trafficking is often termed as “modern day slavery”, even if the victims visibly do not have any of the characteristics of “slaves”. Human trafficking is enabled by the lack of labour market regulation and effective labour inspection mechanisms, as well as multiple and intersecting forms of discrimination and failure to uphold labour and social rights. Other important

facilitators can be the increasing market pressure towards cost reduction and the attempt to maximise profits through the underpayment, overwork and exploitation of workers.

The patterns of human trafficking are changing, and countries of "origin" become countries of "destination". For example, in Poland, where 12 years most of the victims were Polish nationals exploited for their labour in EU countries, now many of the victims are foreign nationals exploited in the sectors of construction, agriculture and manufacture. Similar trends are observed in other Central and Eastern European countries.

The organisation that I represent, the Council of Europe, was set up in the aftermath of WW2 to defend and promote human rights, rule of law and democracy. The CoE is working on many fronts related to these three pillars of its mandate, many of which are similar to those of the OSCE. Our two organisations have been working in synergy in the area of combating human trafficking and facilitating dialogue on human rights due diligence and its implications for various stakeholders.

International law obliges States to respect, fulfil and protect human rights, including by ensuring compliance by non-state actors. Even if human rights standards cannot be applied directly to the activities of business enterprises, States have a duty to put in place legislation and policies to prevent abuses by corporate actors and effective remedies to victims of human rights violations.

Numerous judgments of the European Court of Human Rights concern the State accountability for failure to protect individuals from adverse impacts resulting from the activities of companies.

By way of example, I would like to refer to a judgment issued in October 2021 by the Court, *Zoletić and Others v. Azerbaijan*, which concerned 33 citizens of Bosnia and Herzegovina who had been recruited to work for a construction company in Azerbaijan. They worked excessively long shifts and were deprived of proper nutrition and medical care, their passports were confiscated and their movement was restricted, all of which constituted an "arguable claim" that the applicants had been subjected to human trafficking and forced labour. The Court found that the failure of the authorities of Azerbaijan to conduct an effective investigation into the migrant workers' arguable claims of human trafficking and forced labour constituted a violation of Article 4, paragraph 2, of the European Convention on Human Rights (which prohibits slavery, servitude, forced labour and services).

Bulgaria became a member of the CoE in 1992 and is bound by all of the main international treaties developed by the CoE. Since 2008, Bulgaria has been applying the CoE Convention on Combating Trafficking in Human Beings. The Group of Experts on Action against Human Trafficking, GRETA, is monitoring the implementation of this Convention by the 48 states which have ratified it. GRETA has already published three reports on Bulgaria, and a new evaluation is expected to take place this autumn.

The last GRETA report examined, amongst others, the role of businesses in the fight against human trafficking. The need to engage the private sector and make it more accountable has been acknowledged by the National Commission for Combating Trafficking and partnerships have been developed with some businesses to support services and provide employment to victims. One example quoted was that of the Manpower Group, which promotes corporate social responsibility policies for tackling labour exploitation and was the first to sign the Athens Ethical Principles in 2006 with a 'zero tolerance' policy for human trafficking. Nevertheless, various interlocutors noted that the business community in Bulgaria still lacks knowledge about human trafficking and is reluctant to engage. Importantly, Bulgaria does not have a National Action Plans on Business and Human Rights for the Implementation of the United Nations Guiding Principles on Business and Human Rights.

Consequently, GRETA recommended that the Bulgarian authorities strengthen engagement with the private sector, in line with the UN Guiding Principles on Business and Human Rights and Council of Europe Committee of Ministers Recommendation CM/Rec(2016)3 on human rights and business, with a view to raising awareness of the important role and responsibility of businesses in supporting the rehabilitation and recovery of victims, and to provide access to effective remedies. Further, GRETA considered that the Bulgarian authorities should adopt legislation integrating the prevention of trafficking and labour exploitation in public procurement policies and promoting transparency in supply chains.

Businesses have a responsibility to respect human rights, including by preventing negative human rights impacts linked to their operations. As yet, human trafficking remains off most corporate radars. Many companies treat it as a PR issue that needs to be managed rather than a human rights abuse that needs to be addressed. The question often facing corporations is what should they do?

The aim of this conference is to raise awareness of the role of the private sector in combating human trafficking for labour exploitation and stimulate discussion among stakeholders from government, civil society and the private sector. Participants will gain insights into the political and legal developments surrounding the topic in different countries, and will have the opportunity to exchange best practices and lessons learned on how to prevent and combat human trafficking and labour exploitation in supply chains.

It is also important to stress the responsibility of state-run organisations to act with due diligence as, according to the World Bank, 12 per cent of global gross domestic product (GDP) is spent through public procurement rather than by private businesses.

Combating trafficking for the purpose of labour exploitation requires co-ordinated action between states, businesses, non-governmental organisations and trade unions as well as the support of free media. We hope to stimulate action at all these levels with this conference and the business round-table organised tomorrow.