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HUMAN RIGHTS IN THE VALUE CHAIN: A SERIOUS AFFAIR[1]

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Many people are still not aware of the human rights violations that happen in the corporate world, often closer to them than they think. Human trafficking and slavery exist in all regions, while discrimination is not a minor issue. It is time to invest in awareness raising and human rights prevention and protection, and not only for compliance reasons.

As the Corporate Sustainability Due Diligence Directive (CSDDD) started being discussed in the European Union (EU), many companies sought council on how to be prepared. It is not only about having sound environmental practices, sustainability in mind, but also protecting human rights in their value chain (see Box 1.). And on human rights the main issue is: are we aware enough of what is happening?

Companies introduce change for many reasons. They want to be more efficient, they want to have more clients, they want to avoid risks and consequences, especially reputational damage, or they just want to be compliant. However, when we speak of human rights, those should never be the main reasons. Respecting human rights means understanding that they are universal and that every single person in the world has them.

If we build a company's ethical code, values, and especially practices, using a human rights framework, we would indeed help avoiding many risks. In fact, human rights violations create legal and financial risks, strategic and operational risks, ethical and social risks, regulatory and policy risks, global political risks and even impact on long-term sustainability. And of course, the dreaded reputational risks, that may just aggravate all the others. They specially create the consequences of those risks.

But if you approach human rights just from the compliance point of view, you may forget that at the centre of the human rights violations are persons, with universal and inalienable rights, all with their own story and situation. It is not even difficult to argue that human rights due diligence not only avoids the consequences of risks but, more importantly, works on the prevention and protection of harm to any person in the value chain.

When people think about human rights in the value chain they may think of hard-earned labour rights, such as limits to working hours or the right to be paid a salary. Some may even think of other issues, like equality of wages between men and women, or the right to be unionised. And of course, the eradication of child labour.

But I can argue that many people who are in decision-making roles in companies are not aware of the serious human rights violations that are being carried out in their value chain. And their lack of awareness is used and abused by the international criminal rings that feed on it.

Slavery is not something of the past

The law states that for the crime of slavery to be considered proven, the person working has to earn zero euros/dollars (or whatever the currency you are operating in). It seems something impossible in current days. However, in my own research on human trafficking, 25% of the victims I interviewed were earning zero, so they were officially in slavery.

Traffickers normally attend to bear minimum survival needs, of food, water and shelter, keeping the salaries, that may even be paid in normal and regulated amounts by companies, oblivious to how it is being retained.

BOX 1 . GOALS, SCOPE AND MAIN STEPS OF THE CSDDD

The CSDDD is a European Union directive that establishes legal accountability for businesses concerning environmental and human rights transgressions, both within the EU and globally. It sets obligations for companies to address actual and potential adverse impacts on human rights and the environment, including those related to their own operations, their subsidiaries, and their suppliers. This Directive establishes a corporate due diligence duty for the very large companies that fall within its scope. The aim is to foster sustainable and responsible corporate behaviour in the value chains – driving new expectations for responsible sourcing and governance.

CRONOLOGY OF THE PROCESS

2022-2023 February 23, 2022: The European Commission officially released its initial legislative proposal for the directive. In December 2023, a provisional deal outlined the directive's scope, defined penalties, and completed the list of rights and prohibitions that companies should respect.

March 15, 2024 Following pushback and renegotiations, the Council of the European Union approved a revised, scaled-down version of the directive, which was voted by the Parliament on April 24th and formally adopted on May 24th, 2024.

July 25, 2024 The Directive on corporate sustainability due diligence (Directive 2024/1760) officially entered into force.

December 2025 The European Parliament approved Omnibus I, which narrowed the scope of CSDDD and changed how due diligence works: mandatory transition plans have been removed, and compliance has been pushed to July 2029.

February 26, 2026 Directive (EU) 2026/470 is approved; The European Union published the Omnibus I legislative package in its Official Journal, which finalised simplifications to the CSDDD. It entered into force on 18 March 2026.

July 26, 2028 / 2029 Under the amended CSDDD, Member States must adopt and publish national transposition measures by 26 July 2028 and apply them from 26 July 2029.

Some of these slaves are being forced by debt servitude. There are still generations of people paying off debt from dozens of years ago (some more than a century), contracted by someone in the family, and so they are so called "willing slaves", convinced by their own ethics and principles that they have to do it. As in other cases they can also have their movements severely restricted and be physically and psychologically coerced.

Although more common in some regions, migration has taken these slaves all over the world. However, slavery is not always related to debt servitude. There are also "new slaves", who just do not have access to their salaries. Or were never paid one.

Human trafficking is the most prevalent human rights violation

Although official human trafficking statistics may vary from 2.5 to 30 million people per year (UN, ILO, Interpol), an already staggering number of human beings, many Non-Governmental Organisations (NGOs) and other victim assistance entities estimate real numbers to be around 200 million a year.

The vast majority are kept supervised 24/7 by controllers that determine how they move, to whom they speak, and how they interact. Although some are allowed to work without the controller present, they are normally under extreme coercion; their lives and those of their loved ones threatened.

Traffickers will often kill or torture either the trafficked victim or their families, sometimes just to maintain the victim terrorised. They are cases of gang rape, just to keep the victim compliant. Everything they eat, drink, the people that they speak and how they speak to them is under surveillance. It is virtually impossible to leave without some dire consequence.

Traffickers use legally constituted recruitment and selection companies and mix trafficking victims with regular employees, so it becomes easier to hide. Many of these victims earn a minimum amount of money – can be as low as 50 euros per month – and are forced to work 16 hours a day, normally in two or more jobs. Once again, companies hiring can be convinced they are operating through a legitimate company and can be paying full wages and complying with the legal work schedule.

Traffickers go to the extreme to send money to the family of the victim, just to give the appearance of successful migration and thus attract more victims. It is also important to note that trafficking can be internal (for nationals of the own country), so focusing just on immigrants is insufficient in terms of human rights due diligence procedures.

Children are still a main labour source

Normally, companies will have strict rules about forbidding the use of child labour; sometimes asking suppliers to sign codes of conduct forbidding their use. Unfortunately, however, this is not the reality in many countries.

Children are not only forced to work, sometimes as young as four years old, but their stamina and youthful strength used and abused to prolong labour exploitation. There are reports of children working 18 to 20 hours a day, sleeping in their workplace, sometimes forbidden to drink water or going to the bathroom for extended periods of times. Eating a bowl of rice per day or another minimum staple. There are industries in which child labour is especially prevalent, like textile industries, construction, fisheries, but it is important to note that there may be child exploitation in all types of industries.

Children are especially easy to coerce and sometimes used both for labour and sexual exploitation, or just tortured or violated to keep subdued. Many of them also develop Stockholm syndrome, feeling that they are in a loving relationship with their traffickers and believing in the lies they wove on a daily basis. Traffickers also move children to different locations very often, so child protection services and police do not find them.

Discrimination and harassment are not a minor issue

When we speak of human trafficking or child exploitation, normally we see companies mobilising and creating processes and procedures to combat it immediately. Companies rally the departments and start action immediately, as soon as they are aware of how the process is done and how much they can be deceived.

However, the rate of response is never as quick as needed, especially when we speak of discrimination and harassment. When providing training on these issues, you can quickly see the energy going down as soon as you mention these words. As if speaking about discrimination and harassment is just not worth the time.

Of course, this is easy to think, when we are not the ones being harassed or discriminated.

Imagine your day-to-day at work starting with a joke about your nationality, your gender, the colour of your skin. Imagine that once, imagine that 10 times, imagine that 1000 times. Prejudice and stereotypes revisited every day, every week, every month. Over years and years. The promotions coming and going, and never reaching you because you are a woman, a black person, because you are from a specific origin, etc.. Imagine feeling unsafe when you attend a company event and need a lift at the end of the night. Imagine being afraid of going to an office to speak with your boss.

Discrimination and harassment are not something light. Something that can be dismissed. They are serious. They create physical and psychological insecurity. They create toxic and dangerous environments. They can be too much for some people, especially those with increased vulnerability. Some even take their own life.

The context is important, but not the geography

Many companies think that operating in Europe or North America is sufficient to secure human rights are not being violated. They flagrantly state that "those things" do not happen in their country or in their region. However, when you really look at salient and prevalent human rights issues, you will find them all over the world.

Criminals use this misperception to operate without control. Many times, in the guise of legal and official companies. In fact, many sophisticated criminals will operate partially within the law. They will create real companies, they will give contracts to people, they will deal with visa requirements. Having people in an unregular situation is not good for them, as it draws too much attention from authorities. And so, companies feel free to use their services to source people.

It is, therefore, essential to understand the context, understand the criminals' *modus operandi*, know how they navigate the system. Understand how they control people, how they deviate their hard-won salaries, how they use deceit to trick people into believing them. Understand that you should fight misconceptions about your country, understand cultural issues, review research on human rights and speak to experts. Don't rely on misconceptions about your own geography to take decisions.

Investing in prevention

Many companies invest in protection, some even in reparation, but seldomly invest in prevention. In fact, the best way to avoid risk, the best way to avoid damage to the person and the company, is to invest in prevention. Some people are subject to so severe human rights violations in their workplace that they just cannot live with it. Others have a lifetime of trauma. Some never recover from it.

When you consider human rights due diligence in the value chain you first need to be aware. *Do you know how prevalent human trafficking is? Do you know how debt servitude is imposed using people's own principles and values? Do you know that children are still forced to work 18 hours? Do you know that discrimination can be unsurmountable? Do you know that human rights violations happen everywhere?*

The best way to start is by training, by raising awareness. By understanding the data, the facts. Reading the research, knowing how to find the red flags in your value chain. Combating the preconceptions that make us oblivious to what is happening, many times as close by as in the company we are outsourcing or our critical suppliers.

It is important to implement preventive measures, know how to create a profound understanding of those universal human rights, and how they should be lived in the workplace. Also have in place quick and actionable protection measures, to help all people subjected to human rights violations, with a concrete action plan that can be implemented as soon as there is someone in need.

Governance and leverage

There can never be human rights prevention, protection and reparations without the involvement of top leadership. In fact, if the Board of Administrators and/or the Chief Executive Officer (CEO) of a company are not aware nor concerned with human rights issues, she/he/them will not be willing to change such issues as time of production, ethical sourcing of suppliers or introduction of measures such as a human rights audit.

It will not be the person in charge of hiring or writing contracts that will take these decisions. They do not have the authority, nor do they have something very important in this area of work – leverage. A Board or a CEO can not only influence suppliers to have better human rights practices, but can also leverage the relationship to make it mandatory. Not all human rights violations can be avoided, but the value chain can be something very different when top leadership is aware and involved.

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Raise awareness – the time is here!

As human rights due diligence progressively becomes mandatory for many companies, it is time to raise awareness. It is time for these companies and their decision makers to understand that unspeakable things are happening either directly inside their companies or in their value chain.

Awareness is, therefore, the first step. Afterwards normally comes action. Of course, human rights rely on the concept of empathy. We need to be able to understand that despite the fact that we may never be black, may never be an immigrant, may never be a woman, we still have to be concerned to what may happen to them. Knowledge is still the best tool for action. Especially when paired with empathy. Therefore, it is time to invest in awareness raising and human rights prevention and protection, and not only for compliance reasons. ●

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Note

[1] This text is adapted from the article originally published on the Stone Soup website on 19.06.2026. https://stone-soup.net/human-rights-in-the-value-chain-a-serious-affair/

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