



TEXTS ADOPTED

P10_TA(2026)0050

Addressing subcontracting chains and the role of intermediaries in order to protect workers' rights

European Parliament resolution of 12 February 2026 on addressing subcontracting chains and the role of intermediaries in order to protect workers' rights (2025/2133(INI))

The European Parliament,

- having regard to Articles 16 and 31 of the Charter of Fundamental Rights of the European Union,
- having regard to the European Pillar of Social Rights,
- having regard to Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services¹, as amended by Directive (EU) 2018/957,
- having regard to Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System ('the IMI Regulation')²,
- having regard to Directive 2011/36/EU of the European Parliament and of the Council of 5 April 2011 on preventing and combating trafficking in human beings and protecting its victims, and replacing Council Framework Decision 2002/629/JHA, as amended by Directive (EU) 2024/1712³,

¹ OJ L 18, 21.1.1997, p. 1, ELI: <http://data.europa.eu/eli/dir/1996/71/oj>.

² OJ L 159, 28.5.2014, p. 11, ELI: <http://data.europa.eu/eli/dir/2014/67/oj>.

³ OJ L 101, 15.4.2011, p. 1, ELI: <http://data.europa.eu/eli/dir/2011/36/oj>.

- having regard to Directive 2009/52/EC of the European Parliament and of the Council of 18 June 2009 providing for minimum standards on sanctions and measures against employers of illegally staying third-country nationals⁴ (the Employers' Sanctions Directive),
- having regard to Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC⁵,
- having regard to Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859⁶,
- having regard to the Commission report of 30 April 2024 on the application and implementation of Directive (EU) 2018/957 of the European Parliament and of the Council of 28 June 2018 amending Directive 96/71/EC concerning the posting of workers in the framework of the provision of services (COM(2024)0320),
- having regard to the Commission report of 26 May 2025 entitled 'Evaluation of the European Labour Authority (ELA)' (COM(2025)0256),
- having regard to the Commission communication of 3 December 2020 entitled 'EU strategic framework on health and safety at work 2021-2027 Occupational safety and health in a changing world of work'(COM(2021)0323), including the Vision Zero approach to work-related deaths in the EU,
- having regard to the Commission publication of May 2020 entitled 'Making Socially Responsible Public Procurement Work - 71 Good Practice Cases'⁷,
- having regard to the ELA report of 2025 entitled 'Posting of third-country nationals: Contracting chains, recruitment patterns, and enforcement issues'⁸,
- having regard to the ELA report of February 2023 entitled 'Cooperation practices, possibilities and challenges between Member

⁴ OJ L 168, 30.6.2009, p. 24,
ELI: <http://data.europa.eu/eli/dir/2009/52/oj>.

⁵ OJ L 94, 28.3.2014, p. 65,
ELI: <http://data.europa.eu/eli/dir/2014/24/oj>.

⁶ OJ L, 2024/1760, 5.7.2024,
ELI: <http://data.europa.eu/eli/dir/2024/1760/oj>.

⁷ <https://data.europa.eu/doi/10.2826/844552>.

⁸ <https://www.ela.europa.eu/sites/default/files/2025-03/ELA-posting-third-country-nationals-report.pdf>.

States – specifically in relation to the posting of third-country nationals’⁹,

- having regard to the ELA report of 20 September 2023 entitled ‘Construction sector: Issues in information provision, enforcement of labour mobility law, social security coordination regulations, and cooperation between Member States’¹⁰,
- having regard to the Europol report of December 2024 entitled ‘Leveraging legitimacy: How the EU’s most threatening criminal networks abuse legal business structures’,
- having regard to Article 10 of the International Labour Organization (ILO) Guidelines on general principles of labour inspection,
- having regard to the ILO Convention concerning Private Employment Agencies (Convention No 181, 1997),
- having regard to the ILO Convention concerning Safety and Health in Construction (Convention No 167, 1988),
- having regard to its resolution of 25 November 2021 on the introduction of a European social security pass for improving the digital enforcement of social security rights and fair mobility¹¹,
- having regard to its resolution of 13 March 2025 on social and employment aspects of restructuring processes: the need to protect jobs and workers’ rights¹²,
- having regard to its resolution of 18 January 2024 on the revision of the European Labour Authority mandate¹³,
- having regard to its resolution of 9 September 2025 on public procurement¹⁴,
- having regard to the La Hulpe Declaration on the Future of the European Pillar of Social Rights from 16 April 2024,

⁹ <https://www.ela.europa.eu/sites/default/files/2023-04/ela-report-posting-third-country-nationals.pdf>.

¹⁰ <https://www.ela.europa.eu/en/publications/construction-sector-issues-information-provision-enforcement-labour-mobility-law>.

¹¹ OJ C 224, 8.6.2022, p. 81.

¹² OJ C, C/2025/3156, 20.6.2025, ELI: <http://data.europa.eu/eli/C/2025/3156/oj>.

¹³ OJ C, C/2024/5741, 17.10.2024, ELI: <http://data.europa.eu/eli/C/2024/5741/oj>.

¹⁴ Texts adopted, P10_TA(2025)0174.

- having regard to the Val Duchesse Social Partner Summit Tripartite Declaration for a Thriving European Social Dialogue of 31 January 2024,
- having regard to the Commission green paper of 31 January 2013 on unfair trading practices in the business-to-business food and non-food supply chain in Europe (COM(2013)0037),
- having regard to the Commission communication of 29 January 2025 entitled 'A Competitiveness Compass for the EU' (COM(2025)0030),
- having regard to the Eurofound Sixth European Working Conditions Survey,
- having regard to the report of 9 September 2024 by Mario Draghi entitled 'The future of European competitiveness' (the Draghi report),
- having regard to the report of 17 April 2024 by Enrico Letta entitled 'Much more than a Market – speed, security, solidarity: empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens' (the Letta report),
- having regard to the position paper of 14 February 2025 from the Netherlands, Belgium, Denmark, Germany, Italy, Latvia and Luxembourg on EU policy priorities for the Commission 2024-2029 and the fair posting of third-country nationals,
- having regard to the judgment of the Court of Justice of 5 April 2017 in Case C-298/15, '*Borta*' UAB v *Klaipėdos valstybinio jūrų uosto direkcija VĮ*¹⁵, relating to public procurement,
- having regard to national strategies to combat labour exploitation, forced labour and undeclared work¹⁶,
- having regard to Rule 55 of its Rules of Procedure,

¹⁵ judgment of the Court of Justice of 5 April 2017, '*Borta*' UAB v *Klaipėdos valstybinio jūrų uosto direkcija VĮ*, C-298/15, ECLI:EU:C:2017:266.

¹⁶ See, for instance: German Federal Ministry of Labour and Social Affairs' Nationaler Aktionsplan gegen Arbeitsausbeutung und Zwangsarbeit (2025); Italian Ministry of Labour and Social Policies' Piano nazionale per la lotta al lavoro sommerso (2022); Spanish Ministry of Inclusion, Social Security and Migration's Plan de Acción contra el Trabajo Forzoso (2021); Swedish Government's Nationell strategi mot arbetslivskriminalitet (2022) and additionally: Norwegian Government's Strategi mot arbeidslivskriminalitet (2021).

- having regard to the opinion of the Committee on the Internal Market and Consumer Protection,
 - having regard to the report of the Committee on Employment and Social Affairs (A10-0256/2025),
- A. whereas principle 5 of the European Pillar of Social Rights recalls that regardless of the type and duration of the employment relationship, workers have the right to fair and equal treatment regarding working conditions, access to social protection and training; whereas it also recalls that employment relationships that lead to precarious working conditions should be prevented;
 - B. whereas the freedom to provide cross-border services is one of the four core principles of the single market and whereas subcontracting is part of the freedom to provide services and the freedom of establishment; whereas the EU needs to preserve and enhance its competitiveness so that businesses can thrive, with a special focus on small and medium-sized enterprises (SME)s; whereas it also needs to create clear and proportionate rules which do not impose unnecessary burdens, and to strengthen enforcement;
 - C. whereas labour exploitation and abuse in the EU labour market constitute a serious problem in high-risk sectors, manifesting in various forms, including but not limited to work-related crime, undeclared work, illegal work, the grey economy, social dumping, labour exploitation and modern slavery;
 - D. whereas some sectors have higher risks of labour exploitation and abuse, such as construction, agriculture, hospitality, domestic work, transport and logistics, meat and food processing, cleaning services and care work¹⁷; whereas women are disproportionately represented in subcontracted and intermediary work in the care, cleaning and hospitality sectors;
 - E. whereas the consequences of labour exploitation and abuse extend beyond workers who are subjected to unfair and unsafe working conditions, inadequate wages, deplorable accommodation and precarious employment, as they also impact enterprises, especially SMEs, which are subjected to unfair competition and distortions of the single market;
 - F. whereas Europol highlights that 86 % of the most harmful criminal networks use legal business structures as part of their criminal activity, which constitutes a serious threat to fair competition in the single market; whereas analysis by the Commission, as well as

¹⁷ European Commission, fourth report on the progress made in the fight against trafficking in human beings (COM(2022)0736); European Commission, fifth report on the progress made in the fight against trafficking in human beings (COM(2025)0008).

operational insights by the ELA, highlight increased risks of labour exploitation and abuse linked to long and complex subcontracting chains, as well as to fraudulent forms of labour intermediation¹⁸;

- G. whereas a common variable in most sectors at high risk of labour exploitation is high labour intensity combined with long and complex subcontracting chains, vertically and horizontally¹⁹, which undermines transparency, the role of social partners, applicable collective agreements and democracy at work; whereas high-risk sectors are also often associated with a strong reliance on labour intermediaries, posted workers, EU mobile workers and non-EU nationals; whereas some non-standard forms of employment and complex cross-border arrangements may blur responsibilities, impede awareness-raising and complicate the enforcement of applicable labour law and collective agreements, as well as checks on work permits, social security contributions, tax payments and the identity of workers;
- H. whereas non-compliance with occupational health and safety legislation is a constituent part of labour exploitation, which undermines the Vision Zero approach to work-related deaths as set out in the Commission's EU strategic framework on health and safety at work 2021-2027; whereas ILO Convention No 167 assigns principal contractors the duty to coordinate occupational safety and health measures;
- I. whereas the presence of fraudulent and criminal actors in European workplaces also presents security risks, particularly when it affects critical sectors such as transport and logistics, construction, energy and healthcare, or activities with access to security-sensitive workplaces, in particular cleaning and maintenance;

¹⁸ ELA, *Posting of third-country nationals: contracting chains, recruitment patterns, and enforcement issues* (2025); ELA, *Counteracting undeclared work and labour exploitation of third-country national workers* (2021); ELA, *Tackling undeclared work in supply chains – Learning Resource Paper* (2022); Commission report on the application and implementation of Directive (EU) 2018/957 of the European Parliament and of the Council of 28 June 2018 amending Directive 96/71/EC concerning the posting of workers in the framework of the provision of services (COM(2024)0320).

¹⁹ Commission communication entitled 'Guidelines on the applicability of Article 101 of the Treaty on the Functioning of the European Union to horizontal co-operation agreements' (OJ C 259, 21.7.2023, p. 1).

- J. whereas, according to the Commission²⁰ and an ELA case-study report²¹, the posting of workers from third countries is on the rise, with one in four posted workers being a third-country national; whereas mobile and migrant workers, including workers from third countries, are especially vulnerable to labour exploitation and work-related crime and often find themselves in a spiral of dependency concerning visas, excessive recruitment fees, travel arrangements and accommodation; whereas third-country nationals tend to be less likely to organise and join a union and experience more difficulties in accessing the justice system and defending their rights;
- K. whereas the fraudulent practice of ‘hiring to post’ is increasing, whereby non-EU nationals are recruited to work not in the Member State of employment, but solely for the purpose of being posted to another Member State; whereas ELA has identified this as a growing enforcement challenge²²;
- L. whereas horizontal and vertical subcontracting constitutes an essential practice in many sectors, in particular with regard to large-scale projects, facilitating flexible access to specialised expertise and addressing specific needs in a cost-effective manner; whereas subcontracting is an important element of the employment landscape, particularly for SMEs and microenterprises; whereas subcontracting may generate added value for contracting authorities and enhance efficiency and innovation, particularly in sectors exposed to global competition; whereas subcontracting is not inherently problematic, in particular when there is a need for specific competences; whereas well-functioning subcontracting is important for fair competition in the EU, in particular benefiting SMEs; whereas the extent of subcontracting varies considerably across sectors and companies;
- M. whereas long and complex subcontracting chains, however, can distort fair competition, obscure accountability, undermine workers’ rights and increase risks related to fraud, labour exploitation, criminal infiltration and the occupational health and safety of workers, especially in high-risk sectors and cross-border situations; whereas, in certain cases, a lack of transparency and oversight in extended subcontracting arrangements can make it more difficult for

²⁰ European Commission: Directorate-General for Employment, Social Affairs and Inclusion, EFTHEIA, HIVA-KU Leuven, IRIS, Milieu and WIIW, [*Posting of workers – Collection of data from the prior declaration tools – Reference year 2022*](#), Publications Office of the European Union, 2024.

²¹ ELA report on contractual chains and recruitment patterns of posted third-country nationals, March 2025, and ELA report on the cooperation practices, possibilities and challenges between Member States – specifically in relation to the posting of third-country nationals, February 2023.

²² ELA report entitled ‘Posting of third-country nationals: contracting chains, recruitment patterns, and enforcement issues’, 2025.

contracting authorities to ensure compliance with applicable EU and national law;

- N. whereas rules restricting subcontracting could impact companies' value chains, particularly in sectors exposed to global competition; whereas such measures must be balanced with the need to protect SMEs operating in sectors where the risk of abusive subcontracting is low and there is, contrary to high-risk sectors, no need for any limitation of subcontracting chains; whereas joint and several liability in subcontracting chains meets the dual objective of providing recourse to workers who have been exploited and of incentivising contractors throughout the chain to voluntarily limit the length and complexity of subcontracting;
- O. whereas some Member States have adopted legislation limiting the length of subcontracting chains or banning subcontracting completely in certain sectors²³, which has increased the number of directly employed workers; whereas the Commission considers that limiting the number of levels in subcontracting chains and/or extending the subcontracting liability to the full chain could help Member States, as the main responsible actors for enforcing the rules on the posting of workers, and, where applicable, social partners, to increase transparency and liability in subcontracting chains on a proportionate and non-discriminatory basis²⁴; whereas there some enterprises have voluntarily restricted the length of their subcontracting chains;
- P. whereas the practice of labour intermediation is not defined in EU law, with the exception of temporary agency work²⁵; whereas labour intermediation can take many forms, ranging from established companies to individual recruiters; whereas even informal brokers and gangmasters may be disguised as labour intermediaries;

²³ European Commission: Directorate-General for Employment, Social Affairs and Inclusion, ECORYS, HIVA-KU Leuven, Spark Legal and Policy Consulting and wmp consult, [*Study supporting the Monitoring of the Posting of Workers Directive 2018/957/EU and of the Enforcement Directive 2014/67/EU – The situation of temporary cross-border mobile workers and workers in subcontracting chains*](#), Publications Office of the European Union, 2024.

²⁴ Commission report on the application and implementation of Directive (EU) 2018/957 of the European Parliament and of the Council of 28 June 2018 amending Directive 96/71/EC concerning the posting of workers in the framework of the provision of services (COM(2024)0320).

²⁵ Commission report on the application and implementation of Directive (EU) 2018/957 of the European Parliament and of the Council of 28 June 2018 amending Directive 96/71/EC concerning the posting of workers in the framework of the provision of services (COM(2024)0320).

- Q. whereas unfair trading practices, including purchasing below the cost of sustainable production, imposing short lead times and making late payments, are identified as key factors driving abusive subcontracting; whereas SMEs participating in public contracts via subcontracting often suffer as a result of late payments by the main contractors;
- R. whereas in sectors with widespread subcontracting, the practice of ensuring that workers maintain their rights and working conditions when transferred because of a change in contractor is an essential safeguard to ensure employment stability, guarantee health and safety standards, and prevent social dumping;
- S. whereas some cases of unregulated or disguised labour intermediaries are used to obscure and circumvent labour law and employer responsibility, in particular in high-risk sectors; whereas abusive recruitment and intermediation practices are often associated with falsifying or withholding information, failing to provide written contracts, imposing illegitimate recruitment fees, deducting excessive accommodation costs from wages, charging workers for transport, training, equipment, or work permits, confiscating passports, or engaging in forced labour or union busting; whereas better and targeted labour inspections can help to combat such violations;
- T. whereas in response to these challenges, several EU countries have adopted national action plans and policies seeking to combat labour exploitation, including by taking action to address abuse in subcontracting chains and by labour intermediaries²⁶;
- U. whereas in response to these challenges, social partners at EU, national and local level, as well as at sectoral and cross-sectoral level, have taken measures to tackle issues related to abusive subcontracting and labour intermediation, including through collective bargaining, as well as joint initiatives safeguarding serious enterprises and protecting workers' rights;
- V. whereas specific legislation is already in place that regulates subcontracting in civil aviation, including the leasing of aircraft,

²⁶ For example, Sweden (<https://www.regeringen.se/contentassets/f6f461b310984b598ee4f7a2d83350d0/nationell-strategi-mot-arbetslivskriminalitet.pdf>), Finland (https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/165395/TEM_2024_5.pdf), Italy, Germany (<https://www.bmas.de/DE/Service/Presse/Meldungen/2025/nationaler-aktionsplan-gegen-arbeitsausbeutung-und-zwangsarbeit-beschlossen.html>), Spain and Norway (<https://www.regjeringen.no/no/dokumenter/strategi-mot-arbeidslivskriminalitet-2021/id2831867/>).

crew, maintenance and insurance, also known as ‘wet leasing’; whereas the use of wet leasing has increased, also beyond its intended use to fill capacity during peaks; whereas the Commission should address the problems related to wet leasing in the upcoming revision of the Air Services Regulation²⁷;

- W. whereas the Commission highlights the Norwegian Skien Model²⁸, which was jointly developed between the Municipality of Skien, trade unions and employer organisations, and which includes strict limitations on long subcontracting tiers and a pre-approval of temporary labour, aiming to ensure accountability and decent working conditions in high-risk sectors;
- X. whereas Member States, the Commission and the social partners in the La Hulpe Declaration committed to pay special attention to measures in the areas of subcontracting and agency work, recognising the common challenges these two phenomena present to European labour markets; whereas the Letta report underlines the urgent need to regulate subcontracting practices in order to prevent exploitation and abuse; whereas the report warns that unchecked subcontracting chains can lead to the erosion of labour standards, social dumping and the undermining of fair competition, as well as violations of health and safety obligations;
- Y. whereas Article 12(2) of Directive 2014/67/EU requires Member States to introduce subcontracting liability in the context of posting of workers in the construction sector, and Article 12(1) offers Member States the possibility of extending this to other sectors and introducing more stringent liability rules;
- Z. whereas most Member States have some rules in place regarding subcontracting chains and labour intermediaries, taking national specificities into account; whereas the level of regulating, however, varies significantly from one Member State to another, therefore creating fragmentation in the single market; whereas challenges persist due to varying interpretations as regards the application of the internal market rules on the regulation of subcontracting chains and labour intermediaries; whereas Directive 2014/24/EU does not provide contracting authorities with sufficient tools to effectively address the non-performance of public contracts, and in some cases even hampers authorities wishing to take proactive measures;

²⁷ Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community (OJ L 293, 31.10.2008, p. 3, ELI: <http://data.europa.eu/eli/reg/2008/1008/oj>).

²⁸ European Commission: Executive Agency for Small and Medium-sized Enterprises, *Making socially responsible public procurement work – 71 good practice cases*, Publications Office, 2020.

AA. whereas combating undeclared work, trafficking in human beings and labour exploitation requires rigorous labour inspections, cross-border checks and effective licensing or registration of labour intermediaries; whereas the enforcement of current rules and better cooperation between Member States can help to address problems associated with abusive forms of subcontracting and labour intermediation;

Preventing labour exploitation

1. Stresses the need for a comprehensive EU approach to tackling labour exploitation, including illegal work and organised crime linked to it, as well as abusive forms of business practices, notably abusive subcontracting and labour intermediation; calls, therefore, for an EU strategy to combat these problems, the impact of which may vary across Member States and sectors; stresses that labour exploitation is not only a violation of workers' rights and human rights, but also undermines fair competition for businesses; welcomes, in this context, the Commission's commitment to present a fair mobility package in 2026; recalls that the overall objectives of strengthening the competitiveness of European companies, simplification and reducing unnecessary administrative burdens must not lead to a lower level of protection of workers; stresses the need for stronger enforcement of current labour laws to ensure the effective protection of workers' rights and a level playing field in the single market;
2. Recalls the challenges faced by some Member States, due to varying interpretations of single market rules, to regulate subcontracting at national level, for example, through limiting the length of subcontracting chains, joint and several liability and requirements for direct employment; calls on the Commission to clarify the possibilities for Member States to adopt legislation that is proportionate to address the risks and problems stemming from long and complex subcontracting chains; calls on the Commission to intensify efforts to combat labour exploitation;
3. Reiterates its call on the Commission, in order to end abusive subcontracting and to protect workers' rights, to strengthen transparency and accountability throughout the supply chain²⁹;
4. Stresses that any EU-level initiative seeking to tackle labour exploitation and complex subcontracting chains should take into account Member States' best practices, be developed in close cooperation with social partners, including the European sectoral social dialogue committees (CDSS), and be tailored to specific sectoral realities; recalls that any sector-specific measures and

²⁹ European Parliament resolution of 9 September 2025 on public procurement.

initiatives, including joint and several liability in high-risk sectors, must be in conformity with EU law and not create unnecessary barriers to cross-border business activities; underlines that sector-specific measures and initiatives may also provide for lower regulatory requirements for companies in low-risk sectors;

5. Points out that the principle of joint and several liability is a way of ensuring that the main contractor bears overall responsibility for the services provided within the entire subcontractor chain; considers that such a principle can ensure that quality, performance and compliance with labour, social and safety standards are contractually guaranteed at every level of the subcontracting chain; notes that several Member States have decided to adopt more stringent liability rules in subcontracting chains than the minimum set out in Article 12 of Directive 2014/67/EU;
6. Calls on the Commission and the Member States to address practices whereby the main contractor subcontracts all work without performing any work itself, also known as ‘financial subcontracting’; underlines that main contractors should perform a defined part of a contract themselves; reiterates, in this context, its call on the Commission to assess the impact of public contracts being performed mainly by the successful tenderer’s direct workers and recommends that public procurement rules encourage companies to have sufficient in-house staff to implement the projects for which they are awarded public contracts³⁰;
7. Calls on the Commission and the Member States to address illegal practices in subcontracting chains in order to ensure business competitiveness and fair and safe working conditions; encourages, in this context, direct employment relationships in high-risk sectors, where feasible, justified, proportionate and based on overriding reasons of public interest, such as the protection of workers and their rights;
8. Calls on the Commission and the Member States to encourage the inclusion of community benefit provisions in public procurement and EU-funded projects, such as requiring contractors and subcontractors to contribute to local skills development or to social inclusion initiatives, thereby creating positive spill-over effects from public investments;
9. Emphasises that national and regional initiatives that limit the levels of subcontracting have often been initiated jointly by social partners, including SME representatives; stresses that such initiatives should be respected, while limitations to subcontracting must be proportionate;

³⁰ European Parliament resolution of 9 September 2025 on public procurement.

10. Notes that the length and complexity of subcontracting chains pose a significant challenge to labour inspectorates in establishing legal responsibility for labour law violations, which needs to be tackled;
11. Stresses the importance of including gender-sensitive provisions in any new framework;
12. Underlines that, in order to limit the fragmentation of the single market, high-risk sectors should be defined by the Commission in close cooperation with Member States and social partners, including the CDSS; stresses that Member States may request the Commission to allow them to adjust the common list of high-risk sectors to their specific national situation, where necessary, in order to ensure the best possible approach to tackling abusive subcontracting, labour exploitation and work-related crime; underlines that any identification and adjustment of high-risk sectors should be based on accurate and up-to-date data;
13. Notes that subcontracting core business activities can lead to fragmented and unsafe workplaces, reduced transparency and accountability, and greater exposure of workers to longer hours, lower wages and other labour law violations, as well as job insecurity and precariousness³¹; stresses that, in line with Directive 2002/14/EC³², employee representatives must be informed and consulted on decisions likely to lead to substantial changes in work organisation or in contractual relations; calls on the Commission and the Member States to ensure the principle of equal treatment, as well as decent working conditions for all workers;
14. Is concerned about the lack of legal clarity as regards the differentiation between genuine and fraudulent postings of non-EU nationals, as well as the abuse of EU law on service provision to circumvent migration rules and national labour law; stresses that fraudulent postings erode the social fabric of the single market and exploit the situations of the most vulnerable people; calls on the Commission, in line with the Letta report, to review enforcement challenges, especially in terms of cross-border cooperation, and take appropriate measures to put an end to postings without any genuine connection of the workers to the sending Member State; recalls the

³¹ European Parliament study, 2016, *Precarious Employment in Europe: Volume 1: Patterns, Trends and Policy Strategies*; Eurofound, 2010, *Key elements of fair employment and decent work*; European Commission, Joint Research Centre, *Outsourcing, working conditions and inequality*, 2025.

³² Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community - Joint declaration of the European Parliament, the Council and the Commission on employee representation (OJ L 80, 23.3.2002, p. 29, ELI: <http://data.europa.eu/eli/dir/2002/14/oj>).

overall conclusion of the Letta and Draghi reports of the need to enhance the competitiveness of the single market;

15. Notes with concern the risks related to posting when combined with abusive forms of subcontracting and labour intermediation; calls on the ELA to look into the use of labour intermediaries in postings, including the risk of these arrangements being used to evade liabilities, circumvent social security obligations and erode health and safety standards; calls on the Commission to address any possible abuses of the Temporary Agency Work Directive³³ in the context of the posting of workers;
16. Stresses that accommodation provided to a worker by an employer or labour intermediary must conform to applicable quality, hygiene and safety standards; underlines that the rent for such accommodation must be proportionate and non-discriminatory; calls for the integration of accommodation inspections into labour inspections in high-risk sectors in order to prevent employers or intermediaries from providing workers with degrading, unsafe or overcrowded accommodation; stresses that contractual provisions governing the accommodation of a worker must not lead to precarious housing situations if the employment relationship is terminated;
17. Calls on the Commission to engage with Member States to ensure the efficient implementation and enforcement of current legislation on posting of workers; recalls that the EU has adopted a number of legal instruments to combat labour exploitation and illegal work, the enforcement of which needs to be improved at national level; calls on the Commission to take stock of the situation, to ensure the efficient and effective implementation and enforcement of the relevant legal instruments by Member States and to launch, where necessary, infringement procedures against Member States that do not comply with applicable EU law;
18. Highlights the added value of public, interoperable registers of licensed labour intermediaries; underlines that any licensing or registration should be subject to minimum integrity criteria; calls on the Commission to take stock of national practices and legislation on labour intermediaries and to ensure that labour intermediaries operating in the EU do not charge any fees or pass any costs on to workers, directly or indirectly, in whole or in part; underlines that labour intermediaries who violate the applicable law or collective agreements should receive dissuasive sanctions, such as their removal from public registers and their exclusion from public contracts;

³³ Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ L 327, 5.12.2008, p. 9, ELI: <http://data.europa.eu/eli/dir/2008/104/oj>).

19. Calls for the forthcoming revision of the public procurement directives to ensure that the exclusion criteria better address specific sectoral risks related to fraud, corruption and criminal infiltration; stresses that different sectors require separate, tailored exclusion criteria, reflecting their specific vulnerabilities; stresses that contracting authorities should be empowered to adapt procurement procedures to combat and address criminal activities; highlights that, in order to promote greater efficiency and simplification, the provisions relating to grounds for exclusion should be streamlined; underlines that any economic operator that breaches its obligations under applicable labour and environmental laws pursuant to Article 18(2) of Directive 2014/24/EU should effectively be excluded from the public procurement process in question;
20. Underlines the value of national business registers and the European Business Registers Interconnection System for enterprises seeking information on subcontractors, for trade unions seeking to engage in collective bargaining and for enforcement authorities; regrets that the level of information accessible in national business registers varies widely; calls on the Commission to review how the level of publicly available information can be improved, drawing on the best practices in Member States;
21. Is concerned that posted workers and workers in subcontracting chains face disproportionate occupational safety and health (OSH) risks due to fragmented chains of responsibility and unclear coordination, especially in the construction sector; stresses, in this context, the importance of information and consultation for posted workers and workers in subcontracting chains, as well as the effective enforcement of health and safety provisions as stipulated by ILO Convention No 167; considers it important, in this context, to strengthen the role of social partners in developing tools and training for workers and to further promote healthy working conditions in the next EU strategic framework on health and safety at work; calls on the Commission to assess whether current OSH legislation adequately covers the implementation of minimum safety and health requirements in subcontracting chains;

Enforcement and control

22. Recalls the importance of cross-border cooperation, efficient enforcement and transparency in tackling criminal networks associated with work-related crime; supports strengthened collaboration between the ELA, Europol, national authorities and social partners in this regard; stresses the need for efficient and well-resourced enforcement systems to combat labour exploitation and promote fair competition in the single market; stresses the need to tackle abusive subcontracting that uses artificial arrangements such as letter-box companies and bogus temporary agency work; recalls that Directive 2009/52/EC requires Member States to ensure

effective and adequate inspections to control employment of illegally staying third-country nationals and calls on the Commission and the Member States to ensure proper enforcement;

23. Welcomes the Commission's evaluation report on the ELA and reiterates its call³⁴ on the Commission to substantially strengthen the ELA's mandate by allowing it to investigate alleged breaches of EU labour law and to initiate and conduct inspections of cross-border cases on its own initiative, by expanding the scope of the agency's mandate to cover labour mobility of third-country nationals, by enhancing its operational risk-analysis capacity, as well as by providing sufficient resources for it to carry out its tasks; stresses the need for the further alignment and simplification of labour mobility regulations and control procedures, including uniform control standards and better information exchange, under the guidance of the ELA; recommends the establishment of sector-specific enforcement units within the ELA, particularly for construction, transport and agriculture, and the enhancement of cooperation with social partners in the respective sectors;
24. Highlights the vital role of labour inspections in both the detection and prevention of labour exploitation and in overall compliance with labour laws; urges the Member States to increase their numbers of labour inspectors and their support for labour inspectorates; recalls that Directive 2006/22/EC³⁵ already sets minimum rules for checking compliance with social legislation in road transport and calls on the Commission and the Member States to improve the quality and frequency of labour inspections and to ensure an adequate minimum labour inspection capacity, in line with the ILO benchmark of at least one labour inspector per 10 000 workers; stresses that, despite their importance for initiating targeted inspections, complaint mechanisms remain underused and inaccessible, particularly for mobile workers and workers from non-EU countries; recalls that, in line with Directive 2009/52/EC, Member States must ensure there are effective mechanisms through which non-EU nationals in illegal employment may lodge complaints against their employers;
25. Underlines the importance of accurate and up-to-date data; notes that the level of information on the make-up of subcontracting chains and work-related crime diverges across Europe and that this represents a challenge for both enforcement and policymaking; calls on the Commission to enhance data collection in this regard and

³⁴ European Parliament resolution of 18 January 2024 on the revision of the European Labour Authority mandate.

³⁵ Directive 2006/22/EC of the European Parliament and of the Council of 15 March 2006 on minimum conditions for the implementation of Council Regulations (EEC) No 3820/85 and (EEC) No 3821/85 concerning social legislation relating to road transport activities and repealing Council Directive 88/599/EEC (OJ L 102, 11.4.2006, p. 35, ELI: <http://data.europa.eu/eli/dir/2006/22/oj>).

highlights the role of the ELA in providing reliable information on general trends and abusive behaviour in cross-border situations;

26. Highlights the success of initiatives for worksite identification at national and sectoral level, such as social ID cards; welcomes, in this context, the inclusion of the European Social Security Pass (ESSPASS) in the 2026 Commission work programme; reiterates its call³⁶ for a swift roll-out of the ESSPASS system and for the improved protection and digital enforcement of social security rights and fair mobility, including real-time verification and exchange of information between enforcement authorities; calls for the integration of the ESSPASS with national and sectoral labour card systems in order to ensure interoperability and minimum disruptions; underlines that the ESSPASS should reduce unnecessary administrative burdens, simplify compliance for businesses with minimal compliance costs for SMEs, and support the ELA and national authorities in fighting abuse and criminal activities; stresses the importance of strong data security and protection for the ESSPASS and the involvement of social partners in the design and roll-out of the system; notes, furthermore, the ongoing work on other EU initiatives, such as the Digital Identity Wallet, that could help to improve the ability of authorities to tackle criminal behaviour without burdening SMEs or increasing costs for consumers;

Sanctioning labour exploitation

27. Notes with concern that individuals subject to trading prohibitions in one Member State can bypass national restrictions by registering and operating a business in another Member State, thus undermining the fight against labour exploitation across the single market; calls on the Commission to ensure more effective information exchange and cooperation between Member States, as well as the mutual recognition of trading prohibitions and of criminal sanctions, in line with the Treaties, to prevent the circumvention of restrictions; underlines the importance of compliance with the rule of law and fair trial safeguards in this context; recommends the use of the Internal Market Information System (IMI) for the timely and secure exchange of relevant information between Member States;
28. Notes the discrepancies regarding penalties and sanction regimes across EU policy areas; stresses that penalties and sanctions for work-related crimes and violations of workers' rights must be effective, dissuasive and proportionate to the nature, gravity and duration of the undertaking's infringement and to the number of workers affected; calls on the Commission to examine linking sanctions to company size or turnover, in order to ensure

³⁶ European Parliament resolution of 25 November 2021 on the introduction of a European social security pass for improving the digital enforcement of social security rights and fair mobility.

proportionality, deterrence and a level playing field; underlines the need for a mechanism to recover outstanding wages, social security contributions, fines and damages in cross-border cases;

29. Highlights the problem of fraudulent and criminal labour market actors using strategic bankruptcies and business disappearance to evade responsibility for outstanding payments and sanctions; calls on the Commission and the Member States to analyse the issues associated with strategic bankruptcies and disappearing companies, especially in cross-border cases, and to take necessary initiatives to reduce their prevalence;
30. Recalls that linking public spending to the respect of workers' rights and decent working conditions is one of the means available for tackling abusive subcontracting and work-related crime;

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31. Instructs its President to forward this resolution to the Council and the Commission.