

Follow-up to the European Parliament non-legislative resolution on addressing subcontracting chains and the role of intermediaries in order to protect workers' rights

1. **Rapporteur:** Johan DANIELSSON (S&D / SE)
2. **References:** 2025/2133(INI) / A10-0256/2025 / P10_TA(2026)0050
3. **Date of adoption of the resolution:** 12 February 2026
4. **Competent Parliamentary Committee:** Committee on Employment and Social Affairs (EMPL)
5. **Brief analysis/ assessment of the resolution and requests made in it:**

The European Parliament resolution calls for an EU strategy to combat 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. The Parliament welcomes the Commission's commitment to present a Fair Labour Mobility Package in 2026, the Commission's evaluation report on the European Labour Authority (ELA) and reiterates its call to substantially strengthen the ELA's mandate. Furthermore, it stresses the need for stronger enforcement of current labour laws and the need for efficient and well-resourced enforcement systems to combat labour exploitation and promote fair competition in the single market. It calls on the ELA to look into the use of labour intermediaries in postings. The resolution calls on the Commission 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, and calls on the Commission to address any possible abuses of the Temporary Agency Work Directive in the context of the posting of workers. The Parliament 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.

The resolution 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; while being in conformity with EU law and not creating unnecessary barriers to cross-border business activities; calls on the Commission to intensify efforts to combat labour exploitation; and to strengthen transparency and accountability throughout the supply chain, in reference to its 2025 resolution on public procurement.

The resolution calls on the Commission and Member States to address illegal practices in subcontracting chains and encourages direct employment relationships in high-risk sectors and calls for the Commission to define these sectors in close cooperation with Member States and social partners; it calls on the Commission and Member States to address practices of 'financial subcontracting' and to encourage the inclusion of community benefit provisions in public procurement and EU-funded projects.

The resolution calls on the Commission to engage with Member States to ensure the efficient implementation and enforcement of current legislation on posting of workers; 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. It calls on the Commission and the Member States to ensure the principle of equal treatment, as well as decent working conditions for all workers; calls on the Commission to assess whether current Occupational Safety and Health (OSH) legislation adequately covers the implementation of minimum safety and health requirements in subcontracting chains; and 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.

The Parliament calls on the Commission and the Member States to ensure proper enforcement of Directive 2009/52/EC requiring Member States to ensure effective and adequate inspections to control employment of illegally staying third-country nationals. It 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. It 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; and calls on the Commission and the Member States to analyse the issues associated with strategic bankruptcies and disappearing companies, especially in cross-border cases.

6. Response to requests and overview of actions taken, or intended to be taken, by the Commission:

The Commission highlights, regarding its response, that some requests and recommendations in this resolution concern topics that are the subject of ongoing initiatives, namely the Fair Labour Mobility Package, the Quality Jobs Act and revision of the Public Procurement Directives. For these initiatives several policy options are under consideration. In the case of the Quality Jobs Act, the consultation of the social partners in accordance with Article 154 TFEU is ongoing. In light of these ongoing processes, the Commission's response to the resolution does not pre-empt the outcomes of these initiatives.

Paragraphs 2 and 7

The Commission recalls that all employers in subcontracting chains employing workers in the EU must apply EU labour law and EU law on health and safety at work. Subcontracting can enhance efficiency and innovation by providing specialised expertise and enabling companies to focus on core competencies, adapt quickly, and remain competitive. At the same time, challenges for job quality, including working conditions, such as breaches of workers' employment and health and safety rights, can occur in subcontracting and outsourcing practices, in particular in lower wage jobs when there is competition on price.

Addressing these issues is important to upholding job quality and remains a priority for the Commission. On 4 December 2025, the Commission presented the Quality Jobs Roadmap, a commitment to improving job quality and creating high-quality and future-proof jobs in Europe and initiated a first-stage consultation on a Quality Jobs Act on the same day, aiming to ensure workers' rights while keeping up with technological, economic and societal changes and ensuring competitiveness of the EU economy. The protection of workers' rights in subcontracting chains is one of the topics social partners were consulted on. In accordance with Article 154(3) TFEU, a second phase consultation of European social partners will be carried out to consult the social partners on the possible content of the EU action.

Paragraph 3 and 6

The Commission will assess whether transparency measures in relation to subcontracting chains and financial subcontracting' practices should be addressed in the revision process of the Public Procurement Directives.

Paragraph 8

The Commission underlines that one of the objectives of the revision of the Public Procurement Directives is to align public procurement policy with other EU strategic policies, including in the social area. In this context, the Commission will assess how to further strengthen Socially Responsible Public Procurement (SRPP) practices.

Paragraph 13

The Commission recalls that existing protections against unequal treatment of the workforce and the protection of decent working conditions constitute essential safeguards established under EU labour law to protect workers. Effective enforcement by Member States remains critical to ensuring compliance and the protection of workers' rights.

Paragraph 14

The Commission is studying possible options to address the calls from different stakeholders and Member States to clarify the legal framework on the posting of non-EU nationals. The challenges on the posting of non-EU nationals, such as non-genuine posting, are primarily a matter of implementation, clarification and enforcement of the existing rules on the posting of workers as set out in the posting of workers Directives and related case law. In this context, the Commission is working together with the ELA on a specific dedicated area on the posting of non-EU nationals to foster mutual learning and discussion of the relevant national and EU legislation across Member States to improve the exchange of information, enhance administrative cooperation and increase knowledge about EU and national rules as regards the posting of workers. As there are limited data and evidence on posted non-EU nationals, the Commission is also working with the ELA to collect further data and evidence from EU Member States.

Following the evaluation of the ELA, the ELA is preparing an action plan to strengthen its performance and, in the context of the upcoming 'Fair Labour Mobility Package' initiative, the Commission will explore the ways to clarify the Authority's mandate regarding non-EU nationals.

Paragraph 15

The ELA is carrying out a strategic analysis on labour market intermediaries. In this context, the ELA is preparing a report on labour intermediaries and enforcement of labour mobility and social security coordination rules which shall be published in 2027. The Commission is closely involved in this work and will decide on potential follow-up to the report together with the Authority.

As regards temporary agency work and posting, Directive (EU) 2018/957 provides that posted temporary agency workers are to be treated in the same way regarding the matters covered by Article 5 of Directive 2008/104/EC on temporary agency work as workers hired-out by temporary employment agencies established in the Member State where the work is carried out. Protection of workers in labour intermediation in subcontracting chains is also considered in the second stage consultation of EU social partners on a Quality Jobs Act initiative.

The [Commission report](#) on the application and implementation of Directive (EU) 2018/957 amending Directive 96/71/EC concerning the posting of workers in the framework of the provision of services states that almost all Member States (except Ireland and Slovenia) have enacted an obligation to guarantee to posted workers the terms and conditions of employment which apply pursuant to Article 5 of Directive 2008/104/EC. The report also identified concerns in relation to the practical application of the provisions of the Directive (EU) 2018/957 to posted temporary agency workers. The report states that the ELA could address those concerns, in close cooperation with Member States, through more effective and extensive cross-border cooperation and enforcement efforts targeting temporary agency work. In this respect, the ELA continues to analyse cross-border regulatory challenges related to temporary agency workers in the context of the posting 360 programme, a multi-annual mutual learning and understanding programme that aims to improve the exchange of information, enhance administrative cooperation and increase knowledge about EU and national rules as regards the posting of workers.

The report also states that social partners could consider supporting the work of labour inspectorates and Member States could carry out reviews of existing legislation and its implementation at the national level; and/or set up, with the support of ELA, assistance services for temporary employment agencies and user undertakings on the application of the posting rules.

Paragraph 16

Directive 96/71/EC concerning the posting of workers in the framework of the provision of services (as amended by Directive (EU) 2018/957) includes the conditions of workers' accommodation in the list of core terms and conditions of employment of the host Member State that are to be granted to a worker posted to that Member State.

This specific provision applies to posted workers in so far as it exists for national workers in the host Member State, meaning that that Member State needs to have national provisions for local workers on conditions of accommodation when those workers are away from their regular place of work.

Furthermore, the ELA provides conceptual, logistical, and technical support as well as legal expertise, translation, and interpretation services to Member States carrying out cross-border concerted or joint inspections (CJIs). Those inspections include accommodation conditions.

Paragraph 17

The Commission report on the application and implementation of Directive (EU) 2018/957 amending Directive 96/71/EC concerning the posting of workers concludes that Member States' legislation substantially complies with the Directive's requirements. Nevertheless, the Commission identified in the report various issues of non-conformity of national measures transposing the Directive that are being followed up by ELA. The Commission will continue working with the Member States to ensure that the Directive is correctly transposed and applied.

The Commission will also continue its enforcement actions as regards the implementation of Directive 2014/67/EU on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services.

Paragraph 18

Under Directive 2014/24/EU, contracting authorities may exclude – or may be required to

exclude – an economic operator from participation in a procurement procedure where they can demonstrate a violation of applicable obligations in the fields of environmental, social and/or labour law. The Commission is currently revising the Public Procurement Directives, with a proposal expected in Q2 2026.

Paragraph 19

During the revision process of the Public Procurement Directives the Commission will assess exclusion grounds in a holistic manner, including potential scope to streamline provisions.

Paragraph 20

EU Company Law has significantly expanded the list of company information publicly accessible in national business registers and through the business registers interconnection system (BRIS).

The Digitalisation Directive (EU) 2019/1151 introduced the requirement to make publicly available essential data, such as information on legal representatives and branches, free of charge through BRIS.

The mobility Directive (EU) 2019/2121 mandated that documents and information related to cross-border conversions, mergers, and divisions, such as the pre-operation certificates, be made accessible to the public through BRIS.

The Upgrading Digital Company Law (UDCL) Directive (EU) 2025/25 further broadened transparency by extending existing public disclosure requirements to commercial partnerships. Additionally, the UDCL Directive adds the public disclosure of a company's average number of employees if such information can be extracted as data from the financial statements. In accordance with the UDCL Directive, the Commission will adopt an implementing act establishing a taxonomy for documents and information filed in the business registers.

Paragraph 21

Under current EU legislation on occupational safety and health (OSH), workers in subcontracting chains enjoy all legal rights aimed at ensuring the health and safety of workers in every aspect related to work.

Moreover, EU OSH legislation contains certain requirements that are especially relevant when it comes to ensuring the implementation of OSH rules in subcontracting chains. In particular, given that construction is a sector where subcontracting is used widely, the Construction Sites Directive 92/57/EEC requires, for construction sites where more than one contractors are present, the appointment of coordinators for safety and health matters, who must organize cooperation between different employers.

In addition, the same Directive also lays down obligations and responsibilities for clients, project supervisors, employers and the self-employed working at the site.

Consequently, all contractors and subcontractors on the same construction work site, whether they are employers or self-employed, have to be included in this coordination process and take into account directions from the coordinators.

Similarly, given that mining and quarrying is a high-risk sector where subcontracting is used, the Extractive Industries Directives 92/104/EEC and 92/91/EEC also lay down a

specific requirement for the coordination of the implementation of all the measures concerning the safety and health of the workers in situations where workers from several undertakings are present at the same workplace.

More broadly, the OSH Framework Directive 89/391/EEC requires that, when several undertakings share a workplace, the employers, which may be contractors or subcontractors, cooperate in implementing the health and safety provisions, coordinate their actions in the relevant matters, and inform one another and their workers of the OSH risks. In this regard, subcontractors who are employers are also subject to the same OSH obligations and responsibilities that all employers have vis-a-vis their workers.

These rules bring about positive results, but there is also evidence of some problems, mainly with compliance, that are sometimes exacerbated in subcontracting chains. The Commission services are currently assessing existing problems and ways to address them in the framework of the Quality Jobs Act two stage consultation.

Paragraph 22

The Commission agrees on the importance of cross-border cooperation, efficient enforcement and transparency in tackling criminal networks associated with work-related crime, including labour exploitation, where criminalised, and trafficking in human beings. It also recognises the need to further strengthen cooperation between the ELA, Europol, Eurojust, national authorities and social partners in this regard. [Directive 2009/52/EC](#) requires Member States to ensure effective and adequate inspections to control employment of illegally staying third-country nationals. In light of the forthcoming report on the implementation of the Directive, the Commission continues to call for, and support, the application and enforcement of the legal standards and requirements set by the Directive, with a view to enhancing prevention and detection of illegal employment. In parallel, the Commission will continue to support and monitor the effective transposition and implementation of [Directive \(EU\) 2011/36/EU](#) as amended by [Directive 2024/1712](#) on preventing and combating trafficking in human beings, including as regards measures to prevent and address trafficking in human beings for the purpose of labour exploitation.

Paragraph 23

The Commission agrees on the need for further control procedures and confirms that Member States and ELA need to continue their efforts. To further improve the efforts by ELA, the Authority is, after the evaluation, working on an action plan addressing operational shortcomings. In addition, in the context of the upcoming 'Fair Labour Mobility Package' initiative, the Commission will propose a revision of [Regulation \(EU\) 2019/1149](#) establishing ELA to facilitate the enforcement of Union law related to workers' cross-border mobility.

The situation in high-risk sectors, such as construction, road transport and agriculture, has been in the focus of ELA. National authorities' as well as social partners' efforts to ensure compliance are essential. Accordingly, the ELA will continue to collaborate closely with social partner organisations.

Paragraph 24

The Commission stresses the vital role of labour inspections for the compliance with labour law and health and safety at work legislation. The enforcement of national legislation transposing EU directives in these areas is a competence that falls primarily under the responsibility of the national competent authorities. It is for Member States to identify and

allocate the resources needed for such activity. As regards health and safety at work, the Senior Labour Inspectors Committee (SLIC) assists the Member States with the enforcement of the EU legislation in the area of health and safety at work.

Improving support for the work of national labour inspectorates was an important objective for setting up the ELA. The ELA supports national authorities in coordinating inspections with a cross-border dimension as well as by facilitating mutual learning and exchange of best practices between national authorities. With its information campaigns the ELA also contributes to improving workers' awareness of their rights in particular in situations of cross-border mobility, so contributing to the prevention of non-compliance with employment legislation.

Paragraph 25

To support the monitoring of the Posting of Workers Directive (Directive 2018/957/EU), the Commission requested [a study which was published in 2024](#), that includes the use of posted workers in subcontracting chains. The ELA is also carrying out a mapping of the coverage of subcontracting liability in Member States.

Paragraph 26

Digitalisation will be a central pillar of the forthcoming 'Fair Labour Mobility Package', which aims to be a crucial tool to foster trust, fairness and simplification for individuals, employers, and administrations. As part of this package, the considered proposal on the ESSPASS would be aimed at facilitating the application of social security coordination rules and promoting fair mobility within the EU, through simplified, enhanced proof and verifications of social security rights and insurance status. Member States' continued political and financial commitment would be essential for a swift and successful rollout of ESSPASS across Europe.

In relation to labour cards, the Commission will continue to support the EU social partners in the construction sector who have examined what could be the digitalisation potential of the current labour cards. One of their findings concerns the possibility to use the European Digital Identity wallets to contain information currently provided by social IDs/labour cards.

Paragraph 27

The Commission emphasizes that enforcing trading prohibitions is crucial for fighting labour exploitation. A mutual recognition of trading prohibitions across Member States could facilitate preventing mala fide business partners to circumvent trade prohibitions by concluding contracts in another Member States. However, it is important to prevent additional administrative burden and risk of punishing bona fide businesses.

Paragraph 28

The Commission recalls that effective penalties and sanctions for violations of workers' rights protected under EU law play an integral part in ensuring a fair and competitive labour market. The principal responsibility to set out remedies and sanctions to ensure effective legal protection in the fields covered by EU law lies with Member States. Linking such national sanctions to company size or turnover is a possible way to ensure proportional and deterring sanctions, but setting such a requirement at EU level must be assessed for each legal instrument on an individual basis, having regard to the principles of proportionality and subsidiarity and to the Member States' procedural autonomy.

Paragraph 29

The [European Insolvency Regulation \(EU\) 2015/848](#) as well as the [Restructuring Directive \(EU\) 2019/1023](#) contain sufficient safeguards against the strategic misuse of bankruptcy procedures, including in cross-border situations in the EU, to the detriment of workers and employees. The courts and other competent authorities have the possibilities to prevent fraudulent cross-border moving of company's registered office or to refuse the start of preventive restructuring, if abusive. Also, the Restructuring Directive does not allow moratorium on workers' claims and ensures full labour law protection, including consultation, information and other relevant worker's rights under the applicable EU law instruments, such as Directives [98/59/EC](#), [2001/23/EC](#), Directives [2002/14/EC](#), [2008/94/EC](#) and [2009/38/EC](#).