

HUMAN RIGHTS IN THE SUPPLY CHAIN:

From obligation to operational discipline

In July, we returned to the Exiger Executive Forum, where industry leaders gathered to discuss the issue of modern slavery across the supply chain, and how to tackle it

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In all elements of business, one of the biggest topics of conversation right now is people. Whether it's keeping humans in the loop with technology, how to care for people via change management, or wellbeing in the workplace, people are a vital topic.

This extends to how people are treated all the way along the supply chain. The latest Exiger Executive Forum, Human rights in the supply chain: From obligation to operational discipline, dug deep into human rights due diligence and how organisations can demonstrate actual

defensible action and compliance.

The event returned to the stunning Great Scotland Yard Hotel in London for the occasion, on the 15th of July. During the course of the evening, an expert panel discussed some of the biggest issues regarding human rights in the supply chain right now, and hopes for how those issues will change.

Matthew Heibel from Aspen Institute Central Europe moderated the evening's panel. He opened the conversation by outlining the discussion and its goals. "Tonight's theme is very direct," he said. "It's called Human rights in the supply chain: From obligation to operational discipline.

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Scott Tim Nelson, CEO, Hope for Justice & Slave-Free Alliance



"Human rights risk in global supply chains can no longer be treated as an annual disclosure exercise or reputation issue measured at arm's length," Heibel continued. "It is becoming a live operational, legal, strategic exposure. It is about customs clearance, market access, investor confidence, customer trust, regulatory scrutiny and executive accountability. This evening's discussion will take place in three parts.

"The first part explores the why. The second part dives head-first in the real problems businesses face. The final part seeks to offer realistic solutions moving forward."

Heibel then introduced the panel:

- **Caroline Haughey OBE KC**
- **Koray Köse, Founder and Chief Analyst, Köse Advisory & Special Advisor at ODI Global, Senior Fellow, GlobSEC Geotech Centre & Board Member, Slave-Free Alliance**
- **Tim Nelson, CEO, Hope for Justice & Slave-Free Alliance**
- **Erika Peters, Head of Strategic Accounts, Exiger**



The 'why'

Heibel kicked off the why by asking Nelson to frame the issue of human costs, and explain what business leaders need to understand that they'll never learn from a supplier questionnaire. Nelson's work with the Hope for Justice and Slave-Free Alliance puts him closest to the human element, after all.

"We can identify five main areas that modern slavery falls within," Nelson said. "The three dominant areas most people will be aware of are sexual exploitation, labour trafficking, and domestic servitude. The other two – organ harvesting and forced marriage – form part of what is modern day slavery. In the last year in this country alone, there were 19,125 victims. The estimates in this country are anywhere from 122,000 individuals that are held against their will at this moment in time. But from a global perspective, we see that nearly 50 million people are estimated to be in some form of modern day slavery, which is more people now than at any time in human history. 27 million people are estimated to be victims of forced labour, with up to 17.3 million



of those exploited within the supply chains of major multinational businesses

He continued: "We're in a day and an era now where there's more visibility, more understanding of what the issue is, the problem and how we can solve it. And therefore we are in an era where it is possible to imagine across all aspects of modern day slavery how we can see an end to this as an issue. If we get the right strategy, we enact it with the right level of resources, we can start to close gaps where individuals are falling through the cracks and being exploited. The sad reality of where we are at the moment is not every business doing all that they can. And with what we do at Slave-Free Alliance, our aim is to try and come alongside as a

trusted friend to make an impact, to help make a difference in the lives of everyday people."

Following this, Heibel pointed out that Haughey is on the frontline of the fight against modern slavery. She prosecutes cases and shapes laws as part of her role – so what is the human cost of exploitation?

"Tim Nelson's charity was the reason that we prosecuted Operation Fort, the largest modern slavery in human trafficking case in Europe," Haughey explained. "We identified 350 victims. Two were women. All of them were people like you and me. One of them was a guy who accepted the job so he could pay for his mother's chemotherapy in Poland; another accepted the job so that he could pay for his daughter's heart transplant in Poland. These were people looking for jobs.

"The job that was offered to them was to be paid £350 a week, sorting rubbish. They would be working in Birmingham. They would be given accommodation, food, and transport to and from work. What actually happened was they were picked up and their travel ID and national identity cards were taken off them. You would find 17 of them living in a house for two with no running water, no electricity, no heating, no cooking facilities. These are ordinary people. Educated and informed people who have agreed to take an opportunity and someone has chosen to abuse their desire to work."

Köse recently wrote a piece for Forbes which discussed the fact that some people believe businesses can't afford to play nice, and that human rights are only a priority when they're convenient. Heibel asked him about this article, and what Köse's response is to that.

"I turn it around and say that playing by the rules only got us into this mess because we made it a checkbox exercise," he said. "We

wanted to meet the minimum requirements and make sure that our businesses run profitably and efficiently, which caused us to only look as far as needed – and no further. When it comes to the legal sovereignty of a country and state stopping at its border, supply chains don't. And that's the conundrum that we are facing when we're trying to fix a problem that's bigger than the reach of a single legislation of a single country. Not only that, but we are not responsible enough about the people that make products because our primary responsibility lies in outsourcing for cost and quality. With that we outsource the liability. But at the end of the day, it is all part of one supply chain. The value chain is an ecosystem. If we don't go beyond what we can see at arm's length and open the doors beyond the legislation that requires us to really be compliant, then we won't change the system to be more resilient and just."



Addressing vulnerabilities and legal standards

Heibel: "Where do you see companies getting stuck: data collection, prioritisation, internal accountability, action, or somewhere else?"

Peters: "The customers that I deal with are all so different. All of those are areas they can get stuck in. It is highly dependent on the maturity of their program. Sometimes I'm really in shock with what I see because I buy from some of these companies myself and they're the largest in the world. And then they say, 'I actually don't know who my suppliers are'. Just understanding who you do business with is a question they can't always answer. We do help them and over time, and as their program matures each of those areas are addressed."

Heibel: "Where do you see the biggest vulnerability to human rights abuses in the operating model: sourcing strategy, cost pressure, supplier dependency, subcontracting, or lack of visibility?"

Köse: "The answer is all of the above. But the root cause is a single architectural flaw: we designed supply chains to be fast, cheap, and opaque. We optimised for cost discovery and hid everything else. These vulnerabilities aren't independent failures – they're symptoms of the same structural decision: the relentless outsourcing of accountability alongside the outsourcing of production. Cost pressure is the ignition source. When a buyer squeezes a Tier 1 supplier's margins to an unsustainable point, that pressure doesn't disappear – it travels. It gets passed down to Tier 2, to Tier 3, to informal subcontractors operating in jurisdictions where labour law is either weak or actively unenforced. That is where exploitation lives – not in the factory that passed your audit, but in the one you didn't know existed. The reality of things is that deniability and plausible deniability does not exist anymore because you're looking at every tier as a Tier 1."

Heibel: "What are the legal standards companies need to comply with both to avoid the "we did not know" defense and about conduct sitting below Tier 1 suppliers? How do they make sure to avoid you [Haughey] in the courtroom?"

Haughey: "What I see from my perspective is the landscape is changing. I got asked quite literally yesterday by a very big magic circle law firm, 'would it be possible to prosecute a company for conspiracy to traffic humans on the basis of actions that they knew were going on, but that they had failed to address?' My answer was yes, because they are doing an act and furtherance of the criminal behavior by passively knowing it exists, but doing nothing to prevent it, and having the power to do something. The landscape is changing legally in this way as well. We have the EU director that was handed down in April, March 2024, which means that directors have to take responsibility. It's the director's problem. Under the company's act, they have legal and corporate responsibility."

Promoting hope

With the problems of modern slavery discussed, Heibel directed the panel to offer some light in the darkness. He asked Nelson how organisations like Hope for Justice can be an asset for businesses when tackling the issue of a more transparent supply chain.

“Within what we do at Hope for Justice, we have this division called the Slave-Free Alliance, which is a trusted friend to big businesses and helps them with the requirements that are placed upon them regarding modern day slavery. So we come in and we provide gap analysis to try and help pinpoint where the problems are and what needs to change. Quite often there are teams internally within companies, but we see most companies have very small teams with limited ability to be able to carry heavy weight in core areas of risk. We can also utilise experiences that we’ve had in one sector and bring it into another sector. It is the combination of great strategic advice, very good resourcing and training and understanding.”

With this in mind, Heibel asked Peters how technology – like the 1ExigerAI platform – can be a force multiplier.

“The problem is extremely large, meaning there’s just no other way to do it than using technology,” she replied. “That’s clear.”



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And therefore in itself, it already is a force multiplier. The good news is that there is so much data out there. And I think that was really the thing that surprised a lot of people doing due diligence. There's just so much information in this global world of the web that even bringing it all together and being able to tell a picture is actually a lot more doable than people thought."

When asked for what the rosiest picture of the future of modern slavery in the supply chain could be, Haughey said that the best case scenario situation is that she's out of the job.

"It's about preventative action and collaboration with others," she said. "There is a drive and desire to collaborate without defeating competition. If you invest now, you are not looking at your bottom line this year and next year. You're looking at perpetuity. I want my own company to be a hundred year company and beyond, but I want it to be a good company. I want it to be a company that I am proud of saying 'we are trying to do right'. That comes down to a use of data

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and fearlessness about understanding your data, as well as recognising that AI has many benefits. It's an amazing thing for scraping information."

Köse added that a lack of collaboration means that when a problem occurs, the spotlight is really on you – and that realisation often comes after the fact. "If ignorance versus knowledge comes in as cost versus benefit, you're in the wrong room with the wrong mindset," he explained, also echoing Haughey's and Peters' sentiment about utilising technology. "There is plentiful data



in existence. It requires scalable analytics to turn these bits and pieces into a narrative that's cohesive, clear, and actionable. And, in fact, it does run actions for the enterprise directly in a way that prevents, mitigates, and also quickly contains issues in the agentic AI way."

Peters rounded up the conversation with a positive outlook based on her experiences with Exiger. "When you talk about human rights or ESG, the individuals who have been tasked with that actually are very forthcoming and they're very collaborative. They actually do want to get in the room and talk about how they are solving the problem and learn from their peers because actually, there aren't that many. I see a lot of collaboration in large companies coming together with those individuals."

The evening's panel made it clear that human rights due diligence can no longer be a box-ticking exercise, or a static obligation. Nor is it possible to plead ignorance anymore. Human beings cannot be seen as numbers, and modern slavery is not an abstract supply chain risk. It's real, it's happening right now, and it's harming people.

Through a greater sense of responsibility, a proactive response, and valuable data, organisations can root out and put an end to modern slavery – protecting people while protecting their reputations. The conversation doesn't end with the Exiger Executive Forum, but we all gained valuable insights from the evening.

Thank you to the Exiger team for inviting us to be part of the conversation; we look forward to the next forum. ■

"It's about preventative action and collaboration with others"

Caroline Haughey OBE KC



Exiger Executive Forum: A closer look

The Exiger Executive Forum (EEF) in London is a global think tank that brings together elite independent voices from strategy, policy, technology and business to equip leaders with the frameworks and foresight needed to navigate the multipolar era. The EEF is exclusively curated for industry experts, analysts, policy makers, and senior procurement and supply chain decision-makers through Exiger, a market-leading supply chain AI company.

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