

Mercy Corps Europe

Modern Slavery Statement – 2022-2023

Introduction

The Modern Slavery Act 2015 states that UK organisations with a turnover of £36 million or above must publish an annual statement to report on the steps they are taking to ensure that modern slavery and human trafficking are not taking place in the supply chain that provide their goods and services. Mercy Corps Europe has been publishing an annual statement since 2016.

As a global humanitarian and development organisation, Mercy Corps Europe is committed to preventing modern slavery and human trafficking within its organisation, and to ensuring that its operations, supply chain and the programmes which it implements are free from modern slavery and human trafficking.

This Statement sets out the steps which Mercy Corps Europe (as part of the global organisation, Mercy Corps) is taking to mitigate against the risks of modern slavery and human trafficking.

Organisational Structure

Mercy Corps Europe is a registered Scottish charity, structured as a registered company limited by guarantee in the UK. Mercy Corps Europe is part of the world-wide organisation, Mercy Corps. Mercy Corps consists of:

- Mercy Corps Global, a US entity registered in Washington State and its country operations, including branches and local organisations (located in approximately 40 countries);
- Mercy Corps Europe, a UK entity with offices in Edinburgh and London;
- Mercy Corps Netherlands, a Dutch entity with offices in The Hague and Geneva; and
- Other affiliated entities of the global organisation.

Business and Supply Chain

Mercy Corps exists to alleviate suffering, poverty and oppression by helping people build secure, productive and just communities.

As of 2 June 2022, Mercy Corps Europe employs 160 persons and Mercy Corps globally has over 6,300 team members. Mercy Corps defines “team members” to include members of the Board of Directors, officers, management, employees, seconded employees, interns and volunteers.

Mercy Corps' supply chain comprises subawardees, partner organisations, contractors, outside experts, consultants, agents, representatives and other organisations or individuals that act on Mercy Corps' behalf or at Mercy Corps' direction, known collectively as "partners".

Mercy Corps works in over 40 countries and procures a wide range of goods and services from suppliers around the world, including suppliers based directly or indirectly in countries deemed to be higher risk on the Global Slavery Index. For further information on where Mercy Corps works and what we do, please see our [website](#).

Policies and Procedures

Mercy Corps has policies and procedures in place to minimise the risk of modern slavery and human trafficking in its operations and supply chain. Mercy Corps' suite of globally applicable Ethics policies includes:

- Anti-Human Trafficking and Exploitation Policy;
- Child Safeguarding Policy;
- Ethics Complaints and Whistleblowing Policy;
- Prevention of Sexual Exploitation and Abuse (PSEA) of Program Participants and Community Members;
- Sexual Misconduct in the Workplace Policy;
- Discrimination, Harassment and Bullying Policy;
- Anti-Fraud and Anti-Corruption Policy
- Preventing Support for and Transactions with Prohibited Parties Policy;
- Conflict of Interest Policy; and
- Community Accountability and Reporting Mechanism (CARM) Policy.

The Ethics policies and accompanying guidance are available publicly on our website: <https://www.mercycorps.org/who-we-are/ethics-policies>. These policies are also available on our internal Digital Library (and signposted through various other internal platforms). All policies are available in English, Arabic, French, Spanish and Russian. Mercy Corps' Ethics policies are reviewed and updated regularly.

All team members and partners (as defined above and in the policies) must comply with our Ethics policies as a condition of engagement with Mercy Corps. All team members are required to undertake training on the Ethics Policies as part of their onboarding.

Further information about the Ethics policies relevant for our commitments against modern slavery and human trafficking is provided below.

Anti-Human Trafficking and Exploitation Policy

Mercy Corps is committed to a work environment and operations that are free from human trafficking and exploitation. Mercy Corps does not tolerate human trafficking or slavery in any part of our global organisation or with any of our partners.

During the financial year 2021-2022, Mercy Corps carried out a comprehensive review of our safeguarding policies with an external organisation with expertise in PSEA, child safeguarding and human trafficking to ensure that our policies are at the forefront of sector best practice. Part of this review included ensuring that our Ethics policies covered all requirements in relation to the UK Modern Slavery Act.

Following the review, the 2018 Anti-Trafficking Policy was updated and the Anti-Human Trafficking and Exploitation Policy was approved in March 2023 and subsequently rolled out. The updated Policy provides additional detail about our commitment to ensure that our programmes, operations, and supply chains are free from all forms of human trafficking and exploitative labour, including child labour, as well as ensuring we are compliant with all regulatory requirements and best practices.

The Anti-Human Trafficking and Exploitation Policy includes the following provisions:

- Stating our zero tolerance for any conduct which is abusive or exploitative
- Requiring adherence to all laws prohibiting exploitation and trafficking in persons;
- Outlining our commitment to the core principles of the UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children; and International Labor Organization (ILO) standards, including those on forced labour and child labour
- Prohibiting any team member or partner from engagement, complicity in, or benefiting from any practice that constitutes human trafficking or exploitation
- Outlining specific prohibited conduct, including:
 - The use of worker-paid recruitment fees;
 - Child labour (linked to the Child Safeguarding Policy, further outlined below);
 - The confiscation or destruction of workers' original identification documents;
 - Procuring commercial sex acts;
 - Exploitative domestic help;
 - Forced or exploitation labour; and
 - Fraudulent recruitment practices
- Updating the procedures required to ensure compliance with the Policy, including in relation to procurement (further outlined below).

Child Safeguarding Policy

The Child Safeguarding Policy was substantially reviewed in financial year 2022-2023 and an updated Policy approved in March 2023 and subsequently rolled out. The updated Policy includes additional provisions on digital safeguarding, grooming, and child labour. The primary provisions, including the absolute prohibition on any form of sexual activity with children under 18, including child marriage, remain unchanged.

Our Child Safeguarding Policy reinforces our commitment to international standards, including the United Nations Convention on the Rights of the Child and International Labor Organization conventions. The child labour provisions articulate the difference between acceptable work for children under the age of 18 and prohibited child labour: work that is mentally, physically, socially, or morally dangerous or harmful to children, and/or interferes with their schooling.

This policy states the expectations regarding team member conduct with children, both during and outside of working hours and clearly outlines prohibited conduct. It states the process and procedures that Mercy Corps will maintain to ensure that team members uphold its standards and how cases of misconduct are identified, reported and addressed in an appropriate and timely manner. The policy applies globally despite local custom, law or age of consent.

Prevention of Sexual Exploitation and Abuse of Participants and Community Members Policy

Mercy Corps is committed to ensuring that all individuals we come into contact with through our work, whether team members, community members, programme participants or others, are treated with respect and dignity. We expect team members, visitors and partners to put the well-being and best interests of our programme participants as the highest priority, and to never engage in conduct that could be perceived as abusive, exploitative or harassing. We expect all team members to foster a culture that supports this standard. We will not tolerate sexual exploitation, abuse, or harassment by our team members, visitors or anyone else receiving Mercy Corps resources. We are committed to the core principles regarding the prevention of sexual exploitation and abuse outlined by the United Nations Secretary General in 2003, as well as the 2019 Inter-Agency Standing Committee (IASC) 6 Core Principles Relating to Sexual Exploitation and Abuse, and Mercy Corps is a signatory to the “Statement of Commitment on Eliminating Sexual Exploitation and Abuse by UN and non-UN Personnel.”

This policy applies globally and sets forth our expectations of personal and professional behaviour related to the prohibition of sexual exploitation and/or abuse of program participants and community members and the required procedures to ensure we uphold our commitment to preventing such conduct and responding appropriately and in a survivor-centred way to all allegations of exploitation or abuse.

Sexual Misconduct in the Workplace Policy

Mercy Corps is committed to a work environment in which everyone is treated with respect and dignity. We will not tolerate sexual harassment or assault by or of team members anywhere in the world. The Sexual Misconduct in the Workplace Policy sets out Mercy Corps' prohibitions against sexual harassment and sexual assault in the workplace and the required procedures to ensure Mercy Corps upholds its commitment to preventing sexual harassment and assault by and of team members. It is intended to ensure that all team members around the world are held to a common minimum standard and that all allegations of violations and decisions regarding disciplinary measures are handled in a manner as consistent as possible.

Discrimination, Harassment and Bullying Policy

Mercy Corps does not tolerate discrimination, harassment, or bullying of team members anywhere in the world. The Discrimination, Harassment and Bullying Policy sets out Mercy Corps' prohibitions against discrimination, harassment, and bullying and the required procedures to ensure Mercy Corps upholds its commitment to preventing harassment, discrimination and bullying by and of team members and that all working relationships are free of bias and prejudice. This policy is intended to ensure that all global team members are held to a common minimum standard and that all allegations of violations and decisions regarding disciplinary measures are handled in as consistent a manner as possible.

Ethics Complaint and Whistleblowing Policy

All team members at Mercy Corps are expected to perform with the highest personal and professional ethical conduct. This policy serves to guide team members who have specific concerns that our commitments to ethical conduct may be at risk. It addresses how team members can report specific concerns, the protections against retaliation for reporting, and how Mercy Corps will respond to reports. It includes the principle of non-retaliation that no team member or partner who reports a violation will suffer harassment, retaliation, or adverse employment consequences, such as being terminated, demoted, or otherwise discriminated against as a reprisal for reporting a violation. Any team member who is determined to have retaliated against someone for reporting a violation may be subject to discipline up to and including termination of employment.

The Ethics Complaint and Whistleblowing Policy also includes details on Mercy Corps' [Integrity Hotline](#), which is intended for reporting Mercy Corps' Code of Conduct violations confidentially and directly to the Global Ethics Department and/or to seek advice. The Integrity Hotline web portal is available in four languages, 24 hours a day. An email address and phone lines in over 50 languages are also available. Reports may be submitted anonymously.

Community Accountability and Reporting Mechanism (CARM) Policy

CARM was developed as part of Mercy Corps' global commitment to accountability to affected populations and the prevention of all forms of exploitation and abuse. CARM is a channel for community members to provide feedback, suggestions, complaints, and concerns, in a manner that is safe, confidential, transparent, and accessible, enabling Mercy Corps to respond and make any necessary adaptations and to ensure the safety, security, and empowerment of program participants. Mercy Corps creates and maintains accessible and effective reporting mechanisms so that our participants and the communities in which we work are able to report feedback and complaints in a manner that is safe, confidential, transparent and accessible. This includes reporting any concerning or unlawful situations or behaviours related to our team members, partners or programmes.

Mercy Corps CARM Policy became effective on 1 January 2021 and has been rolled out globally, including an accompanying toolkit and supported by CARM technical advisors. The policy also includes requirements around CARM for partners.

Anti-Fraud and Anti-Corruption Policy

Mercy Corps has a zero-tolerance approach to fraud and corruption. The updated Anti-Fraud and Anti-Corruption Policy was approved in June 2022 and came into effect on 1 July 2022. This policy aims to help team members and partners understand prohibited acts of fraud and corruption, and ensure that resources are not diverted from intended program participants, as well as ensuring Mercy Corps' compliance with relevant anti-corruption laws and regulations applicable to Mercy Corps' global activities.

Preventing Support for and Transactions with Prohibited Parties Policy

This policy sets out Mercy Corps' commitments and mandatory requirements to ensure adherence to humanitarian principles while preventing sanctions violations, diversion of resources to or support for combatants or terrorist organisations, money laundering, or transactions with entities that are suspended, debarred or otherwise prohibited by Mercy Corps' donors. This includes not violating laws that prohibit providing material support to terrorist organisations, human rights violators and engaging in money laundering.

Code of Ethics

In the past financial year, Mercy Corps rolled out the globally applicable Code of Ethics, which provides an overarching framework for our Ethics policies and a high-level summary of our ethical policies, standards and expectations, as well as practical examples and questions and answers. The Code of Ethics supports team members to make ethical decisions and handle day-to-day challenges. It provides a high-level summary of many of our policies, standards and expectations and includes a specific chapter on Human Trafficking and Modern Slavery.

The Code of Ethics is guided by four core principles which drive Mercy Corps' actions and work: integrity, honesty, respect and accountability. Compliance with Mercy Corps' Code of Ethics is a condition of employment or affiliation with Mercy Corps. Violation may result in disciplinary action, including, if appropriate, termination of employment.

The Code of Ethics launch took place in conjunction with Global 'Ethics Week' in November 2022. We trained representatives from country leadership teams to facilitate Code of Ethics workshops for team members around the world. The Code was presented to Headquarters team members in Europe and the US. The Code of Ethics is available on Mercy Corps' internal Digital Library in English, Spanish, Arabic, French and Russian, and a public version can be found on our website.

Due Diligence Processes

Mercy Corps considers carefully who we engage with as team members, partners and donors. Mercy Corps has in place comprehensive due diligence processes embedded within our functional policies and procedures. A summary of key due diligence processes as they relate to modern slavery and human trafficking is included below.

Team members

Mercy Corps follows best practices in its recruitment and has incorporated a number of steps into the recruitment process to ensure accountability to safeguarding best practices. All national, international and Headquarter recruitments include Ethics and safeguarding questions at the time of application, interview and reference stage of the process. Mercy Corps conducts criminal background, reference and education checks for Headquarters and International team members hired through our UK and Netherlands-based entities, as well as members of the Board of Directors. Reference checks include specific questions about previous Ethics / Code of Conduct issues and/or concerns. Since 2021, Mercy Corps has been a signatory to the Misconduct Disclosure Scheme¹. Mercy Corps has drafted guidelines on safe recruitment, which will be rolled out to country programmes as part of the Safeguarding Core Standards next year.

Suppliers

Mercy Corps' Field Procurement Policy and Procedures (FP3) requires the highest standards of efficiency and integrity in the procurement of goods, services, and works and that Mercy Corps only selects suppliers that uphold basic social rights and working conditions based on international labour standards and that do not engage in human trafficking or child labour. FP3 was reviewed during this past financial year and the updated FP3 will be effective from 1 July 2023. As part of the review, Mercy Corps updated the due diligence processes for suppliers, implementing the Anti-Human Trafficking and Exploitation Policy 2023.

Due diligence includes screening suppliers against restricted party lists using third party software as required by Mercy Corps' Prevention of Support for and Transactions with Prohibited Parties Policy and Ineligibility and Compliance Checking (ICC) Framework. This includes screening against human trafficking related lists. The Procurement Department is responsible for ensuring that Mercy Corps' ICC policies and procedures are followed in the supplier selection process.

For all standard tenders (over USD 25,000), the following due diligence steps are required to mitigate the risk of trafficking and/or exploitation:

- Supplier reference checks to include minimum two questions related to anti-human trafficking and exploitation;
- Supplier self-questionnaire including questions around worker information and how the supplier assesses and monitors modern slavery related risks;
- Site visits are required for High Value Tenders (over USD 150,000) where the following two criteria are matched:
 - o Responses to self-questionnaire are inconclusive; and
 - o Involving high risk procurement categories - construction, food supplies, staffing agencies, facilities services (e.g. security, cafeteria, cleaning);
- Site Visit Checklist / Questions must be used. In cases where an international supplier is selected either a remote assessment can be conducted or a third party can be hired.

For any procurement below USD 25,000 for one of the high risk procurement categories, the potential bidders must submit a completed Supplier self-questionnaire as a minimum.

¹ <https://misconduct-disclosure-scheme.org/>

The updated FP3 and additional due diligence steps are being rolled out to key stakeholders, including through global webinars and facilitated discussions between Regional and Country Procurement Leads and Regional Safeguarding Advisors.

As per FP3, higher value procurements go through an open and fair tender process, therefore avoiding aggressive pricing and short lead times. Mercy Corps' contract terms include an express requirement that suppliers must comply with Mercy Corps' Ethics Policies. Suppliers must comply with Mercy Corps' and donors' principles of ethical procurement, including the avoidance of child labour and the respect of basic social rights and working conditions based on international labour standards. Monitoring is tailored based on the nature of the contract; for example, for works or construction contracts, the procurement and/or programmes teams would conduct regular oversight and site visits. Typically, an end of contract review is conducted, linked to our supplier performance management process. Mercy Corps and partner team members must report any violation or suspected violation of the Ethics policies in relation to activities under contract with Mercy Corps to Mercy Corps' integrity hotline.

Partner Organisations

Mercy Corps has a globally applicable Subaward Financial Management Policy (SFMP), which sets out the policies and procedures for working with partners receiving funds (i.e. subawardees). The SFMP sets out the mandatory due diligence process, including assessments of partners' financial and programmatic capacity, systems and processes. These assessments include sections on safeguarding and ethics, HR and procurement. Partners are also screened in accordance with the ICC Framework.

Mercy Corps' subaward agreements include clauses requiring that partners comply with Mercy Corps' Ethics policies (or their own equivalent policies if they are in place and they meet expected standards). All suspected incidents must be reported and appropriately investigated with a survivor-centred approach.

Mercy Corps has developed a set of partner safeguarding standards designed to ensure that safeguarding is incorporated into all our partnership processes. These standards include enhanced safeguarding assessments at due diligence stage, as well as capacity strengthening processes together with partners where applicable. The partner assessment processes have been piloted in five country programmes and refined to ensure applicability across a range of short-, medium- and long-term partnerships. The partner standards are now aligned with the finalisation and rollout of the global Safeguarding Core Standards to all our areas of operation, which is planned for this next financial year.

Risk Assessment and Management

Mercy Corps works in many contexts where there is an elevated risk of modern slavery and human trafficking. Mercy Corps takes appropriate measures to mitigate against these risks through our recruitment and supply chain procedures, due diligence and through monitoring by country teams, as well as internal audit and external statutory audits. In line with Mercy Corps Europe's risk management framework, the European corporate risk register is reviewed regularly and maintained by the European Senior Leadership Team and shared three times a year with Mercy Corps' Joint Audit and Risk Committee. Mercy Corps Europe representatives

are part of the global Enterprise Risk Management Committee. One of the key enterprise risks is around safeguarding, including in relation to modern slavery, and the mitigations include those highlighted in this Statement. Programmes are required to conduct risk assessments at the design phase, including an assessment of safeguarding risk, as per our Program Management Policy 2.0. Updated guidance on safeguarding risk assessment at programme level will be rolled out as part of the Safeguarding Core Standards in the next year.

Mercy Corps has invested considerably in our Global Ethics and Compliance Department, led by our global Chief Ethics and Compliance Officer (CECO), with a remit including safeguarding prevention, detection and response, as well as reflection and adaptation. In this past year, we have hired a Regional Safeguarding Advisor in each of the five regions, as well as a dedicated European Safeguarding Advisor to further support these efforts.

In this financial year, Mercy Corps has taken further steps to process and act on the recommendations following the completion of the FCDO Modern Slavery Assessment Tool (MSAT) in 2021. Mercy Corps has carried out a refresh of the FCDO MSAT which will be submitted through the web portal.

Training

Mercy Corps ensures that all team members are aware of and understand our Ethics policies and commitments and their responsibilities through training. All team members are required to complete mandatory training on each of the Ethics policies within 30 days of commencing with Mercy Corps, and annually thereafter. Training modules are available through Mercy Corps' Learning Site in English, French, Spanish, Arabic and Russian. This training is also able to be provided offline. The Ethics Department continues to work with the People Team to increase compliance with the Code of Conduct training. We have also created low bandwidth, modular safeguarding training programmes specifically for use with partners. In the past year, Mercy Corps has also hosted targeted safeguarding training for the Mercy Corps Board.

At the date of writing, Mercy Corps has trained safeguarding support roles active in all of our country programmes (except one, which is pending), with a total of 56 Focal Points, 96 Champions, and 33 Co-Investigators. These individuals serve as in-country safeguarding resources, working with the global Safeguarding Department and their country teams to raise awareness, deliver face-to-face training, and build trust and confidence in our systems and reporting mechanisms. They are trained in survivor-centred principles and assist in liaising with survivors if needed. They are available to receive safeguarding concerns, refer survivors or others to support services, and maintain community resource maps of support services available in each country. In June 2022, Mercy Corps hosted in-person Safeguarding Focal Point and Co-Investigator training. A further cohort of Focal Points and Co-Investigators was trained in January 2023 and another one is scheduled for July 2023.

Guides on our policies are available for team members and partners. Posters highlighting our requirements on misconduct and how to report must be displayed in all Mercy Corps offices. Mercy Corps provides all team members with updates in relation to ongoing safeguarding initiatives (and reinforcing the zero tolerance approach) through a range of media, including our weekly newsletter, online social platform and through tailored communications, including monthly 'Let's Talk Ethics' sessions and informal conversations with our CECO.

Key Performance Indicators (KPIs)

Last year, Mercy Corps introduced KPIs to track the effectiveness of Mercy Corps' efforts to tackle modern slavery. The data at the end of this financial year is below:

KPI	FY2023
1. Percentage of Mercy Corps team members who have completed Mercy Corps Ethics training (including modules on Anti-Trafficking and Child Safeguarding).	87% of global team <i>(as of June 2023)</i>
2. Percentage of Mercy Corps programmes globally which have in place an active CARM, meeting the minimum standards in Mercy Corps' CARM Policy.	All programmes have an active CARM; tracking against all the minimum standards is pending (due to a system change)
3. Number of reports related to modern slavery and/or human trafficking received through Mercy Corps' Integrity Hotline.	3 <i>(related to MCE-funded programmes)</i>
4. Percentage of suppliers for which due diligence is carried out prior to contracting, including assessment questions in relation to modern slavery risk.	No data yet <i>(new procedure introduced in FY2023)</i>

During this financial year, Mercy Corps Europe closed four cases (including one report from a prior fiscal year) which related to breaches of our Anti-Trafficking Policy 2018 (prior to the updated 2023 Policy) in our country programmes. These cases were investigated by our Global Safeguarding Department in accordance with our Ethics policies and investigations protocols; three reports were found to be substantiated and one report was determined to be inconclusive. For all substantiated reports, steps were taken to terminate team members who were Subjects of Complaint and they are ineligible for rehire which is communicated through the Misconduct Disclosure Scheme. Additional measures were recommended, including tailored training and support. If survivors are identified, they are offered supportive resources. Mercy Corps publishes an Annual Safeguarding Report on our website: [Safeguarding Report 2022](#)

This statement is made pursuant to section 54 (1) of the Modern Slavery Act 2015 and constitutes Mercy Corps Europe's modern slavery and human trafficking statement for the financial year 1 July 2022 to 30 June 2023 and covers all activities of Mercy Corps Europe.

Final version provided concurrence by Mercy Corps Joint Ethics and Safeguarding Committee on 21 June and approved by Mercy Corps Europe's Board of Directors on 29 June 2023.



Signed on behalf of the Board by Iman Dakhil, Chairperson of the Board, 30 June 2023