

# Mercy Corps Europe

## Modern Slavery Statement – 2021-2022

### 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.

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 8 June 2022, Mercy Corps Europe employs 133 persons and Mercy Corps globally has over 5,500 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 sub-grantees, partner organisations, contractors, outside experts (including lawyers), consultants, agents, representatives and any other organisation or individual that acts 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.

Mercy Corps engages in partnerships with communities, civil society organisations, for-profit entities, social enterprises, governments and other aid organisations. Partnering can take different forms but the most common types of partnerships entered into by Mercy Corps are strategic partnerships, capacity-strengthening partnerships and project-specific partnerships.

## **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-Trafficking Policy;
- Child Safeguarding Policy;
- Ethics Complaints and Whistleblowing Policy;
- Prevention of Sexual Exploitation and Abuse (PSEA) of Program Participants and Community Members;
- Prevention of Sexual Misconduct in the Workplace Policy;
- Discrimination, Harassment and Bullying Policy;
- Anti-Bribery Policy;
- Anti-Corruption Policy;<sup>1</sup>
- 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 and Spanish. 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.**

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

### **Anti-Trafficking Policy**

Mercy Corps is committed to a work environment and operations that are free from human trafficking and exploitation. Human trafficking and exploitation are wholly contrary to Mercy Corps mission. Mercy Corps will not allow human trafficking or slavery in any part of our global organisation or with any of our partners. This policy sets forth the expectations we have of our team members to avoid engagement of, complicity in, or benefiting from human trafficking. Specifically, the Anti-Trafficking Policy includes provisions:

- Requiring adherence to local and national laws;
- Prohibiting the use of worker-paid recruitment fees;
- Prohibiting child labour; and

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<sup>1</sup> Note that the Anti-Bribery and Anti-Corruption Policies have been merged into an updated Anti-Fraud and Anti-Corruption Policy, which is in the final stages of approval and translation and is intended to be effective in July 2022.

- Prohibiting the confiscation of workers' original identification documents.

During the financial year 2021-2022, Mercy Corps carried out a comprehensive review of our safeguarding policies with an external organisation with particular expertise in PSEA, child safeguarding and human trafficking. The principal goal of the review is to ensure that our policies are as robust and clear as possible, function coherently together, meet or exceed all donor requirements, and are at the forefront of sector best practice. Part of this review includes ensuring that our Ethics policies cover all commitments necessary in relation to the UK Modern Slavery Act. Following the review, it is likely that Mercy Corps will make some minor adjustments to the Anti-Trafficking Policy in the next year. Mercy Corps is also considering incorporating the ILO forced labour indicators into our associated training programmes to help raise awareness of how human trafficking and modern slavery happens, the impact on survivors, and how to spot risks or signs that it may be taking place.

### **Child Safeguarding Policy**

Mercy Corps has a special obligation to ensure the safety and dignity of all children it comes into contact with through its work. Our Child Safeguarding policy reinforces our commitment to always act in the best interests of children. This policy states Mercy Corps' 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.

### **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, program 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 its program participants as the highest priority, to treat all program participants and host community members with respect and dignity, and to never engage in conduct that could be perceived as abusive, exploitative or harassing. We expect management and all team members to fully 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 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 sets forth our expectations of personal and professional behaviour related to 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 Policy**

Mercy Corps is committed to a work environment in which everyone is treated with respect and dignity. We strive to maintain a culture of caring which seeks to ensure the emotional and physical safety of our teams and anyone else we work with. We strive for a diverse and inclusive working environment and expect that working relationships are based on or built around mutual respect, professionalism, and are free from sexual harassment and/or and sexual assault. We will not tolerate sexual harassment or assault by or of team members anywhere in the world.

The Sexual Misconduct 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. The policy applies globally without regard to local cultural practices or social norms.

### **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. The policy applies globally without regard to local cultural practices or social norms.

### **Ethics Complaint and Whistleblowing Policy**

Achieving Mercy Corps' mission of alleviating suffering, poverty and oppression by helping people build secure, productive and just communities requires all of us to perform with the highest personal and professional ethical conduct. The culture we strive to create at Mercy Corps requires caring deeply and recognising that every voice matters. This policy serves to guide team members who have specific concerns that our common 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 address 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. Mercy Corps will not tolerate retaliation and 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.

### **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 any and all 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 programmatic or safeguarding adaptations and to ensure the safety, security, and empowerment of program participants.

As an essential part of our commitment to preventing all forms of exploitation and abuse, 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 any feedback and complaints in a manner that is safe, confidential, transparent and accessible. This would include reporting any disturbing situations or behaviours related to our team members, partners or programmes, as well as any unlawful situations and behaviours.

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

## **Anti-Corruption Policy**

Mercy Corps does not tolerate any form of corruption, including fraud, theft, embezzlement, unapproved conflicts of interest, false claims and bribery. Team members who engage or assist in any form of corruption will be subject to disciplinary actions, up to termination, and may be subject to criminal prosecution. Partners will be in breach of their agreement with Mercy Corps and may have their agreements terminated, be prohibited from working with Mercy Corps in the future and/or be subject to criminal prosecution.

## **Anti-Bribery Policy**

Mercy Corps does not tolerate any team member or partner accepting or requesting any form of bribe from any person or organisation or giving, offering, promising, authorising or assisting any form of bribe to any employee of any organisation, including any government official.

## **Preventing Support for and Transactions with Prohibited Parties Policy**

Mercy Corps operates in accordance with humanitarian principles which mandate that Mercy Corps does not provide support in any form, directly or indirectly, to combatants. This includes not violating laws that prohibit providing material support to terrorist organisations, human rights violators and engaging in money laundering. Mercy Corps also works in embargoed and sanctioned countries and in close proximity to entities that are subject to targeted sanctions requirements of the United States, United Kingdom, European Union, the Netherlands, the United Nations and other international and donor country laws and regulations. Consistent with its humanitarian principles and mandate, Mercy Corps will do all that it can to provide aid to civilians who are still or were formally under the control of sanctioned entities and combatants, including designated terrorist organisations, in a manner that complies with law, regulation, and its policy.

This policy sets out Mercy Corps' commitments and mandatory requirements meant to ensure adherence to humanitarian principles while preventing sanctions violations, diversion of resources to or support for combatants or terrorist organizations, money laundering, or transactions with entities that are suspended, debarred or otherwise prohibited by Mercy Corps' donors.

## **Code of Ethics**

This Financial Year Mercy Corps has developed a 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 is intended to act as a framework to help all team members make ethical decisions and handle day-to-day challenges. The Code of Ethics is in final stages of approval and is intended to be rolled out globally in the second half of 2022. The Code of Ethics includes a specific chapter on Trafficking and Modern Slavery.

## **Due Diligence Processes**

In upholding our commitments, 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 carry out appropriate due diligence and 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 Scheme<sup>2</sup>.

## 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. The policy requires that Mercy Corps only select 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.

Mercy Corps carries out appropriate due diligence prior to engaging any suppliers. Mercy Corps screens suppliers against required 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. The Procurement department is responsible for ensuring that Mercy Corps' ICC policies and procedures are followed in the supplier selection process. Suppliers also sign a self-certification form, including a commitment to treat their employees with dignity and respect and to comply with rules and regulations in relation to modern slavery and human trafficking<sup>3</sup>.

Where the value of a contract is over USD 20,000, enhanced due diligence must be carried out prior to awarding the contract to the successful supplier. Such due diligence depends on the nature of the purchase, the context, and Mercy Corps' previous experience with the supplier. Due diligence must incorporate appropriate safeguarding considerations and typically includes reference checks. In certain cases, a site visit will be carried out, usually at the discretion of the tender committee. During the year ahead, Mercy Corps is planning to update the due diligence questionnaire to incorporate enhanced modern slavery related questions and to clarify the circumstances in which a site visit must always be carried out. In the case of a contract over USD 1M (which is very rare for Mercy Corps' operations), as per FP3, a third party certification must be obtained as part of the due diligence. Typically such certification includes checks on human rights and anti-trafficking commitments.

Mercy Corps' contract terms include an express requirement that suppliers must comply with Mercy Corps' Ethics Policies. Suppliers also 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 carried out in a tailored manner 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

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<sup>2</sup> <https://misconduct-disclosure-scheme.org/>

<sup>3</sup> The Supplier Self-Certification of Eligibility includes a certification that the Supplier: "...treats its employees with dignity and respect and maintains social operating standards, including: working conditions and social rights; avoidance of child labor, bondage, forced labor, human trafficking or exploitation; assurance of safe and reasonable working conditions; freedom of association; freedom from harassment (including sexual harassment), exploitation, abuse, bullying and discrimination; protection of basic social rights of its employees and Mercy Corps beneficiaries."

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 who are receiving funds (i.e. sub-grantees). The SFMP includes the mandatory due diligence process for partner organisations that contains assessments of their financial and programmatic capacity, systems and processes. These assessments include sections on safeguarding and ethics, HR and procurement. Partner organisations are also screened in accordance with the ICC Framework.

Mercy Corps' subaward agreements include specific clauses requiring that partners comply with Mercy Corps' Ethics policies and procedures (or their own equivalent policies if the partner organisation has them in place). All suspected incidents must be reported and appropriately investigated with a survivor-centred approach.

Within the past year, Mercy Corps has developed a set of partner safeguarding standards designed to ensure that safeguarding is adequately incorporated into all of our partnership processes. These standards incorporate an enhanced safeguarding assessment at due diligence stage, as well as capacity strengthening processes for partner organisations depending on the length of the partnership. 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 next steps on 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 the financial year 2022 to 2023.

## **Risk Assessment and Management**

Mercy Corps works in many countries that are affected by conflict, weak governance, poverty, migration and these contexts present 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. Mercy Corps Europe representatives are also 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 also conduct risk assessments at the design phase, including an assessment of safeguarding/human trafficking risk.

Over the past two years, Mercy Corps has invested considerably in our Global Ethics team, led by our global Chief Ethics and Compliance Officer (CECO), with a remit including safeguarding prevention, detection and investigation. Mercy Corps' Ethics and Compliance Department works across functions aiming to ensure that we continue to strengthen our policies, procedures and practices around all ethical areas relevant for our global work.

In this past year, Mercy Corps completed the FCDO Modern Slavery Assessment Tool and reviewed the recommendations. In the year ahead, Mercy Corps is planning to take steps to further understand the potential modern slavery risks within our supply chain and to identify potentially 'high risk' suppliers. Currently we map supply chains on a country and/or project specific basis. The majority of Mercy Corps' procurement globally is for consultancy and technical services and the majority of the tangible items which we procure are from wholesalers and not directly from manufacturers. Our mitigation measures are therefore designed accordingly.

As per Mercy Corps' 'FP3' procurement policy, higher value procurements go through an open and fair tender process, therefore avoiding aggressive pricing and short lead times. However, we recognise that we can continually seek to enhance the effectiveness of the steps to mitigate against the risk of modern slavery and human trafficking within our supply chain.

## **Training**

Mercy Corps has a comprehensive approach towards training all team members and ensuring that all team members are aware of and understand our Ethics policies and commitments and their responsibilities. As part of onboarding, all team members are required to complete mandatory training on each of the Ethics policies within 30 days of commencing with Mercy Corps. This training also is required to be completed annually by all team members. Training modules are available through Mercy Corps' Learning Site in English, French, Spanish and Arabic. This training is also able to be provided to partners offline as appropriate. Over the past fiscal year, we have created low bandwidth, modular safeguarding training programmes specifically for use with partners. These are currently being piloted in Mercy Corps' Ukraine response. Additionally, guides on our policies are available for team members and partners. Flyers that set out our requirements on misconduct and how to report it are also displayed in a visible location in all Mercy Corps offices.

During this financial year, as a result of the Covid-19 pandemic and associated restrictions, there has been limited opportunity for international travel and face-to-face training. However, each Mercy Corps Country Office has identified and trained Safeguarding Focal Points and/or Safeguarding Champions that serve as in-country safeguarding resources, working with their teams to raise awareness, deliver ongoing 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 as reporting mechanisms for individuals with concerns, serve as a referral pathway for survivors or others in need of support services, and maintain community resource maps of support services available in each country.

In the past year, Mercy Corps has also hosted targeted safeguarding training for the Mercy Corps Europe Senior Leadership Team and Board as well as leaders from our global and regional teams.

Mercy Corps also provides team members across the globe with updates in relation to ongoing safeguarding initiatives (and reinforcing the zero tolerance approach) through a number of media, including our weekly newsletter, online social platform (Workplace) and through tailored communications.

## **Key Performance Indicators (KPIs)**

Mercy Corps has introduced the following KPIs, which we will track to monitor the effectiveness of Mercy Corps' efforts to tackle modern slavery:

1. Percentage of Mercy Corps team members who have completed Mercy Corps Ethics training (including modules on Anti-Trafficking and Child Safeguarding).
2. Percentage of Mercy Corps programmes globally which have in place an active CARM, meeting the minimum standards in Mercy Corps' CARM Policy.
3. Number of reports related to modern slavery and/or human trafficking received through Mercy Corps' integrity hotline.
4. Percentage of suppliers for which due diligence is carried out prior to contracting, including assessment questions in relation to modern slavery risk.



During this financial year, Mercy Corps Europe has received one report of allegations related to a breach of our Anti-Trafficking Policy within one of our country operations, which is currently being fully investigated by our Global Ethics team in accordance with our Ethics policies and procedures and investigations protocols. If survivors are identified during the investigation they will be offered supportive resources.

**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 2021 to 30 June 2022 and covers all the activities of Mercy Corps Europe.**

Final version approved by Mercy Corps Joint Ethics and Safeguarding Committee and Mercy Corps Europe's Board of Directors on 23 June 2022.

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by a series of loops and a horizontal line extending to the right.

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**Signed on behalf of the Board by Iman Dakhil, Chairperson of the Board, 1 July 2022**