Mercy Corps Europe

Modern Slavery Statement 2020-2021

Introduction

The Modern Slavery Act 2015 states that UK organisations with a turnover of £36 million or above must publish annual statements 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.

Beyond this legal requirement, Mercy Corps Europe recognises its responsibility and commitment to preventing modern slavery, forced labour and human trafficking within its organisation, and to ensuring that its operations, its supply chain and the programmes which it manages and supports are free from human trafficking, exploitation and modern slavery.

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, which consists of:

- Mercy Corps Global, a US entity registered in Washington State and its field 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 7 June 2021, Mercy Corps Europe employs 112 persons and Mercy Corps globally has over 5600 team members.

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 directly or indirectly in countries deemed to be higher risk on the Global Slavery Index.

Mercy Corps engages in partnerships with communities, government agencies, private businesses and civil society organisations. Partnering can take different forms but the most common types of partnerships entered into by Mercy Corps are strategic partnerships, capacity-building partnerships and project-specific partnerships.

Policies and Procedures

Mercy Corps has policies in place to minimise the risk of modern slavery in its supply chain. Policies are available to all team members, partners (includes suppliers) and copies of our Ethics policies and accompanying guidance are available on our website.

Code of Conduct

Mercy Corps' Code of Conduct reflects the values of Mercy Corps and details the high standards of behaviour and conduct expected. The Code of Conduct applies to Members of Mercy Corps' Boards of Directors, officers, management, employees, seconded employees, interns and volunteers, (collectively "Team Members"); Sub-recipients, partner organizations, 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 (collectively "Partners"); and visitors to any Mercy Corps facility, which includes photographers, filmmakers, journalists, researchers, donors and prospective donors, and anyone else hosted by Mercy Corps or visiting Mercy Corps' implemented or financially supported programmes (collectively "Visitors").

The undertakings in this Code of Conduct that are relevant to the prevention of modern slavery are the commitments to:

- Interact with other team members with a spirit of equality and mutual respect, refraining from behaviour which could be perceived as discrimination on the basis of race, colour, gender, religion, age, sexual orientation, national or ethnic origin, disability including HIV/AIDS status, marital status, veteran status, or gender reassignment status, in keeping with Mercy Corps' Equal Opportunity and Diversity policy.
- Treat all people with dignity (including team members, participants and the populations of host countries in which Mercy Corps works) and avoiding any behaviour which could be construed as harassment or bullying. Refrain from engaging in any activity which may be exploitative or intimidating.
- For employees, any breach of the Code of Conduct may lead to disciplinary action up to and including termination of employment. For non-employee team members, any breach may lead to early termination of the assignment.
- Respect local laws and customs.

In the next Financial Year, Mercy Corps will issue a globally applicable Code of Ethics, which will provide (1) a consolidated summary and framework for our existing Code of Conduct policies, standards, and expectations relating to ethical behavior at Mercy Corps and (2) practical examples for their application in the contexts in which we work. This includes a specific chapter on Trafficking and Modern Slavery.

Mercy Corps 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, this policy includes provisions:

- Requiring adherence to local and national laws;
- Prohibiting the use of worker-paid recruitment fees;
- Prohibiting child labour; and
- Prohibiting the confiscation of workers' original identification documents.

Mercy Corps 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. This policy reinforces our commitment to the best interests of children. This policy states Mercy Corps' expectations regarding team members' desirable conduct with children and what conduct is prohibited. It also 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.

Mercy Corps 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, host community members, 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 participants as the highest priority, to treat all 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.

This policy sets forth our expectations of personal and professional behaviour related to sexual exploitation and/or abuse of participants and community members and the required procedures to ensure we uphold our commitment to preventing such conduct.

Mercy Corps Prevention of Sexual Misconduct in the Workplace 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 looks 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.

This policy sets out Mercy Corps' prohibitions against sexual harassment and sexual assault and the required procedures to ensure Mercy Corps upholds its commitment to preventing sexual harassment and assault by and of team members. This policy 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.

Mercy Corps Discrimination, Harassment and Bullying Policy

Mercy Corps does not tolerate discrimination, harassment, or bullying of team members anywhere in the world. Our 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. 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.

Mercy Corps Anti-Corruption Policy

Mercy Corps prohibits and takes a zero tolerance stance towards all forms of corruption, including fraud, theft, embezzlement, unapproved conflicts of interest, false claims and bribery. Employees 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.

Mercy Corps Anti-Bribery Policy

Mercy Corps prohibits and takes a zero tolerance stance towards accepting or requesting any form of bribe from any person or organisation and giving, offering, promising, authorising or assisting any form of bribe to any employee of any organisation, including any government official.

Mercy Corps 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 recognizing 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.

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, including 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 its commitments under the policy.

Mercy Corps Field Procurement Policy and Procedures (FP3) including Due Diligence

The Mercy Corps Field Procurement Policy and Procedures (FP3) is committed to implementing and maintaining the highest standards of efficiency and integrity in the procurement of goods, services, and works. It includes, as one of its core guiding principles, that Mercy Corps will 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 screens suppliers against required restricted party lists, as well as Mercy Corps' Graylist using third party software as defined by Mercy Corps' Ineligibility and Compliance Checking (ICC) Policy and mandatory procedures. ICC screening includes screening against human trafficking and suppliers also sign a self-certification form, covering human trafficking. The Procurement department is responsible for ensuring that Mercy Corps' ICC policies and procedures are followed in the supplier selection process.

Mercy Corps' contract terms include a specific clause under which suppliers acknowledges that they must comply with Mercy Corps' and Donors' principles of Ethical Procurement, including adhering to the minimum ethical standards of the avoidance of child labour and the respect of basic social rights and working conditions based on international labour standards. Monitoring is carried out appropriate for 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.

Policies and Procedures in place for working with Partner Organisations, including Due Diligence

Mercy Corps has in place a globally applicable Subaward Financial Management Policy (SFMP) which sets out the policies and procedures for working with partner organisations, including those designed to reduce the risk of modern slavery and human trafficking.

The SFMP includes the Mercy Corps 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.

Mercy Corps' subaward agreements entered into with partner organisations include specific clauses that ensure that they must comply with Mercy Corps' Code of Conduct and related policies and procedures. In this year, Mercy Corps globally has added a new team member position dedicated to partner accountability. Ongoing work includes focusing on establishing stronger mechanisms for monitoring and strengthening downstream partners' compliance with MC safeguarding policies, including the Anti-Trafficking policy. In addition, we are currently developing mechanisms for assessing partners and identifying high-risk partnerships from a safeguarding lens in the subaward due diligence process.

Community Accountability and Reporting Mechanisms (CARM)

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. Over the past year, Mercy Corps has continued to improve and strengthen its CARM system, including the publication of a global CARM Policy effective from 1 January 2021 and an accompanying toolkit. The CARM Policy includes requirements around CARM for Partners.

Mercy Corps Response

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 safeguard against these risks through our supply chain and recruitment procedures and through monitoring by country level teams, internal audit and external statutory audits.

Mercy Corps raises awareness of slavery and human trafficking through its policies and training. As part of the on-boarding training, Mercy Corps informs all team members about the commitment to combating trafficking-related activities and what actions are prohibited. Additionally, mandatory online training and guides on our policies are available for team members and partners. Flyers that set out our requirements on prohibited conduct and how to report it are also displayed in a visible

location in all Mercy Corps offices. During this Financial Year, due to the global COVID-19 pandemic there has been limited face-to-face training. Mercy Corps has sought alternative ways (including online and remotely conducted training, as well as an e-campaign to increase awareness of our Code of Conduct) to ensure that Team Members are aware and understand our safeguarding commitments and each individual's responsibilities. In October 2020, Mercy Corps appointed a global Chief Ethics and Compliance Officer, a new executive role to oversee a standalone ethics and compliance department, with a remit including safeguarding prevention, detection and investigation. Mercy Corps' CECO works across functions to aim to ensure that we continue to strengthen our policies, procedures and practices around all ethical areas relevant for our global work. Work also continues to further develop standardised training on our Code of Conduct and monitoring for partners.

During this financial year, Mercy Corps Europe had no reports of incidents of modern slavery or human trafficking within our supply chain.

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 2020 to 30 June 2021 and covers all the activities of Mercy Corps Europe.

Final version approved by Mercy Corps Europe's Board of Directors on 17 June 2021



Signed on behalf of the Board by Iman Dakhil, Chair of the Mercy Corps Europe Board of Directors, 8 August 2021