



Modern Day Slavery and Anti-Human Trafficking Statement

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August 2023

A. Chemonics Approach to Addressing Modern Day Slavery and Human Trafficking

Chemonics recognizes that we all have a critical role in combatting modern-day slavery and human trafficking. We share this commitment with partners around the world and seek to understand, prevent, and respond to these forms of abuse. We employ the “do-no-harm” principle throughout all aspects of our work and aim to foster a coordinated and holistic approach to preventing and responding to slavery and human trafficking crimes. As part of these efforts, Chemonics has implemented policies and created systems that protect our employees and beneficiaries, empower those affected by slavery and human trafficking to report their experiences, and ensure that survivors are protected and provided with appropriate support that meets their needs and wishes.

B. Chemonics’ Global Operations

Founded in 1975, Chemonics is a 100-per cent employee-owned international development company working in more than 75 countries around the globe. Headquartered in the Washington, D.C. metro area and London, Chemonics operates over 100 field offices worldwide. Our 5,000 multidisciplinary specialists, 90% of whom are hired locally in our project countries, collaborate with our clients, partners, and beneficiaries to deliver results and, consistent with our mission, help people lead healthier, more productive, and independent lives.

Chemonics’ Executive Management Team leads the organization, with oversight from the Board of Directors. Our ethics and compliance program is overseen by a Corporate Ethics and Compliance Officer (CECO), who is a member of the Executive Management Team and also reports directly to the Board to ensure program integrity and independence. The CECO is supported by an Office of Business Conduct staffed with full-time subject matter experts responsible for training staff on our safeguarding policy, code of conduct, *Living Our Values*, and detecting, investigating, and resolving ethical issues in coordination with client oversight agencies such as the U.S. Office of Inspector General and the FCDO Internal Audit Department’s Counter Fraud Section. Our headquarter operations are organized by regional, technical, and client business units and are supported by divisions that exercise due diligence of partners and programs and provide corporate oversight, quality assurance, and governance related to human resources, safety and security, contract and grant management, and finance and compliance.

We have embedded our safeguarding policies, which prohibit all forms of forced labor, including unlawful child labor, sexual exploitation or abuse, child abuse, and other forms of exploitative and unethical treatment of employees and beneficiaries, into all the work we do. Using a systematic and multidisciplinary, survivor centered approach; our safeguarding program delivers duty of care to all staff and beneficiaries and is organized around the following objectives: promoting awareness of our expectation of zero tolerance for inaction in response to allegations of forced labor and sexual, exploitation, and abuse; providing assurances to survivors, bystanders, and reporters that complaints will be acknowledged, reviewed, referred, and addressed by trained investigators and accountable decision-makers; and facilitating access to safe, context-appropriate methods and channels for reporting feedback, dignified and relevant assistance, and support. This program aims to positively influence and hold staff, downstream partners, clients, and counterparts accountable.

C. Safeguarding Policies

For more than 40 years, Chemonics has committed to protecting the safety, security and well-being of staff, partners, and beneficiaries as our top priority. Our safeguarding program is anchored by a strong organizational culture of respect and integrity, a comprehensive code of conduct, and industry leading practices for ethics and compliance. It has been implemented in our programs worldwide, including in countries that have no specific legal prohibitions against sexual or other forms of abuse, forced or coerced labor, discrimination, or harassment.

Chemonics takes a holistic approach to safeguarding, implementing a comprehensive *Protection of Employees, Partners, and Beneficiaries* policy, which articulates our commitment to fostering and upholding a workplace culture of mutual respect, dignity, responsibility, and accountability. This policy outlines general expectations for staff in preventing and reporting any form of sexual exploitation, harassment, and abuse. Under this umbrella policy, we further elaborate specific policies related to *Anti-Trafficking in Persons (TIP)*, *Child Safeguarding*, and *Protection of Beneficiaries* and cross-reference relevant *Anti-Sexual Harassment*, *Anti-Discrimination*, and *Anti-Retaliation* policies. All staff receive these policies and certify to their compliance in writing.

D. Due Diligence Procedures

Chemonics recognizes that safeguarding starts with hiring the right people and contracting capable organizations to carry out our development work. To this end, we have established a robust system of due diligence policies and procedures covering both how we recruit new staff and how we screen potential business partners. Below is a summary of our current due diligence measures to prevent slavery and human trafficking risks within our global workforce, as well as among our subcontractors, sub-awardees, grantees, suppliers, vendors, and other downstream partners.

C1. Due Diligence in Recruitment and Hiring

Chemonics embeds safeguarding screening in recruitment procedures. Recruiters review applications and shortlist individuals to phone screen; in the phone screen, recruiters ask a series of questions regarding work authorization (if permitted by local law), and ability to complete the tasks assigned to the role for which the candidate is interviewing. Our standard screening questions recommend asking the candidate (if permitted by local law), if he/she has been fired or resigned in lieu of termination for business conduct violations – including trafficking or any other forms of abuse. Final candidates are then selected for panel interviews with current Chemonics employees and assessed for suitability for working with diverse individuals and communities, each with their own unique needs, barriers, and opportunities based on their identities. Prior to hiring any staff, we conduct a minimum of three professional reference checks, one of which must be with a current or former employer. If permitted by local law, we ask former employers whether the candidate is eligible for rehire. As part of our onboarding process, we also perform the following candidate background screenings:

- For local candidates for field office positions, we perform background screenings via Visual Compliance or the System for Award Management. These services enable us to search U.S. Government, UK Government, and international databases to ensure candidates are not listed on any restricted, global sanctions, terrorist, or other denied parties list, which includes UK Proscribed Terrorist Groups, UK Financial Conduct Authorities, and HM Treasury Consolidated List.
- For U.S. and UK-based candidates and international candidates for field office positions, Chemonics employs a third-party background screening vendor, Sterling Infosystems, to facilitate screenings for domestic criminal and global sanctions and terrorist lists.

C2. Due Diligence of Downstream Business Partners

Prior to engaging a subcontractor, sub-awardee, grantee, supplier, or other significant program partner, we conduct reference checks and complete a responsibility determination or pre-award risk assessment, verifying the organization’s financial and management systems, cash flow, and internal segregation of duties. We also conduct U.S. Government System for Award Management (SAM) or Visual Compliance screenings – the latter of which includes UK and international restricted parties – on the prospective partner and key staff as required and submit FCDO vetting sheets for finance staff and CEOs. Any partner that is found to be listed on a restricted or designated parties list, or any partner that does not pass screening, is immediately terminated.

Contractually we also include key regulatory and legal requirements pertaining to ethics and compliance, anti-trafficking, and safeguarding in all sub-contracts, sub-awards, grants, etc. and support local organizations in developing related policies and training for their staff. All applicable business partners with awards valued at \$500,000 or more who are performing work overseas for Chemonics under USAID-funded programs are required to have comprehensive anti-trafficking compliance plans in place and submit annual anti-trafficking certifications to Chemonics. For UK-funded programs, all partners with awards of any amount are required to have a zero-tolerance trafficking in persons policy in place, to communicate the policy to all employees, and to notify Chemonics of any potential violations of the policy and actions taken in response. Likewise, all downstream partners on UK-funded programs are required to have comprehensive child safeguarding policies and risk assessment and mitigation procedures in place.

For vendors and suppliers providing goods and commodities, we conduct SAM or Visual Compliance screenings on the organization and will not proceed with any partner identified on a restricted or designated parties list. In certain insecure environments such as Syria and Afghanistan, we also maintain a list of trusted vendors with whom Chemonics has experience working and that have proven to engage in ethical business practices.

E. Trafficking Risks and Mitigation Measures

Chemonics recognizes that cultivating an organizational culture that prioritizes safeguarding is one that is endorsed by leadership, reinforced through training, and supported by

accountability and protection measures. The Executive Management Team leads by example and ensures that all employees are trained and aware of expectations for behavior and supports a work environment that is knowledgeable about assessing and managing risk, and openness in reporting potential violations without fear of retaliation.

Preventative measures include all applicable subcontractors are required to submit a signed certification form stating they will comply with the USG counter-trafficking regulation and/or FCDO supplier code of conduct declaration regarding safeguarding and trafficking. Staff are also given access to in-company resources to report suspected cases of trafficking, in which case the Office of Business Conduct assesses the reports and takes appropriate action, such as conducting further investigation, reporting to government oversight bodies, and taking disciplinary/contractual action.

F. Program Effectiveness

Since 2012, Chemonics has systematically managed records of complaints and resolutions related to ethics and conduct, including sexual exploitation, abuse, and harassment. During this timeframe we have also expanded outreach and training regarding comprehensive ethics and conduct. This led to an increase in the number of cases within the last several years. However, the absolute number of cases is still small relative to the number of staff, beneficiaries, and partners with whom we engage, indicating that issues likely remain under-reported. We are continuing to raise awareness on our reporting mechanisms and instill confidence in Chemonics' investigative approaches amongst our staff, partners, and people we serve to empower survivors and bystanders to report any abuses. Additionally, Chemonics has human slavery and trafficking risk assessment tools and plans to continually adapt these based on best practices. This risk assessment, paired with customized anti- trafficking compliance plans for projects, enables Chemonics to monitor the effectiveness of safeguarding mitigation measures and take necessary interventions at the country and project level.

G. Training and Resources for Staff and Partners

Our safeguarding program is anchored in transforming power dynamics that enable slavery and human trafficking; promoting awareness of our prohibitions against all forms of abuse; providing assurances to victims and by-standers that complaints will be acknowledged, reviewed, referred, and addressed by trained investigators and accountable decision-makers; and facilitating access to safe, context-appropriate methods and channels for reporting, feedback, assistance, and support. Chemonics provides comprehensive in-person orientation on our standards of business conduct to all new staff in our headquarters and field offices. The training covers all aspects of our code of ethics and expectations for acceptable and unacceptable conduct. We also provide tailored, one-on-one training with new project leaders to ensure they are aware of country-specific safeguarding risks and their duty to create a culture of respect in our overseas operations. In addition, we offer annual, mandatory online ethics training to all staff and subcontractor personnel working in our offices. Chemonics also provides multi-lingual e-training on identifying sexual harassment and maintaining respect in the workplace to all staff each year. Lastly, every November, we celebrate our values through an initiative called Integrity Month, which also serves as a time for awareness raising amongst staff on our expectations around safeguarding.

Chemonics has created a variety of mechanisms to report and follow up on safeguarding issues – such as hotline, WhatsApp, SMS and web reporting, with access to trained professionals. Reporting options and information on are provided publicly to ensure accessibility for our partners and beneficiaries to report violations or concerns. We also widely promote access to a specialized staff care and resilience program with our staff. Staff care resources under this program include access to KonTerra Group, with whom Chemonics has an enterprise agreement that allows us to offer counseling, training, and resources to manage stress and trauma. This includes 24/7 access to counselors and mental health specialists offering free private consultations and confidential counselling sessions over the phone, email, and the web to support personal or work-related challenges, including support for victims of sexual exploitation, abuse, or harassment. Chemonics ensures due sensitivity in all interactions with survivors of abuse, which includes ensuring compassionate and sensitive delivery of support and services in a nonjudgmental manner.






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Final Audit Report

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