



## **Prohibition against Trafficking in Persons**

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*Policy Owner(s): Legal and Supply Chain Departments*

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## 1.0 Purpose

Corporate social responsibility is at the core of HDT Global’s operating philosophy, driving our dedication to our customers. We are committed to conducting its business in a lawful and ethical manner and we expects our employees, agents and representatives and suppliers/subcontractors to conduct themselves in the same manner.

This describes our policy as it relates to eliminating human trafficking and forced labor with respect to our U.S. federal government contracts. The policy outlines our expectations of employees, agents, representatives and subcontractors in terms of being part of a comprehensive, transparent, and verifiable work force free of human trafficking and forced labor.

## 2.0 Scope

This policy is for all of our employees and our agents, representatives and subcontractors at all tiers, and their agents.

## 3.0 ISO References

Reference Number	Description
	Corporate Compliance Program Policy: Standards of Business Conduct
	Employee Policy Handbook

## 4.0 Definitions

**“Agent”** means – any individual, including a director, an officer, an employee or an independent contractor, authorized to act on behalf of the company or our subcontractors.

**“Commercial sex act”** means any sex act on account of which anything of value is given to or received by any person.

**“Employee”** means any employee of HDT Global directly or indirectly engaged in or involved with the performance of work under a Government contract and who has other than a minimal impact or involvement in contract performance.

**“Forced Labor”** means knowingly providing or obtaining the labor or services of a person—

- a. By threats of serious harm to, or physical restraint against, that person or another person;
- b. By means of any scheme, plan, or pattern intended to cause the person to believe that, if the person did not perform such labor or services, that person or another person would suffer serious harm or physical restraint; or
- c. By means of the abuse or threatened abuse of law or the legal process.

**“Representative”** means – any individual, including a director, an officer, an employee or an independent contractor, authorized to act on behalf of the company or our subcontractors

**“Severe forms of trafficking”** in persons means—

- a. Sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or
- b. The recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

**“Sex trafficking”** means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act.

**“Subcontractor”** means any supplier, distributor, vendor or firm that furnishes supplies or services to us for performance of a prime contract or subcontract.

## 5.0 Procedures

### Goal

The goal of this policy is to convey our expectations of our employees and Subcontractors in terms of compliance with preventing or identifying and eradicating human trafficking and forced labor from individual supply chains. This policy informs our employees and Subcontractors about Executive Order 13627 – Strengthening Protections Against Trafficking in Persons in Federal Contracts, issued on September 25, 2012, and the regulations implementing the Executive Order, what it means, how we will adhere to such laws and how we will strive to go beyond compliance on the matter.

### When will this Policy be applied?

This policy will be provided to all our employees and to our Subcontractors (through our supply chain personnel). It should be referred to when Subcontractors or our employees have questions regarding our

position and expectations on the issue of eradicating human trafficking in the supply of U.S. government contracts.

### **What is prohibited?**

On September 25, 2012, Executive Order 13627 – Strengthening Protections Against Trafficking in Persons -- was issued. On March 2, 2015, the regulations implementing the Executive Order went into effect. The law prohibits all federal contractors and subcontractors from engaging in the following trafficking activities:

- engage in severe forms of “trafficking in persons”;
- procure commercial sex acts;
- use forced labor in the performance of the contract;
- use child labor (defined as child as anyone under the age of sixteen, unless local law is more restrictive) in the performance of the contract
- destroy, conceal, confiscate, or otherwise deny access by an employee to the employee’s identity or immigration documents;
- use misleading or fraudulent practices during the recruitment of employees;
- use recruiters that do not comply with local labor laws of the country in which the recruiting takes place;
- charge employees recruitment fees;
- fail to provide return transportation upon the end of employment, for an employee who is not a national of the country in which the work is taking place and who was brought into the country for the purpose of working on a government contract or subcontract;
- provide or arrange housing that fails to meet the host country housing and safety standards; and
- if required by law or contract, fail to provide an employment contract, recruitment agreement, or other required work document in writing and in a language that the employee understands.

### **Policy Requirements**

HDT Global is committed to supporting the requirements of the law. We have actively engaged our employees and Subcontractors in order to address these issues.

We will require all Subcontractors to include in its subcontracts or contracts with third parties clauses which prohibit human trafficking in performance of any aspect of the subcontracts or contracts.

For U.S. government contracts involving the purchase of supplies (other than Commercial Off the Shelf (COTS) items) to be acquired outside of the U.S. or services to be performed outside of the U.S. with a value of \$500,000 or greater, we require all subcontractors to certify to or adopt a compliance program, including training, monitoring and auditing, to address trafficking in human persons. Subcontractors are also required to ensure that any of their subcontractors used in the performance of any such U.S. government contract complies with the same standards outlined in this policy.

### **Risk Analysis and Auditing**

We aim to trace and protect all impacted labor in our supply chain as it relates to our business. Before awarding business to any supplier, we use sources such as Dun & Bradstreet and watch lists for forced and bonded labor to review potential financial and social risk. Subcontractors that are assessed to have higher risk in terms of forced labor, social risk and/or financial risk may be audited before business is awarded, or may not be selected for business.

We are developing, on a risk-based basis, relationships with third-party auditors to review compliance of certain Subcontractors with the accountability standards set forth in this policy. We generally give suppliers 24-hour notice before audits; however, unannounced audits may also occur.

Our auditing process verifies, through staff interviewing, that there is not any abuse present or restrictions on freedom of movement after work hours. Using random sampling, we will also ensure that no personal ID,

passport, or salary is withheld by the management from the employees.

## Employee Education and Training

We communicate with and train our employees and Subcontractors about human trafficking and what is prohibited by U.S. law. We also communicate and train our employees on what to look for in our Subcontractors as potential risk factors for human trafficking and forced labor.

We collaborated with third party organizations to acquire an eLearning course for our employees and Subcontractors regarding the identification and prevention of human trafficking in business operations. All employees directly or indirectly engaged in or involved with the performance of work under a Government contract and are required to take the eLearning training course.

We will post the U.S. Department of Defense's Human Trafficking Hotline poster and its Contractor Reprisal (whistleblowing) poster at all application work locations.

All employees may report, without fear of retaliation, all activity that is inconsistent with this policy prohibiting human trafficking by calling out toll-free Ethics Hotline at 1-888-706-1505, which is available for anonymous reporting, in cases where employees do not feel comfortable in raising compliance-related issues to the company's Legal Department. Employees may also access the Ethics Hotline at [www.HDTGlobal.ethicspoint.com](http://www.HDTGlobal.ethicspoint.com).

The U.S. Department of State provides a toll-free hotline to enable employees to make inquiries, learn more about human trafficking and report suspected human trafficking activity – **employees can call the National Human Trafficking Resource Center at 1-888-373-7888 to or send an email to [help@befree.org](mailto:help@befree.org)**.

Employees may find additional information about trafficking at <http://www.state.gov/j/tip>.

Employees may also call federal law enforcement directly to report suspected human trafficking activity and get help. U.S. Department of Homeland Security at **1-866-347-2423** 24 hours a day, 7 days a week, every day of the year, or submit a tip online at [www.ice.gov/tips](http://www.ice.gov/tips). Individuals across the world can report suspicious criminal activity to the U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI) Tip Line. The Tip Line is accessible internationally by calling **1-802-872-6199**. Highly trained specialists take reports from both the public and law enforcement agencies on more than 400 laws enforced by ICE HSI, including those related to human trafficking.

Employees may also submit a tip online to the FBI at <https://tips.fbi.gov>, or call your local FBI office (you can get their number at [www.fbi.gov/contact-us/field/field-offices](http://www.fbi.gov/contact-us/field/field-offices)).

## HDT Global Standards of Business Conduct

To promote our values and ethical standards throughout our work force and with our Subcontractors, we have adopted our “Standards of Business Conduct” that sets minimum expectations for our employees as well as our Subcontractors who conduct business with us. The Standards of Business Conduct is a general guide to standards of business practice and regulatory compliance applicable to all who are employed by or do business with us.

Our Standards of Business Conduct states: *“Not only do we expect the highest degree of integrity from our own employees, **but it is required that our suppliers, subcontractors and business partners are familiar with our Code of Conduct and comply.** We encourage all of our business partners to familiarize themselves with our policies and to implement procedures within their own companies to ensure that they are similarly complying with the highest standards of business ethics. [Emphasis added.]”*

The Standards of Business Conduct obligate employees and Subcontractors to “*without exception, comply with all applicable laws, rules and regulations*” and to “*promptly report any illegal or unethical behavior to the Compliance Officer or other appropriate management person.*”

The Standards of Business Conduct also contain a separate policy “Prohibition Against Trafficking in Persons” which, among other things, requires employees to flow down the requirements of FAR §52.222-50 to all Subcontractors working on U.S. government contracts.

We recognize that laws may differ from one region of the world to another; however, we believe that our Standards of Business Conduct outlines a set of ***fundamental principles*** for good corporate citizenship that our Subcontractors should implement and share. Our goal is to ensure that all Subcontractors are compliant with critical laws involving human trafficking.

### **Use of Contracted Labor in Foreign Countries**

Prior to their departing from their country of origin, we will provide contracted employees (“contract employees”) an employment contract in writing, in the contract employee’s native language, containing the wages they are to be paid while on the assignment.

Prior to the commencement of their assignment, we will provide all contract employees a copy of our Human Trafficking Policy and training which explains the consequences for violating the policy, as well as mechanisms for reporting violations. Contract employees will be required to confirm they are aware of and understand each of these items prior to the commencement of their assignment.

All contract employees are required to report any suspected trafficking-related activity to us, as provided for in the policy.

We will protect and interview all employees suspected of being victims of or witnesses to prohibited activities. This will occur prior to the employee returning to their country of origin, if the employee is located outside their country of origin at the time of the incident being reported. We will not prevent or hinder employees from cooperating fully with government authorities.

In the event of any suspected trafficking-related activity, we will notify, as necessary, the U. S. Inspector General, the official responsible for suspension or debarment actions, and, if necessary, law enforcement.

We strictly prohibit destroying, concealing, confiscating or otherwise denying access to employee identity or immigration documents.

We strictly prohibit misleading or fraudulent recruiting practices during the recruitment of contract employees. Our recruiters are required to provide accurate information to all contract employees in regards to the assignment they are being offered. Recruiters are subject to corrective actions, up to and including termination, if it is determined they charged any contract employee a recruitment fee, or intentionally provided inaccurate information to a contract employee regarding assignment details, such as wages, living conditions, and/or work location.

On contracts in which we are to provide housing, the housing provisions will be, at a minimum, in compliance with the host country safety standards.

We will provide return transportation costs for contract employees who have finished employment, where the contract employee is outside that employee’s nation of residence.

All Subcontractors will be required to agree in their contracts to fully cooperate with enforcement agencies to conduct audits and investigations on anti-trafficking compliance. They must also provide us with a copy of their Human Trafficking Policy and Compliance Plan in accordance with this policy and U.S. Government

policy. They will be required to certify annually that they, or any agent of theirs, have not engaged in severe forms of human trafficking, the use of forced labor, or the procurement of commercial sex acts during contract performance.

Subcontractors must agree to on-going monitoring for trafficking-related activities, and random audit by us. Any red flags will be investigated and reported accordingly.

We will post a copy of this Compliance Plan at the worksite of all US Government Contracts with work performed overseas exceeding \$500,000 in which we have active contract employees assigned. A copy will also be posted on the HDT Website. A DOD Human Trafficking Hotline Poster and a DOD Contractor Reprisal (Whistleblower Rights) Poster will also be posted at applicable worksites.

### **Instances of Non-compliance**

Any our employees who are non-compliant with this policy will be subject to discipline, including, any of the following actions:

- Removal of the employee from work on U.S. government contracts; or
- Termination of the employee's employment with us.

Failure of any Subcontractor to comply with the requirements of this policy, the FAR and/or the Executive Order is grounds for us to take any and all appropriate actions, up to and including immediate termination of that Subcontractor's contract. All violations will be immediately remediated in such a way as to correct the violation and ensure preventative measures are in place to prevent the violation from occurring again, such as contract suspension or termination for repeat violations.

Any agents, Subcontractors or Subcontractor employees that have are determined to have engaged in severe trafficking-related activities will be terminated immediately.

Subcontractors who do not certify compliance with this policy or who are determined to be engaged in behavior in violation of this policy will be sent official correspondence identifying them as high-risk suppliers and requesting a time-bound plan for remediation. Subcontractors that fail to comply or respond will be subject to corrective action, up to and including termination of their relationships with us. Approved remediation plans will be followed up on periodically. It is the Subcontractor's responsibility to demonstrate progress on meeting the plan's goals. Demonstrable progress shall include, but is not limited to:

- More detail provided by the Subcontractor regarding the Subcontractor's policies and/or procedures as they relate to human trafficking or labor issues that resolve the issues of concern identified by us.
- Third-party audit documentation from a reputable and relative auditor that resolve the issues of concern identified by us.

Non-compliant and high-risk Subcontractors that do not respond to official correspondence or provide a time-bound plan will be terminated immediately.

## **6.0 Responsibilities**

**Supply Chain** – Require subcontractors to include in its subcontracts or contracts with third parties clauses which prohibit human trafficking in performance of any aspect of the subcontracts or contracts

**Supply Chain** – Conduct due diligence on potential subcontractors to ensure against potential financial and social risk.

**Supply Chain** – Enter into relationships with third-party auditors to review compliance of certain Subcontractors with the accountability standards of this policy.

**Legal Department / Supply Chain** – Communicate with and train our employees and Subcontractors about human trafficking and what is prohibited by U.S. law. We also communicate and train our employees on what to look for in our Subcontractors as potential risk factors for human trafficking and forced labor.

**Human Resource** – Undertake steps to ensure contract labor in foreign countries receive all documents and information required by this policy prior to undertaking any labor assignment.

## 7.0 Records

Records shall be maintained as follows:

Record	Custodian	Media	Minimum Retention Period
Financial records, supporting documents, statistical records, and all other records pertinent to an award	Supply Chain	Electronic	3 years from the date of final payment under government contract (or such shorter period as provided for in FAR Subpart 4.7)
Contract documents	Government Contracts	Electronic	Current + 10 years after termination and/or final payment (whichever comes later) under government contract

## 8.0 Revision History

Date	Version	Description	Responsible Person
6/30/2015	A	Original	Rita Thomas
		Revision	

## 9.0 Approvals

Date	Name	Title



Written by	<b>6/30/15</b>	Rita Thomas	Sr. Vice President & General Counsel
Approved by	<b>6/30/15</b>	Bryan Moon	Dir. Of Supply Chain