
PALLADIUM COMBATTING TRAFFICKING IN PERSONS COMPLIANCE PLAN FOR GUATEMALA

This document describes the program requirements and processes established and implemented by Palladium (hereafter referred to as 'the Company' or 'Palladium')) to comply with FAR 52.222-50, Combating Trafficking in Persons. The scope of the plan includes the operations and activities of the Company as well as those subcontractors and agents in its supply chain performing on this contract.

Contract Number: 72052018C000001

Contract Title: Creating Economic Opportunities Guatemala

Contract Period of Performance: January 19, 2018 - January 18, 2023

Contracting Agency: USAID

Contracting Officer: Natalie Thunberg

List of Company Subcontractors and Agents Covered by the Plan:

Name	Address	DUNS	Compliance Plan on File Y/N?	Certification on File Y/N?
International City/County Management Association (ICMA)	777 North Capitol Street, NE Suite 500 Washington, DC 20002-4201	072631831	N	N
Asociación Red Nacional Grupo Gestores	22 Avenida 3-87 Zona 3, Edificio Europa, Oficina 3, Tercer Nivel, Quetzaltenango Guatemala	846120330	N	N
AGEXPORT	15 avenida 14-72 Zona 13 Ciudad de Guatemala	186295239	N	N
FUNDESA	10 Calle 3-17 Z. 10, Ciudad de Guatemala, Guatemala	846123110	N	N

Approved by:	Chief of Compliance	Guideline type	PRO
		Guideline number	
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Revision history

Version	Effective date	Changes made by	Approved by	Summary of changes
1	1/31/2019	Aime Silfa		

1. Introduction

Palladium is opposed to all forms of human trafficking and forced labor.

We are committed to working to mitigate the risk of human trafficking and forced labor in all aspects of our business.

Palladium follows and adheres to the US Government zero-tolerance policy regarding any Government employees and contractor/recipient personnel and their agents engaging in any severe form of trafficking in persons (“TIP”), defined to mean 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 and sex trafficking.

This plan sets out how Palladium complies with the Federal Acquisition Clauses regarding Human Trafficking (FAR 52.222-50 and 52.222-56), similar requirements from Federal assistance awards and international standards.

Palladium has in place Policies, Guidelines, Business Processes and Standard Operating Procedures to support this plan.

These are:

- The Palladium Code of Conduct
- The Business Partner Code of Conduct
- The Whistle-blower Protection Policy and the Whistle-blower Allegations Guidelines

Palladium Personnel are required to comply with the provisions contained in the Federal Acquisition Regulation: Ending Trafficking in Persons (48 CFR Parts 1, 2, 9, 12, 22, 42, and 52) (the “FARs”), Executive Order 13627, “Strengthening Protections Against Trafficking in Persons in Federal Contracts,” (the “Executive Order”), USAID Mandatory Standard Provisions “Combating Trafficking in Persons (“Mandatory Provision”) as well as Palladium’s Trafficking in persons compliance plan, Code of Conduct and the Whistle-blower Protection Policy (the “Palladium Trafficking in persons compliance plan, the Palladium Code of Conduct, The Business Partner Code of Conduct, The Whistle-blower Protection Policy and the Whistle-blower Allegations Guidelines”).

To the extent these provisions differ in their requirements, the stricter requirements must be followed. The following sets forth Palladium’s compliance plan for the above referenced contract, as required by FAR 52.222-50(h) and USAID Mandatory Provisions for US Recipients (“the Mandatory Provision”), based upon on the size and complexity of the contract and the nature and scope of the activities.

Additional awareness information about trafficking in persons may be found at the U.S. Department of State’s Office to Monitor and Combat Trafficking in Persons website at <http://www.state.gov/itip>

2. Definitions

“Commercial Sex Act” means any sex act on account of which anything of value is given or received.

“Business Partner” means any contractor, subcontractor, grantee, sub-grantee, awardee, sub-awardee, law firm, vendor, supplier, landlord, or other individual or organisation providing goods or services to the Palladium.

“Employee” means any person who has a part-time, full-time, intermittent, continuous, or fixed-term employment relationship with the Palladium.

“Representative” means an Employee or any person who has an independent individual contractual relationship with the Palladium, whether as a contractor, consultant, or agent of the Palladium. This includes non-executive directors of the board.

“For the performance under this contract” means all actions directly, indirectly and identifiably funded by the contract’s funds during the performance of the contract

“Closely Associated with the performance under this contract” means any actions which are directly associated with the performance of the contract but may not be identifiably funded by the contract funds, including but not limited to domestic workers employed by Palladium representatives in-country, Palladium representatives’ activities while in country or while employed under the contract etc.

“Trafficking” means the recruitment, transportation, transfer, harboring or receipt of persons, by means of the threat or use of force or other forms of coercion, abduction, fraud, deception, the abuse of power or a position of vulnerability or the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.

“Forms of Human Trafficking”: Forced Labor, Sex Trafficking, Debt Bondage, Child Sex Trafficking

“Severe Forms of Trafficking” 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 an 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.

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

“Involuntary servitude” includes a condition of servitude induced by means of (a) any scheme, plan, or pattern intended to cause a person to believe that, if the person did not enter

into or continue in such condition, that person or another person would suffer serious harm or physical restraint; or (b) the abuse or threatened abuse of the legal process.

“**Debt bondage**” means the status or condition of a debtor arising from a pledge by the debtor of his or her personal services or of those of a person under his or her control as a security for debt, if the value of those services as reasonably assessed is not applied toward the liquidation of the debt or the length and nature of those services are not respectively limited and defined.

“**Coercion**” means (a) threats of serious harm to or physical restraint against any person; (b) any scheme, plan or pattern intended to cause a person to believe that failure to perform an act would result in serious harm to or physical restraint against any person; or, (c) the abuse or threatened abuse of the legal process.

3. Policy

3.1 Compliance by Palladium Employees, Representatives and Business Partners

Palladium does not tolerate or condone trafficking in person of any kind, regardless of the jurisdiction in which the Palladium is registered or doing business. Employees, Representatives and Business Partners are required to prohibit transactions with, and the provision of resources and support to, individuals and organizations associated with trafficking.

Palladium employees, representatives and partners **are prohibited from:**

- ❑ Engaging in any forms of trafficking in persons
- ❑ Procuring commercial sex acts
- ❑ Using trafficked labor at any level in the performance of a contract or closely associated with the performance of the contract
- ❑ Destroying, concealing, confiscating, or otherwise denying access by an employee to the employee’s identity or immigration documents, such as passports or drivers’ licenses, regardless of issuing authority;
- ❑ Using misleading or fraudulent recruiting practices during the recruitment of employees or offering of employment, such as failing to disclose, in a format and language accessible to the worker, basic information or making material misrepresentations during the recruitment of employees regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs (if employer or agent provided or arranged), any significant costs to be charged to the employee, and, if applicable, the hazardous nature of the work
- ❑ Using recruiters that do not comply with the local labor laws of the country in which the recruiting takes place
- ❑ Charging *employees* recruitment fees
- ❑ Failing to provide return transportation or pay for the cost of return transportation upon the end of employment, for an employee who was not a national of the country in which the work is taking place and who was brought into that country for the purposes

of working on a U.S. Government contract, subcontract or portion(s) of contracts or subcontracts performed outside the United States

- ❏ Failing to provide return transportation or pay for the costs of return transportation upon the end of successful completion of employment in accordance with the employment agreement. This provision does not apply to personnel who are not relocated for the purpose of employment with Palladium. This provision does not apply to personnel who do not complete the required employment tour for which they are relocated at the expense of Palladium or Palladium's client, under circumstances within their control.
- ❏ Providing or arranging housing that fails to meet the host country housing and safety standards
- ❏ Sub-letting, renting out or allowing any contract funded resources to be used for any purpose outside the performance of the contract
- ❏ If required by law or contract, failing to provide an employment contract, recruitment agreement or other required work document in writing in a language the employee understands. If the employee must relocate to perform the work, the work document shall be provided to the employee at least five days prior to the employee relocating
- ❏ Hiring domestic workers without providing a reasonable market wage directly to them (and not third party) as payment

3.2 Remedy for Non-Compliance

Any violation of the FARs, the Executive Order, Mandatory Provision or Palladium Trafficking in persons compliance plan could result in disciplinary action which may include but is not limited to, an employee's removal from a contract/award, reduction in benefits or termination of employment.

For subcontractors and subcontractor employees, failure to comply with the requirements of the applicable regulations is grounds for Palladium to take any and all appropriate actions, up to and including immediate termination for material breach (default) of that subcontractor's contract with Palladium

3.3 Ensuring Compliance: Awareness, Training, Monitoring & Prevention

3.3.1 Training, Monitoring & Prevention

- ❏ The Company has developed and implemented an awareness program to inform all employees about the FAR's prohibitions against trafficking-related activities described in FAR 52.222-50(b), the activities prohibited, and the actions that will be taken against the employee for violations. Those employees are trained on:
 - the Company's up to date Human Trafficking Policy and Code of Conduct;
 - consequences for violating Company policy;
 - the violation reporting process, and
 - a summary of the U.S. Government's policy prohibiting trafficking related activities as contained

- Representatives are trained both prior to departure from their home countries and again upon arrival in the country where the work will be performed. They are also provided with written materials that include all subjects covered in the training.
- Palladium shall train its professional staff that visit Palladium subcontractors and supplier premises on recognizing signs of human trafficking and the appropriate action to take if human trafficking is suspected.
- Representatives and Business Partners are required, in their respective contracts, to sign a statement confirming they are aware, have understood, and agree to abide by the respective Code of Conduct.
- Palladium conducts online compliance training approximately annually and as needed throughout the year available through its Learning Management System, including mandatory induction trainings for Palladium employees: 1) Introduction to Child Protection; 2) Introduction to Diversity and Inclusion; 3) Code of Conduct; and 4) Introduction to Whistle-blower.
- Training and written materials are in each employee's own language where possible. A verbal explanation of the contents is given upon request to individuals unable to read the printed information.
- The following is the link to the current materials related to Anti-Trafficking Regulations: <http://thepalladiumgroup.com/policies>
- Palladium shall post its compliance plan no later than the initiation of contract/award performance, at the workplace (unless the work is to be performed in the field or not in a fixed location) and on Palladium's website for the project, if one is maintained. Palladium shall provide its compliance plan to the Contracting/Agreement Officer upon request.
- Screening all agents and subcontractors, as a part of the set-up process against restricted parties lists at www.sam.gov, UN ineligibility lists and any other available in-country sources. In addition, all parties, including employees and consultants must be screened through IntegraWatch.
- Palladium includes appropriate Anti-Trafficking Clauses in all subcontracts.
- The Company requires its subcontractors and agents whose subcontracts are covered by 52.222-50(i)(1) (A) and (B) to certify prior to subcontract award and annually thereafter that they have implemented compliance plans that comply with 52.222-50(h) and that, after having conducted due diligence, either (1) To the best of the subcontractor's knowledge and belief, neither it nor any of its agents, subcontractors, or their agents, has engaged in any such activities; or (2) If abuses relating to any of the prohibited activities identified in 52.222-50(b) have been found, the subcontractor has taken the appropriate remedial and referral actions. Copies of subcontractor certifications are maintained on file with Palladium Procurement & Grant Files.

- All subcontractors of Palladium are required by contract to fully cooperate with Palladium staff, contracting agencies and other Federal agencies to conduct audits and investigations on compliance with the provisions of FAR 52.222-50(b), Combating Trafficking in Persons. Palladium subcontractors and agents must provide with copies of their Compliance Plans prepared in accordance with Company requirements and FAR 52.222-50(h).
- Failure to comply with the requirements of the FAR 52.222-50 is grounds for the Company to take any and all appropriate actions, up to and including immediate termination of that supplier's contract with Palladium.

Recruitment & Wage Plan

The Company and its suppliers and subcontractors use the following recruitment companies that have undergone due diligence and have employees trained and knowledgeable on the requirements of the Company Human Trafficking Policy, FAR 52.222-50, and all other applicable country and local legal requirements.

Recruitment Firm	Address	License Number	Date of Expiry
N/A	N/A	N/A	N/A

- The Company strictly prohibits misleading or fraudulent recruiting practices during the recruitment of both local and migrant employees. All labor recruiters working for or with the Company and its suppliers and subcontractors have committed to provide complete and accurate information to all employees regarding the assignment they are being offered (see below).
- The Company audits subcontractors and suppliers, including labor recruiters without advance notice, on a regular basis, and requires remediation of all identified nonconformities. Failure to properly address audit issues will have business consequences, up to and including termination and disbarment from future contracts.
- Any violations of FAR requirements could result in the Company terminating the contract of a subcontractor or agent. Additionally, the Company will report all identified violations of FAR 52.222-50 (b) and remedial action(s) taken, as well any credible information it receives from any source that alleges conduct in violation of FAR 52.222-50 (b) to the Contracting Officer.
- All subcontractors to the Company provide all employees with an employment contract/employment agreement in writing, containing a detailed description of the terms and conditions of their employment, where such contract is required by law or contract.
- Contracts are written in a language that the employee understands and are provided to them for review and signature at least five days prior to departure from their country of origin.
- Employment contracts contain the following (or similar information):

- Detailed description of the work
- Wages (compliant with host country legal requirements or an explanation of any variance)
- Prohibition on charging recruitment fees to the employee
- Work location(s)
- Living accommodations and associated costs, if offered
- Time off
- Roundtrip transportation arrangements at no cost to employees
- Grievance process
- Content of applicable laws and regulations that prohibit trafficking in persons
- Employee's full name
- Employee's date of birth
- Employee's passport number and work visa/permit number
- Employee emergency contact information
- Work start date and duration of contract
- Procedure for early contract termination without penalty, including notice period not to exceed one month (or less per applicable law)
- Contract renewal provisions
- Regular work hours and shifts
- Anticipated overtime hours with total working hours not to exceed 60 hours per week or local law, whichever is lower
- Estimated minimum net pay per month
- Method and frequency of wage payment
- Bonuses and conditions for earning them
- Allowances
- Full listing of any and all deductions, including specification of the type and amount of each deduction and which, if any, are optional (for example, meals, transportation, communications, or other services provided or offered by the supplier, subcontractor or agent).
- Description of additional benefits including medical insurance coverage, accident/injury insurance, holidays, annual leave, sick leave, and/or any other applicable benefits
- Description of repatriation process and specification of the costs to be borne by Company and the employee
- Any other terms required by applicable laws and regulations
- No terms restricting an employee's rights to freedom of association and collective bargaining consistent with local law
- Note: The Company reviews and approves the employment contracts used by its labor recruiters. The contracts used by its suppliers and subcontractors are subject to audit by the Company without advance notice.

○ Palladium has robust recruitment practices that minimize the risk of engaging Representatives who have been convicted of Trafficking. All interviewees (finalists, at minimum) are required to provide proof of identity such as a passport or current driving license.

○ If the employee must relocate to perform the work, the Palladium must provide the required work document at least five (5) days prior to relocation – this is a general

timeframe and faster deployments may require faster turnaround on agreements. This applies to employees.

- ❏ To the extent that Palladium uses recruitment companies, only recruitment companies with trained employees may be used, no recruitment fees may be charged to the employee and all wages must meet applicable host-country legal requirements or explain any variance.
- ❏ The contract with the recruiters includes the applicable flow down clauses related to Trafficking in Persons.
- ❏ Palladium pays wages that meet applicable host-country legal requirements to all Employees and explain any such variance.
- ❏ Domestic workers of Palladium representatives are paid a prevailing wage under a written contract (where practical) in the language that they understand.
- ❏ Where possible, Palladium representatives should require domestic workers register in person with the host government (usually the Protocol Office in the Foreign Ministry). Registrations offer workers an opportunity to meet with host government representatives without their employer present to discuss their working conditions and learn about their rights and obligations. A domestic worker typically is provided with an identification card that is renewed periodically and contains contact information for assistance, if needed.
- ❏ Palladium discourages payment of wages in cash in countries with effective banking systems, and instead encourages direct deposit of wages to a bank account in the sole name of the domestic worker or payment by check. These measures provide objective evidence in the event of a salary dispute. In addition, many governments have minimum wage requirements and prohibit entirely or specify the extent to which lodging or food expenses can be taken from wages, thereby limiting excessive deductions that can mask underpayment of wages.
- ❏ If a licensed agency is used to employ domestic workers, proof of payment of a reasonable market wage to the employee must be made available to the Palladium representative

3.3.2 Housing Plan

Reserved

3.3.3 Awareness Indicators

As part of the training Palladium's representatives and partners shall be made aware of the following indicators of trafficking in persons, learn to recognize them and report them as outlined in this plan.

People who have been trafficked may:

- Believe that they must work against their will;
- Be unable to leave their work environment;
- Show signs that their movements are being controlled;
- Feel that they cannot leave;
- Show fear or anxiety;
- Be subjected to violence or threats of violence against themselves or against their family members and loved ones;
- Suffer injuries that appear to be the result of an assault;
- Suffer injuries or impairments typical of certain jobs or control measures;
- Suffer injuries that appear to be the result of the application of control measures;
- Be distrustful of the authorities;
- Be threatened with being handed over to the authorities;
- Be afraid of revealing their immigration status;
- Not be in possession of their passports or other travel or identity documents, as those documents are being held by someone else;
- Have false identity or travel documents;
- Be found in or connected to a type of location likely to be used for exploiting people;
- Be unfamiliar with the local language;
- Not know their home or work address;
- Allow others to speak for them when addressed directly;
- Act as if they were instructed by someone else;
- Be forced to work under certain conditions;
- Be disciplined through punishment;
- Be unable to negotiate working conditions;
- Receive little or no payment;
- Have no access to their earnings;
- Work excessively long hours over long periods;
- Not have any days off;
- Live in poor or substandard accommodation;
- Have no access to medical care;
- Have limited or no social interaction;
- Have limited contact with their families or with people outside of their immediate environment;
- Be unable to communicate freely with others;
- Be under the perception that they are bonded by debt;
- Be in a situation of dependence;
- Come from a place known to be a source of human trafficking;
- Have had the fees for their transport to the country of destination paid for by facilitators, whom they must pay back by working or providing services in the destination;
- Have acted on the basis of false promises.

Children who have been trafficked may:

- Have no access to their parents or guardians;
- Look intimidated and behave in a way that does not correspond with behaviour typical of children their age;
- Have no friends of their own age outside of work;
- Have no access to education;

- ⦿ Have no time for playing;
- ⦿ Live apart from other children and in substandard accommodations;
- ⦿ Eat apart from other members of the “family”;
- ⦿ Be given only leftovers to eat;
- ⦿ Be engaged in work that is not suitable for children;
- ⦿ Travel unaccompanied by adults;
- ⦿ Travel in groups with persons who are not relatives.

The following might also indicate that children have been trafficked:

- ⦿ The presence of child-sized clothing typically worn for doing manual or sex work;
- ⦿ The presence of toys, beds and children’s clothing in inappropriate places such as brothels and factories;
- ⦿ The claim made by an adult that he or she has “found” an unaccompanied child;
- ⦿ The finding of unaccompanied children carrying telephone numbers for calling taxis;
- ⦿ The discovery of cases involving illegal adoption.

People who have been trafficked for the purpose of domestic servitude may:

- ⦿ Live with a family;
- ⦿ Not eat with the rest of the family;
- ⦿ Have no private space;
- ⦿ Sleep in a shared or inappropriate space;
- ⦿ Be reported missing by their employer even though they are still living in their employer’s house;
- ⦿ Never or rarely leave the house for social reasons;
- ⦿ Never leave the house without their employer;
- ⦿ Be given only leftovers to eat;
- ⦿ Be subjected to insults, abuse, threats or violence.

People who have been trafficked for the purpose of sexual exploitation may:

- ⦿ Be of any age, although the age may vary according to the location and the market;
- ⦿ Move from one brothel to the next or work in various locations;
- ⦿ Be escorted whenever they go to and return from work and other outside activities;
- ⦿ Have tattoos or other marks indicating “ownership” by their exploiters;
- ⦿ Work long hours or have few if any days off;
- ⦿ Sleep where they work;
- ⦿ Live or travel in a group, sometimes with other women who do not speak the same language;
- ⦿ Have very few items of clothing;
- ⦿ Have clothes that are mostly the kind typically worn for doing sex work;
- ⦿ Only know how to say sex-related words in the local language or in the language of the client group;
- ⦿ Have no cash of their own;
- ⦿ Be unable to show an identity document.
- ⦿ There is evidence that suspected victims have had unprotected and/or violent sex;
- ⦿ There is evidence that suspected victims cannot refuse unprotected and/or violent sex;

- ⦿ There is evidence that a person has been bought and sold;
- ⦿ There is evidence that groups of women are under the control of others;
- ⦿ Advertisements are placed for brothels or similar places offering the services of women of a particular ethnicity or nationality;
- ⦿ It is reported that sex workers provide services to a clientele of a particular ethnicity or nationality;
- ⦿ It is reported by clients that sex workers do not smile.

People who have been trafficked for the purpose of labor exploitation are typically made to work in sectors such as the following: agriculture, construction, entertainment, service industry and manufacturing (in sweatshops). People who have been trafficked for labor exploitation may:

- ⦿ Live in groups in the same place where they work and leave those premises infrequently, if at all;
- ⦿ Live in degraded, unsuitable places, such as in agricultural or industrial buildings;
- ⦿ Not be dressed adequately for the work they do: for example, they may lack protective equipment or warm clothing;
- ⦿ Be given only leftovers to eat;
- ⦿ Have no access to their earnings;
- ⦿ Have no labor contract;
- ⦿ Work excessively long hours;
- ⦿ Depend on their employer for a number of services, including work, transportation and accommodation;
- ⦿ Have no choice of accommodation;
- ⦿ Never leave the work premises without their employer;
- ⦿ Be unable to move freely;
- ⦿ Be subject to security measures designed to keep them on the work premises;
- ⦿ Be disciplined through fines;
- ⦿ Be subjected to insults, abuse, threats or violence;
- ⦿ Lack basic training and professional licenses.

The following might also indicate that people have been trafficked for labor exploitation:

- ⦿ Notices have been posted in languages other than the local language;
- ⦿ There are no health and safety notices;
- ⦿ The employer or manager is unable to show the documents required for employing workers from other countries;
- ⦿ The employer or manager is unable to show records of wages paid to workers;
- ⦿ The health and safety equipment is of poor quality or is missing;
- ⦿ Equipment is designed or has been modified so that it can be operated by children;
- ⦿ There is evidence that labor laws are being breached;
- ⦿ There is evidence that workers must pay for tools, food or accommodation or that those costs are being deducted from their wages.

Indicators are not proof of trafficking in persons; they are the starting point for investigation.

3.3.4 Reporting Process

- ❶ The Company has established a performance monitoring, detection, and remediation program to identify and address on an ongoing basis, any violations of the requirements of FAR 52.222-50(b) and the Company Human Trafficking Policy. In the event of the receipt of credible information alleging violation of FAR 52.222-50(b), the Company will immediately:
 - notify the Contracting Officer and the agency Inspector General of the specific nature of the activity, including specific remedial actions taken, and
 - take appropriate corrective and preventive action, up to and including the dismissal of Company employees and termination of contracts with subcontractors, suppliers and agents.
- ❷ Representatives and Business Partners are required to report violations of Palladium Policies, Guidelines, Business Processes and Standard Operating Procedures, including those related to human Trafficking. The Code of Conduct and the Business Partner Code of Conduct state that violations must be reported to management or through the Palladium Whistle-blower mechanism, Whistleblower Hotline **tellus@thepalladiumgroup.com and +1 202 777 9760**. In addition, Representatives have available means to report non-compliance by calling the Global Human Trafficking Hotline at **1-884-888 FREE and by emailing to help@befree.org**.

3.3.5 Incident Management

- ❶ Incident Management process is outlined in the Incident, Near Miss and Hazard Reporting SOPs.
- ❷ Investigations of Misconduct may be initiated under a number of circumstances. The Team Leader/COP receives notification of Misconduct. Suspicious situations may arise during normal business operations, Whistle-blower allegations may be reported internally or through the Whistle-blower hotline or notice may be received from outside entities, such as Client investigators or law enforcement.
- ❸ It is important to maintain confidentiality to the extent possible in order to protect individuals and not allow for any contamination of evidence. What is reported and appears may only be part of a larger issue. Suspects should not be confronted.
- ❹ Team Leader/COP notifies Project Director and concurrently notifies Director, Risk Management and the Manager/Senior Manager IPSR. Project Director notifies the Senior Manager/Manager, Project Operations, Directors, Project Operations, Director, Contracts and Compliance (Americas), and appropriate Regional Business Partner. The Regional Business Partner determines if notification to a Client is to be made for nonproject misconducts.
- ❺ The Director, Risk Management notifies the CFO of all material Misconduct reviews. Material Misconduct reviews are noted in the monthly Regional Business risk reports.

Reviews with an impact greater than AUD 200,000 or a material reputation risk are noted in the Risk Committee reports.

- All relevant stakeholders hold meetings to discuss the issue raised. The Director, Risk Management coordinates with the appropriate Regional Business Partner; Directors, Project Operations, Senior Managers/Manager, Project Operations and other appropriate managers to ensure proper resources and expertise are available to assist in the determination of facts and who shall take the following actions.
- The Project Director consults with the Director, Risk Management, to determine if the Client regulations/head contract requires a report. The Project Director coordinates the response with guidance from the Director, Risk Management or Senior Manager/Manager, IPSR as needed. The Director, Risk Management will prepare a report for the Project Director when the investigation is significant and is performed onsite by the Senior Manager/Manager, IPSR or an outside party. The Project Director is the point person for communication with the Client.

3.3.6 Internal review

- The Director, Risk Management evaluates the need to conduct an investigation by Risk Management team or if it may be performed by an internal party with oversight by the Risk Management team as noted below.
- Significant investigations requiring onsite work by Risk Management requires approval by the Regional Business Partner, Project Director, and Client (where applicable).
- The Senior Manager/Manager, IPSR may be assigned to investigate the facts. However, in many situations the Senior Manager/Manager, Project Operations or Project Director may conduct the investigation if they are competent and independent of the process to be reviewed. Once the investigation is completed, Senior Manager/Manager, Project Operations or Project Director will submit a report to be reviewed by Director, Risk Management, Senior Manager/Manager, IPSR, Directors, Project Operations, and appropriate Regional Business Partner.

3.3.7 External review

- Where circumstances warrant based on complexity or any legal concerns and subject to the approval of the Client (where applicable) and/or Regional Business Partner, an outside investigator or other external resources, including legal counsel, should be engaged to ensure a thorough investigation of the allegation.
- Director, Risk Management will decide whether that is required, and if so, will engage relevant external party and monitor progress.
- Subject to the approval of the Client (where applicable) and if the investigation is considered material, a framework and plan for the investigation are developed by the Director, Risk Management with input from the external resource. Any investigation involving missing money or stolen assets normally will require a police report. The

Senior Manager/Manager, Project Operations ensure the reports are completed and insurance claims are filed timely, if required.

- ❶ The investigator completes the plan and work steps as prepared above. The Director, Risk Management is kept informed of the results. Additional work steps may be considered based on the results. The investigator prepares a summary report at the conclusion of the work in an email to the Director, Risk Management.
- ❷ Project Directors are responsible for notifying the Client, and other interested parties, under the guidance of the Director, Risk Management and as required by requirements of the head contract and client regulations.
- ❸ Further, under the guidance of the Director, Risk Management they consult the Client, Regional Business Partner and other stakeholders about the investigation and keep them informed of its progress as appropriate.

3.3.8 Violation of law and recovery

Where it is determined there is sufficient evidence to conclude a violation of law has occurred, the Regional Business Partner and Project Director under the guidance of the Director, Risk Management and Regional Director, Contracts and Compliance notify the Client and work with the Client to determine what steps should be taken to resolve the matter to the Client's satisfaction. HR and the Project Director determine the process to recover misappropriated or otherwise defrauded amounts through due process of law as guided by internal legal counsel. The process may include the hiring of local counsel.

3.3.9 Follow up

- ❶ The Team Leader/COP and Senior Manager/Manager, Project Operations ensure that recommendations are implemented as agreed. Senior Manager/Manager, Project Operations documents the Client's response and closing of the case.
- ❷ Palladium shall immediately inform the Contracting/Agreement Officer and the agency Inspector General upon receipt of credible information alleging a violation of FAR 52.222-50 and Mandatory Provision; and any actions taken against a Palladium employee, subcontractor, subcontractor employee, or their agent pursuant to FAR 52.222-50.
- ❸ As described above, employees may, in good faith, report, without fear of retaliation and with employee protection under 10 U.S.C. 2409 any activity that violates the FARs, the Mandatory Provision, the Executive Order or Palladium Anti-Trafficking Policy to their management, the Compliance Department, or at Palladium Compliance hotline at tellus@thepalladiumgroup.com and +1 202 777 9760 or to the Global Human Trafficking Hotline or at help@befree.org.
- ❹ Anyone else, including subcontractors, agents, consultants, may also use the hotlines or websites to report any issues relating to human trafficking.

- Additional country specific information, including Trafficking Profile, known Trafficking indicators and best compliance practices are listed in the Annex A to this Plan.

Annex A – Guatemala

Department of State Trafficking Report, 2018 designates Guatemala as a Tier 2 Watch List Country on the Trafficking Scale.

State Department places each country onto one of four tiers, as mandated by the Trafficking VPA. This placement is based not on the size of the country's problem but on the extent of governments' efforts to meet the TVPA's minimum standards for the elimination of human trafficking, which are generally consistent with the Palermo Protocol.

Tier 2 Watch List indicates a country whose government does not fully meet the Trafficking Victims Protection Act's minimum standards but is making significant efforts to bring itself into compliance with those standards AND:

- a) The absolute number of victims of severe forms of trafficking is very significant or is significantly increasing;
- b) There is a failure to provide evidence of increasing efforts to combat severe forms of trafficking in persons from the previous year; or
- c) The determination that a country is making significant efforts to bring itself into compliance with minimum standards was based on commitments by the country to take additional future steps over the next year.

TRAFFICKING PROFILE

GUATEMALA: Tier 2 Watch List

The Government of Guatemala does not fully meet the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. The government demonstrated significant efforts during the reporting period by developing its national anti-trafficking action plan for 2018-2022, prosecuting and convicting more traffickers, opening a new regional anti-trafficking unit, and publishing its victim protection protocol in several Mayan dialects. However, the government did not demonstrate increasing efforts compared to the previous reporting period. The government identified fewer trafficking victims for the second consecutive year; did not address underlying problems in the nation's shelters providing for children, including trafficking victims; and specialized victim services remained inadequate given the scope of the problem and lack of services for adult victims. Corruption and complicity remained significant concerns, inhibiting law enforcement action. Therefore, Guatemala remained on Tier 2 Watch List for the second consecutive year.

RECOMMENDATIONS FOR GUATEMALA

Review shelter standards and operations in shelters providing for child trafficking victims nationwide and address overcrowding, abuse, and neglect; investigate and hold government officials criminally accountable for complicity in trafficking; improve access to and quality of specialized services for adult victims; sustain efforts to identify trafficking victims, particularly among vulnerable populations, such as working children, returning migrants, individuals in prostitution, and children apprehended for illicit gang-related activities; fully implement the 2018-2022 national anti-trafficking action plan; increase training for judges, who under

Guatemalan law have the sole responsibility to refer victims to care, and ensure all victims are referred quickly to appropriate care facilities; investigate and prosecute trafficking offenses, with increased focus on suspected cases of forced labor and domestic servitude; allocate and disburse funding for specialized victim services, including those administered by NGOs; increase efforts to investigate, prosecute, and convict child sex tourists and others engaged in sex trafficking of children; as part of developing a cadre of specialized prosecutors and judges outside of the capital, increase training to law enforcement and criminal justice officials so that forced labor and sex trafficking cases are investigated and prosecuted as trafficking according to the international definition of trafficking; provide reintegration and witness protection support to victims; and target prevention activities toward the most vulnerable populations, including indigenous communities.

PROSECUTION

The government increased law enforcement efforts. The anti-trafficking law of 2009 criminalized sex and labor trafficking and prescribed penalties from eight to 18 years imprisonment. These penalties were sufficiently stringent and, with respect to sex trafficking, commensurate with penalties prescribed for other serious crimes, such as rape. Inconsistent with the definition of trafficking under international law, the law did not consider the use of force, fraud, or coercion as an essential element of an adult trafficking offense. The law defined trafficking broadly to include labor exploitation and illegal adoption without the purpose of exploitation.

The government initiated investigations of 254 complaints of trafficking-related offenses in 2017, compared to investigations of 243 complaints in 2016. In previous years, the government did not specify how many of the total offenses were specifically trafficking rather than related offenses; however, in 2017, the government reported 127 of these complaints were specifically trafficking in persons offenses. Authorities prosecuted 52 defendants for sex trafficking and forced labor compared to 43 defendants in 2016. Authorities secured 19 convictions, including for forced labor in 2017, compared to 13 convictions in 2016, with sentences ranging from eight to 15 years imprisonment. The government did not report any investigations, prosecutions, or convictions of government employees complicit in human trafficking offenses, despite significant concerns of official complicity and corruption. The government opened a 12-person regional anti-trafficking unit in Quetzaltenango, Guatemala's second largest city, which had jurisdiction over eight departments and 38 percent of the country's population, including those closest to the Mexican border. Some judges, especially in the interior, lacked adequate training to apply forensic evidence in prosecutions, which led to cases tried as sexual assault rather than trafficking. Guatemalan officials trained police academy recruits, crime scene experts, prosecutors, and judges on trafficking indicators and processing trafficking cases.

PROTECTION

The government decreased efforts to identify and protect victims. The government and NGOs identified 316 trafficking victims in 2017, a significant decrease compared to 484 in 2016 and 673 in 2015. Reported data did not specify the types of trafficking involved in those cases. Of the 316 trafficking victims identified, 292 were children and 24 were adults. The government made efforts to address child forced labor by conducting a simultaneous operation against 36 tortilla vendors and identified 22 possible child labor victims and arrested nine alleged traffickers. The Secretariat against Sexual Violence, Exploitation, and Trafficking in Persons (SVET) provided training, published in several Mayan dialects, and continued to implement the inter-institutional protocol for the protection and attention to victims of human trafficking, first

published in 2016. While some government officials continued to implement another protocol to identify potential forced labor victims during labor inspections, NGOs expressed concern the labor ministry did not proactively look for indicators of forced labor, including in the agricultural sector where workers were particularly vulnerable to forced labor.

Guatemalan law required judges make all referrals to public or private shelters. The attorney general published a new victim assistance protocol and victims' bill of rights in 2017 with the goal of improved investigation and prosecution while maintaining victim services. In 2017, judges referred 210 victims to care facilities for assistance compared to 256 victims referred in 2016. In practice, judges did not make timely referrals, delaying access to needed assistance. Judges at times referred child victims to their families, leaving some vulnerable to re-trafficking, as family members often were involved in their exploitation. Authorities repatriated eight trafficking victims in coordination with foreign consular officials and in accordance with an established protocol. The government screened returning unaccompanied children for trafficking indicators using Secretariat of Social Welfare (SBS) protocols for the attention and reception of such children in two government shelters. The government provided 17.6 million quetzals (\$2.4 million) in funding for three government shelters, as well as NGOs that provide specialized services, mostly for child trafficking victims. The three government run shelters housed 89 trafficking victims (80 girls, seven boys, and two women) in 2017, compared to 77 in 2016.

NGOs housed and provided services to 127 trafficking victims, including victims of sex trafficking and forced labor, adults and children, female and male victims. Observers reported NGOs provided the highest quality and most comprehensive care for child victims, including food, housing, medical and psycho-social services, education, and reintegration services. One NGO shelter provided services to adult female victims, but did not allow freedom of movement for such victims. SVET shelters also provided such services in cooperation with other government agencies and implemented improvements to provide vocational training leading to certifications in computer programming and cooking. SBS shelters provided basic services, including food and housing, and more advanced services, such as health care, vocational education, and therapy. The quality and availability of specialized victim services remained uneven due to a lack of services for adult and male victims. NGO shelter operators expressed concern for victims' safety and vulnerability to re-trafficking upon being discharged from shelters. They cited insufficient ongoing case management and reintegration services in government shelters, leaving some victims vulnerable to re-trafficking or retaliation from traffickers—particularly those whose cases involved organized crime groups or public officials. The government prosecuted seven government officials for offenses including, but not limited to, abuse of power, neglect of their duties, and maltreatment of minors for the March 2017 fire in an overcrowded government-managed shelter, which resulted in the deaths of 41 girls and injuries to others. The shelter had previously faced allegations of corruption, sexual exploitation, and a UN investigation into the shelter's management. Following the fire, Guatemala's president called for a restructuring of the country's shelter system, and in March 2018 the government published a new 2017-2032 action plan on the protection of children and adolescents, which includes an objective of protecting trafficking victims and children in state-run institutions.

Authorities encouraged victims to assist in the investigation and prosecution of traffickers and made options available for private testimony. Victims residing in government facilities did not receive adequate legal support or witness protection. Prosecutors cited the lack of appropriate protection options for adult victims as an impediment to pursuing prosecutions in cases involving adults. Judges may order restitution when sentencing traffickers, and victims also had

the right to file civil claims for compensatory damages and harm suffered as a result of being subjected to trafficking; the government did not report any victims who received restitution or a civil damages award, compared to seven victims who received restitution in 2016. The government did not recognize children forced to engage in criminal activity as trafficking victims; officials acknowledged some of these victims may have been prosecuted or otherwise treated as criminals. Guatemalan law provided legal alternatives to the removal of foreign victims who may face hardship or retribution upon return to their home countries, but all known foreign victims opted for repatriation. Foreign victims had the same access to care as domestic trafficking victims. The government repatriated five Guatemalan trafficking victims identified in other countries.

PREVENTION

The government maintained prevention efforts. SVET served as the secretariat for the interagency anti-trafficking commission, coordinated government efforts against trafficking, and held 13 meetings attended by both government officials and NGOs. In 2017, SVET initiated 13 departmental networks, adding to the 11 existing networks, which identified trafficking cases and conducted prevention activities. The anti-trafficking commission, with technical assistance from international partners, developed and published its national anti-trafficking action plan for 2018-2022. The plan assigned specific goals and responsibilities to relevant government agencies. The government conducted a wide range of initiatives to educate potential victims, the public, government officials, and tourists about the dangers, causes, and consequences of trafficking, including by partially funding the “Blue Heart” campaign for a second year. SVET also ran prevention campaigns on trafficking awareness and sex tourism targeting students, visitors to hospitals, activists, airport security officials, tourist police, businesses, tourism operators, and travelers. The government did not investigate, prosecute, or convict any suspected sex tourists who purchased commercial sex with children during the reporting period. The government developed draft regulations related to labor recruiting of Guatemalan workers. The government worked with NGOs and international partners to promote a campaign to prevent fraudulent recruitment of migrant workers and worked with the private sector to promote policies to exclude products made with forced labor in efforts to reduce the demand for forced labor. The government demonstrated efforts to reduce the demand for commercial sex. The government provided anti-trafficking training to its diplomats and to Guatemalan troops prior to their deployment abroad on international peacekeeping missions.

TRAFFICKING PROFILE

As reported over the past five years, Guatemala is a source, transit, and destination country for men, women, and children subjected to sex trafficking and forced labor. Guatemalan women, transgender persons, girls, and boys are exploited in sex trafficking within the country and in Mexico, the United States, Belize, and other foreign countries. Foreign child sex tourists, predominantly from Canada, the United States, and Western Europe, as well as Guatemalan men, patronize child sex trafficking victims for commercial sex acts. Women and children from other Latin American countries and the United States are exploited in sex trafficking in Guatemala. Guatemalan men, women, and children are exploited in forced labor within the country, often in agriculture or domestic service, and in the garment industry, and domestic service in Mexico, the United States, and other countries. Domestic servitude in Guatemala sometimes occurs through forced marriages. Indigenous Guatemalans, including children, are particularly vulnerable to and exploited in forced labor, including in tortilla making shops. Guatemalan children are exploited in forced begging and street vending, particularly within

Guatemala City and along the border with Mexico. Criminal organizations, including gangs, exploit girls in sex trafficking and coerce young males in urban areas to sell or transport drugs or commit extortion. Some Latin American migrants transiting Guatemala en route to Mexico and the United States are subjected to sex trafficking or forced labor in Mexico, the United States, or Guatemala. Police, military, and elected officials have been placed under investigation for paying children for sex acts, facilitating child sex trafficking, or protecting venues where trafficking occurs.