



# RESPONSIBLE SOURCING TOOL

## Base Tool 12: Compliance Plan Template

### PROTECTIONS AGAINST TRAFFICKING IN PERSONS<sup>1</sup>

#### Compliance Plan Template

*This tool is specifically intended for use by companies that need to demonstrate compliance with the requirements of the Federal Acquisition Regulation (FAR): Ending Trafficking in Persons and submit certifications under 52.222-50(h) and 22.1703(c).*

**1. Compliance Plans.** *U.S. Government contractors are required to comply with FAR 52.222-50 regardless of contract value or contract type. However, they must create and implement a formal compliance plan to prevent any prohibited activities identified in FAR 52.222-50(b) for any portion of a contract that:*

- a. is for supplies, other than commercially available off-the-shelf items, acquired outside the United States, or*
- b. services to be performed outside the United States; and*
- c. the overseas portion has an estimated value that exceeds \$550,000.*

*The plan must be maintained throughout the performance of the contract and must be appropriate to:*

- a. the size and complexity of the contract; and*
- b. the nature and scope of the activities to be performed for the Government, including:*
  - o the number of non-United States citizens expected to be employed; and*
  - o the risk that the contract or subcontract will involve services or supplies susceptible to trafficking in persons.*

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<sup>1</sup> The United States recognizes two primary forms of trafficking in persons: forced labor and sex trafficking. This tool and other tools in the set primarily focus on forced labor, a crime whereby traffickers exploit and profit at the expense of adults or children by compelling them to perform labor. Several terms are used such as “trafficking in persons,” “human trafficking,” and “forced labor.”

*The Contractor must provide the compliance plan to the Contracting Officer upon request. The Contractor must also post the relevant contents of the compliance plan at the workplace and on the Contractor's website.*

**2. Certification.** *Prior to contract award, and annually thereafter, the Contractor must certify to the Contracting Officer that:*

- a. it has implemented a compliance plan to prevent any prohibited activities identified in FAR 52.222-50 and to monitor, detect, and terminate any agent, subcontract, or subcontractor employee engaging in prohibited activities; and*
- b. after having conducted due diligence, either*
  - o to the best of the Contractor's knowledge and belief, neither it nor any of its agents, subcontractors, or their agents are engaged in any such activities; or*
  - o if abuses relating to any of the prohibited activities have been found, the Contractor or subcontractor has taken the appropriate remedial and referral actions.*

**3. Subcontracts.** *Contractors must include the substance of the clause at FAR 52.222-50, Combating Trafficking in Persons, in all subcontracts and in all contracts with agents. The requirements of 52.222-50 (b) apply to all agents and subcontractors at all tiers and at any dollar value in the contractor's supply chain. However, requirements to create and implement a formal compliance plan apply only to any portion of the subcontract that meets the same prime contractor thresholds in a), b), and c) in Section 1, Compliance Plans, above.*

*If any subcontractor is required by this clause to submit a compliance plan and certification, the Contractor must require plan submission prior to the award of the subcontract and annually thereafter. The certification shall cover the items described above in Section 2, Certification.*

*For more information on best practices in compliance, please see guidance from the United States Executive Office of the President, Office of Management and Budget as provided in: Anti-Trafficking Risk Management Best Practices and Mitigations Considerations Memorandum (2019). The document supports the effective implementation of the FAR's anti-trafficking requirements and responsibilities. The memorandum is available at: [www.whitehouse.gov/wp-content/uploads/2019/10/M-20-01.pdf](http://www.whitehouse.gov/wp-content/uploads/2019/10/M-20-01.pdf).*

**Note to User:** The following sections of this document are intended only to provide a sample structure and examples of the kinds of information that should be included in a Compliance Plan. It is NOT intended to serve as a “fill in the blank” plan template.

A Contractor’s plan must be tailored to both the size and complexity of the contract and the specific nature and scope of the activities to be performed for the Government, including the employment of non-US citizens and the risk that the contract or any subcontract will involve services or supplies with a risk of trafficking in persons.

### Sample Company Compliance Plan

This document describes the program requirements and processes established and implemented by <Company Name> (hereafter referred to as “The Company”) to comply with FAR 52.222-50, Combating Trafficking in Persons. The scope of this Compliance Plan (hereafter referred to as the “Plan”) includes the operations and activities of the Company as well as those subcontractors<sup>2</sup> and agents in its supply chain performing on this contract. This Plan is maintained by the Corporate Human Resources Office located at <insert address>. The individual responsible for the Plan implementation is listed below.

**Note to User:** Listing the accountable person is noted as a best practice under OMB Memo M-20-01, *Anti-Trafficking Risk Management Best Practices & Mitigations Considerations* (Attachment B, page 2).

<b>Contractor Name:</b>	
<b>Address:</b>	
<b>DUNS Number:</b>	

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<sup>2</sup> The term “subcontractor” includes suppliers, labor recruiters, and others who provides goods and/or services to the contractor.

<b>Name and Contact Information of the Person Responsible for Plan:</b>	
<b>Contract Number:</b>	
<b>Contract Title:</b>	
<b>Location of Performance:</b>	
<b>Contract Period of Performance:</b>	
<b>Contracting Agency:</b>	
<b>Contracting Officer:</b>	

List of Company Subcontractors and Agents Covered by the Plan		
Name	Address	Compliance Plan (Y/N)

**<Company Name> Human Trafficking Policy**

The Company strictly prohibits its employees and all subcontractors and agents from:

- engaging in severe forms of trafficking in persons;
- procuring commercial sex acts;
- using forced or trafficked labor;
- destroying, concealing, confiscating, or otherwise denying an employee access to the employee’s identity or immigration documents, such as passports or drivers' licenses, regardless of issuing authority;

- using misleading or fraudulent practices during the recruitment of employees or offering of employment, such as failing to disclose, in a format and language accessible to the employee, 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 local labor laws of the country in which the recruiting takes place;
- charging employees recruitment fees (as defined by the FAR);
- failing to pay return transportation costs upon the end of employment for employees who are not nationals of the country in which the work is taking place;
- providing or arranging housing that fails to meet the host country housing and safety standards; and,
- failing to provide an employment contract, recruitment agreement, or other legally required work document in writing in a language the employee understands, containing a detailed description of the terms and conditions of employment, at least five days before an employee relocates to perform work.

The complete Company Supplier Code of Conduct can be found at *<insert policy url>*.

## **EMPLOYEE AWARENESS PROGRAM**

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 Human Trafficking Policy and Supplier 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 in the provisions of FAR 52.222-50(b), "Combating Trafficking in Persons."

**Note to User:** The following paragraph is not specifically required by the FAR but is recommended as best practice.

Employees are trained both prior to departure from their countries of origin and again upon arrival in the country where the work will be performed. They are also be provided with written materials that include all subjects covered in the training. Both the training and written materials are in each employees' own language. A verbal explanation of the contents is given upon request to individuals unable to read the printed information.

**Note to User:** Embed a copy of your company's work awareness program file here or provide a link to training materials.

## EMPLOYEE REPORTING/GRIEVANCE PROCESS

**Note to User:** Insert a description of your company's employee reporting process in this section. The process must meet FAR requirements, as listed in 52.222-50 (h)(3)(ii).

The information provided below is an example of how a company reporting process could be designed and described. It is not intended to serve as any company's specific information.

All employees of the Company or its suppliers, subcontractors, and agents are encouraged to report any activity or condition that may violate the Company Human Trafficking Policy or the requirements of FAR 52.222-50 confidentially and without retaliation to the Company Human Resources Department Hotline or confidential email address *<insert hotline number(s) and confidential email here>*, Ethics Hotline *<insert number(s) here>*, or using the Ethics email reporting system *<insert confidential email address>*. Violations may also be reported online using the Company's web-based reporting system, *<insert URL of online reporting page>*. The reporting system is also available for employees to report any workplace concern or potential violation of the terms and conditions of their employment contracts. All reported concerns will be promptly investigated by an impartial Grievance Committee of Company HR and Ethics

staff. Where employees disagree with the results, they may appeal the decision to the Grievance Committee.

The Company has also established a process to interview and protect from retaliation all employees suspected of being victims of or witnesses to alleged violations of the Company Human Trafficking Policy and FAR 52.222-50. This will be done prior to the employee returning to his or her country of origin if the employee is located outside their country of origin at the time of the incident being reported. Additionally, the Company will not interfere with employees cooperating fully with government authorities.

Employees may also report their concerns directly to the Global Human Trafficking Hotline at 1-844-888-FREE or its email address at [help@befree.org](mailto:help@befree.org). The Company reporting process and the Global Human Trafficking hotline and email address have been made available to all employees in the Employee Awareness Program and via postings in all worksites.

**RECRUITMENT AND WAGE PLAN**

**Note to User:**

The FAR requires the compliance plan to include a recruitment and wage plan that only permits the use of recruitment companies with trained employees, prohibits charging recruitment fees to the employee, and ensures that wages meet applicable destination-country legal requirements or explains any variance. The following is an example of how a company Recruitment and Wage Plan could be designed.

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

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 of 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.

*<attach copy of Company monitoring/audit process>*

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.

**Note to User:**

The FAR requires employment contracts where required by local law or contract, however employment contracts are strongly recommended as a standard practice regardless of local law or contract as they are the best way of ensuring employees understand their rights and terms and conditions of employment, and voluntarily agree to employment with your company. It is also recommended that a verbal explanation of the terms and conditions be provided for employees unable to understand the written contract.

In the list of information to be provided in employment agreements shown below, only items (a) through (i) are specifically required as minimum content by FAR 52.222-50(b). The other items are included as recommended best practice (in italics).



Contracts are written in a language that the employees understand 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:

- a. Detailed description of the work
- b. Wages (compliant with host country legal requirements or an explanation of any variance)
- c. Prohibition on charging recruitment fees to the employee
- d. Work location(s)
- e. Living accommodations and associated costs, if offered
- f. Time off
- g. Roundtrip transportation arrangements at no cost to employees
- h. Grievance process
- i. Content of applicable laws and regulations that prohibit trafficking in persons
- j. Employee's full name*
- k. Employee's date of birth*
- l. Employee's passport number and work visa/permit number*
- m. Employee emergency contact information*
- n. Work start date and duration of contract*
- o. Procedure for early contract termination without penalty, including notice period not to exceed one month (or less per applicable law)*
- p. Contract renewal provisions*
- q. Regular work hours and shifts*
- r. Anticipated overtime hours with total working hours not to exceed 60 hours per week or local law, whichever is lower*
- s. Estimated minimum net pay per month*
- t. Method and frequency of wage payment*
- u. Bonuses and conditions for earning them*
- v. Allowances*
- w. 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).*

- x. Description of additional benefits including medical insurance coverage, accident/injury insurance, holidays, annual leave, sick leave, and/or any other applicable benefits*
- y. Description of repatriation process and specification of the costs to be borne by the supplier and the employee*
- z. Any other terms required by applicable laws and regulations*
- aa. 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.

## HOUSING PLAN

### **Note to User:**

The FAR requires a housing plan only when the Contractor or subcontractor intends to provide or arrange employee housing. The plan ensures housing meets destination country housing and safety standards. The following section is provided as an example of a housing plan overview. A detailed housing plan that describes specifically how employee housing is designed and managed to meet host country housing and safety standards would be provided as an attachment to the compliance plan.

In the example statement, employee housing is provided by the Contractor and managed by a third-party housing/property management firm. In this case, the housing plan requirements would be in the terms and conditions of the contract between the Contractor and the third-party housing manager. This is only an example of numerous ways that housing can be arranged and managed.

Contract <*insert contract number*> necessitates providing migrant employees from <*insert names of origin countries*> with housing for the duration of the Contract. The Company

contracted <insert name of subcontractor> to construct housing units that comply with <name of country/jurisdiction> housing and safety standards.

The Company believes that effective ongoing management of living facilities is essential to ensure accommodations are safe and sanitary. This encompasses issues such as the physical maintenance of buildings and security to ensure effective implementation of <insert name of country/jurisdiction> housing and safety standards over the course of the contract. To do so, the Company has contracted with <insert name of housing management firm> to manage all employee housing for the duration of the contract. <Insert name and contact information of the housing management firm> is a licensed and experienced firm with competent managers and skilled support staff. The housing manager is responsible and accountable for overseeing housing staff, and for ensuring effective implementation of the housing management plan. The Company's housing standards are specified in the contract with <insert name of housing management firm>, and mechanisms to ensure that those standards are implemented have been established. The housing manager regularly monitors the implementation of accommodation standards and policies and reports all issues to the Company on a weekly basis. <attach copy of housing plan>.

## **VIOLATION MONITORING, REPORTING, AND REMEDIATION**

### **Note to User:**

The FAR requires the compliance plan to include procedures to prevent agents and subcontractors at any tier and at any dollar value from engaging in trafficking in persons (including the activities in FAR 52.222-50(b)) and to monitor, detect, and terminate any agents, subcontracts, or subcontractor employees that have engaged in such activities.

This section reflects recommended best practices<sup>3</sup> in addition to FAR requirements.

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<sup>3</sup> These include both Verité best practice and those contained in OMB Memo M-20-01, [Anti-Trafficking Risk Management Best Practices & Mitigation Considerations](#), such as the "Regular review of mechanisms to deter trafficking" entry (Attachment B, page 2) and the "Subcontractor compliance reviews" entry (Attachment B, page 4).

The Company has established a performance monitoring, detection, and remediation program to identify and address any violations of the requirements of FAR 52.222-50(b) and the Company Human Trafficking Policy on an ongoing basis. 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,<sup>4</sup> 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.

All subcontractors of the Company are required by contract to fully cooperate with Company 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.

Company subcontractors, and agents have also provided the Company with copies of their Compliance Plans prepared in accordance with Company requirements and FAR 52.222-50(h).

The Company requires its subcontractors and agents whose subcontracts are covered by 52.222-50(i)(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.

Additionally, all subcontractors have agreed to on-going monitoring and random auditing by the Company or its agents for compliance with FAR 52.222-50 and the Company Human Trafficking Policy. Any credible indication of noncompliance will be investigated, reported, and addressed accordingly.

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 the Company.

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<sup>4</sup> If the allegation is associated with more than one contract, the notification will be for the contract with the highest dollar value.

**ANNUAL COMPLIANCE PLAN CERTIFICATION****Note to User:**

Both the Contractor and any subcontractor required to maintain a compliance plan must prior to award of the contract and subcontract and on an annual basis thereafter, submit a certification (52.222-56) to the Contracting Officer that it has implemented a compliance plan to prevent any prohibited activities identified in 52.222-50(b) and to monitor, detect, and terminate any agent, subcontract, or subcontractor employee engaging in prohibited activities.

The certification must also state that after having conducted due diligence, either:

1. to the best of the Contractor and subcontractor's knowledge and belief, neither it nor any of its agents, subcontractors, or their agents are engaged in any such activities, or
2. that if any abuses have been found that the Contractor and/or subcontractor has taken appropriate remedial and referral actions.

Contractors should establish a process to track the submission date of this annual requirement and perform due diligence that is sufficient to provide an adequate assurance. Certification should be made by an individual who has the authority and accountability to implement this plan.

The following is an example of such a Certification.

**The Company certifies the following:**

- It has implemented a compliance plan to prevent any prohibited activities identified at paragraph (b) of the FAR clause 52.222-50 and to monitor, detect, and terminate any agent, subcontract, or subcontractor employee engaging in prohibited activities; and
- To the best of our knowledge and belief, based on ongoing compliance activities, neither the Company, nor any of its agents, subcontractors, or their agents, are engaged in prohibited trafficking-related activity as described in FAR 52.222-50(b).
- Upon receipt of any reported abuses or any credible information of abuses from any source alleging conduct that violates FAR 52.222-50(b), the Company will take immediate and appropriate remedial action(s) in response to the abuse(s) up to and

including termination of the employee, subcontractor, subcontractor employee, or their agent involved.

A copy of the Compliance Plan is posted at the worksites for Contract *<insert Contract title and number here>* for which the Company and its subcontractors have active contract employees assigned. A copy is also posted on the Company website. The Company's Human Trafficking Hotline Posters and Contractor Reprisal (Whistleblower Rights) Posters are also posted at Contract worksites in English and in the native languages of the employees.

If there are any identified noncompliance or credible evidence that alleges human trafficking-related activity, the Company will ensure that the pertinent details are provided to the Contracting Officer for possible imposition of remedies and to the agency Inspector General.

Company Name: \_\_\_\_\_

Company Address: \_\_\_\_\_

Compliance Certification Official Name: \_\_\_\_\_

Compliance Certification Official Title: \_\_\_\_\_

Compliance Certification Official Signature: \_\_\_\_\_

Date of Certification: \_\_\_\_\_

Contract Number: \_\_\_\_\_