

POLICY:	Human Trafficking Awareness Policy and Compliance Plan
ISSUE DATE:	April 2019
REVISION DATE:	

FARO strictly prohibits its employees, suppliers, subcontractors, supplier and subcontractor employees, and other agents from:

- Engaging in severe forms of trafficking in persons (as defined by the Federal Acquisition Regulations (“FAR”) including but not limited to sex trafficking, involuntary servitude, debt bondage, or slavery);
- Procuring commercial sex acts;
- Using forced or trafficked labor;
- Destroying, concealing, confiscating, or otherwise denying an individual access to their 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 or other work, such as failing to disclose, in a format and language accessible to the applicant, basic information or making material misrepresentations during the recruitment of employees or other workers about the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs (if housing and other costs are provided or arranged by the employer or agent), any significant costs to be charged to the individual or 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 recruitment fees (as defined by the FAR) to employees or applicants;
- Failing to pay return transportation costs upon the end of employment or work assigned for certain employees or other individuals who are not nationals of the country in which the work is taking place (with some exceptions as specified under FAR § 52.222.50(b)(7));
- Providing or arranging housing that fails to meet the host country housing and safety standards; and if required by law or contract, failing to provide an employment contract, recruitment agreement, or other legally required work document in writing in a language the individual employee or other worker understands, containing a detailed description of the terms and conditions of employment or work arrangement, including work description, wages, work location, living accommodations and associated costs, time off, transportation arrangements, grievance process, and laws prohibiting human trafficking in persons, at least five (5) days before the individual relocates to perform work.

EMPLOYEE AWARENESS TRAINING

FARO is developing and implementing an awareness program to inform all employees about the prohibitions of the FAR against trafficking-related activities described in FAR § 52.222-50(b), the activities prohibited, and the actions that will be taken against employees or other agents for violations. FARO employees will be trained on:

- This FARO Human Trafficking Awareness Policy and Compliance Plan;
- The consequences for violating the Company policy, up to and including potential employment termination and other termination of contract;
- The violation reporting process; and
- A summary of the U.S. Government’s policy prohibiting trafficking-related activities.

REPORTING REQUIREMENTS, APPEALS, AND PROHIBITIONS AGAINST RETALIATION

All employees of FARO or its suppliers, subcontractors and agents are encouraged to immediately report any activity or condition that may violate FARO's Human Trafficking Awareness Policy and Compliance Plan or the requirements of FAR § 52.222-50 confidentially and without retaliation, to FARO People Operations or any member of FARO management. Employees also have the option of submitting their complaints anonymously or non-anonymously through the Company's "Ask HR" Service Portal. All reported concerns will be promptly investigated by appropriate FARO representatives or other third parties at the discretion of FARO. Prompt remedial actions will be taken where violations are determined to have occurred.

FARO has also established a process to interview and protect from retaliation all employees suspected of being victims of or witnesses to alleged violations of FARO Human Trafficking Awareness Policy and Compliance Plan 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, FARO will not interfere with employees and others cooperating fully with government authorities.

Employees and others may also report their concerns directly to the U.S. government via the Global Human Trafficking Hotline by dialing 1-844-888-FREE or emailing help@befree.org.

FARO's internal reporting options and the Global Human Trafficking hotline and email address are made available to all employees in the Employee Awareness Program and via postings in all worksites.

COMPLIANCE AUDITS

FARO audits subcontractors, suppliers and other agents, including labor recruiters, without advance-notice on a regular basis in accordance with the requirements of law, and requires remediation of all identified non-conformities. Failure to properly address issues discovered on audit will have business consequences, up to and including termination and disbarment from future FARO contracts. Any violations of FAR requirements could result in FARO terminating the contract of a supplier, subcontractor or other agent. Additionally, FARO 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.

PROHIBITION AGAINST FRAUDULENT RECRUITING PRACTICES; CONTRACT REQUIREMENTS

FARO and its suppliers, subcontractors and other agents are required to use only those recruitment companies that have undergone due diligence and have employees trained and knowledgeable on the requirements of FARO's Human Trafficking Awareness Policy and Compliance Plan, FAR § 52.222-50 (b), and all other applicable country and local legal requirements.

FARO strictly prohibits misleading or fraudulent recruiting practices during the recruitment of both local and migrant employees and other workers. All labor recruiters working for or with FARO and its suppliers, subcontractors and other agents are required to commit to providing complete and accurate information to all employees and other individuals about the assignment they are being offered.

Contracts provided to employees, supplier and subcontractor employees, and other individuals are to be written in a language that the individual receiving the contract reads and can understand and provided to them for review and signature at least five (5) days prior to their departure from their country of origin.

Employment contracts must contain the following:

- A detailed description of the work to be performed;
- A statement of the wages to be paid in exchange for the work (compliant with host country legal requirements or an explanation of any variance);

- Prohibition on charging recruitment fees to the employee;
- The work location(s);
- A description of the living accommodations and associated costs, if offered;
- A statement confirming time off from work;
- A description of the roundtrip transportation arrangements to be provided at no cost to the individual;• Notice of the grievance process for any complaints;
- The content of applicable laws and regulations that prohibit trafficking in persons;
- The individual's or employee's full name
- The individual's or employee's date of birth
- The individual's or employee's passport number and work visa/permit number;
- The individual's or employee's emergency contact information;
- The work start date and duration of contract;
- The procedure for early contract termination without penalty, including notice period not to exceed one month (or less per applicable law);
- The contract renewal provisions;
- The regular work hours and shifts;
- The anticipated overtime hours with total working hours not to exceed sixty hours per week or local law, whichever is lower;
- The estimated minimum net pay per month, before overtime;
- The method and frequency of wage payment;
- The bonuses available and conditions for earning them;
- Any applicable allowances;
- A full listing of any and all deductions from wages, 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);
- A description of additional benefits offered including medical insurance coverage, accident/injury insurance, holidays, annual leave, sick leave, and/or any other applicable benefits;
- A description of the repatriation process and specification of the costs to be borne by the supplier and the individual or employee;
- Any other terms required by applicable laws and regulations; and
- No terms restricting an employee's rights to freedom of association and collective bargaining consistent with local law.

FARO will review and approve the employment contracts used by its direct labor recruiters. Contracts used by its suppliers, subcontractors and other agents are subject to audit by FARO in its sole discretion, without advance notice, where required or permitted by law.

HOUSING STANDARDS

FARO 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 housing and safety standards required by the country and locality where the work is being performed over the course of the contract. To do so, where housing is provided and when otherwise required by law, the Company will contract with an appropriately licensed and experienced housing management firm to manage all employee housing for the duration of any such contract with competent managers and skilled support staff. The housing manager in such instances shall be responsible and accountable for overseeing housing staff, and for ensuring effective implementation of the housing management plan. FARO's housing standards, where applicable, will be specified in each contract with suppliers, subcontractors and other agents, and mechanisms to ensure that those standards are implemented will be established when relevant. Housing managers in such cases shall regularly monitor the application of the accommodation's standards and report weekly on their implementation to FARO.

VIOLATION MONITORING AND REMEDIATION PROGRAM

FARO will maintain 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 FARO Human Trafficking Awareness Policy and Compliance Plan. In the event of the receipt of credible information alleging violation of FAR § 52.222-50(b), FARO 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 actions, up to and including the dismissal of Company employees and termination of contracts with subcontractors, suppliers and agents.

COMPLIANCE WITH AUDITS; COMPLIANCE PLANS

All suppliers, subcontractors, and other agents of FARO are required by contract, as applicable, to fully cooperate with Company staff, contracting agencies and federal agencies to conduct audits and investigations on compliance in accordance with the provisions of FAR § 52.222-50(b), Combating Trafficking in Persons and to disclose any compliance concerns, including such general information sufficient to identify the nature and extent of any offense and the individuals responsible for the conduct. Suppliers, subcontractors and other agents must also provide timely and complete responses to any requests for documents from auditors or investigators, cooperate fully in providing reasonable access to their facilities and staff (both inside and outside of the US) for audits and investigations, protect all employees suspected of being victims of or witnesses to prohibited activities prior to returning to the company from which they were recruited, and not prevent or hinder any individual's ability to cooperate fully with government authorities.

FARO suppliers, subcontractors and other agents, where applicable, are also required to provide FARO with copies of their Compliance Plans prepared in accordance with Company requirements and FAR § 52.222-50(h), which plans shall be prepared appropriately to the size and complexity of their contract and the nature and scope of its activities, including the number of non-US citizens expected to be employed and the risk that the subcontract will involve services or supplies susceptible to trafficking in persons, and otherwise in accordance with law.

FARO requires its suppliers, subcontractors and other agents whose subcontracts are covered by § 52.222-50(i)(A) and (B) to certify prior to receiving any 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 their knowledge and belief, neither they nor any of its agents, employees, suppliers, subcontractors, or their agents or employees, have 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, they have taken the appropriate remedial and referral actions.

Additionally, all suppliers, subcontractors and other agents must agree to on-going monitoring and random auditing by FARO or its agents for compliance with FAR § 52.222-50 and the FARO Human Trafficking Awareness Policy and Compliance Plan. 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 FARO to take any and all appropriate actions, up to and including immediate termination the contract of the supplier, subcontractor or other agent with FARO, in FARO's sole discretion and as otherwise required by law.

FARO CERTIFICATION

FARO certifies the following:

- It is implementing a compliance plan to prevent any prohibited activities identified at paragraph (b) of the FAR § 52.222-50 and to monitor, detect, and terminate any agent, subcontract or subcontractor employee engaging in prohibited activities; and
- To the best of the Company's knowledge and belief, based on ongoing compliance activities and other due diligence, neither FARO, nor any of its suppliers, subcontractors, other agents, or their employees, subcontractors or agents, are engaged in prohibited trafficking-related activity as described in FAR § 52.222-50(b).

or

- If the Company receives any report or other credible information of abuses from any source alleging conduct that violates FAR § 52.222-50(b), FARO will take immediate and appropriate remedial action(s) in response to the abuse(s), up to and including termination of the employee, supplier, subcontractor, subcontractor employee, or other agent involved.

If there are any identified non-compliances or credible evidence that alleges human trafficking-related activity, FARO will ensure that all pertinent details of the same are provided to the Contracting Officer for possible imposition of remedies and reporting to the agency.

POSTING AT WORK SITES

Where required by law, a copy of this Human Trafficking Awareness Policy and Compliance Plan will be posted at the worksites no later than the initiation of contract performance, except where work is performed in the field or not in a fixed location, in which cases the relevant contents of this Human Trafficking Awareness Policy and Compliance Plan shall be provided to each worker in writing. A copy will also be posted on or otherwise available through FARO's website. FARO's Human Trafficking Hotline Posters and Contractor Reprisal (Whistleblower Rights) Posters will also be posted at Contract worksites in English and in the native languages of the employees, where required by law.