# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>LETTER FROM THE CEO</td>
<td>2</td>
</tr>
<tr>
<td>MISSION AND VALUES</td>
<td>3</td>
</tr>
<tr>
<td>WHAT IS MODERN SLAVERY?</td>
<td>4</td>
</tr>
<tr>
<td>STRATEGIC APPROACH</td>
<td>5</td>
</tr>
<tr>
<td>YEAR IN REVIEW</td>
<td>6</td>
</tr>
<tr>
<td>FIRST INVESTMENTS</td>
<td>7</td>
</tr>
<tr>
<td>PROGRAM SPOTLIGHT</td>
<td>8</td>
</tr>
<tr>
<td>OUR TEAM</td>
<td>10</td>
</tr>
<tr>
<td>FINANCIALS</td>
<td>11</td>
</tr>
</tbody>
</table>
2018 was a landmark year for GFEMS and our partners around the world working together to end modern slavery. We secured funding from the U.S., the UK, and Norway and deployed an initial 10M USD in India, Vietnam, and the Philippines supporting transformative programs to address abuses in labor recruitment, sex trafficking, apparel, and construction.

Our programs incorporate interventions in law enforcement, business engagement, and sustained survivor freedom to transform entire systems perpetuating modern slavery. Underlying all of our work is a sharp focus on prevalence estimation and impact evaluation. Our programs are informed by both short-cycle testing of innovations, to allow for real-time adaptions, and by longer-term intervention effectiveness research, to build the evidence base of what works to reduce prevalence. We are committed to sharing learnings with our partners and the anti-trafficking field at large.

With survivor input and building on early programming and lessons learned, we will continue to design and deploy transformative programs with potential to achieve scale and sustainability as part of a global strategy to end modern slavery.

We will continue to work alongside survivors, partners in government, the private sector, and civil society to develop public-private partnerships in target sectors and geographies and look forward to expanding into Bangladesh and East Africa.

Sincere thanks to our donors and partners for their commitment to the bold vision and mission of the Fund. As a Founding Board member and inaugural CEO, I am so proud of how far we have come together. This initiative was originally launched based on recommendations from leaders in the field highlighting the need for a global fund to pool resources, coordinate efforts globally, and build the evidence base. I look forward to continuing to work alongside all of you as we accelerate momentum in building this international fund and pursue the vision of ending modern slavery.

Yours in the fight,

Jean
MISSION:
TO END MODERN SLAVERY BY MAKING IT ECONOMICALLY UNPROFITABLE

VALUES

Focus On Our Mission
We build programs and undertake research focused on ending modern slavery.

Learn Continuously
We seek out the knowledge and perspectives of others, especially those whom we seek to serve and empower.

Bet Big and Build Together
We build and co-develop with stakeholders bold, transformative programs designed to achieve unprecedented systems change, emphasizing innovation and scale.

Execute with Excellence and Integrity
We are committed to implementing with efficiency, effectiveness, and real-time adaptability, while maintaining the highest standards of business ethics and compliance.

Share What We Know
We eagerly share successes and lessons learned to bolster the field, build the evidence base, and catalyze a coherent global strategy.

Create Sustainable Impact
We identify and leverage shared goals among diverse stakeholders to secure co-investment and build programs that are self-sustaining.
Modern slavery is a crime of economic opportunity, generating approximately $150B in profits for traffickers and intersecting with many global trends like migration, organized crime, and global supply chain operations.

Anti-trafficking organizations around the world are doing important work, but the field has been restricted by limited resources, short-term funding cycles, and a lack of actionable data. As a result, the field has historically only been able to address fragments of the systems that make slavery so profitable.

To change this, the private sector, governments, and civil society must work together to build coordinated programs taking on entire systems perpetuating modern slavery. These programs must ensure effective rule of law to raise the cost to traffickers, implement market-based solutions to eliminate forced labor in supply chains, and demonstrate sustainable models that ensure rehabilitation and viable jobs for survivors. GFEMS is working hand in hand with partners around the world to design and implement holistic programs.

**Modern Slavery by the Numbers**

- **40 million** people in some form of slavery worldwide
- **25 million** people in forced labor globally
- **16 million** forced labor victims in the private sector
- **400M USD** spent by governments annually to fight this crime, compared to $150B USD in illegal profits
- **10,000 people** who need to exit slavery each day to achieve SDG Target 8.7 (ending modern slavery by 2030).
GFEMS believes that to sustainably end modern slavery, our approach must go beyond traditional programming. The Fund aims to build sustainable, scalable solutions that reduce the prevalence of modern slavery in target sectors and geographies around the world.

GFEMS pursues transformative systems change by:

1. Identifying the systems perpetuating slavery in a given sector and geography
2. Co-developing a suite of interventions with our partners in government, the private sector, and civil society to holistically impact those systems
3. Leveraging local knowledge, national priorities, and private sector realities wherever possible to secure buy-in and co-funding from government and private sector sources.

The Fund builds programs to address supply, demand, and enabling factors of modern slavery, funding solutions that fall into three categories:

**RULE OF LAW**

Effective rule of law raises the cost of slavery by ending impunity for all forms of trafficking.

**BUSINESS ENGAGEMENT**

Business engagement creates value by eliminating forced labor from supply chains at local, national, and international levels, and by providing alternatives for vulnerable individuals.

**SUSTAINED FREEDOM**

Sustained freedom for survivors includes recovery, reintegration, and economic opportunity to prevent retrafficking.
Based on site visits and expert input from government, private sector, and civil society stakeholders on the ground, the Fund evaluated the scale and nature of trafficking, national priorities and private sector realities that could be leveraged, and the potential to build programs that could be scaled and sustained to significantly reduce prevalence of modern slavery.

**GFEMS deployed $10M for inaugural programs in overseas labor recruitment, sex trafficking, construction, and apparel in the Philippines, Vietnam, and India.**

2018 also represented considerable progress in building momentum for the vision of an international fund. GFEMS secured additional contributions from the US Government, and welcomed the United Kingdom and Norway to the Fund.

<table>
<thead>
<tr>
<th><strong>MAJOR SECURED FUNDING, 2018</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>United States</strong></td>
</tr>
<tr>
<td>21M USD</td>
</tr>
<tr>
<td><strong>United Kingdom</strong></td>
</tr>
<tr>
<td>26M USD</td>
</tr>
<tr>
<td><strong>Norway</strong></td>
</tr>
<tr>
<td>11M USD</td>
</tr>
</tbody>
</table>

GFEMS also secured funding from a private sector partner to support the development of a prototype forced labor screening tool.

GFEMS engaged in international multi-stakeholder initiatives to promote a culture of knowledge sharing and collaboration. The Fund provided expertise to the Liechtenstein Initiative for a Financial Sector Commission on Modern Slavery & Human Trafficking, joined the Steering Committee for Monitoring and Evaluation in TIP (METIP), and contributed to the UN Special Rapporteur’s report on Contemporary Forms of Slavery.
In 2018, GFEMS invested in sectors and geographies with potential for impact at scale and sustainability beyond initial donor funding. Within each of these sectors and geographies, the Fund develops transformative strategies that can sustainably reduce the prevalence of modern slavery by changing the systems that perpetuate it.

**Within these sectors and geographies, GFEMS operates 11 unique programs.**

In 2020, GFEMS anticipates expanding into Bangladesh and East Africa, launching programs in Kenya and Uganda.

**INDIA**
- Commercial Sexual Exploitation
- Construction
- Apparel
- Overseas Labor Recruitment

**VIETNAM**
- Commercial Sexual Exploitation
- Overseas Labor Recruitment

**THE PHILIPPINES**
- Overseas Labor Recruitment
ENDING FORCED LABOR OF MIGRANT WORKERS

Nearly a quarter of a billion people migrate internationally each year, primarily for work. Labor migration can be a positive experience, but also creates a market for unethical brokers that profit from exploitation and forced labor of migrant workers. Despite numerous ethical recruitment and safe migration initiatives, trafficking of migrants persists globally.

GFEMS is taking action to end forced labor of migrants by developing coordinated intervention models that address multiple drivers of forced labor and can be replicated across migration corridors.

In the Philippines, GFEMS is working with Fair Employment Foundation (FEF) to develop safe, source-to-destination migration channels.

GFEMS-FEF PROGRAM AT A GLANCE

WORKSTREAMS:
- Ethical recruitment & placement
- Training & migration preparedness
- Expanding and replicating the ethical recruitment model
- Competing in and influencing the market
FAIR EMPLOYMENT FOUNDATION

Program details and impact in Year 1

ETHICAL RECRUITMENT AND PLACEMENT

FEF ethically places workers into jobs. Workers are not charged for their own recruitment and their rights are protected throughout their migration and employment. FEF’s non-profit employment agency, Fair Employment Agency (FEA), sets a new standard for migrant domestic worker recruitment in Hong Kong. Workers are matched into jobs without the burden of recruitment debt and the agency follows up with workers and employers post-deployment.

1,250 WORKERS ETHICALLY PLACED IN SAFE JOBS

To date, FEF has ethically placed a total of 3,400 workers in safe jobs, 1,250 of which occurred under GFEMS programming.

246 WORKERS TRAINED FOR MIGRATION

To date, FEF has trained a total of 510 workers, 246 of which occurred under GFEMS programming. Workers trained under this program show a 50% reduction in turnover rate.

REPLICATION OF THE FEF MODEL

In August 2019, Pinkcollar, Malaysia’s first ethical recruitment firm for domestic workers opened its doors, replicating FEF’s ethical recruitment model.

COMPETING IN AND INFLUENCING THE MARKET

FEF, with the Fund’s support, is demonstrating that the ethical recruitment model is competitive in the market, can be scaled for impact, and replicated in new geographies and sectors.
LEADERSHIP TEAM
CEO: Jean Baderschneider, PhD
Director of Finance and Administration: Craig Sarsony
Director of Strategy: Jason Wendle
Director of Grant Programs: Rebecca M. Buchanan, PhD
Director of Grant Programs: Helen Wong Taylor
Director of Strategic Partnerships: Natalya J. Wallin
Director of Evidence and Learning: Laura Gauer Bermudez, PhD
Regional Director for Asia: Warren Ang

BOARD OF DIRECTORS
Ernie Allen
Jean Baderschneider, PhD
Alison Kiehl Friedman
Cardinal Vincent Nichols
Ambassador John Cotton Richmond
Sir Rob Wainwright
## 2018 FINANCIALS

### STATEMENT OF FINANCIAL POSITION

#### ASSETS

<table>
<thead>
<tr>
<th>Assets</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,889,332</td>
</tr>
<tr>
<td>Grants and grants receivables</td>
<td>$880,399</td>
</tr>
<tr>
<td>Grantee advances and security deposits</td>
<td>$128,884</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$3,898,615</strong></td>
</tr>
</tbody>
</table>

#### LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total liabilities</td>
<td>$3,747,805</td>
</tr>
<tr>
<td>Net Unrestricted Assets</td>
<td>$150,810</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$3,898,615</strong></td>
</tr>
</tbody>
</table>

### STATEMENT OF ACTIVITIES

#### REVENUE AND SUPPORT

<table>
<thead>
<tr>
<th>Revenue and Support</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants (USG and non-USG)</td>
<td>$3,314,651</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>$229,740</td>
</tr>
<tr>
<td>Contributions</td>
<td>$12,000</td>
</tr>
<tr>
<td><strong>Total Revenue and Support</strong></td>
<td><strong>$3,556,391</strong></td>
</tr>
</tbody>
</table>

#### EXPENSES

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>$3,307,143</td>
</tr>
<tr>
<td>Management and General</td>
<td>$120,240</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$9,375</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$3,436,758</strong></td>
</tr>
</tbody>
</table>

| Change in Net Assets                        | $119,633     |

The complete audited financial report prepared by BDO may be viewed on our website.