

MAY 19, 2021

<u>Statement of the Mercy Corps' Board of Directors</u> on Freeh Group International Solutions (Freeh Group) Report

With deep sadness we are releasing this independent investigative report and are devastated by the findings, information, and historical failures of Mercy Corps that this investigation revealed.

In 2020, the Mercy Corps Board commissioned an independent investigation by Freeh Group to determine the extent of the abuse perpetrated by Ellsworth Culver and any other abusers who might be identified, and to review the response of the Mercy Corps Board in 1992 and 1993 when certain members of the Board were first made aware of Ms. Culver Humphrey's disclosures of abuse by Culver, her father. Freeh Group has submitted its report to the Board detailing the information and findings from the investigation, and the report is available here.

The report sets forth deeply troubling findings. We caution that it includes disturbing details that may be traumatic, especially for survivors.

The report reveals extensive failures by Mercy Corps' leadership and Board in the 1990s. Among the findings are a failure to believe Ms. Culver Humphrey, to investigate and address her allegations with the seriousness and professionalism they deserved, and – critically – to treat her with respect and dignity. We understand that this behavior compounded the trauma Ms. Culver Humphrey had already experienced.

For this, we offer our sincere and deep apology to Ms. Culver Humphrey and commit to her that we will strive to build a culture that values personal dignity, transparency, and strong governance. We are grateful for the trust that Ms. Culver Humphrey placed in the investigative process and for her engagement with Mercy Corps as we work to chart a new path. Her strength and persistence – and advocacy on behalf of other survivors – has demonstrated her deep courage, but none of this should have been necessary.

In conducting its investigation, the Freeh Group investigative team worked closely with Ms. Culver Humphrey, including engaging in more than 100 hours of detailed and difficult discussions. Freeh Group provided information from those interviews including details about specific incidents, survivors, victims, and abusers to law enforcement.

Freeh Group sought to identify any additional victims of abuse. Their report notes unidentified victims and survivors of abuse reported by Ms. Culver Humphrey. We were horrified to learn about this additional abuse and the involvement of eight other alleged abusers, seven of whom were affiliated in differing capacities with Mercy Corps in the past. We feel deep regret that Mercy Corps failed in its responsibility in 1992 and 1993 to understand the extent of the abuse, assist in pursuing justice, and potentially prevent further harm. We are particularly ashamed that some of these alleged abusers were reported to have used prior Mercy Corps facilities or

activities to carry out this abuse. Based on investigation protocol and the survivor's request, the report does not identify alleged abusers, but this information was shared with law enforcement.

As the current Board of Directors for Mercy Corps, we apologize to our donors and to our staff for the past failures to exercise proper oversight in this case. The Board's failures in this regard do not reflect, and should not diminish, the hard work of the dedicated Mercy Corps staff. We commit to our staff, program participants and donors that we will continue to support our executive team as we strive to build and nurture an organization that fulfills its vital mission, while protecting survivors and creating a culture of accountability.

To that end, and under the new leadership of CEO Tjada D'Oyen McKenna, Mercy Corps is undertaking a deliberate transformation to live up to the values of dignity and respect, inclusivity, and safety that our participants, team and supporters expect and deserve.

The Board has initiated a full governance review and begun implementing initial recommendations, including completing Preventing Sexual Exploitation and Abuse and Safeguarding training for all Board members and addressing the composition and diversity of the Board. We have also created a new Joint Ethics and Safeguarding Committee to oversee safeguarding. Furthermore, Mercy Corps has hired a Chief Ethics and Compliance Officer, Steve Linick, to oversee a strengthened ethics and compliance department that is responsible for all reports of ethics violations including safeguarding allegations, fraud, corruption, other code of conduct reports and global human resources complaints. Mercy Corps will have dedicated safeguarding support in place in all countries by June 30, 2021. A summary of this progress can be found in the second annual Global Safeguarding Report for Fiscal Year 2020.

During the time of Freeh Group's investigation, no additional survivors came forward to the Freeh Group's team, and no reports were made relating to this investigation on Mercy Corps' anonymous hotline. The hotline remains open and we encourage any additional survivors to make a report using the integrity hotline. Reports can be made anonymously online at mercycorps.org/integrityhotline or by phone at (800) 461-9330 (for international dialing see mercycorps.org/integrityhotline).

We know that acknowledging Mercy Corps' failures and strengthening our safeguarding systems and protocols will require an ongoing and permanent commitment. If we are to do our part to strengthen systems that stop atrocities of sexual abuse, assault and exploitation, all victims of abuse must have access to effective systems for reporting when abuse occurs and be assured that immediate actions will be taken in a supportive, respectful manner.

The Board and the Executive Team are committed to ensuring that we pursue the institutional change that will allow Mercy Corps employees around the world to continue their vital work and to do so with confidence and renewed trust in Mercy Corps' governance and leadership.

With deep regret and resolve,

Mercy Corps Board of Directors