

To our stakeholders

Date

1 September 2022

Subject

Statement of continued support by the Chief Executive Officer

Dear stakeholder,

I am pleased to confirm that AidEnvironment reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using primary channels of communication.

Yours sincerely,



Annemieke Beekmans
Director AidEnvironment

Communication on Progress

Date: 1 September 2022

General

AidEnvironment is a not-for-profit sustainability research, strategy and implementation organisation that combines data, technology, systemic thinking and boots on the ground understanding to achieve transformative sector change. We produce actionable insights and implement sustainable solutions for NGOs, governments, finance institutions and businesses, with a goal to help protect and restore ecosystems and improve livelihoods. Our core activities are linked to five SDGs:

SDG 2 Zero hunger

We promote sustainable agriculture to end hunger, achieve food security and improved nutrition.

SDG 6 Clean water and sanitation

We work with communities and governments to ensure availability and sustainable management of water and sanitation for all.

SDG 12 Sustainable production & consumption

We work with the private sector to ensure sustainable consumption and production patterns.

SDG 13 Climate action

We perform data-driven research that urges financial institutions and companies to take action to combat climate change and its impacts.

SDG 15 Life on land

We provide research and advice on how to protect, restore and promote sustainable use of ecosystems, sustainably manage forests and combat desertification, land degradation and biodiversity loss.

The social and environmental policies of AidEnvironment are based on different international standards and frameworks such as:

- The UN Global Compact Principles;
- The IFC Performance Standards;
- The Equator Principles;
- The Sustainable Development Goals (SDGs);
- The Organization for Economic Corporation and Development (OECD) standards;
- International conventions and standards such as the Convention on Biological Diversity, the Ramsar Convention, the World Heritage Convention, the International Bill of Rights and the ILO standards;
- The UN Human Rights & Business Framework;
- The UN Framework on Climate Change and the Kyoto Protocol.

One of the most important achievements in 2019 has been the establishment of our sexual harassment policy. Also, we established an independent, external trusted person to facilitate easy,

external and anonymous accessibility in the case of an incident. In 2020, we have taken an in-depth and critical look at sustainability within our own operations as well as in our lives outside of the office. To do so, we have established a sustainability committee of employees that thoroughly researched four key sustainability aspects. In 2021, these findings have been translated into updated policies and regulations. More specifically, this has resulted in an organization-wide sustainability policy that is being implemented and updated on regular basis. This is further detailed in the section on environmental principles. In below sections, we detail our progress on human rights principles, labor principles, environmental principles and anti-corruption principles.

Human rights principles

AidEnvironment has a profound knowledge and broad experience in the field of human rights, labor conditions, gender, health and safety, land rights, indigenous peoples and community rights, and socio-cultural conditions and developments. The different aspects of human rights are fully integrated into our daily consultancy work and numerous assignments on sustainable value chains and (environmental) assessments. AidEnvironment respects the Universal Declaration of Human Rights (UDHR) across her activities and through the relationships with third parties associated with those activities, such as business partners, clients, entities in the value chain, civil society organizations and State agents. The respect for human rights is integrated in both the internal and external operations of the organization. Internally, our Human Resource policy clearly describes the rights and obligations of the employees and management. In addition, the quality management protocol is used to maintain and further optimize the integration of human rights into the organization's activities. Externally, our Code of Conduct encompasses the rules of engagement for potential and actual clients, as well as for suppliers.

Implementation

AidEnvironment respects and protects human rights in her daily operations. It is recognized that this responsibility extends beyond the organization's own activities and includes relationships with business partners, suppliers, and other state and non-state entities that are associated with AidEnvironment's activities. Internally, the Human Resource policy is being used as the guideline for these processes. Externally, the Code of Conduct of AidEnvironment describes how human rights should be safeguarded in regard of relationships with clients and partners. The board of AidEnvironment is tasked with supervising the integrity of both the internal and external activities.

Measurement of outcomes

In 2020, 2021 and 2022 so far, AidEnvironment has not received any complaint from employees, business partners or clients in relation to (potential) human rights violations, nor was the organization involved in any human rights incidences before or during the reporting period. Furthermore, our organization has been active in promoting human rights within the activities of our business partners and clients by advising them on human rights issues and measures to respect, protect, and promote human rights. Because of the scope of our activities and the limited number of employees (40), an external audit on human rights performance is not required.

Labor principles

AidEnvironment's Human Resource policy describes all required labor rights, including nondiscrimination and equal opportunities. Cultural differences are of increased awareness within AidEnvironment as well as the freedom of association and right to collective bargaining, workplace health and safety, as well as conditions of employment and work (wages, working hours, leave, benefits etc.). AidEnvironment has put specific attention to gender and the gender balance within the organization, this is described in the Company Statement on Gender. We established a sexual harassment policy in which we detail how we are committed to provide a safe environment for all our employees, clients, subcontractors, partner organisations, interns or associates, free from discrimination on any ground and from harassment at work including sexual harassment. AidEnvironment operates a zero-tolerance policy for any form of sexual harassment in the workplace,

treats all incidents seriously with respect and in confidence and promptly investigates all allegations of sexual harassment. Any person found to have sexually harassed another will face disciplinary action. No one will be victimized for making a complaint or reporting an incident. In doing so, we actively contribute to SDG 5: the achievement of gender equality and the empowerment of women and girls.

Implementation

The Human Resource Policy of AidEnvironment is in line with the UN Global Compact Principles. In recent years, specific attention has been given to the internal grievance mechanisms for employees, the institutionalization of an in-house counseling procedure, and the procedures for personal development to enhance organizational growth. In 2020/2021 we have again appointed a Compliance Officer, who ensures that the organization and its employees are in compliance with the rules and regulations and the Code of Conduct. Employees can report anonymously to the Compliance Officer. In addition, AidEnvironment has adopted a Whistle Blower Policy and signed a statement in this regard. The Whistle Blower Policy is annexed to the staff guidelines as well. In 2021, we have again appointed an internal trusted person through which internal grievances can be addressed through an anonymous channel. We also appointed an external trusted person, as an external trusted person is easier to approach anonymously for both our colleagues within as well as outside of our organization.

Measurement of outcomes

AidEnvironment has received no grievances or complaints from employees or others in relation to (potential) labor rights violations, nor was the organization involved in any labor rights incidences before or during the reporting period. Increased awareness of cultural differences has resulted in employment of staff of different cultural and religious backgrounds. Furthermore, our organization has been active in promoting labor rights within the activities of our business partners and clients by advising them on human rights issues and measures to respect, protect, and promote labor rights. Because of the scope of our activities and the limited number of employees (40), an external audit on labor rights performance is not required.

Environmental principles

In the Environmental Management System (EMS), AidEnvironment has outlined a clear course of action in order to reduce the negative impacts of our organizations' actions on the environment. Here, the conservation of natural resources, emissions of pollutants, environmental hazards and the conditions of a safe working environment are being described. The aim of the environmental management strategy is to continuously improve the environmental performance of the organization. The environmental management is part of AidEnvironment's daily practice. It is felt that it is integrated in the organizational structure and planning of activities, the responsibilities, practices and procedures. Furthermore, environmental management is central to the processes and resources used within the organization as well as in the development, implementation and review of our environmental policy.

Implementation

The Environmental Management System is built to both guide and monitor the environmental performance of the organization. The EMS is a continuous cycle of planning, implementation, reviewing and improving environmental performance. It is based upon national, EU and other relevant legislation, the principles of sustainable procurement and waste reduction. Examples of how AidEnvironment reduced her environmental impacts are our registration with Green Seats through which we compensate our CO2 footprint resulting from our flights, financial compensation of employees that come to the office by bike instead of car or public transport, the procurement of more biological lunch products and our active waste recycling policy. In 2020, we have prioritized the analysis and improvement of sustainability within our own operations. We conducted research and analyzed our environmental footprint both within our office and work as well as in our daily lives

outside of the office related to four dimensions: food, energy, travel and finance. Based on these research projects we have switched to overcompensation programs, a stricter travel policy, advanced remote meeting facilities and a different pension scheme – with more responsible investments. In 2021, we have established a sustainability code of conduct for our employees to formalize and step up the recommended sustainability actions that were identified. This policy will be reviewed and if needed updated on annual basis.

Measurement of outcomes

The environmental performance is measured through setting responsibilities, objectives, operational procedures, training needs, monitoring and communication systems. All of these factors are taken into consideration during the internal monitoring efforts and audits. The results are communicated and when necessary awareness programs for employees initiated.

Anti-corruption principles

AidEnvironment has strict guidelines for personnel on how to act in case of bribery or extortion. Integrity is a vital part in the Human Resource policy as well as the Code of Conduct of AidEnvironment. The personnel of AidEnvironment cannot accept any form of corruption. Therefore, neither employees nor members of the management team accept remuneration outside of the agreed quotation unless it is formally agreed upon. The organization does not engage with business partners and clients with a track record of corruption. Nevertheless, in our line of work we often work with companies with a negative track record. We only work with those organizations to improve their performance on these issues.

Implementation

AidEnvironment has a thorough anti-corruption policy, based on the international standards. The organization only accepts assignments which are within the range of our expertise and experience and are compatible with our vision and mission. Should an assignment move into a direction that is inconsistent with our vision and mission, we discuss this with the client and, if necessary, withdraw from the assignment. Furthermore, employees are not permitted to accept payment for recommending the services of third parties to a client. In 2017, we have implemented a revised Anti-Corruption & Bribery Policy. The revised policy addresses a more profound definition of corruption, how suspicion can be reported, who is responsible for the follow-up, and what the consequences are when violating the revised policy.

Measurement of outcomes

There have been no cases of corruption in the line of our work over the course of the organization's existence. If such a situation might arise, AidEnvironment's Code of Conduct requires us to take appropriate action and ultimately withdraw from the assignment. Afterwards, the situation will be evaluated.