



Communication on Engagement

United Nations Global Compact



Statement of Continued Support

by the Chief Executive

Period covered by this Communication on Engagement: February 2022 – February 2024

February 16, 2024

To our stakeholders:

I am pleased to confirm that TechnoServe reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labor, Environment, and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication on Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely,

William Warshauer
President & CEO



Description of Actions

In 2022, TechnoServe's work:



TechnoServe is a leader in harnessing the power of the private sector to help people lift themselves out of poverty. A nonprofit organization operating in 30 countries, we work with enterprising men and women in the developing world to build competitive farms, businesses, and industries. By linking people to information, capital, and markets, we have helped millions to create lasting prosperity for their families and communities.

Helped 357,000 people and businesses increase their incomes



As a member of the UN Global Compact, TechnoServe has 56 years of experience engaging the private sector and is strategically placed to leverage these relationships to promote business awareness and action on the Sustainable Development Goals. TechnoServe is dedicated to supporting the Ten Principles of the UN Global Compact through our internal policies, programs, and partnerships, understanding that the power to tackle poverty rests in markets.

Generated \$366 million in additional income



Created or supported 32 thousand better jobs

Below is a description of our policies and activities that support the Global Compact principles as they relate to human rights, labor, environment, and anti-corruption.

Human Rights

TechnoServe is an impact-driven organization focused on helping smallholder farmers, entrepreneurs, and others increase their incomes and improve their communities. We achieve these results by focusing not only on the impact we make, but also on how we make that impact—through demonstrating integrity and respect for the people with whom we work. As a member of the UN Global Compact, TechnoServe recognizes, respects, and protects internationally proclaimed human rights, and ensures we are not complicit in human rights abuses.

TechnoServe believes human trafficking, slavery, child labor, gender inequality, and unsafe or unfair work practices have no place in our



global society and has taken measures to create norms and policies which foster mutual respect and collaboration and support the protection of human rights.

TechnoServe's Code of Conduct illustrates how supporting and respecting the protection of internationally proclaimed human rights is core to our work. Further, TechnoServe's Safeguarding Policy reminds all TechnoServe staff of their moral and legal obligations to treat all people with respect, to actively prevent harassment, abuse, exploitation, and human trafficking, and to report any such case, whether observed or experienced. Likewise, TechnoServe is committed to working only with partners—including vendors and suppliers—who are equally committed to the dignity of individuals and equally vigilant to preventing and addressing abuse and exploitation. TechnoServe also has an Ethics Reporting Policy, an active Ethics Committee that reviews and investigates all allegations, and an independent ethics hotline that can be accessed by staff and beneficiaries.

Recognizing gender equality as a fundamental human right, TechnoServe's approach places people at the center, focusing on empowering groups more susceptible to human rights abuses, particularly women. We recognize the vital role played by women and men, in all their diversity, in driving progress toward achieving key Sustainable Development Goals, especially those related to gender equality and economic growth. To unlock the transformative power of women to become successful economic agents, TechnoServe promotes greater access to resources, opportunities, skills, and technology, while also working with actors at multiple levels to create inclusive enabling environments. TechnoServe's Gender Equality Policy sets our ambition to achieve parity in the share of women and men who financially benefit from our programs and enable them to translate their economic participation into positive outcomes for them, their families, and their communities. The policy further outlines our programmatic and corporate commitments, ensuring that our interventions and organizational culture actively reflect the values of inclusion, equity, and advancing gender equality.

In 2022, our efforts resulted in 139,230 women experiencing increased financial benefits from their participation in our programs, constituting 39% of our global beneficiaries. Across all of our programs, TechnoServe applies best practices to address gender-specific barriers to advance long-lasting improvements to women's economic empowerment. We work with women farmers and entrepreneurs, anchor buyers, and market system actors to increase incomes, reduce discrimination, and build



resilient and inclusive businesses. For instance, in the Nespresso AAA Sustainable Quality program in Ethiopia and Kenya, our team facilitates single-sex dialogues to promote intra-household communication and collaboration and strengthen joint decision-making over income and farming decisions. In Guatemala and Nicaragua, the Central American Smallholder Market Access program incorporates leadership training for women farmers to increase women's agency and support them in developing skills to become more effective change agents in their communities. In Benin, women comprised 56% of the entrepreneurs participating in BeniBiz, our business accelerator program. As a result of the growth of their businesses, women's contributions to household expenses increased by an average of 26%. Furthermore, BeniBiz established BeWe, a national network of women entrepreneurs that provides support and serves as an advocacy platform in the country.

Labor

TechnoServe is committed to promoting the right to productive employment and decent work. In our work with entrepreneurs, businesses, and industry to support job creation and workers' rights, we take an active stance against employment discrimination, child labor, and forced labor. TechnoServe believes that if we show respect for one another, we strengthen our connections and build the spirit of collegiality that helps us make our greatest impact.

TechnoServe's Global and US Employee Handbooks detail our internal policies vis-à-vis discrimination and harassment, equal employment opportunity, workers with disabilities, and our Gender Equality Policy for all of our employees. This set of comprehensive policies ensures we provide fair labor to all TechnoServe employees. For example, TechnoServe's Equal Opportunity and Non-Discrimination Policy reminds us of our commitment to making TechnoServe a work environment that is cooperative, safe, conducive to good job performance, and free of all forms of unlawful discrimination or harassment. TechnoServe complies with all applicable labor and employment laws in the areas where we work and communicates to our partners that we expect their commitment to fair labor and sustainable sourcing practices that protect the health and well-being of workers and communities.

TechnoServe's entrepreneurship programming places a strong emphasis on job creation and decent jobs. We strive to support and create better jobs through proven pathways, tailored to the unique economic, social, and operating contexts in which we work.



From 2011 to 2019, TechnoServe partnered with the MasterCard Foundation to help rural youth in East Africa transition to economic independence through self-employment through the Strengthening Rural Youth Development through Enterprise (STRYDE) program. STRYDE equipped 68,000 rural youth in Kenya, Rwanda, Tanzania, and Uganda with the skills and knowledge necessary to capitalize on new economic opportunities.

We also support micro and small-growing businesses in growing, becoming stronger employers, and creating new job opportunities. For example, TechnoServe has partnered with Anglo American since 2018 to deliver the Zimele program, a market development initiative that aims to improve economic well-being in mine neighboring communities in South Africa. To date, Zimele has reached 2,636 beneficiaries and supported 10,837 jobs.

In areas with formal jobs, job seekers often lack needed skills. This is a challenge for youth despite better education and technical skills. TechnoServe offers soft skills training, counseling, and job connections for job seekers to secure and keep jobs. The EmpleaT program (2017-2022), funded by Anglo American in collaboration with the International Development Bank Lab, seeks to economically empower men and women living in communities surrounding Anglo American's mining operations by providing them with various tools to access employability. From 2017 to 2021, the program supported 2,319 beneficiaries in their job search, enabling 820 people to retrain and obtain a trade, and has supported 1,086 jobs. 64% of the participants are women.

TechnoServe's employment programming also improves skills and coordination among key public and private actors and institutions that will continue to drive a strong employment ecosystem beyond the life of our programs. The second iteration of the STRYDE program (described above) centered around a systems approach that involved transferring essential training functions to local ecosystem actors. Throughout the program, TechnoServe partnered with 120 local partners, including vocational training institutions, government ministries, community-based organizations, and special partners such as prisons. This model ensured that local stakeholders would carry out the STRYDE program in the future and helped address the dual challenges of sustainability and scale in youth entrepreneurship programming.



Environment

TechnoServe is committed to the UN Global Compact's aim of supporting companies to develop holistic environmental strategies. We recognize the linkages between climate change and social and economic development and that our programs cannot bring about sustainable poverty reduction if they do not fully address climate change. We inspire corporate partners and governments to support living incomes, cut emissions, end deforestation, and restore biodiversity.

As more governments and companies commit to reversing climate change and nature loss, TechnoServe believes it is essential that people from vulnerable communities influence and benefit from this global action.

In 2022, TechnoServe launched the Regenerate30 initiative to ensure a just and fair transition to regenerative economies. Regenerate30 puts farmers and small businesses at the heart of the solution to create a people, nature, and climate-positive world. By 2030 this movement will result in:

- 30 million people benefitting
- 30 million tons of CO₂e cut
- 30 million acres of land and water with strengthened protection, management, or restoration

It will be catalyzed through market-based solutions, driving \$300 million in private sector investment and \$1 billion in financial benefits for smallholder farmers and businesses.

Across our operations, we promote regenerative farms, enterprises, and markets that not only avoid harming the environment, but also help to restore natural resources, reduce emissions, and sequester carbon, all while delivering more resilient livelihoods to farmers, workers, and entrepreneurs. As a thought leader and a recognized implementer of agricultural programs around the globe, TechnoServe utilizes this platform to promote regenerative agricultural practices and convene stakeholders to develop and diffuse environmentally friendly technologies and solutions.



For example, the WaterWise project, funded by Mother Parkers Tea & Coffee in Ethiopia, developed and scaled up a solution that reduces water usage and waterway pollution from coffee processing at wet mills. Vetiver wetlands are established at the wet mills to purify wastewater naturally and prevent



Under the MAS project in Honduras, we have trained/are training more than 40,000 farmers on climate-smart agricultural practices.

pollution of local waterways. Vetiver grasses also sequester carbon. This approach has been expanded under the Nespresso-funded AAA Program and the U.S. Department of Agriculture Food for Progress Regrow Yirga project. To date, TechnoServe has supported the establishment of 142 wetlands in Ethiopia, which represent a total area of over 42,000 square meters of vetiver grass. In addition, wet mills separate and compost the coffee pulp, which can then be applied on farms as organic fertilizer. The wetlands were shown to improve key pollution indicators, with dissolved oxygen increasing by over 80% by the time the processing water exits the wetland. Pollution of nearby rivers was drastically reduced, and approximately 270,000 community members gained access to cleaner water.

TechnoServe's Entrepreneurship Practice impacts people, climate, and nature by supporting micro, small, and growing businesses in adopting sustainable practices and accelerating "green" businesses.

For example, in partnership with the Ikea Foundation, TechnoServe has launched a program that aims to unlock the potential of 264 small and growing green businesses (green SGBs) in India's waste, textiles, and forestry sectors. The program aims to move the needle across India's SGB sector toward more environmentally sustainable business practices. The project seeks to grow business revenue while reducing waste, limiting emissions, and conserving resources.

Our entrepreneurship work also strives to protect nature by supporting conservation enterprises and alternative livelihoods. As a sub-grantee to Pact in the Restoring Fisheries for Sustainable Livelihoods in Lake Malawi (REFRESH) project, TechnoServe is facilitating the establishment and growth of conservation enterprises that provide viable alternative livelihoods to fishing. TechnoServe supports communities around Lake Malawi in developing and implementing practical, robust growth plans



that counter unsustainable fishing practices, reduce deforestation around the lake, and shift away from poorly managed tourism enterprises.

TechnoServe also works on mainstreaming regenerative practices within traditional business accelerator support. TechnoServe's Impulsa tu Empresa (ITE) project in Latin America is a traditional small and medium-sized enterprises (SME) accelerator. However, the project has introduced an additional sustainability module to its training and has trained its Business Advisors to conduct an environmental and climate Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis with all participants. The SMEs are supported to identify, prioritize, and integrate practices that support business growth and reduce environmental impact. By the end of the program, 1,050 businesses will be adopting best business practices, and 600 businesses will be adopting environmentally positive practices.

Anti-Corruption

TechnoServe aims to achieve “impact with integrity” by holding ourselves to high ethical standards, respecting the rule of law, and behaving honestly and openly. TechnoServe's Anti-Corruption Policy makes clear that participation in any form of corruption is incompatible with TechnoServe's mission and is not permitted. We prevent bribery and corruption by maintaining the strictest ethical standards when dealing with government employees, vendors, suppliers, clients, donors, collaborators, or other stakeholders; declining opportunities and following required rules or procedures rather than paying bribes; and declining compensation, gifts, or payments from vendors in return for giving them our business.

Our Gifts and Entertainment Policy also details the guidelines employees are expected to follow when giving or accepting gifts or business courtesies. TechnoServe's Conflict of Interest Policy ensures employees know how to effectively manage competing interests by being open, disclosing the conflict, and getting advice. This set of internal policies and procedures sets the standard among our partners and stakeholders that we must take an active stance against corruption and bribery. Our Ethics Reporting Policy reminds us to speak up when we see an ethical violation—including fraud or corruption—and that anyone who steps forward in good faith with a concern is protected from retaliation of any kind.

TechnoServe also aims to help businesses combat corruption through



our programming. The UN Global Compact views corruption as a barrier to social and economic development—and this is particularly true for business growth. TechnoServe works with businesses on risk assessment, reporting, and supply chain practices to support more inclusive economic development that benefits the poor. Particularly in our value chain work, we have learned that for our business solutions to reach their maximum poverty-reducing effects, economic activity must be transparent. To reduce economic corruption, TechnoServe promotes great visibility and linkages across value chains to make the rules of economic activity more transparent and to reduce corruption and illegal activity.

A global leader in the coffee sector, TechnoServe aims to promote greater value chain transparency to support more inclusive agricultural development. For example, The East Africa Coffee Initiative improved coffee cooperative governance and transparency by designing and implementing an online transparency system, coffeetransparency.com, and an SMS bookkeeping tool, which continue to provide immediate and transparent access to cooperatives, banks, and buyers on wet mill expenses, profits, and payments. The system also includes a Sustainability Scorecard, audited annually to measure and report cooperatives' scores in complying with internationally accepted environmental, social, gender, and safety-related best practices. Combined, these tools have helped to promote market transparency, improve efficiency, and reduce corruption across value chains and industries.

Measurement of Outcomes

Impact is one of TechnoServe's core values. We are focused on understanding how interventions drive scale and measuring the return on investment of our work. We are an impact-driven organization that uses rigorous measurement to maximize financial and social benefits for the enterprising women and men with whom we work. Throughout the descriptions of our programming above, we have incorporated references to our measurement outcomes as they relate to human rights, labor, environment, and anti-corruption.

TechnoServe goes above and beyond the donor requirements for measuring and reporting impact. This is exemplified by our "Corporate



Measurement” reporting system, into which every project must report. The reports are thoroughly reviewed by TechnoServe’s Global Impact team to ensure rigor, consistency, and accuracy. The results are then analyzed, archived, and made public through our annual Impact Report and various other publications. These indicators also help guide deeper investigations to help us better understand our impact: how it is achieved, what it means for our clients, and how we can ensure that it grows.

Transparency is the foundation of our measurement approach, and we believe it can help inform more effective poverty reduction programs. We therefore openly invite researchers to work with these data archives. An evaluation of our Coffee Initiative, for instance, found that price premiums enjoyed by the coffee farmers we trained continued to increase even after the project ended. In 2019, TechnoServe was named the #1 nonprofit in the category of “reducing poverty” by ImpactMatters, an independent nonprofit agency that rates charities on impact and cost- effectiveness. ImpactMatters assessed our impact data against over 1,000 organizations and focused on metrics that showed nonprofits’ results. In ImpactMatters’ analysis of TechnoServe, a donation can result in income gains for entrepreneurs in developing countries of more than 30 times the donation amount. This further exemplifies TechnoServe’s commitment to turn every program dollar into the greatest possible income gains for the people in the developing world with whom we work. TechnoServe currently has more than 10 evaluations of our work being conducted by top universities and firms including the Abdul Latif Jameel Poverty Action Lab (J-PAL), Innovations for Poverty Action (IPA), the University of Texas at Austin, the University of California San Diego, and the International Food Policy Research Institute (IFPRI).