

Modern Slavery and Anti Human Trafficking Statement

1. Organisation structure and stakeholders

SNV is a not-for-profit international development organisation, operating in 24 countries worldwide and employing more than 1,200 staff, the large majority of whom are recruited from within the contexts where we work in Asia, Africa and Central America. This enables the organization to avail itself of the expertise of staff who know deeply the environmental, economic and social contexts they operate in, while fostering their professional growth, and contributing to more sustainable impact.

In line with the SDGs, SNV strives to ensure that those we work with and for sustainably graduate out of poverty and are set on a stable trajectory towards financial independence and stability. SNV's main stakeholders consist of those we are working with and for in the communities where our interventions occur, our partners (including subcontractors and grantees), consultants and vendors, mainly in the countries in which SNV operates. We deliver our projects in partnership with many bilateral and multilateral donors and we collaborate extensively with other partners such as knowledge institutes, consultancy firms and local and international NGOs – to expand and deepen our impact.

Over the years SNV has striven to ensure that the diversity and the specific needs of people, and the risks they could be subject to, are taken into consideration in every project, regardless of the scope. To achieve this and SNV's goals, the SNV Policy House was established. This includes operational policies, procedures and instructions which underpin SNV's operations globally. Contained within the SNV Policy House are several specific policies which have been developed to pre-empt and address situations that could be detrimental for our employees, for the organization and for the people we work with and for.

2. Policies in relation to modern slavery and human trafficking

SNV carefully considers the social implications and potential for unintended consequences from its operations, and over the years has responded by developing and institutionalising policies that aim to protect partners and stakeholders.

It is clear that larger projects, increased migration, urbanization and staggering inequalities across the world, demand that the existence of Modern Slavery and Human Trafficking and the risks of occurrences in our supply chains are acknowledged and addressed. SNV is committed to continually strengthening its policies and procedures to mitigate the risk of occurrences of Modern Slavery and Human Trafficking in its supply chains and the risk of such offences being perpetrated by any SNV employee.

In an effort to ensure the protection of any person in a position of vulnerability and/or subject to a power imbalance that prevents them from seeking protection and redress, SNV has developed the following policies. As outlined below, these policies each play their part in mitigating the risks of Modern Slavery and Human Trafficking occurring in our supply chains.

SNV Ethical Standards Policy/Code of Conduct – The SNV Code of Conduct (CoC) is a commitment to good governance, as well as being a guidance document to foster the use of sound judgment and provide a set of resources, in line with international conventions and guidelines, to address ethical matters, where conflict of interest and risk of other forms of misconduct may arise. It reflects the organizations' values, namely trust and respect; equity and equality; and diversity and people centredness. Through the CoC SNV commits to: integrity, transparency and accountability, impact and results, legal compliance, social and environmental sustainability, a safe environment for all employees and lastly to be and to engage with responsible businesses.

SNV Child Protection Procedure – This procedure defines who can be considered as a child and the forms of abuse and misconduct they may be vulnerable to facing. It also considers the implications of different types of violence (physical, emotional, sexual, neglect) and of child labour, including

under conditions of slavery. The procedure also outlines how the organization will handle any misconduct against minors, in the best interest of the child.

SNV Whistle-blower Reporting Procedure – The Whistle blower procedure is the document enabling any SNV staff member to report cases of misconduct, corruption and fraud, with the knowledge that the organization will take their complaint seriously and investigate it, in confidence, without any risk of retaliation, irrespective if the complaint is then proven right (as long as the person reporting demonstrates good faith).

SNV Workplace Discrimination & Harassment Procedure – This procedure outlines what can be defined as workplace harassment and discrimination and what the internal processes to address it are: from the individual to the organization, and from the reporting process to the measures being taken to curb the incidence sustainably.

SNV's Contracting and Procurement Policy - SNV's Contracting and Procurement Policy, Procedures and Instructions are founded on the principles outlined in the SNV Code of Conduct. They establish the minimum requirements for the acquisition of goods, works, services and partners.

In line with our Contracting and Procurement policy we carry out extensive due diligence before engaging with vendors, consultants and partners. Additionally for partners, we conduct a Partner Systems Assessment to ensure that potential partners are subject to the same standards to which SNV holds itself. A Partner Systems Assessment is carried out on all potential partners to evaluate their compliance with minimum performance indicators. This includes specific checks for the existence of policies protecting against the risk of occurrences of Modern Slavery and Human Trafficking within their operations.

Furthermore, a specific Code of Conduct is being developed to be adhered to by all our vendors, consultants and partners and will be finalized in the first quarter of 2022: this aims to hold the second tier on project implementation (where the first tier is the staff directly employed by SNV) accountable for their actions and clearly determines the measures SNV intends to take in case of breach of this CoC.

In an effort to strengthen these policies and ensure they have the most meaningful possible impact, as well as to ensure compliance to our donors' requirements and regulations, during 2021 SNV undertook an operational review of our existing policies for their compliance with our key donor requirements. Recommendations from this assessment for the strengthening of SNV's policies and procedures will be taken forward during 2022. These recommendations include ensuring that Modern Slavery and Human Trafficking and the responsibilities of SNV, its staff and representatives in mitigating these risks are specifically set out in our Ethical Standards Policy and Code of Conduct (to which all employees are expected to sign and comply with, and to which all partners and consultants are expected to adhere). In addition, to improve the process of reporting incidences of Modern Slavery and Human Trafficking, SNV will strengthen its external complaints mechanism. Furthermore, SNV will further strengthen its due diligence instructions to require a declaration from partners that there are no instances of Modern Slavery or Human Trafficking known to have occurred in their supply chains.

SNV is committed to responsible business practices and will, therefore, only work with partners whose business practices are in line with our Ethical Standards as defined by our Ethical Standards Policy / Code of Conduct.

SNV refrains from engaging with partners with a known record of incidents of exploitation, slavery and human trafficking. For all new partnerships SNV also requires a due diligence check to decrease the risk of partnering with stakeholders who might be or have been engaged in activities where people's dignity, safety and lives were put at risk.

3. Risk assessment and management

Both internal and external auditing and evaluation are the cornerstone of evaluating the compliance of SNV's work in line with stated policies, procedures and regulations, from internal processes to

client services: SNV's financial statements are audited annually by an independent external auditor, both in the Netherlands as well as in SNV countries as appropriate. The external auditor reports to SNV's Supervisory Board and Audit and Risk Committee. SNV has received an unqualified opinion each year since becoming a fully independent organisation in 2002.

SNV has established an Internal Control Framework (ICF) which is in principle the first line of control and mitigation against risks occurring across its functional areas; it is the blueprint for the internal control environment of SNV, setting its tone and influencing the control consciousness of SNV staff. The ICF is regularly updated with the participation of the units supporting the business processes covered (i.e. Project Management, Human Resources, Business Development, and Finance itself).

SNV further deploys a Control Self-Assessment (CSA), which is designed to be carried out annually in each country and is part of the 'second line of control'. Addressing compliance, the CSA supports the implementation of the ICF by monitoring the internal controls and evaluating their effectiveness. The ICF (encompassing the CSA) is currently being updated with a view to re-instituting this key risk management mechanism across the organisation.

The third line of control in the ICF model is Internal Audit. It is performed for individual countries / projects selected by risk profile, and gives further support to organizational risk management, follow up of earlier audits, fraud investigations and other special assignments. SNV's Internal Audit team has a direct reporting line to the Managing Board and to the Supervisory Board's Audit and Risk Committee. Internal Audit executes internal audits based on a risk-based audit plan. These audits provide SNV's Managing Board with independent and objective information on the degree of control of SNV's primary processes, supporting processes and projects. They support SNV in accomplishing its objectives by assessing the organisation's processes as a means to identify good practices, possible weaknesses and risks. Based on the information provided, SNV's Managing Board takes measures where needed to improve organisational practice and stimulate learning. Internal Audit monitors the follow-up of the audit recommendations and reports to the Managing Board and Audit and Risk Committee on progress. Internal Audit applies and upholds the Institute of Internal Auditors' Code of Ethics.

Together, these components of SNV's internal controls not only target the identification and addressing of risks that may affect the effectiveness and efficiency of operations, and reliability of (financial) reporting, but also considers those that may affect compliance with applicable laws, regulations and ethical standards (including Modern Slavery and Human Trafficking) with equal importance.

Furthermore, SNV's Environmental and Social Safeguarding Policy (ESSP) ensures that any potentially adverse environmental and social impacts of SNV projects are identified, avoided or mitigated, and that positive impacts are optimised.

4. Key performance indicators to measure effectiveness of steps being taken (including training)

SNV prioritizes the respect for human rights and well-being of staff and stakeholders, beyond the specific scope of any project. We are a signatory to the UN Global Compact. Both the corporate Key Performance Indicators (KPIs) and the Global Priorities for 2021 cut across sectors and take into consideration not only the technical and financial aspects of our work, but also its social implications.

Over the past 12 months SNV has been taking steps to strengthen the organisation's ethical standards, policies and procedures. These measures include:

- A new Ethical Standards Training was developed and launched in 2021 and is a mandatory training requirement for all staff, including newly recruited staff. It is also mandatory for all staff to refresh this training on an annual basis. This is a step towards a more internalized understanding of SNV's ethical standards, as well as an appropriate way to ensure that all staff members, regardless of their function, have a training and essential understanding on the social implications and potential risks of their work, in line with the principle of "Do No Harm".

- Module 2 of this training 'Responsible Organisation' clearly defines due diligence processes within SNV and the requirements of our donors and outlines comprehensively the concept of modern slavery and donor frameworks relating to it, including SNV staff's responsibilities. SNV is also developing its approach to ensuring its partners are adequately trained on Modern Slavery and Human Trafficking, as well as ensuring that their supply chains are equally well informed.
- Lastly, in a further commitment to ensure that diversity, inclusion and safeguarding have a pivotal role in the policy and project design processes, as well as to guarantee that they are addressed professionally by a dedicated expert, SNV has hired an Inclusion and Safeguarding Advisor who will provide further support to the organisation.

Approval of this statement

Approval of this statement is made pursuant of section 54(1) of the UK Modern Slavery Act 2015 and constitutes our Modern Slavery and Human Trafficking statement for the financial year ending December 2021.



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