CORPORATE SOCIAL RESPONSIBILITY (CSR)

CORDAID'S POLICY AND COMMITMENTS ON CORPORATE SOCIAL RESPONSIBILITY

24 APRIL, 2024, THE HAGUE

Cordaid — BUILDING FLOURISHING COMMUNITIES

CONTENTS

1. INTRODUCTION

1.1. Subject, process, owner

Subject	Corporate Social Responsibility (CSR) in Cordaid.
Main Process	This policy is linked to the Quality and Compliance management process main process.
Owner	The owner of this policy is the Senior Manager Quality and Compliance.

1.2. Purpose, scope and adherence monitoring

Purpose	This policy describes Cordaid's policy and commitments on corporate social responsibility
Scope	This policy is valid Cordaid wide (Global Office and Country/Cluster Offices). It should be read and adhered to by anyone in Cordaid responsible for or involved in the impact we as Cordaid have on our social and physical environment. This policy replaces the Cordaid Corporate Responsibility policy from 2018.
Scope for local adaptations	As this policy is not related to local laws and regulations, local adaptations are not necessary nor permitted.
Adherence monitoring	Adherence to this policy will be monitored by QM. Reporting will take place yearly as part of the annual report process.

1.3. Main risks and compliance issues addressed by this policy

The table below summarises the main (compliance) risks and control activities in this policy.

RISK	MITIGATION / CONTROL
We have no internal guidance how we will implement several important elements from our strategy document: Compass for an Equitable Future.	The existence of this CSR policy.
We do not practice what we preach: we expect from others that they operate in a socially responsible way, we should do that as well.	The existence and implementation of this CSR policy.
The CSR policy is not implemented.	Adherence to this policy will be monitored by QM. Reporting on CRS will take place yearly as part of the annual report process.
COMPLIANCE ISSUE (EXTERNAL)	CONTROL
Non-compliance with regulators that require that Cordaid has a CSR policy.	The existence and implementation of this CSR policy.
CSR policy does not cover the required subjects.	Using the European Sustainability Reporting Standards as guidance for the policy.

1.4. Key definitions

CSR	Corporate Social Responsibility: Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public. By practicing corporate social responsibility, also called corporate citizenship, companies are aware of how they impact aspects of society, including economic, social, and environmental. Engaging in CSR means a company operates in ways that enhance society and the environment instead of contributing negatively to them.
CSRD	Corporate Sustainability Reporting Directive: The Corporate Sustainability Reporting Directive makes it mandatory for large companies and all companies listed on regulated markets to disclose sustainability information. Starting from fiscal years beginning on or after January 1, 2024, large firms already subject to the Non-Financial Reporting Directive (NFRD) will have to report along the environmental, social, and governance dimensions.
ESRS	European Sustainability Reporting Standards: for use by all companies subject to the Corporate Sustainability Reporting Directive (CSRD). This marks another step forward in the transition to a sustainable EU economy. The standards cover the full range of environmental, social, and governance issues, including climate change, biodiversity and human rights. They provide information for investors to understand the sustainability impact of the companies in which they invest.

2. POLICY STATEMENTS - WHY DO WE OPERATE THE WAY WE DO?

2.1. Introduction

Organisations have a responsibility to those groups and individuals they can affect, i.e., their stakeholders, and to society at large. A corporate social responsibility (CSR) policy functions as a self-regulatory mechanism whereby an organisation monitors and ensures its active compliance with the spirit of the law, ethical standards and national or international norms.

For an internationally operating non-profit organisation like Cordaid, corporate social responsibility is our core business. This is expressed in our vision and mission, in our corporate strategy (pathways of change and cross cutting issues) and in our corporate values.

Our Vision
Cordaid does not accept a world of inequality and exclusion. We believe in a world where it is possible for everyone to live a life of dignity. Where people can break through barriers of poverty and exclusion, fully participate in their societies, and influence decisions that affect them. A world with an economy not driven by greed and limitless material growth, but by inclusivity, social and ecological justice, and gender equity. A sustainable world to pass on to future generations. That world is our goal. We work towards it in everything we do.

Our Mission
Inspired by Christian values we believe in the power of people to trigger inclusive social change in their own environment. We seek to strengthen the capacities and resilience of the people and communities we work with, so that they are better prepared to face their future challenges. Our responsibility and accountability lie with those who are poor, marginalised and excluded from safety, services and economic opportunity and sustainable livelihoods. We actively seek increased collaboration and synergies with like-minded organisations, while pursuing the further joining of forces.

Five pathways of change

We assume our responsibility by addressing and undoing underlying barriers (in weak functioning systems), whether environmental, social, or institutional, across five pathways of change (and four cross-cutting results areas), that guide our choices of where, how, and with whom we work. These encompass the delivery of:

Fair structures for health care, with a focus on Sexual and Reproductive Health and Rights (SRHR) including HIV/AIDS, and Mental Health and Psycho Social Support (MHPSS), as healthy populations (notably mothers and children) are essential for participation in school and society.

Strengthened inclusive education services, notably for girls and other underserved populations. Education for children is our human capital and therefore the base for all further development processes.

Fair and inclusive justice systems and peace for growing stability and human security as a fundament upon which societies can thrive and further develop.

Improved agri-food systems, which in turn fosters peace and adds to societies' resilience and allows households to earn a living.

The fifth pathway of Cordaid is humanitarian assistance. It runs parallel with and adds to the four other pathways. Our Triple Nexus approach affirms and further builds upon the interrelationships between the development-oriented and the humanitarian assistance objectives.

To ensure that the improvements and changes we foster are sustained, we rely on the inclusivity, leadership and resilience of communities, and on that, of public and private partners. By working at scale, increasingly with our partners in the lead, systemic approaches contribute to lasting improvements for many, notably for those who have been marginalised the most.

Cordaid's cross-cutting issues
- Triple nexus
- Climate justice
- Gender transformation
- Racial justice, diversity, and inclusion

Cordaid's values
Our operations are guided by four core values that articulate our intrinsic drive. They reflect our concern for human dignity and our compassion and care for the earth. These values are accountability, sustainability, respect, and diversity & inclusion.

ACCOUNTABILITY
We take responsibility for our actions, behaviours, performance, and decisions in a transparent and trusting manner, and we hold others accountable for theirs too.

SUSTAINABILITY
We are aware of and feel responsible for the social, economic, and ecological needs of present and future generations. Sustainability is paramount in everything we do.

RESPECT
We empathise with the interests of others, and accept people for who they are, recognising their rights and desires, so they feel safe and are free to express themselves.

DIVERSITY AND INCLUSION
We believe in the unique contribution each person can make, and include everyone equally regardless of their background, orientation, or profile.

CORDAID VALUES

2.2. European Sustainability Reporting Standards as guiding principles

Although - at this time - NGOs are not required to comply with the European Sustainability Reporting Standards (ESRS) as formulated in the Corporate Sustainability Reporting Directive (CSRD), the reporting standards form a useful framework for the structuring of a CSR policy.

Below we present how Cordaid puts our corporate social responsibility into practice, using the ESRS framework as guidance.

ESRS E – Environment

Climate justice and reducing ecological footprint[1]

E1 – Climate change

While all citizens of the world are impacted by the climate crisis and environmental degradation, the impact is particularly devastating for individuals and communities who have limited resources and capacities to adapt and become more resilient. In the coming years, unequal exposure to climate change, coupled with the excessive costs of mitigation and adaptation measures, is expected to further increase tensions among countries and between people. As an organisation, we contribute to global goals on climate action and advocate for climate justice.

Our effort is to reduce Cordaid's own carbon footprint and to compensate for our remaining carbon emissions. To achieve this, we have adopted a transformative approach that links science, local knowledge, and individual agencies to change attitudes that have a negative impact on the climate and the environment.

Footprint

The footprint of Global office will be reported in annual report from 2024 onwards, and a process will be started on country office level to gain better insight in the footprint of country offices and programme activities.
- Calculation of the footprint, together with FCF
- Compensation plan
- Reduction plan

Compensation activities

In several programmes Cordaid funds and facilitates CO_2 compensation, for instance via restoration of biodiversity in combination with income-generating activities, introduction of improved cook stoves to reduce emissions and introduction of solar panels.

Reduction plan

Global office: attention for sustainable office via assessment of the travel policy on ecological footprint, assessment of our commuting plan, assessment of data storage on computers and benchmarking.
Country offices: Building on existing good practices, linking and learning between country offices.

Climate-health nexus

Cordaid endeavours to adopt a transformative climate approach in all activities, where science, local knowledge and human dignity are symbiotic, working in tandem to change the behaviours that impact climate and the environment to become climate positive by 2030. In particular, Cordaid aims to contribute to the climate change agenda in its health programmes in three ways:
- Financing climate-resilient health systems through Performance-Based Financing (PBF). PBF is a system-based approach that provides financial incentives to health facilities based on performance to increase the utilisation and quality of essential health services, improve transparency and accountability and improve data reliability for more evidence-based decision-making. Cordaid can leverage this system-strengthening approach to address climate change-induced challenges in the health system like droughts and epidemics, for example, to sustain access to essential quality health services in protracted climate crises.
- Adapting health system routines through stimulating circularity in healthcare systems within our programmes. Circularity means a closed loop of continuous reuse of resources, where no waste is created to reduce the negative effects on climate and environmental health and improve the well-being and health of patients and health workers. Circularity goes beyond just recycling, which is just one of the last steps in the scheme of circularity.
- Advocating for One Health and Planetary Health through our health advocacy activities. Cordaid aims to bring this discourse into focus for policymakers in the Netherlands as well as the general public while building up our own understanding of these topics. Throughout our advocacy at the global level, we aim to highlight the urgency of climate change and its effects on health.

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[1] This includes E1 Climate change, E2 Pollution, E3 Water and marine resources E4 Biodiversity and ecosystems and E5 Resources and circular economy.

Circular economy and waste management

With innovative models for waste management and a circular economy, for example in refugee communities, we provide robust solutions for environmental challenges. We facilitate the generation of biogas for cooking and other key energy needs for both refugees and host communities.

ESRS S – Social

S1 – Own workers

Something that makes our programme expense structure somewhat different from other NGOs is our investment in the safety of our people and our partners. We choose to work in fragile states and therefore costs to keep our people and our partners safe are an essential part of our local office and programme expenses.

Safety of our people

Working in sometimes dangerous conditions comes at a cost, both personally for the people involved and financially for the organisation. As Cordaid works in fragile states, the safety and security of our people is a key topic for us. Cordaid staff work in places where others choose not to go. To ensure the safety of our people and partners in these conditions, each country has a Safety Plan and a Safety Coordinator. As part of the Cordaid Committee on Safety, Security and Crisis (CSSC), Cordaid has a Safety and Security Policy and Framework, Safety First, which is mandatory to adhere to for all staff. In addition, training on safety and security is mandatory and conducted regularly. A health check is mandatory every two years for people that are travelling for Cordaid.

Investment in our people

To equip people to work in fragile states and/or to generate the required professional expertise, we invest in our people. To facilitate the personal development of our staff, staff members have access to a personal development budget. In addition, to build staff capacity in prioritized areas, there is a corporate budget, and online and offline trainings are offered. We have a clear salary grid for all our staff.

Staff diversity

Through an Inclusiveness policy, we strive to ensure a diverse workforce tailored to the conditions in the areas where we work, both in the global office and in the country offices.

Partners and their workers in the value chain

To ensure fair treatment of workers in our value chain, as part of the Partner Capacity and Risk Assessment mentioned in section S2 below, Cordaid assesses the main HR procedures of our partner organisation including fair recruitment procedures, safety and security policies and protocols, Code of Conducts and integrity policies. Our partner contracts include signing off on Cordaid's Code of Conduct.

Our Code of Conduct is also included in contracts with consultants and with suppliers.

S2 – Affected communities

As part of our conflict sensitivity approach, we want to make sure none of our stakeholders harm the interests of our primary beneficiaries, do not negatively impact the environment and political context we operate in or carry out activities that contradict our mission and vision. For all programmes, we therefore screen the stakeholders (donors, co-applicants, implementing partners) we collaborate with.

Donor screening

To fund our programmes, we approach institutional donors, often in partnership with local partner organisations. There is a risk that actual or potential donors directly or indirectly harm the interests of our primary beneficiaries or carry out activities that contradict our mission and vision. For this reason, it is important to screen donors before committing to a funding partnership. We screen donors and other organisations based on the exclusion of certain sectors, the endorsement of the UN Global Compact for companies, the Equator Principles for financial institutions and the EITI Principles for extractive companies.

Partner scans

The Partner Capacity and Risk Assessment tool (PCRA) provides insight into the capacity of an implementing or consortium partner and the related risks for Cordaid. The tool is used as part of the partner selection process, to ensure that the partner has the characteristics and capacities needed for successful implementation of the contracted activities.

Stakeholder screening (organisations and individuals)

Like all businesses, also Cordaid must comply with know your customer, anti-money laundering, countering the financing of terrorism, and anti-bribery-corruption laws and regulations. As a result, Cordaid is obliged to collect information on whom it is doing business with and who works for it, not only at the beginning of a relationship, but on an ongoing basis. World Check One is the tool used for screening people and external stakeholders against sanction lists, law enforcement watchlists, and, in some locations, lists of politically exposed persons (PEPs).

Indirect costs

We strive to maximize our spending on programmes, projects and public information and awareness. But we cannot implement and execute our programmes and projects without the support of administrative, fundraising, campaigning in other essential activities in both our head office in The Hague and in our country offices around the world.

The Dutch Central Bureau for Fundraising (CBF) offers guidance on transparency regarding fundraising. In line with their guidance, in our annual report and on our website, we explain our fundraising strategy and methodologies and the ratio between the costs and returns of fundraising. We have budgeted our own targets for this in line with the CBF guidance, and in our annual report we publish how our actual spending on our mission, fundraising and other indirect costs compares to the budgeted costs.

S3 – Consumers and end-users

Integrity

Cordaid's Integrity Framework describes Cordaid's approach to integrity and guides Cordaid representatives and third parties to the relevant policies and procedures.

- Code of Conduct: describes standards of behaviour for Cordaid representatives.
- Safeguarding Policy: Defines Cordaid's standards to ensure the well-being of everyone who comes into contact with Cordaid, including staff and adult and child beneficiaries.
- Fraud Policy: Defines Cordaid's standards to prevent corruption, asset and cash misappropriation & financial statement fraud, and outlines the related measures for prevention, reporting, case handling and sanctions.
- Conflict of Interest Policy: Describes Conflicts of Interest and outlines the procedure to disclose and resolve conflicts.
- Anti-terrorism & Anti-money laundering policy: Defines terrorism and money laundering and outlines measures for prevention, detection, monitoring and reporting.
- Integrity Standard Operating Procedures: Defines the procedures for how to report and handle integrity concerns and complaints.
- Do no harm policy: The basis of Do No Harm (DNH) is to ensure careful consideration is given so no harm is done intentionally or unintentionally.

In 2023, the Supervisory Board approved an updated Code of Conduct, which applies to all staff and consultants. It starts from Cordaid's character and values, and then details specific topics like private life, conflict of interests, sexual relationships, weapons and protection, drugs and alcohol, HIV/AIDS and child labour. The Code of Conduct is provided to all new employees, and they need to sign for receipt and content in their employment contract. It is also published on the Cordaid Intranet for all existing staff. In contracts with implementing partners, suppliers and other parties we refer to the Code of Conduct as published on our website and is an integral part of the contract.

Privacy

Due to changed legislation, privacy has become a hot topic for organisations with databases of personal and contact details, such as our list of private donors. A Cordaid Data Protection policy is in place to ensure compliance with the EU General Data Protection Regulation (GDPR). This policy includes data management application administration (mapping of data management systems and mitigating data protection or security measures) and a privacy policy (governing Cordaid's handling of all personally identifiable information and guidelines on rights of data subjects).

ESRS G – Governance

Good governance
Good governance relates to how we are managed, how we are supervised, how we work with constituents, and how the interests of those constituents are taken care of. The work of Cordaid is supported by government grants, institutional funding and donations from private individuals. As the recipient of public funds and the trust of hundreds of thousands of individual donors, we have a clear duty of care. Cordaid must be accountable to beneficiaries, clients and donors. Governance in Cordaid is organised according to the two-tier model for organisational governance, as required by regulators in the Netherlands.

Cordaid has a Supervisory Board and a Board of Directors. The responsibilities and authority of these two bodies are laid down in Cordaid's Constitution and in Cordaid's Governance Regulations, including the Institutional regulations governing the Remuneration Committee and the Audit Committee. The Constitution confirms in articles 7 and 11 that the Supervisory Board is responsible for organisational oversight, while the Board of Directors is responsible for the management of the organisation.

Detailed information on the responsibilities of the Supervisory Board and the Board of Directors is available in Cordaid's Governance regulations.

Remuneration of the Board
Remuneration of the Board of Directors is in line with the guidelines of the association of Dutch charities ('Goede Doelen Nederland'). Cordaid's executive remuneration policy is evaluated and reviewed periodically by the Supervisory Board. The policy adheres to the Code of Good Governance ('Code Goed Bestuur') of the Cooperating Sector Organisation Philanthropy (SBF) and the regulation on the remuneration of charities by the Central Bureau of Fundraising (CBF).

Accountability and compliance
To ensure the quality of our work, Cordaid signs codes and charters for which it is accountable. At the same time all our staff commits to the Cordaid Code of Conduct that defines shared standards of behaviour. In our annual report we disclose the code of conducts, standards and charters we adhere to, and we describe relevant developments.

We measure our outputs, outcomes and impacts through various means. The information generated helps Cordaid to account for what has been achieved. Internally this enables learning, informed decision making and course corrections. Externally, this information supports us to be accountable to our donors and other stakeholders, both at the project and organisational level. This information is shared with stakeholders via dedicated reports, our annual accounts and our International and Dutch website.

Transparency
In Cordaid we communicate ethically, both in our corporate communications and lobby and advocacy activities. We avoid the provision of misleading information and take care to avoid irresponsible political interference. We avoid every connection with bribery and corruption.

We encourage openness and transparency both internally and externally. We publish our policies and procedures on the Cordaid intranet. An integrity framework is in place with a confidential reporting mechanism to enable anyone involved with Cordaid to adequately and safely report any suspicion of irregularities within the organisation.

Our website provides news updates from the countries in which we work, as well as information on our projects, goals, money flows, results and partner organisations. Information on our goals, activities and results is publicly available in our annual report. In our annual report we incorporate the GRI Sustainability Reporting Standards for reporting on our corporate responsibility topics.

Comprehensive project details are published in the International Aid Transparency Initiative (IATI) framework, responding to transparency requirements of our donors and partners. This is a globally accepted open digital standard for publishing information on development cooperation activities in a timely, comprehensive and forward-looking manner. Our data files are as comprehensive as possible, but if the publication of data poses a danger to our partner organisations or our country staff, project details are made inaccessible.

3. RACI[2] TABLE FOR MAIN PROCESS STEPS OR ACTIVITIES

PROCESS STEP / ACTIVITY	RESPONSIBLE	ACCOUNTABLE	CONSULT	INFORM
Attention for CSR aspects in Cordaid's Strategy	Sr. Manager Positioning & Communication	CEO	Relevant internal and external experts	Internal and external stakeholders
Attention for CSR aspects in thematic elaboration.	Cordaid Experts	Sr. Mgr. EIL & Sr. Mgr. P&C	Relevant internal and external experts	Relevant staff in CO and GO
Implementation of strategy in projects – ensure that CSR aspects are included	Country/Cluster Directors & Sr. Mgr. Programme Delivery	COO	Bid team, Project team	Relevant staff in CO and GO
Attention for CSR aspects in operations	Facility managers in Global Office and Country/Cluster Offices	GO: CFO CO: Country/Cluster Directors	Relevant internal and external experts	Relevant staff in CO and GO
Attention for CSR aspects in support and staff activities	Support and Staff units in Global Office and Country/Cluster Offices	Sr. Managers of Staff and Support units	Relevant internal and external experts	Relevant staff in CO and GO

4. APPROVAL, VALIDITY, REVIEW AND ARCHIVING

Approval	This policy was approved by the Board of Directors on 24 April, 2024 following review by Quality Management.
Validity	This policy will be valid until declared obsolete by the Board of Directors.
Periodic Review	This policy will be reviewed by the owner every two years. Minor adjustments (textual adjustments, adjustments to changes in the organisation) can be made and approved by the owner. Major adjustments (substantial changes in the policy) need approval by the Board of Directors.
Archiving	Once declared obsolete, this document will be archived by Quality Management and retained for 7 years to ensure availability for internal and external audit purposes.

5.VERSION CONTROL

The table below shows the historical data about updates made to this document.

VERSION	AUTHOR	DATE	CHANGES
V0.1_first draft	Paul van den Berg and Odette Oskam	12-04-2024	First draft
V0.2_final draft	Paul van den Berg and Odette Oskam	15-04-2024	Final draft for BoD approval
V2.0	Paul van den Berg and Odette Oskam	24-04-2024	Approved version, replaces the 2018 Corporate responsibility policy

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[2] RACI: Responsible, Accountable, Consult, Inform

ABOUT CORDAID

Cordaid is a value-based international development and emergency relief organisation, based in the Netherlands with offices in 14 countries. We work in and on fragility and support communities in their efforts to improve health care, education, food security, and justice. Where disaster strikes, we offer humanitarian assistance.

Cordaid is deeply rooted in the Dutch society with more than 250.000 private donors. The Christian values of human dignity, justice, compassion and care for the planet guide us in our work . Cordaid is a founding Caritas Internationalis, CIDSE, and ACT Alliance.

CONTACT

Odette Oskam
Quality Coordinator
Odette.oskam@cordaid.org

Postal address
PO Box 16640
2500 BK The Hague
The Netherlands

Address
Grote Marktstraat 45
2511 BH The Hague

+31(0)70-31 36 300
info@cordaid.org
www.cordaid.org

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