



2023 Annual report

CNV Internationaal

Having its registered office in Utrecht

Postal address : PO Box 2475, 3500 GL UTRECHT,
THE NETHERLANDS

Office address : Tiberdreef 4, 3561 GG UTRECHT,
THE NETHERLANDS

Telephone : +31 (0)30 751 10 01

Internet : www.cnvinternationaal.nl

COC : 54436222

Stichting CNV Internationaal
2023 Annual report

Table of contents

1. Board and organisation	6
1.1. Board and organisation	6
1.2. Management structure	6
1.3. Quality Policy	7
1.4. Staff and organisation	7
1.5. Financial results	7
1.6. Management Information System.....	8
1.7. Facilities support.....	8
1.8. Future outlook.....	9
2. Financial accountability	10
2.1. Funding sources.....	10
2.2. Accountability and review of partner organisations' management capacity	11
2.3. Policy on Sanctions, Anti-Fraud and Anti-Corruption	17
2.4. Discharge	18
2.5. 2024 budget.....	18
3. Social responsibility in the 2023 Annual Report	19
4. Financial report 2023.....	20
5. Notes on guiding principles of the financial report	22
6. Principles for the valuation of assets and liabilities	23
7. Principles for the determination of result	24
7.1 Risk section.....	25

8. Notes to the balance sheet	26
8.1 Tangible Fixed Assets	26
8.2 Receivables and accrued assets	26
8.3 Cash and cash equivalents.....	27
8.4 Equity.....	27
8.5 Current liabilities.....	27
8.6 Overview of changes for VMP 2021-2030	28
8.7 Off-balance sheet obligations and rights.....	29
9. Notes to the Statement of Income and Expenses	30
9.1 Subsidies and contributions.....	30
9.2 Attendance fees	30
9.3 Subsidy income	30
9.4 Miscellaneous income	31
9.5 Project Costs	31
9.6 Personnel costs	31
9.7 Depreciation costs	32
9.8 Office expenses	32
9.9 General expenses	32
9.10 Shared Service Centre costs	32
9.11 Charges passed onto projects.....	33
9.12 Financial income & expenditure.....	33
10. 2023 WNT accountability	34
11. Other information	35
Appendix A Summary of VMP projects	41
Appendix B VMP project budget realisation by category and result area	42

1. Board and organisation

1.1 Board and organisation

Stichting CNV Internationaal is an independent foundation affiliated with CNV Vakcentrale trade union. CNV Internationaal contributes to fair work in developing countries based on the CNV principles of international solidarity, personal responsibility, social dialogue and pluralism.

CNV Internationaal does this by strengthening the position of workers in the formal and informal economy through major social partners using social dialogue in order to stand up for the rights of workers across Africa, Latin America and Asia. Improving workers' rights regarding supply chains, living wage, just transition, youth employability and gender equality are some of the key issues that CNV Internationaal tackles.

A number of new projects were launched by new and existing donors in reporting year 2023. Some examples of this include the Fair Work Monitor project by the Dutch Postcode Lottery, the ODI Peer Learning Network and the IDH living wage project for the sugarcane sector in collaboration with Hershey. In collaboration with the Dutch Ministry of Foreign Affairs, CNV Internationaal has also continued with the implementation of two programmes: the Trade Union Co-Financing Programme ('Vakbondsmedefinancieringsprogramma', VMP 2021-2030) and the strategic partnership with the Fair Wear Foundation (FWF) as the lead manager (Sustainable Textile Initiative: Together for Change – STITCH). Some projects are funded as a result of international Collective Labour Agreements (CAOs) and a large group of loyal donor contributions to CNV Internationaal's work. More information on the progress of the VMP (Dialogue@Work) is provided in the [2023 Annual Report](#). (cnvinternationaal.nl/jaarverslag).

Stichting CNV Latijns-Amerika was launched in 2023 to manage and monitor the finances of all projects in Latin America. The foundation was founded by the board of CNV Internationaal and is represented by the Managing Director of CNV Internationaal. According to its statutes, Stichting CNV Latijns-Amerika has two bodies: the general assembly of founders and the foundation's director. The general assembly of founders meets every three months and consists of the managing director, who appoints the director and the fiscal auditor (revisor fiscal) of the foundation. Currently, the regional coordinator of CNV Internationaal is acting as the director (legal representative), and the local programme coordinator has been appointed as substitute. The position of revisor fiscal is held by an external tax office.

In 2023, a one-off contribution of €1,000,000 was received from the Nationale Postcode Loterij (Dutch Postcode Lottery). This contribution is intended for the further development of the Fair Work Monitor and has a duration of three years (2023-2025). Thanks to this contribution from the Nationale Postcode Loterij, CNV Internationaal can further develop the Fair Work Monitor to gather information on working conditions from workers in Latin America, Asia and Africa, and use it to help improve conditions for workers in our project countries.

1.2 Management structure

According to the statutes of CNV Internationaal, the Board of Management of CNV Internationaal is also the Board of Management of CNV Vakcentrale, albeit with a different division of roles for the positions of Chair and General Secretary/Treasurer. In 2023, the Board of Management of CNV

Internationaal comprised Daniëlle Woestenberg (Chair), Jan Pieter Daems (General Secretary/Treasurer), Piet Fortuin (Board member), Patrick Fey (Board member), Justine Feitsma (Board member) and Semih Eski (Board Member).

CNV Internationaal also has a Supervisory Board. In 2023, the Supervisory Board consisted of three members of the Supervisory Board of CNV Vakcentrale: Arend van Wijngaarden (Chair), Marianne Luyer and Louise van Deth. The day-to-day management of CNV Internationaal is in the hands of the Managing Director. In 2023, this was Elles van Ark.

1.3 Quality Policy

In 2023, CNV Internationaal further improved the Quality Policy by updating several outdated procedures. Additionally, new financial monitoring reports were drawn up to improve cash flow management. The CNV's Code of Conduct on undesirable behaviour is a standard part of contracts with external parties, e.g. service providers and collaboration partners. For more information on the implemented policy regarding the complaints procedure, please refer to Chapter 3, 'Social Accountability', of the 2023 Annual Report.

1.4 Staff and organisation

As of 31 December 2023, CNV Internationaal's team comprised 19 employees, including a Managing Director (17.61 FTE in total). There were several personnel changes across several teams. In addition, in 2023 there were three (2.67 FTE) interns.

In 2023, the sick leave rate was 6.2%. This is an increase of 3.05% compared to 2022 (3.15% in 2022). Of this absenteeism, 0.1% is short-term sick absence (lasting less than 1 week), and the rest is long-term absence (lasting more than 6 weeks). This long-term absence increased from 2.60% in 2022 to 6.1% due to the illness of one colleague in 2023. The sickness leave frequency is low, at 0.17%. CNV Internationaal's overall absence rate is slightly lower than CNV Vakcentrale's average absence rate in 2023, which was 6.6%.

An HR advisor from CNV Vakcentrale supports CNV Internationaal with the implementation of its Staff Policy. CNV Internationaal staff are employed by CNV Vakcentrale. A one-year collective labour agreement (CAO) was signed for 2023. Staff expenses are charged to the foundation in full. In 2023, the Managing Director of CNV Internationaal participated in the monthly Management Consultation (MO), in which all department managers at CNV Vakcentrale participate and matters of common interest are put on the agenda.

1.5 Financial results

CNV Internationaal achieved a positive result of €18,000 for the 2023 financial year. This is slightly lower than budgeted, partly due to lower donations. Part of this amount was added to the special-purpose reserve.

Within the context of striving for a better balance between available and required capacity, the size of the freely disposable assets should also receive attention. So far, there has not been any evidence of substantial change.

The Statement of Income and Expenditure for 2023 and the balance sheet as of 31 December 2023 are included in Chapter 4.

1.6 Management Information System

CNV Internationaal uses Microsoft Dynamics for Finance & Operations (D365). We use the time registration module in D365 and various digital reports in PowerBI. In addition, several management reports based on D365 have been implemented in order to support finance-related project management and other forms of project management.

In 2023, a project controller was added to the CNV Internationaal team. In addition, the collaboration and distribution of tasks and responsibilities with the Shared ICT and Finance Service Centre was further strengthened and clarified. There are periodic discussions between CNV Internationaal and SSC Finances.

1.7 Facilities support

Since 2007, CNV Vakcentrale, CNV Jongeren, CNV Connectief and CNV Vakmensen have all been housed in the same office building in the Overvecht area of Utrecht. This modern building is equipped with adequate infrastructure.

Support services from HR, Administration, IT and Facility Services are provided by the CNV Shared Service Centre (SSC), which supports the business operations of CNV Vakcentrale and the aforementioned trade unions. CNV Internationaal pays a fee for the use of SSC services based on internal distribution keys. Based on, among other things, the number of square metres of office space area, the number of equipped workstations and the number of employees, an amount is charged onto CNV Internationaal.

An in-house company emergency response service (BHV) is present in the office building. There is also an AED device available. For sick leave prevention, guidance and reintegration, CNV Vakcentrale has concluded a service contract with a certified occupational health and safety service.

For air travel bookings, CNV Internationaal has agreements in place with a travel agency that gives rate reductions for humanitarian organisations. Since 2007, CNV Internationaal has been using carbon reduction projects to offset carbon emissions caused by air travel of employees on working visits to partner organisations and from employees at partner organisations travelling to the Netherlands. This is arranged through the Climate Neutral Group. In 2023, CNV Internationaal made 168 flights. Total emissions from these flights amounted to 158.38 tonnes of CO₂. This is offset through sustainable energy projects that reduce carbon emissions.

1.8 Future outlook

The year 2023 was the third year for our major programmes: the Vakbondsmedefinancieringsprogramma (Union co-financing programme – VMP) – Dialogue@Work – and the STITCH strategic partnership, with Fair Wear Foundation as the lead manager. The VMP runs for 10 years and will finish at the end of 2030. The STITCH programme will run until the end of 2025. Although the VMP had planned to reduce funding annually from 2023 onwards, at the end of 2022 the Ministry

pledged additional funding for social dialogue engagement in 'combination countries' for the 2023-2025 period. At the end of 2023 plans were approved to strengthen social dialogue in a specific number of countries, i.e. Indonesia, Vietnam, Colombia, South Africa, Ivory Coast and Senegal. CNV Internationaal will receive an additional €3 million for a three-year period (2023-2025). In addition, the Ministry has made funds available to assess the impact of the Corporate Sustainability Due Diligence Directive (CSDDD) legislation in our project countries within the VMP. CNV Internationaal, Mondiaal FNV and FWF have jointly submitted a plan for this. This was approved at the end of 2023, after which the activities began.

Even after 2023, International Corporate Social Responsibility will remain an important theme for CNV Internationaal. For instance, CNV signed a new sector agreement: the Renewable Energy Covenant (2023-2025). CNV Internationaal is the lead manager for the subsidy awarded to civil society organisations under this agreement. In 2024, under the leadership of the Social and Economic Council of the Netherlands (SER), opportunities to enter into new agreements in other sectors, including the textile sector and the renewal of the agreement for the metal industry, which expires in mid-2024, will be explored.

CNV Internationaal will also continue its mission in 2024: 100% fair work for all. Within this mission, the organisation will continue to work on themes in which it is increasingly specialising: living wages, just transition and access to remedy. These are themes that are relevant across all regions and supply chains, and which we work across borders with unions from different regions.

In 2023, a new foundation was set up in Latin America in order to manage the programme there. In the first quarter, this was still managed through the NGO PLADES in Peru. PLADES still manages a number of projects that are running in Peru and its surrounding areas. At the end of 2023, the decision was taken to expand the local office with its own financial staff, replacing the external accounting firm that had previously carried out this work.

2. Financial accountability

Following are CNV Internationaal's financial accountability for the year 2023.

2.1 Funding sources

Trade Union Co-Financing Programme ('Vakbondsmedefinancieringsprogramma', VMP) and Other Funding

In 2023, the VMP subsidy for the amount of €3,114K was received from the Dutch Ministry of Foreign Affairs' subsidy decision for the period from 1 January to 31 December 2023. In 2023, an amount of €622K was also received through an addendum. In 2023, a total subsidy amount of €3,843K was available from the VMP for the projects. This amount includes the annually allocated subsidy of €3,100K the addendum of €622K and the expected remaining spendable amount of €121K from the year 2022. The total available budget for 2021-2023 is €10,388K. Also, in 2023, approval was received for the CSDDD top-up (€2,269K), from which funds are programmed in 2024.

In 2023, funding was also available from the following sources: STITCH strategic partnership, IC-CAO, RVO, Nationale Postcode Loterij, the ODI Peer Learning Network, IDH, other donors, private donations and contributions from unions. A total of €2,221K was used from Other Funding in order to co-finance our partner unions' projects in Africa, Latin America and Asia.

Total spending in 2023 is €5,187K, of which 62.6% comes from the VMP and 37.4% from Other Funding.

Spending summary

Year	Budgeted	spending (= expenditure)	%	Budgeted	spending (= expenditure)	%
	VMP	VMP		Other Funding	Other Funding	
2020	€2,667,649	€2,481,120	93.0%	€2,385,899	€2,417,317	101.3%
2021	€3,333,333	€2,878,804	86.4%	€1,374,461	€1,392,592	101.3%
2022	€3,428,326	€3,420,333	99.8%	€1,605,726	€1,776,725	110.6%
2023	€3,842,656	€3,239,429	84.3%	€2,221,785	€1,947,435	87.7%

*the amount may differ from the previous reporting year due to handling in the current reporting year.

Available funds vs spending

Relative to budgeted VMP revenue, the spending rate in 2023 was 84.3%, compared to 99.8% in 2022. This was mainly caused by the fact that the addendum budget was only allocated at the end of 2023. Consequently, the addendum activities have largely been postponed until 2024.

Available income from Other Funding is higher in 2023 than in 2022. This is partly due to a different mix of new and existing subsidies from various donors and a better focus on the implementation of these projects. Spending from Other Funding is 87.7% of the budgeted income.

Development of liquidity

The liquidity position decreased by €1,792K and amounted to €2,805K at the end of 2023, compared to €4,597K at the end of 2022. The reduction in liquidity is mainly due to timing, as the advances from the VMP subsidy for 2023 had already been received in the previous year (2022). Working capital as of 31 December 2023 was €468K, compared to €440K as of 31 December 2022.

2.2 Accountability and review of partner organisations' management capacity

Monitoring executive organisations

The policy with regard to assessing the management capacity of regional organisations or coordinating organisations and partner organisations is set out in the 'Project funding' procedure. Partner organisations and coordinating organisations are selected beforehand based on internal selection criteria set out in a document entitled 'Criteria for the partner organisation and coordinating organisation'. After the selection phase comes the planning phase in which a Regional Coordinator and a Programme Officer from CNV Internationaal draw up a detailed activity or work plan and budget in collaboration with the main partner and coordinating organisation. The Managing Director and Board of Management of CNV Internationaal finally review this and approve the work plan and budget.

Upon approval, a contract is drawn up in collaboration with the Programme Assistant based on a prescribed standard contract. The contract is then signed upon approval by the Regional Coordinator and Managing Director of CNV Internationaal. The contract contains conditions to be met by the partner organisation and/or coordinating organisation. One of the conditions is that the partner organisation and/or coordinating organisation must provide quarterly financial reports and biannual narrative, indicators and financial reports to CNV Internationaal.

If the contribution exceeds €25,000, an audit opinion and a management letter issued by the local accountant appointed by CNV Internationaal are required at the time of the project's settlement of accounts. CNV Internationaal's Project Officer is involved in the accountant selection process. The selection process is set out in CNV Internationaal's Guidelines Auditor's Report. This also sets out the criteria to be met by the accountant.

CNV Internationaal has prepared a Terms of Reference document setting out the activities to be performed and the report to be submitted by the local partner's accountant. This Terms of Reference document forms part of the agreement between CNV Internationaal and the local partner's accountant.

In the interim, partner organisations prepare financial quarterly reports and semi-annual substantive reports. These are assessed by the regional coordinating organisation and, where necessary, improved in collaboration with the partner organisation. Subsequently, they are forwarded to CNV Internationaal's Regional Coordinator and Programme Officer. Furthermore, national and regional coordinators are appointed in the countries and regions who are responsible for the

PME cycle – planning, monitoring and evaluation – in their country or region. The exact structure varies by region. The accountants contracted for partner projects also conduct interim audits. CNV Internationaal's Programme Officer and Regional Coordinator review the resulting reports. During the implementation phase, the project implementation is monitored on site during visits to the coordinating organisation or partner organisation or meetings with them. Monitoring can be repeated several times if necessary. This also allows for interim monitoring, both financially and substantively, of the programme's progress and assessment of compliance with the agreements. The conclusions are set out in meeting and mission reports, which form part of the project files.

Upon completion of the project, the coordinating organisation or partner organisation submits the final report, audit opinion and management letter to CNV Internationaal. CNV Internationaal's Regional Coordinator and Programme Officer monitor the timely submission of the final report. CNV Internationaal's Regional Coordinator and/or Programme Officer take action if either the final report or audit opinion does not meet the requirements or if any irregularities are reported. As a result, the decision may be taken to apply the Sanctions Policy.

In order to accelerate the accountability cycle, CNV Internationaal has decided to handle the advance funding of projects as follows: an initial payment of 65% of the total amount, followed by a second instalment of 30%, followed by the final 5% upon justification in an audit report.

Partner organisation review

An audit of all partners was conducted in 2023 to test management capacity and accelerate and improve the accountability cycle. Following the results and follow-up on the recommendations, the decision was taken to either continue or suspend payments in line with the Sanctions Policy.

Western, Northern and South Africa

Bureau Conseiller de Projets d'Afrique (BCPA)

BCPA is an organisation that CNV Internationaal has worked with as a project consultancy for many years, providing advice to both CNV Internationaal and its partners. In collaboration with its Belgian sister organisation WSM, BCPA was launched in the early 1990s. Since 2017, BCPA has had the new role of a coordinating organisation within the VMP programme. This means that CNV Internationaal has entered into a contract with BCPA. Under that contract, BCPA is responsible for implementing the country programme in Benin, Ivory Coast, Mali, Niger, Senegal and Tunisia. In 2023, the activities in South Africa were coordinated by CNV Internationaal. In practice, this means that BCPA enters into contracts with partner organisations in the respective countries (excluding South Africa) and makes payments to those partner organisations. Payments are only made directly through CNV Internationaal for Tunisia and Niger. In 2023, due to the unrest in Niger, it was no longer possible for BCPA to transfer funds to our partner CNT. CNV Internationaal has therefore decided to make the remaining payments from the Netherlands. This was possible because payments from outside the ECOWAS region still arrive safely. The contract with CNT still runs through BCPA. The partner organisations account for their activities on a content and financial level to BCPA. BCPA is responsible for submitting activity reports and financial reporting along with an audit opinion and management letter from the local accountant to CNV Internationaal. CNV Internationaal appointed the local accountant (KPMG Sénégal S.A.) for this purpose.

The programme's interim monitoring was carried out by the Programme Officer and Regional Coordinator from CNV Internationaal. During 2023, BCPA's functioning was monitored several times by the Programme Officer and Regional Coordinator. There are fortnightly meetings with the BCPA team to discuss the projects' management and progress, as well as collaboration with local partners and the BCPA team's performance. In 2023, a mission was sent to Senegal and Benin, where the PMEL team carried out an outcome harvest. Additionally, the regional partners and BCPA participated in a training course on the application of PMEL in planning. The periodic reports received on finance, indicators and content were reviewed by the Programme Officer and the Regional Coordinator for Africa from CNV Internationaal. In 2023, 84% of the original budget was paid, i.e. initial 65% payment, second 30% payment and part of the addendum. These payments factored in the balances from previous years. The ministry's approval of the addendum was received at the end of 2023. Consequently, the activity schedule has been adjusted. Part of the available addendum budget has not yet been transferred.

BCPA has sent the 2023 activity report and final financial report, accompanied by an audit opinion and management letter from the local accountant, and these documents have been received. The audit findings include both the 2023 work plan and the remaining balance from previous years. The audit did not result in any significant findings. The findings are being followed up by CNV Internationaal in collaboration with BCPA.

UGTT

In Tunisia, we work with the trade union UGTT. UGTT's programme management, including the contract, mainly happens through BCPA. Payments to the UGTT are made directly through CNV Internationaal. The UGTT reports to BCPA, both financially and in terms of content, with supporting documents. BCPA forwards this to CNV Internationaal once it has been verified. As a result, UGTT's audit is incorporated into CNV Internationaal's audit. In 2023, there was one programme in Tunisia: the VMP.

Latin America

Stichting CNV Latijns-Amerika

In 2023, CNV Internationaal launched the Stichting CNV Latijns-Amerika regional office. As of April, this regional office took over regional coordination from PLADES. In the start-up phase, contracts and payments to union partners were handled through CNV Internationaal from April 2023. During this period, an external financial administration office was contracted to manage financial administration on a temporary basis. From mid-2023, Stichting CNV Latijns-Amerika appointed its own financial staff who will completely replace the administration office in 2024. In addition, CNV Internationaal engaged a law firm as its legal representative to sign contracts and payments. There are weekly meetings to discuss the progress and functioning of the regional office in Colombia. In 2024, almost all contracts and payments to local partners are processed through Stichting CNV Latijns-Amerika. Exceptions have been made for the IC-CAO project supporting the ASI Venezuela union and the regional project in the timber and construction sectors. For the audit, CNV Internationaal used the same accounting firm as in previous years, Villegas y Asociados from Peru. The 2023 activity report, final financial report and the annual accounts accompanied by an audit opinion and management letter have been received. The audit reports cover transactions from all local partners (PLADES, FESINTRAINZUCADES, FESTAGRO, CGTG, CEPRODE, CONFETRAYD, CONDEG and FESTAGRO). During the audit, Villegas y Asociados visited partners in Colombia, Peru, Bolivia, Nicaragua, and Guatemala. Villegas also carried out a special organisational audit of Stichting CNV Internationaal Latin America in Colombia.

PLADES

During the course of 2023, PLADES handed regional coordination over to Stichting CNV Latijns-Amerika. However, PLADES is still responsible for the VMP and several other projects in Peru and the surrounding area. The interim monitoring of projects was carried out by the Programme Officer and Regional Coordinator from CNV Internationaal. Weekly meetings were held with the team and consultants in order to discuss the progress of the project and project management issues. The periodic reports received on finance, indicators and content were reviewed by the Programme Officer and the Regional Coordinator from CNV Internationaal. In 2023, as in previous years, the results achieved and the implementation capacity of the partner organisations were reflected upon.

The 2023 activity report and final financial report, accompanied by an audit opinion and management letter from the local accountants, have been received.

FESINTRAINZUCADES

In El Salvador, CNV Internationaal has been working with the sugar federation FESINTRAINZUCADES within the Prep4Change programme since 2022. Prior to this collaboration, desk research was conducted on the organisation, and several organisations work with this party on the issue of sugar. In November 2023, this partner collaborated with CNV Internationaal to organise living-wage training in El Salvador for the regional network of trade unions in the sugarcane industry. In 2023, a case of suspected fraud was identified. Further details of this can be found in Chapter 2.3.

CGTG

In Guatemala, CGTG is our partner for the VMP. CNV Internationaal has been working with CGTG since the 1990s. The 2023 activity report and final financial report have been received. The audit was conducted at the offices of Stichting CNV Latijns-Amerika, and the partner was visited by the local accountant.

CEPRODE

CEPRODE has been our trade union partner in Bolivia since 2019. CEPRODE is implementing the VMP as well as the RVO project Improving Occupational Health and Safety in Andean Mines. Multiple meetings with Stichting CNV Latijns-Amerika and CNV Internationaal were held to discuss how things were progressing. The 2023 activity report and final financial report for the VMP have been received. Only for the VMP has there been an audit at the offices of Stichting CNV Latijns-Amerika. The partner was visited by the local accountant.

CONFETRAYD

Our partner CONFETRAYD is implementing the VMP in the sugarcane sector in Nicaragua. Its progress has been discussed during regular meetings with Stichting CNV Latijns-Amerika and CNV Internationaal. The 2023 activity report and final financial report have been received, and the audit took place at the offices of Stichting CNV Latijns-Amerika. The partner was visited by the local accountant.

CONDEG

For the palm oil project with RSPO, we have been collaborating with CONDEG (Consejo Nacional de Desplazados de Guatemala) since 2023. Prior to this collaboration, desk research was conducted. CONDEG is an organization for indigenous people, primarily fighting against forced labour on palm oil plantations. There have been periodic meetings with the board of CONDEG to discuss how things are progressing. Work started at the end of 2023, and no progress or financial reports have been received yet.

FESTAGRO

In Honduras, since 2023, we have been working with FESTAGRO (Federación de Sindicatos de Trabajadores de la Agroindustria) for the RSPO Palm Oil project. Desk research was conducted for the selection of this organisation. There have been periodic meetings with the board of FESTAGRO to discuss how things are progressing. Work started at the end of 2023, and no progress or financial reports have been received yet.

Asia

In Southeast Asia, CNV Internationaal has an M&E consultant in Cambodia, Indonesia and Vietnam, who monitors the reporting cycle and supports our partners. In Indonesia, there is also a financial consultant who reviews the reports from that country. Only in Vietnam do we have our own office: CNV Vietnam.

In Indonesia, one finding related to taxes kept coming back each year. CNV Internationaal organised a session with a tax specialist and the partners in 2023 in order to clarify whether and how this rule applies to our partners. This session was attended by the PMEL Coordinator, the Programme Coordinator and the Project Coordinator. In 2023, this finding was no longer reported.

Konfederasi Serikat Buruh Sejahtera Indonesia (KSBSI)

KSBSI is a partner organisation in Indonesia that CNV Internationaal has worked with for almost 30 years. CNV Internationaal has appointed the local project accountant, PKF Indonesia. KSBSI is active in both the VMP and the STITCH programme.

The project's interim monitoring was carried out by our Indonesia Consultant, Regional PMEL Officer, Regional Finance Officer and Programme Coordinator, and CNV Internationaal's Project Coordinator. They review the quarterly reports both financially and substantively.

KSBSI sent the 2023 activity report and final financial report, accompanied by an audit opinion and management letter from the local accountants, and these documents have been received. Findings have been reported, which are being followed up by the Project Coordinator. Agreements have been made with KSBSI's management regarding the division of roles and processes in order to resolve these findings.

Hukatan

Hukatan has been a direct partner of CNV Internationaal within the VMP since 2021. In collaboration with Hukatan, CNV Internationaal has further developed its activities in the palm oil sector.

Hukatan has sent the 2023 activity report and final financial report, accompanied by an audit opinion and management letter from the local accountants, and these documents have been received. All outstanding issues from previous years have been resolved.

Garteks

Garteks is a direct partner of CNV Internationaal within STITCH, the Strategic Partnership with FWF. With this partner, CNV Internationaal is able to develop its activities in the textiles industry.

The 2023 audit revealed that all of the auditor's recommendations from 2022 had been addressed.

Garteks has sent the 2023 activity report and final financial report, accompanied by an audit opinion and management letter from the local accountants, and these documents have been received. There are no significant findings.

Yayasan Dialog Sosial

CNV Internationaal also collaborates with the Indonesian foundation 'Yayasan Dialog Sosial' (Social Dialogue Foundation) as part of the STITCH programme. The Indonesia team coordinates activities between the various partners (Garteks and Yayasan) and monitors operational and financial processes. In addition, Yayasan serves as the grant administration office for two other projects. A Project Controller has been appointed for this and Yayasan receives a management fee for this.

Yayasan Social Dialog has sent the 2023 activity report and final financial report for the STITCH, Proforest and SECO projects, accompanied by an audit opinion and management letter from the local accountants, and these documents have been received. The 2023 audit revealed that all of the auditor's recommendations for the year 2022 have been addressed. There are no significant findings.

Cambodian Labour Confederation (CLC)

CLC is an organisation that CNV Internationaal has worked with for many years. Audit reports have indicated that the organisation has good management capacity. CLC was involved in both the implementation of the VMP and the STITCH program in Cambodia throughout 2023. For STITCH, the contract, payments and activity plan go through C.CAWDU. For the audit, CNV Internationaal works with the local project accountant, Covenant Ltd. The project's interim monitoring was carried out by the National Consultant, Regional PMEL Officer, Regional Finance Officer, Project Coordinator and Regional Coordinator from CNV Internationaal using quarterly reports. CLC sent the 2023 activity report and final financial report, accompanied by an audit opinion and management letter from the local accountants, and these documents have been received. There are no findings.

C.CAWDU

The C.CAWDU (Coalition of Cambodia Apparel Worker Democratic Union) textile federation is affiliated with the CLC confederation. A work plan was drawn up setting out the obligations of C.CAWDU and CLC. C.CAWDU is responsible for making payments to and reporting the costs of CLC. CNV Internationaal has appointed the local project accountant, Covenant Ltd. The project's interim monitoring was carried out by the National Consultant, Regional PMEL Officer, Regional Finance Officer, Programme Officers and Regional Coordinator from CNV Internationaal using quarterly reports.

CLC sent the 2023 activity report and final financial report, accompanied by an audit opinion and management letter from the local accountants, and these documents have been received. Stichting CNV Internationaal will provide C.CAWDU with follow-up regarding the finding.

CNV Vietnam

In Vietnam, CNV Internationaal works with our own CNV Vietnam office. CNV Vietnam manages all the projects taking place in Vietnam. The largest projects fall under the VMP and STITCH. The interim monitoring of the projects was carried out by the National Consultant, Regional PMEL Officer, Regional Finance Officer, Programme Officer and Regional Coordinator from CNV Internationaal using quarterly reports. CNV works with the local accountant NEXIA STT Co. CNV Vietnam sent the 2022 activity report and final financial report, accompanied by an audit opinion and management letter from the local accountants, and these documents have been received. There are no significant findings.

2.3 Policy on Sanctions, Anti-Fraud and Anti-Corruption

CNV Internationaal has set out its procedure and internal policy on the sanctions to be applied in the event that executive organisations fail to meet their obligations in the 'Policy on Sanctions, Anti-Fraud and Anti-Corruption' policy document. The possible sanctions that the CNV Internationaal Foundation may apply are suspension of payments, performance of an investigation, early termination of the contract with the partner organisation or executive organisation, recovery of advance payments made, legal prosecution and termination of the collaboration relationship.

CNV Internationaal mainly works through permanent trade union partners with which it already has long-standing relationships. New partners and coordinating organisations are selected based on the management capacity on a financial and content level of these organisations and CNV Internationaal's experience with them, i.e. their track record. Collaboration with these organisations is partly evaluated based on the audit reports. The 2022 annual plan shows the selected partner organisations and coordinating organisations. In 2023, several new trade union partners and other partner organisations were added, as set out in the Partner Organisation Review.

In 2023, a case of suspected fraud was identified involving payments to a local union for regional living wage training that took place in El Salvador. During the event, suspicions of fraud arose. On settlement, Stichting CNV Latijns-Amerika found discrepancies in FESINTRAINZUCADES' financial report. The accountant also noted these discrepancies and reported that not all financial documents had been submitted for the audit. CNV Internationaal has informed FESINTRAINZUCADES in writing about the findings and has started an investigation to establish how much has to be repaid. Since it is clear that financial collaboration with FESINTRAINZUCADES is no longer possible, the search is on to identify another partner we can work with in El Salvador, and how best to manage the finances. The union's board was asked to respond to this case, but it has been unable to justify the irregularities. CNV Internationaal is therefore now making efforts to recover the funds for which insufficient justification has been presented. Based on the lessons learned, the fraud protocol will also be re-evaluated, as will the protocol for entering into collaborations with new partners, in order to further reduce the risks of fraud. The organisation has been blacklisted.

2.4 Discharge

The financial reports as presented were adopted by the Board of Management on 13 June 2024, after approval by the Supervisory Board. The Treasurer was also discharged at this meeting.

2.5 2024 budget

(Amounts * €)

Income		
VMP subsidies 2021-2023	4,371,491	
VMP subsidy for FWF*	600.000	
Other subsidies and contributions		
- Covenants	72,675	
- STITCH strategic partnership	1,180,000	
- Member donations and EM contribution	200,000	
- Contributions for ICCAO projects	50,000	
- Other donors' projects	864,886	
Total Income		7,339,052
Expenditure		
Indirect staff expenses	117,407	
Direct staff expenses	1,640,347	
Organisational expenses	543,489	
Project costs (direct activity Costs)		
VMP subsidies 2021-2023	2,772,016	
VMP subsidy for FWF*	600.000	
Other projects	1,566,179	
Total expenditure		7,239,438
Balance of income and expenditure		99,614

*CNV Internationaal receives the subsidy for the CSDD activities for Fair Wear Foundation and transfers them to FWF. The amounts received and costs incurred for FWF are not part of the CNV Internationaal's direct costs and revenues.

3. Social accountability in the 2023 Annual Report

Complaints procedure

Internal complaints:

CNV Internationaal applies the Collective Labour Agreement of CNV Vakcentrale, which includes the right of complaint (Section 31). This section distinguishes between the procedure for complaints relating to employment law and the procedure for complaints relating to undesirable behaviour. For complaints regarding undesirable behaviour, CNV Vakcentrale has developed the 'Dealing with Undesirable Behaviour' protocol. This protocol is intended for all complaints concerning undesirable behaviour, such as sexual harassment, bullying, racism and discrimination. The protocol aims to prevent undesirable behaviour instead of punishing it afterwards.

The protocol applies to all employees, temporary staff, interns and collaboration partners of CNV Internationaal. The protocol forms part of our contracts with local partners and consultants.

CNV Internationaal also has two confidential advisers working within CNV Vakcentrale at its disposal. These advisers are available for confidential discussions with both CNV Internationaal's direct employees and consultants.

External complaints:

CNV Internationaal considers it important that external parties can also file complaints in an accessible manner. It may relate to CNV Internationaal's performance or to the actions or failures of the Board of Management, the Supervisory Board, the Management, staff or volunteers.

External complaints can be filed through the CNV Internationaal website (<https://www.cnvinternationaal.nl/contact/klachtenprocedure>).

Reports of complaints:

In 2023, one complaint about an employee was filed. In accordance with the complaints procedure (undesirable behaviour protocol), the complaint was handled by an external committee. The complaint has been declared to have been unfounded. CNV Internationaal has taken the committee's advice to heart and is following up on it internally.

Reports under whistleblowers' scheme:

No complaints were made under the whistleblowers' scheme in 2023.

4. Financial report 2023

Balance sheet after result appropriation as per 31 December

(amounts * €1,000)

	31/12/2023	31/12/2022
Fixed assets		
8.1 Tangible Fixed Assets	<u>11</u>	<u>20</u>
Total fixed assets	11	20
Receivables and current assets		
8.2 Receivables and accrued assets	344	76
8.3 Cash and cash equivalents	<u>2,805</u>	<u>4,597</u>
Total current assets	<u>3,149</u>	<u>4,674</u>
Total assets	<u><u>3,159</u></u>	<u><u>4,694</u></u>

	31/12/2023	31/12/2022
Liabilities		
8.4 Equity	478	460
8.5 Current liabilities and accrued liabilities	<u>2,681</u>	<u>4,234</u>
Total Liabilities	<u>3,159</u>	<u>4,694</u>

2023 Statement of Income and Expenses

(amounts * €1,000)

	Realisation 2023	Budget 2023	Realisation 2022
9.1 Contributions	87	100	155
9.2 Attendance fees	2	-	2
9.3 Subsidy income	5,184	5,322	5,221
9.4 Miscellaneous income	29	-	6
Total Income	5,302	5,422	5,384
Project costs			
9.5 Project costs	5,187	5,322	5,197
Staff expenses			
9.6 Staff expenses	1,556	1,546	1,428
Organisational expenses			
9.7 Depreciation costs	10	8	8
9.8 Office expenses	1	-	23
9.9 General expenses	82	57	76
9.10 Costs of shared service centres	288	300	366
Total organisational expenses	381	365	473
9.11 Charges passed onto projects	-1,856	-1,861	-1,824
Total expenses	5,268	5,372	5,274
Balance of income & expenses	34	50	110
9.12 Financial income & expenditure	16	20	21
Result	18	30	89

Result appropriation

The result realised for 2023 totals €18K and is included in the equity as follows:

- Addition to BCPA allocated reserve €10K
- Addition to general reserve €8K

5. Notes on guiding principles of the financial report

General

The financial report were compiled in accordance with the accounting policies generally accepted in the Netherlands, including the 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board) and Section 2:10 of the Dutch Civil Code (BW).

When compiling the financial report, provisions that are related to the granting of the VMP subsidy by the Dutch Ministry of Foreign Affairs were taken into account.

Stichting CNV Internationaal, having its registered office in and located in Utrecht, is registered under number 54436222 at the chamber of commerce.

Continuity

The principles for valuation and profit appropriation used in the financial report are based on the assumption of continuity of the foundation.

Estimates

In order to apply the principles and the rules for the compilation of the financial report, the management of CNV Internationaal makes estimates that may be essential to amounts included in the financial report. If necessary in order to provide the insight required by the annual reporting guidelines 640 'Not-for-profit organisations', then the nature of these opinions and estimates, including the related assumptions, was included in the explanatory notes to the relevant item of the financial report.

Changes in accounting policies

No changes in the accounting policies took place in 2023.

Budget

An audit was not applied to the budget. If necessary for the required insight and the comparability, the figures of the budget were reclassified.

Consolidation

In March 2023, Stichting CNV Internationaal established Stichting CNV Latijns-Amerika, over which it can exercise dominant control. In the 2023 financial statements of Stichting CNV Internationaal, the figures of Stichting CNV Latijns-Amerika have not been consolidated, as they are of negligible significance to the whole.

6. Principles for the valuation of assets and liabilities

Assets and liabilities are valued at the acquisition or manufacturing price. If not indicated otherwise, they are recorded at the nominal value.

Tangible fixed assets

Valuation of tangible fixed assets is based on the historic cost price or purchase price, minus linear depreciations. Investments that are capitalised include the expenses for new business assets that last for more than one year and the expenses for revision and renovation of capitalised business assets. Depreciation on the tangible fixed assets takes place in a straight-line manner on the basis of the expected commercial life cycle or the term of an agreement.

Receivables and current assets

Receivables and accruals are initially valued at the fair value including transaction costs. After the initial processing, receivables are valued at amortised cost price. Provisions for bad debts are deducted from the book value of the receivable. Unless specified otherwise, receivables have a maturity of less than 1 year.

Cash and cash equivalents

The cash and cash equivalents are included at nominal value and are, if not indicated otherwise, at the free disposal of CNV Internationaal.

Equity

The equity consists of the general reserve and the allocated reserves. Allocated reserves are resources to which a specific purpose was allocated by the General Board of Management. In the explanatory notes to the equity in Section 8.4, the individual reserves are explained.

Current liabilities

Current liabilities relate to liabilities that can be claimed within 12 months of the balance sheet date. They are initially valued at the fair value. Current liabilities are valued after initial recognition at amortised cost price, being the amount received factoring in premiums and discounts and deducting transaction costs. This is usually the nominal value.

Amortised cost

The amortised cost is the amount for which a financial asset or financial liability is, upon the first valuation in the balance sheet, included minus repayments on the principal sum, plus or minus the cumulative amortisation determined via the effective interest method of the difference between the said first amount and the repayment amount and minus potential write-offs – directly or by creating a provision – on account of impairments or irrecoverability.

7. Principles for the determination of the result

Income and expenditure are allocated to the financial year to which they concern. Profits are allocated to the financial year to the extent that they were also actually realised on the date of the balance sheet. Expenses and risks that find their origin before the end of the year under review are included in the result of the reporting year under review, if they are known when compiling the financial report.

Organisational expenses

The organisational expenses are calculated on the basis of the historical issue prices. The expenses are allocated to the year to which they concern.

Subsidies

The subsidies received are credited to the statement of incomes and expenditure for the year in which the subsidised expenditure accrues.

Administrative costs allowance

The fee for administrative cost allowance consists of the monies received from third parties for general organisational expenses such as staff expenses, office expenses, costs shared services, etc.

Miscellaneous income

By miscellaneous income we understand proceeds from third parties that is indirectly related to the business operation or income of an incidental nature.

Interest income

The interest income obtained in respect of the liquid assets placed with the banks as well as the interest income on issued loans is accounted for under interest income. Interest income from resources under the Trade Union Co-Financing Programme ('Vakbondsmedefinancieringsprogramma', VMP) and STITCH is used for projects within the framework of VMP.

Staff expenses

Under the terms and conditions of employment, wages, salaries and social security contributions are included in the statement of income and expenditure in so far as they are owed to employees.

The staff administration is kept by CNV Vakcentrale. The employees are in the employ of CNV Vakcentrale and are seconded to CNV Internationaal. CNV Vakcentrale concluded a pension scheme for its employees that can be qualified as a defined benefit scheme, where the defined pension benefits are based on the average salary. This pension scheme was placed with a sectoral pension fund, Pensioenfonds Zorg en Welzijn, and is accounted for in the financial report as a defined contribution scheme. This implies that contributions payable in respect of the financial year are accounted for as expenses. The costs of salary development, price indexation and investment returns on the fund assets may potentially lead to future adjustments in the annual contribution to the pension fund. These risks are not reflected in a balance sheet provision. In case of a deficit of the sectoral pension fund, CNV Vakcentrale is not bound to pay additional contributions other than higher future contributions.

Depreciations

Tangible fixed assets are depreciated in accordance with the linear method based on a fixed percentage of the purchase price or acquisition price, taking into account the expected economic life.

Project costs

These are the costs that are incurred on the basis of work plans, which are prepared by the management. The costs are accounted for at the moment that the obligation is entered into and on the basis of the obligation allocated to the correct period.

Charges passed onto projects

The charges passed onto projects refers to staff and organisational expenses allocated to projects. Staff expenses are allocated to projects based on actual time spent and salary costs. The allocation of overhead costs is made only for the VMP and STITCH programmes based on a calculation of the pass-through percentage, i.e. actual overhead costs compared to total costs.

7.1 Risk section**General**

Various risks were not expressed in the presented balance sheet and operating statement.

Currency risks

The foundation has transactions in foreign currency only on occasional instances. That is why the currency risk is very limited.

Interest risks

The foundation is funded with equity and current liabilities on which no interest is paid. As a consequence the foundation is not running interest risks.

Credit risks

The foundation runs, in particular, a credit risk in respect of advance payments granted within projects. To reduce the risk, performers of projects are provided with guidelines indicating how a project must be managed financially. In addition, an audit conducted by an independent auditor according to previously supplied guidelines is mandatory. The foundation actively monitors the performance in the projects.

8. Notes to the balance sheet

8.1 Tangible fixed assets (amounts * €1,000)

	Automation
<u>As of 1 January</u>	
Purchase value	80
Depreciations	-60
Yet to be capitalised	0
Book value	20
Changes:	
Investments	-
Depreciation	-9
Yet to be capitalised	-
Disinvestment – purchase value	-
Disinvestment – depreciation	-
Total changes	-9
<u>As of 31 December</u>	
Purchase value	80
Depreciations	-69
Yet to be capitalised	-
Book value	11

The depreciation rate amounts to 20% per annum.

8.2 Receivables and accrued income (amounts * €1,000)

	<u>31/12/2023</u>	<u>31/12/2022</u>
Accounts receivable	16	35
Latin America current account	90	-
To be settled with partners, coordinators and regional coordinators	207	-
Other receivables and accrued assets	31	41
Receivables and accrued assets	344	76

The receivables relate to the outstanding amounts charged to our partners. The other receivables and accrued assets consist of amounts yet to be settled with partners, coordinators and regional coordinators, including a CNV Latijns-Amerika current account for €90,000 and amounts to be settled with partners, coordinators and regional coordinators for €207,000. The remaining amount of €31,000 relates to amounts still to be invoiced to grant providers for the funding of various projects (€15,000) and prepaid expenses (€16,000).

8.3 Cash and cash equivalents (amounts * €1,000)

	<u>31/12/2023</u>	<u>31/12/2022</u>
Cash and cash equivalents	<u>2,805</u>	<u>4,597</u>

The cash and cash equivalents regard the bank balances. These are fully at the free disposal of CNV Internationaal.

8.4 Equity (amounts * €1,000)

	As of 01/01/2023	Result appropriation	As of 31/12/2023
General reserve	254	8 -	262
BR BCPA	55	10	65
EM projects	<u>151</u>	<u>-</u>	<u>151</u>
Total allocated reserves	<u>206</u>	<u>-</u>	<u>216</u>
Total equity	<u>460</u>	<u>-</u>	<u>478</u>

Of the result realised in 2023, €10K was added to the BCPA allocated reserve. The BCPA allocated reserve was formed to cover the staff expenses for the BCPA in the event that CNV Internationaal terminates its relationship with the BCPA. The remaining amount – €8K – was added to the general reserve.

8.5 Current liabilities (amounts * €1,000)

	<u>31/12/2023</u>	<u>31/12/2022</u>
Accounts payable	257	274
Taxes and pension contributions	-	2
Subsidies received in advance	2,168	3,651
Other accrued liabilities	<u>256</u>	<u>307</u>
Current liabilities and accrued liabilities	<u>2,681</u>	<u>4,234</u>

Among the creditors, there is an outstanding position of approximately €156k related to CNV Vakcentrale and other unions. The remaining amount relates to receivables from external (regular) creditors.

Received advance subsidies (amounts * €1,000)

	<u>31/12/2023</u>	<u>31/12/2022</u>
VMP 2021-2030	870	3,488
Strategic Partnership with Fair Wear regarding STITCH project	166	196
Fair Work Monitor (FWM) Nationale Postcode Loterij (Dutch Postcode Lottery)	934	-
ICCAO	88	70
Projects of affiliated unions	29	29
Covenants	-20	-83
Other projects	<u>101</u>	<u>-49</u>
Total received advance subsidies	2,168	3,651

The other accrued liabilities can be specified as follows:

	<u>31/12/2023</u>	<u>31/12/2022</u>
To be settled with partners, coordinators and regional coordinators	-	-3
Payable project costs regarding the settlement of VMP 2021-2030	64	110
Project costs payable regarding strategic partnership	5	14
Payable regarding covenants	-	25
Payable regarding other projects	72	-
Accountancy expenses	67	50
Talma Fund contribution received in advance	28	28
Other payable expenses	<u>20</u>	<u>83</u>
Total of other accrued liabilities	256	307

In the case of 'To be settled with partners, coordinators and regional coordinators' CNV Internationaal has a receivable against the partners. The reported costs incurred by partners are lower than the payments made to them.

8.6 Overview of changes for VMP 2021-2030 (amounts * €1)

The trend of the financing for the years 2021, 2022 and 2023 is as follows:

Description	Amount x € 1
Received in advance regarding VMP BUZA 2021-2022	9,768,858
Received advance payment in year 2022-2023	621,677
Deducted: spent on projects in 2021-2022	6,294,753
Deducted: spent on projects in 2023	3,239,429
Added: third-party contribution	<u>14,000</u>
Received in advance regarding VMP BUZA	870,354

8.7 Off-balance sheet obligations and rights

Trade Union Co-Financing Programme ('Vakbondsmedefinancieringsprogramma', VMP) 2021-2030

By the end of 2023, a total advance payment of €10,404,535 was received from the Dutch Ministry of Foreign Affairs for the VMP (2021-2030). The above overview shows that CNV Internationaal has spent a total of €9,534,181 on projects with partner organisations in Africa, Latin America and Asia, and PCM. Full accountability has been achieved with regard to the projects. An annual accountability report is submitted, and the reports up to and including 2022 have been approved by the subsidy provider.

Sustainable Textile Initiative: Together for Change (STITCH) 2021-2025

By the end of 2023, a total advance payment of €3,084,000 was received from the Dutch Ministry of Foreign Affairs. The above overview shows that CNV Internationaal has spent a total of €2,919,813 on projects with partner organisations in Asia and Tunisia. Full accountability has been achieved with regard to the projects. An annual accountability report is submitted, and the reports up to and including 2022 have been approved by the subsidy provider.

NPL's Fair Work Monitor (FWM) project runs from 2023-2026

In 2023, the full amount of €1,000,000 was received. In 2023, €66,000 was spent on activities. Market research was conducted to clarify where the niche for the FWM lies. In addition, significant progress has been made in preparing for the FWM dashboard, set for launch in 2024.

9. Notes to the Statement of Income and Expenditure

9.1 Contributions (amounts * €1,000)

	Realisation 2023	Budget 2023	Realisation 2022
Received donations	87	100	92
Contribution from Vakcentrale	-	-	63
Contributions	87	100	155

In 2023, the communication campaigns had a smaller reach than expected, resulting in fewer donations received than budgeted. Unlike in 2022, the contribution from the Vakcentrale was not allocated as compensation. In contrast, the costs of the Shared Service Centre that were passed on were lower in 2023 than in the previous year.

9.2 Attendance fees (amounts * €1,000)

	Realisation 2023	Budget 2023	Realisation 2022
Attendance fees	2	-	2

This relates to attendance fees received.

9.3 Subsidy income (Amounts * €1,000)

	Realisation 2023	Budget 2023	Realisation 2022
VMP subsidy 2021-2030 BUZA	3,239	3,200	3,420
STITCH	1,081	1,180	1,032
Contributions for ICCAO projects	4	50	26
Contributions for union projects	-	-	13
Covenants	132	56	265
Other projects	728	836	441
Other income	-	-	24
Subsidy income	5,184	5,322	5,221

The justified subsidies are lower in comparison with the previous reporting year. This is mainly due to the annual decrease in the standard VMP budget and the late allocation of the addendum. Spending on the other projects has increased, mainly due to the use of several new subsidies from a range of donors. The allocation of the addendum is not included in the 2023 budget because there was no knowledge of this subsidy when the budget was drawn up.

9.4 Miscellaneous income (amounts * €1,000)

	Realisation 2023	Budget 2023	Realisation 2022
Administrative costs allowance	29	-	5
Other income	-	-	1
Miscellaneous income	29	-	6

The administrative cost allowance is higher in 2023 than in 2022 due to a higher contribution from the other projects.

9.5 Project costs (amounts * €1,000)

	Realisation 2023	Budget 2023	Realisation 2022
VMP subsidy 2021-2030 BUZA	3,420	3,200	3,420
STITCH	1,081	1,180	1,032
ICCAO projects	4	50	26
Covenants	135	56	265
Projects of affiliated unions	-	-	13
Other projects	728	836	441
Project Costs	5,187	5,322	5,197

Actual project costs compared to budget are lower mainly due to reduced depletion of projects. The allocation of the addendum is not included in the 2023 budget because there was no knowledge of this subsidy when the budget was drawn up.

9.6 Staff expenses (amounts * €1,000)

	Realisation 2023	Budget 2023	Realisation 2022
Salaries	1,140	1,126	1,040
Social security contributions	187	190	176
Pension charges	163	169	156
Travelling and subsistence expenses	18	23	21
Other staff expenses	48	39	35
Personnel costs	1,556	1,547	1,428

The members of staff employed at CNV Internationaal are in the employ of CNV Vakcentrale. CNV Vakcentrale passes the costs of these members of staff onto CNV Internationaal. The extent of this formation in 2023 is an average of 17.61 FTE (2022: 14.5 FTE).

Staff expenses in 2023 are higher compared to 2022, which is partly due to an increase in the number of employees (headcount is 19 in 2023 vs. 16 in 2022).

9.7 Depreciation costs (amounts * €1,000)

	Realisation 2023	Budget 2023	Realisation 2022
Depreciation costs	<u>10</u>	<u>8</u>	<u>8</u>

9.8 Office expenses (amounts * €1,000)

	Realisation 2023	Budget 2023	Realisation 2022
Telephone and internet	-	-	4
Office expenses	-	-	5
Automation costs	1	-	14
Office expenses	<u>1</u>	<u>-</u>	<u>23</u>

In comparison with 2022, these costs were included in the charges passed on by the SSC in 2023.

9.9 General expenses (amounts * €1,000)

	Realisation 2023	Budget 2023	Realisation 2022
Auditor's expenses	69	55	72
Other general expenses	13	2	4
General expenses	<u>82</u>	<u>57</u>	<u>76</u>

General expenses are higher than budgeted, mainly due to increased auditor's costs in 2022. The additional auditor's costs for 2022 were accounted for in 2023, whereas only the expected costs for 2023 were included in the budget.

9.10 Shared Service Centre costs (amounts * €1,000)

	Realisation 2023	Budget 2023	Realisation 2022
Costs of shared service centres	<u>288</u>	<u>300</u>	<u>366</u>

The contribution towards the costs of the Shared Service Centre was €78,000 lower in 2023 than in the previous year. This reduction is mainly due to the ending of the annual contribution of €63,000 from CNV Vakcentrale. As compensation for this, the SSC costs were reduced.

9.11 Charges passed onto projects (amounts * €1,000)

	Realisation 2023	Budget 2023	Realisation 2022
VMP subsidy 2021-2030 BUZA	-1,301	-1,246	-1,302
STITCH	-355	-422	-329
Covenants	-106	-56	-145
Other projects	-94	-137	-48
Charges passed onto projects	-1,856	-1,861	-1,824

Direct staff expenses are charged to the VMP and the STITCH strategic partnerships based on actual costs and time spent. For these projects, indirect staff expenses and organisation costs are charged on a percentage basis. For other projects, a standard hourly rate or a fixed overhead fee is charged based on the rules of the donor concerned. In 2023, more costs were passed on to the VMP and the covenants compared to the budget. This was partly compensated by a lower allocation to other projects.

9.12 Financial income & expenditure (amounts * €1,000)

	Realisation 2023	Budget 2023	Realisation 2022
Bank charges and transaction costs	16	20	21
Financial Income & Expenditure	16	20	21

10.3 WNT accountability 2023

General

Effective from 1 January 2013, the Dutch Senior Executives in the Public and Semi-Public Sector (Standard Remuneration) Act (WNT) entered into force. This accountability was based on the following general WNT maximum applicable to CNV Internationaal (Regulation on the remuneration of senior officials in the development cooperation sector). The remuneration criterion in 2023 for CNV Internationaal is €205,000 (2022: €199,000). The indicated applicable WNT maximum per person or position was calculated in proportion to the scope, and for top officials also the duration, of the employment, in the course of which for the calculation the scope of that employment can never exceed 1.0 FTE.

The WNT maximum for members of the Board of Management of CNV Internationaal and members of the Supervisory Board is 15% of the remuneration maximum for the Chair and 10% for the other members.

Remuneration of senior officials

Managerial top officials	A. F. J. van Ark	A. F. J. van Ark	A. F. J. van Ark
year	2023	2022	2021
Position	Managing Director	Managing Director	Managing Director
Employment	Yes	Yes	Yes
Duration of employment	01/01 – 31/12	01/01 – 31/12	15/01 – 31/12
Scope of employment	1.0 FTE	1.0 FTE	1.0 FTE
Remuneration			
Wage costs	€94,231	€86,672	€78,235
Taxable expense allowance	€0	€0	€0
Remuneration payable in due course	€15,051	€10,392	
Total remuneration	€109,282	€100,912	€88,627
Applicable WNT maximum	€205,000	€199,000	€191,000

Members of CNV Internationaal's Supervisory Board are unremunerated.

11. Other information

INDEPENDENT AUDITOR'S REPORT

To: the board of Stichting CNV Internationaal

A. Report on the audit of the financial report 2023 included in the annual report

Our opinion

We have audited the financial report 2023 of Stichting CNV Internationaal based in Utrecht, the Netherlands.

In our opinion the accompanying financial report give a true and fair view of the financial position of Stichting CNV Internationaal as at 31 December 2023, and of its result for 2023 in accordance with the 'RJ-Richtlijn 640 Organisaties zonder winststreven' ('Guideline for annual reporting 640 'Not-for-profit organisation' of the Dutch Accounting Standards Board), the grant agreement of 3 February 2021 regarding "Vakbond medefinancieringsprogramma 2021-2030" with activity number: 4000004571 and the policy rules implementation of the Standards for Remuneration Act (WNT).

The financial report comprise:

- 1 the company balance sheet as at 31 December 2023;
- 2 the company statement of income and expense for 2023; and
- 3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing, the 'Audit Protocol with the grant agreement 4000004571 (update 2023 -2030)' and the Audit Protocol WNT 2023. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial report' section of our report.

We are independent of Stichting CNV Internationaal in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Newtone

Delftechpark 40
NL-2628 XH Delft

P.O. Box 332, NL-2600 AH
Delft, The Netherlands

T: +31(0)15 261 31 21
F: +31(0)15 261 53 82

delft@newtone.nl
www.newtone.nl

Compliance with rule against overlapping pursuant to the WNT not audited

In accordance with the Audit Protocol WNT 2023 we have not audited the rule against overlapping as referred to in Section 1.6a of the WNT and Section 5(1)(n) and (o) of the WNT Implementing Regulations. This means that we have not audited whether an executive senior official exceeds the norm as a result of any positions as executive senior official at other institutions subject to the WNT, and whether the explanation required in this context is correct and complete.

B. Report on the other information included in the annual report

The annual report contains other information, in addition to the financial report and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information

- is consistent with the financial report and does not contain material misstatements;
- contains all the information regarding the board's report as required by 'RJ-Richtlijn 640 Organisaties zonder winststreven' ('Guideline for annual reporting 640 'Not-for-profit organisation') and the grant agreement of 3 February 2021 regarding "Vakbond medefinancieringsprogramma 2021-2030" with activity number: 4000004571.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial report or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial report.

The board is responsible for the preparation of the board's report in accordance with 'RJ-Richtlijn 640 Organisaties zonder winststreven' ('Guideline for annual reporting 640 'Not-for-profit organisation') and the grant agreement of 3 February 2021 regarding "Vakbond medefinancieringsprogramma 2021-2030" with activity number: 4000004571.

C. Description of responsibilities regarding the financial report**Responsibilities of the board for the financial report**

The board is responsible for the preparation and fair presentation of the financial report in accordance with 'RJ-Richtlijn 640 Organisaties zonder winststreven' ('Guideline for annual reporting 640 'Not-for-profit organisation' of the Dutch Accounting Standards Board), the grant agreement of 3 February 2021 regarding "Vakbond medefinancieringsprogramma 2021-2030" with activity number: 4000004571 and the policy rules implementation of the Standards for Remuneration Act (WNT).

Furthermore, the board is responsible for such internal control as the board determines is necessary to enable the preparation of the financial report that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial report, the board is responsible for assessing the organisation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial report using the going concern basis of accounting unless the board either intends to liquidate the organisation or to cease operations, or has no realistic alternative but to do so.

The board should disclose events and circumstances that may cast significant doubt on the organisation's ability to continue as a going concern in the financial report.

Our responsibilities for the audit of the financial report

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial report. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, the 'Audit Protocol with the grant agreement 4000004571 (update 2023 -2030)', the Audit Protocol WNT 2023, ethical requirements and independence requirements.

Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial report, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board;
- Concluding on the appropriateness of the board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an organisation to cease to continue as a going concern;

- Evaluating the overall presentation, structure and content of the financial report, including the disclosures; and
- Evaluating whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Delft, 20 June 2024

Newtone

Signed

A. Duran AA

Signed annual report

CNV Internationaal Board of Management

Ms D.P.J. Woestenberg
Chairperson

Mr P.J.H. Daems
Treasurer

Ms J.E. Feitsma

Mr P.J.H. Fey

Mr P.S. Fortuin

Ms J.E. Zijlstra-Jukema

Appendix A Summary of VMP projects

Project name	Standard VMP	Addendum for Combination Countries	CSDDD Top-up*	Total budget for 2021-2030**	Costs to end of 2022	2023 budget	Third-party obligations**	CNV Internationaal costs	Remaining budget from 2023****	Remaining budget from 2021-2030
VMP - Benin	931,496			931,496	190,434	95,680	88,637	9,646	-2,603	642,779
VMP - Bolivia	462,683			462,683	105,208	15,292	19,799	4,603	-9,110	333,074
VMP - Cambodia	1,592,113		72,582	1,664,694	285,298	94,731	60,889	43,274	-9,432	1,275,233
VMP - Colombia	923,323	450,684		1,374,006	219,084	239,903	125,903	18,594	95,405	1,010,425
VMP - Communication	1,631,771	75,000		1,706,771	420,708	208,444	51,652	130,890	25,902	1,103,521
VMP - Ivory Coast	454,052	368,992		823,045	62,515	147,912	35,013	3,420	109,480	722,098
VMP - Financial sustainability	663,021			663,021	227,247	140,090	16,686	85,299	38,105	333,789
VMP - Guatemala	803,393			803,393	185,243	19,462	20,347	13,213	-14,098	584,590
VMP - Indonesia	1,347,165	501,043	121,697	1,969,906	375,168	294,125	161,730	71,472	60,924	1,361,536
VMP - Innovation	548,575			548,575	42,666	39,358	6,866	3,968	28,524	495,075
VMP - Internationaal	3,354,807	130,000	464,187	3,948,995	742,334	531,895	212,405	299,339	20,151	2,694,916
VMP - Leadership	908,559			908,559	195,583	67,313	29,460	6,786	31,067	676,729
VMP - Mali	581,208			581,208	77,019	43,774	33,053	4,413	6,308	466,723
VMP - Nicaragua	776,136			776,136	175,964	57,981	55,014	16,133	-13,166	529,026
VMP - Niger	854,550			854,550	154,078	74,344	46,623	7,495	20,226	646,354
VMP - Peru	789,765			789,765	171,957	71,687	61,960	16,241	-6,514	539,606
VMP - Quality	1,676,972	65,591		1,742,563	226,021	154,419	77,260	80,184	-3,025	1,359,098
VMP - Regional Africa	3,057,326	165,000		3,222,326	925,104	517,903	294,030	221,263	2,610	1,781,929
VMP - Regional Asia		33,000		33,000	-	38,924	-	3,924	35,000	29,076
VMP - Regional Latin America	2,868,910	125,000		2,993,910	1,012,921	480,895	257,988	270,398	-47,491	1,452,603
VMP - Senegal	895,499	347,871		1,243,370	169,150	177,464	67,785	7,520	102,158	998,914
VMP - South Africa		355,606		355,606	-	55,606	20,735	-	34,872	334,872
VMP - Tunisia	444,967			444,967	60,443	27,803	20,473	2,803	4,527	361,248
VMP - Venezuela	421,798			421,798	67,734	-	-	109	-109	353,955
VMP - Vietnam	905,242	382,212	110,783	1,398,237	207,256	247,648	108,897	45,238	93,513	1,036,847
Total obligation for Dialogue@Work	26,893,331	3,000,000	769,250	30,662,580	6,299,137	3,842,656	1,873,202	1,366,227	603,227	21,124,015

* The 2023 budget does not include the CSDDD Top-up, as the activities will start in 2024 due to the late approval.

** The distribution of the total budget for 2021-2030 is indicative and the allocation per country/activity may change.

*** These are all commitments made with third parties. The commitments with our local and regional partners

are added and adjusted to the approved costs.

**** The total commitment for 2021-2023 is €10,544,993 (including €156,650 for the CSDDD Top-up of the

application; without CSDDD it is €10,388,343), and the total expenditures are €9,538,585. The remaining budget

of €603,227 will be re-budgeted in 2024.

Explanation of deviations of over 10%

The project budgets for Asia, Africa and Latin America were reviewed during the course of 2023, so spending varies by country. In total, less was spent than budgeted due to the late allocation of the addendum, resulting in activities being postponed to 2024.

Appendix B VMP project budget realisation by category and result area

Per cost category, in EURO

Total VMP	Total VMP		
	Budget	Realisation	Remaining
INT_1A_STAF_KSTN	792,610	716,999	75,611
INT_2A_ACTIVITEIT	1,587,580	1,263,964	323,616
INT_2B_PARTNERS	176,560	227,834	-51,274
INT_2C_REISKOSTEN_ ACT	81,750	12,595	69,155
INT_2D_PROJ_ KANTOOR	144,000	156,433	-12,433
INT_2E_MATERIAAL_INV	-	1,633	-1,633
INT_2F_MONITORING	177,500	128,576	48,924
INT_3A_KSTN_SUPP_ STAF	76,667	76,667	-
INT_3B_ADM_INDIR	296,667	294,103	2,563
Total	3,333,333	2,878,804	454,529

Per result area, in EURO

	Total VMP 2021			Total VMP 2022			Total VMP 2023		
	Budget	Realisation	Difference	Budget	Realisation	Difference	Budget	Realisation	Difference
Social dialogue	1,025,977	729,618	296,359	1,082,253	942,701	139,552	996,096	750,109	245,987
Labour Rights (in supply chains)	1,234,812	1,334,794	-99,982	1,502,524	1,494,985	7,539	2,200,560	2,003,817	196,743
Youth Employability	678,518	691,988	-13,470	510,308	664,155	-153,847	386,998	242,486	144,512
Gender	394,026	122,404	271,623	333,111	318,491	14,620	259,002	243,017	15,985
Total	3,333,333	2,878,804	454,529	3,428,196	3,420,333	7,864	3,842,656	3,239,429	603,227

100% fair work

Each day, CNV Internationaal is working to promote 100% fair work in Africa, Asia and Latin America. We are doing this by working closely with local partner unions and investing in strong collaboration with other partners, such as companies and governments.

Fair work involves people being able to work safely and in freedom while earning a living wage. Trade union freedom and social dialogue are essential preconditions for achieving that. Independent trade unions are aware of employees' interests and are therefore able to represent them effectively during talks with employers. Everyone within the production chain benefits from sustainable, constructive dialogue between trade unions and employers – not just employees, but suppliers and governments as well.

100% fair work also means that women and young people have the same opportunities on the labour market as everyone else and that there is no discrimination when it comes to terms of employment, such as pay and leave.

Research into employee safety, health and freedom is also part of 100% fair work.

CNV Internationaal and its partner trade unions use innovative tools for this purpose, including accessible online surveys. Knowing the exact situation for employees strengthens our position at the negotiating table. This also allows us to assess the impact of our work.

CNV Internationaal exchanges knowledge with local trade unions. Together, we work to increase innovation and provide training on topics such as social dialogue and female leadership. CNV Internationaal provides information for companies operating in the chains in the form of webinars, training and reports. This information helps companies understand the situation in a specific country or chain and enables them to work on international corporate social responsibility more effectively. Currently, CNV Internationaal is particularly active within the following chains: textiles, palm oil, mining, sugar cane and cashew.

CNV Internationaal

Tiberdreef 4
3561 GG Utrecht, the Netherlands

E internationaal@cnv.nl

T +31 (0)30 751 12 60

I www.cnvinternationaal.nl