

Annual report



2022

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Foreword

Every child has the right to a future in which they can develop safely. I want to work hard for that. While I have only been the CEO of Terre des Hommes Netherlands since January of this year, the fight against inequality and the commitment to human rights is something that I have been committed to for my entire career. It is horrific that children are still being exploited all over the world; a situation made worse since COVID-19. We have seen alarming rates of children sexually exploited online, in addition to those who are exploited outside of the digital realm. Most children do not speak up about being abused or exploited, which is one of the reasons that they are not taken seriously. It is something that needs to change. That is exactly what makes the new strategy of Terre des Hommes Netherlands so compelling to me. The development of this strategy has been an inclusive process that incorporated the voices of children and young people. Their insights and lived experiences are embedded within our strategy which is important as we, adults, are not necessarily best placed to identify what they need. From as early as 8 years of age, children themselves know what is best for them and are capable of telling us what they need. It is our job to listen.

I have long been an admirer of the work of Terre des Hommes. Reflecting specifically on the events of 2022, I have been impressed with a multitude of their accomplishments: How quickly and effectively they responded to the needs of children in the wake of the Ukraine war; How, through years of lobbying to legalise mica mining, they were able to facilitate

the possibility of children in India to stop working in these dangerous mines and return to school; and how this new legal policy also addressed a structural issue by allowing for a chance at a stable financial future for the families of these children, as they are now able to legally set up mining cooperatives. These accomplishments have inspired me and made me proud to be leading this impressive organisation.

I want to convey my personal gratitude to Tjipke Bergsma, who guided Terre des Hommes Netherlands last year through some tumultuous times. He -along with partners, donors, and our dedicated teams in Europe, Asia and Africa- were able to stabilise our organisation, achieve the aforementioned successes and set it up to flourish in the years to come.

I invite you to learn more about Terre des Hommes and join us in our fight to stop the exploitation of children. If you desire, come and meet us at one of the 42 beautiful Terre des Hommes shops where one of our over 1,700 enthusiastic volunteers will help you contribute to our mission and make the world a better place.

After all, dear readers, our work would not be possible without you! Thank you very much from all of us at Terre des Hommes. Your support grants a lifeline to many vulnerable children.

Julie Verhaar
CEO Terre des Hommes Netherlands

MANAGEMENT REPORT

Like many in the world, Terre des Hommes Netherlands was shocked by the war that erupted in Ukraine in February 2022. The escalation of violence has had enormous consequences for the civilian population and especially for children. In times of war, the risks for vulnerable children such as the risk of extreme poverty and exploitation increases, especially for unaccompanied minors fleeing the war.

Like many in the world, Terre des Hommes was shocked by the war that erupted in Ukraine in February 2022. The escalation of violence has had enormous consequences for the civilian population, especially for children. In times of war, the risks for vulnerable children are exacerbated. Often poverty and exploitation increases, and this is especially so for unaccompanied minors fleeing the war. In efforts to mitigate the dire consequences of the Ukraine War, Terre des Hommes, together with other Dutch aid agencies, started a nationwide fundraising campaign through Giro555. This collaboration of aid organisations works together to take action to provide emergency aid throughout the world. In the months following the outbreak of the war, we set up several actions to support Ukrainians seeking protection in neighbouring countries. While this work required a lot of our time and attention, we still continued our more regular work of safeguarding children from exploitation in other countries with unwavering dedication. Our other notable accomplishment of 2022, was the development of our new Theory of Change, accompanied by a new seven-year strategy for the organisation, commencing in 2023. Together, these strategic documents lay the foundation for the

future of our organisation as we work toward the systemic eradication of child exploitation.

During the past year we implemented 68 projects on which we spent € 19.7 million. 53 of these 68 projects were focused on realising structural change in the lives of children at risk of being victims of exploitation while 15 focussed on humanitarian action. The administrative expenditure amounted to €1.4 million. This was largely spent on supporting the execution of projects in the regions including communication, fundraising and operations.

Expenditures

In 2022, the spending on our objectives was slightly higher than budgeted and also slightly higher than the actuals in 2021. This was mainly due to the SHO action on Ukraine which was very successful. On structural aid we were successful in organising the project funded by the Dutch Postcode Lottery and restarting that in the second half of the year.

Humanitarian action

In 2022 Terre des Hommes addressed several humanitarian crises through 15 projects in 14 countries. Five of which include neighbouring countries of Ukraine. We supported refugee children and their families through various activities, addressing a myriad of needs. These varied from bringing together teams consisting of psychologists, social workers, and emergency workers to organise sports and game activities for children in shelters in Moldova and Romania, to the creation of child friendly spaces in Poland. In Ethiopia, we established a protective environment for women and children whose lives have been disrupted by conflict. These spaces have helped the children to develop their self-confidence and protect them from abuse and exploitation. In total, we spent €8.0 million on humanitarian actions in 2022.

Our income in 2022

Thanks to our generous donors, in 2022, our total income was €26.1 million. This consisted of government grants (€11.9 million); contributions from lotteries, mainly the Dutch Postcode Lottery (€2.3 million); donations from foundations, private funds and companies (€0.2 million); gifts and donations from private donors (€7 million); the net result of the Terre des Hommes' shops (€1.3 million); and other (affiliated) non-profit organisations (€3.3 million). The income from private donors includes €0.8 million from legacies.

Strategy revision

Terre des Hommes has always put its heart and soul into improving children's lives. It is precisely because of our passion and dedication that we periodically review the effectiveness of our approach. Our mission is, first and foremost to safeguard children from all forms of exploitation. To excel in fulfilling this mission, we evaluate our strategic direction, fine-tuning it on the basis of newly acquired knowledge and insights, and

adapting it to an ever-changing world. In 2022, Terre des Hommes undertook the development of a new Theory of Change and a new seven-year strategy for the organisation. This process was founded on the need and desire to better understand what is required to protect children from exploitation, and what role our organisation can and should play.

Built on research, analyses and work conducted in 2020 and 2021, the new strategy was created in the period from May - October 2022. In addition to previous years' work and research, its content is built on the expertise, experience and aspirations of the staff of Terre des Hommes, as informed by our work with partners in 23 countries. The inputs were gathered through group consultations, individual interviews, open meetings and continuous conversation. Most importantly, priorities in the strategy have been influenced by the opinions of almost 200 children and more than 50 young people (under 24 years old) from eight countries, gathered through a survey.

Shops

Terre des Hommes' shops are an important partner in our social impact. The shops offer a possibility to recycle clothes and goods, sell products of partners that would otherwise be destroyed or stored minimising our global footprint while at the same time providing us with important unrestricted funding from the proceeds of what we sell. Moreover, the shops also serve as a valuable tool for brand awareness, visibility, and a way for our volunteers to engage with the general public. While the base for a support team for the shops was laid by establishing a Terre des Hommes Winkels Foundation in 2020, over the past two years work has progressed on setting up this foundation. The foundation will make sure that, while retaining the uniqueness of the shops, a transparent and sustainable structure enables them to continue to develop in the coming years. Our intent is to continue to provide a meaningful place of engagement to not only collect proceeds but



to also tell the story of Terre des Hommes while connecting the shops, volunteers, and customers with Terre des Hommes' projects.

Internal governance

In 2022, our organisation faced some challenges, but it eventually became a year of marked transition and eventual stabilisation. Tragically, a bike accident caused our former Director, Leonard Zijlstra, to leave the organisation at the end of June 2021. To act in his stead, Tjipke Bergsma served

as the Interim Managing Director, helping to guide the restructuring of governance within Terre des Hommes through an inclusive and consultative process. Within this new structure, new positions were filled and the resulting clarity in leadership has had a very positive effect on all staff. At the start of 2023, Julie Verhaar became the newly appointed CEO of Terre des Hommes. She brings many years of experience in international cooperation and a vast network of possible new partners. A great addition to the organisation!



Organisation

2022 also brought an opportunity to emerge from a turbulent 2021 and implement what we learned. Drawing from the results of an employee satisfaction survey, Terre des Hommes set out to implement the changes desired by our staff. The inclusive way in which we updated our Theory of Change and strategy, implemented a Speak Up policy, made changes in governance structures, invested in our management style, and prioritised open and transparent communications have led to an increased sense of security and connectedness within our organisation.

Corporate Social Responsibility

Terre des Hommes aims to have a positive impact through its programmes on people, their communities and the planet. We are aware that our activities also entail the risk of negative impacts on the planet and its people. Therefore, we seek to integrate our values and our respect for national and international laws, norms and standards into our way of working and to minimise our negative impacts.

Management remuneration

In the year 2022 our management board consisted of Leonard Zijlstra and Tjipke Bergsma a.i. We stayed in line with the standards of Goede Doelen Nederland on management remuneration based on a BSD score of 520 points. We stay well within the total remuneration allowed under this scope.

Forward look into 2023

With our new strategy, Terre des Hommes seeks to realise systemic change that addresses the root causes of child exploitation. This can only happen if the right actors come together and have the right information to act on. Our role is to be the convener of these actors and the purveyor of this information. We will take action on and advocate for the change that needs to happen. The strategy is founded on a number of strategic choices about our role as a Netherlands-based international non-governmental organisation working for children's

wellbeing in every part of the world. These choices have fundamental implications for the future on how we work, organise and communicate. Over the coming years we will build on our current work and strengths, while establishing the structure, workflow processes and culture at Terre des Hommes that will allow us to deliver on this strategy.

One of these key developments is the reorganisation of our programmes in a way that allows us to research the most effective ways to address different forms of child exploitation, and to document and report on this so that it may be scaled and replicated. The strategy also centres on the importance of creating space for children's voices to be heard - a priority that was emphasised by children themselves. Implementing our new strategy will require an initial investment, We stay well within the total remuneration allowed under this scope.

BUDGET 2023

| | |
|-------------------|----------|
| Income | 30,914 |
| Costs | |
| Project | (18,663) |
| Fundraising | (3,576) |
| Other | (10,424) |
| Net income | (1,749) |

THE URGENCY

The United Nations Convention on the Rights of the Child (UNCRC) is the legal framework for the protection of children's rights worldwide. States party to the convention must ensure that children are protected from all forms of exploitation¹. Despite the fact that 196 states have ratified the UNCRC, child exploitation remains a widespread issue.

According to 2020 estimates, 160 million children worldwide – roughly 63 million girls and 97 million boys – are being exploited for labour². Out of these, over 79 million are involved in hazardous work, an increasing number of whom are young children aged 5-11 years³. Globally, one in five girls and one in 13 boys have been victims of sexual exploitation before reaching the age of 18⁴.

In the face of the rapid technological advances and growing digitalisation, new generations of children are growing up in an online environment where they face new risks. A global survey found that 54% of young people reported having experiences online sexual harms, such as being asked something sexually explicit or sent sexually explicit content, when they were under 18⁵.

Every year, events such as armed conflicts, droughts, floods and earthquakes trigger humanitarian crises in different parts of the world, exposing thousands of children to all forms of exploitation. Currently 302 million people worldwide need humanitarian assistance, half of whom are children. The 2022 refugee crisis in Ukraine highlighted how unsafe migration catalyses the risk of child exploitation and child trafficking. Children that are separated, unaccompanied and/or in institutional care were deemed particularly vulnerable. UNICEF estimates that 28% of identified trafficking victims globally are children. Across

regions such as Sub-Saharan Africa, Central America and the Caribbean, children account for an even higher proportion of identified trafficking victims, at 64% and 62% respectively⁶. Climate change is likely to exacerbate these situations, with rising temperatures and ocean levels expected to cause mass displacement, more frequent extreme weather and increased conflict⁷.

Despite the urgent need for attention, progress on ending violence, exploitation and abuse of children is lagging behind. The COVID-19 pandemic has wreaked havoc on children's well-being and has set progress back by years, possibly decades⁸. To illustrate, in 2021 - the International Year for the Elimination of Child Labour - instances of child labour rose for the first time in two decades. Additionally, the prevalence of online sexual exploitation of children (OCSE) exploded in 2021, with unprecedented increases in reported cases of grooming, child sexual abuse materials (CSAM), sextortion and other abuse and exploitation⁹.

In such a context, it is all the more important that those with the power to enact change to protect children from exploitation can come together to do so. Terre des Hommes seeks to accelerate progress on ending child exploitation by building coalitions, expanding knowledge and influencing systemic change.

1 Convention on the Rights of the Child, 1989.
2 ILO & UNICEF (2021). Child Labour: Global estimates 2020, trends and the road forward.
3 UNICEF (2021b). Ending Online Child Sexual Exploitation and Abuse.
4 UNICEF (2021a). Ending online child sexual exploitation and abuse: Lessons learned and promising practices in low- and middle-income countries.
5 Economist Impact, & We Protect Global Alliance (2022). Estimates of childhood exposure to online sexual harms and their risk factors.
6 UNICEF (2018). Press release: Children account for nearly one-third of identified trafficking victims globally.
7 Bindi, IPCC (2018). Impacts of 1.5°C global warming on natural and human systems.
8 UN (2021). The Sustainable Development Goals Report 2021.
9 Meurens, Notté (2022). Child safety by design that works against online sexual exploitation of children.

Introduction

In 2022, Terre des Hommes undertook the development of a new Theory of Change and a new seven-year strategy for the organisation. This process was founded on the need and desire to better understand what is required to protect children from exploitation, and what role our organisation can and *should* play.

As a result of this process, Terre des Hommes has revised its vision and mission statements:

Vision

Children can flourish in a world free of all forms of exploitation.

Mission

Protect children by preventing and stopping child exploitation. And by empowering children to make their voices count.

New to our mission statement is the focus on children's empowerment. While the participation of children in all aspects of our work is something we already embraced, we now recognise our responsibility to support children in speaking up and having a say in the matters that affect them. And to enable them to take a leading role in pushing for the changes they wish to see.

Listen up!

In the development of the new Terre des Hommes' strategy 2023 - 2030, we surveyed 250 children and youth across eight countries on their priorities and advice for organisations like ours. The survey outcomes have shaped our organisation's priorities

for the coming seven years. It is for this reason that our new strategy is entitled "Listen Up! Raising children's voices in an evidence-informed approach to stopping child exploitation through systemic change."

With our Listen Up! strategy, Terre des Hommes will embrace a new approach to stopping child exploitation, and ensuring support for the victims and survivors of child exploitation. In the coming seven years, we aim to catalyse systemic change by combining our networks, knowledge and collaborative programme approach in order to bring the right people together to find the right solutions and influence power holders to take action.

बच्चों के अंदर आत्मविश्वास बढ़ाना और अन्याय के खिलाफ अपनी आवाज उठाना
"[Putting children at the centre means] raising their self-confidence, so they can raise their voices against injustice."

- Pre-teenage boy, India, 2022

"I have to work much harder since COVID-19 has worsened our situation financially...I'm only able to earn around 2500 shillings [less than 1 euro] if I work hard for a whole day with my parents or by myself at people's coffee farms."



Pre-teenage boy, Uganda, 2021¹⁰

2022 IN NUMBERS

Terre des Hommes and our implementing partners work to prevent child exploitation, stop child exploitation where it is happening, and support child victims and survivors of exploitation. Some highlights showing how we supported children in 2022:

177,777

girls and boys directly benefited from our projects (71,752 boys and 106,025 girls)

668,453

family members of these children and people living in their communities also benefited from our projects

14,965

children received education through our support

78,607

children were trained as agents of change

57

children received legal aid

6,543

children were supported with protection activities, psycho-social support and child friendly spaces

87,095

members of communities where vulnerable children live were supported with alternative sources of income

9,309,353

people were reached through a TV campaign promoting the protection of children affected by conflict

276,759

community members participated in awareness meetings and training

2,547,479

individuals in 14 countries were reached with our Humanitarian Actions

In 2022 we raised nearly €26.1 million in income from our committed and involved donors consisting of individual donors, lotteries, foundations, the Terre des Hommes shops, governments, and other NGOs. The spending on our objectives has increased by 4% compared to 2021. This is mainly due to our humanitarian projects, including our Ukraine response.

In 2022, we spent a total of €26.7 million of which €19.7 million is spent on projects and programmes. The funds were invested in a total of 68 projects. Of these, 53 concerned realising structural change in the lives of children at risk or victims of exploitation and 15 focussed on humanitarian action.

We ran projects in Asia, Africa and Europe to fight child labour, child sexual exploitation, child abuse and child trafficking.



76%
of our income was spent towards realising our programmes and projects



8.2
is the overall satisfaction score of our donors with the donor service



1,700+
committed
volunteers



42
Terre des
Hommes shops



68,755
individual
donors



151
employees in
Europe, Africa
and Asia



15
humanitarian
actions



We supported some of the most vulnerable people in Afghanistan, Burkina Faso, Ethiopia, Hungary, India, Kenya, Madagascar, Moldova, Poland, Romania, Slovakia, Syria, the Philippines and Ukraine. The emergency relief included response to conflict, natural disasters and the COVID-19 pandemic. Our humanitarian aid interventions are funded by ECHO (European Civil Protection and Humanitarian Aid Operations), DRA (Dutch Relief Alliance), The Foundation of Dutch Cooperating Aid Organisations (in Dutch: stichting Samenwerkende Hulporganisaties), better known as Giro555 and International Rescue Committee (IRC).



OUR IMPACT

We aim to make an impactful contribution to eradicating child exploitation.

Our programmes focus on protecting children from child labour, sexual exploitation, abuse and trafficking. We work to address humanitarian crises and catalyse systemic change. Interventions range from offering shelter, providing education and discussing harmful traditions to raising awareness

of children's rights among communities and authorities. We are also involved in supporting governments in the drafting and implementation of relevant policies and laws. In creating change, we work with local partner organisations and stakeholders, ranging from children themselves to governments.

CHILD LABOUR



UN Sustainable Development Goal (SDG) 8.7 aims to ‘take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms’.

The worst forms of child labour include ‘all forms of slavery or practices similar to slavery (such as the sale and trafficking of children, debt bondage, serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict); the use, procuring or offering of a child for prostitution (including pornography); and the use, procuring or offering of a child for illicit activities (such as the production or trafficking of drugs); and ‘any work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children’¹².

Despite this lofty goal, there are still 160 million children in situations of forced labour, of which 79 million are taking part in hazardous work¹³.

At an age when children should be nurtured and supported through education, adequate health and social protection, and enough play and leisure time, they have to work instead. The reasons vary: poverty, few options for education, little energy

after work to study or lack of role models. The consequences, however, are sadly consistent. With tired bodies and weary minds, their chances to learn and thrive are diminished along with their prospects for a bright future.

COVID-19 exacerbated an already grim situation by causing an increase in rates of poverty and driving millions of children into the worst forms of child labour¹⁴. Through our programmes, Terre des Hommes recognised the large amount of children whose schooling was interrupted by lockdowns, never returned to school, and instead and instead turned to (often dangerous) work to meet their and their families' basic needs¹⁵.

¹² Worst Forms of Child Labour Convention Article 3 (1999).
¹³ ILO & UNICEF (2021). Child Labour: Global estimates 2020, trends and the road forward.
¹⁴ ILO & UNICEF (2021). Child Labour: Global estimates 2020, trends and the road forward.
¹⁵ Ochen et al. (2021).

Terre des Hommes aims to eradicate the worst forms of child labour and understands that the best way to do so is by bringing about systemic changes that enhance the protection of children. For this reason, we work to abolish child labour by addressing its root causes, and by guiding children

back to school and supporting their families to generate an alternative income¹⁶. In particular, we run programmes addressing child labour in mica mining, the garment industry, in coffee cultivation and in other value chains in India, Bangladesh, Madagascar and Kenya.

| COUNTRY | DIRECT REACH | INDIRECT REACH |
|--------------|---------------|----------------|
| Kenya | 3,622 | 21,169 |
| Madagascar | 1,386 | 3,144 |
| Bangladesh | 275 | 141 |
| India | 5,301 | 0 |
| Total | 10,584 | 24,454 |

In 2022, Terre des Hommes Netherlands worked in 4 countries on child labour-related interventions that reached a total of **35,038** individuals (**10,584** directly and **24,454** indirectly).

¹⁶ Terre des Hommes Netherlands WFCL Position Paper (2016).

ROSIA'S STORY

“School helps me to get to know important things”

10-year-old Rosia lives in a small village in Madagascar with her mother and two younger siblings. Her father left them when she was a baby. Since Rosia was 8 years old, she has worked in the mica mines to support her mother, who takes care of the three children on her own.

Rosia is now attending the third year of primary school. Her school receives support from Terre des Hommes through the provision of school bags, books, materials and payment of part of the teachers' income. To address the issue at the root, Terre des Hommes is also working to prevent the

causes of child labour, by training families about alternative sources of income, so that children like Rosia can stay in school.

Rosia says she enjoys school, where she can study and play with her friends, and is also grateful for the school food programme introduced. “I didn't like working in the mine. I was often very tired and I didn't learn anything in the mines. I would always rather go to school, so I'm very happy now”. Rosia, wants to be a nurse one day. “I want to help people and especially my mother if she ever gets ill and needs treatment.”



CHILD SEXUAL EXPLOITATION



Anytime a child takes part in a sexual act in exchange for something, that child is considered to have been sexually exploited. This 'exchange' could be money, or other things like food, a place to stay, or even an empty promise or coercive threat¹⁷.

Perpetrators sometimes 'pay' children directly, but often it is a third party or the child's family who 'benefits' financially or otherwise¹⁸. A form of sexual exploitation where the focus is specifically on monetary benefit often has links with organised crime, where the primary driver is economic. Examples include the sexual exploitation of children in and through prostitution, also referred to as sex trafficking, and exploitation of children in the production and distribution of child sex abuse materials.

Often, sexually exploited children experience physical, emotional, psychological and developmental harm. Although research points to girls and women being disproportionately affected, the sexual exploitation of boys cannot be ignored. Sexual exploitation of children of diverse gender and sexual identities is a growing area of research interest for most organisations, including Terre des Hommes.

Terre des Hommes aims to help end sexual exploitation of children by 2030 and thereby contribute to the SDGs, in particular Target 5.2 (to eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation) and Target 16.2 (to end abuse, exploitation, trafficking and all forms of violence against, and torture of, children).

¹⁷ Luxembourg Guidelines, 2016
¹⁸ Greijer et al., 2016

In our projects focused on child sexual exploitation in its broader sense, we are often dealing with the following types of sexual exploitation of children:

Online Child Sexual Exploitation (OCSE)

OCSE is sexual exploitation of children that occurs via information technology, including the internet and social media. Sometimes the line between offline and online sexual exploitation is very blurred, calling for constant monitoring of the local contexts to develop innovative and responsive approaches to tackle OCSE. In addition to longstanding programmes, our new 'Safety for Children and their Rights OnLine' (SCROL) programme is operational in four countries: the Philippines, Nepal, Cambodia and Kenya.

Sexual Exploitation of Children in Travel and Tourism (SECTT)

SECTT is sexual exploitation that occurs in the context of travel and/or tourism. It can be committed by foreign or domestic tourists, travellers or longer-term visitors. Terre des Hommes has and will continue to build strategic alliances to end both SECTT and broader scale sexual exploitation of children (SEC), such as the Down to Zero Alliance, which aims to put an end to the sexual exploitation of children in 11 countries (of which we work in the seven in the table below).

| COUNTRY | DIRECT REACH | INDIRECT REACH |
|-----------------|---------------|------------------|
| Uganda | 6,862 | 0 |
| Kenya | 11,467 | 2,977 |
| Bangladesh | 328 | 19,472 |
| Cambodia | 3,890 | 615,275 |
| Nepal | 10,594 | 0 |
| The Philippines | 3,383 | 559 |
| Thailand | 990 | 678,011 |
| Total | 37,514 | 1,316,294 |

In 2022, Terre des Hommes Netherlands worked in 7 countries on interventions related to sexual exploitation of children and reached a total of **1,353,808** individuals (**37,514** directly and **1,316,294** indirectly).

ALEXA'S STORY

“I was afraid that people would judge me”

When Alexa was a teenager, she spent a lot of time chatting about music or movies on social media. At some point, she came into contact with a young man. After a while, this contact became more intensive and eventually Alexa sent him a few sexy photos at his request, for a fee.

“Then he suggested we meet in real life,” she says with a downcast look. When she accepted and they met, the man turned out to have wrong intentions and raped Alexa. She was sixteen.

There are many children like Alexa in the Philippines, who are sexually exploited online. In the past three years, the number of victims has tripled – a huge increase. “It’s a big problem in the Philippines as children in our country are very familiar with social media,” explains Eva Maria Cayanan from Terre des Hommes Netherlands in the Philippines. “Almost everyone is active online and children have a good command of English.”

Most children feel very ashamed about the things that happen to them. They are afraid of further consequences and suffer from anxiety and depression. Alexa: “I was extremely afraid what people around me would think, that they would judge me. Once such images are online, they never go away. What if they turns up later and people recognize me?”

Terre des Hommes Netherlands has drawn up an action plan to tackle online sexual exploitation on several fronts. That often means psycho-social help, but since poverty is the biggest push factor financial support is very important as well.

Alexa, now 21, is committed to her studies and hopes to become a teacher one day. “I want to teach children, including those who cannot come to school because of lack of financial resources. I want to become their role model.”



CHILD ABUSE AND SRHR



Terre des Hommes works towards addressing SRHR violations. SRHR, which stands for Sexual and Reproductive Health and Rights, covers multiple human rights, including the right to life, to be free from torture, to health, to privacy, to education, and the prohibition of discrimination¹⁹. SRHR includes respect, safety and the freedom of people to make their own decisions about their body.

Some of the Terre des Hommes programmes dealing with sexual exploitation, including the multi-country programmes She Leads and Down to Zero, have been designed within an SRHR framework. Other programmes focus on eliminating two harmful practices linked to the exploitation of children, and especially girls: Female Genital Mutilation/Cutting (FGM/C) and forced child marriages. Both these practices have profound adverse effects on girls, as they limit their autonomy and chances of getting an education, violate their sexual and reproductive health and rights, and place them at increased risk of violence.

Female Genital Mutilation/Cutting (FGM/C)

FGM/C is a harmful practice that constitutes gender-based violence against girls. An estimated 3 million girls are at risk of undergoing FGM/C every year, the majority under 15 years old and concentrated in hotspots in Africa, Asia and the Middle East. This means more than 200 million girls and women alive today have undergone FGM/C²⁰, roughly equivalent to the population of Pakistan, the world's sixth most populous country.

Deeply ingrained sociocultural beliefs hold that the practice will make girls more viable for marriage and protect them from violence. While FGM/C²⁰ is usually not intended to cause deliberate harm to girls, it is a symptom of severe gender inequality and societal discrimination against girls and women²¹. Our disability-inclusive GIVE project in Tanzania empowers children and stakeholders working on disability to advocate against FGM/C.

Child, early and forced marriage (CEFM)

CEFM happens to children under 18 for a variety of reasons, but often involves the trafficking and sale of children. Globally, some 650 million girls and women alive today were married under the age of 18. While rates of child marriage are highest in Sub-Saharan Africa (35%), South & East Asia and the Pacific are the regions with the most cases²². Accelerated by the COVID-19 pandemic and global economic downturn, it is estimated that 13 million more children will be married over the coming decade²³.

The extremely harmful practice of CEFM is responsible for the intergenerational cycle of deprivation, violence, and undesirable health outcomes for children, girls and women. Once married, children, and especially girls married to older men often experience sexual abuse. Among other problems, this results in risky early childbearing and heightened vulnerability²⁴. These are the issues frequently observed by partners working on our successful Initiative for Married Adolescent Girls' Empowerment (IMAGE) programme model in India and Bangladesh. As part of the programme, we empower child brides to stand up for themselves. They are offered the possibility of vocational training and their community is provided with information to better protect the girls.

¹⁹ The Office of the United Nations High Commissioner for Human Rights (OHCHR), The Committee on Economic, Social and Cultural Rights (CESCR), The Convention on the Elimination of Discrimination Against Women (CEDAW), The United Nations Convention on the Rights of the Child (UNCRC).
²⁰ UNICEF, Report on Female Genital Mutilation/Cutting (2013), UNICEF, Female Genital Mutilation: A global concern (2016)
²¹ UNGA (2014).
²² UNICEF, Towards Ending Child Marriage report (2021), Girls Not Brides (2021).
²³ UNFPA, Press release: Millions more cases of violence, child marriage, female genital mutilation, unintended pregnancy expected due to the COVID-19 pandemic (2020).
²⁴ UNFPA, Girlhood, not motherhood: Preventing adolescent pregnancy (2015)

Terre des Hommes works to shift gender norms and harmful beliefs. Our programmes work with children, parents, and communities to empower them to provide trauma-informed care to girls and to advocate for better policies. We do this by

influencing the perceptions and beliefs stemming from gender discriminatory and patriarchal structures, and power relations that drive the control or suppression of girls.

| COUNTRY | DIRECT REACH | INDIRECT REACH |
|--------------|---------------|----------------|
| Uganda | 11,307 | 0 |
| Kenya | 13,919 | 542,204 |
| Tanzania | 16,202 | 38,446 |
| Bangladesh | 770 | 71 |
| India | 30,542 | 760 |
| Cambodia | 505 | 15,807 |
| Total | 73,245 | 597,288 |

In 2022, Terre des Hommes Netherlands worked in 6 countries on child abuse-related interventions, reaching **670,533** individuals with our interventions (**73,245** directly and **597,288** indirectly).

NISHA'S STORY

“I want to prevent child marriages”

At 13, Nisha was forced to marry an 18-year-old from a nearby remote village in India. Because her parents didn't earn enough to support her and her three siblings, this was deemed a smart financial decision. When Nisha moved in with her husband, she had to carry out all the household chores and bear her husband children. By the time she was just 18, she had a 5-year-old daughter and 2-year-old son.

“I agreed to get married, as I thought my sacrifice would give my siblings an education and meals,” explains Nisha, “but we were so unlucky. My father passed away a couple of days after my marriage.”

This meant my two younger sisters were also made to marry before they turned 16. We are all now victims of child marriage. None of us had the chance to complete our education.”

Terre des Hommes' IMAGE programme helps child brides in India become stronger and stand up for themselves. It educates communities and offers a place where these girls can develop their skills. Nisha attended the programme's leadership and life skills training. This led to her being selected as a movement leader in her community. Nisha: “I want to improve the lives of other early married girls and prevent more child marriages from happening.”



CHILD TRAFFICKING



To define child trafficking, Terre des Hommes follows the definition of Article 3 of the Trafficking in Persons Protocol²⁵. This states that in the case of child victims, only the listed acts (recruitment, transportation, transfer, harbouring or receipt of a child) and purpose of exploitation are relevant. The means, such as use of force or deception, are irrelevant when children are involved.

Child trafficking can best be understood as a chain of events with the end goal of exploitation. The chain consists of the different acts listed in Article 3. Trafficking doesn't have to involve crossing borders, a victim can also be trafficked domestically. Essentially, any person who is involved in trafficking children must have acted with the intention of exploiting the child in the end.

Although it is difficult to know the exact numbers of child trafficking victims, the ILO estimated that in 2021 some 3.3 million children were trafficked for forced labour and more than half of these are in commercial sexual exploitation²⁶. In 2023, UNODC provided an overview in percentages, where trafficking victims (adult or child) were trafficked equally often for forced labour (39%) as for sexual exploitation (39%)²⁷. The other most prevalent

reasons include trafficking for forced criminal activity, followed by forced marriage, exploitative begging, illegal adoption and removal of organs.

There are many push factors towards child trafficking that tend to have a link with economic circumstances. Traffickers prey on vulnerabilities and when there is lack of money, children are more easily recruited for exploitative purposes. It is difficult to escape the cycle of economic disadvantage, as children are also less likely to go to school, which limits their opportunities for a good job²⁸.

²⁵ OHCHR, Trafficking in Persons Protocol (2000).
²⁶ ILO, Press release: 50 million people worldwide in modern slavery (2021).
²⁷ UNODC, Global Report on trafficking in persons (2022).
²⁸ O'Brien, Hayes & Carpenter (2013).

Terre des Hommes works to minimise the push factors towards trafficking and unsafe migration by educating children and helping families earn more money. For victims of child trafficking and unsafe migration, safe accommodation and care

is provided. An example is our work with partner, Dwelling Places, in Uganda, which rescues children and reunifies them with their families, making sure children can go to school and families get help generating an income.

| COUNTRY | DIRECT REACH | INDIRECT REACH |
|--------------|--------------|----------------|
| Uganda | 1,226 | 1,103 |
| Bangladesh | 383 | 209,977 |
| Total | 1,609 | 211,080 |

In 2022, Terre des Hommes Netherlands worked in 2 countries on interventions related to child trafficking and reached a total of **212,689** (**1,609** directly and **211,080** indirectly).

JOHN'S STORY

“I want to be a responsible man”

John is 9 years old, lives in Uganda and is the third of four children. His mother is alone. Bringing up the children, conducting the housework, providing an income: everything is down to her. John's father is hardly ever there, sometimes joining them for a meal, but then leaving again the next day. John wants to do things differently later: “I want to be a responsible man. I want to be able to take care of my brothers and sister.”

John joined a group of street kids to try his luck in a town 200 kilometres from home. He soon realised life in the city was not as he imagined. His only income was from deposits on plastic bottles he found. Meanwhile, no one knew where he was.

Without realising it, John was in danger on the street, with criminals actively recruiting children in order to sell or exploit them.

Terre des Hommes' partner organisation, Dwelling Places, got John off the streets just in time. They tracked down John's family and brought him home safely. A plan has been made for the family to increase its income. John's mother has been taught retail trade and now has a thriving shop selling rice and vegetables. There is no longer any need for John to be the breadwinner. He now dreams of something completely different: “I'd like to go back to school and become a footballer.”



HUMANITARIAN ACTION



In 2022, humanitarian needs around the world increased dramatically. The Humanitarian Needs Overview, published by the United Nations Office for the Coordination of Humanitarian Affairs in early 2022²⁹, projected 274 million people in need of humanitarian assistance and protection, but that number reached over 300 million during the year.

The hunger crisis in East Africa, with a complex mix of causes involving climate change, conflict and poor governance, has left more than 22 million people across East Africa in urgent need of life-saving assistance. The war in Ukraine, which began in February 2022, became one of the world's largest refugee crises, with over 7.9 million people displaced from Ukraine and registered as refugees abroad³⁰. The Sahel crisis in West Africa, one of the forgotten crises, rapidly worsened and increased the need for humanitarian assistance to unprecedented levels. Conflict, climate shocks, chronic vulnerability and endemic poverty put millions of people at risk in 2022, more than 30 million of whom required humanitarian assistance³¹. In addition, the protracted humanitarian crises in Afghanistan, Ethiopia and Madagascar all saw increased needs in 2022³².

As in previous years, in 2022 children paid the highest price for these humanitarian crises, making up more than half of those in need of humanitarian aid - a record 149 million children worldwide, and an increase of over 20% from 2021³³. Armed conflicts, natural disasters and other emergencies have exposed millions of children to unthinkable forms of violence, exploitation, abuse and neglect. Many children have been forced to flee their homes, and some have been separated from their parents and caregivers along the way.

²⁹ OCHA, Global Humanitarian Overview (2023).
³⁰ UNHCR, Operational Data Portal, Ukraine Refugee Situation (2022).
³¹ OCHA (2022).
³² UNICEF, Humanitarian Action for Children (2022).
³³ OCHA, Global Humanitarian Overview (2022).

The humanitarian actions of Terre des Hommes addresses the immediate lifesaving and protection needs of children and their caregivers affected by humanitarian crises, and supports communities in vulnerable situations with preparedness and prevention measures.

| COUNTRY | DIRECT REACH | INDIRECT REACH |
|---|----------------|-------------------|
| Kenya | 11,158 | 0 |
| Ethiopia | 58,693 | 30,713 |
| Madagascar | 23,407 | 0 |
| India | 34,463 | 0 |
| The Philippines | 3,572 | 192 |
| Burkina Faso | 513,224 | 1,813,555 |
| Afghanistan | 25,516 | 0 |
| Syria | 16,769 | 0 |
| Ukraine regional response (Hungary, Moldova, Poland, Romania, Slovakia and Ukraine) | 16,217 | 9,309,353 |
| Total | 703,019 | 11,153,813 |

In 2022, Terre des Hommes Netherlands intervened in 14 countries with Humanitarian Actions, reaching **11,856,832** individuals (**703,019** directly and **11,153,813** indirectly).

NATALIA'S STORY

“I hope my father is all right”

At the end of February 2022, war broke out in Ukraine. Since then, as many as seven million inhabitants have fled. These are mainly women and children who have left their homes and families behind. In one of the neighbouring countries they try to get their lives back on track, but that's not easy. Terre des Hommes supports local partners in Poland, Moldova, and Romania to help the children and their families through this difficult time. Many of these children are traumatised and in need of psychological help, not only to process the suffering of war, but also to deal with the impact of missing their father; as many men chose to stay behind to fight and were in any case not allowed to leave the country.

This is true of the father of 14-year-old Natalia.

Together with her mother and grandmother, she fled to Poland in April. “I can see that my mother is sad and anxious, especially when she tries to call my father and he doesn't answer right away. My father and grandfather aren't soldiers. My mum often tells me they're safe, but I know it's not true. No one is safe.”

In Poland, Terre des Hommes collaborates with, amongst others, FDDS: Fundacji Dajemy Dzieciom Siłę (literally: 'We empower children'), who have put together a team of five local organisations to help children and their carers from Ukraine. The main activities they provide are: language lessons, entertainment programmes, creative expression, information provision, legal support, psychological help, and material help.



CATALYSING SYSTEMIC CHANGE



Terre des Hommes works to address the root causes of child exploitation by identifying and pursuing systems changes that protect children from exploitation in the long run. In 2022, we were successful in many of our lobby and advocacy initiatives to improve legal and policy frameworks to better protect children.

In Jharkhand, India, the Terre des Hommes mica programme successfully advocated for the introduction of the Dhibra policy following years of engagement with the state government.

In Tanzania, the Give a Voice to Exploited Children (GIVE) project supported a network of children with disabilities to advocate and lobby for their rights. The network participated in the development of by-laws on the protection of children with disabilities in four local administrative areas in Tarime district. There are 21,165 children with disabilities in Tarime whose lives are expected to be positively impacted by the by-laws.

In Cambodia, Terre des Hommes supported the implementation of the National Action Plan to Prevent and Respond to Online Child Sexual Abuse. The National Action Plan will create policies that protect children, while improving the reporting system and case management processes. Together

with the national government industries, Terre des Hommes developed the Child Online Protection guidelines along with monitoring and evaluation frameworks to increase action and accountability in respect of vulnerable children and child victims.

In Ethiopia, Terre des Hommes worked with partner NEWA (the Network of Ethiopian Women's Associations) to create Ethiopian Young Women Voice, a platform for young women to advocate and present their demands and requests to relevant ministries. This lets young women voice their concerns directly to political leaders and initiate change. The young women representatives organised a campaign to demand systemic change regarding child marriage and abduction by carrying slogans to put pressure on government officials to take action against these harmful traditional practices.

Breakthrough in tackling child labour in Indian mica mines

Terre des Hommes has been fighting child labour in the mica mining communities in India since 2015. Recently, the minister of the Indian province of Jharkhand approved the 'Dhibra policy'. This legalises the artisanal extraction of mica scrap (dhibra) and means mica miners can now set up cooperatives to jointly defend their rights and interests: a great result.

Some 300,000 people in the area depend on mining scrap for their livelihood. The government will establish a minimum kilo price intended to contribute to a living income for adult mica miners. With this higher income, parents are no longer dependent on their children's income and can send them to school instead of letting them do this dangerous work.

Mica programme manager, Maggie de Jongh-Abebe, from Terre des Hommes in India is very enthusiastic about this development: "Terre des Hommes places extra emphasis on tackling the root causes of the worst forms of child labour, including poverty, lack of social services, and the illegal mica mining in Jharkhand and Bihar states in India. This important outcome ensures a sustainable system change and is the result of many years of effort by Terre des Hommes. This policy and cooperative model will improve working and living conditions for all mica workers and their children in this state."



ALLIANCES AND PART- NERSHIPS

Terre des Hommes cannot achieve its ambitions single-handedly: across the globe, we engage in strategic and operational partnerships to end child exploitation.

We work together with a wide range of partner organisations and stakeholders who contribute in different ways at varying levels in order to reach children and positively impact their lives.

SHE LEADS



She Leads is an initiative for and by girls and young women, because they have the right to speak and decide for themselves. She Leads is a collaboration between Plan International Netherlands, Defence for Children - ECPAT The Netherlands, the African Women's Development and Communication Network (FEMNET), and Terre des Hommes, in strategic partnership with the Dutch Ministry of Foreign Affairs.

By deploying a large network, spread across nine countries in Africa and the Middle East, we fight for the rights, leadership and agency of girls and young women. The consortium works together with local partners in Lebanon, Jordan, Mali, Sierra Leone, Liberia, Ghana, Ethiopia, Uganda, Kenya, and on a regional and global level.

Gender Equality

| COUNTRY* | DIRECT REACH | INDIRECT REACH | TOTAL |
|---|----------------|------------------|------------------|
| Lebanon | 608 | 78 | 686 |
| Jordan | 0 | 0 | 0 |
| Mali | 204,304 | 72,664 | 276,968 |
| Ethiopia | 6,547 | 16,925 | 23,472 |
| Uganda | 10,401 | 21,073 | 31,474 |
| Kenya | 8,485 | 1,058,685 | 1,067,170 |
| MENA regional lobby & advocacy activities | 347 | 0 | 347 |
| Africa regional lobby & advocacy activities | 1,030 | 2,819 | 3,849 |
| Total | 231,722 | 1,172,244 | 1,403,966 |

* Terre des Hommes Netherlands implements She Leads projects in 6 countries, 2 regions and at global level. The whole She Leads programme spans 9 countries, 2 regions and global lobby & advocacy initiatives.

2022 Milestones

1

Global Girls and Young Women Board (GGYWB):

Global Girls and Young Women Board (GGYWB): In 2022, the GGYWB was installed as part of the She Leads governance structure. It consists of one representative aged 14-24 from each of the 9 programme countries. The Board advises on overall strategies and implementation; annual planning and budgets; monitoring and learning; and gender, inclusion and safeguarding.

2

She Leads activists at the HRC50:

She Leads activists at the HRC50: Youth advocates from the She Leads programme participated in the 50th session of the UN Human Rights Council (UNHRC). Several young She Leads representatives drew attention to crucial issues affecting them. The activists achieved a huge milestone, when in July 2022 the UNHRC adopted the first ever policy on girls and young women activism, which was co-developed by them.

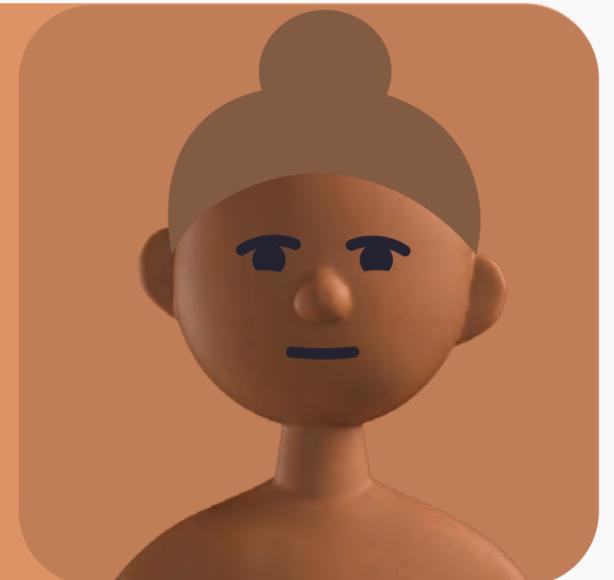
3

She Leads at global and regional advocacy platforms:

Through She Leads, girls and young women advocates are getting opportunities to attend high-level advocacy platforms. For example, Hana Endale, a young woman from Ethiopia, participated in 66th Session of the UN Commission on the Status of Women and the Gender Is My Agenda Campaign³⁴.

“Being a girl in this world is a challenge. But as activists, we’re able to face them.”

Youth activist Esther (23) from Sierra Leone



³⁴ The Commission on the Status of Women (CSW) is the principal global intergovernmental body exclusively dedicated to the promotion of gender equality and the empowerment of women. CSW is a functional commission of the Economic and Social Council (ECOSOC). The Gender Is My Agenda Campaign is a network lobbying for gender equality in Africa and within the African Union.

“The most rewarding part of my attendance was that it made me feel capable. Giving my insights and the opportunity to contribute on such important social development platforms is a reassurance that I’m capable of being an active contributor to society.”

Hana Endale, a young woman from Ethiopia



5

Regional and national Girls & Young Women festivals:

More than 50 girls and young women from across the African continent gathered in June in Accra, Ghana for the annual African Girls and Young Women Festival. This is an exchange platform for girls and young women to empower them to exert more influence on policies that concern them.

In December 2022, a similar festival was held in Kisumu, Kenya for She Leads activists from that country, where 70 girls and young women came together. They urged the Kenyan government to introduce free menstrual products, lower barriers for girls and young women to participate in decision-making, and end femicide and other gender-based violence.

Local systemic change:

She Leads’ strategic objective is to influence laws and policies. In Kenya, together with the county’s leadership, girls and young women were at the core of developing Nairobi’s County policy on economic empowerment. In Uganda, girls and young women managed to influence policies and laws in the sub-counties leading to improved by-laws.

“The festival offers the opportunity to look at the problems faced by girls and young women from a broader perspective. I now understand that the challenges faced by girls and young women in Kenya are not only a problem locally, but across the African continent.”

Glaine Naneu (22) from Kenya



DOWN TO ZERO, BUILDING BACK BETTER



Down to Zero — an alliance of Terre des Hommes, Plan International Netherlands, Defence for Children - ECPAT Netherlands, Free a Girl and ICCO (part of Cordaid) — aims to ensure that children and youth are better protected when at risk of or victim to sexual exploitation during and in the aftermath of the COVID-19 pandemic.

Building Back Better was implemented in twelve countries in Latin America and Asia: India, Bangladesh, Nepal, Indonesia, the Philippines, Thailand, Bolivia, Colombia, Peru, Nicaragua, Brazil and the Dominican Republic.



2022 Milestones

1 Safety-by-Design research

The internet provides a world of opportunity for children and was a lifeline for many during the COVID-19 pandemic. However, it also poses a growing risk of exposing children to irreversible harm. The Down to Zero alliance conducted research on child safety-by-design. The research included focus group discussions with 141 children (aged 11-16) in 10 countries. This resulted in a set of concrete safety-by-design solutions for those with the power to bring about change, with 5 policy recommendations for the EU and 9 solutions for the industry.

2 Youth Voices for Change wins Dutch Hoogvlieger Award 2022

In the Youth Voices for Change initiative of the Building Back Better programme, youth learned how to express themselves and how to campaign against sexual exploitation of children. This resulted in a powerful and inspiring video, designed and produced by young people themselves. The video won the 2022 Hoogvlieger Award, a Dutch prize for the best communication by a Dutch development organisation.

3 Online awareness raising

In Thailand, our partner Childline reached out to children and young people where they are present the most, online. Childline campaigned to raise awareness on online safety of children, reaching some 500,000 internet users. About 10% of whom engaged with the campaign by commenting, liking and/or sharing. The campaign also included Facebook live sessions with Q&A sessions facilitated by Childline staff.

4 Strengthening the protection system

Down to Zero partners developed a training manual for law enforcement officials in Thailand who handle cases of (online) sexual exploitation of children. The manual has been adopted by the Ministry of Justice and the Royal Thai Police as the official training manual for law enforcement officials.

“Anyone can lie on the internet and that can’t be controlled. It bothers me that people create fake profiles and ask you for naked pictures and that sort of thing.”

13-year-old child from Colombia



JOINING FORCES



The Joining Forces Alliance (JFA) is a global partnership of the six largest child-focused international NGOs. Save the Children, Plan International, World Vision, ChildFund, SOS Children's Villages and Terre des Hommes International Federation together advocate for renewed commitment from governments to protect the rights of children and end violence against them.

In Asia, Terre des Hommes actively contributes to Joining Forces' lobby and advocacy initiatives. In Bangladesh, the focus is on improving child safeguarding and advocating for children's rights. While in the Philippines our expertise is regularly sought on the online sexual exploitation of children.

In Africa, the Joining Forces organisations are working to reduce the levels of violence and exploitation that children and adolescents face across five countries. Activities include awareness raising and behaviour change initiatives through community forums and capacity building; lobby and

advocacy work at county and national levels; and the key role played by children in advocating for better protection.

To deepen the Joining Forces Alliances' systemic change impact, the East and Southern Africa platform was established to lobby regional (IGAD, EALA, EAC, SADC) and pan african (AU, ACERWC) mechanisms. This is a critical space for increasing the impact of lobby and advocacy at the country level.

2022 Milestones

1 Kenya: Development and publication of a child rights and clubs booklet

Together with children in Busia county, we developed a child-friendly booklet on child rights and child rights clubs. The booklet provides a summary of the UN Convention on the Rights of the Child and outlines the guidelines for the formation of child rights clubs in schools. It also highlights the responsibilities of children, parents, teachers and the government in protecting the rights of children

2 Uganda: Positive parenting and resilience building

Supporting positive parenting styles, 1,459 parents and guardians were equipped with skills using the Parenting Without Violence model. A national awareness campaign 'Hands for Good' addressed the issue of corporal punishment and other forms of violence against children. In addition, 11,854 children participated in life skills, peer support and other resilience-building programmes.

3 Child Participation

Children have the fundamental right to participate in decision-making processes about policies that affect their lives. In our Joining Forces for Africa work, children are involved through peer-based networks. In Kenya, their voices are heard in the child rights clubs in schools and Kenya children assemblies at the county level. In Uganda, 30 child rights clubs have been established in schools in two districts to create an environment where children can be empowered and linked up with duty bearers to influence change.

4 Kenya: Innovative app & child-friendly social accountability forum

Children living in the informal settlement Korogocho within Kenya's capital Nairobi face multiple challenges, at home and in their living environment. At a child-friendly social accountability forum with duty bearers from police and the local administration of Korogocho, children were invited to brainstorm on resolving matters of security within the community, including drug and substance abuse.

“My idea is that a mobile phone app can help prevent violence against children. It would support children to anonymously seek guidance from reliable sources, and report and seek help when in need.”

12-year-old Methuselah from Kenya



“As a member of the child rights club, I’ve been able to learn the power within me and how it can contribute to community change. I’m proud of the person I have become.”

15-year-old Precious from Uganda



CHILDREN'S RIGHTS COLLECTIVE



Terre des Hommes has been a member of the Children's Rights Collective (Kinderrechtencollectief) in the Netherlands since 2019. The Children's Rights Collective is a collaboration between the Dutch based organisations Defence for Children, Stichting Kinderpostzegels, de Nationale Jeugdraad, Save the Children, UNICEF and Terre des Hommes. Together they stand up for the rights of children in the Netherlands.

The collective stimulates knowledge exchange, advocates, lobbies and strives for a broad application of the International Convention on the Rights of the Child. Every child has the right to basic needs such as education, safety and a roof over their heads. Unfortunately, it is not self-evident that these rights are observed.

Once every five years, the Dutch government reports on the current situation of children's rights in the Netherlands to the United Nations Committee on the Rights of the Child. In addition, the Children's Rights Collective writes its own report, on behalf of the affiliated civil society organisations, about the state of affairs regarding children's rights in the Netherlands.

GIRO555



Terre des Hommes is part of the Dutch Cooperating Aid Organisations Alliance, also known as Giro555. Giro555 comes into action in exceptional disasters.

Then Giro555 connects the 11 cooperating aid organisations with companies, broadcasters and stations, schools, faith houses and sports associations throughout the Netherlands. And we are conducting a National Action together to raise money for the survivors. Together we take action for emergency aid.

During and after an action, Giro555 keeps the Dutch public constantly informed about the disaster, the relief efforts and the spending of the donated money.

Giro555 – Collaborating Aid Organisations is an initiative of the 11 cooperating aid organisations: CARE Netherlands, Cordaid, Kerk in Actie, Netherlands Red Cross, Oxfam Novib, Plan International Netherlands, Save the Children Netherlands, Stichting Vluchteling, Terre des Hommes Netherlands, UNICEF Netherlands and World Vision Netherlands.

'Together for Ukraine'

The start of the conflict on February 24, 2022 completely turned the lives of Ukrainians upside down. Millions of people fled, and those who remained also desperately needed help.

On 28 February 2022, the cooperating aid organisations started the campaign 'Samen in actie voor Oekraïne' ('Together in action for Ukraine') to raise as much money as possible to support those who are in need of help. This campaign ran for more than a year, until April 1, 2023. In total €184.493.397,- was raised making this campaign one of the biggest in the history of Giro555. Millions of Dutch citizens, organisations, government and companies opened their hearts and donated generously for the people of Ukraine. With the proceeds from the action, aid will be provided to those in need until March 2025. Terre des Hommes is working on the protection of children and their families who have fled this conflict in Poland, Moldova, Hungary, Slovakia, Romania and Ukraine with a total budget of €4 million.

ENGAGEMENT AND FUNDRAISING

Partnerships, preferably long-term, with either individual, corporate or institutional donors and foundations are essential for supporting and implementing projects and funds.

Tens of thousands of loyal private donors ensure that Terre des Hommes can do its work by providing unearmarked income. The availability of unallocated funding enables Terre des Hommes to operate responsively and allocate resources to contexts and projects where the need is greatest. At the same time, throughout the year we work on well-founded proposals that we submit to existing and potential

corporate and institutional partners and foundations. Many successfully secure funding that provides us with the opportunity to augment and multiply programme outcomes and protect more children around the world. We deeply value and respect the commitment and support of all our donors.

INDIVIDUAL DONORS



In 2022, a total of 68,755 private donors supported us. We do our utmost to give them a positive and meaningful donor experience, and the results of our annual donor satisfaction survey show that our efforts and services continue to be highly appreciated.

In 2022, we received an average score of 8.2 out of 10. This is good, but our aim is for an even higher score next year. According to the survey respondents, we should invest more in our presence in both traditional and social media, and pay more attention to our donor service department. It is thus our aim to focus more on these elements in 2023.

We welcomed an impressive 7,217 new donors in 2022. Of these, 62% came from our face-to-face recruitment efforts, 16% from online and 12% from direct mailings. The remaining 10% came from telemarketing, television and other channels. So face-to-face recruitment remains one of our biggest channels for attracting new donors.

Many people also raised funds or ran promotions for us in 2022 by collecting money for their wedding, competing in Mystery Mountain (a sports event) or by asking for a donation for their retirement. 2022 was also the first year that Terre des Hommes participated in the Dam tot Dam run in Amsterdam, raising over €3,000 with our wonderful team of 8 runners.

We organised two Terre Talks in 2022, where we presented one of our projects in an interactive webinar to loyal donors. These were well received and we look forward to inviting our donors to a

session again, so we can show them the impact they make and express our gratitude for their support.

Income from legacies is another highly-valued and welcome source of income. It is heart-warming that people leave a donation in their will to give future generations the chance of a better life. We highlighted this way of giving during 2022 with adverts in various magazines. We also posted information about our 'Inheritance dossier' on our social media channels. We phoned a segment of our supporters to make them aware of the possibility of giving via their will. We were delighted to have 40 more people willing to do so in 2022, committing to the well-being of future generations, an increase of over 20%. Total proceeds from legacies in 2022 was €761,423.

Donor behaviour, donor trust, and channel effectiveness vary over time. A healthy fundraising channel mix and good channel management are crucial to secure the funding of our programs in the coming years. Traditional channels, like face-to-face, are under pressure and becoming more expensive. The development of new fundraising propositions and channels remains a priority and a challenge.

CORPORATE SECTOR



Terre des Hommes was again supported by several companies in 2022. We are proud and thankful that some have been partners with us for many years.

Mercedes-Benz

The continued support of Mercedes-Benz in 2022 enabled our work toward the elimination of worst forms of child labour from the Mica supply chain in the Jharkhand state of India through a comprehensive approach to remove children from exploitative situations, empower them and their families to enhance their quality of life.

Dille & Kamille

Dille & Kamille has been a valued partner of Terre des Hommes since 2015. Hundreds of pallets of goods that are no longer sold in the Dille & Kamille stores are donated to the Terre des Hommes shops where this beautiful inventory gets a second chance to be sold. And with success. The Dille & Kamille inventory is very valuable for the Terre des Hommes shops. It leads to more customers, new donations and more revenue, so more impact in stopping child exploitation. At the same time it reduces waste and contributes to a more sustainable planet.

GARCIA

The jeanswear brand GARCIA established its own GARCIA foundation in 2019. This foundation supports our projects to protect children and communities in garment producing countries.

GARCIA Foundation supports our projects in India and Bangladesh. In 2022, the GARCIA Foundation announced its three-year commitment to a project in Bangladesh that promotes the rights of garment workers' children, providing access to early childhood development, basic literacy, basic health, psychosocial care, legal support and life skills.

Newomij

Newomij, one of the largest private real estate companies in the Netherlands, has supported us since 2019. It was a decision on their part to make a longer-term donation to Terre des Hommes and in agreement with Newomij, we have chosen to spend their donation on our Mica project in India and Madagascar.

"Newomij believes everyone has the right to a fair and safe future. Our hearts especially go out to children. That's why we support Terre des Hommes Netherlands: they free children from situations of exploitation and create a safe environment for them."

Lizette de Pagter, Marketing and Communications Manager at Newomij.

FOUNDATIONS

Terre des Hommes has benefitted from the renewed support of over 100 Dutch foundations in 2022, who between them supported projects in India, Tanzania, Madagascar, Ethiopia and Bangladesh, as well as contributing to our global programmes.



Dutch Postcode Lottery

For more than 25 years, we have been able to count on the Dutch Postcode Lottery for their loyal partnership, yearly support and contribution to additional projects. Their commitment makes a real difference to what we can achieve. In 2022, for example, they agreed to support the Safety for Children and their Rights OnLine (SCROL), a programme combatting online child sexual exploitation (OCSE). The value of our partnership with the Dutch Postcode Lottery is not only in the wonderful support and trust they put in our organisation, but also because it helps ensure the Dutch public see and recognise the importance of our work.

Weeshuis der Doopsgezinden Foundation

After contributing to the success of the first 3-year part of the programme, Weeshuis der Doopsgezinden Foundation for instance, renewed its commitment to fight the sexual exploitation of girls in India under the next phase of the Children GOOD project (Get Out of the Devadasi System), which started in April 2022.

Nieuwe Waarde Foundation

The exploitation of children in the mica mines of Madagascar moved Nieuwe Waarde Foundation to support our efforts to end child labour. With a multiyear commitment as from 2022, this foundation is contributing to remove children from the hazardous work in the mines, enroll them in school to access education, support their families with alternative livelihoods and advocate for the government and companies in the area to protect child rights.

"It is terrible what the children and families in the mica mines have to go through. Terre des Hommes Netherlands knows how to map out this complex situation and it is their holistic approach in this project that appeals to us. In addition, we greatly admire the tenacity and determination of the organisation to achieve its goals and we support this with confidence."

**Sanne Schaafsma, Secretary,
Nieuwe Waarde Foundation.**



INSTITUTIONS



In 2022, we continued to build partnerships with governments, and bilateral and multilateral institutions in order to join in our efforts to fight child exploitation in different countries.

The U.S. Department of State's Office to Monitor and Combat Trafficking in Persons



Terre des Hommes is managing a project in Bangladesh to address child trafficking, which has increased in the country as result of the COVID-19 pandemic. It is funded by the U.S. Department of State and managed by the Office to Monitor and Combat Trafficking in Persons (TIP Office) under a 3-year grant (2021-2023).

and Humanitarian Aid Operations (ECHO). In Burkina Faso, we finalised a two-year project aimed at improving health preparedness and responding to disasters in 27 communes in the North and East regions of Burkina Faso, by deploying an innovative surveillance system. While in Kenya our intervention strengthened refugee and asylum-seeking communities' access to sustainable quality child protection services for children at risk of abuse, neglect, exploitation or violence.

European Union



EU delegations:

In the Philippines, we built a new partnership with the EU delegation. We received a grant for co-funding a project (Strengthening the Community-based Protection Systems to eliminate Worst Forms of Child Labour (WFCL) in Visayas Region) that aims to eliminate the worst forms of child labour.

Directorate-General for International Partnerships (INTPA):

In 2022, the EU/INTPA supported the second year of the Joining Forces for Africa project, designed to respond rapidly to children's immediate needs for protection created by the COVID-19 crisis in five African countries. For the longer term, the project focuses on strengthening child protection systems and building resilience amongst children, families and communities. Child participation is integrated systematically throughout the project, with children as key stakeholders.

ECHO:

In Kenya and Burkina Faso, we implemented two projects funded by the European Civil Protection



Nuffic

Ministry of Foreign Affairs of the Netherlands

In 2021 we embarked on two strategic partnerships with the Ministry of Foreign Affairs supporting our work in 2022: First, She Leads, a programme to increase the sustained influence of girls and young women on decision-making, and the transformation of gender norms in formal and informal institutions. And second, the Orange Knowledge Programme/TMT Plus, which supports our project to improve Sexual and Reproductive Health and Rights, education surrounding these topics, and access to relevant services for early married girls, and vulnerable adolescents and youth in Bangladesh. It is funded by the Dutch Ministry of Foreign Affairs and managed by Nuffic.

Terre des Hommes is the lead organisation for a third new programme (2023 - 2026) under the Down to Zero Alliance, called Building Back Better. It was presented at the end of 2022 to the Ministry of Foreign Affairs under its new grants cycle.

During 2022, we continued our partnership with the Dutch Relief Alliance (DRA), funded by the Ministry of Foreign Affairs, with projects that respond to both protracted and acute crises around the world. The two-year projects running in 2022 were responding to emergencies in Ethiopia, Afghanistan and Syria. While the acute 6-month interventions provided support in Ethiopia, Kenya and Madagascar.



International Rescue Committee (IRC)

During 2022, Terre des Hommes also engaged in a partnership with the IRC, through which we implemented two projects in Ethiopia. The first responded to the expansion of the Tigray conflict into the Amhara region, by providing comprehensive child protection, and gender-based violence support and psycho-social support for victims of conflict. The second, which runs until March 2023, provides much-needed protection and lifesaving support to internally displaced people in camps, including psycho-social support, child protection, and gender-based violence support activities.



Global Fund to End Modern Slavery

In 2022, our partnership with the Global Fund to End Modern Slavery continued to support programmes in Kenya and Uganda to reduce the prevalence of sex trafficking in very vulnerable populations.



Cooperating Aid Organisations (Samenwerkende Hulp Organisaties, SHO)

In February 2022, war broke out in Ukraine. The escalation of the conflict triggered an immediate and steep rise in humanitarian needs, both in Ukraine and neighbouring countries. In response, Giro 555/SHO, a cooperation between 11 aid organisations, launched a campaign to raise funds to support those worst affected. As part of the SHO alliance, Terre des Hommes engaged with different partners at local and international levels to design and implement interventions in the region to protect refugee and displaced children and their families from exploitation and abuse, and help address their most urgent and fundamental needs.



SHOPS AND VOLUNTEERS

The foundation of Terre des Hommes was built on volunteers who have supported our work via working groups since the 1960s.

Back in the early 1980s, thrift shops were set up that donated their profits to Terre des Hommes. This initiative has since grown into a chain throughout the Netherlands. As of the end of 2022, 42 stores run by more than 1,700 active volunteers support these shops.

While the base for a professional support team for the shops was laid by establishing a Terre des Hommes Winkels Foundation in 2020, over the past two years, work has progressed in setting up this foundation. The foundation will make sure that, while retaining the uniqueness of the shops, a transparent and sustainable structure enables them to continue to develop in the coming years. The main reasons for shops to become part of the national Foundation has to do with the expected economies of scale, challenges to ensure local continuity and organisation or the need for investments to secure the future of the shop. Our intent is to continue to provide a meaningful place of engagement to not only collect proceeds, but to also tell the story of Terre des Hommes while connecting the shops, volunteers, and customers with our mission.

Agreements have been made between Terre des Hommes and Terre des Hommes Winkels

Foundation about the collaboration to be incorporated into a new collaboration agreement in 2023. Throughout 2022, the shop support team worked on getting processes, systems, and procedures in place. The first months of 2022 were all about meeting and connecting with volunteers in the country and dealing with the aftermath of around COVID-19. At the same time, we worked on the transition of stores to the Terre des Hommes Winkels Foundation, the relocation of our store in Goes, the search for a new location in Nijmegen and the preparations for the new store in The Hague.

During 2022, we developed a new store concept for the interior that will be implemented in the new shop in Nijmegen at the beginning of 2023. At least one shop is planned to get a makeover based on the new store concept. Later in 2023, a pilot store at Terre des Hommes in The Hague will be opened. The new store concept has been developed in cooperation with a professional retail builder.

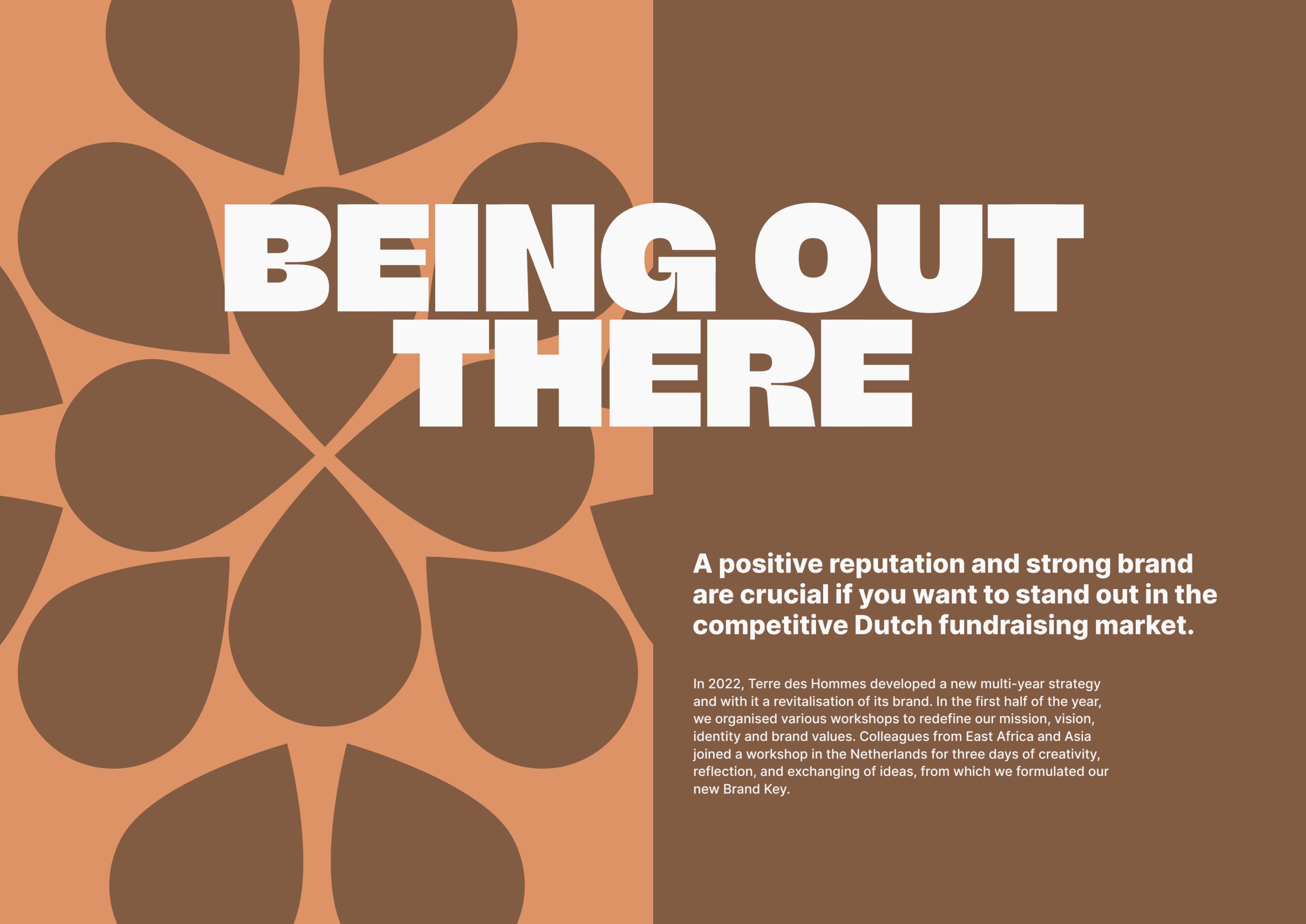


Together with the volunteers of the shops we will further review, test and build this concept in 2023 and define a strategy on how to roll out the concept in the coming years.

Last year, one shop (Heerenveen) was closed and three local shop foundations (Middelburg, Barneveld and Hoofddorp) were transferred to the national Foundation while three other shops are in the process of completing this transition. This resulted in a total of 14 shops being part of the Terre des Hommes Winkels Foundation at the end of 2022. It is expected that in the coming 2 years, approximately half of the shops will have

their own foundation and board and the other half will be administratively placed under the national Foundation.

The 42 stores have managed to achieve an impressive financial result in 2022, with a total turnover of €2.5 million. A net result of €1.3 million was transferred to Terre des Hommes. A wonderful result and an invaluable contribution to our programs to stop child exploitation.



BEING OUT THERE

A positive reputation and strong brand are crucial if you want to stand out in the competitive Dutch fundraising market.

In 2022, Terre des Hommes developed a new multi-year strategy and with it a revitalisation of its brand. In the first half of the year, we organised various workshops to redefine our mission, vision, identity and brand values. Colleagues from East Africa and Asia joined a workshop in the Netherlands for three days of creativity, reflection, and exchanging of ideas, from which we formulated our new Brand Key.

BUILDING A NEW BRAND

Brand key



| | |
|-----------------|--|
| Vision | Our vision is that children can flourish in a world free of all forms of exploitation. |
| Mission | Our mission is to protect children by preventing and stopping child exploitation. And by empowering children to make their voices count. |
| Identity | We're an influential expert organisation that's passionate and inclusive. We always put children at the centre. We catalyse long-term systemic change and have an impact greater than our size. We achieve this by connecting the many people who need to be involved, by giving children a voice, and by having an inventive and pro-active approach to everything we do. |

Insights & beliefs

Everywhere in the world, there are children who are vulnerable to or suffering from exploitation. Through child labour, sexual exploitation, trafficking and other injustices. Millions of children are at risk, so there is urgency and much to be done.

Nobody should harm or profit from children. A child should be allowed to be a child and not forced to grow up before their time. A safe and playful childhood provides the flying start in life that every child has a right to.

In situations where child exploitation is taking place, bold action is needed. We believe in co-creating proven solutions in order to accelerate the change that's so desperately needed.

We believe we're all part of the system and therefore all responsible for ensuring a fair start for children across the world. An important part of that is valuing at all times the child's own perspective. Only then can they develop their individual potential, and so build a meaningful life for themselves and ultimately contribute to a fairer world for everyone.

Values

"There is one world and we are all responsible for it."
Terre des Hommes, Antoine de Saint-Exupéry

| | |
|---|--|
| <p>Human-centered Connect with people through the heart. Value and respect every voice. Collaborate and co-create. Embrace the joy of contributing together with real passion.</p> | <p>Bold Push boundaries to achieve the mission. Dare to step up. Be enterprising. Learn from mistakes and celebrate successes.</p> |
| <p>Responsible Don't look away. Contribute pro-actively because there's much to be done. Be transparent. Use your talents to make the necessary changes happen.</p> | <p>Playful In difficult circumstances, play and humour can bring hope and joy. Use your playfulness and creativity to find solutions.</p> |

During the year, we also worked on consolidating our brand awareness, engagement, and reputation in the Netherlands and the regions where we operate. We developed and disseminated engaging content, always with a focus on the child's perspective, and launched campaigns through our on- and offline channels.

Initially, we wanted to set the Brand Key in a new visual style by the end of 2022, then launch a corporate brand campaign. Realising this was too ambitious, we instead developed a visibility campaign (adverts and branded content in national media outlets) that ran from September to December, reaching both a broader Dutch public and specific subgroups that cover our donor base.

The visibility campaign overlapped with our fundraising campaign, resulting in a significant increase in brand awareness in the last quarter of 2022. Despite this increase, brand awareness, and in particular our audiences' familiarity with the exact mission of Terre des Hommes, has slightly decreased over the year compared to previous years. However, we believe our new strategy and Brand Key will help us become more distinctive, inspiring and enduring.

de Volkskrant

Advertentie van Terre des Hommes Wat is dit?

Alexa werd seksueel uitgebuit: 'Als beelden eenmaal online te vinden zijn, gaan ze nooit meer weg'

Gedwongen om te werken, verkocht, geslagen, misbruikt. De rechten van miljoenen kinderen worden op grote schaal geschonden. Sterker nog, het aantal kinderen wereldwijd dat te maken krijgt met uitbuiting groeit. En niet alleen op het gebied van kinderarbeid, de meest voorkomende vorm uitbuiting. Ook de risico's op seksuele uitbuiting en misbruik nemen toe.

Alexa uit de Filippijnen. Beeld Terre des Hommes

Kinderarbeid is de meest zichtbare vorm van kinderuitleiding. Volgens de Internationale Arbeidsorganisatie (ILO) zijn 160 miljoen kinderen wereldwijd daarvan slachtoffer. Vorig jaar was voor het eerst in 20 jaar zelfs sprake van een toename, waar in de jaren daarvoor het aantal gestaag daalde. Ruim de helft van deze kinderen doet werk dat hun gezondheid, veiligheid of

VISIBILITY THROUGH MEDIA AND PR

Seksuele kinderuitbuiting is een verborgen probleem: 'Weten vaak niet dat zij rechten hebben'

Armoede, honger, klimaat: de wereld moet er in 2030 op tal van gebieden beter voor staan, zo is in 2015 in VN-verband afgesproken. We zijn nu halverwege, zijn we op de goede weg? Vandaag het negende en laatste deel: seksuele uitbuiting van kinderen.

Hanke van den Broek

© 27 augustus 2022, 15:55



In 2022, Terre des Hommes Netherlands also secured free media coverage. We sent out several press releases in 2022, both on behalf of the coalition 'het Kinderrechtencollectief' (Children's rights collective) of which we are a member and of our own organisation. The opening rate of press releases was 41-59% (high compared to the average opening rate of 33%).

Terre des Hommes was also regularly consulted by national and international media for our expertise on child exploitation. The BCC, for instance, wanted to learn more about our child labour programme in the mica mines.

In 2022, Terre des Hommes was mentioned in 157 (online) Dutch articles in national, regional and local media outlets. Subjects of particular interest were (sexual) child exploitation, child labour and Giro 555 Ukraine.

Some highlights

- Together with Defence for Children – ECPAT Netherlands, we launched a Dutch version of 'Terminology Guidelines for the Protection of Children from Sexual Exploitation and Sexual Abuse' (known as the Luxembourg Guidelines). These help professionals and media choose the right words in communications and avoid victim blaming. Articles have been published in national Dutch newspapers, such as Het Reformatorisch Dagblad and regional papers, such as De Gelderlander.
- The joint Giro 555 campaign, 'Samen in actie voor Oekraïne' (Together in action for Ukraine), launched immediately after Russia's invasion, was a huge success and regularly generated media attention.

- The press release in which we, a group of children's' right organisations collectively known as 'Het Kinderrechtencollectief', called on the Dutch government to improve children's rights in the Netherlands, generated a great deal of media attention, and was taken up by ANP (Algemeen Nederlands Persbureau), Leidsch Dagblad, Nederlands Dagblad and others.
- National newspaper, De Volkskrant, published an exclusive 2-page photo-report spread on child labour in the mica mines in Madagascar and the work of Terre des Hommes.
- Our colleague, Mahima Sashank, Programme Communications and Resource Mobilisation Officer in India, was interviewed by the national newspaper, Nederlands Dagblad, about sexual exploitation of children and our programme for Devadasi girls and women in India.
- Many of the 42 Terre des Hommes shops regularly issued press releases about their (fundraising) events, such as fashion shows, second-hand trends and auctions for charity. These manage to attract a lot of attention from regional and local media.



Safeguarding the Rights of Every Child: The Wonderful Journey of the Childline Thailand

 Grese Sermahaj
10. 01. 2022

The work of Childline Thailand is creating a system for helping youth continue their education, and become independent, empowered, individuals.

Childline Thailand works to provide children in Thailand with trusted access to protection, health, and human services.

It was the first organisation in the region to provide free counselling services, and since its inception, it has helped more than one million children.

Ilya Smirnoff, Director of Childline Thailand briefs *Youth Time* readers on their work, introduces the Hub Centre and also shares volunteering opportunities for young people all across the globe.

Latest



The Importance of Student Government in Education



Global media attention

In Asia, Terre des Hommes has been mentioned a total of 16 times in various media outlets. In January, our organisation was mentioned along with a partner organisation in a Youth Time article about the "Wonderful Journey of the Childline Thailand." In February, our efforts to combat human trafficking and cybercrime, were mentioned in The Indian Express and The Daily Star. In the same month, GMA News Online discussed our work on preventing online sexual abuse and exploitation of children in the Philippines. In March, Dhaka Tribune and Daily Sun mentioned our experts' call to combat human trafficking, and in April, Dhaka Tribune,

Newage Bangladesh, and Udaipurkiran discussed our workshop's efforts to strengthen cooperation among South Asian countries to address trafficking. In May, our work on sexual exploitation of children and the importance of education was highlighted in Dhaka Tribune and United News of Bangladesh. In June, Cambodia-based media outlets, Asia News Network, Khmer Times, and Phnom Penh Post, mentioned our organisation's call for government support on child rights post-pandemic and the psychological stress experienced by children. Finally, in November, the Indian digital news publication Scroll mentioned our study on children who lost parents to COVID-19 and the challenges they face.

In East Africa, Terre des Hommes was also mentioned in the media. Some of the highlights are presented here: In commemoration of International Women's Day on 8 March 2022, two team members from Kenya took part in discussions on how to achieve gender equality and the impact and importance of investing in women on KTN TV, Front Row Show.

The Madagascar Country Office celebrated World Day Against Child Labour on 12 June 2022 through a press conference during which the Country Programme Manager launched the campaign #TheClockIsTicking. As a result an article was published in two national newspapers, La Verite and

L'Express, and content was broadcasted on radio and TV channels.

An op-ed article called, 'Joint efforts are needed to tackle online child sexual exploitation', was published in the Kenyan Standard Newspaper in August 2022 with recommendations on approaches to combat OCSE and protect children online. Also, the op-ed article, 'Let us unite to end all forms of exploitation against children,' was published in the East African Newspaper in December 2022. The article drew attention to the alarming Child Exploitation statistics, highlighting Terre des Hommes' work and the efforts made by others in tackling child exploitation.

KHMER TIMES

National Business ព័ត៌មាន 中文新闻 Khmer Times TV Editorial Opinion Property Sport Press Releases Supplements More Search

National June 3, 2022

80% children under psychological stress: Report

Torn Vibol / Khmer Times /



A survey conducted by Global Alliance of Non-Governmental Organisations has found that children in Cambodia are living under severe psychological pressure. KT/Pann Rachana



ONLINE & SOCIAL MEDIA DEVELOPMENTS



Website

To strengthen our online brand visibility and engagement, we further developed our Dutch website in 2022. We focused on improving the donor and customer journeys through greater transparency and clarity about the impact and results on our homepage and in the navigation.

We kept the information on programmes and themes up to date, sharing topical stories, and

created a (non-visible) smart 'tagging' system which places the right stories on the right pages in order to stay continuously relevant to our audience. To achieve greater visibility and higher rankings on search engines, we also focused on the website's SEO (search engine optimisation). Altogether, this resulted in 483,790 unique visitors to our website in 2022 and an average 1,400 readers per article.

Social media

We shared many stories on our social media channels about children we have supported in our projects. Hopeful updates came from Madagascar, where children were taken out of the mica mines and attended school for the first time, which we captured in photos, videos and articles. We shared the urgency of addressing children's online rights (e.g. advocacy messages around safety-by-design), and highlighted our new programme to fight online sexual exploitation of children in the Philippines. And finally, we found a new friend in DJ Laidback Luke, who boosted our messaging on Instagram.

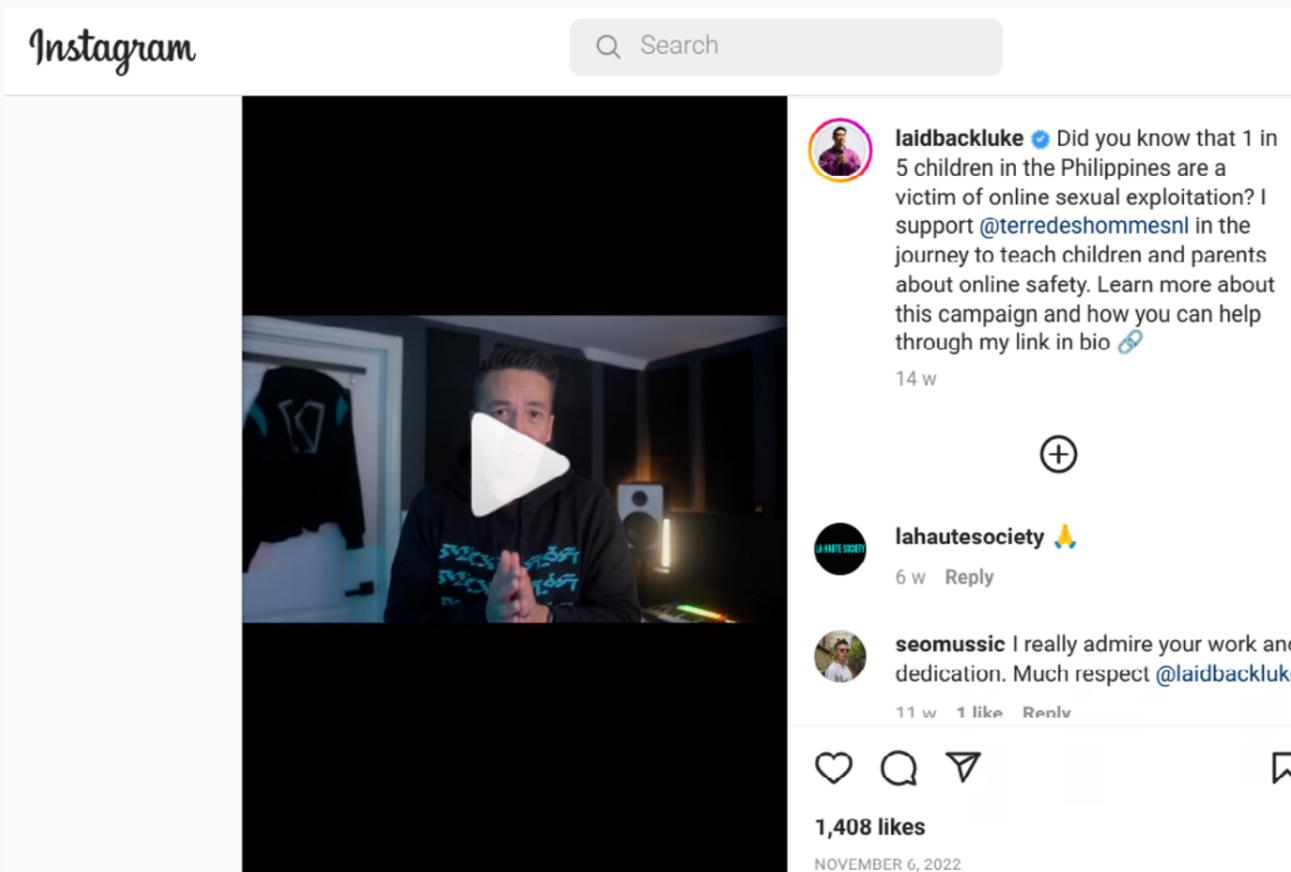
2022 marked a more involved and interactive approach to our social media content. We improved

the production of our content by listening to our followers better, by analysing comments and by engaging and learning from our social communities. By posting quotes, questions, statements and interesting offers from our stores, we kept the conversation with our followers alive. Recaps from events (e.g. our after-video following our participation in the Dam tot Dam run) proved particularly popular on social media.

We focused less on numbers of followers per se and more on sharing content that added value for the follower and inspired people. As a result, engagement increased on all channels, but especially LinkedIn.

| FOLLOWERS | 2020 | 2021 | 2022 |
|-----------------------|--------|--------|--------|
| LinkedIn (followers) | 5,680 | 6,803 | 8,255 |
| Facebook (page likes) | 53,700 | 53,222 | 53,230 |
| Twitter (followers) | 5,620 | 5,583 | 5,589 |
| Instagram (followers) | 3,726 | 3,997 | 4,091 |

Table: number of followers and likes on our social media channels



CAMPAIGNS



In order to raise awareness, inspire and involve our target audiences, we communicate and campaign. We do this by telling stories, explaining our work, sharing results and showing the impact of our work.

In 2022, we continued to create campaigns to inform, inspire, and motivate people regarding the urgency of child exploitation and the sustainable impact we aim to achieve with partners, governments and the private sector, as this is key to gaining support for our work

(Target 8.7) is that by 2025 child labour will have ceased to exist. Yet 160 million children are being exploited for labour worldwide. We asked followers to join the movement by signing a petition to remind world leaders of their commitment to this goal. It had over 8,500 signatories.

Dutch Postcode Lottery Partnership

We also celebrated 25 years' partnership with the Dutch Postcode Lottery with a campaign. Tjipke Bergsma, interim CEO: "In our fight against child exploitation, the partnership with the Dutch Postcode Lottery is of great importance to us. Thanks to this collaboration, which goes back more than 25 years, we have been strong at crucial moments and able to realise projects that made a difference in the lives of children and their parents." The campaign consisted of a creative animated journey published on our website and all our social channels.



Joint campaigns

The year started with the outbreak of the war in Ukraine. The SHO launched a **Giro 555 fundraising** campaign in which Terre des Hommes participated. It raised €178,874,921 to support victims of war.

On 12 June, International Day Against Child Labour, we launched a global campaign to get attention for the issue of child labour, under the hashtag **#TheClockisTicking**. The aim of the UN SDG

(Un)Recognisable

Towards the end of the year, we chose to highlight the extremely important but complex issue of online sexual exploitation of children. Today, 1 in 3 internet users is under 18. This is especially concerning knowing that online sexual exploitation is one of the biggest online threats of the future. Our campaign (Un)Recognisable was broadcasted on radio, TV, online and offline.

MEET TERRE DES HOMMES

Terre des Hommes Netherlands is an international non-governmental organisation (INGO) committed to stopping child exploitation.

Since 1965, we have protected children around the world from violence, harmful labour, trafficking, sexual exploitation, malnutrition and health issues. Over the years we have evolved from a purely humanitarian organisation focused on immediate needs, to one focused on tackling the underlying causes of child exploitation in order to deliver systemic change. We have built up a strong track record in supporting vulnerable children, families and communities, and a network of committed partners globally who have joined us in the fight against child exploitation.

Member of the International Federation

Terre des Hommes Netherlands is a member of the Terre des Hommes International Federation (TDHIF), a network of nine organisations (Denmark, France, Germany, Italy, Lausanne, Luxembourg, the Netherlands, Spain and Switzerland) working for the rights of children and to promote equitable development. The Federation holds a consultative status with the UN, the International Labour

Organization and the Council of Europe. TDHIF is a member of the Joining Forces Alliance, through which the world's six largest child-focused INGOs aim to leverage their collective powers to accelerate change, secure children their rights and end violence against them.

In the process of attracting support from European government agencies, Terre des Hommes Netherlands joined forces with various sister organisations in 2022, including new partnerships with Terre des Hommes Denmark to fight Female Genital Mutilation in Tanzania, and Terre des Hommes Germany to support capacity building of civic society organisations and child protection mechanisms in Kenya.

Our guiding principle is that the children for whom we work should always be the focus of our attention. Safeguarding children is our core business. Everything else must be subordinate to this. With this in mind, we aim to do our work as impactfully and leanly as possible.

OUR ORGANISATIONAL STRUCTURE



In 2022, after two years of COVID-19 lockdowns, we were able to return to working from the office. The pandemic taught us that a new balance was needed and we implemented a hybrid working policy that allows us to work from home and the office.

The pandemic taught us that a new balance was needed and we implemented a hybrid working policy that allows us to work from home and the office.

For much of 2022 we worked on the new Theory of Change and Strategy, which have led to a new organisational structure. The governance structure was revisited in 2022 and new top management put in place. Following which, the rest of the organisational structure is now taking shape.

As of 2022, Terre des Hommes Netherlands operates and implements our work through nine country offices in Africa and Asia, two regional offices located in Kenya and Cambodia, and our office in the Netherlands.

In 2022, we had projects in 23 countries³⁵, implemented in collaboration with partners. In addition to our country-based work, we are engaged in international advocacy at regional and global levels through our various initiatives. Affiliated to Terre des Hommes Netherlands is the Terre des Hommes Shop Foundation, established in 2020. As of the end of 2022, 14 of the 42 Terre des Hommes Netherlands shops were operating under this central entity.

³⁵ Afghanistan, Bangladesh, Burkina Faso, Cambodia, Ethiopia, Hungary, India, Switzerland, Jordan, Kenya, Lebanon, Madagascar, Mali, Moldova, the Philippines, Poland, Romania, Slovakia, Syrian Arab Republic, United Republic of Tanzania, Ukraine, Uganda, Vietnam.

Supervisory Board

Terre des Hommes Netherlands has a Supervisory Board, which at the end of 2022 consisted of two members, both representing disciplines relevant to our work. They oversee the functioning of the organisation and its Managing Director, monitor achieved results, and when needed, serve as a sounding board or as advisors.

Marianne Verhaar

Chair

Member of the Supervisory Board 'Stichting Terre des Hommes Netherlands'

Appointed: June 2022

Managing Director Wealth Management at Banque J. Safra Sarasin

Bas Verheijen

Member and Vice Chair

Member of the Supervisory Board 'Stichting Terre des Hommes Netherlands'

Appointed: September 2017

Chief Customer Officer of HEMA

International Management Team

At the end of 2022, our international management team consisted of seven members:

- Tjipke Bergsma, Managing Director (interim)
- Gráinne Le Fevre, Director of Programmes
- Brechje Bos, Head of Operations
- George Ooms, Head of Marketing, Communication & Fundraising
- Raphael Kariuki, Head of East Africa Region
- Francois Souchet, Head of Asia Region (interim)
- Henriette Krokeide Kristiansen, Manager of Strategy & Partnerships

As of the end of 2022, the leadership team included two interim managers but this situation was resolved at the start of 2023.

Changes in leadership in 2022

In 2022, our organisation faced some challenges, but it eventually became a year of marked transition and eventual stabilisation. Tragically, a bike accident caused our former Director, Leonard Zijlstra, to leave the organisation at the end of June. To act in his stead, Tjipke Bergsma served as the Interim Managing Director, helping to guide the restructuring of governance within Terre des Hommes through an inclusive and consultative process. Within this new structure, new positions were filled and the resulting clarity in leadership has had a very positive effect on all staff.

At the start of 2023, Julie Verhaar became the newly appointed CEO of Terre des Hommes. She brings many years of experience in international cooperation and a vast network of possible new partners. A great addition to the organisation!

Staff

The overall number of FTE's increased slightly in 2022 to a total of 151 average FTE during the year. The increase in projects in Africa on Humanitarian action and the implementation of the new strategy created space for some new staff.

Interns

In 2022, we hosted 4 interns at our office in The Hague. There were many more dedicated interns in the regions and country offices.

Volunteers

In 2022, more than 1,700 volunteers were involved in the operation of the 42 Terre des Hommes shops and related activities.

Works council

At Terre des Hommes Netherlands, the employees in the Netherlands are represented by a Works Council (Ondernemingsraad). The powers of this body are granted under the Dutch Works Councils Act and go beyond those of its predecessor, the Staff Representation. The Works Council has the right to discuss economic and social issues, and can influence operations by giving advice or consent. With the establishment of the Works Council, we comply with Dutch legislation which stipulates that a Works Council is mandatory for organisations of 50 or more employees. Our Works Council has monthly meetings with the Managing Director. Important dossiers with which the Works Council was involved in 2022 included the Theory of Change and Strategy, and the resulting changes in the organisational structure.

Sickness leave rate

In 2022, the sickness leave rate at our offices in the Netherlands was 6.1% (5% in 2021), mainly the result of a few long-term sickness cases.

A sound organisation

2022 also brought an opportunity to emerge from a turbulent 2021 and implement what we learned. Drawing from the results of an employee satisfaction survey, Terre des Hommes set out to implement the changes desired by our staff. The inclusive way in which we updated our Theory of Change and strategy, implemented a Speak Up policy, made changes in governance structures,

invested in our management style, and prioritised open and transparent communications have led to an increased sense of security and connectedness within our organisation.

Quality assurance

We attach great importance to the quality of all our activities and operations, as well as to having our performance assessed. Terre des Hommes Netherlands is certified in accordance with the Partos ISO 9001: 2015 Standard. This is a sector-specific (international cooperation) application of the ISO 9001 Standard with additional requirements with regard to integrity. We are also CBF- and ANBI-certified.



INTEGRITY & SAFEGUARDING



The new Strategy and Theory of Change explicitly mention safeguarding and integrity within our core principles. The new organisational structure includes an Integrity & Compliance Manager who started in August 2022 and reports directly to the CEO.

She began with the development of an Integrity Framework that includes integrity regulations and policies applicable across all of Terre des Hommes Netherlands' work. This requires commitment and responsibilities from all organisational levels. The basis of the new Integrity Framework is formed by a revised Code of Conduct and Safeguarding Policy that focuses on safeguarding children, but now also includes safeguarding vulnerable adults as well as all staff in line with international standards

Monthly induction training and in-depth workshops on Child Safeguarding were offered to all staff during 2022, providing guidance on child safeguarding principles and measures, and how and to whom to report child safeguarding cases. 238 staff members and partners were trained in 2022.

Efforts were made to integrate integrity and safeguarding into the systems of several departments: part of recruitment, of partner due diligence processes and quarterly project reviews, and it is part of communication procedures (guidelines for journalists, code for ethical reporting, consent form for pictures of children). Through a participatory process with children and staff, child-friendly communications materials on safeguarding have been produced.

A new development is the Speak Up! online reporting system that was piloted in 2022 and will be implemented in 2023. It is accessible from any location, in any language and through different devices, and it is possible to report anonymously. In 2022, a total of 11 reports were received. A report is a suspicion of malpractice, an irregularity, or a violation of law, the Terre des Hommes Netherlands' Code of Conduct or other policies. Of the 11 reports, 3 concerned working conditions and harassment, 4 were about violations of the Child Safeguarding policy, 2 concerned sexual harassment, 2 were about the misuse of power including a fraud case. The case has been investigated, donors have

been appropriately informed and we continue to make improvements to our monitoring and controls to prevent such situations in the future. The contract of a Country Manager has been terminated, reflecting our core values especially in ensuring zero tolerance of fraud or corruption. The integrity concerns were managed according to our procedures and produced learnings that require continuous improvement of procedures and processes.

Complaints

To safeguard vulnerable children and fight against their abuse and exploitation, we need both moral and financial support from people, companies, and institutions in the Netherlands. We do succeed in conveying the urgency of our work and in our marketing, communication and fundraising we act with integrity, complying with the provisions of all relevant laws and codes. Nevertheless, we sometimes receive a complaint. Terre des Hommes takes every complaint seriously, looking thoroughly at it and replying to the complainant within five working days. We also want to learn from complaints. They help us to optimise our processes and approach.

Complaints reported in 2022: 243 (120 in 2021), all have been handled/resolved with satisfaction. 47% was about our Donor Service, 26% about face-to-face recruitment, 6,5% Other, 9% about our Telemarketing activities, 4% was about our policy, 3% on our media and campaigns, 4.5% about the salary of management.

- The waiting time in our call centre is still a challenge, as it was in 2021, including response time by email. This is unfortunately an ongoing challenge which is having our attention.
- Terre des Hommes values and welcomes the receipt of comments and complaints. Complaints mean that people know how and where to report and feel safe to do so.
- Most complaints relate to marketing or fundraising-related activities, which is not unusual.

RISK MANAGEMENT



Risk assessment is done on a continuous basis. By evaluating projects, campaigns and activities, through monthly, quarterly and annual reporting and through audits. An extensive annual Management Review is conducted and risks as well as mitigating measures are discussed throughout the year in the International Management team.

Risk assessment

Terre des Hommes Netherlands assess its risks regularly, on three different levels:

- **Organisational level** - a yearly risk analysis of the organisation as a whole.
- **Country level** - Country Strategic Plans are prepared annually and include a SWOT analysis.
- **Project level** - Our global Project and Information Management System (PRIMAS) has a risk mitigation matrix to be used at project level. It is evaluated annually and considers child safeguarding risks.

Risk management is a specific part of the job descriptions of the Managing Director, Head of Operations, and Director of Programmes. Terre des Hommes manages risks very closely and has a low tolerance for most risks.

The year has presented us with an escalating crisis in Ukraine that is likely to have further severe economic consequences, especially in Europe, including the Netherlands. A decline in fundraising income therefore remains a risk to which we must be constantly alert.

Strategic risks

Short term

During the year, we check on a quarterly basis whether our short-term objectives as set out in the annual plan are being achieved. We do this on the basis of comprehensive project reviews, the analysed financial project details and the risk analysis. We then determine whether additional actions are needed to achieve the intended outputs, outcomes, and budget targets. If progress is lagging, we determine whether additional actions are needed to achieve the envisioned outputs, outcomes, impact, and budgetary targets, or whether we need to adjust our expectations.

Medium term

In the medium term, the main risks are an unforeseen sharp decline in funds from institutional partners and private donors, and reputational damage. Potential risks to our income are monitored on the basis of monthly and annual figures, and also by keeping a close eye on social and economic developments that might herald declining income. Potential reputational risks are discussed during the weekly media consultation.

Long term

The greatest long-term risk is that our work does not achieve our impact targets. To prevent this risk from ever materialising, we closely monitor the implementation of projects. Moreover, achieving the intended impact is an explicit requirement of all our projects. It is also part of our Theory of Change, which we periodically review, in particular to ensure that the impact of our projects is and remains as high as possible..

Operational risks

Operational risks partly concern the people we work with, in the Netherlands and throughout the world. We have instruments ready to prevent behaviour that is in conflict with our values and standards, and to tackle it if it does occur.

Our Code of Conduct includes both guidelines against corruption, bribery, fraud and unacceptable behaviour, and a procedure on how to respond to any violation of these directives. Our whistleblowing policy enables employees to report suspicions of serious wrongdoing, such as the improper use of financial resources, in confidence.

The image of Terre des Hommes can also be damaged by the behaviour of our own staff, or information from outside our organisation. Though we estimate this risk to be low, it could have a huge impact.

Reputational Risks

Reputational Risk is a threat to widely held opinions of our organisation. Should it ever occur, we have a media protocol in place and spokespersons have been appointed. We also have an organisational crisis communication strategy. To avoid negative publicity, we ensure that we have our affairs in order and under control. Negative publicity can be a result of issues around policy, project implementation, organisational operations or staff

behaviour. Our online system, PRIMAS, allows us to administer and closely monitor the entire project management cycle, collaborate effectively and efficiently with external implementing partners, and measure both quantitative output and qualitative outcome. In addition, with PRIMAS we meet the standards of the International Aid Transparency Initiative (IATI).

Terre des Hommes, together with Wereldkinderen and the Dutch State, was summoned on 2020 by an adoptee from Bangladesh. The plaintiff believes that her adoption was unlawful in the 1970s and holds Terre des Hommes jointly responsible for this. In November 2021, the court in The Hague ruled and does not consider the woman's claim that her adoption in 1976 from Bangladesh was unlawful to be proven. The court also states that the case has now expired and that Terre des Hommes was not involved in this adoption at the time. The plaintiff filed an appeal in 2022 and a ruling by the higher court (Hof) has not been planned yet. Terre des Hommes is confident that the higher court will follow the courts ruling. If unexpectedly the higher court rules differently, this is a reputational and possibly financial risk.

Financial risks

We closely monitor our potential financial risks, mainly through our monthly and quarterly reports. It is our priority to spend the funds entrusted to us wisely and with due care. Our priority is to spend as much as possible of the funds entrusted to us on our objectives. We ensure this through the proper organisation of processes and the use of additional guidelines. We pay particular attention to risks related to continuous cashflows, and efficient and effective spending.

In 2022, Terre des Hommes had one investment portfolio in Triodos bank deposits. This was donated to us through a legacy. We did not make any major investments in research or organisational

development. Our solvency and liquidity ratios were more than adequate, and there was no need for additional financing. Funds that we cannot immediately spend on our objectives are spread over several banks. The guiding principle of our cash policy is stability and availability of funds.

Continuity reserve

Our continuity reserve meets the Financial Management Directive of 'Goede Doelen Nederland' (Good Causes Netherlands), which states that the reserve may not amount to more than 1.5 times the annual costs of the work organisation.

Based on the Directive, we can have a maximum €15 million continuity reserve. Our current continuity reserve, at €4.3 million, is considerably lower.

Financial reporting

During the year, we used three different accounting systems for our financial reporting: Exact Online for our office in the Netherlands and for consolidation, QuickBooks for regional and country offices, and Visma for the shops. The shops transitioned to Exact during the fourth quarter of 2022, following a thorough transition and training period. The office in The Hague has direct access to all data for analysis and consolidation. The accounting applications, in combination with Salesforce for our marketing and donor administration, provide a solid base for efficient and reliable financial administration and control. All applications operate on a Google platform in the Cloud, which reduces the risk of data loss.

Accounting & project control

The Finance Department closely monitors the organisation's financial performance to ensure Terre des Hommes Netherlands remains in a healthy financial position, and the ICT Department provides the system infrastructure to support this. To secure optimal control on the recording and analysis of financial transactions, accounting and control are separated in our organisation. Our management reporting tool provides monthly insight into project expenditure and indirect costs.

FINANCIAL STATEMENTS



The consolidated financial statements have been prepared for the calendar year 2022.

Unless stated otherwise, the consolidated financial statements are presented in Euro (€), which is the functional and presentation currency of Terre des Hommes. The valuation principles and method of determining the results are the same as those used in the previous year, unless otherwise stated.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet (after appropriation of results)

| Consolidated Balance Sheet | | 31-12-2022 | 31-12-2021 |
|-----------------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| <u>Non-current assets</u> | | | |
| Intangible assets | (1) | 24,500 | 111,494 |
| Tangible fixed assets | (2) | 1,069,323 | 1,135,591 |
| | | 1,093,823 | 1,247,085 |
| <u>Current assets</u> | | | |
| Receivables and accrued income | (3) | 2,615,544 | 3,265,347 |
| Project assets | (4) | 2,352,263 | 2,582,571 |
| Securities | (5) | 107,143 | 105,357 |
| Cash and cash equivalents | (6) | 16,617,064 | 14,387,304 |
| | | 21,692,014 | 20,340,578 |
| Total assets | | 22,785,837 | 21,587,663 |
| LIABILITIES | | | |
| <u>Reserves</u> | | | |
| Continuity reserves | (9) | 4,290,000 | 4,000,000 |
| Designated reserves | (9) | 1,934,269 | 131,276 |
| Reserves available for objectives | (9) | 6,090,909 | 9,100,810 |
| | | 12,315,178 | 13,232,086 |
| <u>Funds</u> | | | |
| Designated funds | (10) | 161,344 | 181,919 |
| Reserves and Funds | | 12,476,521 | 13,414,006 |
| <u>Current liabilities</u> | | | |
| Current liabilities | (11) | 1,636,825 | 1,946,846 |
| Project liabilities | (12) | 8,672,490 | 6,226,811 |
| Total liabilities | | 22,785,837 | 21,587,663 |

| Consolidated Statement of Income and Expenses | | Actual 2022 | Budget 2022 | Actual 2021 |
|---|------|--------------------|--------------------|--------------------|
| Income | | | | |
| Income from private donors | (14) | 6,958,151 | 7,059,000 | 6,824,960 |
| Income from companies | (15) | 197,668 | 844,000 | 106,466 |
| Income from lotteries | (16) | 2,288,152 | 2,861,000 | 2,609,595 |
| Income from government grants | (17) | 11,941,486 | 11,593,000 | 10,490,217 |
| Income from affiliated non-profit organisations | (18) | 252,482 | - | 194,933 |
| Income from other non-profit organisations | (19) | 3,068,899 | 300,000 | 1,517,482 |
| Sum of fundraising income | | 24,706,838 | 22,657,000 | 21,743,653 |
| Income in return for the delivery of goods and/or performance of services | (20) | 1,344,546 | 1,550,000 | 696,703 |
| Other income | (21) | 2,564 | - | 328,999 |
| Sum of income | | 26,053,949 | 24,207,000 | 22,769,355 |
| Expenditure | | | | |
| Structural development aid | (22) | 11,673,364 | 15,480,980 | 14,043,945 |
| Humanitarian aid and rehabilitation | (22) | 8,006,381 | 2,633,941 | 4,881,351 |
| Spent on objectives | | 19,679,745 | 18,114,921 | 18,925,296 |
| Fundraising and communication expenses | (23) | 5,680,999 | 5,344,593 | 3,723,494 |
| Management and administrative expenses | (24) | 1,379,321 | 1,207,624 | 950,163 |
| Sum of expenses | | 26,740,066 | 24,667,139 | 23,598,953 |
| Result before financial income and expenses | | (686,117) | (460,139) | (829,598) |
| Financial income and expenses | (26) | (251,366) | (40,000) | 29,069 |
| RESULT | | (937,483) | (500,139) | (800,529) |
| Results Appropriation | | Actual 2022 | Budget 2022 | Actual 2021 |
| Surplus/(deficit) is added to/(drawn from): | | | | |
| Designated funds | (10) | (20,575) | - | (17,085) |
| Designated reserves | (9) | 1,802,993 | - | 131,276 |
| Continuity reserve | (9) | 290,000 | - | - |
| Reserve available for objectives | (9) | (3,009,901) | (500,139) | (914,720) |
| Surplus/(deficit) | | (937,483) | (500,139) | (800,529) |

| Consolidated Cash Flow Statement | 31-12-2022 | 31-12-2021 |
|---|-------------------|--------------------|
| Cash flow from operating activities | | |
| Surplus / (deficit) | (937,483) | (800,529) |
| Adjustment for non-cash items | | |
| Depreciation and amortisation | 256,923 | 213,257 |
| Adjustment to tangible fixed assets | - | 26,272 |
| Bad debt expense | 43,552 | 126,706 |
| Non-cash donations received | - | (150,000) |
| Fair value gain / (loss) on securities | (1,786) | 44,643 |
| Changes in working capital | | |
| Accounts receivable | 836,559 | 2,569,639 |
| Current liabilities | 2,135,658 | (2,968,841) |
| Net cash flow from operating activities | 2,333,424 | (938,853) |
| Cash flow from investing activities | | |
| Purchase of tangible fixed assets | (120,133) | (170,920) |
| Proceeds on disposal of tangible fixed assets | 5,344 | (1,787) |
| Acquisition of Stichting ICS | - | 40,291 |
| Net cash flow from investing activities | (114,789) | (132,416) |
| Cash flow from financing activities | | |
| Effect of foreign exchange translation | 11,125 | (4,045) |
| Net cash flow from financing activities | 11,125 | (4,045) |
| Net cash flow | 2,229,760 | (1,075,314) |
| Cash and cash equivalents 01 January | 14,387,304 | 15,462,618 |
| Cash and cash equivalents 31 December | 16,617,064 | 14,387,304 |
| Increase/(decrease) in cash and cash equivalents | 2,229,760 | (1,075,314) |

ACCOUNTING PRINCIPLES GENERAL

Stichting Terre des Hommes Nederland ('Terre des Hommes') is an independent foundation located at Zoutmanstraat 42-44 in The Hague, the Netherlands. The foundation is registered in the Dutch Trade Register under number 41149287.

Applied Standards

The consolidated financial statements are prepared in accordance with the Guideline RJ650, which applies to Dutch fundraising institutions, issued by the *Raad voor de Jaarverslaggeving*. Terre des Hommes adopts the remuneration regulations of Goede Doelen Nederland.

Reporting period and currency

The consolidated financial statements have been prepared for the calendar year 2022. Unless stated otherwise, the consolidated financial statements are presented in Euro (€), which is the functional and presentation currency of Terre des Hommes. The valuation principles and method of determining the results are the same as those used in the previous year, unless otherwise stated.

Estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The actual results may differ from these estimates. This applies in particular to the valuation of legacies to be received and the estimated useful life of fixed assets. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate

is revised and in any future period affected by the revision.

Going concern

These consolidated financial statements are prepared in accordance with the going concern principles.

Group entities

Terre des Hommes aims to provide effective and immediate aid to children in need, in their own environment, anywhere in the world, without distinction on the grounds of ethnicity, gender, culture, religion, disability or other categorizations. Terre des Hommes has access to various offices and legal entities to carry out its activities. The financial statements of the below entities have been consolidated in these consolidated financial statements.

Stichting Terre des Hommes Nederland

Head office

Terre des Hommes' head office is located in The Hague, the Netherlands.

Regional offices

Stichting Terre des Hommes Nederland operates in 11 countries in South Asia (India, Bangladesh, Nepal), South East Asia (Cambodia, Thailand, The Philippines) and East Africa (Kenya, Uganda, Ethiopia, Tanzania, Madagascar). The offices are registered locally, according to legislation in the relevant countries. The trade name of each office (excluding India) is 'Terre des Hommes Netherlands' followed by the applicable country name.

Children of India Foundation and Stichting Terre des Hommes Foundation

Due to local government regulations in India, the Terre des Hommes Netherlands India operation has been separated into two locally incorporated entities. The Children of India Foundation ('CIF') is registered under the Indian Trusts Act. The Stichting Terre des Hommes Foundation ('STdHF') is registered as a not for profit under the Indian Companies Act.

Stichting Terre des Hommes Winkels

In July 2020, an affiliated foundation - Stichting Terre des Hommes Winkels - was established to manage the retail activities of Stichting Terre des Hommes Nederland. Stichting Terre des Hommes Nederland and Stichting Terre des Hommes Winkels are managed by the same Board and the same Managing Director and therefore share common control. Stichting Terre des Hommes Winkels operates several shops run by volunteers. The foundation contained 10 shops by the end of 2021 and in 2022 4 more shops transferred from a local volunteer group to this foundation, which makes a total of 14 shops by the end of 2022.

Volunteer groups

At the end of 2022, 27 volunteer groups (2021: 31) operated in the Netherlands on behalf of and under the responsibility of Terre des Hommes to support fundraising initiatives of Stichting Terre des Hommes Nederland. Of these volunteer groups, 25 are foundations (2021: 29), and 2 are associations (2021: 2). Contractual agreements are in place with all volunteer groups to ensure that funds raised on behalf of Terre des Hommes are actually spent on the objectives of Terre des Hommes. As a result of these agreements, the results of the volunteer groups are included in these consolidated financial statements.

Stichting International Child Support

On 8 March 2021, Terre des Hommes entered into an agreement with Stichting International Child Support ('ICS'). ICS is a foundation registered at

Zoutmanstraat 42-44 in The Hague and has the aim of raising funds for structural development and cooperation with farmers, particularly in Kenya and Tanzania and other African countries. The aims of Terre des Hommes and ICS are well aligned and the management of both organisations reached an agreement, effective 8 March 2021, to collaborate.

Under the terms of this agreement, on 8 March 2021 Terre des Hommes appointed members to the ICS board and executive management, resulting in an acquisition of control. The consolidated financial statements of Terre des Hommes therefore include the results of ICS from the date of acquisition, 8 March 2021, using the acquisition method as described in RJ 216 Fusies en overnames. Terre des Hommes now has control over the operations of ICS. No purchase price was paid in the acquisition and no goodwill was generated from this transaction.

Subsequent events

Events that provide additional information about the actual situation on the balance sheet date and that arise up to the date of preparing the consolidated financial statements are reflected in the consolidated financial statements. Events that do not provide additional information about the actual situation on the balance sheet date are not reflected in the consolidated financial statements. If such events are significant for the judgement of users of the consolidated financial statements, their nature and their estimated financial consequences are explained in the consolidated financial statements as subsequent events.

Changes in accounting policies

There have been no changes in accounting policies for the year ending 31 December 2022.

Comparative figures

Certain comparative figures have been reclassified where necessary to conform with current period presentation.

Prior period correction

During 2022, the following prior period errors were identified and corrected in the comparative figures.

- A legacy under usufruct had been recognised previously as income although, according to the guidelines of Goede Doelen Nederland, Terre des Hommes does not yet have the unrestricted right to the legacy and should not have recognised it.
- A calculation error led to the incorrect translation of foreign currency bank accounts.
- Outstanding project balances on completed projects have been reconciled and, where necessary, written off.

The prior period also includes reclassifications to split the project assets between advances to partners and receivables from donors, to split the project liabilities between payables to partners and advances from donors, and to report the revolving fund loans on a net basis as a net payable to the ultimate lenders.

| Prior Period correction | 31-12-2021 (original) | Correction | Reclass | 31-12-2021 (restated) |
|---|-----------------------|------------|-----------|-----------------------|
| ASSETS | | | | |
| Regional office receivables | 196,188 | 4,159 | - | 200,347 |
| Project advances to partners | 363,200 | 96,156 | 948,506 | 1,407,862 |
| Project balances receivable from donors | - | - | 1,174,709 | 1,174,709 |
| Legacies receivable | 817,648 | (177,994) | - | 639,654 |
| Revolving fund loans receivable | 368,909 | - | (368,909) | - |
| Current accounts regions | 1,543,000 | 123,884 | - | 1,666,884 |
| | | | | |
| RESERVES | | | | |
| Reserves available for objectives | 9,939,956 | 35,452 | - | 9,975,408 |
| | | | | |
| LIABILITIES | | | | |
| Current liabilities regions | 505,845 | (252,217) | - | 253,628 |
| Project payables to partners | - | - | 1,024,638 | 1,024,638 |
| Project advances from donors | 4,063,353 | 40,243 | 1,098,577 | 5,202,173 |
| Revolving fund loans payable | 402,044 | - | (368,910) | 33,134 |
| | | | | |
| EXPENDITURES | | | | |
| Structural development aid | 14,238,245 | (194,300) | - | 14,043,945 |
| Management and administrative expenses | 980,598 | (30,435) | - | 950,163 |
| | | | | |
| FINANCIAL INCOME AND EXPENSES | | | | |
| Financial income and expenses | 31,077 | (2,008) | - | 29,069 |

ACCOUNTING PRINCIPLES

BALANCE SHEET

Consolidation

The consolidated financial statements include financial data of Stichting Terre des Hommes Nederland and the legal entities that operate as 'Terre des Hommes' under a single name and also as such appeal to public generosity, and other entities over which it can exercise a dominant control.

The following legal entities are part of the consolidation scope:

- Stichting Terre des Hommes Nederland;
- Stichting Terre des Hommes Winkels;
- Terre des Hommes volunteer groups (27) (see appendix for listing);
- Stichting International Child Support (ICS);
- Children of India Foundation (CIF);
- Stichting Terre des Hommes Foundation (STdHF).

The objectives of each entity are the same as for Stichting Terre des Hommes Nederland. Intercompany transactions, intercompany income and expenses and intra-group claims and debts between entities within the consolidation scope are eliminated. Valuation principles of the legal entities included in the consolidation have been amended where necessary to ensure consistency with the valuation principles in force for Stichting Terre des Hommes Nederland. The individual gross and net results of the volunteer groups and the shops under Stichting Terre des Hommes Winkels are specified in the annexes to the consolidated financial statements.

Transactions in foreign currencies

Transactions in foreign currencies during the reporting period are translated into the functional currency at the exchange rate applicable on the transaction date. Monetary assets and liabilities denominated in foreign currencies have been

translated at the exchange rate applicable on the balance sheet date. Nonmonetary assets measured at historical cost in a foreign currency are converted at the exchange rate on the transaction date (historical rate). Exchange rate differences resulting from the translation of these balances are included in the consolidated statement of income and expenses.

The financial statements of the regional offices, CIF and STdHF are in foreign currencies. For consolidation, the assets and liabilities are translated to Euros at the exchange rate prevailing on the balance sheet date. The revenues and expenses are translated to Euros at the average exchange rates for the period where this rate approximates the rate at the date of the transaction. Exchange rate differences relating to the opening and closing balance and changes in reserves in the course of the calendar year are recognised in the consolidated statement of income and expenses.

Operational leases

Terre des Hommes may have lease contracts for which a large part of the advantages and disadvantages associated with ownership does not lie with Terre des Hommes. These lease contracts are reported as operational leasing activities. Lease payments are amortised on a straight-line basis in the consolidated statement of income and expenses during the term of the contract, taking into account reimbursements received from the lessor.

Intangible assets

Intangible assets are valued at the cost of acquisition less accumulated straight-line amortisation over the estimated economic useful life of the assets. Intangible assets consist of website and software. Intangible assets are amortised over 3 years.

Tangible fixed assets

Tangible fixed assets are valued at the cost of acquisition less accumulated straight-line depreciation over the estimated economic useful life of the assets. The residual value of the assets is set at nil. The following depreciation rates have been used:

- buildings 40 years
- renovations 10 years
- IT equipment 3 years
- vehicles 4 years
- furniture and fixtures 5 - 10 years

Land is carried at cost. No provision has been made for future costs of major maintenance to the buildings. Costs are capitalised and recognised in the consolidated statement of income and expenses by means of depreciation. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment.

At the balance sheet date, an assessment is made as to whether there are indications that an asset may be subject to impairment. If any such indication exists, the recoverable amount of the asset is determined. An asset is impaired if its carrying amount exceeds its recoverable amount. The recoverable amount is defined as the higher of the fair value less costs to sell and the value in use. Impairment losses are recognised as expenses in the consolidated statement of income and expenses while simultaneously reducing the carrying amount of the asset.

Current assets

Stocks

Commercial stocks available on the balance sheet date, for example for volunteer groups and other stocks such as welcome gifts for new donors, are not included in the consolidated balance sheet, but are charged against the profit in the year of purchase.

Receivables

Receivables are initially stated at fair value of the consideration to be received and subsequently at amortised costs. If receipt of the receivable has been deferred on the basis of an agreed extension to a payment term, the fair value is determined on the basis of the present value of the expected receipts and interest income is credited to the consolidated statement of income and expenses based on the effective interest rate.

Other current assets

Other current assets are valued at amortised costs less impairment.

Securities

Securities consist of bank depository receipts. Securities are valued at fair value with any gains or losses being recognised in the consolidated statement of income and expenses.

Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances and demand deposits with terms shorter than 12 months. Cash and cash equivalents are valued at face value.

Reserves and funds

The reserves of Terre des Hommes consist of a continuity reserve, designated reserves, reserves available for objectives and designated funds.

The continuity reserve is in place to enable Terre des Hommes to meet its long-term obligations. As per the recommendations of Goede Doelen Nederland the value of the reserve is maximised at 1.5 times the yearly operating costs. The operating costs are defined as the direct cost of own fundraising and communication and administrative costs.

The designated funds are related to funds designated by a third party to be spent on a designated purpose. Withdrawals from the designated funds are based on accrued expenses made in the relevant calendar year that are related to the fund.

Current liabilities

The current liabilities consist of short term commitments and accrued liabilities. Liabilities are recognised in the consolidated balance sheet at the moment the contractual liability originates and are initially recognised at fair value. Transaction costs that are directly attributable to the liabilities are included in the valuation upon initial recognition. After initial recognition, liabilities are carried at amortised cost, being the amount received, taking into account any premium or discount and after deduction of transaction costs.

Current liabilities also includes the net balance of revolving fund loans. STDHF manages these loans on behalf of partner organisations, with the net balance representing a liability to the partner organisations.

Financial instruments

Financial instruments include trade and other receivables, loans and other financial obligations, trade and other payables. Where financial instruments have not been explained differently, the following principles apply. Financial instruments are initially recognised at fair value and subsequently at amortised cost according to the effective interest rate method. Terre des Hommes does not make use of derivatives.

ACCOUNTING PRINCIPLES

STATEMENT OF INCOME AND EXPENSES

General

Income is recognised in the consolidated statement of income and expenses when an increase in future economic potential related to an increase in an asset or a decrease in a liability arises of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises of which the size can be measured reliably. Income and expenses are allocated to the respective period to which they relate.

Income from private donors

Income from private donors consists of direct donations and legacies. Direct donations are accounted for in the year in which they are received. Legacies are accounted for in the year in which the deed of distribution, or if there is no deed of distribution, the account and statement of accounts, is received.

Income from companies

Donations from companies are recognised in the year in which the commitment is made. Grants from companies are recognised as income in the year in which the subsidised costs have been incurred.

Income from lotteries

Income from lottery organisations is recognised in the relevant calendar year in accordance with recoverable net proceeds, as far as they are not designated for specific projects. Income is recognised if it is probable that it will be received. Designated income from lotteries is recognised as income in the year in which the subsidised costs have been made or income was lost, or when a subsidised operating deficit has occurred. Amounts still to be received at the balance sheet date are recorded as current assets.

Income from government grants

Income from government grants is recognised as income in the year in which the subsidised costs have been made or income was lost, or when a subsidised operating deficit has occurred. Income is recognised if it is probable that it will be received.

Income from affiliated non-profit organisations

Donations from affiliated non-profit organisations are recognised in the year in which the commitment is made. Grants from affiliated non-profit organisations are recognised as income in the year in which the subsidised costs have been incurred.

Income from other non-profit organisations

Income from other non-profit organisations includes donations from foundations. It is recognised in the year in which the commitment has been made, as far as it is not designated for dedicated projects. Designated income is recognised as income in the year in which it is received, but is appropriated to the relevant designated reserve account. Grants from other non-profit organisations are recognised as income in the year in which the related costs have been made or income was lost, or when an operating deficit has occurred. Income is recognised if it is probable that it will be received.

Income in return for the delivery of goods and/or performance of services

Income in return for the delivery of goods and/or performance of services includes the net proceeds from the sale of items by the volunteer groups and by Stichting Terre des Hommes Winkels. The income is recognised in the year in which the actual sale has taken place.

Other income

Other income relates to income other than from normal activities and is recognized as income in the year in which the entity is entitled to the related revenues.

Expenses on objectives

Expenses related to structural development aid and humanitarian aid are accounted for as expenses on objectives in the year the performance was delivered. The expenses relating to aid directly resulting from a major disaster and for which the period of aid does not exceed a period of three years, are accounted for under 'Humanitarian aid and rehabilitation'. The provision of aid facilitated through one or more actions of SHO (*Samenwerkende Hulp Organisaties*) is also accounted for under 'Humanitarian aid and rehabilitation'. All other forms of aid are accounted for under 'Structural development aid'.

Terre des Hommes often implements projects in partnership with local organisations. Partnership agreements are signed by both parties and outline the terms and conditions of the partnership. Terre des Hommes considers the partnership agreements to be conditional grants, recognised as an off-balance sheet liability as soon as the contract is entered into. A liability and expense are recognised as soon as the agreed-upon activities have been incurred by the implementing partner.

Fundraising and communication expenses

Expenses for fundraising and communications include all expenses incurred to raise awareness on child exploitation and how to prevent or stop it and to induce individuals, companies, lottery organisations, governments and other organisations to donate money for our objectives.

Management and administrative expenses

Management and administrative expenses include expenses incurred in the context of (internal) management and operations that are not directly attributed to the objectives or the acquisition of income, including employee benefits and pensions.

Employee benefits

Employee benefits are charged to the consolidated statement of income and expenses in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the consolidated balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments.

The recognised liability relates to the best estimate of the expenditure necessary to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with employees (collective agreement and individual employment contract). Additions to and reversals of liabilities are charged or credited to the consolidated statement of income and expenses. Termination benefits are employee benefits provided in exchange for the termination of employment. A termination benefit is recognised as a liability and an expense when the organisation is demonstrably and unconditionally committed to make the payment of the benefit. Termination benefits are measured in accordance with their nature. When the termination benefit is an enhancement to post-employment benefits, measurement is done according to the same policies as applied to post-employment plans. Other termination benefits are measured at the best estimate of the expenses required to settle the liability.

Pensions

In 2022 Terre des Hommes switched to a new pension provider: ASR. The premium paid by the employer is invested by the pension administrator, and on the retirement date, the accumulated pension capital is used to purchase a lifelong old-age pension. Employees can choose different investment options based on their risk preferences.

The amount of the final pension is influenced by factors such as the contribution amount, investment results, interest rates, and life expectancy. The employee's own contribution to the scheme is 8.5% of the pension base.

Depreciation of property, plant and equipment

Depreciation costs are not presented as a separate item in the consolidated statement of income and expenses. These costs have been recognised in other components of the consolidated statement of income and expenses, i.e. management and administrative expenses, fundraising and communication expenses and expense on objectives, as determined by the designated use of the underlying assets. Tangible fixed assets are depreciated over their estimated useful lives as from the moment they are ready for use. Future depreciation is adjusted if there is a change in estimated future useful life. Gains and losses from the occasional sale of tangible fixed assets are included in depreciation.

Financial income and expenses

Financial income and expenses include realised and unrealised exchange gains and losses. These are recognised in the relevant calendar year. Interest income and expenses are also included and are recognised on a straight-line basis, taking into account the effective interest rate of the relevant assets and liabilities. When processing the interest expense, the recognised transaction costs on the loans received that are included as part of the calculation of the effective interest rate are taken into account.

ACCOUNTING PRINCIPLES

CASH FLOW STATEMENT

The consolidated cash flow statement has been drawn up using the indirect method. The funds in the consolidated cash flow statement consist of cash and cash equivalents.

Cash flows in foreign currencies have been converted at an average exchange rate. Interest paid and received are included in cash from operating activities.

NOTES TO THE CONSOLIDATED BALANCE SHEET

Non-current assets

1. Intangible assets

| INTANGIBLE ASSETS | |
|---|---------------|
| Opening cost | 289,089 |
| Additions | 9,775 |
| Disposals | - |
| Ending Cost | 298,864 |
| Opening Accumulated Amortisation | (177,595) |
| Amortisation | (96,769) |
| Disposals | - |
| Ending Accumulated Amortisation | (274,364) |
| Net book value 31 December 2022 | 24,500 |

Intangible assets consist of costs to develop the Terre des Hommes website and project management software and are held as necessities for the business operations of Terre des Hommes.

2. Tangible fixed assets

| TANGIBLE FIXED ASSETS | | | | | | |
|---|----------------|------------------|---------------------|---------------------------------|-----------------|------------------|
| | Land | Buildings | IT Equipment | Furniture & Fixtures | Vehicles | Total |
| Opening Cost | 183,000 | 1,681,411 | 79,566 | 187,008 | 221,438 | 2,352,423 |
| Additions | - | - | 43,632 | 63,775 | 2,951 | 110,358 |
| Disposals | - | - | - | (19,526) | - | (19,526) |
| Adjustments | - | 53,864 | - | (53,864) | - | - |
| Effect of foreign exchange translation | - | - | (1,200) | (217) | (4,252) | (5,669) |
| Ending Cost | 183,000 | 1,735,275 | 121,998 | 177,176 | 220,137 | 2,437,586 |
| | | | | | | - |
| Opening Accumulated Depreciation | - | (916,876) | (36,953) | (113,728) | (149,275) | (1,216,832) |
| Depreciation | - | (73,597) | (27,707) | (34,733) | (24,117) | (160,154) |
| Disposals | - | - | - | 14,182 | - | 14,182 |
| Adjustments | - | (46,229) | - | 46,229 | - | - |
| Effect of foreign exchange translation | - | 1,363 | (594) | (271) | (5,957) | (5,459) |
| Ending Accumulated Depreciation | - | (1,035,339) | (65,254) | (88,321) | (179,349) | (1,368,263) |
| | | | | | | |
| Net book value 31 December 2022 | 183,000 | 699,936 | 56,744 | 88,855 | 40,788 | 1,069,323 |

All non-current assets are held as necessities for the business operations of Terre des Hommes. Disposals concerned mainly the write off of old furniture no longer in use. Additions include laptop purchases and small furniture and fixtures.

Assets

Current assets consist of grants and other gifts to be received, other receivables and accrued assets, prepayments to third parties for project implementation, and cash and cash equivalents. All current assets have a maximum duration of one year. All assets are held as necessities for the business operations of Terre des Hommes.

3. Receivables and accrued income

| RECEIVABLES AND ACCRUED INCOME | 31-12-2022 | 31-12-2021 |
|---|-------------------|-------------------|
| Regional office receivables | 83,077 | 200,347 |
| Legacies | 104,481 | 639,654 |
| Nationale Postcode Loterij | 2,250,000 | 2,250,000 |
| Other prepaid and receivable amounts | 177,986 | 175,346 |
| Total Receivables and Accrued Income | 2,615,544 | 3,265,347 |

Legacies concern the balance of the amounts expected to be received.

The receivable regarding the Nationale Postcode Loterij concerns the contribution Terre des Hommes will receive in 2023 from the lottery revenue recognised in 2022.

4. Project assets

| PROJECT ASSETS | 31-12-2022 | 31-12-2021 |
|---|-------------------|-------------------|
| Project advances to partners | 1,192,844 | 1,407,862 |
| Project balances receivable from donors | 1,159,419 | 1,174,709 |
| Total Project Assets | 2,352,263 | 2,582,571 |

5. Securities

| SECURITIES | 31-12-2022 | 31-12-2021 |
|---|-------------------|-------------------|
| Depository receipts for Triodos Bank shares | 107,143 | 105,357 |
| Total Securities | 107,143 | 105,357 |

In 2021, a legacy donation was received in Triodos Bank shares. The total value of the donation was €150,000. The shares are valued at fair value through profit or loss. At the end of 2022, a gain of €1,786 was recorded (2021: loss €44,643).

6. Cash and cash equivalents

| CASH AND CASH EQUIVALENTS | 31-12-2022 | 31-12-2021 |
|--|-------------------|-------------------|
| Current accounts | 12,196,760 | 9,947,005 |
| Savings accounts | 2,512,672 | 2,520,139 |
| Deposits | 75,000 | 75,000 |
| Designated fund accounts | 179,314 | 178,276 |
| Current accounts regions | 1,653,318 | 1,666,884 |
| Total Cash and Cash Equivalents | 16,617,064 | 14,387,304 |

The increase in cash is mainly caused by receiving project funding in advance of expenditure. Large amounts were received at the end of 2022 for future project expenses on She Leads. The balance of cash and cash equivalents is sufficient to meet the current liabilities of €10,309,315 (2021: €8.3million). All balances on the current accounts and savings accounts are available on demand. The balances on the deposit account to hedge the rent guarantees of the shops (€75,000) and part of the designated fund accounts (De Saint Exupery Fund: €56,723; Scheefhals Fund: €101,171) are not freely available. The volunteer groups may retain 3 months' worth of rental costs in their own bank accounts; at the end of 2022 this amounted to €311,291 (2021: €390,854). The balances on accounts and funds are held on Euro accounts with Dutch banks (ABN Amro, ING, Triodos Bank, Robeco and Rabobank). In addition, current accounts in the regions are partly kept with other banks in US dollar and local currencies.

7. Financial instruments

Liquidity risk

Terre des Hommes is not exposed to material liquidity risks. The board ensures that the cash position is sufficient to meet the financial obligations towards creditors, employees and partners.

Foreign exchange rate risk

The foreign exchange rate risk is considered limited for Terre des Hommes. The organisation is exposed to currency risk on project grants and obligations that are denominated in a currency other than the contractual currency of the grant contract that relates to such a project. These project transactions are primarily denominated in Euro (€), whereas a minority of transactions take place in other currencies.

Fair value

The fair value of the financial instruments stated on the consolidated balance sheet, including cash and cash equivalents, current receivables and current liabilities, is approximately equal to their carrying amount.

8. Off-balance sheet assets

For the coming years, 1,839 (2021: 1,822) benefactors of Terre des Hommes have pledged contributions to Terre des Hommes by means of a (notarial) deed of donation. The annuity instalments to be received under these deeds of donation have not been taken into account in the consolidated balance sheet. These will be recognised as income in the year of receipt.

At the end of 2022, there are 11 legacies with usufruct (2021: 10); the value of the financial impact of the benefits cannot be estimated reliably due to the rights of the usufructuary to decapitalise, alienate or invest. At the end of 2022, there are 20 legacies not yet recognised as they are yet to be settled. A conservative estimate shows €1,276,000 will be received from these legacies, largely in 2023, but possibly also in the years to come.

9. Reserves

| RESERVES | Continuity reserve | Designated reserves | Available for objectives | Total |
|--------------------------------------|--------------------|---------------------|--------------------------|-------------------|
| 31 December 2020 | 4,000,000 | - | 9,939,956 | 13,939,956 |
| Acquisition of ICS | - | - | 40,123 | 40,123 |
| Prior period correction | - | - | 35,452 | 35,452 |
| Restated 1 January 2021 | 4,000,000 | - | 10,015,531 | 14,015,531 |
| Appropriation of results (corrected) | - | 131,276 | (914,720) | (783,444) |
| Restated 31 December 2021 | 4,000,000 | 131,276 | 9,100,810 | 13,232,086 |
| 1 January 2022 | 4,000,000 | 131,276 | 9,100,810 | 13,232,086 |
| Appropriation of results | 290,000 | 1,802,993 | (3,009,901) | (916,908) |
| 31 December 2022 | 4,290,000 | 1,934,269 | 6,090,909 | 12,315,178 |

The cumulative effect of the error correction on the reported reserves of the previous financial year, 2021 at €12,973,908, amounts to €258,178. The effect of the error correction on the reported profit for the previous financial year, 2021 at €1,023,256, amounts to €222,727.

Continuity reserve

The continuity reserve is formed in accordance with the recommendations of Goede Doelen Nederland and is intended to safeguard continuity of the operations of Terre des Hommes, should the organisation experience a temporary drop in funding. The total operating expenses as formulated

by Goede Doelen Nederland amount to €10,427,235 (2021: €8.6 million). The coverage of the operating expenses by the continuity reserve is 41% (2021: 46%), and therefore within the limits defined by Goede Doelen Nederland.

Designated reserves

Designated reserves are those earmarked by the board for specific projects or public relations activities. Such allocations are not legally enforceable and there is no external obligation. The following reserves have been designated by the board for 2022:

| DESIGNATED RESERVES | | | | | |
|-------------------------|----------------|------------------|----------------|---------------------|------------------|
| | Structural aid | Humanitarian aid | Capital assets | Child safe-guarding | Total |
| 1 January 2022 | 131,276 | - | - | - | 131,276 |
| Additions | 824,923 | 515,000 | 500,000 | 200,000 | 2,039,923 |
| Utilisation | (236,930) | - | - | - | (236,930) |
| 31 December 2022 | 719,269 | 515,000 | 500,000 | 200,000 | 1,934,269 |

- Structural aid projects: This includes €600,000 for the Online Child Sexual Exploitation project in the Philippines, which started at the end of 2022.
- Humanitarian aid projects: This includes a €500,000 emergency response pool, which can be accessed in crises and replenished after the fact.
- Child safeguarding: This reserve is made available to be able to act with speed on any safeguarding issues and victim support.
- IT development: In order to meet our new strategic goals, an investment is expected to be required in our IT systems.

Reserves available for objectives

The reserves available for objectives are those unrestricted net assets that are used by Terre des Hommes for their ongoing projects related directly to the core objectives.

10. Designated funds

| FUNDS | | | | |
|-------------------------|-----------------------|---------------------------|----------------------------|----------------|
| | De Saint Exupéry Fund | Van Breen New Future Fund | Mr. P.J.F. Scheefhals Fund | Total |
| 1 January 2022 | 56,723 | 6,024 | 119,172 | 181,919 |
| Additions | - | 21,025 | - | 21,025 |
| Utilisation | - | (23,600) | (18,000) | (41,600) |
| 31 December 2022 | 56,723 | 3,449 | 101,172 | 161,344 |

The designated funds are earmarked for a specific project or purpose as indicated by third parties.

De Saint-Exupéry Fund

The funds received from De Saint-Exupéry are not freely available for 30 years, pursuant to a notarial deed of donation. Only the annuity may be used directly by Terre des Hommes. The capital becomes available between 2026 and 2029. In 2022, no amounts were added or withdrawn from the fund.

Van Breen – New Future Fund

In 2013, the Van Breen family entered into a 5-year agreement with Terre des Hommes and in 2019 a 5-year extension was agreed. With five annual instalments of €20,000 the family wants to make a contribution to helping vulnerable girls in

developing countries to prevent and combat sexual exploitation – in particular child prostitution. Both the deposited core capital and the returns are available for spending on this objective. In 2022, the family invested €21,025 (2021: €20,915).

Mr. P.J.F. Scheefhals Fund

This fund originates from the legacy of Mr. P.J.F. Scheefhals and is intended for the financing of projects for children who are victims of violence, mistreatment, abuse, exploitation, repudiation or abandonment. Each year, €18,000 is freely available for objectives. In 2022 €18,000 (2021: €18,000) was withdrawn from the fund and spent on project objectives.

Liabilities

11. Current liabilities

| CURRENT LIABILITIES | 31-12-2022 | 31-12-2021 |
|----------------------------------|------------------|------------------|
| Current liabilities regions | 270,082 | 253,628 |
| Revolving fund loans payable | 19,774 | 33,134 |
| Social securities payable | 473,091 | 465,935 |
| Pensions payable | 5,881 | 6,874 |
| Taxes payable | 311,790 | - |
| Payables and accrued liabilities | 556,207 | 1,187,275 |
| Current liabilities | 1,636,825 | 1,946,846 |

Current liabilities consist of payables to third parties, and other debts and accruals. All current liabilities have a maximum term of one year.

12. Project liabilities

| PROJECT LIABILITIES | 31-12-2022 | 31-12-2021 |
|------------------------------|------------------|------------------|
| Project payables to partners | 943,857 | 1,024,638 |
| Project advances from donors | 7,728,633 | 5,202,173 |
| Project liabilities | 8,672,490 | 6,226,811 |

Project payables to partners consist of outstanding payables to implementation partners. Project advances from donors relate to project grants that have not been spent. The balance includes grants from the Ministry of Foreign Affairs for the 5-year She Leads programme (€2.6 million), a designated grant awarded by the Nationale Postcode Loterij for our SCROL project (€2.0 million) and the SHO/ Giro555 response in the Ukraine (€2.2 million).

13. Off-balance sheet liabilities

Terre des Hommes guarantees, by means of a bank guarantee, payment of three months' rent for 15 shops (2021: 15 shops), for a total amount of €60,832 (2021: €60,832). In addition, corporate guarantees have been issued for 16 shops (2021: 16) for a total amount of €72,615 (2021: €72,615).

Terre des Hommes leases several locations for their second-hand retail shops. The lease agreements are for 40 locations and range in terms, with some extending through 2028. The country offices also rent office space, with most lease agreements being short-term. 8 country offices have rental commitments.

Terre des Hommes rents a printer from PCI Nederland BV. The rental agreement expires on 1 July 2027.

At the end of 2020, Terre des Hommes leased one company car for a maximum period of 48 months. It concerns an operating lease contract. The car is used on a daily basis for visiting the shops and the volunteers in the Netherlands. In 2022 €8,520 of lease charges was included in the consolidated statement of income and expenses (2021: €8,144).

At the end of 2022, Terre des Hommes had concluded contracts totalling €9 million with project implementation partners that are to be carried out in 2023 and beyond (2021: €4.2 million).

Terre des Hommes has also investigated the need for maintenance on our building in The Hague. Based on the current estimates, €1.3 million of cost is expected. This has not yet been contracted.

| COMMITMENTS | | | | |
|---|------------------|------------------|----------------|-------------------|
| | < 1 year | 1-5 years | > 5 years | Total |
| Rental payments | 770,246 | 948,676 | 3,142 | 1,722,064 |
| Company cars | 5,163 | - | - | 5,163 |
| Printers and copiers | 4,597 | 16,090 | - | 20,687 |
| Project commitments | 4,869,355 | 4,053,502 | 110,582 | 9,033,439 |
| Total commitments 31 December 2022 | 5,649,361 | 5,018,267 | 113,724 | 10,781,352 |

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENSES

The year 2022 showed a negative balance of income and expenses of €0.9 million. The deficit against the approved budget for the year amounted to €0.4 million. This was largely due to additional costs on our new theory of change, strategy and governance structure, slightly offset by our projects on Humanitarian Aid (Ukraine SHO), resulting in higher internal cost recovery.

Income

14. Income from private donors

| INCOME FROM PRIVATE DONORS | 2022 | 2021 |
|---|------------------|------------------|
| Donations and gifts | 6,196,728 | 6,153,672 |
| Legacies | 761,423 | 671,288 |
| Total income from private donors | 6,958,151 | 6,824,960 |

Donations from private donors are un earmarked and are received from pledge and one-time donors. Legacies vary greatly in size and nature year over year and for this reason are difficult to accurately forecast.

15. Income from companies

| INCOME FROM COMPANIES | 2022 | 2021 |
|------------------------------------|----------------|----------------|
| Companies | 197,668 | 106,466 |
| Total income from companies | 197,668 | 106,466 |

Income from companies is less than budgeted (€844,000) as we have instead focused on raising income from philanthropic organisations (other non-profit organisations).

16. Income from lotteries

| INCOME FROM LOTTERIES | 2022 | 2021 |
|--|------------------|------------------|
| Nationale Postcode Loterij - regular contribution | 2,250,000 | 2,250,000 |
| Nationale Postcode Loterij - additional contribution | 21,847 | 343,318 |
| Other lotteries | 16,305 | 16,277 |
| Total income from lottery organisations | 2,288,152 | 2,609,595 |

In 2022, Terre des Hommes received €2.25 million from the Nationale Postcode Loterij (2021: €2.25 million). This concerned the net contribution from the lottery revenue realised in 2021. The Nationale Postcode Loterij has supported Terre des Hommes with an annual contribution of €2,500,000 since 1996. At the same time, Terre des Hommes participated in the so-called "Dream fund" of the Nationale Postcode Loterij, and therefore deposited 10% of the contribution in this Dream Fund.

Income from lotteries is less than budgeted (€2,861,000) due to a pause in project implementation while we redesigned the NPL-funded project. In 2022 the previous Watch 24/7 program was reviewed and a new programme strategy created. This had been approved by the Nationale Postcode Loterij and in the second half of 2022 we started implementation of this new programme. The programme, which started at the end of 2022 and will run until mid 2024, has funding from the NPL of €2 million.

17. Income from government grants

All grants are structural grants for the implementation of our projects. In 2021 we completed the MoFA funded Voice for Change programme and commenced the Building Back Better programme. In 2022, Building Back Better

| INCOME FROM GOVERNMENT GRANTS | 2022 | 2021 |
|--|-------------------|-------------------|
| Ministry of Foreign Affairs | | |
| - She Leads | 2,038,117 | 1,509,330 |
| - Building Back Better | 2,721,367 | 2,278,633 |
| - Voice for Change | - | 1,106,540 |
| Dutch Relief Alliance | 3,660,076 | 2,200,899 |
| ECHO | 2,080,285 | 1,998,279 |
| European Commission | 448,508 | 754,275 |
| US Government | 884,427 | 562,261 |
| Other grants | 108,706 | 80,000 |
| Total income from government grants | 11,941,486 | 10,490,217 |

was completed while She Leads continues to run smoothly. In 2022 we continued our partnership with Terre des Hommes Lausanne and Terre des Hommes Italy for the application for emergency aid grants from the European Commission and the DRA. We also continued receiving US government funding for projects in Uganda, Kenya and Bangladesh.

18. Income from affiliated non-profit organisations

| INCOME FROM AFFILIATED NON-PROFIT ORGANISATIONS | 2022 | 2021 |
|--|----------------|----------------|
| Terre des Hommes Germany | 245,094 | 194,933 |
| Other | 7,388 | - |
| Total income from affiliated non-profit organisations | 252,482 | 194,933 |

Income from affiliated non-profit organisations represents income from sister organisations within the Terre des Hommes Federation. This income was higher than budgeted (€Nil) as the project was not designed until 2022.

19. Income from other non-profit organisations

In 2021, Terre des Hommes participated in the national fundraising campaign "Samen in actie voor Covid (India)" from Giro555. The total grant from the national initiative was €250,000 which was received as cash in 2021.

Of this, €219,086 was used in 2021 and the remainder has been used in 2022. In 2022, Terre des Hommes participated in "Samen in actie voor Oekraïne" from Giro555. Terre des Hommes received €4,000,000 for emergency aid projects in Ukraine to be implemented in 2022-2025.

| INCOME FROM OTHER NON-PROFIT ORGANISATIONS | 2022 | 2021 |
|---|------------------|------------------|
| Samenwerkende Hulporganisaties (SHO) | 1,838,587 | 528,309 |
| Other Foundations | 1,230,312 | 989,173 |
| Total income from other non-profit organisations | 3,068,899 | 1,517,482 |

Income from other non-profit organisations was higher than budgeted (€300,000) due to the sudden crisis in Ukraine and corresponding support from SHO (€1.7 million). As well, our fundraising has an increased focus on philanthropic organisations.

20. Income in return for the delivery of goods and/or performance of services

For the allocation of costs of the shops we apply the Guideline RJ650 (650.316), which states that 'the cost price is defined as the purchase value of the goods, increased by the direct costs related to the purchase and sale'. Costs that may be included in the cost price are both costs incurred by the shops themselves (costs of the shop premises including furnishings, costs of the volunteers and the facilities to register the flow of goods, to complete the sale and to receive the funds) as well

as costs incurred for the shops by the head office and the shops foundation. In the appendix to these consolidated financial statements we include a detailed overview by shop.

| INCOME IN RETURN FOR THE DELIVERY OF GOODS AND/OR PERFORMANCE OF SERVICES | 2022 | 2021 |
|--|------------------|----------------|
| Gross revenues Terre des Hommes shops | 2,516,247 | 1,759,164 |
| Direct costs shops | (1,224,675) | (1,103,300) |
| Net results Terre des Hommes shops | 1,291,572 | 655,864 |
| Gifts received | 69,161 | 73,778 |
| Other income | 19,928 | 27,598 |
| Direct costs head office | (36,116) | (60,537) |
| Total income in return for the delivery of goods and/or performance of services | 1,344,546 | 696,703 |

21. Other income

| OTHER INCOME | 2022 | 2021 |
|---------------------------|--------------|----------------|
| Rental income | 1,917 | 7,668 |
| Fire insurance proceeds | - | 254,956 |
| Other income | 647 | 66,375 |
| Total other income | 2,564 | 328,999 |

Expenses

22. Spent on objectives

In 2022, spending on our objectives was higher than budgeted and higher than in 2021. Spending on humanitarian aid was higher than budget (€2,633,941), compared to a lower spending on structural development compared to budget (€15,480,980). This is because resources were reallocated from structural development aid to humanitarian aid to respond to the crises in Ukraine and Ethiopia.

| STRUCTURAL DEVELOPMENT AID | 2022 | 2021 |
|--|-------------------|-------------------|
| Asia | 1,969,761 | 2,522,402 |
| East Africa | 3,181,668 | 4,128,607 |
| Netherlands / Other | 6,429,342 | 4,795,232 |
| Remittance to affiliated organisations | 92,593 | 2,597,704 |
| Total structural aid | 11,673,364 | 14,043,945 |

| HUMANITARIAN AID AND REHABILITATION | 2022 | 2021 |
|---|------------------|------------------|
| Using own resources | 1,218,670 | 244,174 |
| Using SHO resources | 1,723,836 | 508,989 |
| Using grants | 5,063,875 | 4,128,188 |
| Total emergency aid and rehabilitation | 8,006,381 | 4,881,351 |

23. Fundraising and communication expenses

In 2022, fundraising and communication costs increased compared to 2021 in line with the budget. In prior years, due to Covid, some fundraising activities could not go ahead. There has been an increased effort on fundraising in 2022 to start building up the long-term income. Fundraising and communication expenses were 21% of the income raised.

24. Management and administrative expenses

Management and administrative costs amounted to 5% of total expenses (2021: 4%). Total costs were slightly higher than budgeted (€1,207,624) and increased compared to 2021 due to compensating staff for inflation increases and rolling out our new strategy.

25. Personnel costs

| PERSONNEL EXPENSES | 2022 | 2021 |
|------------------------------|------------------|------------------|
| Wages and salaries | 4,540,252 | 3,211,894 |
| Social security charges | 460,746 | 509,986 |
| Pension charges | 294,957 | 378,517 |
| Other personnel costs | 1,321,222 | 1,255,131 |
| Total personnel costs | 6,617,177 | 5,355,528 |

The cost of salaries, social security and pension charges increased compared to 2021. This is explained by an increase in the average number of full time equivalents at head office and inflation and

merit increases for regular staff. Globally, staff were given significant inflation increases in line with local inflation rates where they work.

At the end of 2022, the number of staff employed in the Netherlands totalled 66 (2021: 63), which corresponds with an average during the year of 57 FTE (2021: 60). We employed 94 FTE (2021: 75) staff in other countries at the end of 2022. The total number of employees at the end of 2022 was 160 FTE (2021: 135) and the average during the year was 151 (2021: 131) (made up of 57 in the Netherlands and 94 in other countries).

26. Financial income and expenses

| FINANCIAL INCOME AND EXPENSES | 2022 | 2021 |
|---|------------------|---------------|
| Foreign exchange rate gains / (losses) | (219,628) | 109,577 |
| Interest current account / savings account / deposits | (48,296) | (58,462) |
| Fair value gain / (loss) on securities | 1,786 | (44,643) |
| Interest received by regional offices | 5,168 | 17,069 |
| Revolving fund interest | 3,646 | 5,528 |
| Dividend income | 5,957 | - |
| Total financial income and expenses | (251,367) | 29,069 |

For most of 2022, Dutch banks where Terre des Hommes holds current and savings accounts,

charged negative interest on cash balances. We do not hedge against interest rate risks and incurred a €48,296 interest rate loss for the year (2021: €58,462). Interest income from revolving fund loans of €79,559 was received, offset by fees of €75,913 for the management of the revolving fund loans.

27. SHO allocation key

| SHO ALLOCATION KEY | 2022 | 2021 | 2020 | |
|---|-------|-------|-------|---------|
| Total costs emergency aid and reconstruction assistance | 5,064 | 4,128 | 4,262 | x 1,000 |
| Income from own fundraising | 9,731 | 8,617 | 8,279 | x 1,000 |

The amount of emergency aid and reconstruction aid offered is excluding SHO funds and any funds passed on to other organisations as administrative coordinator / horizontal lead.

The income from own fundraising in 2020 and thereafter are excluding SHO funds and in accordance with the RJ650 categories for income: income from private donors, income from companies, income from other non-profit organisations and income in return for the delivery of goods and/or performance of services.

28. Cost allocation to different activities

| COST ALLOCATION | Spent on objectives | | Fundraising and communication costs | Management and administrative costs | Actual 2022 | Budget 2022 | Actual 2021 |
|--|---------------------|------------------|-------------------------------------|-------------------------------------|-------------------|-------------------|-------------------|
| | Structural aid | Humanitarian aid | | | | | |
| Grants and contributions | 8,505,142 | 7,715,096 | | | 16,220,238 | 15,067,118 | 12,353,424 |
| Remittance to affiliated organisations | 92,593 | | | | 92,593 | 100,000 | 2,597,704 |
| Communication costs | | | 1,860,023 | | 1,860,023 | 1,999,249 | 1,614,925 |
| Personnel costs | 2,375,566 | 224,984 | 2,951,261 | 1,065,365 | 6,617,177 | 6,440,223 | 5,355,527 |
| Housing costs | 76,273 | 7,224 | 94,756 | 34,206 | 212,458 | 102,500 | 315,944 |
| Office and general costs | 546,643 | 51,771 | 679,116 | 245,152 | 1,522,681 | 778,640 | 1,188,176 |
| Depreciation | 77,147 | 7,306 | 95,843 | 34,598 | 214,895 | 179,409 | 173,253 |
| Total | 11,673,364 | 8,006,381 | 5,680,999 | 1,379,321 | 26,740,066 | 24,667,139 | 23,598,953 |

Where possible, direct costs are allocated to the objectives, fundraising costs, and management and administration. The target percentage for management and administration costs is a maximum of 5% of the total costs; no targets are defined for the split of costs spent on objectives and fundraising. Indirect costs are based on the number of persons employed in full-time positions (FTE) and are allocated to the main activities in accordance with an allocation key, which is calculated at the start of the year based on the planned staff formation. All communication costs

have been allocated to fundraising costs. Audit costs are included in the office and general costs. In 2022 these costs were €160,681 for the audit of the annual accounts and €48,643 for fiscal advisory and other non-audit services. Terre des Hommes is part of the Terre des Hommes International Federation. An annual fee of €92,593 was paid to the Federation in 2022 and is disclosed as remittance to affiliated organisations.

29. Giro555 / Samenwerkende Hulporganisaties (SHO)

| SAMEN IN ACTIE VOOR OEKRAÏNE | 31-12-2022 | Up to and including 2022 | SAMEN IN ACTIE VOOR COVID (INDIA) | 31-12-2022 | Up to and including 2022 |
|---|------------------|--------------------------|---|---------------|--------------------------|
| Income | | | Income | | |
| Income from campaigns by third parties | 4,000,000 | 4,000,000 | Income from campaigns by third parties | 0 | 250,000 |
| Interest income | - | - | Interest income | - | - |
| Total Income | 4,000,000 | 4,000,000 | Total Income | 0 | 250,000 |
| Internal cost recovery (ICR) | | | Internal cost recovery (ICR) | | |
| ICR 7% | 280,000 | 280,000 | ICR 7% | 0 | 17,500 |
| Total available for aid activity | 3,720,000 | 3,720,000 | Total available for aid activity | 0 | 232,500 |
| Expenses | | | Expenses | | |
| Spending on location | | | Spending on location | | |
| Local spending by the implementing organisation | 1,516,956 | 1,516,956 | Local spending by the implementing organisation | - | - |
| Local spending by the international umbrella organisation | - | - | Local spending by the international umbrella organisation | - | - |
| Local spending by the participant | 193,466 | 193,466 | Local spending by the participant | 13,414 | 232,500 |
| Total Expenses | 1,710,422 | 1,710,422 | Total Expenses | 13,414 | 232,500 |

MANAGING DIRECTOR AND SUPERVISORY BOARD

30. Remuneration of the Managing Director

| | 2022 details | | | 2021 details | | |
|---|--------------------------|------------------------|-------------------|-------------------|------------------------|------------------------|
| | L.P. Zijlstra | T. Bergsma | C.W.J. Kok | L.P. Zijlstra | A. van Boven | T. Bergsma |
| Name | L.P. Zijlstra | T. Bergsma | C.W.J. Kok | L.P. Zijlstra | A. van Boven | T. Bergsma |
| Position | Managing Director | Managing Director a.i. | Managing Director | Managing Director | Managing Director a.i. | Managing Director a.i. |
| Employment contract | | | | | | |
| Duration | indefinite (sick leave)* | interim | indefinite | indefinite | interim | interim |
| Hours | 40 | 40 | 40 | 40 | 40 | 40 |
| FTE percentage | 100% | 100% | 100% | 100% | 100% | 100% |
| Period | 01/01-31/07 | 01/01-31/12 | 01/01-21/05 | 21/05-31/12 | 11/10-23/11 | 01/12-31/12 |
| Remuneration | | | | | | |
| Annual salary | | | | | | |
| Gross salary | 68,339 | 118,336 | 54,131 | 64,167 | 12,212 | 9,259 |
| Holiday allowance | 9,038 | 4,685 | 10,321 | 6,943 | | |
| Year-end allowance | 0 | 0 | | | | |
| Gratifications/unused holiday payment | 0 | 5,522 | | | | |
| Total | 77,377 | 128,543 | 64,452 | 71,110 | 12,212 | 9,259 |
| Maximum annual salary (per Goede Doelen Nederland) | | | | | | |
| Taxable allowances | 0 | 0 | | | | |
| Pension contribution (employer's share) | 9,765 | 25,037 | 10,567 | 7,146 | 1,509 | 1,263 |
| Pension compensations | 0 | 0 | | | | |
| Other long-term rewards | 0 | 0 | | | | |
| Benefits for termination of employment | 0 | 0 | | | | |
| Total | 87,143 | 153,580 | 75,020 | 78,256 | 13,721 | 10,522 |
| Maximum remuneration (per Goede Doelen Nederland) | 126,000 | 216,000 | 87,083 | 121,917 | 26,125 | 17,417 |

The Statutory Board of Terre des Hommes consists of one person, being the Managing Director. The Managing Director is appointed by the Supervisory Board of Terre des Hommes. The Supervisory Board determines both the remuneration policy of the Managing Director and the remuneration and emoluments to be paid to the Managing Director. The remuneration policy is updated periodically, lastly in December 2021. In determining the remuneration policy and establishing the actual remuneration and emoluments of the Managing Director, Terre des Hommes follows the guidelines 'Regulation for the remuneration of directors of charitable organisations for use by managements and supervisory boards' as issued by Goede Doelen Nederland. The guidelines determine a maximum annual salary based on weighted criteria. The Remuneration Committee of the Supervisory Board has weighted the criteria and the position of Managing Director was rated to 520 points (the so-called BSD score) with a maximum salary of €173,960 (2021: €168,893). The actual annual salaries of the Managing Directors do not exceed the proportional maximum annual salary as set by Goede Doelen Nederland. The total remuneration of the Managing Directors amounted to €247,698 (2021: €177,518), however this includes a period of seven months when the permanent Managing Director was on long-term sick leave and an interim Managing Director was in place. The guidelines set the maximum remuneration to €216,000 (2021: €209,000). When accounting for the overlap of the Managing Directors during the year, each director's annual remuneration is below the maximum. The taxable allowances, pension contributions and other

long-term benefits were in reasonable proportion to the annual income. Therefore, Terre des Hommes complies with the regulations. At year-end the Managing Director had no outstanding loans, advances or guarantees from Terre des Hommes.

* In 2021, Mr. Kok resigned as the Managing Director, effective 21 May 2021. His employment with Terre des Hommes was terminated on 1 August 2021. From 21 May 2021, Mr. Zijlstra was appointed as the Managing Director. Mr. Zijlstra has been on a leave of absence due to illness since 6 September 2021. During his absence, the role of Managing Director was temporarily filled by Mr. van Boven (11 October to 23 November 2021) and Mr. Bergsma (1 December 2021 to 31 December 2022).

In addition, in connection with Mr. Zijlstra's absence, an external interim Managing Director was engaged (11 October to 23 November 2021). The total compensation paid of €42,011 including VAT is in line with the market for interim directors and met the conditions included in the remuneration scheme with regard to the deployment of an interim director (not employed).

31. Supervisory Board

Members of the Supervisory Board do not receive any remuneration for their work, and they are not entitled to any loans, advances, or guarantees from Terre des Hommes.

32. Additional positions

During 2022, the Managing Directors held the following unremunerated additional positions.

L.P. Zijlstra (01 January - 31 July)

- **Save Sweetie Now (UK)**, Trustee

T. Bergsma (01 January - 31 December)

- **Nederlandse Boekengids**, Supervisory board member
- **KNCV/Tuberculose Fonds**, Supervisory board member
- **VOx Impuls**, Board member
- **Theater Hotel Courage**, Board member
- **REF FM**, Supervisory board member
- **Child Protection Research Center**, Supervisory board member
- **VVE Zaanse Oever Bewonersvereniging**, Board member (chairman)
- **Vrienden van de Wormerveerse Roeivereniging**, Board member (chair)

STATUTORY FINANCIAL STATEMENTS

Statutory Balance Sheet

(after appropriation of results)

| Statutory Balance Sheet | | 31-12-2022 | 31-12-2021 |
|-----------------------------------|-------|-------------------|-------------------|
| ASSETS | | | |
| <u>Non-current assets</u> | | | |
| Intangible assets | (1A) | 23,281 | 111,494 |
| Tangible fixed assets | (2A) | 937,762 | 1,009,216 |
| | | 961,043 | 1,120,710 |
| <u>Current assets</u> | | | |
| Receivables and accrued income | (3A) | 3,863,108 | 4,067,961 |
| Project assets | (4A) | 2,423,588 | 2,720,621 |
| Securities | (5A) | 107,143 | 105,357 |
| Cash and cash equivalents | (6A) | 15,159,281 | 13,180,340 |
| | | 21,553,119 | 20,074,279 |
| Total assets | | 22,514,163 | 21,194,989 |
| LIABILITIES | | | |
| <u>Reserves</u> | | | |
| Continuity reserves | (9A) | 4,290,000 | 4,000,000 |
| Designated reserves | (9A) | 1,934,269 | 30,000 |
| Reserves available for objectives | (9A) | 6,172,585 | 9,205,016 |
| | | 12,396,854 | 13,235,016 |
| <u>Funds</u> | | | |
| Designated funds | (10A) | 161,344 | 181,919 |
| Reserves and Funds | | 12,558,198 | 13,416,934 |
| Current liabilities | (12A) | 1,412,435 | 1,658,996 |
| Project liabilities | (13A) | 8,543,529 | 6,119,059 |
| Total liabilities | | 22,515,163 | 21,194,989 |

Statutory Statement of Income and Expenses

| Statutory Statement of Income and Expenses | | Actual 2022 | Budget 2022 | Actual 2021 |
|---|-------|-------------------|-------------------|-------------------|
| Income | | | | |
| Income from private donors | (14A) | 6,550,341 | 7,059,000 | 6,501,273 |
| Income from companies | (15A) | 105,102 | 844,000 | 106,466 |
| Income from lotteries | (16A) | 2,288,152 | 2,861,000 | 2,609,595 |
| Income from government grants | (17A) | 11,939,435 | 11,593,000 | 10,490,217 |
| Income from affiliated non-profit organisations | (18A) | 1,379,362 | 1,550,000 | 1,046,389 |
| Income from other non-profit organisations | (19A) | 3,017,704 | 300,000 | 1,384,000 |
| Sum of fundraising income | | 25,280,096 | 24,207,000 | 22,137,940 |
| Income in return for the delivery of goods and/or performance of services | | - | - | - |
| Other income | (21A) | 385,521 | - | 328,999 |
| Sum of income | | 25,665,617 | 24,207,000 | 22,466,939 |
| Expenditure | | | | |
| Structural development aid | (22A) | 11,533,734 | 15,480,980 | 13,735,651 |
| Emergency aid and rehabilitation | (22A) | 7,705,396 | 2,633,941 | 4,878,946 |
| Spent on objectives | | 19,239,129 | 18,114,921 | 18,614,597 |
| Fundraising and communication expenses | (23A) | 5,653,168 | 5,344,593 | 3,688,666 |
| Management and administrative expenses | (24A) | 1,374,759 | 1,207,624 | 1,000,300 |
| Sum of expenses | | 26,267,057 | 24,667,139 | 23,303,563 |
| Result before financial income and expenses | | (601,440) | (460,139) | (836,624) |
| Financial income and expenses | (26A) | (257,297) | (40,000) | 23,531 |
| RESULT | | (858,736) | (500,139) | (813,093) |

| Results Appropriation | Actual 2022 | Budget 2022 | Actual 2021 |
|--|------------------|------------------|------------------|
| Surplus/(deficit) is added to / drawn from: | | | |
| Designated funds | (20,575) | - | (17,085) |
| Designated reserves | 1,904,269 | - | 30,000 |
| Continuity reserve | 290,000 | - | - |
| Reserve available for objectives | (3,032,430) | (500,139) | (826,008) |
| Surplus / (deficit) | (858,736) | (500,139) | (813,093) |

NOTES TO THE STATUTORY FINANCIAL STATEMENTS

The accounting principles for the statutory financial statements are the same as those applied to the consolidated financial statements.

1A. Intangible assets

| INTANGIBLE ASSETS | |
|--|---------------|
| Opening cost | 289,089 |
| Additions | 8,150 |
| Disposals | - |
| Ending Cost | 297,239 |
| Opening Accumulated Amortisation | (177,595) |
| Amortisation | (96,363) |
| Disposals | - |
| Ending Accumulated Amortisation | (273,958) |
| Net book value 31 December 2022 | 23,281 |

2A. Tangible fixed assets

| TANGIBLE FIXED ASSETS | | | | | | |
|---|----------------|------------------|---------------------|---------------------------------|-----------------|----------------|
| | Land | Buildings | IT Equipment | Furniture & Fixtures | Vehicles | Total |
| Opening Cost | 130,200 | 1,512,609 | 75,983 | 86,201 | 216,194 | 2,021,187 |
| Additions | - | - | 43,632 | 57,346 | 2,951 | 103,929 |
| Disposals | - | - | - | (11,929) | (23,110) | (35,038) |
| Adjustments | - | - | - | - | - | - |
| Effect of foreign exchange translation | - | - | (1,028) | 355 | (3,144) | (3,817) |
| Ending Cost | 130,200 | 1,512,609 | 118,587 | 131,973 | 192,892 | 2,086,261 |
| Opening Accumulated Depreciation | - | (790,967) | (36,952) | (36,097) | (147,955) | (1,011,971) |
| Depreciation | - | (64,576) | (27,707) | (30,422) | (22,801) | (145,505) |
| Disposals | - | - | - | 4,584 | 4,383 | 8,967 |
| Adjustments | - | - | - | - | - | - |
| Effect of foreign exchange translation | - | 1,660 | (594) | 1,582 | (2,637) | 11 |
| Ending Accumulated Depreciation | - | (853,883) | (65,253) | (60,352) | (169,011) | (1,148,499) |
| Net book value 31 December 2022 | 130,200 | 658,726 | 53,334 | 71,621 | 23,881 | 937,762 |

3A. Receivables and accrued income

| RECEIVABLES AND ACCRUED INCOME | 31-12-2022 | 31-12-2021 |
|---|-------------------|-------------------|
| Regional office receivables | 83,077 | 200,347 |
| Legacies | 104,481 | 630,888 |
| Nationale Postcode Loterij | 2,250,000 | 2,250,000 |
| Receivable from Terre des Hommes shops | 1,190,958 | 804,431 |
| Other prepaid and receivable amounts | 234,591 | 182,295 |
| Total Receivables and Accrued Income | 3,863,108 | 4,067,961 |

4A. Project assets

| PROJECT ASSETS | 31-12-2022 | 31-12-2021 |
|---|-------------------|-------------------|
| Project advances to partners | 1,264,169 | 1,545,912 |
| Project balances receivable from donors | 1,159,419 | 1,174,709 |
| Total Project Assets | 2,423,588 | 2,720,621 |

5A. Securities

| SECURITIES | 31-12-2022 | 31-12-2021 |
|---|-------------------|-------------------|
| Depository receipts for Triodos Bank shares | 107,143 | 105,357 |
| Total Securities | 107,143 | 105,357 |

6A. Cash and cash equivalents

| CASH AND CASH EQUIVALENTS | 31-12-2022 | 31-12-2021 |
|--|-------------------|-------------------|
| Current accounts | 11,000,896 | 8,999,065 |
| Savings accounts | 2,512,672 | 2,520,139 |
| Deposits | 75,000 | 75,000 |
| Designated fund accounts | 179,314 | 178,276 |
| Cash and bank balances regions | 1,391,400 | 1,407,859 |
| Total Cash and Cash Equivalents | 15,159,281 | 13,180,340 |

7A. Financial instruments

Refer to notes to the consolidated financial statements.

8A. Off-balance sheet assets

For the coming years, 1,839 benefactors of Terre des Hommes have pledged contributions to Terre des Hommes by means of a (notarial) deed of donation. The annuity instalments to be received under these deeds of donation have not been taken

into account in the consolidated balance sheet. These will be recognised as income in the year of receipt.

At the end of 2022, there are 10 legacies with usufruct; the value of the financial impact of the benefits cannot be estimated reliably due to the rights of the usufructuary to decapitalise, alienate or invest. At the end of 2022, there are 20 legacies not yet recognised as they are yet to be settled. A conservative estimate shows €1,276,000 will be received from these legacies, largely in 2023, but possibly also in the years to come.

9A. Reserves

| RESERVES | | | | |
|--------------------------------------|--------------------|---------------------|--------------------------|-------------------|
| | Continuity reserve | Designated reserves | Available for objectives | Total |
| 31 December 2020 | 4,000,000 | - | 9,995,571 | 13,995,571 |
| Prior period correction | - | - | 35,452 | 35,452 |
| Restated 1 January 2021 | 4,000,000 | - | 10,031,023 | 14,031,023 |
| Appropriation of results (corrected) | - | 30,000 | (826,007) | (796,007) |
| 31 December 2021 | 4,000,000 | 30,000 | 9,205,015 | 13,235,015 |
| Restated 1 January 2022 | 4,000,000 | 30,000 | 9,205,015 | 13,235,015 |
| Appropriation of results | 290,000 | 1,904,269 | (3,032,430) | (838,161) |
| 31 December 2022 | 4,290,000 | 1,934,269 | 6,172,585 | 12,396,854 |

Reserves are €81,676 lower in the statutory results compared to the consolidated results. This is because the statutory results exclude Stichting ICS reserves (€97,007), Stichting Terre des Hommes Winkels (deficit of €245,002) and Stichting Terre des Hommes Foundation (€13,109) and Children of India Foundation (€53,209).

| DESIGNATED RESERVES | | | | | |
|-------------------------|----------------|----------------|----------------|--------------------|------------------|
| | Structural aid | Emergency aid | Capital assets | Child safeguarding | Total |
| 1 January 2022 | 30,000 | - | - | - | 30,000 |
| Additions | 824,923 | 515,000 | 500,000 | 200,000 | 2,039,923 |
| Utilisation | (135,654) | - | - | - | (135,654) |
| 31 December 2022 | 719,269 | 515,000 | 500,000 | 200,000 | 1,934,269 |

10A. Designated funds

| FUNDS | | | | |
|-------------------------|------------------------|---------------------------|------------------------------|----------------|
| | De Saint Exupéry Fonds | Van Breen New Future Fund | Mr. P.J.F. Scheefh als Fonds | Total |
| 1 January 2022 | 56,723 | 6,024 | 119,172 | 181,919 |
| Additions | 0 | 21,025 | 0 | 21,025 |
| Utilisation | 0 | (23,600) | (18,000) | (41,600) |
| 31 December 2022 | 56,723 | 3,449 | 101,172 | 161,344 |

11A. Current liabilities

| CURRENT LIABILITIES | 31-12-2022 | 31-12-2021 |
|----------------------------------|------------------|------------------|
| Current liabilities regions | 270,082 | 253,628 |
| Payables and accrued liabilities | 301,947 | 932,558 |
| Social securities payable | 473,091 | 465,935 |
| Pensions payable | 5,881 | 6,874 |
| Taxes payable | 361,436 | - |
| Current liabilities | 1,412,435 | 1,658,996 |

12A. Project liabilities

| PROJECT LIABILITIES | 31-12-2022 | 31-12-2021 |
|------------------------------|------------------|------------------|
| Project payables to partners | 969,704 | 1,024,638 |
| Project advances from donors | 7,573,826 | 5,094,421 |
| Project liabilities | 8,543,529 | 6,119,059 |

13A. Off-balance sheet liabilities

| COMMITMENTS | | | | |
|---|------------------|------------------|----------------|------------------|
| | < 1 year | 1-5 years | > 5 years | Total |
| Rental payments | 106,365 | 46,382 | - | 152,747 |
| Company cars | - | - | - | - |
| Printers and copiers | 4,597 | 16,090 | - | 20,687 |
| Project commitments | 4,869,355 | 4,053,502 | 110,582 | 9,033,439 |
| Total commitments 31 December 2022 | 4,873,952 | 4,069,592 | 110,582 | 9,054,126 |

14A. Income from private donors

| INCOME FROM PRIVATE DONORS | 2022 | 2021 |
|---|------------------|------------------|
| Donations and gifts | 5,808,918 | 5,829,985 |
| Legacies | 741,423 | 671,288 |
| Total income from private donors | 6,550,341 | 6,501,273 |

15A. Income from companies

| INCOME FROM COMPANIES | 2022 | 2021 |
|------------------------------------|----------------|----------------|
| Companies | 105,102 | 106,466 |
| Total income from companies | 105,102 | 106,466 |

16A. Income from lotteries

| INCOME FROM LOTTERIES | 2022 | 2021 |
|--|------------------|------------------|
| Nationale Postcode Loterij - regular contribution | 2,250,000 | 2,250,000 |
| Nationale Postcode Loterij - additional contribution | 21,847 | 343,318 |
| Other lotteries | 16,305 | 16,277 |
| Total income from lottery organisations | 2,288,152 | 2,609,595 |

17A. Income from government grants

| INCOME FROM GOVERNMENT GRANTS | 2022 | 2021 |
|--|-------------------|-------------------|
| Ministry of Foreign Affairs | | |
| - She Leads | 2,038,117 | 1,509,330 |
| - Building Back Better | 2,721,367 | 2,278,633 |
| - Voice for Change | - | 1,106,540 |
| Dutch Relief Alliance | 3,660,076 | 2,200,899 |
| ECHO | 2,080,285 | 1,998,279 |
| European Commission | 448,508 | 754,275 |
| US Government | 884,427 | 562,261 |
| Other grants | 106,655 | 80,000 |
| Total income from government grants | 11,939,435 | 10,490,217 |

18A. Income from affiliated nonprofit organisations

| INCOME FROM AFFILIATED NON-PROFIT ORGANISATIONS | 2022 | 2021 |
|--|------------------|------------------|
| Terre des Hommes Germany | 245,094 | 194,933 |
| Terre des Hommes affiliated shops | 1,134,267 | 851,456 |
| Total income from affiliated non-profit organisations | 1,379,362 | 1,046,389 |

19A. Income from other nonprofit organisations

| INCOME FROM OTHER NON-PROFIT ORGANISATIONS | 2022 | 2021 |
|---|------------------|------------------|
| Samenwerkende Hulporganisaties (SHO) | 1,838,587 | 528,309 |
| Other Foundations | 1,179,117 | 807,138 |
| Stichting ICS | - | 48,553 |
| Total income from other non-profit organisations | 3,017,704 | 1,384,000 |

21A. Other income

| OTHER INCOME | 2022 | 2021 |
|---|----------------|----------------|
| Rental income | 1,917 | 7,668 |
| Fire insurance proceeds | - | 254,956 |
| Service fee to affiliated organisations | 382,957 | 66,375 |
| Other income | 647 | - |
| Total other income | 385,521 | 328,999 |

22A. Spent on objectives

| STRUCTURAL DEVELOPMENT AID | 2022 | 2021 |
|--|-------------------|-------------------|
| Asia | 1,853,684 | 2,340,367 |
| East Africa | 3,181,668 | 3,954,716 |
| Netherlands / Other | 6,305,544 | 4,842,864 |
| Remittance to affiliated organisations | 192,838 | 2,597,704 |
| Total structural aid | 11,533,734 | 13,735,651 |

| EMERGENCY AID AND REHABILITATION | 2022 | 2021 |
|---|------------------|------------------|
| Using own resources | 917,685 | 241,769 |
| Using SHO resources | 1,723,836 | 508,989 |
| Using grants | 5,063,875 | 4,128,188 |
| Total emergency aid and rehabilitation | 7,705,396 | 4,878,946 |

23A. Fundraising and communication expenses

Fundraising expenses were 21% of the income raised.

24A. Management and administrative expenses

Management and administrative costs amounted to 5% of total expenses.

25A. Personnel costs

| PERSONNEL EXPENSES | 2022 | 2021 |
|------------------------------|------------------|------------------|
| Wages and salaries | 4,540,252 | 3,211,894 |
| Social security charges | 460,746 | 509,986 |
| Pension charges | 294,957 | 378,517 |
| Other personnel costs | 1,202,929 | 1,215,084 |
| Total personnel costs | 6,498,884 | 5,315,481 |

26A. Financial income and expenses

| FINANCIAL INCOME AND EXPENSES | 2022 | 2021 |
|--|------------------|---------------|
| Foreign exchange rate gains / (losses) | (221,954) | 109,577 |
| (Negative) interest current account / savings account / deposits | (48,254) | (58,471) |
| Fair value gain / (loss) on securities | 1,786 | (44,643) |
| Interest received by regional offices | 5,168 | 17,069 |
| Dividend income | 5,957 | - |
| Total financial income and expenses | (257,297) | 23,531 |

26A. Cost allocation to different activities

| COST ALLOCATION | Spent on objectives | | Fundraising and communication costs | Management and administrative costs | Actual 2022 | Actual 2021 |
|--|---------------------|------------------|-------------------------------------|-------------------------------------|-------------------|-------------------|
| | Structural aid | Humanitarian aid | | | | |
| Grants and contributions | 8,275,438 | 7,415,074 | | | 15,690,512 | 12,070,077 |
| Remittance to affiliated organisations | 192,838 | | | | 192,838 | 2,597,704 |
| Communication costs | | | 1,844,829 | | 1,844,829 | 1,602,459 |
| Personnel costs | 2,333,099 | 220,962 | 2,898,502 | 1,046,320 | 6,498,884 | 5,315,480 |
| Housing costs | 76,273 | 7,224 | 94,756 | 34,206 | 212,458 | 315,943 |
| Office and general costs | 578,938 | 54,830 | 719,238 | 259,635 | 1,612,640 | 1,228,647 |
| Depreciation | 77,147 | 7,306 | 95,843 | 34,598 | 214,895 | 173,253 |
| Total | 11,533,734 | 7,705,396 | 5,653,168 | 1,374,759 | 26,267,057 | 23,303,563 |

Events After the Balance Sheet Date

There are no adjusting or non-adjusting events after the balance sheet date.

Preparation and Adoption of the Financial Statements

The consolidated and statutory annual accounts are prepared by the Board consisting of:

- Ms. Julie Verhaar, Managing Director
- Ms. Gráinne Le Fevre, Director of Programmes

The consolidated and statutory annual accounts are adopted by the Supervisory Board formed by:

- Ms. Marianne Verhaar-Strijbos, Chair
- Mr. Bas Verheijen
- Mr. Jordi Bakker
- Mr. Joost Schutte
- Ms. Margreet van Steijn

Branch offices and consolidated entities

- Stichting Terre des Hommes Nederland is composed of the following branch offices and entities:
- Terre des Hommes Netherlands Bangladesh (branch office);
- Terre des Hommes Netherlands Nepal (branch office);
- Terre des Hommes Netherlands Cambodia (branch office);
- Terre des Hommes Netherlands Thailand (branch office);
- Terre des Hommes Netherlands The Philippines (branch office);
- Terre des Hommes Netherlands Kenya (branch office);
- Terre des Hommes Netherlands Uganda (branch office);
- Terre des Hommes Netherlands Ethiopia (branch office);
- Terre des Hommes Netherlands Tanzania (branch office);
- Terre des Hommes Netherlands Madagascar (branch office);
- Children of India Foundation;
- Stichting Terre des Hommes Foundation;
- Stichting Terre des Hommes Winkels;
- Volunteer groups; and
- Stichting International Child Support.

Appropriation of the Results

- The results of the consolidated and statutory accounts have been deducted from the reserves available for the objectives.

June 30, 2023

The Hague, the Netherlands

OTHER INFOR- MATION

mazars

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Independent auditor's report

To the managing director and the supervisory board of
Stichting Terre des Hommes Nederland

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of Stichting Terre des Hommes Nederland based in the Hague.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Terre des Hommes Nederland as at 31 December 2022 and of its result for 2022 in accordance with the Guideline for annual reporting 650 "Fundraising organisations" of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the consolidated and statutory balance sheet as at 31 December 2022;
2. the consolidated and statutory statement of income and expenses for 2022; 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. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Terre des Hommes Nederland 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.

Report on the other information included in the annual report

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

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

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by the Guideline for annual reporting 650 "Fundraising organisations".

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements 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 statements.

The managing director is responsible for the preparation of the other information, including the management report in accordance with the Guideline for annual reporting 650 "Fundraising organisations".

Description of responsibilities regarding the financial statements

Responsibilities of the managing director and the supervisory board for the financial statements

The managing director is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 "Fundraising organisations". Furthermore, the managing director is responsible for such internal control as the managing director determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The supervisory board is responsible for overseeing the organisation's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement 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 statements. 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, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, 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 organisation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the managing director;
- concluding on the appropriateness of the managing director'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 organisation'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 statements 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 a organisation to cease to continue as a going concern;

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

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audit of the financial information of organisations or operations to be included in the financial statements. In this respect we have determined the nature and extent of the audit procedures to be carried out for these organisations or operations. Decisive were the size and/or the risk profile of the organisations or operations. On this basis, we selected organisations or operations for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the supervisory 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.

Rotterdam, 30 June 2023

Mazars N.V.

Original has been signed by: drs. D.D. Plouvier RA

Appendices

| Shop location | Gross revenue | Direct costs | Net revenue | Gifts and other revenue | Total result |
|--------------------------|------------------|-----------------|------------------|-------------------------|------------------|
| Alphen a/d Rijn | 46.821 | -29.302 | 17.519 | 5.408 | 22.927 |
| Amersfoort | 133.024 | -38.977 | 94.048 | 1.361 | 95.409 |
| Amsterdam | 45.788 | -26.615 | 19.174 | 50 | 19.224 |
| Apeldoorn | 58.279 | -22.418 | 35.860 | 654 | 36.514 |
| Arnhem | 66.564 | -29.247 | 37.316 | 1.482 | 38.798 |
| Bergen op Zoom | 54.670 | -19.455 | 35.216 | 4.083 | 39.299 |
| Breda | 77.972 | -29.983 | 47.989 | 4.535 | 52.524 |
| Den Bosch | 156.605 | -59.631 | 96.974 | 2.248 | 99.223 |
| Deventer | 40.710 | -17.794 | 22.917 | 504 | 23.421 |
| Drachten | 29.023 | -21.164 | 7.859 | 527 | 8.386 |
| Eindhoven | 74.367 | -36.585 | 37.781 | 1.299 | 39.080 |
| Emmen | 39.678 | -17.670 | 22.009 | 472 | 22.480 |
| Enschede | 37.106 | -26.331 | 10.775 | 5.214 | 15.989 |
| Gouda | 59.539 | -26.140 | 33.400 | 327 | 33.727 |
| Haarlem | 62.440 | -21.483 | 40.958 | 513 | 41.470 |
| Heerenveen | 21.593 | -15.926 | 5.667 | 501 | 6.169 |
| Helmond | 74.128 | -29.759 | 44.369 | 3.097 | 47.466 |
| Hengelo | 93.786 | -28.670 | 65.117 | 1.397 | 66.514 |
| Leiden | 48.656 | -16.989 | 31.667 | 5.651 | 37.318 |
| Maastricht | 60.271 | -27.855 | 32.416 | 1.000 | 33.416 |
| Oosterhout | 102.038 | -33.766 | 68.272 | 181 | 68.453 |
| Pijnacker | 138.173 | -14.578 | 123.595 | 2.806 | 126.401 |
| Tilburg | 54.776 | -31.003 | 23.772 | 381 | 24.153 |
| Utrecht | 36.949 | -20.760 | 16.189 | 467 | 16.656 |
| Venlo | 34.090 | -21.553 | 12.537 | 10.409 | 22.946 |
| Zoetermeer | 56.359 | -32.173 | 24.186 | 1.320 | 25.506 |
| Total local shops | 1.703.407 | -695.824 | 1.007.583 | 55.884 | 1.063.467 |

| Shop location | Gross revenue | Direct costs | Net revenue | Gifts and other revenue | Total result |
|-------------------------------|------------------|-------------------|------------------|-------------------------|------------------|
| Alkmaar | 66.660 | -27.230 | 39.430 | 24 | 39.453 |
| Assen | 50.136 | -29.443 | 20.692 | 7 | 20.699 |
| Barendrecht | 47.138 | -27.549 | 19.589 | 2.564 | 22.153 |
| Barneveld | 22.162 | -5.387 | 16.775 | 309 | 17.084 |
| Delft | 77.184 | -20.879 | 56.306 | 2.510 | 58.816 |
| Den Haag | 36.387 | -25.828 | 10.558 | 574 | 11.132 |
| Goes | 43.358 | -24.182 | 19.175 | 2.549 | 21.724 |
| Hilversum | 50.570 | -30.565 | 20.005 | 724 | 20.729 |
| Hoofddorp | 35.126 | -23.527 | 11.599 | 445 | 12.044 |
| Leeuwarden | 66.416 | -26.832 | 39.584 | 396 | 39.980 |
| Middelburg | 112.043 | -33.607 | 78.437 | 591 | 79.028 |
| Nijmegen | 0 | -4.195 | -4.195 | 0 | -4.195 |
| Velp | 81.396 | -34.758 | 46.638 | 1.198 | 47.836 |
| Wageningen | 82.057 | -33.122 | 48.935 | 1.155 | 50.090 |
| Zoutmanstraat | 2.524 | -4.531 | -2.007 | 9 | -1.999 |
| Zwolle | 55.998 | -36.270 | 19.728 | 224 | 19.951 |
| Total TdH W shops | 829.155 | -387.907 | 441.248 | 13.277 | 454.525 |
| General income | | | | 3.638 | 3.638 |
| General costs | | -140.944 | -140.944 | | -140.944 |
| Total volunteer groups | 2.532.562 | -1.224.675 | 1.307.886 | 72.799 | 1.380.685 |