

Annual Report 2022



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Solar street lighting installed in Ghana

Sharing the Power of Light

Light is a fundamental part of our lives. With a flick of a switch, it transforms darkness into places where people can work, learn and create. The Signify Foundation is committed to ending this imbalance by enabling access to the benefits of sustainable lighting solutions to underserved communities.

Access to light, underpinned by access to affordable and clean energy, is a critical enabler in providing essential services to diverse aspects of human life - education, gender equality, safety and security, livelihood and income generation, community development, and climate action.

Our ambition is to bring light to 10 million people in underserved communities by 2025. By the end of 2022, we counted **1.1 million lives lit**, putting the total at 8.3 million so far. We are proud of our progress toward our mission, yet we know that there is still much to do.

We invite you to explore our annual report and learn more about our work and the impact we are making in communities around the world.

 **signify** foundation

Registered charity in the Netherlands (ANBI), RSIN number 857684553.



Girl in India studying with a solar lantern



Playground solar outdoor lighting in Kapata, DRC

About the Signify Foundation

The Signify Foundation is an independent, non-profit organization primarily funded by Signify NV. Our mission is to enable underserved communities to access the benefits of sustainable lighting solutions. We believe that access to light is a fundamental human right, and we are committed to working toward a world where everyone has the opportunity to thrive.

The Foundation's core activities support the supply of energy-efficient lighting to places where access to the grid is either limited or non-existent. This is either achieved through 'Lighting Lives': Direct lighting product donation and installation in poorly electrified communities or through 'Empowering Entrepreneurs': Empowerment of ecosystem actors in the last-mile distribution.

We support local capacity development, particularly targeting women and youth. From technology manufacturers, logistics

and distribution agencies to financing partners, training institutions and other donors, the Signify Foundation's choice of partners aligns with our objective to enable market-based ecosystems where the local need for light can be met through local supply.

The Signify Foundation employs Signify's expertise to help develop and provide accessible, sustainable lighting systems that have a meaningful impact on people's lives. Our projects and partnerships directly contribute to the United Nations' Sustainable Development Goals, in particular to 5 (Gender Equality), 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), and 11 (Sustainable Cities and Communities).

Message from the Board

On behalf of the Signify Foundation Board, we are pleased to present our annual report for the year 2022. Despite the challenges we face in enabling access to light for people in need, we have made significant progress over the past year.

Thanks to our partnerships with non-governmental organizations, social enterprises, and other stakeholders, we have enabled access to light to communities in need. We have also continued to advocate for more significant investment in renewable energy and other sustainable solutions that can help to address closing the energy access gap.

Yet, much work remains to be done. According to the International Energy Agency, the global population without access to electricity was 775 million in 2022. This number is expected to decrease to zero by 2030, but progress towards SDG 7 is off-track. It is estimated that 600 million people will still live without access by 2030, of which the most significant part lives in sub-Saharan Africa. In addition, the number of people forcibly displaced due to climate disasters and geopolitical conflicts is increasing yearly. In 2022, an estimated 25.5 million people were displaced due to climate disasters alone (UNHCR, 2022), further exacerbating the issue of access to stable energy.

By increasing our ambition level, forging broader partnerships for collaboration and funding opportunities, and focusing on local, simple, and participatory solutions, we can make an even greater impact in the years to come. We are grateful for the support of our partners and stakeholders, and we look forward to continuing to work together to build a more sustainable future for all.

Thank you for your continued support, The Signify Foundation Board



Harry Verhaar – Chair of the Board



Pieter de Haan – Board Member



Stanley Anyetei – Board Member



Maloe de Reuver – Board Member



Solar lanterns given to midwives and nurses in Sudan

Looking Back & Forward

The various past and ongoing partnerships have taught us how to look at the energy issues at large and in a holistic way, while the voluntary support of Signify colleagues crosses functions, such as legal, finance, due diligence, strategy, lighting experts, and project managers have supported us with the details. In the middle of the holistic view and the details is the operations team of the Foundation, running the day-to-day businesses. This team evolves through the learnings derived from the projects, field visits, and conversations and discussions with our partners to better understand where the role of lighting lies for development and, subsequently, the role of the Signify Foundation.

The Message of the Board hints that there's a need to understand how we can increase the ambition to support closing the energy gap. That's why 2022 was a year to reflect, evaluate and act. What can we take from 6 years of operations to

increase the ambition for the future? You will read about the reflection and focus created in the Foundation's Focus Areas chapter.

In 2023 we will seek funders and partners to amplify impact together and work on collaborations to share knowledge from within and outside of our lighting community. We will have a new team member working from Nairobi to oversee projects in Eastern Africa, while the team in Amsterdam continues to look at the global projects, scope and strategy for the Foundation to meet our ambitions.

To our partners; we value our relationship and hope for your continuous open mind to bring lighting to those who need it most. We thank you for your wisdom and look forward to making more impact in the years to come.

Yue Cui, Director



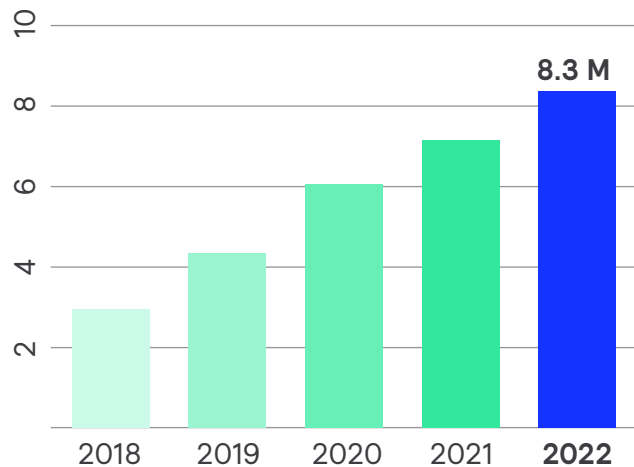
A spotlight on our 2022

1.1 Million lives lit

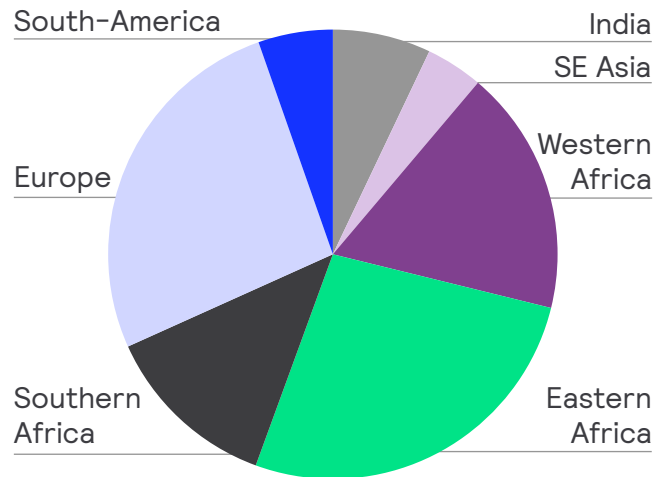
22 projects executed

17 countries

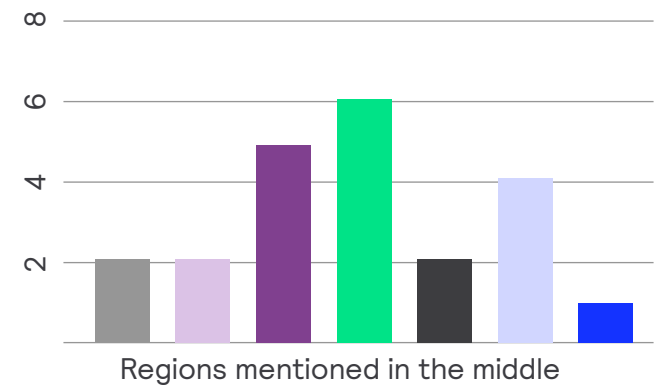
Lives Lit (in Millions)



% of Annual Budget/Region



Projects per Region



The Foundation's Focus Areas

Reflecting on the first years of Signify Foundation's journey as a stand alone lighting foundation, provided us with insights on several things. How projects and partnerships were formed, what were the learnings from the projects executed. But also from the in- and external operations and management that are all part of making the intended impact.

We have finalized many different projects in places all over the world with various partners. This wasn't always easy. Circumstances like (global) politics, scarcity and logistics, climate effects on regions and transportation, COVID-19, human capacity, and many more reasons as to why some projects were more challenging to execute than others. A question arose: 'How can we further enhance effectiveness and impact outcomes with the resources we have?'

We had to find more focus, and this focus came in three-fold:

1. Thematic Focus

We started off by improving our project categorization. We looked at over 100 executed projects and classified them under more specific project types than the previously used 'Lighting Lives', 'Humanitarian Lighting' and 'Lighting Entrepreneurs'. We narrowed it down, yet simplified it. We went to two main pillars: **Lighting Lives** and **Empowering Entrepreneurs** with six sub categories, closely defining the project types. See next page.

2. Geographical Focus

With the Lighting Lives and Empowering Entrepreneurs pillars, we will focus on regions in the world where access and opportunity to execute our projects are most effective. The focus will be on markets where Signify is present, where we can leverage existing partners and execute projects confidently and gently.

3. Long-term Partnerships & Collaborations

The learnings from the past years showed that the most valuable projects are multiple-year and with local or well-established partners, or combined partnerships. Consortia can create agility, diversity and an edge a project needs. Still, there is always a demand for continuation and, therefore, a need for a present project lead that understands how knowledge and management transfers can be shaped through any given timeline. Those are the partners we continue to look for and work with to ensure that the end-user's and stakeholder's needs in any scenario are met.

Focus Areas Breakdown

Pillar	Lighting Lives			Empowering Entrepreneurs		
Sub-pillars	Community Lighting			Disaster Relief	Capacity Building	Working Capital
	Health Centers & Clinics	Schools & Playgrounds	Humanitarian & Livelihood			
Who	Poorly electrified communities			Entrepreneurs reaching the last-mile communities with clean energy products		
Where	10 priority countries: Kenya, Uganda, Tanzania, Sudan, Mozambique, DRC; Bangladesh, Philippines, Indonesia, Pakistan; Central America North Latin America			Priority countries: Ethiopia, Rwanda, Tanzania, Kenya, Uganda		
What	Enhancing health, safety & security, education and livelihoods through light access			Providing access to lighting products in the last-mile		
How	Grants for Lighting products & installation			Grants	Recoverable Grants	



Communities in Brazil lit up with all-in-one street lighting

Lighting Lives

The Lighting Lives pillar enables access to the use of high-efficient and durable lighting solutions that address the entire spectrum of lighting needs within a community. These can either be in- or outdoor lighting systems.

The Signify Foundation supports a diverse array of projects, mainly with solar/LED indoor lights, solar flood lights and solar street lights. Light access products and services do not merely constitute a straightforward, one-off product donation and installation because they exist as a means to an end: they enhance safety and security, opportunities for education and play, economic and livelihood development, health care improvement and generally speaking; the quality of life.

Who are we targeting with Lighting Lives? Both communities in a broader sense under '**Community Lighting**' and disaster-affected people under '**Disaster Relief**'.

Under Community Lighting different project types can be found:

- 1. Health Centers & Clinics**
- 2. Schools & Playgrounds**
- 3. Humanitarian & Livelihood**

For Disaster Relief, we will support developing countries when our yearly budget allows for it.

How are we supporting the Lighting Lives pillar projects? With grants and services for direct placement or donation of lights.

Lighting Lives: Health Centers & Clinics

Kenya, Homabay and Siaya County – NGO Enerqua

Together with local NGO Bright Dada, the Signify Foundation has lit up 7 remote health centers in Homabay County, West-Kenya. For the health centers, different lighting designs were made with indoor LED bulbs and tubes and outdoor solar lighting.

The nurses and doctors in the health centers reiterated the importance of access to sustainable light at night to increase the chances of survival when urgent treatment is needed. Also, women going into labor at night face a lower risk of complications now that proper lighting

is available for the doctors and nurses to provide the care needed.

Apart from lighting the isolation centers, pediatric and maternity wards and waiting bays, also solar outdoor lighting was installed. These lights around the health centers mean people can find their way to the health centers, nurses aren't scared to receive new patients due to security reasons and patients can use the latrines safely and securely. In 2023, another 20 health centers will be lit in Busia and Siaya County, also in West-Kenya.

**“Proper lighting at night can mean the difference between life and death”
– Nurse Grace**

Scan or click on the QR code for a short tour through the hospital at night.



Learnings

- LED tubes work better than bulbs to prevent vandalism and theft
- A backup system for energy provision is needed for the indoor lighting solutions if the power goes off
- A responsibility plan is vital for the maintenance of the lighting in case of default when the warranty runs out
- Providing health centers with high-quality and all-in-one lighting makes a huge difference compared to lower-quality alternatives: The lights stay on.

Impact

- Neighboring health centers in the region have seen the effect of the lighting installed and want the same lighting solutions
- Number of lives lit so far: 76.000



Nyahera subcounty hospital in Homabay County, Kisumu – Kenya

Lighting Lives: Schools & Playgrounds

Tanzania, Arusha – Don Bosco KIITEC Institute

Don Bosco KIITEC Institute is a vocational training institute in Arusha, Tanzania. It is part of the Don Bosco Network, a global network of schools and vocational training centers. One of the unique features of Don Bosco KIITEC Institute is its focus on practical, hands-on training. Students are provided with opportunities to gain real-world experience through internships and work placements with local employers.

The institute was established in 2010 to provide vocational training and skills development to young people in the Arusha region. It offers a range of courses in fields such as automotive mechanics, welding and fabrication, electrical and electronics, ICT, and hospitality and tourism.

The institute decided to expand to allow more students to partake in their curriculum: Day school for students from within, and boarding for students from outside the region. The Signify Foundation supported both in- and outdoor lighting for the institute, for students to continue their activities at night, such as studying, socializing, playing sports, and safely using the external washrooms.

A comparison has been made: The energy consumption has been reduced by 40% now that the fluorescent lighting tubes have been replaced with energy-efficient LED tubes.

Learnings

- Logistics planning of getting the lights from Kenya into Tanzania with special covid regulations at the border
- The institute can showcase to their students and surrounding communities that the energy bills can be reduced by 40% if a switch is made to high-quality LED lighting solutions

Impact

- The boarding school now hosts 49 students, while over 200 students use the sports facilities and school premises during the day.
- Number of lives lit so far: 220

“Giving us proper lighting for our rooms, corridors and the surroundings, improves our living conditions and gives us a beautiful setting to excel in our studies and build our future.” – Mary Peter, student.



Outdoor playground on the Don Bosco KIITEC Institute premises



Lighting Lives: Humanitarian & Livelihood

India, Sundarbans – SEED India

Equality, Education, Empowerment and Environment are the four pillars of NGO SEED India. For over two decades, SEED has been lifting people out of poverty in West Bengal by giving them opportunities through education, small business training, and interventions that can affect the community as a whole.

One of the Livelihood & Humanitarian projects was a collaboration with the Signify Foundation and Signify India. The Sundarbans delta is the world's largest mangrove forest (south of Kolkata) and is home to 4.5 million people and 450 wildlife species. 70% of this population lives below the poverty line.

One of the islands in the delta, Ghoramara Island, has been heavily affected by cyclones and climate change; almost 40% of the island has eroded. Although many of the community became climate refugees, a small part remains. The community is not connected to the grid and relies on unhealthy and expensive candles and kerosene lamps at night.

We funded 770 solar lanterns, focusing on women's safety, security, and the youth's education. The Signify India team trained the community on the usage of the lanterns but also on the benefits of solar and renewable energy.

Impact

4000 lives were positively affected by solar lanterns



Children in Goramara, India studying at night with solar lanterns

Lighting Lives: Humanitarian & Livelihood

Pakistan – UNHCR, The UN Refugee Agency

Pakistan has seen different influxes of refugee streams in the past decades, including refugees from neighboring countries, like Afghanistan, but also internally displaced people, such as a part of the 33 million people affected by the weeks-long torrential monsoon rains and flooding in September 2022.

Together with our partner The UN High Commissioner for Refugees (UNHCR) we are working on a project to light up two refugee villages in Pakistan, in Khazana and Quetta, in North and East Pakistan. These villages will be provided with all-in-one solar street lighting solutions. Those lights can be very easily installed, requiring low maintenance and being vandal-proof.

Reliable lighting solutions are extremely important in vulnerable contexts like

refugee settlements and camps. Crime and Gender Based Violence often occur when there's no social control present or yet established. Leaving women and youth in very unsafe circumstances, especially at night.

In 2022, the Signify Pakistan team conducted its first visits to understand the lighting needs in these villages. They created a map with the most impactful places for lighting installation, fitting the budget provided by the Signify Foundation. From our guideline report and research in Rhino Refugee Camp in Uganda (finalized in 2022), we can confidently share that the all-in-one solutions have much more impact longer term than the traditional solar street lights that have the solar panel, battery and lighting as separate parts. The latter are continuously seen

broken, demolished or taken apart by vandalism.

With the installation of the all-in-one solutions we can showcase once more the power of high-quality and simple solutions that we can offer to our projects and partners, for which we continue to advocate for the impact it can make versus the initial costs. Through showcasing the power of simple solutions, we hope to expand our collaboration and light up more refugee settlements in the future.

The impact report will be shared in 2023.

Learnings

- The villages are very remote, a lighting map, including an installation plan needs to be well-planned and catered for. For maintenance, it is essential to incorporate responsibility and training into the program.



Quetta village, an off-grid refugee settlement in East Pakistan

Lighting Lives: Humanitarian & Livelihood

Democratic Republic of Congo, Kapata – Fair Cobalt Alliance

The Fair Cobalt Alliance is a consortium of organizations led by the Impact Facility, a non-profit social enterprise, that is working to improve conditions in the cobalt mining industry in the Democratic Republic of Congo (DRC).

The Alliance is focused on addressing social, environmental, and economic challenges associated with cobalt mining in the DRC. Kapata is a critical source of this important mineral in producing batteries for electric vehicles and other tech applications. By bringing together a diverse range of stakeholders, the Fair Cobalt Alliance aims to promote responsible and sustainable mining practices, improve the livelihoods of mining communities, and ensure that cobalt is mined and traded ethically and transparently.

The Signify Foundation has played a crucial role in bringing solar outdoor lighting to the markets, schools and clinics in Kapata. The biggest impact can be found in the safety and security that these lights bring. Both in the schools and clinics, the stakeholders mention an improved feeling of security. In the schools and clinics, Gender Based Violence risks for women and youth, while in the market, the traders talk about the safety of the goods being traded, allowing for more business at night.

Learnings

- Adjustments of the logistics schedule according to the seasons: rainy season can cause enormous delays
- Earlier planning on installation sites to ensure the lighting solutions are appropriately distributed

Impact

- The lighting installed increased the safety and security of women and youth, and also of goods traded in the market at night
- Number of lives lit so far: 61,000



Kapata market in Congo with street lighting installed

Lighting Lives: Disaster Relief

Ukraine – GlobalMedic, UNHCR, European Food Banks Federation

The war in Ukraine has led to a dire humanitarian situation in the country and at its borders, requiring a robust international response and assistance for those who are displaced or otherwise deprived of basic resources.

Disaster Relief lighting has been a key focus of the Signify Foundation. Since the start of the war, the Foundation has been working to identify emergency lighting needs and to mobilize relief aid to Ukraine and its neighbors. The Signify Foundation has delivered different types of support with the help of our partners, colleagues and a committed EUR 800,000 donation in funding by Signify NV.

In early 2022, we focused on immediate relief, providing portable lights to internally displaced people (IDP) and refugees. From October onwards, we have been working closely with Signify Ukraine to identify lighting needs for medium-term infrastructure building in Internally Displaced People's settlements, hospitals, and public spaces in the most impacted communities.

Through our partnerships with actors such as GlobalMedic, the UN Refugee Agency (UNHCR), the European Food Banks Federation, Cooper Lighting and our Signify Ukraine colleagues, we have been able to distribute more than 35,000 portable lights to families and communities in need.



A Ukrainian woman holding a Cooper light

Empowering Entrepreneurs

In the past six years, we have worked with our partners to bring light and opportunities to people who aspire to create a brighter future for poorly electrified communities.

The impact of lighting lives can be made sustainably through investment rather than aid.

The Signify Foundation aims to extend its impact across the entire value chain, partnering with institutions to enable clean energy distribution to the last mile. In this value chain, access to finance plays a critical role in unlocking growth potential for (solar) start-ups. We support institutions that provide innovative finance to the 'missing middle' and local companies, as a holistic approach to accelerate energy access. We also support the development of market ecosystems where lighting becomes a part of economic and livelihood stimulation.

Projects in this category will now fall under the 'Empowering Entrepreneurs' pillar. These projects can get support through various means: Recoverable grants are created to support social enterprises with working capital or bridge funding. Recoverable grants are also provided to like-minded organizations supporting the growth of local renewable energy players in developing countries, either with investment or loan support. Unconditional grants are given to support youth and women's capacity building and skilling.

Empowering Entrepreneurs Capacity Building

Uganda – ENVenture

In Uganda, where more than 80 percent of the population lives in rural areas, the lack of access to energy is a major impediment to economic and social empowerment.

Energy poverty in Uganda disproportionately affects women, who often spend hours each day collecting firewood, cooking on open fires, and using kerosene lamps for lighting. This not only puts their health at risk due to exposure to smoke and other pollutants, but it also limits their ability to participate in education, earn a living, and engage in other productive activities, while cutting down trees for firewood is a climate disaster.

Since 2019 we have been supporting ENVenture. ENVenture is a non-profit organization that is dedicated to improving

access to clean energy and enhancing the livelihoods of underserved communities in Uganda. The organization works to achieve these goals by providing access to financing and business support services to Community-Based Organizations (CBOs). The CBOs sell and distribute clean energy products such as efficient and clean cookstoves, solar lamps, and water filters.

Through its work, ENVenture is helping to improve health, reduce carbon emissions, and build resilience and awareness of the power of sustainable energy.

The Signify Foundation supported ENVenture with a grant for skilling and capacity building of the Community Based Organisations (CBOs) that they work with, which are more than 100 across the country. These CBOs receive coaching

and training on business hard and soft skills such as bookkeeping, marketing and customer care services.

The end-customers involved in Village Savings and Loan Schemes (VSLs) have repeatedly stated that they have increased their financial savings due to lower energy costs, after purchasing the products distributed through the ENVenture network.

Learnings

- There is a strong need for transport for the CBOs to be able to reach the rural and remote villages without losing all profit margins made on transport costs
- ENVenture developed the ENVision app, allowing CBOs to capture their sales, stock levels and do bookkeeping. Also ENVenture can communicate with their CBOs across Uganda, while capturing data from the CBOs that they can use for further funding. Involving digital technology within such models can bring significant benefits if implemented correctly.

Impact

- Watch a short video of the impact ENVenture is making in Uganda by scanning or clicking on the QR code



Suzan in front of her own CBO Suzan Foundation. She gives young single mothers a chance to make their own living



More MyM and VTU #JustForYou

This is a... you to use more data bundles and services...
- Subscribers can purchase multiple data bundles
- Data rollover and auto-renewal also available everywhere you go

VTU

Plan	Bundle	Price (N)	Validity
Weekly	750MB	450	7 days
Monthly	3GB	N2,500	30 days
Monthly	15GB	N6,000	30 days

Digital Data Packs



A shopowner in Abuja, Nigeria, in front of his Winock solar powered shop

Empowering Entrepreneurs Working Capital

Nigera – Winock, through Charm Impact

The Signify Foundation also funds venture builders that focus on enabling access to clean and affordable energy in the last mile. One of these companies is Charm Impact.

Since 2021 we have provided Charm with a first loss grant facility, to support a blended finance lending model that catalyzes the investment in 5 loans to early-stage local companies in Sub-Saharan Africa. Last year's Annual Report featured a start-up in Malawi, this year we are featuring their portfolio company Winock in Nigeria.

Winock is a solar enterprise that enables access to solar energy to micro businesses in Abuja, the capital city of Nigeria, that inhabits over 1.5 million people. With the recoverable grant that Charm loaned

to Winock they have been able to install 'Lease-to-own' solar connections to 2,300 businesses in 2022, of which 53% are women owned. This alone has not only enabled access to light, but reduced 29,37 tons of CO2 emissions, eliminated petroleum run generator sets, reduced noise pollution, decreased the exposure to poisonous fumes and bettered the environmental degradation.

They are working on optimizing their business model to become completely self-sustainable. Challenges they face to get there are among others, infrastructure, government regulations, community cooperation, political insecurity and access to finance. They are positive nonetheless and committed to achieving a positive impact for the upliftment of the African continent.

Learnings

- Nigeria is a tough environment to operate in, it requires sustainable capital to enable social enterprises to sustainably solve existing problems in the communities
- Due to the volatility of the environment it's important that investors and loan providers are patient to give the runway small enterprises need
- Effective financial management is very important

Impact

- 31,000 lives lit through Charm Impact in 2022



Empowering Entrepreneurs Capacity Building

Tanzania, Kenya - SolarSister

The NGO SolarSister works in East-Africa on the last-mile distribution of Energy Efficient products, such as clean cookstoves, solar lanterns and water filters. The Signify Foundation supported SolarSister with a grant to strengthen their training and capacity building.



Empowering Entrepreneurs Capacity Building

Senegal - ElleSolaire

The Signify Foundation has given ElleSolaire a grant to train women in Senegal to become clean energy entrepreneurs and reach the rural villages through their Village Savings & Loans Associations (VSLA) group network. A small loan was provided to purchase stock for these women to sell to these VSLAs.

Financial Statements

Balance sheet as at December 31 (in euros after result appropriation)

	Note	2021	2022
Current assets			
Cash and cash equivalents	1	2,167,468	2,709,959
Total current assets		2,167,468	2,709,959
Total assets		2,167,468	2,709,959
Equity			
Other reserves	2	1,156,137	2,187,782
Total equity		1,156,137	2,187,782
Current liabilities			
Accrued expenses	3	1,011,330	522,177
Total current liabilities		1,011,330	522,177
Total equity and liabilities		2,167,468	2,709,959

Statement of contributions and expenses (in euros)

	Note	2021	2022
Contribution from Signify	4	1,800,000	1,824,275
Other contributions		37,029	4,268
Total contributions		1,837,029	1,828,543
Donations	5	(2,077,776)	(788,880)
Other expenses	6	(5,435)	0
Financial expenses	7	(2,678)	(8,018)
Total expenses		(2,085,889)	(796,898)
Result		(248,860)	1,031,645

Notes to the Balance sheet and the Statement of contributions and expenses

General

Stichting Signify Foundation is registered at the Dutch Chamber of Commerce with number 69001464 as a foundation under Dutch law. Its legal address is Basisweg 10, 1034 AP Amsterdam.

Financial reporting period

These financial statements cover the year 2022 which ended December 31, 2022. The comparative figures cover the year 2021, which started on January 1, 2021 and ended December 31, 2021.

Basis of preparation

The financial statements have been prepared in accordance with the Guideline for annual reporting 640 'Non-profit organizations' of the Dutch Accounting Standards Board (RJ640).

Going concern

These financial statements have been prepared on the basis of the going concern assumption.

Basis of measurement

The financial statements have been prepared on a historical cost basis. Unless stated otherwise, assets and liabilities are shown at nominal value. Valuation takes place at nominal value less any provision deemed necessary.

Accounting policies

General

An asset is recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognized in the balance sheet when it is expected to result in an outflow of the entity's own resources and the amount of the liability can be measured reliably.

Contributions are recognized in the Statement of contributions and expenses when the amount can be determined in a reliable manner and collection of the related contribution to be received is probable. Contributions and expenses are allocated to the period to which they relate.

Use of estimates

The preparation of the financial statements requires the Board of Signify Foundation to make judgments, estimates and assumptions that affect the application of accounting principles and reported amounts of assets, liabilities and contributions and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are continuously reviewed. The impact of revised estimates is reflected in the period in which the estimate is revised.

Functional and presentation currency

The financial statements are presented in euros, which is the Foundation's functional currency, and have been rounded to the nearest euros. Transactions denominated in foreign currency are translated into euros at the exchange rate applying on the transaction date. Exchange differences resulting from the settlement of monetary items or resulting from the translation of monetary items denominated in foreign currency are recognized in the Statement of contributions and expenses in the period in which they arise. Due to rounding, amounts may not add up to totals provided.

Receivables

Receivables are measured at initial recognition at fair value. After initial recognition, the assets are measured at amortized cost using the effective interest method, less a value allowance. The allowance is determined by individual assessment of the receivables by applying the expected loss model, which utilizes historical collection data and forward-looking estimates.

Current liabilities

At initial recognition, accrued expenses are measured at fair value. After initial recognition, the liabilities are measured at amortized cost using the effective interest method.

Other reserves

Other reserves consist of the results of the previous years as well as the current year.

1 Bright Dada programs are figured in the 2020 annual report.

Notes to the Balance sheet

1. Cash and cash equivalents

Cash and cash equivalents relate to the current account balances and are available without restrictions.

2. Equity

The movements in Other reserves are shown below:

	2021	2022
Opening balance	1,404,997	1,156,137
Result	(248,860)	1,031,645
Other reserves	1,156,137	2,187,782

3. Accrued expenses

Accrued expenses reflect the amounts related to projects that have been approved by the Board and communicated to the beneficiary but for which payments will materialize in the following year(s).

2 Switch on Solar program is figured in the 2019 annual report.

Accruals related to:	2021	2022
Community lighting	750,333	341,917
Competency build-up	184,872	180,260
Working capital	56,125	0
Others	20,000	0
Total	1,011,330	522,177

The accruals are mainly due to the Foundation's payment approach to disperse most donations in tranches based on milestones.

The accruals for Community lighting projects in 2022 totals EUR 341,917 (2021: EUR 750,333). These related to projects in sub-Saharan Africa, Middle East, and Latin America, amongst other regions.

The accruals for Competency build-up projects in 2022 totals EUR 180,260 (2021: EUR 184,872). These mainly relate to multi-year programs in sub-Saharan Africa, for instance, Bright Dada programs¹ in Kenya, Uganda, and Switch on Solar program in Uganda².

Notes to the Statement of contributions and expenses

4. Contributions

In 2022, the Signify Foundation received a contribution of EUR 1,824,275 from Signify, slightly higher to the amount received in 2021 (EUR 1,800,000). This amount included the additional EUR 800,000 funding for the immediate relief and medium-long term development support to Ukraine and neighboring countries. The funding was made in four installments received in April, July, October and November. In November 2022, Signify agreed to contribute to Signify Foundation an amount of EUR 1,000,000 in 2023.

5. Donations

Donations are recognized as an expense in the year the commitment has been approved by the Board and communicated to the beneficiary of the donation. Included in the donations of 2022 is an

amount of EUR 163,000 that potentially can be recovered by Signify Foundation during 2023 and 2024 if the beneficiaries are able to meet certain conditions.

In 2021, an amount of EUR 788,445 was included in donations that could potentially be recovered by Signify Foundation. In 2022, an amount of EUR 224,468 was repaid to the Foundation related to recoverable donations issued in previous years after the beneficiaries were able to meet certain conditions.

Donations related to:	2021	2022
Community lighting	781,554	270,397
Disaster relief ³	0	451,191
Competency build-up	485,979	20,712
Working capital	484,756	47,790
Others	325,487	(1,210)
Total	2,077,776	788,880

Donations fall within a new classification within the Foundation's projects. The category 'Others' relates to projects or costs outside of the classifications which nonetheless support the overall mission. These are, for example, costs for project evaluations, impact studies, and guideline creation for humanitarian aid agencies.

6. Other expenses

No Other expenses in 2022 was incurred. In 2021, an amount of EUR 5,435 relates to consultancy and travel costs.

7. Financial expenses

Financial expenses in 2022 of EUR 8,018 (2021: EUR 2,678) relate to bank and interest costs and the cost of foreign currency conversion.

³ Disaster relief projects in 2022 mainly pertain to projects for Ukraine. Other lighting projects were

implemented for (internally) displaced people, and essential services. Please see 'Disaster Relief'.

8. Personnel

In 2022 and 2021, Signify Foundation employed one part-time contingent worker based in Uganda. Signify Foundation's operational team consists of employees of Signify who are seconded to the Foundation. Their salaries and expenses are paid by Signify. The Board members of Signify Foundation receive no remuneration for their duties, any expenses incurred are reimbursed by the Foundation.

Signify Foundation also receives human resource functional support from Signify, mainly in the areas of legal, finance, internal audit, communications, in-country CSR champions and skill-based volunteers on specific projects.

9. Subsequent events

There are no subsequent events to report.
May 15, 2023

Board of Management

Harry Verhaar

Pieter de Haan

Stanley Anyetei

Maloe de Reuver



George, in front of the Community Based Organisation he works for in Kayuna district, Uganda

Colophon

The 2022 operation of the Foundation has been made possible by:

Aninda Eijkens
Celia Wan-Sze Yiu
Lea Richter
Lou Van Reemst
Merve Atus
Paul Sloekers
Tarini Basin
Yue Cui

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