

Solidaridad

SOLIDARIDAD THE NETHERLANDS ANNUAL REPORT 2023



Cover photo: © Irina Raiu Photography

During the 12-hour long 'Climbing against Climate Poverty' marathon event, Solidaridad and sixty climbers raised more than €25.000 for smallholder coffee farmers, echoing the extreme challenges they face, in particular due to climate change.



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FREQUENTLY USED ABBREVIATIONS

ASGM	Artisanal and small-scale gold mining
C&C	Communications & Campaigning
CBF	Central Bureau on Fundraising
CEP	Corporate Engagement & Partnerships
CSB	Continental Supervisory Board
CSDDD	Corporate Sustainability Due Diligence Directive of the European Union
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
DR	Donor Relations
EBoD	Executive Board of Directors
ECI	European Citizen Initiative
ESG	Environmental, Social and Governance
EU	European Union
FTE	Full Time Equivalent
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HR	Human Resources
ILO	International Labour Organization
ISB	International Supervisory Board
KML	Knowledge Management and Learning
KPI	Key Performance Indicator
MASP	Multi Annual Strategic Plan
MoFA/BuZa	Dutch Ministry of Foreign Affairs
NORAD	Norwegian Agency for Development Cooperation
PI	Policy Influencing
PPP	Public Private Partnership
REC	Solidaridad Regional Expertise Centre
RSC	Regional Service Centre
RSPO	Roundtable on Sustainable Palm Oil
RVO	Netherlands Enterprise Agency - a Dutch government agency
SME	Small and Medium-sized Enterprises

PREFACE

Reflecting back over 2023, I do so with a bittersweet feeling. Though I am genuinely proud of and grateful for the work we have been able to accomplish with Solidaridad across regions worldwide, the challenges ahead of us all - at Solidaridad and beyond - are enormous. If possible, they're bigger than ever, as the climate crisis is looming, the conflicts around the world are far from being resolved, global poverty and inequality are rising, and the civic space in many countries continues to shrink.

And yet, my colleagues and I are continuing our work with zest and determination; with our hearts and minds set on striving towards a global economy that benefits us all, with inclusive and sustainable value chains, and good livelihoods for millions of smallholder farmers, miners and workers.

And of course, this work wouldn't be possible without the collaboration with and support from you, our valued partners. A big thank you!



Luis Carlos Ortega, coordinator in La Coqueta farm, and his wife, Zenaida Jiménez, harvest coffee beans in La Coqueta farm, in La Sierra, Cauca department, Colombia. Photo: Jaír F. Coll for Solidaridad

Climate heroes are the heroes of our time

The climate crisis is looming upon us, and collective action is urgently needed! The international community must ensure to allocate sufficient climate finance to smallholder farmers worldwide, who are among those hit hardest by the effects of climate change but brave them nonetheless. True climate heroes who require our support in turning the tide. And their stories should be heard and prioritized in the global narrative around carbon farming and tackling climate change.

We are immensely thankful to the participants of both the [Nationale Postcode Loterij](#) (Dutch Postcode Lottery) for contributing funds that allow us to fulfil a major goal. Our partnerships allow [smallholder farmers to receive a financial reward](#) from the international voluntary emission market for their role in sequestering carbon on their farmland. This would not have been possible without the [Acorn](#) initiative powered by Rabobank. In 2023 at least 73,000 smallholder farmers have joined the platform, which means a total additional income for farmers of over 1,5 million euros.

Whilst farmers play an essential role in the transition to a carbon-neutral economy and ensuring food security, they should also be paid for their ecosystem services, in addition to the food they produce. Moreover, this is also a win-win for companies interested to invest in this future-proof solution to help tackle climate change.



In May 2023, Solidaridad co-organized an event in Amsterdam to discuss the findings from our 'Superlijst Sociaal' supermarket campaign.

On our way to Prosperity

2023 was the inception year of our new programme [Pathways to Prosperity](#), made possible with the funding from the Netherlands Ministry of Foreign Affairs. With this programme, we work towards viable and resilient production; inclusive service delivery tailored to the needs of producers; and strive to ensure that market actors adopt and mainstream inclusive trade, sourcing and pricing. We also launched our three-year programme on food security in nine African countries called [Acting Now](#), in cooperation with Agriterro.

In 2023 we launched a supermarket campaign in the Netherlands known as the '[Superlijst Sociaal](#)' in cooperation with Oxfam Novib and Questionmark. This initiative produced a ranking of Dutch supermarkets on their actions to ensure that the human rights of farmers, workers, and women, in their supply chains are respected.

Advocating for smallholder-inclusive legislation with RECLAIM Sustainability!

Together with partners like Fairfood, TrustAfrica and Business Watch Indonesia we work side-by-side to ensure the voices of producers are heard and their interests are taken into account in international value chains. We see [promising impact results](#) in this [RECLAIM Sustainability! programme](#).

Our lobbying efforts to ensure sustainable and smallholder-inclusive EU legislation is an example of our work in this sphere. In December 2023, the EU finally reached a political [agreement](#) on the [Corporate Sustainability Due Diligence Directive \(CSDDD\)](#), a true milestone! Once approved by Council and Parliament, this directive will require companies operating within the EU to undertake mandatory human rights and environmental due diligence throughout their value chains. But of course, with that our work is not done, and we will continue to keep a sharp eye on the implementation of this legislation and lobby for much needed accompanying measures. We will continue to advocate for companies to link their due diligence process to changes in their purchasing practices, as proposed by the CSDDD, as well as to address poverty as a key root cause of human rights and environmental issues, by working towards ensuring living incomes and living wages in their value chains.

In a similar vein, we continue to emphasize the urgent need to ensure that the [EU Deforestation Regulation](#) has a positive and lasting impact on the state of global deforestation, and the vital role of the EU, governments and companies. The main articles of this legislation are expected to be fully in force before the end of 2024, so time is now becoming increasingly short to ensure this regulation is truly smallholder-inclusive! In our advocacy work we team up with coalition partners like Fern, Rainforest Alliance, the Fairtrade Advocacy Office and MVO Platform.



Spreading the research

And not to forget the publication of our research papers, accompanied by the respective launch webinar events, such as the [Price in Global Commodity Value Chains](#), the [2023 Coffee Barometer](#), and the launch of the [Sustainable Cotton Hub](#), including the most recent cotton paper on [Cotton and Climate](#). Stay tuned, because we will publish more cotton papers in 2024, as well as the next Palm Oil Barometer, Cocoa Barometer, and our Coffee Value Distribution Study in the German market, the latter in collaboration with Global Coffee Platform and IDH.



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Partnerships and collaboration are in our DNA

Our partners and collaborators are essential for us to work towards our mission of sustainable and inclusive value chains. We are proud of and grateful for our long-standing partnerships, such as with [Henkel](#) - 2023 marked a [10-year anniversary of our partnership](#)! We've also worked with other companies like [Hema](#), a retail store based in the Netherlands, on fostering each other's understanding of [responsible purchasing practices](#), under the [Common Framework for Responsible Purchasing Practices](#).

And we are thrilled to continue our work on palm oil sustainability with the second phase of one of our flagship programmes on palm oil ([NI-SCOPS](#)) taking place in several countries, in partnership with [IDH](#), the [government of the Netherlands](#), and our new partner, the [Foreign, Commonwealth and Development Office \(FCDO\)](#) from the UK. Public-private partnerships are very valuable collaborations for us, whereby the Netherlands Enterprise Agency ([RVO](#)) remains a key partner for us.

Solidaridad is delighted to welcome more new partners on board! Earlier in 2023, we started working with the [Albert Heijn Foundation](#) in the Netherlands; and we are entering into a new partnership with [Puratos](#) to work jointly on sourcing of responsibly managed palm oil in Malaysia, Honduras, and Colombia. Another example is [QStone Capital](#) - a clean water processing company, working on innovative solutions to enable cleaner production in factories. We also [joined forces with Oikocredit](#) to expand on our existing collaboration in Guatemala in support of climate-smart business models and access to climate finance.

The financial support of the Deutsche Postcode Lotterie has made it possible for us to bring our [Good Clothes Fair Pay campaign to the German public](#). We are also happy to work together with our strategic partner [Ethical Trade Denmark](#) towards more corporate social responsibility in the private sector.

Solidarity (inter)connects us all

The climate crisis, global poverty and rising inequality, a backlash on civic space and women's rights. These are not small challenges! And sometimes they seem quite overwhelming.

But we cannot, and must not, lose hope and determination. Our global movement of solidarity is strong and solid; and at Solidaridad, we work every day with our public and private sector partners towards a better, more sustainable and inclusive world.

Another big thanks to all our donors and supporters for your continued support and trust in Solidaridad. Let's rise to these challenges together!



Sincerely,

Heske Verburg
Managing Director
Solidaridad Europe

1. MISSION, VISION AND VALUES



Due to a shortage of nutritious meals, many children in rural Sierra Leone experience stunted growth. Their mothers take action by growing nutritious vegetables. @ Solidaridad

Our strategy in Europe is guided by the overall vision and mission of the Solidaridad Network. Our **vision** is a world where all we produce and consume can sustain us, the planet and the next generations. Our **mission** is to enable farmers and workers to earn a decent income, shape their own future, and produce in balance with nature by working throughout the whole supply chain to make sustainability the norm.

We work with small-scale farmers and workers on farms, in mines and factories in our focus supply chains in low and middle-income countries. As a global organization with 'boots and brains on the ground', we work throughout supply chains to make genuine sustainability the norm. Employing around 1200 members of staff, we work in over 40 countries worldwide, engaging with a variety of stakeholders throughout the supply chain. The key sectors we focus on in our work include (but are not limited to) palm oil, cotton and textiles, cocoa, coffee, tea, artisanal and small-scale (ASM) gold mining, fruit and vegetables. You can read more about our global organization in chapter 6.

Although in Europe we do not directly collaborate with the producers at the beginning of the supply chains, all our activities are aimed to make an impact for these - still often marginalized - groups, with a special emphasis on women and youth. You can read more about our work in Europe in chapter 5.

Whilst we work in more than 40 countries through seven independently managed regional offices, we share a commitment to a common set of values within the Solidaridad Network.

VALUES

						
SOLIDARITY	SOLUTIONS	IMPACT	INTER-DEPENDENCE	INNOVATION	INCLUSIVITY	INTEGRITY
We are faithful to the name of our organization in deeply rooted solidarity with the poor.	We are pragmatic problem solvers.	We are impact-driven and fully committed to achieve change that matters.	We are dependent on each other and on the planet, so we need to collaborate.	We believe continuous learning and development adds value and leads to positive change.	We believe everyone has the potential to contribute and the right to be heard.	We adhere to the highest ethical principles and professional standards.

Communication with stakeholders

At Solidaridad, we work with a variety of stakeholders throughout the value chain. This includes, among others: institutional donors and partner organizations; partners in the private sector; policy makers; research institutes; individual donors and supporters in the Netherlands.

Depending on the needs of these stakeholders, we utilize a variety of communication means and channels to keep them informed and engaged throughout the year. Some examples include:

- A monthly English newsletters to 6,200 representatives of institutional donors, companies, policy makers and research institutes; a monthly Dutch newsletter to 11,000 individual supporters in the Netherlands;
- Regular direct mails to 8,000+ individual donors in the Netherlands;
- Weekly English articles on our global and Dutch websites. In 2023 we had 132,000 visitors on the global website, and 172,000 visitors on the Dutch website;
- Daily updates on our international (English-language) and Dutch social media channels, including LinkedIn, Facebook, Instagram and X. With 37,000 followers LinkedIn is the most appreciated social media channel for our business partners. Individual supporters in the Netherlands mostly favour Facebook (6,200 followers). Instagram is the most fast-growing channel with 3,500 followers;
- A number of mailings per year to our private sector contacts;
- Account management with our private sector and institutional donors;
- An annual individual donor day in the Netherlands;
- Regular stakeholder surveys and meetings.

For further information about our work with regard to stakeholders, refer to chapter 5 on our key results in 2023.

2. KEY RESULTS 2023



@ Solidaridad

We need systemic change. We need a new economy. An economy in which we pay for sustainability. For natural resource management, for living wages, for inclusivity. **Solidaridad Europe's main strategic goal for 2025 is to make European market actors pay for sustainability, facilitating the transition to an economy that works for the poor and safeguards the planet for future generations.** In the table on the next page, we have listed the selected key performance indicators (KPIs) for the overarching strategic objectives of Solidaridad Europe in the strategy period 2021-2025 and the 2023 results.

In chapter 5 and 6 we will reflect in more detail on the progress made vis a vis the KPIs in 2023.

Overarching Strategic Objectives	KPIs	Target 2025	Target 2023	Result 2023	Cumulative result 2021-2023	Reflections on progress
1. Regulatory frameworks and supporting policies are in place to ensure products sold at the European market are produced in a sustainable way	# and description of new and improved regulatory sustainability frameworks that Solidaridad contributed to ¹	5 ²	2	0	3	On track for now, but facing political context challenges going forward. We have contributed to the EU Textile Strategy and EU Deforestation Regulation (EUDR) which were approved in 2022 and continued in 2023 working on further improvement of regulations / requirements within the EU Textile Strategy and implementation of the EUDR, including the role of EC, member states, companies and producing countries. The EU CSDDD is in the final stage of approval now, despite some serious challenges due to changing political contexts. The development of a Dutch Due Diligence Law was put on hold, in light of the upcoming CSDDD.
2. The private sector implements comprehensive policies and innovative inclusive business models, incorporating true costs, for truly sustainable sourcing, production, and investments	# and description of new and improved private sector policies and business models that Solidaridad contributed to ³	30 ²	5	1	8	Solidaridad Europe is participating in a large number of relevant MSIs on cocoa, coffee, cotton and textiles, palm oil and gold. Focus is now on making MSIs and their members <i>deliver</i> on the existing sector policies and commitments, instead of making new policies, for example on living income and responsible procurement practices.
	# (and type of impact) of corporate partners that have improved their sustainability policies/practices and/or implement inclusive business models ⁴	60 ⁵	51	54	-	On track. We have made substantial advancements with European corporate partners in enhancing sourcing and trading practices, and strengthening market connections. We work with a great variety of private sector actors, such as retailers, service and input providers, impact investors, traders and processors. Corporate partners value partnering with Solidaridad because of our boots and brains on the ground, our project execution and technical expertise offering (innovative) solutions for sustainability and social responsibility challenges in their supply chains.
3. Citizens raise their voices to demand an economy in which goods originating from the Global South are produced sustainably	# citizens activated to demand an economy in which goods originating from the Global South	80,000 ²	50,000	263,234	452,856	Surpassed expectations as we are increasingly able to link campaign messages to our work with public and private policy makers, organize campaigns in a more efficient way,

¹ Contributing to MASP Network Indicator

² Cumulative target for period 2021-2025

³ Contributing to RECLAIM Sustainability! indicators

⁴ We will monitor the various categories of corporate partners (see 3.2), partnering purposes (e.g. development of new business models or provision of services for supportive business ecosystems) and impact (improvements to policies and practices, leadership towards stakeholders).

⁵ Annual target for 2025 (not cumulative)

	are produced sustainably					build upon learnings from earlier campaigns, capitalize on established relationships with journalists, and work together with other CSOs. Savings are spent on social media advertising and PR, which has increased our citizen activation. Challenge remains to select activation methods that contribute more directly to the decision making process of public and private policy makers.
4. A steadily growing and diversified stream of income is secured to ensure implementation of Solidaridad's global MASP	# euros annual Solidaridad Europe income ⁶	62,5M ⁵	44M	36M	-	Our income is growing (and growing faster than most of our competitors) and we are on track to meet our expected forecast of 53.7M by 2025. Our 2025 target of 62.5M will be more difficult to reach, partly being a result of Covid years (with limited growth), as well as underspending on various contracts. Overall donors are satisfied with the cooperation (impact, professionalism, and added value) as evidenced by the donor satisfaction survey and feedback on our reporting. Based on current political developments we are concerned about the post-2025 budget.
	% of Solidaridad Europe income which does not derive from Dutch government ⁷	50% ⁵	32%	19%	-	While we are not on track to hit this target, we are positive about the direction our diversification strategy is going. We have invested in diversification of income and reaping the results particularly with GIZ, Denmark, the EU, the UK and the Dutch and German postcode lottery. We are furthermore building traction with some large foundation donors and have entered large partnerships with companies.
5. Solidaridad is a learning organization and a great place to work where competent staff is equipped to jointly contribute to our mission	satisfaction score for great place to work ⁸	At least 75/100 ⁵	At least 75/100	NL: 72/100 GER: 83/100	-	
	score on Learning Organization Review ⁹	At least 75/100 ⁶	At least 68/100	64/100		

⁶ Includes ALL income for REC Europe, raised from all donor targets as well as any interest or any other income that may be in a particular year. Baseline: EUR 34,648,000.

⁷ The Dutch government is defined as MoFA/BuZa and any other potential ministry supporting our mission directly. It also includes RVO, NSO and other agencies set up by the government and with a mandate to implement Dutch government policy. Baseline 36%.

⁸ Measured annually, based on the overall weighted average of the Employee Engagement Survey in Germany and the Netherlands

⁹ Annually staff are asked to assess learning behaviour, leadership and strategic direction with regard to learning, and to what extent tools, procedures and resources have been put into place to support learning. In an online survey, staff are asked to score 14 statements on a scale from 1 to 5.

3. CONTEXT: WILL GROWING CONCERNS IN EUROPE LEAD TO A DIVIDE, OR TO MORE COLLABORATION?



85 thousand people joined the March for Climate and Justice in Amsterdam on 12 November 2023, including some staff of Solidaridad Europe. The march is an initiative of the Dutch Climate Crisis Coalition. © Solidaridad

As the world is facing multiple challenges, with a worsening climate crisis; armed conflicts; shrinking civil space and a backlash on human rights and on women's rights, this contributes to growing global inequality and a widening social and political division across various regions.

These divisions are becoming increasingly visible in Europe as well, with demonstrations from European farmers as well as from climate activists. Weather patterns across Europe are becoming more extreme, with prolonged heat waves and heavier rain periods. Moreover, European citizens are worried about their social and economic well being, now and in the coming years; many people see an uncertain future ahead of them, young people in particular. In times like these, we must strive to be in solidarity with each other, and with those beyond our own borders, rather than become further divided. This can at times seem, among the many ongoing and rising crises and international conflicts, as an impenetrable challenge in itself.

Will governments, policymakers, companies, citizens (and citizens in their role as consumers) find a way to collaborate meaningfully to address the issues, and to overcome the dividing factors towards a more

sustainable and inclusive global society? And not less importantly, we must remember that in Europe, we are highly dependent on trade and products imported from other countries (outside of the continent) to fulfil our daily needs, from our food to our clothes and mobile phones. We are all interdependent to ensure a sustainable society where we can all benefit.

Within this turbulent context, Solidaridad's partnerships and collaborations remain, more than ever, an essential part of our work in tackling such challenges. Companies and governments of both producing and consuming countries must prioritize the sustainability and inclusivity of global value chains, and the livelihoods of the people involved in these processes. In the current situation, however, many companies continue to be driven by profit maximization, rather than a socially responsible and environmentally sound supply chain of their products. Yet, companies and stakeholders in Europe are well positioned to affect a positive change, and must act upon their responsibility to do so, sooner rather than later.

Among the challenging times, there has been good news too, since the trilogue¹⁰ reached political agreement about the Corporate Sustainability Due Diligence Directive (CSDDD) in December 2023. An important legislation whereby Solidaridad, in a coalition of partners, has lobbied to ensure it will be implemented in a smallholder-inclusive way. In 2024 the European Deforestation Regulation (EUDR) will also have an important impact on smallholders and supply chains, and must be implemented in a way that prioritizes the interests and livelihoods of producers worldwide.

¹⁰ A trilogue is understood as an equally composite tripartite meeting between those involved in the legislative process of the EU institutions. These bodies are the European Commission (EC), the Council of the European Union and the European Parliament. The European Commission takes on the mediating function.

4. SPOTLIGHT STORY: REFLECTING ON RECLAIM SUSTAINABILITY!



In January 2023, farmer representative Napoleon Ningkos - representing 40,000 indigenous small farmers of Sarawak Malaysia - spoke about his view on the new Corporate Sustainability Due Diligence Directive (CSDDD) in the European Parliament.

In January 2023, Solidaridad was involved in [co-facilitating an event at the European Parliament](#) in Brussels, whereby smallholder farmer representatives from Ghana, Côte d'Ivoire, Uganda, Mozambique and Malaysia were invited to speak about their perspectives on the CSDDD. This ambitious directive has the potential to improve the working conditions and livelihoods of millions of workers and smallholder farmers, and their families.

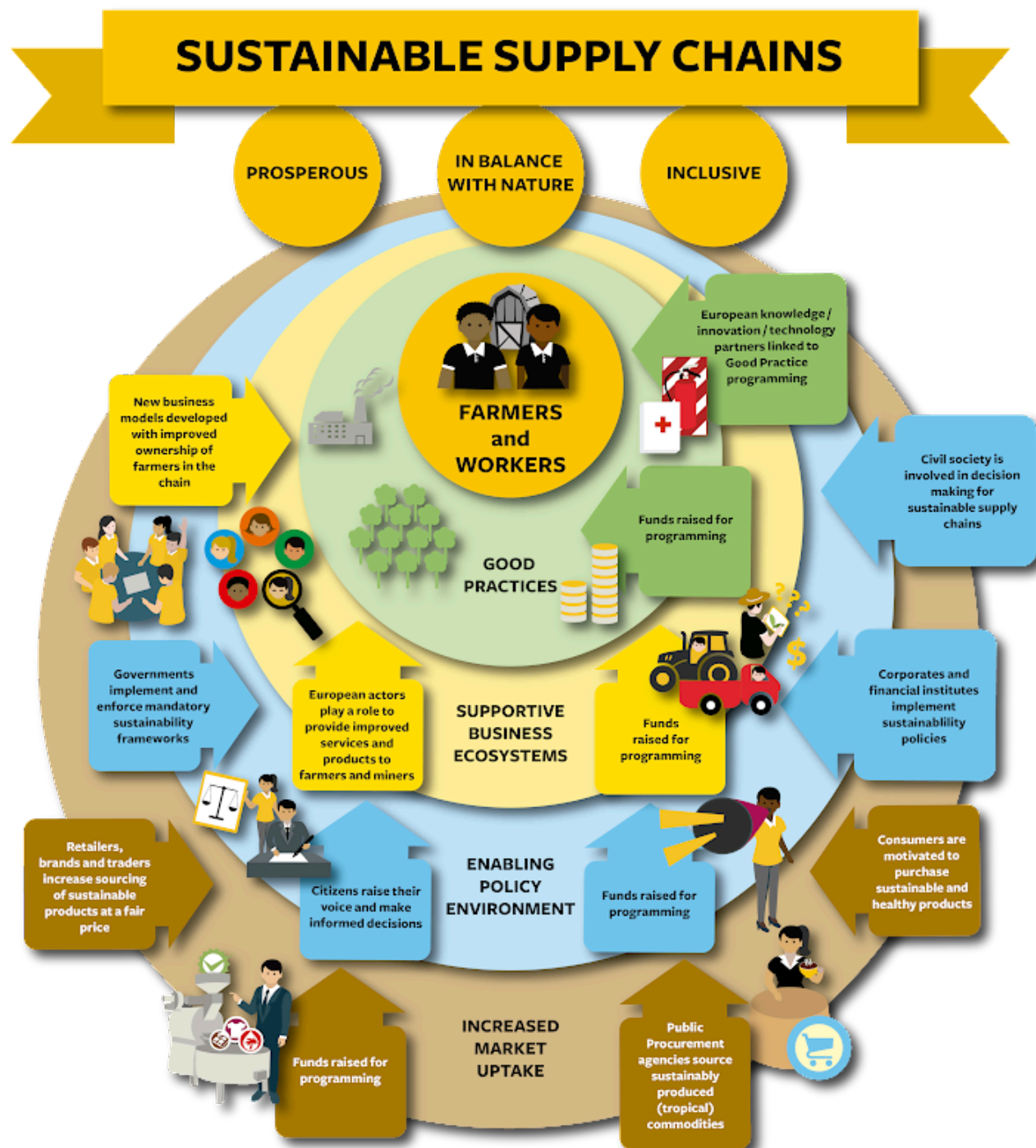
This advocacy work is part of our ongoing RECLAIM Sustainability! Programme (2021-2025), a 5-year consortium between Solidaridad, Fairfood, Business Watch Indonesia and TrustAfrica. In 2023, we undertook a [Mid-Term Review \(MTR\) of this programme](#), commissioned to and carried out by an external party. This MTR was a good opportunity for the consortium partners to reflect on our shared progress and collaboration, and identify where we need to take steps for further improvement in order to reach, and hopefully even exceed, our envisioned results. One of our key learnings was that for sustainability measures to be truly effective, local governments need to be closely involved. This advice is being followed by our regional offices.

The MTR process used a participatory approach (including stakeholder reflection & learning workshops, and field case studies), and has been received positively by the consortium partners and programme stakeholders, as it enhanced opportunities for inclusive strategy consultation and strengthened partnerships. We are encouraged by the findings and have started addressing some of the opportunities for improvement. The consortium continues to engage in adaptive programming to ensure positive change that results in long-term sustainable impact for the programme's target groups and communities.

5. GOALS AND ACHIEVEMENTS

5.1 Our strategy

The Solidaridad Europe strategy till 2025 is outlined in the Solidaridad Network [Multi Annual Strategic Plan 2021-2025](#) and follows our global strategy and goals. The Theory of Change for Europe is graphically presented below.



5.2 Annual Plan 2023

Hocus, pocus, focus: Solidaridad is an organization full of passionate professionals, and there are ample opportunities to make the world a better place, so focus is very important in our work. That is why we defined and delivered on a number of **priorities for 2023**.

Partnerships!

- As the preface and our results in the chapters below reflect, we successfully built on a wide variety of impactful partnerships. We made a promising start with linking partners to our Pathways to Prosperity programme, and look proactively for those partnerships that fit our strategic agenda. The contract with the Foreign, Commonwealth & Development Office is an excellent example. Moreover, the Albert Heijn Foundation and Puratos are also highly valued new partners. We have teamed up with other CSOs to make our voices better heard, both in the European policy arena as well as in the Superlijst consortium.

Solidaridad Solutions Toolbox based on common approaches

- We made big steps towards establishing a set of 'common approaches' in our work, identifying which ones truly represent Solidaridad's unique propositions. For example, the specific Solidaridad approach in working with companies on implementing living income principles, as well as the climate mitigation and adaptation approaches we offer through carbon farming and climate smart agricultural practices.

Not reinvent the wheel but build upon what we have!

- We strengthened our position in the European policy arena in this third year of our RECLAIM Sustainability! programme, with great results. We also managed to leverage on existing programmes like Pathways to Prosperity and NISCOPS phase 2, bringing in further partners on board. We have been successful in getting bigger tickets and avoiding fragmentation, by actively co-creating programmes with big donors (like Danida, UKAid and GIZ). In doing so we delivered on our diversification agenda. Furthermore, the publications around cotton and the Superlijst Sociaal, for example, resulted in successful campaigns, maximizing outreach and engagement, focusing on a limited number of large audience moments with a clear message.

Resilient organization

- We continued to actively address work related stress in our organization, through paying attention to workload, establishing clearer roles & responsibilities, and engaging with staff around strategic decisions. Learning was prioritized, with learning plans implemented in every team and reviews undertaken of big programmes like RECLAIM Sustainability! With regard to our internal systems, structures and processes, we identified areas of improvement and will continue working on those in 2024. We are proud that 2023 was the first year of integrated annual reporting with Environmental, Social and Governance indicators, including those on our neutral footprint ambition.

5.3 Policy Influencing

Amidst important milestones in advocating for smallholder inclusivity, our efforts must continue

The Policy Influencing team is advocating for the adoption of international supply chain legislation in Europe that will have a positive impact on smallholder farmers, workers, miners, and the environment in producing countries outside of Europe. In 2023 the European Union took important steps in the process of adopting legislation, and a number of our recommendations on smallholder inclusiveness were incorporated.

In 2023, our advocacy work for smallholder-inclusive legislation in Europe concerned, in particular, the Corporate Sustainability Due Diligence Directive (CSDDD) and the Deforestation Regulation (EUDR). In our European advocacy we work with partners including Fair Trade Advocacy Office, Fairtrade International, Fern, Rainforest Alliance, Fairfood, and Tropenbos International. We jointly held meetings with decision makers, sent letters, developed position papers, formulated recommendations and amendments, and generated media attention.

The EU took important steps and decisions in 2023 to adopt regulatory frameworks for companies. Our focus has thus moved partly from advocating for the adoption and improvement of regulatory frameworks towards advocating for accompanying measures (as part of a smart mix of measures), promoting partnerships with producing countries, and advocating for implementation that will have a positive impact on smallholders, workers and miners.

Advocating for smallholder-inclusive regulation: CSDDD and EUDR

In December 2023 the European Parliament, Commission and Council reached a [political agreement on the Corporate Sustainability Due Diligence Directive \(CSDDD\)](#). At the time of writing, the agreement awaits a final vote in Council and Parliament. In this political agreement we celebrate the inclusion of the four priorities Solidaridad has been advocating for with its partners: the recognition of the right to living incomes, the promotion of responsible purchasing practices, mandatory meaningful stakeholder engagement, and responsible disengagement as a last resort. These elements would mean the CSDDD is better fit to effectively address the needs of smallholder farmers and have more impact.

The finalized EUDR entered into force in June 2023. This regulation will have a big impact in the sectors concerned, and we see this happening already, with the risk that smallholders will lose entrance to the European market or face additional costs for compliance. Smallholder inclusion is our ongoing focus in our EU lobby. Together with representatives of producing countries and the Dutch oils and fats sector we wrote a [briefing paper](#) to illustrate what the likely consequences of EUDR will be for palm oil smallholders and what should be done to make EUDR work out positively. The final version of the EUDR pays more attention to smallholder inclusion than the European Commission's original proposal in 2021, but the risk of excluding smallholders from supply chains in Europe is still very real, making accompanying measures essential.

Working towards sustainable commodities and living income and wage

Our work with both the public and private sectors in various voluntary initiatives remains crucial, with a focus on commodities such as palm oil, cotton and textiles, cocoa, coffee, and artisanal and small-scale (ASM) gold mining. We continued to play an important role in advocating for improved private sector sustainability policies in a range of Multi Stakeholder Initiatives (MSIs). In our work we strive to address root causes of sustainability challenges, such as the lack of a living income and living wage for smallholder farmers, miners and workers. In 2023, Better Cotton - an MSI where Solidaridad is on the board - included a target on monitoring the net income of farmers, an important milestone.

Publications on cotton, coffee and pricing research

Solidaridad published a number of research papers and reports in 2023, starting with [Price in global commodity value chains: Key to achieving living income and living wage](#) in March, an in-depth analysis of pricing in commodity value chains, commissioned by Solidaridad and carried out by AidEnvironment and Südwind.

June saw the launch of our new [Sustainable Cotton Hub](#), where we published two papers on the cotton sector, which is rife with sustainability challenges. The new Coffee Barometer followed in September, in partnership with Conservation International and Ethos Agriculture. All papers contain recommendations for policymakers to face the challenges in global supply chains.

Learnings

The risk of smallholder exclusion due to the implementation of the new EU legislation is still very real. Solidaridad and its partners will need to keep this issue on the agenda in the coming years. A key learning is that without better prices and more responsible purchasing practices, it is impossible to tackle the persisting sustainability issues in global commodity sectors. We recognize the complexity of pricing across various commodity sectors; however, Solidaridad is convinced that companies must take much more responsibility for paying better prices. These efforts should be mainstreamed, rather than simply relegated to niche 'sustainable' companies.

5.4 Corporate Engagement and Partnerships

Collaboration and partnerships for inclusive and sustainable supply chains

We aim to build and maintain impactful partnerships to work jointly with the private sector towards our mission of inclusive and sustainable supply chains. This year we worked with 54 corporate partners on implementing sustainable policies, practices and inclusive business models in Europe, Asia, Latin America and Africa. This includes partners in sourcing, input, financial services, and the marketplace.

Improving sourcing, trading practices and market connections

In 2023, we made substantial advancements with 34 corporate partners in enhancing sourcing and trading practices, and strengthening market connections. We did not only sustain the implementation of

32 ongoing projects, but also initiated seven new partnerships with Albert Heijn Foundation, Oikocredit, BASF, COOP, Dugros, Puratos, and Louis Dreyfus Company (LDC).

Our corporate partnerships develop in phases. New initiatives in 2023 concentrated on capacity building, the introduction of improved practices to benefit farmers and workers, and the cultivation of robust corporate relationships. In the meantime, advanced partnerships in coffee, palm oil, cocoa, textiles and leather focused on consolidating sustainability practices in the sourcing countries, and further development of sustainable procurement practices in the value chain, with successfully enhanced market connections in both the EU and USA.

We participated in the Superlijst Sociaal benchmark (see also under C&C), and explored opportunities for EU collaboration on this agenda with Rikolto, Oxfam Novib and frontrunner supermarkets, which will be further developed in 2024.

Making technology, inputs and services available for producers

Solidaridad partnered with 14 corporate partners to develop comprehensive strategies to address the accessibility of technology and services for producers. We progressed with 7 multi-annual initiatives focused on agricultural inputs, and engaged with nine partners in new initiatives on processing technologies, inputs, and business development services.

Partnership anniversaries, and partnership endings

We celebrated the 10-year anniversary of our partnership with Henkel in 2023. As part of this collaboration, we currently implement sustainable palm oil cultivation practices in Colombia, Honduras, Nigeria and Indonesia. On the other hand, Solidaridad's Managing Directors decided not to proceed with a new phase of the global partnership with Syngenta due to perceived insufficient commitment to the shared agenda.

Fostering access to finance for smallholders and SMEs

Solidaridad partnered with Rabobank to support the development of a smallholder agroforestry investment fund set to launch in 2024, with the aim to contribute to financial inclusion. Moreover, our collaboration with Oikocredit in 2023 facilitated projects benefiting over 20 SMEs in smallholder supply chains, enhancing their access to finance.

Partnerships to scale and co-fund

To scale and co-fund our global work, we continuously build on both our existing and new partnerships with the private sector. During the inception phase of the Pathways to Prosperity programme we developed a baseline and a corporate engagement strategy. In collaboration with other regional expertise centres in the Solidaridad Network, we developed propositions for 16 companies, establishing a promising pipeline for cocoa, coffee, palm oil, gold, cotton and textiles, set to be further developed in 2024.

In 2023 we secured co-funding for Solidaridad Europe activities, as well as new EU corporate cash commitments for the rest of Solidaridad Network. These funding initiatives play a crucial role in scaling

and co-funding Solidaridad's global programming, significantly contributing to the organization's overarching mission and impact.

Learnings

At the beginning of the year, we deepened our theory of change outlining the added value of CEP to our mission and primary programmes, with valuable input from the KML team, and subsequently designed a monitoring tool to track the progress and outcomes of our corporate partnerships. This tool allows us to regularly assess our engagement with companies and measure the impact performance of these partnerships, aligning our efforts with the envisioned outcomes.

Within the Pathways to Prosperity programme, we generated a baseline report that provides strategic insights into the development of the key commodities and thematic areas within the programme. For each commodity, we compiled a shortlist of companies with whom we aim to cultivate partnerships, aligning with the programme's ambitions and co-funding targets. The evolving regulatory landscape in the EU, notably with the ongoing work around significant legislation such as EUDR and CSDDD, has led to an increasing demand for support from our global network. Our role in contributing to smallholder-inclusive implementation of the new legislation is crucial.

5.5 Communications and Campaigning

Ensuring visibility and action on many fronts to continue fostering our impact

The Communications & Campaigning (C&C) team aims to spark behavioural change of citizens, companies and governments, and positions Solidaridad as a credible partner to work with, by building a strong brand profile and supporter base, and ensuring consistent and powerful communications. We also mobilize funding from individual donors in the Netherlands, and maintain the relationship with the Dutch National Postcode Lottery.



In 2023 we ensured a potential reach¹¹ of 2.85 billion worldwide, and mobilized more than 263,000 European citizens to take action. Our efforts also contributed € 3.2 million to our funding base.

Fostering visibility for smallholder inclusivity

In January 2023 we co-facilitated the opportunity for smallholder farmer representatives from Ghana, Côte d'Ivoire, Uganda, Mozambique and Malaysia to physically join EU Parliament members and [share their stories during a session on CSDDD legislation](#). This event helped to not only directly influence Parliament members, but also offer the press and wider public an opportunity to consider the perspective of producers outside of Europe.

¹¹ The number of times a citizen has potentially been reached via campaigns is calculated as the potential reach measured via Meltwater and other tools + paid publicity (# impressions/ views) as a result of the anticipated campaigns and/or events listed. NB2: this definition implies that one and the same citizen may have been reached multiple times.

We published our standpoints on smallholder inclusivity on various media channels in 2023, together with the Policy Influencing team. This included our newly launched [Sustainable Cotton Hub](#) and the [2023 Coffee Barometer](#). These were picked up widely by the press, delivering valuable new press contacts, including at Reuters and Bloomberg.

Campaigning for sustainable textiles and coffee

2023 saw our first campaign in Germany, building upon our 2022 campaign in support of the European Citizen Initiative '[Good Clothes Fair Pay](#)'¹². Hereby we supported the lobby towards EU living wage legislation in the garment industry, aiming to collect one million signatures from EU citizens by July 2023, together with other civil society organizations in Europe. Solidaridad contributed a total of 21,500 signatures (on top of the 5,100 in 2022). Although the threshold of 1 million signatures was not reached, the topic received a lot of attention, contributing to our continued lobby work.

Moreover, we organized a [coffee campaign around International Coffee Day supporting the publication of the Coffee Barometer](#), with an accompanying initiative in The Hague city centre, which gained much attention from the passing public and supported Dutch political efforts with regards to international corporate sustainability.

Mobilizing Dutch supermarkets with Superlijst Sociaal

One of our major campaigns in 2023, part of the Pathways to Prosperity programme, was aimed to mobilize Dutch supermarkets with our [Superlijst Sociaal](#) initiative. It was a collaboration with the Corporate Engagement team, and our research partner Question Mark and co-campaigner Oxfam Novib. Superlijst Sociaal examined Dutch supermarkets in the context of human rights, including benchmarks on transparency, payment of farmers and workers, and gender equality. The research showed that Dutch supermarkets don't take enough action in these fields.

Individual fundraising

We renewed our beneficiary contract with the Dutch National Postcode Lottery, ensuring an unlabeled income stream of €1.35 million per year for the next five years. Moreover, we collected over €1.3 million from the Dutch public, including individuals, faith-based organizations, companies and family foundations¹³. Together with the €1.9 million collected for the Dream Fund project, we raised a total amount of €3.2 million this year.

New fundraising initiative: Climbing against Climate Poverty

In our effort to engage a younger audience through fresh and innovative fundraising concepts, we organized the '[Climbing against Climate Poverty](#)' event in November 2023, whereby we activated over 35,000 people and collected more than €25,000 in donations. This new fundraising concept can be repeated and scaled up in the years to come, revolving around events to mobilize people to sponsor the participants of an 'extreme challenge', echoing the extreme challenge that farmers and workers worldwide are facing.

¹² Made possible with financial support of the German Postcode Lottery

¹³ Although our income from the Dutch public was higher than in 2022, it was below the target we had set for ourselves (€1.5 million).

Learnings

Based on our vision that communication can be a driver for more sustainable behaviour of companies, we developed a set of applicable tools, such as contract clauses, and anti-greenwashing checklists. We also learned how a joint communication approach, involving communications representatives from all seven Solidaridad regions, can further boost visibility. This was particularly noteworthy around the launch of global publications such as the Sustainable Cotton Hub and the Coffee Barometer.

Finding a good synergy between citizen campaigns and fundraising has also been an important learning. We set up thorough dashboards to provide us with the insights on how to further nurture leads and convert them into donors. Finally, we learned that campaigning together with other CSOs has the most impact if all CSOs actively work together and de

liver on what they promise. A lead coordinator of a European-wide campaign has an important role to oversee this process. We did not have a coordinating role in 2023, but might want to take this up in the future.

5.6 Donor Relations

Growing and diversifying income, and managing mutually trustworthy relations with donor community

The aim of the Donor Relations team is to grow and diversify Solidaridad's income, and build and maintain trustworthy relationships with its donor community. The team raises funds from European donors to allow for the implementation of our global multi-annual strategic plan (MASP), and to grow the income of the network. Furthermore, the team is responsible for stewarding relationships with existing donors, and managing existing programmes and projects to the highest standards.

Results and challenges in income diversification

Results in 2023 were overall positive, though we also had to face some setbacks and respond to challenges. We renewed our partnership for another five years with the government of the Netherlands for NI-SCOPS (National Initiatives of Sustainable & Climate smart Oil Palm Smallholders), our flagship programme on palm oil sustainability, and ensured the UK government joined as a donor to the programme, providing half of the 23 million euro programme budget. This not only allows us to scale our interventions, but also contributes to our own income diversification agenda.

Furthermore, we signed contracts with the EU delegation in India on a new project on Regenagri, secured a new partnership with the German Postcode Lottery for a coffee campaign in Germany, and were successful with an application to the Danida Green Business Partnerships. Meanwhile, we supported other regional expertise centres (RECs) with their fundraising efforts, resulting in, among others, two new EU contracts in West Africa on the implementation of EUDR. Sadly, however, some proposals which we significantly invested in were turned down, notably our proposal to the EU to raise awareness of products 'Not made in Europe' in 8 countries in Europe, as well as applications to Norad and IKI.

New and ongoing programme implementation

2023 was the inception year of our new programme [Pathways to Prosperity](#), made possible with the funding from the Netherlands Ministry of Foreign Affairs. With this programme, we work towards viable and resilient production; inclusive service delivery tailored to the needs of producers; and strive to ensure that market actors adopt and mainstream inclusive trade, sustainable sourcing and pricing.

We also launched our three-year programme on food security in nine African countries called [Acting Now](#), and undertook a [mid-term review of our RECLAIM Sustainability! programme](#). We continued to manage various public-private partnerships (PPPs) to the highest standards, which are very valuable collaborations for us, and whereby the Netherlands Enterprise Agency ([RVO](#)), German Development and Danida remain key partners. Challenges in relation to implementing our programmes included increased costs/inflation rates, security concerns in particular project areas, underspending on some programmes, and implementation challenges with some partners.

Learnings

2023 was a year in which the DR team further professionalized its learning, leading to various insights which we will integrate and build on moving forward. One of the learnings was that we need to have all RECs fully involved for real learning on fundraising to take place in the network, and to ensure proper coordination on fundraising. This is why in 2024 we will revitalize the fundraising Community of Practice.

We also drew lessons on building consortiums for proposals, concluding that prior to engaging potential partners we need to have the building blocks firmly in place of what we as Solidaridad want to present to a donor. In response to the increased demand from donors to have co-funding in place, as well as to the complexities in administering co-funding, we concluded that this should be in place as much as possible before proposal submission, using existing programme and project budgets in a smart way.

A final piece of learning is around the development and management of PPPs, where a key conclusion was that we should not be too opportunistic in developing new PPPs, but instead ensure first that partners are truly committed and genuine about creating change.

5.7 Knowledge Management and Learning

Continuous learning towards an increasingly more effective organization

The Knowledge Management & Learning (KML) team plays an important advisory and facilitating role in the development and implementation of quality planning, monitoring, evaluation and learning (PMEL) processes in the organization. The team hereby aims to ensure that evidence of our effectiveness is captured, and learning is generated for continuous improvement of our programming and organization.

Continuous attention to PMEL in our programming

In 2023, we were responsible for the global coordination of PMEL processes in six programmes: RECLAIM Sustainability!, Pathways to Prosperity, Acting Now, NI-SCOPS, Climate Heroes, and Practise for Change. In these programmes, we developed monitoring frameworks, led the development of inception and

baseline reports, managed external evaluations, and ensured quality planning and reporting. In addition, we supported the PI team in harvesting and substantiating the outcomes of our policy influencing work in Europe, and provided advice to the CEP team regarding the monitoring of outcomes in our corporate partnerships (e.g. Henkel, Albert Heijn Foundation and Pathways to Prosperity). This work resulted in evidence-based accountability reports and learning for project adaptation. Finally, the KML team provided advice during the development of new projects and research proposals, and decided to develop a guidance document for the design and implementation of quality PMEL processes.

Learning agendas: knowledge products and learning sessions

We continued our support to the development and implementation of learning agendas, both thematic learning agendas at Network level (e.g. Climate Finance & Food Systems) as well as team learning agendas at Solidaridad Europe.

Within the framework of these learning agendas, we have produced various knowledge products. In 2023, these included a paper on Good Practices and Agricultural Innovation, a position paper for the COP28, a field research paper on the Gender Action Learning System, and a desk study to check if companies lived up to their commitments in the European Partnership for Responsible Minerals. We also started documenting our key solutions in our Climate and Natural Resource Management programming and the Food Systems approach. This is part of a long-term ambition to develop a systematized set of evidence-based solutions and to ensure effective programming.

In addition, the team facilitated various learning events. We organized a series of sessions related to climate and natural resource management: e.g. on deforestation regulation, locally led adaptation, biochar, and incentives for behavioural change by farmers. All these knowledge products and learning sessions generated insights that helped the organization to implement its core activities more effectively. Moreover, we contributed to the success of the Solidaridad Yellow Week (a Solidaridad Network-wide internal learning event); facilitated the Annual Retreat at Solidaridad Europe where organizational plans are revisited and consolidated for the upcoming year; and organized sessions to reflect on our public-private partnerships and learn from rejected proposals.

Steps towards an increasingly more learning organization

The continuous focus on planning, monitoring and evaluation, the efforts to reflect and learn from our projects and key team operations, and the endeavour to capture knowledge in accessible knowledge products show that we are a learning organization. We are annually monitoring our progress towards becoming an increasingly more learning organization through a survey, in which we ask all staff at Solidaridad Europe to score the learning culture, leadership in the context of learning, and available tools and resources for learning. Based on the scores, we subsequently develop an action plan for further improvement.

6. GOVERNANCE, RISKS & OPERATIONS

6.1 The global Solidaridad Network

Solidaridad is an international network organization with offices across the globe. The Solidaridad Network consists of seven regional expertise centres located in Asia, Latin America, North America, Southern Africa, East and Central Africa, West Africa and Europe - each with their own specific expertise and focus. The interconnected network places a focus on decentralized responsibility and implementation by regional teams. Local knowledge, experience and vision are guiding principles. The network's interconnectedness is fostered by a global vision, strategy, programming, communication and internal quality control systems. Each part of the network contributes to the whole. The premise of the structure is that it promotes capacity building: strengthening Solidaridad teams in the region, enabling them to take control of supervisory tasks and to manage programming themselves. The regional Solidaridad teams cooperate with their partners on the planning, implementation, communication and evaluation of programmes, and on reporting their results.

In line with its vision on local ownership and governance, Solidaridad has created legal entities in Panama City, Nairobi, Hong Kong, San Francisco and Utrecht for its regional expertise centres. From these legal entities, funds are received for and allocated to the country programmes in the regions. The legal entities also act as contract partners for development contracts per continent, serving as a financial and administrative organization, including the handling of internal payments and consolidating financial statements.

The regional operations are supervised by Continental Supervisory Boards (CSBs), which are legally registered in the same places as the continental legal entities. Solidaridad's five CSBs provide direct supervision to the regional centres and country offices. The CSBs consist of leaders from companies, civil society organizations and academic institutions from each continent: North America, South America, Africa, Asia and Europe. Each of these continental organizations is connected with the Solidaridad Network Foundation in Utrecht, the Netherlands, through the delegation of supervisory board members to the International Supervisory Board, thus creating a global network.

The Executive Board of Directors (EBoD) is the main policy-making body, ensuring coherence between international commodity strategies and regional programmes. The EBoD is also responsible for the overall implementation of the international policy and commodity strategy. It consists of the managing directors from each regional expertise centre. Jeroen Douglas, the (now former) Executive Director of Solidaridad Network, was the chair of the EBoD until 31 October 2023. He resigned his post as Executive Director as of 1 November, 2023, and has been replaced by Gonzalo la Cruz, who took over this position ad interim. Furthermore, Shungu Kanyemba was appointed Managing Director of Southern Africa in June 2023.

The members of the Solidaridad Executive Board of Directors in 2023 were: Shatadru Chattopadhyay (Asia), Rachel Wanyoike (East and Central Africa), Shungu Kanyemba (Southern Africa), Michaelyn Baur (North America), Isaac Gyamfi (West Africa), Heske Verburg (Europe), Jeroen Douglas (Executive Director and Chair of the EBoD) and Gonzalo la Cruz (Latin America).



The Executive Board of Directors, pictured from left to right: Shatadru Chattopadhyay (Asia), Gonzalo la Cruz (Latin America, and interim Executive Director per 1 November 2023), Michaelyn Baur (North America), Isaac Gyamfi (West Africa), Heske Verburg (Europe), Rachel Wanyoike (East and Central Africa and Southern Africa, the latter until June 2023, when Shungu Kanyemba was appointed Managing Director of Southern Africa), and Jeroen Douglas, chair of the EBoD and Executive Director of Solidaridad Network until 1 November 2023.
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Solidaridad Europe

Solidaridad Europe generates support and commitments for making international value chains more sustainable, with a focus on improving livelihoods of farmers, miners and workers across lower-income producing countries worldwide. Developing mutually beneficial partnerships is the single most important aspect of our work in Europe. As such, we partner with hundreds of players across the global value chains: donors, companies, knowledge institutes and civil society organizations. With offices in the Netherlands and Germany, representation in the UK, and partnerships in various European countries, there are ample opportunities to influence corporations, governments and citizens to take up and commit to more sustainable value chains.

Foundation Solidaridad Europe (Stichting Solidaridad Europe) was founded on 14 December 2017 and is based in Utrecht, the Netherlands. The foundation is linked to Foundation Solidaridad Network (Stichting Solidaridad Network) and Foundation Solidaridad the Netherlands (Stichting Solidaridad Nederland), as well as to Solidaridad Germany (Solidaridad Deutschland eingetragener Verein).

The Continental Supervisory Board of Europe oversees the general affairs of Solidaridad in Europe and the Netherlands. In order to strengthen the collaboration in Europe, four members of the board are also members of Solidaridad Germany.

The International Supervisory Board appointed H.F. (Heske) Verburg as Managing Director of Solidaridad Europe. Solidaridad Europe has no personnel on the payroll, as all the staff are employed by Solidaridad the Netherlands and Solidaridad Germany.

Solidaridad the Netherlands

Solidaridad Foundation was founded on 15 June 1976 and is based in Utrecht, the Netherlands. In December 2017 Solidaridad formalized the new and updated statutes, in accordance with present circumstances and the statutes of Solidaridad Network, and changed the name to Solidaridad the Netherlands (Stichting Solidaridad Nederland).

Solidaridad the Netherlands is managed by a statutory director. H.F. (Heske) Verburg was appointed as Managing Director as of 1 January 2017 by the International Supervisory Board. The statutory director has the final responsibility for daily management and implementation of the programmes and activities.

Solidaridad Germany

Solidaridad Germany (Solidaridad Deutschland eingetragener Verein) was established on 8 February 2018 and is based in Freiburg, Baden-Württemberg, Germany.

Melanie Rutten-Sülz was appointed Geschäftsführer of Solidaridad Germany by the Board of Solidaridad Deutschland e.V. as of 1 April 2021. Solidaridad Germany's staff consists of six people and is responsible for developing new partnerships with German companies and donors.

6.2 Report of the European Supervisory Board

The Solidaridad Network aims to be an effective, influential and innovative learning organization with an exemplary reputation as an organization engaged in international development cooperation. This requires a wide range of checks and balances. In recent years, a fully operational supervisory structure for the network has been put in place. Our structure is intended to ensure that Solidaridad Network is a credible organization with a transparent, responsible, and cost-effective system of supervision that affirms Solidaridad's vision, programme and working methods. It is based on the following fundamental principles: promoting solidarity by means of global strategies for commodities; ensuring a high degree of autonomy for the regional expertise centres; maintaining a professional approach that maximizes the impact of Solidaridad's programmes; and a shared vision and mission.

Supervision

Solidaridad's governance structure is based on the continental European governance model. This means, amongst others, a board with a two-tier structure, emphasis on dialogue with stakeholders and focus on achieving consensus. This governance model follows the subsidiarity principle. It aims to ensure that decisions are made on the lowest possible levels of the organization, and that constant checks are made to verify that actions across the Solidaridad Network are justified in light of the possibilities available at the continental, regional or national level.

Our Continental Supervisory Board (CSB) oversees the general affairs of Solidaridad in Europe. The CSB consists of a minimum of three and a maximum of seven members. The CSB itself decides on the number of its members. The members of the CSB appoint one member to be the chairperson, or appoints an independent third party as the chairperson. Members of the CSB are appointed for a period of four years and can only be reappointed once. If a member has fulfilled the position of the chairperson of the CSB during a period of tenure, this member can be reappointed twice.

In 2023, our CSB consisted of seven people who support Solidaridad's mission and meet the requirements of the job profile drawn up by the board. One of the standing committees of Solidaridad is a financial audit committee, which is specifically responsible for overseeing the financial affairs of Solidaridad in the Netherlands (as well as Europe).

The CSB met four times in 2023 regarding the following topics: the 2022 Annual Report, the 2024 budget, Solidaridad's organizational strategy, strategic partnerships, European presence, large new contracts, and other relevant topics.

The audit committee (Carlos Alva Nieto (chair), Martin Staehle and Claire Gentil) advised the CSB on the annual financial accounts for 2023. The audit committee also advised the CSB on the budget for 2024.

To guarantee a separation of functions and to prevent conflicts of interest, no close relationships are permitted between members of the CSB, or between members of the supervisory boards and management. In addition, no links are permitted between any of these members and any organization with which Solidaridad, in the normal course of its work, conducts transactions that can be valued in monetary terms. The members of the CSB are listed in the following table, including their education and academic titles, term and positions held in 2023.

Name	Function	End of term	Education and positions
Jan Karel Mak	Chair	December 2024 (second term)	- MSc Environmental Sciences - Chair of the Board Energy Cooperative Association HilverZon (Hilversum) - President VideowindW B.V. (Delft) - Board member BiosanaPharma B.V. (Leiden) - Member, 'Innovation Credit' facility Advisory Committee Netherlands Enterprise Agency - Chair of Continental Supervisory Board Solidaridad Europe - Member of International Supervisory Board Solidaridad Network - Member of Solidaridad Germany e.V.
Carlos Alva Nieto	Member	December 2023 (second term)	- MSc Supply Chain and Operations - MSc Chemical Engineering - Global Market Strategy Director, Nouryon Chemicals - Member of Continental Supervisory Board Solidaridad Europe - Member of Solidaridad Germany e.V.

Katrien Termeer	Member	December 2024 (second term)	- MSc Land Use Management, Wageningen University - PhD Public Administration, Erasmus University - Professor of Public Administration and Policy, Wageningen University - Crown appointed member of Social Economic Council (SER) - Member Supervisory Board G1000 (The Netherlands) - Member of Continental Supervisory Board Solidaridad Europe
Claire Gentil	Member	June 2025 (second term)	- MSc Pure Mathematics (France) - MSc Mathematical Logic (Netherlands) - Social entrepreneur, Founder of Claraprabana - Over 15 years Risk Management experience, in particular with Rabobank as regional Chief Risk Officer for the Netherlands and Africa - Chair Supervisory Board Kracht in NL (The Hague) - Member of Continental Supervisory Board Solidaridad Europe - Member of Solidaridad Germany e.V.
Martin Staehle	Member	March 2027 (second term)	- MSc Political Economy - Former Managing Director of Research International (Germany) - Member of Continental Supervisory Board Solidaridad Europe - Member of Solidaridad Germany e.V.
Marion Kappeyne van de Coppelio	Member	August 2027 (second term)	- MSc International Public Law, Leiden University - Retired Diplomat of the Dutch Ministry of Foreign Affairs - Member of Continental Supervisory Board Solidaridad Europe
Kajsa Johansson	Member	June 2024 (first term)	- MSc Civil Engineering - University degree Development Studies - PhD Sociology - Counsellor/Head of Cooperation, Embassy of Sweden Maputo, Mozambique - Member of Continental Supervisory Board Solidaridad Europe



The members of the Continental Supervisory Board Europe from left to right: Carlos Alva Nieto, Claire Gentil, Jan Karel Mak (chair), Katrien Termeer, Marion Kappeyne van de Coppello, Martin Staehle. Kajsa Johansson is not in the picture. ©Solidaridad

Within the Solidaridad Network, the International Supervisory Board (ISB) is the highest level of international oversight. The ISB monitors policies, the quality of programmes, financial control of the Solidaridad Network and the performance of the Executive Board of Directors (EBOD). Direct supervision of the regional expertise centres (RECs) is organized by continent. Each Continental Supervisory Board (CSB) is represented in the ISB, thus enabling the ISB to focus on the interests of Solidaridad Network as a whole, instead of focusing on individual RECs. The ISB met once in 2023. Shahamin S. Zaman was appointed Chair and President of the ISB in December 2022, replacing Mariam Dao Gabala. The five members of the ISB in 2023 were:

Name	Function in the board	Appointed per	Representing
Shahamin Sahadat Zaman	Chair	15 December 2022 as chairperson, a member of the ISB since 19 December 2016	CSB Asia
Bernhard Roehrs	Member	11 February 2022	CSB Latin America
Audrey Gadzekpo	Member	13 January 2023	CSB Africa
Kannan Pashupathy	Member	5 June 2014	CSB North America
Jan Karel Mak	Member	10 December 2018	CSB Europe

Management

Solidaridad in the Netherlands is managed by a statutory director, the Managing Director. H.F. (Heske) Verburg was appointed as Managing Director on 1 January 2017 by the International Supervisory Board. The statutory director has the final responsibility for daily management and implementation of the programmes and activities. Heske Verburg has been employed by Solidaridad since 1 October 2016.

With the establishment of the Foundation Solidaridad Europe on 14 December 2017, Heske Verburg was appointed as its Managing Director.

Heske Verburg holds a seat on the advisory council of the Environmental Sciences Group of Wageningen University and Research, and is a Board member of the Netherlands Food Partnership.

Remuneration

In accordance with Solidaridad's statutes, the members of the Supervisory Boards of Solidaridad receive no remuneration of any kind.

The CSB annually updates the policy on salaries for the management. The Dutch Guidelines for the Remuneration of Directors in Philanthropic Organizations (Adviesregeling Beloning Directeuren van Goede Doelen) are taken as guidelines in the evaluation. The latter proposes a maximum norm for annual incomes, based on certain criteria. The CSB concluded that the Director's position has a Basic Score for management positions (BSD) of 445 points, for which the full-time maximum annual income in 2023 was € 223,000 (excluding the employer's pension contribution). The income of Heske Verburg for 2023 was € 129,661 (excluding the employer's pension contribution).

6.3 Solidaridad Staff

Solidaridad is an international network organization with a relatively new and culturally diverse staff. Our staff is the key factor for realizing the vision and strategy of Solidaridad. Solidaridad strives to be a learning organization. Learning together also means creating a culture of cooperation, providing and receiving feedback, and allowing each other to learn and improve. Each year employees are invited by their manager for an individual planning meeting, performance and appraisal evaluations. Every year, the Managing Director has a planning, performance and appraisal evaluation with the Executive Director of the Solidaridad Network and the chair of the Supervisory Board.

The HR-related topics that stood out in 2023 were: work-related stress; personal development; Diversity, Equity and Inclusion (DEI), and recruitment.

Solidaridad performs a yearly Employee Engagement Survey. This survey shows that we are a safe place to work, with high engagement with our purpose and trust in the leadership team. The survey shows room for improvement on, for example, work-related stress. An action plan to address the points of improvement is in place.

We recruited and onboarded many new colleagues in the course of 2023; 10 new employees joined from different nationalities, adding to our diversity. The goal of the diversity policy is that Solidaridad's staff

should reflect the European population as much as possible. The Diversity, Equity and Inclusion (DEI) statement is now included in our recruitment communication. Moreover, mentorship has always been a practice at Solidaridad and was reinforced this year by offering training to mentors and offering mentees the option of mentoring as part of the onboarding process. We are happy to see that the new employees all landed well in their teams and we are looking forward to seeing them grow and blossom in our organization.

HR figures	2023	2022
Number of staff	59	57
FTE under contract	56.2	54.2
Number of staff Female/Male	42/17	44/13
Average gross salary/FTE	€64,168	€63,050
Average age	42	41

Solidaridad has its own job & salary framework, which is based on job descriptions. The tasks and responsibilities are described per job function. The functions are weighed on the basis of the following four characteristics: knowledge and experience, independence, social skills and risks, responsibility and influence. Solidaridad's salary policy follows that of the Dutch government (BBRA).

Absence rates	2023	2022
Absence due sickness	5.79%	3.87%
Absence less than a week	0.85%	0.96%
Medium absence	0.43%	0.68%
Absence more than 6 weeks	4.51%	2.23%

6.4 Risks and Risk Management

Trust first

While Solidaridad's employees and partners work on the basis of reciprocal trust, management guards against individual abuses of this trust. Risks – and their consequences for strategy – are continually assessed. The board is aware that economic conditions can change quickly, politics can be unstable, and markets volatile.

Solidaridad has zero tolerance for fraud and corruption, meaning that Solidaridad staff members, all non-staff persons associated with Solidaridad, suppliers of goods and services, implementing partners and other responsible parties contracted by Solidaridad for a Solidaridad funded project are not to engage in fraud or corruption. All incidents of fraud and corruption have to be reported and will be

assessed and investigated as appropriate. Solidaridad will rigorously pursue disciplinary and other actions against perpetrators of fraud, including recovery of financial loss suffered by Solidaridad.

Our main risks

Risk management is crucial for effective implementation of our annual plan, and risk mitigation measures are an integral part of our annual plan. Our risk management is focused on eight risk categories that we have identified:

1. **Strategy:** Limited impact of our work in Europe
2. **Operations:** Key processes and systems to support our operations are not functioning well
3. **Reputation:** Incidents that can affect our reputation
4. **Income:** Reduction of income
5. **Financial position:** Insufficient budget to run our operations or to meet our obligations
6. **Legal & compliance:** Non-compliance with regulations and legal requirements
7. **Integrity:** Inappropriate behaviour of staff (including fraud and corruption) and threat to data security
8. **Organization & work culture:** Inability to attract and retain the right and diverse staff, and ensure the working conditions enable individual contributions to the objectives of the organization

For each of these eight risk categories, we have identified our “risk appetite”, i.e. the amount and type of risk that we as an organization are willing to take in order to meet our strategic objectives. Our *risk appetite* defines the level of risk exposure we are prepared to embrace in pursuit of our strategy (see following table).

Risk Category	Risk Acceptance Level					Description
	Averse	Minimal	Cautious	Open	Hungry	
Strategy						Solidaridad Europe strives to achieve its mission and objectives: We aim to enable farmers and workers to earn a decent income, shape their own future, and produce in balance with nature by working throughout the whole supply chain to make sustainability the norm. We aim to be a leading organization in this field. A large part of our work is complex, unpredictable and requires a dynamic and systemic approach. In order to make an impact in this field, we accept to take strategic risks, and learn and adapt where needed.
Operations						In order to do our work efficiently and effectively, we need well functioning systems for IT, Financial Management, PCM/PMEL, CRM and information management, as well as efficient procurement and contracting processes. We are cautious to maintain quality standards in these areas. However, in a dynamic environment we sometimes need to be flexible and creative and/or test new systems and processes. IT is an important backbone of the organization, and threats to cybersecurity are an increasing risk.
Reputation						We take minimal risk with regard to our reputation, as incidents could negatively affect trust of our supporters as well as donor recognition and income. We maintain a solid reputation by living up to our values and core principles and by being transparent about our way of working through honest communication. In our partnerships with corporates, we are cautious to ensure that their practices are not contradictory to our values and strategic ambitions and/or do not cause public discussion and protest. We recognize that our reputation is also very much related to high integrity standards (see below).
Income						In our fundraising, we are careful to maximize diversification of funding sources to minimize risks of over dependence on one donor (as political priorities of government donors may shift). We are actively exploring new blended finance funding options. We maintain solid donor relations and manage the risks related to corporate funding (e.g. withdrawal of corporate funding because of sensitivities and/or corporates not living up to co-funding commitments).
Financial Position						We maintain a solid financial position in order to guarantee the sustainability of our operations and programming. We are risk averse in our financial and investment policies, and strictly monitor overhead, coverage and the availability of unrestricted funds to ensure we can make essential investments, for example, in fundraising capacity.
Legal & Compliance						We ensure we are compliant with laws and regulations in Europe (the Netherlands & Germany) and aim to avoid legal disputes. We are risk averse in respect to financial compliance and adherence to data privacy regulations (GDPR). We strictly follow rules and regulations, adhere to donor requirements, governance codes, Richtlijn RJ 650, ISO9001/Partos, CBF and IATI, and prepare our financial statements and management reports accordingly.
Integrity						We are strongly committed to prevent, detect, manage and follow up on all aspects of inappropriate behaviour in the workplace and in relations with partners and target groups. We monitor violations of our Code of Conduct and Integrity Framework and maintain quality issue management (grievance procedure and whistleblower procedure). Special attention is given to fraud and corruption.
Organization & Work Culture						At Solidaridad, diversity, equity and inclusion are key to our collective mission, vision and values. We aim for Solidaridad Europe to be an inclusive place where all people feel heard, seen, and valued for their diverse identities, experiences, perspectives and skills. We are therefore committed to ensuring a safe and healthy working environment by treating everyone with dignity and respect, enabling and empowering us to be ourselves and achieve our full potential as individuals and our collective mission as an organization. Our workforce reflects the European population.

Risk management and control systems

Solidaridad manages risks at organizational, programme and project levels. Risks are assessed and response measures taken and monitored to mitigate and/or absorb the impact of a risk. Internal control procedures are in place to mitigate and/or absorb financial risks relating to potential misuse of funds (i.e. due to corruption, fraud, or theft), as well as for receiving, allocating and payment of funds. Financial management follows a low-risk strategy, reserving funds for investment risks and potential losses.

Solidaridad is committed to transparency and the effective deployment of resources. It monitors project progress and the use of funds with a project management system. Operations are audited internally and externally, and outcomes are discussed with the management and the Continental Supervisory Board.

Solidaridad is certified under the ISO 9001:2015. The standard provides a quality management framework and ensures a philosophy of continual improvement. External auditors provide independent evaluations of the quality of each aspect of its operations. In addition, Solidaridad has been certified under the ISO PARTOS norm since 2015 (Partos Declaration 2015: version 2018), an add-on to ISO 9001:2015. This quality standard has been specifically designed for civil society organizations in the Netherlands, ensuring a philosophy of good governance, CSR, integrity and transparency. In 2023, Solidaridad underwent a recertification audit and was subsequently granted certification for another three years.

If something is not to somebody's satisfaction, Solidaridad would like to be informed about this. Therefore, a complaints procedure is a part of our quality policy. The procedure is published on the Dutch and the global English-language websites.

As a charity, we are extra aware of our responsibility to spend money carefully. That's why we aim to achieve high quality on all fronts. Not only for ourselves, but also for our partners.

The Central Bureau of Fundraising (CBF) monitors all philanthropic bodies in the Netherlands and evaluates their management and policy, in order to increase the transparency of the charitable sector. Solidaridad the Netherlands is entitled to use the CBF quality mark and complies with its requirements. Per 2019 CBF is also monitoring the integrity system of Solidaridad the Netherlands (that includes a Code of Conduct and a complaints procedure) on behalf of the Ministry of Foreign Affairs. Once every three years CBF conducts an in-person audit. In 2023, Solidaridad was audited in-person and subsequently granted continuation of certification.

The Dutch Association of Fundraising Organizations (Goede Doelen Nederland) is the umbrella organization for philanthropic organizations that raise funds across the Netherlands. Its goal is to increase public confidence in fundraising institutions. Solidaridad upholds the principles of Goede Doelen Nederland with regard to respect, reliability, openness and quality.

Solidaridad is recognized by the Dutch Taxation Department as a charitable institution (ANBI), which means that donations and bequests to Solidaridad the Netherlands are not taxed. Donors can obtain income tax deductions for their contributions to Solidaridad the Netherlands.

External reporting includes an annual report and accounts, which are verified by an auditor and accompanied by an auditor's opinion. In 2023 the Continental Supervisory Board appointed Mazars as its external auditor. This appointment, which is reviewed regularly, covers the audit of the annual accounts as well as those for various projects. Mazars does not provide any non-auditing (e.g. advisory) services.

On request a more elaborate overview of our risk mitigation activities can be shared.

6.5 Integrity and Code of Conduct

The Head of Operations is responsible for the integrity system, i.e. developing and implementing tools that provide structural and formal procedures, and supporting a culture in which staff feel safe to work and speak up. The Code of Conduct is discussed during on-boarding and staff meetings to enable moral deliberations which provide meaning to the moral compass of Solidaridad. Staff can approach three Persons of Trust (one in the Netherlands, one in Germany and one contracted externally) to discuss any concern they have and seek counselling and/or support. Two formal reporting channels are available: one internal reporting process and two external channels, of which one is accessible through our website and one is a contracted party providing a public portal for anyone to file a report anonymously at <https://www.seehearspeakup.co.uk/>.

The Solidaridad Code of Conduct and the Whistleblower Protocol form the heart of the integrity system to prevent, monitor, report and account for integrity. A Partner Code is included in the contracts. Procedures are in place that ensure a satisfactory response to a complaint and guide an investigation into a report. An external party is contracted in case internal reporting and investigation capacity are not sufficient or best placed. Solidaridad has zero tolerance for not acting. Solidaridad will vigorously pursue disciplinary or any other actions necessary against perpetrators of any inappropriate behaviour.

In 2023 zero integrity breaches were reported. The employee survey showed an overall score of 83% on Integrity and values, with 80% of staff indicating they feel they can raise any concern they have, and 83% indicating they would report a breach known to them. This suggests the integrity system is working well and staff feel they have a safe place to work. Nonetheless, we will continue to improve upon building a moral compass that provides a safe place to work and enables safe participation in our projects.

6.6 Environment

Solidaridad minimizes the impact of its work on the environment as much as possible. We travel only when it is necessary. Furthermore, we strive to minimize our footprint by re-using materials whenever possible; purchasing sustainable products (office supplies with an eco-label, energy-efficient equipment, green energy, solar panels, and sustainably produced coffee and tea); separating waste for recycling; and digitally and electronically processing documents and thus limiting the use of paper. We will continue on this path and strive for a zero footprint.

Solidaridad's CO2 emissions are being compensated through the ACORN programme, supporting the Plan Vivo certified Agroforestry project run by Solidaridad in Mount Elgon, Uganda. This project is helping smallholder farmers transition away from coffee monocultures to diverse agroforestry systems by planting tree species that offer shade and produce fruits and medicine. The 2023 emissions are calculated based on the Dutch Klimaatplein model.

An ESG policy was developed in 2022. The Continental Supervisory Board approved the integration of the related ESG indicators in the 2023 Annual Plan on 7 December 2022.

7. FINANCE



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7.1 Our finances

Analyses of the results for 2023 in comparison to 2022 and the budget for 2024

The total income in 2023 was € 35,597,864; a decrease of € 2,187,936 compared to 2022. Income from subsidies increased by € 3,824,690 compared to 2022, and was € 278,092 higher than budgeted. The increase is mostly due to a new grant received from the Dutch Ministry of Foreign Affairs (Pathways to Prosperity). Please refer to paragraph 'Income from government subsidies' for more details. Income from other fundraising decreased by € 6,012,626 compared to last year, and was € 1,291,228 lower than budgeted. This is mostly due to the Dreamfund project of the Dutch Postcode Lottery. Please refer to paragraph 'Income from other non profit organizations' for more details.

The total expenditure in 2023 was € 35,469,707, which is € 2,231,231 lower than in 2022, and € 1,709,293 lower than budgeted. Of the total expenditure, € 34,349,382 was spent directly on our objectives. Interest and income from investments was € 38,706. This has led to a positive result of € 166,863 in the statement of income and expenditure in 2023, where 2022 had a negative result of € 152,404. The result of 2023 is affected by movements in the reserves and designated funds, leading to an addition of € 397,538 to the continuity reserve.

Historical summary

The table below shows the financial results for the past five years (in euro).

INCOME	2023	2022	2021	2020	2019
Fundraising	6,031,772	12,044,398	4,374,828	6,767,094	7,953,345
Subsidies	29,566,092	25,741,402	28,816,063	27,606,200	28,829,048
Total income	35,597,864	37,785,800	33,190,891	34,373,294	36,782,393
EXPENDITURE					
Communication and information	594,291	576,849	497,064	573,690	757,116
Structural aid	33,755,091	36,314,942	31,826,398	33,700,017	35,193,604
Total expenditure on objectives	34,349,382	36,891,791	32,323,462	34,273,707	35,950,720
Costs of income generation	862,068	732,645	642,161	692,155	574,888
Costs of management and administration	258,257	226,572	197,704	181,371	179,870
Total expenditure	35,469,707	37,851,008	33,163,327	35,147,233	36,705,478
Result excluding interest	128,157	-65,208	27,564	-773,939	76,915
Interest and income from investments	38,706	-87,196	41,828	841,229	188,123
RESULT	166,863	-152,404	69,392	67,290	265,038

Policy on assets and investments

Solidaridad spent € 34 million on financing projects. These funds come from many different sources, including government contributions as well as donations from individuals, companies and institutions. Solidaridad has an asset buffer of € 7.5 million to cover any unexpected large fall in income. If funding is received and cannot immediately be usefully deployed in support of Solidaridad's objectives, these funds are temporarily invested. This is because it takes time to prepare and implement projects. Solidaridad's partners, suppliers and staff need to be sure that Solidaridad will always be able to meet its liabilities, and donors and other funding bodies must be confident that the money they donate to Solidaridad is in safe hands. It is therefore extremely important that Solidaridad's assets are managed responsibly. Investment rules have been drawn up to ensure this is the case. These rules also stipulate that Solidaridad will comply with the Guidelines Financial Management for Charity Organizations prepared by the Dutch Association of Fundraising Organizations (Goede Doelen Nederland). In view of the limited volume and complexity of the portfolio, Solidaridad manages its assets internally to reduce costs. By far most of the asset buffer is invested in savings deposits with socially responsible banks, currently with Triodos Bank. As of 2024, due to higher interest rates on the current accounts of the Rabobank, Solidaridad will transfer funds from the savings account to the current accounts.

Key figures

The costs of the organization's income generation as a percentage of the total income is a calculation method to evaluate whether a fundraising institution is worthy of support. This indicator shows the proportion of the proceeds from fundraising used to generate these funds. Solidaridad aims for a (reasonably) stable proportion until 4% unless it can be demonstrated that an investment in income generation will generate sufficient additional income in the future. The table below shows the income and income generation costs and the relevant percentages for the past five years.

	2023	2022	2021	2020	2019
Total income	35,597,864	37,785,800	33,190,891	34,373,294	36,782,393
Total costs of income generation	862,068	732,645	642,161	692,155	574,888
<i>Costs of income generation as a percentage of income</i>	2.4%	1.9%	1.9%	2.0%	1.6%

Solidaridad calculates three ratios related to spending: the ratio of spending on the organization's objectives to its total expenditure, the ratio of its spending on income generation to its total expenditure, and the ratio of its spending on management and administration to its total expenditure. The tables below show the amounts Solidaridad spent on its objectives, income generation and management and administration, and the resulting spending ratios, for the past five years.

	2023	2022	2021	2020	2019
Total expenditure	35,469,707	37,851,008	33,163,327	35,147,233	36,705,478
Amount spent on objectives	34,349,382	36,891,791	32,323,462	34,273,707	35,950,720
<i>Spending ratio spent on objectives</i>	96.8%	97.5%	97.5%	97.9%	97.0%

Solidaridad strives to achieve the highest possible (at least 95%) spending ratio on the organization's objectives without endangering the quality of project implementation. The CBF has set a minimum ratio of 70% over a period of three years.

	2023	2022	2021	2020	2019
Total expenditure	35,469,707	37,851,008	33,163,327	35,147,233	36,705,478
Costs of income generation	862,068	732,645	642,161	692,155	574,888
<i>Spending ratio costs of income generation</i>	2.4%	1.9%	1.9%	2.0%	1.6%

Solidaridad aims for a (reasonably) stable proportion until 4% unless it can be demonstrated that an investment in income generation will generate sufficient additional income in the future.

	2023	2022	2021	2020	2019
Total expenditure	35,469,707	37,851,008	33,163,327	35,147,233	36,705,478
Management and administration	258,257	226,572	197,704	181,371	179,870
<i>Spending ratio management and administration</i>	0.7%	0.6%	0.6%	0.5%	0.5%

Solidaridad strives to achieve the lowest possible management and administrative costs, with maximum of 2%, without endangering the quality of its operations.

7.2 Forward looking statements

Annual budget 2024

The budget for 2024 has been drawn up in the light of the objectives and priorities set out in our MASP (Multi Annual Strategic Plan) for 2021-2025. The 2024 budget has been developed in the course of 2023 and is detailed in the Annual Plan for 2024. The 2024 budget was approved in the meeting of the Supervisory Board held on 23 November 2023. The income and expenditure statement for this budget is summarized below (in euros).

INCOME	Budget 2024	Budget 2023
Income from individuals	1,100,000	1,100,000
Income from companies	1,673,000	936,000
Income from Dutch Postcode Lottery	1,768,000	5,029,000
Income from government subsidies	32,332,000	29,288,000
Income from related organizations	36,000	31,000
Income from other non profit organizations	2,944,000	227,000
Total income	39,853,000	36,611,0000
EXPENDITURE		
Expenditures on achieving our objectives		
Communication and information	801,000	732,000
Structural aid	38,300,000	35,344,000
	39,101,000	36,076,000
Costs of income generation	1,011,000	937,000
Costs of management and administration	244,000	223,000
Total expenditure	40,356,000	37,236,000
Result excluding interest	-503,000	-625,000
Interest and income from investments	68,000	11,000
RESULT	-435,000	-614,000

The amounts shown in this budget for contributions from governments, companies, Nationale Postcode Loterij (Dutch Postcode Lottery) as well as the income from other Solidaridad offices, are based on donor contracts. The risk that this budget will not be achieved is limited to the extent to which these parties may not meet their contractual obligations. It is expected that supplementary commitments will be made during 2024 and that the budget will therefore be exceeded. The revenues from individuals, collection of faith-based organizations, direct mail, inheritances, and interest and income from investments are budgeted on the basis of historic values, taking current developments and trends into account. These sources of income are monitored on a monthly basis so that adjustments can be made if necessary. The expected expenditures include all expenditure relating to committed programme funding.

7.3 Annual accounts

Balance sheet on 31 December 2023

(in euro after allocation of result)

ASSETS	2023	2022
Tangible fixed assets	64,028	84,962
Financial fixed assets	1,575,904	637,173
	1,639,932	722,135
Receivables, prepayments and accrued income	2,635,784	7,700,276
Cash and bank balances	23,447,309	9,003,023
	26,083,093	16,703,299
Total assets	27,723,025	17,425,434
LIABILITIES		
Reserves and funds		
Reserves		
· Continuity reserve	7,540,619	7,143,081
· Reserve for financing operational assets	64,028	84,962
· Reserve for financing assets to meet our objectives	45,000	218,332
	7,649,647	7,446,375
Designated funds		
· Designated funds for grants received	-	100,000
· Designated funds for grants from lotteries	-	50,000
· Designated funds for PlusPlus funds	113,591	-
	113,591	150,000
Long-term debts	304,965	233,841
Short-term debts	19,654,822	9,595,218
Total liabilities	27,723,025	17,425,434

Statement of income and expenditure for 2023

(in euro)

INCOME	Actual 2023	Budget 2023	Actual 2022
Income from individuals	1,090,068	1,100,000	928,310
Income from companies	1,199,492	936,000	986,602
Income from Dutch Postcode Lottery	1,906,480	5,029,000	9,501,623
Income from government subsidies	29,566,092	29,288,000	25,741,402
Income from related organizations	20,296	31,000	32,001
Income from other non profit organizations	1,815,436	227,000	595,862
Total income	35,597,864	36,611,000	37,785,800
EXPENDITURE			
Expenditure on achieving our objectives			
Communication and information	594,291	732,000	576,849
Structural aid	33,755,091	35,344,000	36,314,942
	34,349,382	36,076,000	36,891,791
Costs of income generation	862,068	937,000	732,645
Costs of management and administration	258,257	223,000	226,572
Total expenditure	35,469,707	37,236,000	37,851,008
Result excluding interest	128,157	-625,000	-65,208
Interest and income from investments	38,706	11,000	-87,196
RESULT	166,863	-614,000	-152,404
Appropriation of the result			
Continuity reserve	397,538	-614,000	167,540
Reserves for financing operational assets	-20,934	-	-35,809
Reserves for financing assets to meet our objectives	-173,332	-	-114,135
Reserves for financing innovations	-	-	-55,000
Designated funds for grants received	-100,000	-	-100,000
Designated funds for grants from lotteries	-50,000	-	-15,000
Designated funds for PlusPlus	113,591	-	-
Result	166,863	-614,000	-152,404

Cash flow statement for 2023

(in euro)

	2023	2022
Cash flow from operational activities		
Result from the statement of income and expenditure	166,863	-152,404
Depreciation	49,617	57,639
Changes in working capital:		
· Short-term receivables	5,064,492	723,760
· Short-term debts	10,059,604	4,503,704
	<u>15,340,576</u>	<u>5,132,699</u>
Cash flow from investment activities		
(Des) investments in tangible fixed assets	-28,682	-21,830
Changes in financial fixed assets	-938,732	-104,707
Changes in stocks and shares	-	98
	<u>-967,414</u>	<u>-126,439</u>
Cash flow from financing activities		
Changes in long-term debts	71,124	33,842
Changes in cash and bank balances	<u>14,444,286</u>	<u>5,040,102</u>
Cash and bank balances		
Balance on 1 January	9,003,023	3,962,921
Balance on 31 December	23,447,309	9,003,023
Changes in cash and bank balances	<u>14,444,286</u>	<u>5,040,102</u>

The cash and bank balances at the end of 2023 were € 14,444,286 higher than at the end of 2022. The increase in the cash balances is mostly due to the timing of donor payments at the end of 2023, since programme funds for 2024 were received in advance.

GROUP STRUCTURE

Group information

Solidaridad Foundation was founded on 15 June 1976. In December 2017 it changed the name to Solidaridad the Netherlands (Stichting Solidaridad Nederland). The foundation is based in Utrecht, the Netherlands, and is registered at the Dutch Chamber of Commerce under number 41150939.

Foundation Solidaridad Europe (Stichting Solidaridad Europe) was founded on 14 December 2017 and is based in Utrecht, the Netherlands. The foundation is registered at the Dutch Chamber of Commerce under number 70549796 and is linked to Foundation Solidaridad Network (Stichting Solidaridad Network) and Foundation Solidaridad the Netherlands (Stichting Solidaridad Nederland), as well as to Solidaridad Germany (Solidaridad Deutschland eingetragener Verein).

Solidaridad Germany (Solidaridad Deutschland eingetragener Verein) was established on 8 February 2018 and is based in Freiburg, Baden-Württemberg, Germany. The association was registered at the local district court of Freiburg im Breisgau under number 702250.

General notes to the accounts

Guidelines for annual reporting

The annual accounts have been drawn up in accordance with the Guideline for Fundraising Institutions (Richtlijn Fondsenwervende Instellingen: RJ 650), which is part of the accounting standards produced by the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving).

Financial reporting period

The financial statements cover the year 2023, which ended at the balance sheet date on 31 December 2023.

Going concern

The financial statements are prepared on the basis of the going concern assumption.

Foreign currencies

Assets and liabilities in foreign currency have been converted at the exchange rate on the balance sheet date. Items in the statement of income and expenditure have been converted to euros using the exchange rate at the time of the transaction.

Accounting principles of valuation and determination of the result

Tangible fixed assets

The operating assets are valued at purchase price minus annual straight-line depreciation based on the expected useful economic life. Purchases made in the reporting year are depreciated from the date of purchase. An assessment is made as of the balance sheet date as to whether there are indications that the asset is subject to impairment. If indications exist that the asset item is subject to impairment, the recoverable amount of the asset is determined. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is directly expensed in the statement

of income and expenses. If it is established that a previously recognized impairment carrying amount of the assets in question is not set any higher than the carrying amount that would have been determined had no asset impairment been recognized.

Financial fixed assets

Advance payments and loans are valued at their nominal value, taking into account any risk that they may not be collectible. Participations that do not enable Solidaridad to exercise a significant influence on commercial and financial policies are valued at purchase price after deducting exceptional depreciations where applicable. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

Newly acquired associates are initially recognized on the basis of the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis. The amount by which the carrying amount of the associate has changed since the previous financial statements as a result of the net result achieved by the associate is recognized in the income statement.

Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby a dividend not distributed in cash is valued at fair value.

In the event of an impairment loss, valuation takes place at the realizable value; an impairment is recognized and charged to the income statement.

Receivables

After initial recognition the receivables are measured at amortized costs on the basis of the effective interest method. Gains and losses are recognized in the income statement through the amortization process. Receivables are valued taking into account any risk that they may not be collectable.

Stocks and shares

Investments listed on the stock exchange and other investments are valued at their market value. Realized and unrealized price gains and losses are entered into the statement of income and expenditure.

Cash and bank balances

Cash and bank balances represent cash in hand, bank balances and deposits with terms of less than twelve months and are carried at nominal value.

Accounting policies for the cash flow statement

The cash flow statement has been drawn up using the indirect method.

Other assets and liabilities

All other items in the balance sheet are, after initial recognition, measured at amortized costs on the basis of the effective interest method. Gains and losses are recognized in the income statement through the amortization process.

Continuity reserve

The continuity reserve is intended to cover short-term risks and to ensure that Solidaridad can continue to meet its moral and other obligations. Solidaridad bases itself on the concept of sustainable relationships with its partners and its staff. The size of the continuity reserve is determined as a trade-off between the desirability of deploying as much as possible of our resources for our objectives and the need to maintain a healthy financial basis for the future. We are guided in this decision by the Guidelines Financial Management for Charity Organizations prepared by the Dutch Association of Fundraising Organizations (Goede Doelen Nederland). Solidaridad is convinced that a reservation of resources is desirable for the continuity of the support given to the charity's goals, and endeavours a continuity reserve of at least 1.0 times the annual costs of maintaining the operational structure.

Income and expenditure

Income is accounted for in the year to which it relates, unless stated otherwise. Income from inheritances is accounted for in the year in which the size of the inheritance can be reliably established based on the deed of division. Expenditure is determined with due regard to the accounting policies for valuation as described above and is allocated to the accounting year to which it relates. Losses are accounted for in the year in which they can be anticipated.

Pension

Solidaridad has a service agreement with Centraal Beheer APF for a defined contribution pension scheme for its employees. Paid and to be paid premiums during 2023 have been charged to the profit and loss account of 2023. In so far as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. Pensions are part of the employees' benefits.

Financial gain/loss

Interest income is recognized in the statement of income and expenses in the period to which it belongs. Interest expenses and similar charges are recognized in the period to which they belong.

Taxation

The annual accounts have been prepared under the assumption that the activities of Solidaridad are exempt from corporate income tax.

Specific notes to the accounts

ASSETS

Tangible fixed assets

A summary of the movements in tangible fixed assets is given below:

	Furniture	Computers	Total
At 1 January 2023			
Cost	170,667	147,558	318,225
Depreciation	114,681	118,581	233,262
Book value at 1 January 2023	55,986	28,977	84,963
Changes in book value			
Additions	1,142	27,540	28,682
Disposal (costs)	-	-	-
Disposal (depreciation)	-	-	-
Depreciation	-26,052	-23,565	-49,617
Movement	-24,910	3,975	-20,935
At 31 December 2023			
Cost	171,809	175,098	346,907
Depreciation	140,733	142,146	282,879
Book value at 31 December 2023	31,076	32,952	64,028

The tangible fixed assets have been retained for our operations. The expected useful economic life for furniture is five years, therefore the depreciation is 20% per year. For computers the depreciation is 33⅓% per year (expected useful life of three years).

Financial fixed assets

	2023	2022
Convertible Note Agreement Minexx LTD	45,000	45,000
PlusPlus wallet balance on Lendahand.nl	26,046	-
Investment of Solidaridad in AgriCrowd B.V.	-	173,332
Loan to Wangara Green Venture Capital Company Limited	304,965	233,841
Loan to Solidaridad in South America	73,571	185,000
Loan to Solidaridad in West Africa	1,126,322	-
	1,575,904	637,173

The financial fixed assets have been retained for meeting our objectives.

Convertible Note Agreement Minexx LTD, United Kingdom

In October 2021 Solidaridad signed a Convertible Note Agreement of € 45,000 with Minexx LTD (United Kingdom). The money was transferred on 22 October 2021. If Minexx issues equity share in a qualifying transaction, within 18 months after withdrawing the amount, the amount and any accrued but unpaid interest thereon, will automatically convert into the equity shares at a conversion price equal to the lesser of the per share price (minus a discount of 15%) paid by the purchasers of such equity shares in the Qualified Financing. The interest rate is 10% per annum and will be calculated on a daily basis. In 2023 it was decided to extend the Convertible Note until 22 April 2024 under equal conditions.

Investment in AgriCrowd B.V., the Netherlands

In 2020 the private limited company 'AgriCrowd B.V.', also known as PlusPlus, was set up by Solidaridad, Lendahand, Cordaid (ICCO at the time of establishment) and Truvalu. PlusPlus is an online platform that provides access to finance for small and medium sized agricultural and food businesses in emerging economies by connecting them to a crowd of investors in Europe. In emerging economies, there is a large number of enterprises, the so-called missing middle, that do not have access to finance. PlusPlus offers people in Europe the opportunity to create social and economic impact by investing in an agricultural or food business in Africa, Asia or Latin America.

The shareholders of AgriCrowd B.V. decided at the end of December 2022 to integrate PlusPlus operations in Lendahand (one of the four sitting shareholders). This came into effect in 2023, whereby Solidaridad shares in AgriCrowd B.V. were sold to Lendahand. Solidaridad held 40% of the shares of the legal entity, of which the included value in the 2022 Annual Report was € 173,332, with an additional note that the valuation might be 30% lower at the moment of sale. The shares were sold for € 111,249; in the 2023 Annual Report of Solidaridad a loss of € 62,083 is therefore accounted for.

The movement of the participation in AgriCrowd B.V. is as follows:

At 1 January	173,332
Sale participation AgriCrowd B.V.	-111,249
Loss on participations	-62,083
At 31 December	-

PlusPlus wallet balance on Lendahand, the Netherlands

The integration of the PlusPlus activities with Lendahand B.V. led to the discontinuation of the PlusPlus Foundation, which was an entity set up in order to cover first losses on the PlusPlus platform. Solidaridad is requested to use the remaining funds of the PlusPlus Foundation for the mission of PlusPlus, for which a designated fund has been created. Part of the PlusPlus assets has been a wallet on Lendahand.nl, from which investments have been made in small and medium sized agricultural and food businesses in emerging economies. Solidaridad therefore has opened up a wallet on Lendahand.nl to which the funds have been added. On December 4, 2023 the wallet balance of € 28,046 was transferred, consisting of outstanding Debt notes of € 26,154 and a wallet balance of € 1,892.

At 31 December 2023 the total balance is as follows:

Outstanding debt notes	23,592
Wallet balance	2,454
At 31 December	26,046

Loan to Wangara Green Venture Capital Company Limited, Ghana

In 2021, with a loan received from Achmea Foundation, Solidaridad provided financial support to Wangara Green Venture Capital Company Limited. This loan is intended for regional service centres (RSCs) to improve their means of service delivery to farmers and contribute to the overall commercial viability of their operations. An amount of € 136,679 has been paid to Wangara in 2023, whereas € 27,128 has been repaid. The uncollectible amount is € 45,631. An additional correction for interest and exchange rate difference has been made for € 7,204. These amounts have been corrected in the loan amount. Of the outstanding balance to be received from Wangara, € 32,193 is overdue. The termination date is August 3, 2026 and partial repayment is taking place from 2022 onwards. The interest rate is 7%.

The movement of the loan to Wangara is as follows:

At 1 January	233,841
Repayments from Wangara	-27,128
Payments to Wangara	136,679
Uncollectible payments	-38,427
At 31 December	304,965

The loan consists of the following short and long-term parts at 31 December 2023:

Short-term part of the loan	58,327
Long-term part of the loan	246,638
At 31 December	304,965

Loan to Solidaridad REC SAM, Peru

In 2022 Solidaridad provided financial support to REC SAM with a loan for an amount of € 185,000. The duration of the loan is 7 years and partial repayment is taking place from 2023 onwards. The interest rate is 3.5%. The movement of the loan to REC SAM is as follows:

At 1 January	185,000
Repayments from REC SAM	-111,249
At 31 December	73,571

The loan consists of the following short and long-term parts at 31 December 2023:

Short-term part of the loan	14,286
Long-term part of the loan	59,285
At 31 December	73,571

Loan to Solidaridad, REC WAF

In 2023 Solidaridad provided financial support to REC WAF with a loan in order to successfully implement two EU programmes in Liberia and Sierra Leone, as soon as the final payment of 10% of the total value of the grant contracts is received after approval of the audits, the loan will be paid back.

The total loan provided is € 1,126,322 and is divided into 2 parts:

- Part 1 of the loan is a pre financing of € 876,322, that needs to be paid back within one week after REC WAF receives the last tranche of grant from the EU. Until 31 December 24 the interest rate is 0%. If the EU does not pay the last tranche in full, parties will make a new repayment schedule regarding the then outstanding part of the loan. The interest to any remaining outstanding loan will be 2%.
- Part 2 of the loan is € 250,000, which needs to be repaid before 31 December 2024 against an interest rate of 2%, with the possibility to annually increase the interest rate with the increase of EURIBOR.

Receivables

	2023	2022
Contribution Dutch Postcode Lottery	1,350,000	1,350,000
Final payment of grants and subsidies	1,023,391	5,600,059
Interest	97,753	20,131
Receivables from related parties	-	380,839
Prepaid expenses	144,921	115,261
Prepaid project expenses	-	166,418
Other receivables	19,719	67,568
	2,635,784	7,700,276

The receivables have mostly been retained for meeting our objectives. All receivables are due within one year. The increase of the receivables is related to timing of receiving and transferring funds. 'Other receivables' in 2022 includes 2 inheritances which were received in 2023.

Cash and bank balances

	2023	2022
Cash	198	742
Bank accounts	17,602,110	7,155,070
Savings accounts	95,001	97,211
Deposits	5,750,000	1,750,000
	23,447,309	9,003,023

The bank balances have mostly been retained for meeting our objectives. For an amount of € 67,000, a bank guarantee has been given in favour of the rent of the office building and therefore this amount can not be freely available. All other checking and savings accounts are freely available at Solidaridad's disposal. The breakdown of the various deposits is as follows:

Bank	Amount	Term	End date	Interest rate
Triodos Bank #9	€ 500,000	Seven years	18-12-2024	0.6%
Triodos Bank #10	€ 500,000	Eight years	18-12-2025	0.7%
Triodos Bank #11	€ 250,000	Eight years	18-12-2026	0.9%
Triodos Bank #12	€ 1,000,000	Three months	29-02-2024	2.0%
Triodos Bank #13	€ 1,000,000	Three months	29-02-2024	2.0%
Triodos Bank #14	€ 1,000,000	One year	29-11-2024	2.6%
Triodos Bank #15	€ 1,000,000	One year	29-11-2024	2.6%
Triodos Bank #16	€ 500,000	Three years	19-12-2026	2.75%

LIABILITIES

Reserves

By designating funds as reserves, the Continental Supervisory Board indicates how they intend to employ the resources available to them. Solidaridad has designated a continuity reserve, a reserve for financing operational assets, and a reserve for financing assets to meet our objectives.

Continuity reserve

The movement in the continuity reserve can be specified as follows:

	2023	2022
At 1 January	7,143,081	6,975,541
Appropriation of the result	397,538	167,540
At 31 December	7,540,619	7,143,081

In 2023 the ratio consists of 1.3 times the annual costs of maintaining the operational structure. For 2024 the budgeted costs for the operational structure are € 6,766,000 and at the end of 2024 the budgeted continuity reserve, taking into account the negative budgeted result, amounts to € 7,105,000, i.e. 1.1 times the annual costs of maintaining the operational structure.

Reserve for financing operational assets

The reserve for financing operational assets is kept for the funds used to the benefit of the tangible operational assets and is valued against the book value of these assets.

The movement is as follows:

	2023	2022
At 1 January	84,962	120,771
Appropriation of the result	-20,934	-35,809
At 31 December	64,028	84,962

Reserve for financing assets to meet our objectives

The reserve for financing assets to meet our objectives is kept for the means used for the benefit of the financial fixed assets for the objectives and is valued at the book value of these assets.

At 1 January	218,332
Appropriation of the result:	
Sale of shares in AgriCrowd B.V.	-111,249
Write off remaining balance of shares in AgriCrowd B.V.	-62,083
At 31 December	45,000

Designated funds

Compared to the reserves, funds differ in the sense that not Solidaridad's Continental Supervisory Board, but a third party designates the funds. Within Solidaridad, that applies to the designated fund for grants. The designated funds had been created for the grants received from Flexiplan and the Dutch Postcode Lottery. In 2023 a new designated fund was created after the sales of the PlusPlus shares. The new owner of PlusPlus, Lendahand, requested Solidaridad to take over the funds in the Plusplus Foundation. Those funds have been transferred to Solidaridad and will be designated to be spent in line with the mission of PlusPlus.

	2023	2022
Flexiplan	-	100,000
Dutch Postcode Lottery	-	50,000
PlusPlus	113,591	-
	113,591	150,000

The movements in the designated fund for grants from Flexiplan are as follows:

	2023	2022
At 1 January	100,000	200,000
Appropriation of the result:		
Addition: extra donation Cocoa Programme Liberia	150,000	-
Less: payment related to Carbon Markets / Agroforestry	-	-90,000
Less: payment related to Business Development capacity building	-	-100,000
Less: coverage Solidaridad expenses	-	-10,000
Less: payment related to Regenagri	-100,000	-
Less: payment related to Cocoa Programme Liberia	-150,000	-
Addition: Extra donation Regenagri	-	100,000
At 31 December	-	100,000

Of the received amount in 2023, € 30.000 relates to received in advance donation for 2024.

The movements in the designated fund for grants from Dutch Postcode Lottery are as follows:

	2023	2022
At 1 January	50,000	65,000
Less: payments to projects	-50,000	-15,000
At 31 December	-	50,000

The contribution from the Dutch Postcode Lottery was received through ICCO Cooperation.

The movements in the designated fund for PlusPlus funds are as follows:

	2023	2022
At 1 January	-	-
Add: incoming donor funds	87,545	-
Add: value of wallet on Lendahand.nl	26,046	-
At 31 December	113,591	-

Long-term debts

Achmea Foundation

Soldaridad has signed a Loan Facility agreement of € 1 million with the Achmea Foundation. Solidaridad has signed an agreement with the intermediary Wangara Green Venture Capital Limited, a local financial intermediary in Ghana, in order to lend out the Achmea funds to regional service

centres (RSCs). The objective of the agreement is for the RSCs to improve their means of service delivery to farmers and contribute to the overall commercial viability of their operations. An amount of € 136,679 has been received from Achmea in 2023, whereas € 27,128 has been repaid. The uncollectible amount is € 45,631. An additional correction for interest and exchange rate difference has been made for € 7,204. These amounts have been corrected in the loan amount. Of the outstanding balance to be repaid to Achmea Foundation, € 32,193 is overdue. This is not yet written off. Achmea Foundation accepts the risk for uncollectible amounts of loans by RSCs. The termination date is July 1, 2026 and the interest rate is 7%.

The movement of the loan from Achmea is as follows:

At 1 January	233,841
Repayments to Achmea	-27,128
Payments from Wangara	136,679
Uncollectible payments and corrections	-38,427
At 31 December	304,965

The loan consists of the following short and long-term parts at 31 December 2023:

Short-term part of the loan	58,327
Long-term part of the loan	246,638
At 31 December	304,965

Short-term debts

	2023	2022
Payments related to projects related parties	851,297	1,858,314
Payments related to projects	267,297	567,046
Payments related to projects AgriCrowd B.V.	-	160,000
Payments to related parties	21,191	-
Accrued expenses	89,056	178,928
Accrued personnel expenses	396,997	308,989
Grants received for coming years	17,715,964	6,209,298
Creditors	39,926	53,763
Social securities	77,202	67,886
Wage tax	196,115	190,994
	19,654,822	9,595,218

The payments related to projects decreased in comparison to 2022 mostly due to the timing of contracting in 2022. The timing of receiving funds from donors caused an increase in the total amount of grants received for the coming years.

Contingent liabilities and conditional rights

Solidaridad has the following contractual obligations:

Type	<1 year	1-5 years	>5 years
<i>Rent contract</i>	€ 210,000	€ 840,000*	-
<i>Lease contracts</i>	€ 1,000	-	-
<i>Annual contracts project partners</i>	€ 98,472	-	-

* *subject to inflation correction*

Rent contract

The office on 't Goylaan 15 in Utrecht is rented as of 2007. The agreement was extended in 2018 by 9.5 years until May 2028. The rent costs are indexed annually based on the consumer price index. The annual rent obligation is approximately € 210,000. The bank guarantee issued in respect of this rent is € 67,000.

Lease contracts

In December 2019 a new lease contract was signed for two multifunctional printer-copiers, one contract for 3 years and one contract for 4 years. The fixed total annual obligation resulting from this is approximately € 1,000. In 2024 Solidaridad will evaluate extension or renewal of the lease contracts.

Annual contracts with Solidaridad Network and other project partners

At the end of 2023, not all partner contracts were fully invoiced and paid. Solidaridad has contingent, not legally commendable, commitments to project partners for an amount of € 98,472 in 2024. The mentioned commitments are financed by agreed donor grants. Solidaridad has annual contracts with its regional expertise centres and external consortium partners.

Subsequent events

Solidaridad has evaluated subsequent events occurring after 2023, until April 4, 2024, which is the date the financial statements were available to be issued. Based on this evaluation, Solidaridad has determined that no subsequent events have occurred which require disclosure in or adjustment to the financial statements.

INCOME

Income from individuals

	Actual 2023	Budget 2023	Actual 2022
Donations and gifts	812,325	900,000	805,247
Inheritances	277,743	200,000	123,063
	<u>1,090,068</u>	<u>1,100,000</u>	<u>928,310</u>

Income from individuals

The goal of our fundraising is to obtain financial resources for Solidaridad's work, in an efficient way, from a group of individual donors in the Netherlands. Most of the income received is unrestricted, and can be used to cover costs that are not included in contracts with institutional donors. The funding can also be used to leverage co- and match funding.

Donations and gifts

Sending a letter with a request for a direct donation to people who already support us used to be the most efficient way for Solidaridad to obtain donations. This is rapidly changing. Costs of sending out letters have increased steeply and the number of people we send letters to is declining. We are therefore diversifying our fundraising methods. In 2023 Solidaridad sent out six direct mails (2022: five) which were focused on regular individual donors, we increased our supporter community through awareness raising campaigns and followed up with telemarketing, and we organized a fundraising event.

Most donors are now using online banking to contribute, but the direct donation request via mail is still important to remind them of the urgency of their donation..

Inheritances

Solidaridad receives regular inheritances and bequests, which (partly) consist of houses and/or investments. In 2023 more inheritances were received than budgeted.

Income from companies

These are contributions from companies that support the development of sustainable production chains. Many companies contribute to Solidaridad's projects by donating via their affiliates' foundations. These amounts are listed in the category 'other non profit organizations'. The donations of the companies mentioned relate to funding to different projects.

The breakdown is as follows:

	Actual 2023	Budget 2023	Actual 2022
Henkel	317,697	295,000	207,686
BASF	9,253	-	112,905
Syngenta	439,011	555,000	488,147
Kering	116,975	70,000	1,600
Lanxess	71,331	-	12,500
Others (less than €100,000)	245,225	16,000	163,764
	1,199,492	936,000	986,602

The income from companies in 2023 was higher than budgeted and higher than in 2022. This is mostly due to the signing of new contracts.

Solidaridad signed the following major contracts with companies:

1. Syngenta Collaboration Agreement 2020-2025 for an amount of \$ 3,045,000, of which \$ 1,425,000 was subject to an evaluation in year 3 of the project. This contract was evaluated in 2023 and is discontinued, as of 2024 the contract will be phased out.
2. Henkel Partnership Agreement 2021-2025, for an amount of € 1,300,000.

Income from Dutch Postcode Lottery

The breakdown is as follows:

	Actual 2023	Budget 2023	Actual 2022
Yearly contribution	1,350,000	1,350,000	1,350,000
Programmes	556,480	3,679,000	8,151,623
	1,906,480	5,029,000	9,501,623

Yearly contribution

Since 2009, the Dutch Postcode Lottery has made an important contribution to Solidaridad's work every year. The Dutch Postcode Lottery also mentions Solidaridad's projects in its television programmes and in national newspapers. In 2023, as well as in 2022, Solidaridad was granted € 1,350,000. The contract with the Dutch Postcode Lottery was renewed in 2019 for five years. Solidaridad is informed by the Dutch Postcode Lottery that the contract will be renewed again in 2024 for another five years.

Programmes

In 2022 the Dreamfund proposal 'From Climate Victims to Climate Heroes' was approved by the Dutch Postcode Lottery, resulting in a contract amount of € 12,731,322 for the period between 2022-2027. The total amount was received in 2022 of which 70% was transferred directly to the project partners. The remaining 30% for the partners is still in our accounts.

Income from government subsidies

Solidaridad has the following non-recurring contracts with governments:

Ministry of Foreign Affairs					
	Project	Period	Amount	Extension	Status
1.	Practice for Change (PFC)	2016-2020	€ 44,500,000	Extended to: December 2022 Amount: € 20,000,000	The Ministry of Foreign Affairs agreed with a slight carry over to 2023 in order to finalise the narrative report and project audit.
2.	National Initiatives for Sustainable and Climate Smart Oil Palm Smallholders (NI-SCOPS)	2018-2023	€ 12,875,000		The Ministry of Foreign Affairs agreed with a slight carry over to 2024 in order to finalise activities. The 2024 budget of €

					59,000 is reflecting this carry over.
3.	RECLAIM Sustainability!	2021-2025	€ 53,712,412		
4.	Pathways to Prosperity ACTING NOW	2023-2029 2023-2025	€ 85,058,250		
Netherlands Enterprise Agency (RVO)					
	Project	Period	Amount	Extension	Status
1.	Increasing water use efficiency in sugarcane growing in India (FDW)	2015-2019	€ 2,414,387	No-cost extension: December 2021	The final report approval of the donor is expected in 2024.
2.	Food security through improved resilience of small-scale farmers	2013-2020	€ 4,400,000	No-cost extension: December 2021	The final audit was approved in 2023.
3.	Sustainable Food and Nutrition Security India' (SDGP)	July 2019 - July 2023	€ 1,900,000		An extension is requested to RVO.
4.	Circular Coffee from Peru (SDGP)	2019-2023	€ 1,462,291	No-cost extension: June 2024	
5.	Palm LAB - Palm Oil Labour Assessment Builder (FVO)	2020-2023	€ 292,663		
6.	Smart Farming, Healthy Food (Bangladesh) (SDGP)	May 2020 - April 2025	€ 1,959,813		
7.	Intel4Value - Intelligent Value Chain Management Colombia (SDGP)	October 2020 - October 2024	€ 1,071,000		
8.	Apparel Wage Risk Management Initiative (FVO)	January 2021 - January 2024	€ 306,171		Due to the situation in Myanmar, this project was changed into a project in China and approved by the RVO. Due to the current situation in China the implementation of this project is insecure and put on hold.
9.	Realizing the Potential of Responsible ASGM Trade (FVO)	2021-2025	€ 473,327		
10.	Strengthening the Sustainability of the Shea Supply Chain in northern Ghana (FVO)	July 2021 - June 2024	€ 264,898		

11.	Better Chicken for a Better Future!	August 2021 - July 2024	€ 449,738		
12.	Better Mill Initiative Bangladesh (FVO)	2022-2023	€ 117,978		A proposal for Phase B has been submitted, which is not yet approved.

European Union

	Project	Period	Amount	Extension	Status
1.	Reaching the unreached estates and surrounding communities on equitable water, sanitation, and hygiene (WASH) for improved health and nutrition	2017-2021	€ 5,619,616	No-cost extension: May 2022	The final audit has been sent to the EU, awaiting approval.
2.	Green Tanning Initiative: 'Promoting technologies that reduce the environmental impact of leather processing and creating sustainable employment in the industry in Ethiopia	2018-2020	€ 1,166,722	No-cost extension: 2021	The final report was approved in 2023, a repayment of € 77,889 was made to the EU.
3.	Bottom Up!	2019-2022	€ 1,498,000	No-cost extension: April 2023	The final audit was approved at the end 2023, contract closure will take place in 2024.

Partnership for Growth (P4G)

	Project	Period	Amount	Extension	Status
1.	A high growth and efficient crowdfunding platform for agriculture SMEs in emerging economies through PlusPlus.	October 2019- October 2021	\$ 963,070	No-cost extension: December 2022	The final audit was approved in 2023.

Netherlands Space Office

	Project	Period	Amount	Extension	Status
1.	Geodata for Agriculture and Water (G4AW) Facility	2019-2022	€ 2,576,557		The final audit has been sent to the NSO, and is awaiting approval.

The breakdown of income from governments can be specified as follows:

	Actual 2023	Budget 2023	Actual 2022
Ministry of Foreign Affairs (PfC and NI-SCOPS)	1,311,362	1,252,000	10,520,946
Ministry of Foreign Affairs (RECLAIM Sustainability!)	11,586,297	10,658,000	11,191,584
Ministry of Foreign Affairs (Pathways to Prosperity)	14,638,034	15,288,000	-
NORAD	-	-	-25,235
Netherlands Enterprise Agency	1,402,804	1,921,000	2,522,544
European Union	639,807	169,000	249,052
Netherlands Space Office	-	-	240,595
Partnership for Growth (WRI)	-22,298	-	1,009,702
Others	10,086	-	32,214
	29,566,092	29,288,000	25,741,402

Income from subsidies increased by € 3,824,690 compared to 2022, and was € 278,092 higher than budgeted. Solidaridad was granted the Pathways to Prosperity programme by the Dutch Ministry of Foreign Affairs, which came into effect in 2023. The Practice for Change (PfC) programme is coming to an end, which has the biggest effect on the 2022 income. The remaining amount in 2023 relates to the NI-SCOPS programme.

Income from related organizations

Solidaridad in the Netherlands receives contributions from other Solidaridad offices worldwide to achieve joint goals. The priorities are market development and market linkage. The breakdown is as follows:

	Actual 2023	Budget 2023	Actual 2022
East & Central Africa	20,296	31,000	29,472
Asia	-	-	2,529
	20,296	31,000	32,001

Solidaridad in East & Central Africa has signed 3 contracts with Solidaridad in the Netherlands, 2 for EU PACE and 1 related to DP Trace.

Income from other non profit organizations

The breakdown can be specified as follows:

	Actual 2023	Budget 2023	Actual 2022
Faith-based organizations	41,518	50,000	43,692
Albert Heijn Foundation	1,209,454	-	-
Achmea Foundation (Palm)	16,782	67,000	49,849
GSRD Foundation	80,535	94,000	-
Achmea Foundation (Dairy)	26,203	-	150,526
Rabobank Foundation (Dairy)	-	-	42,151
Mastercard Foundation	-	-	14,407
Plusplus Foundation (designated fund)	105,453	-	-
International Labour Office	9,647	-	124,756
Grants from other organizations	325,844	16,000	170,481
	1,815,436	227,000	595,862

Faith-based organizations

Since 2010 the income of the offertory schedules in churches has been slowly declining.

Grants from organizations

These are donations from organizations that support the development of sustainable production chains. Many companies contribute to Solidaridad's projects by donating via their affiliated foundations to Solidaridad. These amounts should be read in relation with the category 'income from companies'.

With the Achmea Foundation multiple contracts are signed:

1. 'Dairy 2025: Climate Smart Dairy Farming': a total amount of € 999,130 for the period of 2018-2021. This contract was extended until October 2022 and has come to an end.
2. Additionally in 2020 two new contracts were signed with Achmea Foundation, related to Palm 2020-2023; one contract related to a donation of Achmea Foundation for an amount of € 286,233, meant to cover for activities on a separate loan agreement of € 1.0 million. An extension is requested to Achmea Foundation.

The proposal 'Fostering Rural Entrepreneurship for a Sustainable and Competitive Dairy Value Chain' to the GSRD Foundation was approved for a period of 2 years as of January 2023. The total funded amount is € 184,043.

In 2023 a new partnership was established between Solidaridad and the Albert Heijn Foundation, a contract for 3 years, with a budget of approximately € 8,250,000, of which € 750,000 is meant for the Dutch account management activities.

EXPENDITURE

Expenditure on achieving our objective: communication and information

Solidaridad conducts campaigns and communicates in a wider sense about sustainable economic development, in order to stimulate companies to act, to influence the public agenda, and to win support from private donors.

	Actual 2023	Budget 2023	Actual 2022
PR and market development	27,991	30,000	18,260
Campaigns	287,262	294,000	279,681
Costs own activities	315,253	324,000	297,941
Operating costs	279,038	408,000	278,908
	594,291	732,000	576,849

For 2022 and 2023 Solidaridad was granted specific subsidies for campaigns.

Expenditure on achieving our objective: structural aid

Solidaridad works with all actors, from producers to consumers, to create more inclusive and sustainable supply chains. We do so in tropical commodities like cotton, textiles, gold, cocoa, tea, coffee, fruits & vegetables, sugar, soy, palm oil, livestock, dairy and aquaculture.

Solidaridad in Europe

The breakdown of project costs of Solidaridad is as follows:

	Actual 2023	Actual 2022
Projects via Solidaridad regional expertises centres	21,701,979	23,473,344
Project costs via the Netherlands	4,588,659	3,751,461
Project costs via Germany	702,109	3,174,931
Projects via Solidaridad Network Secretariat	1,973,460	1,640,360
Total project costs	28,966,207	32,040,096
Operating costs in the Netherlands	4,788,884	4,274,845
	33,755,091	36,314,942

Projects via Solidaridad regional expertise centres

The breakdown per Solidaridad regional expertise centre is as follows:

	Actual 2023	Actual 2022
Solidaridad East and Central Africa	3,799,064	3,833,268
Solidaridad Central America	622,864	3,362,940
Solidaridad West Africa	6,439,155	3,913,612
Solidaridad South America	2,471,768	4,819,132
Solidaridad South Africa	2,767,481	2,577,518
Solidaridad North America	25,000	102,500
Solidaridad Asia	5,576,647	4,864,373

Total projects via Solidaridad regional expertise centres	21,701,979	23,473,344
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Costs of income generation

	Actual 2023	Budget 2023	Actual 2022
Direct mail administration	77,029	62,000	71,399
Partnerships GDN and CBF	35,230	27,000	32,589
Fundraising campaigns	279,405	293,000	195,287
Operating costs	470,404	555,000	433,369
	862,068	937,000	732,644
<i>Costs of income generation as a percentage of income</i>	2.4%	2.6%	1.9%

For notes on the operating costs please see "Specification and breakdown of costs by categories".

Costs of management and administration

This contains only operating costs. For notes on the operating costs please see "Specification and breakdown of costs by categories". The management and administration costs include the following personnel costs: director, 0.2 FTE; secretariat, 0.3 FTE; HRM manager, 0.2 FTE; controller, 0.5 FTE; assistant controller, 0.5 FTE; administrator, 0.5 FTE; project finance officers, 0.3 FTE and quality officer, 0.2 FTE. Solidaridad strives to achieve the lowest possible percentage of management and administrative costs without endangering the quality of its operations.

Specification and breakdown of costs by categories

Explanation of cost allocation

Solidaridad has 2 main objectives: structural aid and communication and information. The direct costs for the 2 main objectives are calculated separately, whereas the operating costs are allocated to the various cost categories. The calculation method for 2023 is the same as the one used in 2022. The job descriptions for each member of staff are used to determine which parts of their work relate to the various categories and are allocated based on the percentages. The general overhead is then allocated using the same percentage distribution as for the staff costs.

Expenditure	Objectives		Income generation	Management and administration	Total 2023	Budget 2023	Total 2022
	Structural aid	Communication and information					
Projects via Solidaridad offices worldwide	28,966,207	-	-	-	28,966,207	30,344,000	32,040,096
Communication	-	315,253	391,664	-	706,917	706,000	597,216
Personnel	3,975,760	231,659	390,532	214,406	4,812,357	5,347,000	4,553,224
Travel and accommodation	228,832	13,334	22,478	12,341	276,985	190,000	152,735
Premises	220,855	12,869	21,694	11,910	267,328	220,000	265,685
Office/general	322,446	18,788	31,673	17,389	390,296	364,000	184,410
Depreciation	40,991	2,388	4,027	2,211	49,617	65,000	57,640
	33,755,091	594,291	862,068	258,257	35,469,707	37,236,000	37,851,008

Audit fees

The breakdown is as follows:

	Actual 2023	Actual 2022
Audit fees related to the annual report	95,179	87,187
Other audit fees	94,137	72,216
	189,316	159,403

Interest and income from investments

The breakdown of interest and income from investments is as follows:

	Actual 2023	Budget 2023	Actual 2022
Income from AgriCrowd B.V.	-62,083	-	-114,135
Interest	100,789	11,000	26,939
	38,706	11,000	-87,196

Personnel

The breakdown is as follows:

	Actual 2023	Budget 2023	Actual 2022
Gross salaries	3,657,467	3,850,000	3,342,944
Social premiums	574,074	616,000	553,075
Pension expenses	466,610	539,000	463,378
Other personnel expenses	114,206	342,000	193,827
	4,812,357	5,347,000	4,553,224

Number of staff members

During 2023 the average number of staff members employed by Solidaridad the Netherlands, expressed as full-time equivalents (FTEs), was 55.2 (2022: 53.1).

Remuneration management

The Managing Director of Solidaridad the Netherlands is Heske Verburg, who was appointed as statutory director as of 1 January 2017 by the International Supervisory Board. The statutory director has the final responsibility for daily management and implementation of the programmes and activities.

As of 1 January 2013 the *Wet Normering bezoldiging topfunctionarissen publieke en semipublieke sector*, or WNT ('Standards for Remuneration Act': the law regarding salary of senior executives in public and semi-public sectors) has been operative. The WNT is applicable for Solidaridad the Netherlands, whereby the general maximum of € 223,000 for the year 2023 is applicable. The CSB annually updates the policy on salaries for the management. The Dutch Guidelines for the Remuneration of Directors in Philanthropic Organizations (Adviesregeling Beloning Directeuren van Goede Doelen) are taken as guidelines in the evaluation. The latter proposes a maximum norm for annual incomes, based on

certain criteria. The CSB concluded that the Director's position has a Basic Score for management positions (BSD) of 445 points. The income of Heske Verburg for 2023 was € 129,661 (excluding the employer's pension contribution). The total salary, taxable benefits, employer's pension contribution and other remuneration payables in time for 2023 amounted up to € 149,805, which remained within the maximum threshold. All benefits are reasonable in comparison to the annual salary. No other (non) top officials received remuneration higher than the sector norm. The level and composition of the salary of Heske Verburg is based on the applicable regulations:

Remuneration of the Managing Director	Heske Verburg 2023	Heske Verburg 2022
Year		
Period in year	01/01 - 31/12	01/01 - 31/12
Hours	36	36
FTE factor	1.0	1.0
Employment	Yes	Yes
Remuneration		
Gross salary	109,079	105,389
End of year allowance	9,054	8,710
Holiday pay paid in year	8,965	8,760
Total	127,098	122,859
Taxable benefits	2,563	-
Employers pension contribution	20,145	19,037
Total	149,805	141,896

Solidaridad provided no loans, advances or guarantees to the Managing Director.

Remuneration of the Managing Director	Heske Verburg 2023	Heske Verburg 2022
Year		
Period in year	01/01 - 31/12	01/01 - 31/12
FTE factor	1.0	1.0
Employment	Yes	Yes
Remuneration incl. taxable expense allowances	129,661	122,859
Remuneration payables in time (employer's share of pension costs)	20,145	19,037
<i>Total</i>	<i>149,805</i>	<i>141,896</i>
Remuneration maximum	223,000	216,000
Minus: unduly paid and not yet reimbursed	-	-
Total remuneration	149,805	141,896

Reason for acceptance/rejection exceeding maximum remuneration:	Not applicable
Explanation of unduly paid and not yet reimbursed:	Not applicable

Remuneration Supervisory Boards

In accordance with Solidaridad's statutes, the members of the Supervisory Boards of Solidaridad receive no remuneration of any kind. The boards consist of the following members in 2023:

	<u>Function</u>
Mariam Gabala Epse Dao	ISB member
Shahamin Sahadat Zaman	ISB member
Kannan Pashupathy	ISB member
Bernhard Roehrs	ISB member
Audrey Gadzekpo	ISB member
Jan Karel Mak	ISB and CSB member
Carlos Alva Nieto	CSB member
Katrien Termeer	CSB member
Claire Gentil	CSB member
Martin Staehle	CSB member
Marion Kappeyne de Coppello	CSB member
Kajsa Johansson	CSB Member

Signing

Utrecht, 12 April 2024 signed on original by:

The Managing Director,
Heske Verburg

The Continental Supervisory Board,
Jan Karel Mak
Carlos Alva Nieto
Katrien Termeer
Claire Gentil
Martin Staehle
Marion Kappeyne van de Coppello
Kajsa Johansson

AUDITOR'S REPORT

Independent auditor's report

To the Supervisory Board of Stichting Solidaridad Nederland

Report on the audit of the financial statements for the year ended 31 December 2023 included in the annual report

Our opinion

We have audited the financial statements for the year ended 31 December 2023 of Stichting Solidaridad Nederland based in Utrecht.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Solidaridad Nederland as at 31 December 2023 and of its result for the period ending 31 December 2023 in accordance with the Guideline for annual reporting 650 'Fundraising organisations' of the Dutch Accounting Standards Board and pursuant to the requirements of the Wet Normering Topinkomens (WNT, Act on limiting the remuneration of senior officials in the public and semi public sector).

The financial statements comprise:

1. the balance sheet as at 31 December 2023;
2. the statement of income and expenses for the period ending 31 December 2023; and
3. the notes comprising of 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 of Auditing and de Regeling Controleprotocol WNT 2023. 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 Solidaridad 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.

Unaudited compliance with the anti-cumulation clause in the WNT

In accordance with the 'Regeling Controleprotocol WNT 2023' we have not audit the anti-cumulation clause referred to in Section 1.6a of the WNT and Section 5, subsection 1, sub n and o of the 'Uitvoeringsregeling WNT'. Consequently, we have not verified whether or not a senior official has exceeded the norm of maximum remuneration due to possible employment as senior official at other institutions subject to the WNT, and whether the WNT-disclosure as required in relation to this clause is accurate and complete.

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 the information as required by the Guideline for annual reporting 650 'Fundraising organisations' of the Dutch Accounting Standards Board.

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 management board is responsible for the preparation of the other information, including the Management Board report in accordance with the Guideline for annual reporting 650 'Fundraising organisations' of the Dutch Accounting Standards Board.

Description of responsibilities regarding the financial statements

Responsibilities of the management board for the financial statements

The management board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 'Fundraising organisations' of the Dutch Accounting Standards Board and pursuant to the requirements of the Wet Normering Topinkomens (WNT, Act on limiting the remuneration of senior officials in the public and semi public sector).

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

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

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 the Dutch Standards on Auditing, the Regeling Controleprotocol WNT 2023, 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 management board;

- concluding on the appropriateness of the management board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 an 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.

We communicate with the management 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.

Amsterdam, 12 April 2024

Mazars N.V.

Original was signed by drs. M van Dijk RA