

Solidaridad

SOLIDARIDAD EUROPE

ANNUAL REPORT 2022



Approved by the European Continental Supervisory Board, dd April 3, 2023.

Cover photo: © Mascha Alexandrova / Solidaridad

On Black Friday, Solidaridad opened the Signastore in Utrecht to collect as many signatures as possible for the [Good Clothes Fair Pay petition](#).

TABLE OF CONTENTS

FREQUENTLY USED ABBREVIATIONS	4
PREFACE	5
1. MISSION, VISION AND VALUES	8
2. KEY RESULTS 2022	10
3. CONTEXT: WAR IN EUROPE LEADS TO HIGH FOOD AND FERTILIZER PRICES	12
4. GOALS AND ACHIEVEMENTS	14
4.1 Our strategy	14
4.2 Annual Plan 2022	15
4.3 Policy Influencing	16
4.4 Corporate Engagement and Partnerships	18
4.5 Communications and Campaigning	20
4.6 Donor Relations	22
4.7 Knowledge Management and Learning	23
5. GOVERNANCE, RISKS & OPERATIONS	25
5.1 The global Solidaridad Network	25
5.2 Report of the European Supervisory Board	27
5.3 Solidaridad staff	31
5.4 Risks and risk management	33
5.5 Integrity and Code of Conduct	34
5.6 Environment	35
6. FINANCE	36
6.1 OUR FINANCES	36
6.2 FORWARD LOOKING STATEMENTS	40
6.3 ANNUAL ACCOUNTS	41
BALANCE SHEET ON 31 DECEMBER 2022	41
STATEMENT OF INCOME AND EXPENDITURE FOR 2022	42
CASH FLOW STATEMENT FOR 2022	43
GENERAL NOTES TO THE ACCOUNTS	44
ACCOUNTING PRINCIPLES OF VALUATION AND DETERMINATION OF THE RESULT	44
SPECIFIC NOTES TO THE ACCOUNTS	46
SPECIFICATION AND BREAKDOWN OF COSTS BY CATEGORIES	60
AUDITOR'S REPORT	64

FREQUENTLY USED ABBREVIATIONS

ASGM	Artisanal and small-scale gold mining
CBF	Central Bureau on Fundraising
CSB	Continental Supervisory Board
CSDDD	Corporate Sustainability Due Diligence Directive of the European Union
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
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
MFA/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 support centre
RSPO	Roundtable on Sustainable Palm Oil
RVO	Netherlands Enterprise Agency - a Dutch government agency
SME	Small and Medium-sized Enterprises

PREFACE

2022 was undeniably a year with horrifying global challenges. The effects of climate change, conflict, growing inequalities and uncertainties are having a greater impact than ever on smallholder farmers, workers, and miners. Despite this difficult state of affairs, I remain optimistic. This feeling of optimism is supported by the positive impact we make with our partners and the invaluable encounters I've had with farmers and workers over the last year.

People like Fatma Rashid Soud (21) who received support to start her own agricultural business in Zanzibar, together with other young people; Vera Dede Narh (32) who passionately advocates for clear land rights in her cocoa community in Ghana; and Pravin Gawande (40) who switched to regenerative agricultural practices, bringing down costs and increasing soil fertility, yields and biodiversity. Although they still struggle to make ends meet, their vigour and hard work give hope that we can remain optimistic in the face of these global challenges.



From left to right: Fatma Rashid Soud, Vera Dede Narh, and Rita and Pravin Gawande. © Heske Verburg/Solidaridad

Moreover, their stories and their strength inspire me and my colleagues to keep working to gain recognition for these people's key role in our global economy, and to continue to stress that we all have a responsibility for change. We are very lucky and grateful not to be alone on this journey. In this report we will look back at how our partners - donors, supporters, companies, research institutions, policymakers - have contributed to our work in 2022. In this preface I would like to share some highlights already.

Transitioning towards a carbon neutral economy

Smallholder farmers, like Rosa Betancur in the video below, are among those most affected by climate change. At the same time, they play an essential role in the transition to a carbon neutral economy. We are immensely thankful to the participants of both the [Dutch Postcode Lottery](#) and the [German Postcode Lottery](#) for contributing funds that allow us to fulfil a major goal. Our partnerships provide smallholder farmers with the opportunity to receive a financial reward from the international voluntary emission market for their role in storing carbon in their trees and soil. This would not have been possible

without the [Acorn](#) initiative powered by Rabobank. Together we have ambitions to connect 3 million smallholder farmers to carbon markets in the course of the next decade.



Video: Climate solutions in action: ACORN platform enables farmers to capture and trade carbon emissions.

© Solidaridad

Driving change in partnership with service providers, financial institutes, companies and governments

Global supply chains are not profitable for producers and their workers, nor are they socially responsible or environmentally sound. Drivers who can make a difference are service providers, financial institutes, companies and governments. We amplified this message last year in the [2022 Cocoa Barometer](#) that we developed together with the VOICE Network, in the first ever global [Palm oil Barometer](#), and in various consumer campaigns, such as the Good Coffee campaign funded by the International Labour Organization (ILO). It all comes down to the urgent need to include producers in the global market.

I would like to praise our partners and collaborators for their contributions so that farmers, workers and miners receive a fair return for their work. Our public-private partnerships are essential in our work towards driving sustainable change. The Netherlands Enterprise Agency (RVO) remains a key partner for us. Our partners also include [Hunkemöller](#) and H&M, with whom we work in Bangladesh and China on promoting labor rights for workers in their suppliers' factories. Also [Henkel](#) and Colgate-Palmolive, who take their responsibility in making an effort to source smallholder-inclusive, sustainable palm oil in Asia, Africa and Latin America. And [Kering](#), with whom we're developing safer and more dignified working conditions for mine workers in Tanzania, while pushing traders to pay fair prices. These are just a few examples of the diverse and ambitious partnerships we have with corporate partners in Europe and in producing regions.

Stepping up efforts to regulate supply chains and protect smallholder farmers, workers and miners

Governments in Europe took various steps last year towards mandatory frameworks, holding companies responsible to undertake due diligence in their supply chains related to human rights violations and deforestation. While we very much welcome these steps, we must continue to stress that the legislation will create tremendous challenges for many millions of smallholder families in sectors like coffee, cocoa, palm oil and rubber. Only when the regulation supports producers in the global South and addresses the root cause of human rights violations and deforestation - which is poverty - can it be fully inclusive and sustainable. We are grateful to our coalition partners, including Fern, Rainforest Alliance, the Fairtrade Advocacy Office and MVO Platform, for our joint efforts towards inclusive and fair legislation.

Making living income and living wages a reality

Companies and EU policy makers alike have an instrumental role to play in making living income and living wages – a human right – a reality in global value chains. In 2022, we worked hard on this, directly lobbying the EU, as well as raising awareness with our joint campaign Good Clothes, Fair Pay, that advocates for living wages in the textile sector.

What's next?

The year ahead promises to be another challenging one, but we hope we can continue to count on our partners to take action! On that note, I'm extremely honoured to mention that the [Netherlands Ministry of Foreign Affairs](#) has committed to fund our seven-year Pathways to Prosperity programme (2023-2029), as well as Acting Now, a new programme focusing on food security in Africa together with our partner Agriterria. A big thank you to all our donors and supporters for your continued support and trust in Solidaridad!

Sincerely,



Heske Verburg
Managing Director
Solidaridad Europe

1. MISSION, VISION AND VALUES



Women and youth in coffee production, Tanzania © 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. Although in Europe we do not directly collaborate with these target groups, all our activities are aimed to make an impact for these - still often marginalized - groups, with a special emphasis on women and youth.

Whilst we work in more than 40 countries through independently managed regional offices (eight in 2022; seven in 2023 due to the merger of Solidaridad South America and Central America), we share a commitment to a common set of values within the Solidaridad Network.

VALUES



SOLIDARITY

We are faithful to the name of our organization in deeply rooted solidarity with the poor.



SOLUTIONS

We are pragmatic problem solvers.



IMPACT

We are impact-driven and fully committed to achieve change that matters.



INTER-DEPENDENCE

We are dependent on each other and on the planet, so we need to collaborate.



INNOVATION

We believe continuous learning and development adds value and leads to positive change.



INCLUSIVITY

We believe everyone has the potential to contribute and the right to be heard.



INTEGRITY

We adhere to the highest ethical principles and professional standards.

2. KEY RESULTS 2022



A dairy farmer brings her milk to the dairy collection unit and gets paid directly through a mobile app. Mobile payments give her direct access to the revenue. Previously, her husband would have received the payment in his bank account. Bangladesh © Aidan Dockery / 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 2022 results.

Overarching Strategic Objectives	KPIs	(Cumulative) Target 2025	Target 2022	Result 2022
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
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 ²	30	5	4
	# (and type of impact) of corporate partners that have improved their sustainability policies/practices and/or implement inclusive business models ³	60	46	51
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 are produced sustainably	80,000	16,000	173,436
4. A steadily growing and diversified stream of income is secured to ensure the implementation of Solidaridad's global MASP	# euros annual Solidaridad Europe income in 2025 ⁴	EUR 62,5M ⁵	EUR 38,85M	EUR 37,79M (NL) EUR 38,06M (EUR)
	% of Solidaridad Europe income which does not derive from Dutch government ⁶	50% ⁷	30%	36%
5. Solidaridad is a learning organisation 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	At least 75/100	62.15% for NL 100% for DE
	score on Learning Organization Review ⁹	At least 75/100	At least 64/100	64/100

¹ Contributing to MASP Network Indicator

² Contributing to PoV indicators

³ 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).

⁴ Includes ALL income for REC Europe, raised from all donor targets as well as any interest or any other income that may be.

⁵ Yearly income in 2025, not cumulative. Baseline: EUR 34,648,000.

⁶ The Dutch government is defined as MFA/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.

⁷ Baseline 36%.

⁸ Measured annually, part of the Employee Engagement Survey

⁹ Annually staff will be asked to assess the day-to-day practices, processes and attitude of staff and managers that bring a learning culture to life, to assess the leadership and strategic direction with regard to learning, and to assess to what extent tools, procedures and technical, physical, and financial resources have been put into place to support learning. In an online survey, staff will be asked to score 14 statements on a scale from 1 to 5.

3. CONTEXT: WAR IN EUROPE LEADS TO HIGH FOOD AND FERTILIZER PRICES



Kate Okyeso's small agri input business is highly impacted by the higher costs of fertilizer and pesticides. MASO, Ghana © Chikis Studios / Solidaridad

In Europe we are highly dependent on trade to fulfil our daily needs. Tropical commodities play a key role in our consumption patterns. No day passes without consumption of coffee, cocoa, palm oil or tea. Where would we be without the producers of those tropical commodities? What would we be wearing without the cotton farmers and workers in the garment industry? They produce our clothes. How would we communicate without our mobile phones and laptops, which contain minerals essential to their functioning? Our daily well-being depends on billions of smallholder farmers, miners and workers in the agricultural, industrial and services sectors in producing countries outside of Europe.

Far from rewarding the producers for their efforts, European market actors continue to extract too much value from local communities and ecosystems. In doing so, they do not take external costs into account, such as the use of natural resources, a fair price paid to the farmers, and a living wage. As a result, many farmers, workers and miners in producing countries live in poverty. In the meantime, our biosphere and atmosphere are degrading rapidly.

In February 2022, Europe was shocked by the start of an international war on the continent. The conflict in Ukraine in the aftermath of the Covid-19 pandemic has shed further light on how unequal - as well as interdependent - our global economy is. Smallholder farmers and rural families in particular are severely affected by the rising food and fertilizer prices.

At the same time, we see an unstoppable movement towards net-zero, living wage and income commitments, as well as regulatory frameworks supporting this positive trend. European deforestation regulation has been adopted, and EU legislation on responsible business conduct (CSDDD) is on its way. We must make sure that a smart mix of measures - legislation, voluntary initiatives, supporting policies - are in place to ensure all products sold on the European market are produced in a sustainable way, and the producers in these value chains are rewarded with a fair say and a fair pay.

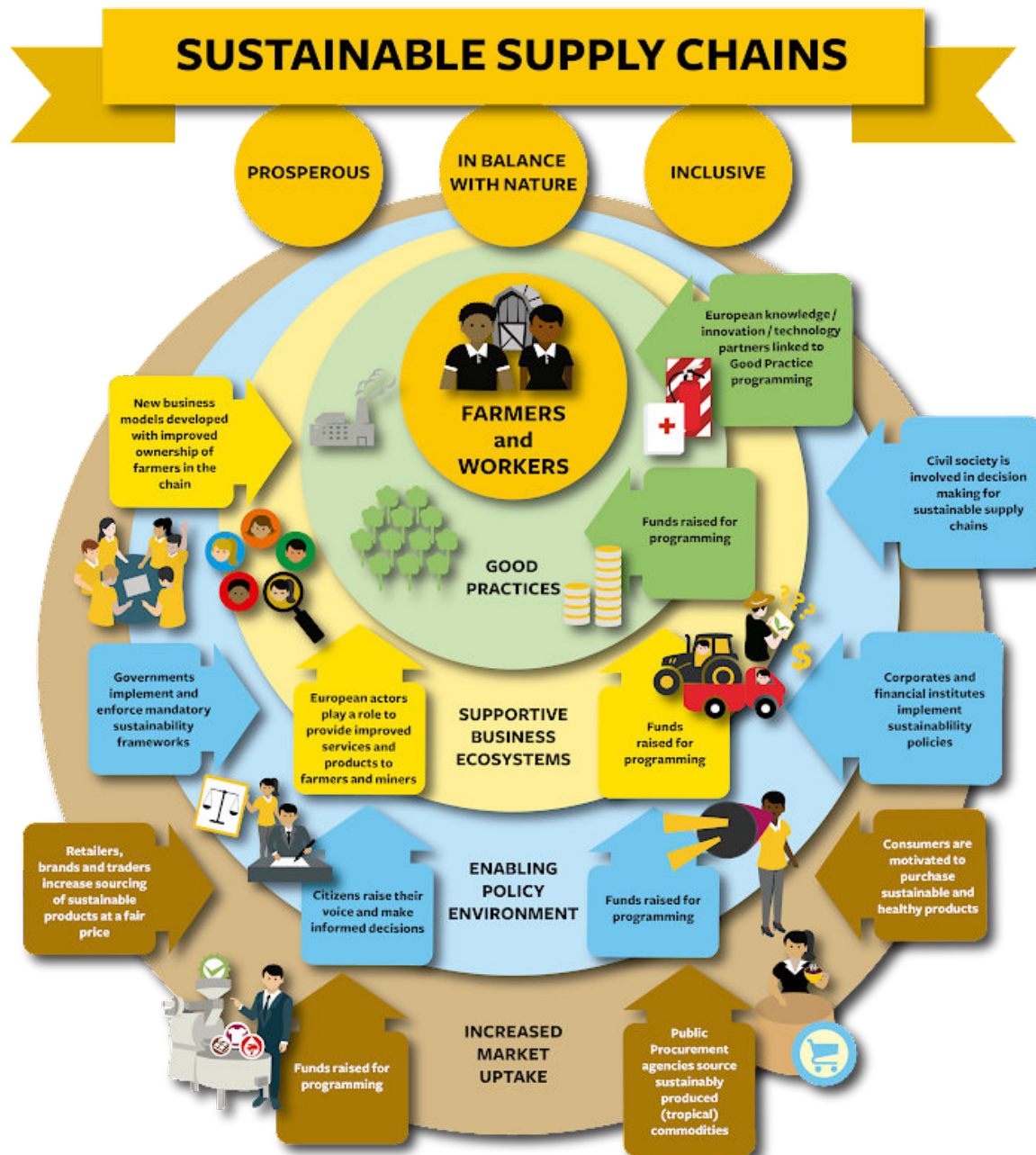
A part of the European consumers are increasingly aware and open to purchasing high-quality, sustainably sourced products. At Solidaridad, we also see that citizens respond positively when we encourage them to hold policy makers accountable for the sustainability of the products sold on the European market.

Solidaridad Europe generates support and commitments for making international value chains more sustainable, with a focus on improving the livelihoods of farmers, miners and workers in producing countries beyond Europe's borders. Developing mutually beneficial partnerships is the single most important aspect of our work in Europe. As such, we partner with hundreds of players across global value chains, from donors and companies to knowledge institutes and civil society organizations. With offices in the Netherlands and Germany and partnerships in various European countries, there are ample opportunities for us to explore; these are geared at influencing corporations, governments and citizens to take up and commit to more sustainable value chains.

4. GOALS AND ACHIEVEMENTS

4.1 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.



4.2 Annual Plan 2022

Hocus, pocus, focus: it is very important to focus for an organization full of passionate professionals, with ample opportunities available to make the world a better place. That is why we defined a number of **priorities for 2022:**

1. Consolidate the base by delivering on our partnerships and programmatic objectives

As our results in the chapters below reflect, we successfully built on a wide variety of impact partnerships. At the same time, although we faced some severe challenges on the European labor market amidst a post-Covid wave of resignations, we managed to improve our scores of being a great place to work. Multiple colleagues made use of our international mobility programme and benefited from our established learning carousel.

2. Diversify and grow funding

We succeeded in our 2022 ambition to extend the partnership with the department of Sustainable Economic Development of the Dutch Ministry of Foreign Affairs. We also managed to significantly grow our income compared to the last few years, mainly thanks to the generous contribution of the Postcode Lottery for our winning From Climate Victims to Climate Heroes proposal, combined with a number of other new contracts we signed. We strengthened our donor relations across Europe, especially in Germany, the UK and the Nordics, leading to a promising pipeline for 2023. We also supported other regional expertise centres in their income growth.

3. Strategic partnerships with the private sector

We enriched our partnerships into more strategic and impactful engagement, expanding our contacts beyond CSR staff to commercial and managing decision makers, and increasing globally aligned partnerships. We developed appealing propositions, for example, with regard to paying for ecosystem services and regenerative agriculture.

4. Stay ahead!

We consolidated our position as an innovative leading European CSO by building on strategic partnerships with like-minded organizations across Europe, like Rikolto in Belgium and DIEH in Denmark. Together with a coalition of partners, we launched the [Good Clothes, Fair Pay](#) campaign and formed a broad European coalition for an EU DEAR (Development Education and Awareness Raising) sustainable consumption campaign proposal. We published our first [Palm Oil Barometer](#), a valuable addition to our family of publications.

4.3 Policy Influencing

Supporting the inclusion of smallholder farmers in European legislation

The Policy Influencing team is advocating for the adoption of international supply chain legislation that will have a positive impact on smallholder farmers, workers, miners, and the environment. In 2022 the European Union took several important steps in the process of adopting legislation, and several of our recommendations on smallholder inclusiveness, and on partnerships between the EU and producing countries were included.

In 2022, we focused on driving more ambitious due diligence legislation in the European Union, particularly through the Corporate Sustainability Due Diligence Directive (CSDDD) proposal and the Deforestation Regulation. In our European advocacy we work with partners including Fair Trade Advocacy Office, Fairtrade International, Fern, Rainforest Alliance, and Tropenbos International. In cooperation with these partners, we held meetings with decision makers, sent letters, developed position papers, formulated recommendations and amendments, and generated media attention. Our work also included a role in the EU Cocoa Coalition, where we worked with companies including Nestlé, Mars, and Mondelez, as well as CSOs to share joint recommendations. Furthermore, we collaborated with MVO Platform and MVO Nederland, with the aim of influencing Due Diligence policies and legislation in the Netherlands.

Huge battle for a CSDDD with real impact

The European Commission published a proposal for a Corporate Sustainability Due Diligence Directive, including some good intentions but with the risk of failing to improve the livelihoods of smallholder farmers, workers and miners at the beginning of our global supply chains. We had some success in approaching key members of the European Parliament to include Solidaridad's recommendations, such as the addition of the human right to a living income, enhancing engagement with suppliers, and the inclusion of purchasing practices to the duties of due diligence.

Small steps in smallholder inclusion in Deforestation Regulation

In the last two years we have successfully managed to put the importance of smallholder inclusion on the policy agenda for the deforestation regulation. In 2022 we were very successful in convincing the European Parliament to support a large number of amendments we had proposed. Unfortunately, only a few of them actually 'survived' the Trilogue process and reached the final regulation. This means that the risk of excluding smallholders from supply chains in Europe is still very real.

Influencing Multi Stakeholder Initiatives

For many years Solidaridad has played an important role in advocating for improved private sector sustainability policies in a range of Multi Stakeholder Initiatives in various sectors. In the Roundtable on Sustainable Palm Oil (RSPO) we successfully lobbied for the reinstatement of the Smallholder Support Fund for certification and livelihood activities of thousands of smallholders. And in the RSPO Complaints Panel we have contributed to the settlement of cases that resulted in the improvement of labor conditions for thousands of plantation workers.

Barometers

The launch of the first ever [Palm Oil Barometer](#) in 2022 challenged the negative public discourse in the media that “palm oil in itself is bad”. We gave voice to the smallholders for whom the oil palm has proven to be essential in escaping poverty. Mainstream media finally reported that sustainability in this major agricultural value chain should not be looked at one-sidedly, but from a broad sustainable development perspective. This is a first step in nuancing the debate on palm oil in Europe. Via press engagement we potentially reached 38.5 million citizens worldwide, of which 10.4 million in European media.



The Cocoa Barometer 2022 was well received in the cocoa and chocolate sectors and created substantial publicity; find out more in the Communications & Campaigning section below.

Responsible Purchasing Practices

In the textiles sector we also looked at corporate purchasing practices as a way to work towards a more balanced supplier-buyer relationship, which is instrumental in the realization of living wages for textile workers. We started with the Learning and Implementation Community of the Common Framework for Responsible Purchasing Practices, developing training materials and tools, and actively guiding three textile brands in their journey.

Lessons learned

- To successfully influence EU legislation, it is crucial to work in coalitions with like-minded CSOs and companies that share our ideas for smallholder inclusive legislation. During the past two years, we managed to build effective - and successful - coalitions for our lobby and advocacy work in Brussels.
- We have always advocated for a smart mix of measures, with legislation being one of the ingredients of this smart mix, in addition to a range of other measures including voluntary initiatives, partnerships with producing countries, sustainability in trade agreements, etc. Currently there is a lot of attention for legislation, which seems to come at the expense of attention for other necessary measures.
- The risk of smallholder exclusion due to the implementation of the new Deforestation Regulation is still very real. We managed to get broad attention for this issue as well as support for measures from a majority of the European Parliament. But as many of these proposals did not reach the final compromise, the risk that smallholder farmers will be excluded from the EU market is real. Solidaridad and its partners will need to keep this issue on the agenda in the coming years and continue to ask for action.

4.4 Corporate Engagement and Partnerships

Value chain partnerships for sustainable production

Solidaridad Europe aims to build and maintain impactful partnerships with the private sector to create inclusive and sustainable supply chains. We worked with 51 corporate partners on implementing sustainable policies, practices and inclusive business models in Europe, Asia, Latin America and Africa.

Corporate partnership objectives

Key objectives for corporate engagement in 2022 were to expand our partnerships into more strategic, globally aligned partnerships with ambitious long-term commitments, and to develop value propositions and solutions to ensure that European market actors pay for sustainability.

Strategic and supply chain partnerships

We further expanded and deepened our long-term strategic partnerships with Henkel, Syngenta, Kering, and Stahl. Expected EU regulation on the import of deforestation-free products, and higher standards for transparency and traceability in the value chain are important drivers for companies to develop more sustainable sourcing practices. Moreover, agricultural input suppliers expanded their offer and services to farmers. This contributed to strengthening the position of smallholder farmers in the supply chain in Africa, Asia and Latin America.

We developed an internal long-term vision on the role of the retail sector in fair food systems, and started a collaboration with Question Mark and Oxfam Novib on the Superlist - a retail sustainability benchmark. Simultaneously we collaborated with several European retailers on environmental and social issues. In the Netherlands we entered into a new partnership with Albert Heijn Foundation to support their fruits and vegetables suppliers in Latin America and Africa with local community development.

Paying for ecosystems services

Solidaridad and partners Cool Farm Alliance, Fair Food, Rabobank/Acorn and &ranj were awarded 12.7 million euros by the Dutch National Postcode Lottery for our proposal "From Climate Victims to Climate Heroes". This five-year programme fights climate change and poverty, by collaborating with cocoa, coffee and fruit producers in Colombia, Kenya, Nicaragua and Uganda. We aim to improve farmer incomes by connecting them to the international carbon market through the Rabobank/Acorn platform. Acorn is the first global direct trade platform that allows companies and consumers to offset their emissions through agroforestry on smallholder farms. In addition, we are developing propositions for companies to limit the climate impact of their suppliers through insetting.

Access to finance

PlusPlus¹⁰ offers alternative access to finance to SME food companies in low and middle income countries. In 2022 PlusPlus disbursed € 752,000 to 40 enterprises; 16 of these enterprises were

¹⁰ A crowdfunding platform that invests in agri-entrepreneurs in developing countries, established by Solidaridad, Lendahand, Cordaid and Truvalu. www.plusplus.nl

onboarded as new clients in 2022, creating 93 jobs and helping 6,027 farmers with more stable demand for their products.

Achmea Foundation disbursed a loan of € 63,320 to a palm oil regional support centre (RSC) in Ghana which provides (credit) services to farmers. In total four RSCs received training in financial literacy. Furthermore, € 71,187 was disbursed to a Tanzanian development bank that will lend it on to youth dairy farmers.

Collaborations in diverse sectors around the globe

We engaged with various corporate partners on decent labour practices and fair wages in the gold, cocoa, leather, textiles, fruits and vegetables sectors.

We continued our collaboration with Kering on the women empowerment project in (gold) mining communities in Ghana, supporting women in starting and strengthening their businesses. Kering invited us to submit an additional proposal to continue the collaboration. We also designed a sourcing model for artisanal and small-scale gold mining (ASGM) and its integration in the formal international market.

Collaboration with Dutch start-ups brought innovative solutions to our field operations, such as Cooloo (a circular concept to use leather waste streams), Salt Doctors (testing saline agriculture in Kenya), Solynta (testing potato seeds for smallholder farmers in Mozambique), Kumasi (a natural soft drink bringing extra income to cocoa farmers), and Café del Mar (with their own fair trade plus concept in coffee).

Together with Stahl we managed to get co-funding for our leather programs in India. In addition, FVO granted us a subsidy to implement a PPP with Dugros and Cooloo in the leather sector in Kolkata. In Bangladesh, we successfully finished a project with TEWEGA and we started the discussion for a scale up of that project in 2023.

We managed to run several programmes with G-Star, Hunkemöller, Zeeman, and America Today on more inclusive and sustainable textile value chains. The Better Mill Initiative was launched in Bangladesh and we conducted company training on the impact of purchasing practices using the common framework for responsible purchasing practises. We also faced an unforeseen challenge: our PPP with Hunkemoller in Myanmar needed to be adapted due to the conflict in the country, and will now be implemented in China.

Lessons learned

- The changing regulatory environment in Europe on due diligence and deforestation motivates corporations to reach out to us.
- The quality of data collection methodologies is crucial for corporate partnerships. The RECLAIM Sustainability! programme provides an excellent base to design traceability and data collection methodologies.
- The collaboration between Solidaridad's regional teams to deliver on partnership projects is crucial. The added value of the CEP team is to be close to the corporate account managers and

their markets. We support with translating their plans and needs into opportunities for collaboration in low and middle income countries.

4.5 Communications and Campaigning

Communication for change by governments and companies

The Communications and Campaigning team supports the Policy Influencing and Corporate Engagement teams with impactful communication and campaigns. We aim to stimulate governments and companies to create change; for example, by activating citizens to raise their voices on sustainability issues. The team also mobilizes funding from individual donors in the Netherlands, and maintains the relationship with the Dutch National Postcode Lottery. As a result of our work in 2022, online media publishing about Solidaridad's work represented a potential audience of 868 million unique visitors¹¹, which resulted in almost 173,436 actions, mainly on social media. The team contributed to acquiring a record amount of funding from individuals.

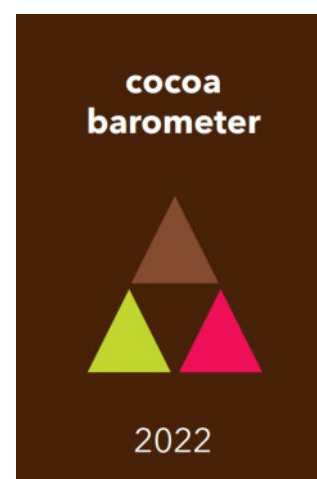
Influencing policy

In 2022, we supported the Policy Influencing team in their advocacy efforts around the EU CSDDD and deforestation legislation. We published various impactful articles, distributed mailings and promoted reports including the first ever Palm Oil Barometer; find out more in the Policy Influencing section above.

In the cocoa sector we focused on creating broad support among key stakeholders for the recognition that without cocoa price interventions, a living income for cocoa farmers can not be achieved. The [2022 Cocoa Barometer](#) included a clear message on the need for companies to change their purchasing practices and include pricing interventions as part of their sustainability strategy. The [hybrid launch event](#) - for which over 500 people registered - took place simultaneously in Ghana and Montpellier, and ensured representation of farmer representatives in Ghana. Press engagement resulted in the publication of 160 articles on media platforms such as Bloomberg, Reuters, World Economic Forum and The Guardian, representing a potential reach of 238 million citizens worldwide, of whom almost 117 million through European media.

Mobilizing companies

Together with the Corporate Engagement team we aim to spur European companies to pay for sustainability. In 2022, we developed various communication products with our corporate partners, in which we compliment them for being frontrunners. Hereby we also strive to stimulate their competitors to gain an insight into how they can implement more sustainable policies and practices, as well as adopt more inclusive business models.



¹¹ Potential online reach, measured through Meltwater

Furthermore, we launched a number of field videos with partners, such as with [Aldi](#). We also inspired companies in various industries to take action, such as sourcing sustainable textiles in Ethiopia via our [EU-funded Bottom-Up! programme](#), and purchasing good coffee via our [ILO-funded 'Good Coffee' campaign](#). All these activities included press engagement.

Activating citizens

The [Good Clothes Fair Pay Campaign](#) was undertaken in coalition with ASN Bank, Fair Wear Foundation, Fair Trade International, Fashion Revolution, and the union CNV. This campaign, being a European Citizen Initiative (ECI), supports the lobby towards EU living wage legislation in the garment industry, and aims to collect one million signatures from EU citizens by July 2023. We developed a campaign on social media to collect signatures directly by engaging influencers and the press. In addition, we created further awareness and PR for this campaign through the opening of a special pop-up store, called **Signastore**, in a busy shopping street in Utrecht, the Netherlands, on Black Friday. The campaign had a potential reach of more than 8.5 million people in the Netherlands, and delivered 5,135 signatures directly.



Furthermore, with our **pop-up BitterSweet restaurant** in Amsterdam we drew attention to the often not-so-sweet situation in which many makers of the ingredients of these desserts find themselves. The campaign reached 444,846 and activated more than 18,000 people through our online channels, such as supporting our social media posts around the campaign and ordering the BitterSweet Magazine which accompanied the initiative.

Fundraising

It was not an easy year for individual fundraising, with increasing conflicts and unrest in the world which caused inflation everywhere, including in the Netherlands. Many Dutch households were personally affected and saw their purchasing power go down. Despite this situation, the team managed to mobilize € 928,310 worth of donations from individuals; this figure was slightly above the expected income.

One of the fundraising milestones in 2022 was being awarded the Dream Fund by [the Dutch Postcode Lottery](#) for our 'From Climate Victims to Climate Heroes'-proposal, contributing over € 9.5 million to our 2022 income. With this tremendous funding we have the opportunity to connect farmers in Colombia, Kenya, Nicaragua and Uganda to carbon markets in the course of the next nine years. The additional income they will earn from this is expected to improve their livelihoods and quality of life.

Learnings

- When organizing the Cocoa Barometer launch event we followed the learnings of the Palm Oil Barometer launch event, i.e. the presence of smallholder farmers themselves exemplified the need for change in a very realistic and authentic way.
- When developing the 'Good Coffee'-campaign, we learned that behavioral change is hard to

measure right after the campaign. This change may occur months, perhaps even years, after the campaign has taken place, and needs to be kept continuously top-of-mind with repetitive messages. This is the reason why we decided to continue the campaign in 2023.

4.6 Donor Relations

Working through Public Private Partnerships

The aim of the Donor Relations team is to grow and diversify Solidaridad's income, and build and maintain trustful relationships with our donor partner community. We do this with, for, and on behalf of the entire Solidaridad Network.

Main developments and results

We are proud of our achievements in 2022, and made particular progress on our growth targets. Our Pathways to Prosperity programme in particular, supported by the Netherlands Ministry of Foreign Affairs, provides long-term support to our network and will allow us to bring our work to scale. In addition, the food security top-up to this programme will allow us to respond quickly to the food insecurity situation in various African countries.

We are also proud of the increased visibility in Germany, resulting in an increased number of partnerships with German stakeholders. The German Postcode Lottery became an instrumental supporter of our work, and relationships with German development organization GIZ are stronger than ever before. We also maintained and built our relations with other partners, such as Sida, Danida, the EU, and the UK government.

Recognizing that our proposition strongly matches the priorities of our donor partners, we are confident that our proposals will create more support for our work in 2023. We have intensified our relationships with various foundations, such as GSRD Foundation, and developed a new foundation engagement strategy which we will implement from 2023 onwards. Working through Public Private Partnerships remains our bread and butter, and our relationship with the Netherlands Enterprise Agency (RVO) is instrumental in this. We closed various projects in 2022, such as an RVO-supported food security programme, focussing on coffee farmers in Ethiopia and Kenya where 126,343 smallholder coffee farmers (25% female) had their capacity enhanced through training in coffee agronomy and diversification with nutritious food crops and dairy.

Learnings:

- Our fundraising successes are about financial support, but more than anything about a recognition that our work is relevant and needed. Recognizing that our proposition (focussing on smallholder inclusion, economic development, and climate adaptation and mitigation) is indeed central to our donors' priorities was a key learning. This was also confirmed in our end-of-year partnership survey, where our donors confirmed the clear added value of Solidaridad to their priorities.
- We learned that the Solidaridad network is maturing. Other Solidaridad offices are increasingly successful in fundraising. The European office can now focus on large-scale global tickets, as well as a renewed push to do more fundraising for our policy and campaigning work in Europe.

- We learned that working in partnerships remains central to our approach and DNA, but also brings additional dimensions to managing our projects. Working with partners can lead to additional management challenges. Being clear and transparent towards partners on why we cooperate and how remains essential.

4.7 Knowledge Management and Learning

A Catalyst for Creating A Learning Organization

The Knowledge Management and 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 contribute to more relevant and effective programming and continuous improvement in the organization.

Continuous attention to PMEL in our programming

In 2022, we provided advice during the development of new proposals, among which the successful Pathways to Prosperity proposal to the Dutch Ministry of Foreign Affairs. Our advice helped to improve Theories of Change, logframes and monitoring frameworks. In addition, we supported monitoring and evaluation processes in ten running projects funded by European donors and corporate partners. Big tickets were the RECLAIM Sustainability! projects in Europe, the From Climate Victims to Climate Heroes project, the NI-SCOPS project, the Bottom Up! project, and projects funded by our corporate partners Henkel and Syngenta. This work resulted in evidence-based accountability reports and learning for project adaptation.

Outcome Harvesting

We are particularly positive about the Outcome Harvesting methodology which the KML team introduced in the Policy Influencing team. We learned that this methodology helped us formulate the outcomes of our policy influencing work in a much sharper way, and to be more explicit about the significance of the recorded changes and our contribution to them. This generated important learnings related to the effectiveness of our key policy influencing strategies. Based on the successful pilot in 2022, we decided to start using this methodology in the Corporate Engagement team in 2023, as this may help us capture the results of our change agenda with corporations more effectively.

Learning agendas help to be more effective

Furthermore, we supported various learning agendas, both thematic learning agendas at Network level (e.g. Climate Finance & Fair Value Distribution) as well as team learning agendas at Solidaridad Europe. Within the framework of these learning agendas various knowledge products have been produced. These include track records on child labor and food security, a European vision on retail, a Pricing Research paper, an agroforestry research, Solidaridad Network perspectives on Fair Value Distribution, and a guidance paper on the Cool Farm Tool.

In addition, the team facilitated various strategic learning events like the Solidaridad Yellow Week, the Annual Retreat, a workshop with Rikolto to identify opportunities for closer collaboration and reflections on our Public Private Partnerships, and the Gold Covenant. All these knowledge products and learning

sessions generated insights that helped the organization to implement its core activities more effectively.

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. This was also confirmed by the annual survey in which we ask all staff to score the learning culture, leadership for learning, and tools and resources for learning.

5. GOVERNANCE, RISKS & OPERATIONS

5.1 The global Solidaridad Network

Solidaridad is an international network organization with offices across the globe. The Solidaridad Network consists of eight regional expertise centres located in Asia, South America, Central America, North America, Southern Africa, East and Central Africa, West Africa and Europe - each with their own specific expertise and focus (this refers to the situation in 2022; there are seven regional expertise centres in 2023 due to the merger of Solidaridad South America and Central America). 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 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. The chair of the EBoD is the Executive Director of Solidaridad Network, Jeroen Douglas. The members of the Solidaridad Executive Board of Directors in 2022 are: Shatadru Chattopadhyay (Asia), Rachel Wanyoike (East and Central Africa and Southern Africa), Michaelyn Baur (Central America and North America), Isaac Gyamfi (West Africa), Heske Verburg (Europe), and Gonzalo la Cruz (South America).



The Executive Board of Directors. From left to right: Gonzalo la Cruz (South America), Shatadru Chattopadhyay (Asia), Rachel Wanyoike (East and Central Africa and Southern Africa), Isaac Gyamfi (West Africa), Michaelyn Baur (Central America and North America), Heske Verburg (Europe), Jeroen Douglas, chair of the EBoD and Executive Director of Solidaridad Network. © Solidaridad

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 in the Global South. 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 the board of Solidaridad Germany (see also paragraph 7.4).

The International Supervisory Board appointed H.F. (Heske) Verburg as the first 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.

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 director 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.

5.2 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 2022, our CSB consists 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 2022 regarding the following topics: the 2021 Annual Report, the 2023 Budget, Solidaridad 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 2022. The audit committee also advised the CSB on the budget for 2023.

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 2022.

Name	Function	End of term	Education and positions
Jan Karel Mak	Chair	December 2024 (second term)	<ul style="list-style-type: none"> - MSc Environmental Sciences - Chair Supervisory Board Energy Cooperative Association HilverZon (Hilversum) - President VideowindoW B.V. (Delft) - Board member BiosanaPharma B.V. (Leiden) - Chair of Continental Supervisory Board Solidaridad Europe - Member International Supervisory Board Solidaridad - Member of Solidaridad Germany e.V.
Carlos Alva Nieto	Member	December 2023 (second term)	<ul style="list-style-type: none"> - 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)	<ul style="list-style-type: none"> - MSc Land Use Management, Wageningen University - PhD Public Administration, Erasmus University - Professor of Public Administration and Policy, Wageningen University - Member advisory council public administration and advisory council animal affairs Dutch Government - Crown appointed member of Social Economic Council (SER) - Member of Continental Supervisory Board Solidaridad Europe
Claire Gentil	Member	June 2025 (second term)	<ul style="list-style-type: none"> - MSc Pure Mathematics (France) - MSc Mathematical Logic (Netherlands) - Social entrepreneur, Founder of Claraprabana - Over 15 year Risk Management experience, in particular with Rabobank as regional Chief Risk Officer for the Netherlands and Africa - Member of Continental Supervisory Board Solidaridad Europe - Member of Solidaridad Germany e.V.
Martin Staehle	Member	March 2027 (second term)	<ul style="list-style-type: none"> - 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 Coppello	Member	August 2023	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - MSc Civil Engineering - University degree Development Studies - PhD Candidate 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 (chairman), Katrien Termeer, Marion Kappeyne van de Coppello, Martin Staehle. Kajsja 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 two times in 2022. The five members of the ISB are:

Name	Function in the board	Appointed per	Representing
Mariam Dao Gabala	Chair	22 June 2015 as chairperson, a member of the ISB since 18 December 2014	CSB Africa
Roxana Barrantes	Member	11 July 2018	CSB Latin America
Shahamin Sahadat Zaman	Member	19 December 2016	CSB Asia
Kannan Pashupathy	Member	5 June 2014	CSB North America
Jan Karel Mak	Member	10 December 2018	CSB Europe
Bernhard Roehrs (replacing Roxana Barrantes in 2022)	Member	10 February 2022	CSB Latin America

Management

Solidaridad in the Netherlands is managed by a statutory director, the Managing Director. H.F. (Heske) Verburg was appointed as Managing Director on January 1 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 October 1 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 2022 is €130,699 (excluding the employer's pension contribution). The income of Heske Verburg for 2022 was €122,859 (excluding the employer's pension contribution).

The Continental Supervisory Board approved this Annual Report on 3 April 2023.

Signed on original by:

Jan Karel Mak (chair)

Carlos Alva Nieto

Katrien Termeer

Claire Gentil

Martin Staehle

Marion Kappeyne de Coppello

Kajsa Johansson

5.3 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 chair of the Supervisory Board.

There are four HR-related topics that stood out in 2022: work-related stress; Diversity, Equity and Inclusion (DEI); recruitment; and personal development.

Our employee engagement survey showed room for improvement on the topics of work-related stress and personal development. Both topics now have their own action plan for improvement and they have explicitly and repeatedly been subject of conversation between staff members and their managers.

In 2022 we conducted an assessment of our internal Diversity, Equity and Inclusion. This was done with the help of an external consultant as well as input and support from (representatives of) the Workers Council, Management Team, and the Gender and Social Inclusion working group. This resulted in a DEI statement and an action plan for improvement. In 2023 we will seek ways to make it well-known among our staff.

We recruited and onboarded many new colleagues in the course of 2022; 17 new employees joined. We are happy to see that they all landed well in their teams and we are looking forward to seeing them grow and blossom at our organization. The goal of the diversity policy is that Solidaridad's staff should reflect the European population wherever possible.

HR figures	2022	2021
Number of staff	63	62
FTE under contract	59.1	55.4
Number of staff Female/Male	47/16	45/17
Average gross salary/FTE	€69,531	€62,794
Average age	39	42

Solidaridad has its own salary structure, 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.

Absence rates	2022	2021
Absence due sickness	3.8%	2.75%
Absence less than a week	1.1%	0.6%
Medium absence	0.8%	0.5%
Absence more than 6 weeks	2.0%	1.6%

5.4 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

1. Reputational damage, for example, resulting from partnerships with companies. Solidaridad has internal guidelines for non-disclosure agreements (NDAs) and memoranda of understanding (MoUs) with companies.
2. Illegitimate use of grant funds, which requires repayment of obligations to donors. The budget is approved by the Managing Director, and the segregation of duties in the project management is appropriate. With large grants, the suitability of expenditure is investigated by an external auditor.
3. The economic climate and the willingness of private individuals to donate. Solidaridad maintains quality marks, and periodic external audits ensure compliance.
4. The effects of Covid-19 on achieving our objectives, but also on the wellbeing of our local staff and the farmers, miners and workers we work with.
5. The unpredictability of government policies. Political decision-making – and available funding – are hard to predict, as are the political forces which affect partner companies. Solidaridad defines thematic areas and targets policy makers with the highest chance of success in the period to come.

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 investments 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.

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 on 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.

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 2015 the Continental Supervisory Board appointed Dubois&Co Registeraccountants as its external auditor. This appointment, which is reviewed regularly, covers the audit of the annual accounts as well as those for various projects. Dubois&Co Registeraccountants does not provide any non-auditing (e.g. advisory) services.

On request a more elaborate risk analysis can be shared.

5.5 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. Solidaridad has zero tolerance for not acting. Solidaridad will vigorously pursue disciplinary or any other actions necessary against perpetrators of any inappropriate behavior.

In 2022 zero integrity breaches were reported. The employee survey showed an overall score of 83% on Integrity and values, with 95% of staff indicating they feel they can raise any concern they have, and 97% indicating they would report a breach known to them. This suggests the integrity system is working 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.

5.6 Environment

Solidaridad minimizes the impact of its work on the environment as much as possible. We travel only when it is necessary. Furthermore, we do so by re-using materials wherever 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 Banco offset scheme in South America, supporting the Coffee of the Future initiative aimed at storing carbon. The 2022 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. We envision an integrated ESG report over 2023.

6. FINANCE



Bangladesh. © Aidan Dockery / Solidaridad

6.1 OUR FINANCES

Analysis of the results for 2022 in comparison to 2021 and the budget for 2022

The total income in 2022 was € 38,056,758; an increase of € 4,835,737 compared to 2021. Income from subsidies decreased by € 3,074,661 compared to 2021, and was € 1,431,402 higher than budgeted. Income from other fundraising increased by € 7,910,398 compared to last year, and was € 8,352,356 higher than budgeted.

The total expenditure in 2022 was € 38,135,212, which is € 5,012,152 higher than in 2021, and € 9,290,211 higher than budgeted. Of the total expenditure, € 37,084,015 was spent directly on our objectives. The costs of interest and investments was € 87,196. This has led to a negative result of € 165,649 in the statement of income and expenditure in 2022, where 2021 had a result of € 139,789. The result of 2022 is partially affected by the reserves for financing assets and innovations, leading to an addition of € 153,757 to the continuity reserve.

Historical summary

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

INCOME	2022	2021	2020	2019	2018
Fundraising	12,315,356	4,404,958	6,872,921	8,060,145	6,769,797
Subsidies	25,741,402	28,816,063	27,606,200	28,829,048	23,981,852
Other	-	-	-	-	759
Total income	38,056,758	33,221,021	34,479,121	36,889,193	30,752,408
EXPENDITURE					
Communication and information	620,474	527,608	582,373	765,105	631,680
Structural aid	36,463,541	31,644,862	33,734,272	35,226,363	28,762,170
Total expenditure on objectives	37,084,015	32,172,469	34,316,645	35,991,468	29,393,850
Costs of income generation	778,180	691,797	735,859	611,652	759,927
Costs of management and administration	273,017	258,794	209,306	204,202	207,392
Total expenditure	38,135,212	33,123,061	35,261,810	36,807,322	30,361,170
Result excluding interest	-78,454	97,960	-782,689	81,871	391,238
Interest and income from investments	-87,196	41,828	841,229	188,123	164,068
RESULT	-165,650	139,788	58,540	269,994	555,306

Policy on assets and investments

Solidaridad spent € 38 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 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.

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.

	2022	2021	2020	2019	2018
Total income	38,056,758	33,221,021	34,479,121	36,889,193	30,752,408
Total costs of income generation	778,180	691,797	735,859	611,652	759,927
<i>Costs of income generation as a percentage of income</i>	<i>2.0%</i>	<i>2.1%</i>	<i>2.1%</i>	<i>1.7%</i>	<i>2.5%</i>

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.

	2022	2021	2020	2019	2018
Total expenditure	38,135,212	33,123,061	35,261,810	36,807,322	30,361,170
Amount spent on objectives	37,084,015	32,172,469	34,316,645	35,991,468	29,393,850
<i>Spending ratio spent on objectives</i>	<i>97.2%</i>	<i>97.1%</i>	<i>97.6%</i>	<i>97.8%</i>	<i>96.8%</i>

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 not set a minimum ratio, because this percentage depends to a great extent on the type of organization.

	2022	2021	2020	2019	2018
Total expenditure	38,135,212	33,123,061	35,261,810	36,807,322	30,361,170
Costs of income generation	778,180	691,797	735,859	611,652	759,927
<i>Spending ratio costs of income generation</i>	<i>2.0%</i>	<i>2.1%</i>	<i>2.1%</i>	<i>1.7%</i>	<i>2.5%</i>

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

	2022	2021	2020	2019	2018
Total expenditure	38,135,212	33,123,061	35,261,810	36,807,322	30,361,170
Management and administration	273,017	258,794	209,306	204,202	207,392
<i>Spending ratio management and administration</i>	<i>0.7%</i>	<i>0.8%</i>	<i>0.6%</i>	<i>0.6%</i>	<i>0.7%</i>

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

Signing

The Managing Director composed this Annual Financial Report.

Signed on original by Heske Verburg on 7 April 2023.

6.2 FORWARD LOOKING STATEMENTS

Annual budget 2023

The budget for 2023 has been drawn up in the light of the objectives and priorities set out in our new MASP (multi annual strategic plan) for 2021-2025. The 2023 budget has been developed in the course of 2022 and is detailed in the Annual Plan for 2023. The 2023 budget was approved in the meeting of the Supervisory Board held on 7 December 2022. The income and expenditure statement for this budget is summarized below (in euros).

INCOME	Budget 2023	Budget 2022
Income from individuals	1,100,000	925,000
Income from companies	945,000	968,000
Income from Dutch Postcode Lottery	6,329,000	1,350,000
Income from government subsidies	29,556,000	24,310,000
Income from related organizations	31,000	128,000
Income from other non profit organizations	227,000	592,000
Total income	38,188,000	28,273,000
EXPENDITURE		
Expenditures on achieving our objectives		
Communication and information	806,000	812,000
Structural aid	36,745,000	26,777,000
	37,551,000	27,589,000
Costs of income generation	992,000	1,013,000
Costs of management and administration	270,000	243,000
Total expenditure	38,813,000	28,845,000
Result excluding interest	-624,000	-572,000
Interest and income from investments	11,000	17,000
RESULT	-614,000	-555,000

The amounts shown in this budget for contributions from governments, companies, the Dutch and German 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 2023 and that the budget will therefore be exceeded. The revenues from individuals, collection in churches, 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.

6.3 CONSOLIDATED ANNUAL ACCOUNTS

CONSOLIDATED BALANCE SHEET ON 31 DECEMBER 2022

(in euro after allocation of surpluses)

ASSETS	2022	2021
Tangible fixed assets	85,774	121,046
Financial fixed assets	637,173	532,466
	722,948	653,512
Receivables, prepayments and accrued income	7,704,574	8,427,348
Stocks and shares	-	98
Cash and bank balances	9,176,652	4,041,194
	16,881,226	12,468,640
Total assets	17,604,173	13,122,152
LIABILITIES		
Reserves and funds		
Reserves		
· Continuity reserve	7,209,677	7,055,920
· Reserve for financing operational assets	85,774	121,046
· Reserve for financing assets to meet our objectives	218,332	332,467
· Reserve for financing innovations	-	55,000
	7,513,783	7,564,433
Designated funds		
· Designated funds for grants received	100,000	200,000
· Designated funds for grants from lotteries	50,000	65,000
	150,000	265,000
Long-term debts	233,841	199,999
Short-term debts	9,706,549	5,092,720
Total liabilities	17,604,173	13,122,152

CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE FOR 2022

(in euro)

INCOME	Actual 2022	Budget 2022	Actual 2021
Income from individuals	928,360	925,000	1,199,620
Income from companies	996,602	968,000	1,232,881
Income from lotteries	9,758,931	1,350,000	1,350,000
Income from government subsidies	25,741,402	24,310,000	28,816,063
Income from related organizations	32,001	128,000	55,360
Income from other non profit organizations	599,462	592,000	567,097
Total income	38,056,758	28,273,000	33,221,021
EXPENDITURE			
Expenditure on achieving our objectives			
Communication and information	620,474	812,000	527,608
Structural aid	36,463,541	26,777,000	31,644,862
	37,084,015	27,589,000	32,172,469
Costs of income generation	778,180	1,013,000	691,797
Costs of management and administration	273,017	243,000	258,794
Total expenditure	38,135,212	28,845,000	33,123,061
Result excluding interest	-78,454	-572,000	97,960
Interest and income from investments	-87,196	17,000	41,828
RESULT	-165,650	-555,000	139,788
Allocation of surpluses			
Continuity reserve	153,757	-555,000	245,867
Reserves for financing operational assets	-35,272		-4,678
Reserves for financing assets to meet our objectives	-114,135		53,599
Reserves for financing innovations	-55,000		-5,000
Designated funds for grants received	-100,000		150,000
Designated funds for grants from lotteries	-15,000		-
Result	-165,650	-555,000	139,788

CONSOLIDATED CASH FLOW STATEMENT FOR 2022

(in euro)

	2022	2021
Cash flow from operational activities		
Surplus from the statement of income and expenditure	-165,560	139,788
Depreciation	58,849	57,374
Changes in working capital:		
· Short-term receivables	722,774	-4,883,966
· Short-term debts	4,613,829	-647,252
	5,229,802	-5,334,056
Cash flow from investment activities		
(Des) investments in tangible fixed assets	-23,577	-52,696
Changes in financial fixed assets	-104,707	-253,598
Changes in stocks and shares	98	-
	-128,186	-306,294
Cash flow from financing activities		
Changes in long-term debts	33,842	199,999
Changes in cash and bank balances	5,135,458	-5,440,351
Cash and bank balances		
Balance on 1 January	4,041,194	9,481,545
Balance on 31 December	9,176,652	4,041,194
Changes in cash and bank balances	5,135,458	-5,440,351

The cash flow statement has been drawn up using the indirect method. The cash and bank balances at the end of 2022 were € 5,135,458 higher than at the end of 2021. In 2021 Solidaridad pre-financed € 3 million for the Pfc Extension contract and € 2.2 million for the Ni-SCOPS contract, both with the Ministry of Foreign Affairs, leading to the decrease of the liquidity at year end 2021. During 2022 the negative interest was cancelled, which affected the timing of requesting funds and the liquidity position of Solidaridad.

GROUP STRUCTURE AND CONSOLIDATION PRINCIPLES

Foundation Solidaridad Europe is the governance company of a group of organizations: Solidaridad Europe, Solidaridad the Netherlands and Solidaridad Germany.

Financial information relating to group companies or legal entities linked to Foundation Solidaridad Europe or where central management is conducted, has been consolidated in the financial statements of Foundation Solidaridad Europe. The consolidated financial statements have been prepared in accordance with the accounting principles of Foundation Solidaridad Europe. The financial information relating to Solidaridad Europe is presented in the consolidated financial statements. Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions.

Establishment and statutes Solidaridad Europe

Solidaridad Europe was founded in December 2017. As in 2021 no activities took place in Solidaridad Europe in 2022. The consolidated financial statements consist of Solidaridad the Netherlands and Germany.

Establishment and statutes Solidaridad the Netherlands

Solidaridad Foundation was founded on June 15, 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 changing the name in Solidaridad the Netherlands.

Establishment and statutes Solidaridad Germany

The establishment of Association Solidaridad in Germany was finalised in February 2018.

This report consists of the consolidated financial statements. As there has been no activity in 2022 in Foundation Solidaridad Europe, there is no separate financial statement for 2022.

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).

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.

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.

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.

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.

Income and expenditure

Income is accounted for in the year to which it relates. 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. 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.

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 2022			
Cost	160,863	139,377	300,240
Depreciation	85,585	93,609	179,194
Book value at 1 January 2022	<u>75,278</u>	<u>45,768</u>	<u>121,046</u>
Changes in book value			
Additions	10,208	14,701	24,909
Disposal (costs)	-405	-927	-1,332
Disposal (depreciation)	-	-	-
Depreciation	-29,096	-29,753	-58,849
Movement	<u>-19,293</u>	<u>-15,979</u>	<u>-35,272</u>
At 31 December 2022			
Cost	170,666	153,151	323,817
Depreciation	114,681	123,362	238,043
Book value at 31 December 2022	<u>55,985</u>	<u>29,789</u>	<u>85,774</u>

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 33 $\frac{1}{3}$ % per year (expected useful life of three years).

Financial fixed assets

	2022	2021
Convertible Note Agreement Minexx LTD	45,000	45,000
Investment of Solidaridad in AgriCrowd B.V.	173,332	287,467
Loan to Wangara Green Venture Capital Company Limited	233,841	199,999
Loan to Solidaridad in South America	185,000	-
	<u>637,173</u>	<u>532,466</u>

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

Convertible Note Agreement Minexx LTD, United Kingdom

In October 2021 Solderidad signed a Convertible Note Agreement of € 45,000 with Minexx LTD (United Kingdom). The money was transferred on October 22. 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 (less 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.

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.

Solidaridad holds 40% of the shares of the legal entity. Solidaridad agreed on € 400,000 shareholders' contribution to PlusPlus.

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

At 1 January	287,467
Valuation up-date participation in AgriCrowd B.V. 2021	-77,493
Result of the year 2022	-36,642
	<hr/>
At 31 December	173,332
	<hr/>

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 will most likely come into effect in the first half of 2023, whereby Solidaridad shares in AgriCrowd B.V. will be sold to Lendahand. This might result in approximately 30% lower valuation of the participation of Solidaridad in AgriCrowd B.V.

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. The termination date is August 3, 2026 and partial repayment will take place from 2022 onwards. The interest rate is 7%.

The movement of the loan to Wangara is as follows:

At 1 January	199,999
Repayments from Wangara	-18,544
Payments to Wangara	63,320
Uncollectible payments	-10,934
At 31 December	<u>233,841</u>

The loan consists of the following short and long-term parts at 31 December 2022:

Short-term part of the loan	112,664
Long-term part of the loan	121,177
At 31 December	<u>233,841</u>

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 will take place from 2023 onwards. The interest rate is 3.5%.

The loan consists of the following short and long-term parts at 31 December 2022:

Short-term part of the loan	132,143
Long-term part of the loan	52,857
At 31 December	<u>185,000</u>

Receivables	2022	2021
Contribution Dutch Postcode Lottery	1,350,000	1,350,000
Final payment of grants and subsidies	5,600,059	6,835,882
Interest	20,131	11,679
Receivables from related parties	380,839	19,445
Prepaid expenses	119,559	106,158
Prepaid project expenses	166,418	-
Other receivables	67,568	104,184
	<u>7,704,574</u>	<u>8,427,348</u>

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. In 2021 Solidaridad requested less prepayments from donors due to the negative interest that was charged by the banks. 'Other receivables' in 2022 includes 2 inheritances which are not yet received.

Stocks and shares

The participations have been retained for meeting our objectives. Most participations of Oikocredit have been sold during 2014, the remaining participations were sold in October 2022.

Cash and bank balances

	2022	2021
Cash	742	202
Bank accounts	7,328,699	1,783,543
Savings accounts	97,211	7,449
Deposits	1,750,000	2,250,000
	9,176,652	4,041,194

The bank balances have mostly been retained for meeting our objectives. For an amount of € 46,940, a bank guarantee has been given in favor of the lease 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 #1	€ 500,000	Six years	18-12-2023	0.45%
Triodos Bank #2	€ 500,000	Seven years	18-12-2024	0.6%
Triodos Bank #3	€ 500,000	Eight years	18-12-2025	0.7%
Triodos Bank #4	€ 250,000	Eight years	18-12-2026	0.9%

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:

	2022	2021
At 1 January	7,055,920	6,810,053
Appropriation of the result	153,757	245,864
At 31 December	7,209,677	7,055,920

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 where the Guidelines maximum is 1.5 times the annual costs of maintaining the operational structure.

In 2022 the ratio consists of 1.3 times the annual costs of maintaining the operational structure. For 2023 the budgeted costs for the operational structure are € 6,765,000 and at the end of 2023 the budgeted continuity reserve, taking into account the negative budgeted result, amounts to € 6,595,000, i.e. 1.0 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:

	2022	2021
At 1 January	121,046	125,724
Appropriation of the result	-35,272	-4,678
At 31 December	<u>85,774</u>	<u>121,046</u>

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	332,467
Valuation of shares in AgriCrowd B.V.	-114,135
At 31 December	<u>218,332</u>

Reserve for financing innovations

The reserve for financing innovations is for the means to invest in innovation themes of Solidaridad. The innovation themes are: gender, impact investment, digital solutions, and landscape and climate innovations.

The movement in the reserve for financing innovations is as follows:

	2022	2021
At 1 January	55,000	60,000
Appropriation of the result	-	-
Innovation expenses	-55,000	-5,000
Total movement	-55,000	-5,000
At 31 December	-	55,000

The innovation projects were selected through a predefined set of criteria and are mainly included in the project expenses through Solidaridad's regional offices.

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.

	2022	2021
Flexiplan	100,000	200,000
Dutch Postcode Lottery	50,000	65,000
	150,000	265,000

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

	2022	2021
At 1 January	200,000	350,000
Less: payment to PlusPlus and coverage Solidaridad expenses	-	-200,000
Less: payment related to EU WASH (REC ASIA)	-	-50,000
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	-
Appropriation of the result - extra donation ACORN Platform	-	100,000
Appropriation of the result - extra donation Regenagri	100,000	-
At 31 December	100,000	200,000

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

	2022	2021
At 1 January	65,000	65,000
Less: payments to projects	15,000	-
Appropriation of the result - Dutch Postcode Lottery	-	-
At 31 December	<u>50,000</u>	<u>65,000</u>

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

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, so it can be lent out 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 € 63,320 has been received from Achmea in 2022, whereas € 18,544 has been repaid. The uncollectible amount is € 10,934, which has been corrected in the loan amount. The termination date is August 3, 2026 and partly repayment will take place from 2023 onwards. The interest rate is 7%.

The movement of the loan from Achmea is as follows:

At 1 January	199,999
Repayments to Achmea	-18,544
Payments from Wangara	63,320
Uncollectible payments	-10,934
At 31 December	<u>233,841</u>

The loan consists of the following short and long-term parts at 31 December 2022:

Short-term part of the loan	112,664
Long-term part of the loan	121,177
At 31 December	<u>233,841</u>

Short-term debts	2022	2021
Payments related to projects related parties	1,761,630	2,604,132
Payments related to projects	567,046	161,702
Payments related to projects AgriCrowd B.V.	160,000	58,759
Accrued expenses	178,928	191,710
Accrued personnel expenses	314,019	314,525
Grants received for coming years	6,402,681	1,432,220
Creditors	55,223	92,717
Social securities	68,569	52,916
Wage tax	198,453	184,039
	9,706,549	5,092,720

The payments related to projects decreased in comparison to 2021 mostly due to payments to related parties. The timing of receiving funds from donors caused a slight delay in transferring funds to related parties, as well as adjusting last tranches of contracts based on actual expenditures.

Contingent liabilities and conditional rights

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 € 46,940.

Lease contracts

In December 2019 a new lease contract was signed for 3 years for two multifunctional printer-copiers. The fixed annual obligation resulting from this is in total approximately € 1,000.

Annual contracts with Solidaridad Network and other project partners

Solidaridad has annual contracts with its regional expertise centres and external consortium partners.

INCOME

Income from individuals

	Actual 2022	Budget 2022	Actual 2021
Direct mail	805,297	825,000	895,490
Inheritances	123,063	100,000	304,130
	928,360	925,000	1,199,620

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.

Direct Mail

Sending a letter with a payment slip to people who already support us, is still the most efficient way for Solidaridad to obtain donations. More donors are now using online banking to contribute, but the payment slip is still important to remind them of the urgency of their donation. In 2022 Solidaridad sent out five direct mails (2021: five) which were focused on regular individual donors.

Inheritances

Solidaridad receives regular inheritances and bequests, which (partly) consist of houses and/or investments. In 2022 more inheritances were received than budgeted.

Income from companies

These are contributions from companies that support the development of sustainable chains of production. 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 2022	Budget 2022	Actual 2021
Henkel	207,686	260,000	260,000
BASF	112,905	130,000	115,722
Syngenta	488,147	491,000	335,856
Kering	1,600	-	23,841
Lanxess	12,500	-	34,743
Others (less than €100,000)	173,764	87,000	462,719
	996,602	968,000	1,232,881

The income from companies in 2022 was higher than budgeted but lower than in 2021. This is partially due to postponed spending in 2022 as well as the end of contracts in 2021.

Solidaridad signed the following major contracts with companies in 2021:

1. Syngenta Collaboration Agreement 2020-2025 for an amount of € 3,045,000, of which € 1,425,000 is subject to an evaluation in year 3 of the project. This contract started in 2021.
2. Henkel Partnership Agreement 2021-2025, for an amount of € 1,300,000.

Income from lotteries

The breakdown is as follows:

	Actual 2022	Budget 2022	Actual 2021
Dutch Postcode Lottery - Yearly contribution	1,350,000	1,350,000	1,350,000
Dutch Postcode Lottery - Programmes	8,151,623	-	-
German Postcode Lottery - Programmes	257,308	-	-
	9,758,931	1,350,000	1,350,000

Dutch Postcode Lottery - 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 2022, as well as in 2021, Solidaridad was granted € 1,350,000. The contract with the Dutch Postcode Lottery was renewed in 2018 for another five years.

Dutch Postcode Lottery - 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.

German Postcode Lottery - Programmes

In 2022 the German Postcode Lottery awarded the German office with a grant for the project 'Kaffeebauern werden zu Klimahelden' in Colombia. The total amount is € 395,000 for the period 2022-2024.

Income from government subsidies

Government subsidies include all the project grants from various government agencies.

The agreements with the Ministry of Foreign Affairs have been made in relation to:

1. 'Practice for Change' (PfC). The total amount agreed is € 44,500,000 for the period 2016-2020. For this contract Solidaridad received an extension for two more years, for an amount of € 20,000,000.
2. Additionally an amount of € 12,875,000 was granted for 'National Initiatives for Sustainable and Climate Smart Oil Palm Smallholders (NI-SCOPS) in Asia and Africa', for the period 2018-2023.
3. As of 2021 Solidaridad entered into a new agreement with the Dutch Ministry of Foreign Affairs: 'RECLAIM Sustainability!' for the period 2021-2025 with a contract value of € 53,712,412.

Solidaridad has various agreements with the Netherlands Enterprise Agency (RVO):

1. 'Increasing water use efficiency in sugarcane growing in India': The total amount agreed is € 2,414,387 originally for the period 2015-2019, however, this was extended until September 2021. This contract came to an end.
2. 'Food security through improved resilience of small-scale farmers': The total amount agreed is € 4,400,000 for the period 2013-2020. This contract was extended until the end of 2021 and has come to an end.
3. 'Sustainable Food and Nutrition Security India' (SDGP) for a total amount of € 1,900,000 as of July 2019 until July 2023.
4. 'Circular Coffee from Peru' (SDGP): for an amount of € 1,462,291 for the period of 2019-2023.
5. 'Palm LAB - Palm Oil Labour Assessment Builder' (FVO): a total amount of € 292,663 for the period of January 2020 until December 2023.
6. 'Smart Farming, Healthy Food (Bangladesh)' (SDGP): an amount of € 1,959,813 for the duration of May 2020 until April 2025.
7. 'Intel4Value - Intelligent Value Chain Management Colombia' (SDGP): a total amount of € 1,071,000 for the period of October 2020 until October 2024.
8. 'Apparel Wage Risk Management Initiative' (FVO): an amount of € 306,171, for the period of January 2021 until January 2024. Based on the situation in Myanmar, this project has been changed into a project in China and approved by the RVO.

9. 'Realizing the Potential of Responsible ASGM Trade' (FVO): for a total contract value of € 473,327, for the period of 2021-2025.
10. 'Strengthening the Sustainability of the Shea Supply Chain in northern Ghana' (FVO): an amount of € 264,898 for the period of July 2021-June 2024.
11. 'Better Chicken for a Better Future!': a total of € 449,737.50 for the period of August 2021-July 2024.
12. 'Better Mill Initiative Bangladesh': a total of € 117,978 for Phase A for the period between 2022-2023.

Additionally, there are various agreements with the European Union:

1. 'Reaching the unreached estates and surrounding communities on equitable water, sanitation, and hygiene (WASH) for improved health and nutrition' in Sri Lanka. The total amount agreed is € 5,619,616 for the period 2017-2021. This contract was extended until May 2022 and has come to an end.
2. The second agreement relates to the Green Tanning Initiative: 'Promoting technologies that reduce the environmental impact of leather processing and creating sustainable employment in the industry in Ethiopia' for a total amount of € 1,166,722 for the period of 2018-2020. Solidaridad received an extension for another year for this project from the EU. The project has ended, though contract closure awaits the final report of an external auditor of the EU.
3. 'Bottom Up!' a EU-garment programme for the period of 2019-2022, with a contract value of € 1,498,000. This contract is extended until April 2023.

In 2018 a contract was signed with the Norwegian government (Norad) for two programmes: 'Mobilizing Asian and US Markets to reduce commodity-driven deforestation' and 'Back to REDD+'. The contract value is 63 million NOK for a period of 2018-2021. This contract ended in 2021.

In 2019 Partnership for Growth (P4G) granted Solidaridad an amount of \$ 963,070 for the period of October 2019-October 2021, to achieve a high growth and efficient crowdfunding platform for agriculture SMEs in emerging economies through PlusPlus. A no cost extension was approved until the end of 2022.

Solidaridad also signed a contract in 2019 with the Netherlands Space Office regarding 'Geodata for Agriculture and Water (G4AW) Facility'. The grant amount is € 2,576,557 for the period of 2019-2022.

Solidaridad also signed a contract with the Ministry of Foreign Affairs via UNICEF for 'IMVO Covenant Responsible Gold' for the period of 2019-2022, with a contract value of € 109,200. This contract is reflected in the category 'Others'.

The breakdown can be specified as follows:

	Actual 2022	Budget 2022	Actual 2021
Ministry of Foreign Affairs (PFC)	10,520,946	10,742,000	13,704,073
Ministry of Foreign Affairs (RECLAIM Sustainability!)	11,191,584	10,980,000	10,351,567
NORAD	-25,235	-	426,482
Netherlands Enterprise Agency	2,522,544	1,735,000	1,643,598
European Union	249,052	38,000	1,422,319
Netherlands Space Office	240,595	519,000	775,726
Partnership for Growth (WRI)	1,009,702	271,000	386,386
Others	32,214	25,000	105,912
	25,741,402	24,310,000	28,816,063

Income from subsidies decreased by € 3,074,661 compared to 2021, and was € 1,431,402 higher than budgeted. The Practice for Change (PFC) programme is coming to an end, which has the biggest effect on the 2022 income.

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 2022	Budget 2022	Actual 2021
East & Central Africa	29,472	128,000	27,889
Asia	2,529	-	27,471
	32,001	128,000	55,360

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

	Actual 2022	Budget 2022	Actual 2021
Faith-based organizations	43,692	45,000	48,573
Achmea Foundation (Palm)	48,849	337,000	37,636
Achmea Foundation (Dairy)	150,526	200,000	100,789
Rabobank Foundation (Dairy)	42,151	-	57,849
Mastercard Foundation	14,407	-	88,776
International Labour Office	124,756	-	-
Grants from other organizations	174,081	10,000	233,474
	599,462	592,000	567,097

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 chains of production. 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.

A contract was signed with the Rabobank Foundation regarding 'Dairy 2025: Climate Smart Dairy Farming' for the period of 2018-2021, with a contract value of € 200,000.

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 2022	Budget 2022	Actual 2021
PR and market development	18,260	155,600	24,608
Campaigns	279,681	233,400	223,825
Costs own activities	297,941	389,000	248,433
Operating costs	322,533	423,000	279,175
	620,474	812,000	527,608

For 2021 and 2022 Solidaridad was granted specific subsidies for campaigns.

Expenditure on achieving our objective: structural aid

Solidaridad works to create sustainable supply chains from producers to consumers. We do so in thirteen commodities: 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 2022	Actual 2021
Projects via Solidaridad regional expertises centres	26,399,990	21,216,980
Project costs Europe	3,812,655	4,941,930
Projects via Solidaridad Network Secretariat	1,640,360	1,772,500
Total project costs	31,853,005	27,481,410
Operating costs in the Netherlands	4,610,536	4,163,452
	36,463,541	31,644,862

Operating costs

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

Projects via Solidaridad regional expertises centres

The breakdown per Solidaridad regional expertise centre is as follows:

	Actual 2022	Actual 2021
Solidaridad East and Central Africa	6,516,314	3,637,319
Solidaridad Central America	3,362,940	2,000,178
Solidaridad West Africa	3,913,612	4,299,714
Solidaridad South America	5,062,732	1,913,201
Solidaridad South Africa	2,577,518	2,422,094
Solidaridad North America	102,500	142,692
South and South East Asia	4,864,373	6,801,782
Total projects via Solidaridad regional expertises centres	26,399,990	21,216,980

Costs of income generation

	Actual 2022	Budget 2022	Actual 2021
Direct mail administration	71,399	25,000	64,250
Partnerships GDN and CBF	32,589	25,000	32,562
Fundraising campaigns	195,287	325,000	136,556
Operating costs	478,905	638,000	458,429
	778,180	1,013,000	691,797
<i>Costs of income generation as a percentage of income</i>	<i>2.0%</i>	<i>3.6%</i>	<i>2.1%</i>

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

Costs of management and administration

This contains only operating costs. For notes to 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; country manager, 0.2 FTE; secretariat, 0.2 FTE; HRM manager, 0.2 FTE; controller, 0.5 FTE; administrators, 0.9 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

Operating costs are allocated to the various cost categories. The calculation method for 2022 is the same as the one used in 2021. The job descriptions for each member of staff are used to determine which parts of their work relate to the various categories. The general overhead is then allocated using the same percentage distribution as for the staff costs.

Expenditure	Objectives		Income generation	Management and administration	Total 2022	Budget 2022	Total 2021
	Structural aid	Communication and information					
Projects via Solidaridad offices worldwide	31,853,005	-	-	-	31,853,005	21,832,000	27,481,410
Communication	-	297,941	299,275	-	597,216	833,000	481,800
Personnel	4,032,888	282,508	419,107	239,319	4,973,822	5,257,000	4,581,782
Travel and accommodation	137,690	9,790	14,386	8,361	170,227	201,000	36,517
Premises	236,196	16,598	24,573	14,085	291,453	260,000	247,363
Office/general	155,640	10,441	15,931	8,628	190,640	397,000	236,816
Depreciation	48,122	3,195	4,908	2,624	58,849	65,000	57,373
	36,463,541	620,474	778,180	273,017	38,135,212	28,845,000	33,123,061

Personnel

The breakdown is as follows:

	Actual 2022	Budget 2022	Actual 2021
Gross salaries	3,673,627	3,820,000	3,478,765
Social premiums	624,970	589,000	558,452
Pension expenses	481,398	551,000	450,076
Other personnel expenses	193,827	297,000	94,489
	4,973,822	5,257,000	4,581,782

Number of staff members

At the end of 2022, Solidaridad Europe (Netherlands and Germany) employed 63 people, (this was 62 in 2021); a total of 59.1 full-time staff is under contract (FTEs). In 2021 this figure was 55.4.

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 2022 have been charged to the profit and loss account of 2022.

Remuneration management

The Managing Director of Solidaridad in 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. Her total salary for 2022 was € 141,896. The level and composition of this salary is based on the applicable regulations:

Remuneration of the Managing Director	Heske Verburg 2022	Heske Verburg 2021
Year		
Period in year	01/01 - 31/12	01/01 - 31/12
Hours	36	36
FTE factor	1.0	1.0
Contract type	Employment	Employment
Remuneration		
Gross salary	105,389	99,494
End of year allowance	8,710	8,233
Holiday pay paid in year	8,760	8,358
Total	122,859	116,085
Taxable benefits	-	-
Employers pension contribution	19,037	18,498
Total	141,896	134,584

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

As of 1 January 2013 the *Wet Normering bezoldiging topfunctionarissen publieke en semipublieke sector*, or WNT (law salary senior executives of public and semi-public sector) has been operative. The WNT is applicable for Solidaridad the Netherlands, whereby the maximum for the development sector is € 199,000 in 2022. The remuneration of the Managing Director falls well within the guidelines.

Remuneration of the Managing Director	Heske Verburg 2022	Heske Verburg 2021
Year		
Period in year	01/01 - 31/12	01/01 - 31/12
FTE factor	1.0	1.0
Contract type	Employment	Employment
Remuneration	122,859	116,085
Remuneration payables in time (employers' share of pension costs)	19,037	18,498
<i>Total</i>	<i>141,896</i>	<i>134,584</i>
Remuneration maximum	199,000	191,000
Minus: unduly paid and not yet reimbursed	-	-
Total remuneration	141,896	134,584
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 2022:

	<u>Function</u>
Mariam Gabala Epse Dao	ISB member
Roxana Barrantes	ISB member
Shahamin Sahadat Zaman	ISB member
Kannan Pashupathy	ISB member
Bernhard Roehrs (replacing Roxana Barrantes in 2022)	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

Interest and income from investments

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

	Actual 2022	Budget 2022	Actual 2021
Income from AgriCrowd B.V.	-114,135	-	8,599
Interest	26,939	17,000	33,229
	-87,196	17,000	41,828

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To: the supervisory board of Stichting Solidaridad Europe.

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

Our opinion

We have audited the consolidated financial statements 2022 of Stichting Solidaridad Europe, based in Utrecht, The Netherlands.

In our opinion the accompanying consolidated financial statements give a true and fair view of the financial position of Stichting Solidaridad Europe as at 31 December 2022 and of its result for 2022 in accordance with the Guidelines for annual reporting 650 "Fundraising Organisations" of the Dutch Accounting Standards Board.

The consolidated financial statements comprise:

1. the consolidated balance sheet as at 31 December 2022;
2. the consolidated statement of income and expenditure for 2022; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the consolidated financial statements' section of our report.

We are independent of Stichting Solidaridad Europe 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.

Oranje Nassaulaan 1
1075 AH Amsterdam
Telefoon 020 571 23 45

E-mail info@dubois.nl
www.dubois.nl
KvK nummer 34374865



B. 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.

The other information consists of the Management Board's report.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

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.

Management is responsible for the preparation of the other information, being the Management Board's report in accordance with Guideline for annual reporting 'RJ-Richtlijn 650 Fondsenwervende organisaties' (Guideline for annual reporting 650 'Fundraising Organisations').

C. Description of responsibilities regarding the consolidated financial statements

Responsibilities of management and the supervisory board for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements, in accordance with the Guidelines for annual reporting 650 "Fundraising Organisations" of the Dutch Accounting Standards Board. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Management should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the consolidated financial statements.

The supervisory board is responsible for monitoring the financial reporting process of the organisation.

Our responsibilities for the audit of the consolidated financial statements

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

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

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

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the consolidated 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 foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management'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 foundation'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the consolidated financial statements, including the disclosures; and
- evaluating whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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, 13 April 2023

Dubois & Co. Registeraccountants

A.P. Buteijn RA

Where we work

