



Providing access to quality healthcare through meaningful innovation



Philips
Foundation

Annual Report 2021

About Philips Foundation

Philips Foundation was established as a registered non-profit organization in July 2014. The mission of Philips Foundation is to reduce healthcare inequality by providing access to quality healthcare for underserved communities worldwide. In this report, we reflect on the progress made in 2021 in attaining our mission.

To make healthcare more accessible for all, Philips Foundation leverages Philips' expertise and healthcare innovations, collaborates with non-profit organizations like Save the Children and the Red Cross Societies, and explores and invests in financially sustainable healthcare delivery models. We partner with innovative social entrepreneurs around the world – early-stage and proof-of-concept social enterprises rooted in the local ecosystem – to make healthcare facilities in developing regions sustainable.

By leveraging Philips' capabilities and combining them with the experience and expertise of non-governmental organizations and other community-focused and impact-driven enterprises, Philips Foundation helps create innovative pathways to open up affordable healthcare for communities most in need.

Philips Foundation is dedicated to improving access to quality healthcare for people living in the most underserved communities across the globe. Everything we do reflects our commitment to the United Nations' Sustainable Development Goals 3 (*Ensure healthy lives and promote well-being for all at all ages*) and 17 (*Revitalize the global partnership for sustainable development*). We aim to increase access to healthcare for 100 million people a year by 2030, and we invite partners to join forces with us and help accelerate our impact.

Learn more at www.philips-foundation.com

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Cover photo: Image of mother and child made in rural India, where Philips Foundation is working with Save the Children India to combat childhood pneumonia among children under the age of 5.



From left to right: Ronald de Jong (Chairman), Liesbeth Rutgers, Robert Metzke, Nancy Bocken, Allert van den Ham, Bernard van der Vyver and Ann Aerts

Taking the next step in our development as an innovator in the access to healthcare domain

The year 2021 marked another year of strong progress for Philips Foundation on our journey to reduce healthcare inequality by providing access to quality healthcare for the most underserved communities. Through the work of Philips Foundation, access to healthcare was created for more than 17 million people in underserved communities. As this means that Philips Foundation has more than doubled its impact compared to the prior year, the Board is confident that Philips Foundation is well on its way to realize the ambitious goal of providing access to healthcare for 100 million people a year by 2030.

While our efforts to deliver a strong and effective response to the ongoing COVID-19 crisis continued in 2021, Philips Foundation made big strides to follow up on the strategic initiative, announced in 2021, to engage in impact investment and social venturing. It is our strong belief that engagement with social entrepreneurs around the world will help us develop scalable healthcare models and ecosystems. To this end, Philips Foundation Impact Investments B.V. (PFII) was established as a 100% subsidiary of Philips Foundation. Via this entity, investments will be made in social enterprises that share our purpose to provide access to healthcare to underserved communities. The PFII Investment Committee was set up as a special committee of the Board of Philips Foundation. I wish to thank Liesbeth Rutgers, member of the Board, for the excellent work done in setting up and chairing the Investment Committee of Philips Foundation Impact Investment B.V.

As impact investment and social venturing require different capabilities and additional capacities, both the management of Philips Foundation and the Board of Philips Foundation have been strengthened. I am very happy that we were able to attract Ann Aerts MD, Allert van den Ham, Bernard van der Vyver and Professor Nancy Bocken to the Board of Philips Foundation. Their specific complementary fields of expertise and experience will help Philips Foundation on its way to realize the ambitious 2030 goals.

Our work would not be possible without the ongoing generous support of Royal Philips. By providing financial resources, knowledge and many hours of expert volunteer work, Philips Foundation was again able to contribute to the widespread effort to extend access to care and make the next step in its development as an innovator in the access to healthcare domain.

In 2021, we said farewell to Wim Leereveld and Sukai Ceesay as members of the Board. We wish to thank them for their active engagement and advice.

In closing, let me express my sincere thanks to Philips Foundation, Philips Foundation Impact Investments B.V., Royal Philips and all our partners. Their passion, drive and efforts will ultimately help reduce health inequities, provide access to healthcare to many in underserved settings, and thus accelerate the transition towards a more fair and equal society.

Ronald de Jong, Chairman
On behalf of the Board of Philips Foundation

The Board of Philips Foundation*



Ronald de Jong
Chairman

Distinguished Professor of Practice at Tilburg University and Retired Executive Committee Member, Royal Philips



Liesbeth Rutgers
Board Member

Consultant Risk & Financial Management and Impact Investment Strategies at Triple-R, Supervisory Board of Pension Fund Wolters Kluwer NL and Board Member of Jane Goodall Institute in the Netherlands



Robert Metzke
Board Member

Global Head of Sustainability, Royal Philips

Welcoming new Board Members

Ann Aerts, Nancy Bocken, Allert van den Ham and Bernard van der Vyver were appointed as new members of the Board.



Ann Aerts
Board Member (appointed September 2021)

Head of Novartis Foundation since 2013. Before joining Novartis as a medical doctor, Ann worked many years at the International Committee of the Red Cross. She has authored numerous publications on digital health, infectious and non-communicable diseases, and multisector partnerships that address global health challenges.



Nancy Bocken
Board Member (appointed June 2021)

Professor in Sustainable Business at Maastricht University, Maastricht Sustainability Institute (MSI). Nancy is also a Fellow at Cambridge Institute for Sustainability Leadership and an advisor to TNO. She co-founded her own circular and sustainable business called HOMIE.



Allert van den Ham
Board Member (appointed March 2021)

From 2011 until 2018, Allert was CEO of SNV Netherlands Development Organisation and the Chair of the Global Managing Board, as well as Chairman of SNV USA. From 2017 to 2021, he has been Country Director at SNV Laos & Myanmar.



Bernard van der Vyver
Board Member (appointed March 2021)

Global lead of Talent Strategies and Learning Solutions practices for Deloitte. As a former partner in the Human Capital practice, Bernard has a focus on organizational learning and development and the application of technology in learning, as well as workforce transformation and people strategies.

*The Board of Philips Foundation has the same composition as the Board of Philips Foundation Impact investments B.V., established in 2021.

Key figures 2021

17.3 million

people gained access to quality healthcare around the world through Philips Foundation initiatives in 2021.*

Since the start of Philips Foundation, **more than 300 projects** have been completed or are in progress throughout the world.

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new projects across the world were initiated in 2021. In addition to our continued response to the effects of COVID-19, we continued our regular program of projects in countries where Philips is operating to improve and support local health and well-being and improve access to quality healthcare for underserved communities.

Throughout the year, partnering with early-stage and impact-driven enterprises, we have **supported 8 social enterprises** aimed at accelerating their growth and impact in underserved communities.

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strategic projects were initiated by Philips Foundation with partners to explore new ways of using health technology to strengthen and innovate healthcare delivery and expand access to quality healthcare.

In 2020 and 2021, we supported **50 projects in response to the COVID-19 pandemic**, of which 9 were in 2021. Projects included the provision of critical health equipment and hospital capacity relief, support for data and digital information delivery, and assistance with community support initiatives.

*The total of 17,311,509 people who were provided access to care in 2021 consists of: 1,289,760 through activities in all markets; 15,609,520 through collaborations with humanitarian and non-governmental organizations, as well as social enterprises; 314,400 through the volunteering program; skilled volunteers from Philips with their expertise contributed to 97,829 extra lives touched by collaborating with social entrepreneurs. The access to care metric is documented and defined per project and social enterprise as a tangible improvement of access to healthcare services relevant to those who are counted. For example, improved general healthcare services are relevant for everyone in the catchment area; improved access to antenatal pregnancy screening only to those women who are using the service. The numbers are estimated and provided by the project partners and social entrepreneurs.

Message from the Director



An entrepreneurial approach to healthcare provision

As I write this, Philips Foundation is providing immediate help to Ukrainian people in need of medical support, as well as refugee relief in Ukraine and its neighboring countries. 2021 was the second year that Philips Foundation had to prove itself as an immediate responder to a global disaster, due to COVID-19 and its effects on health and well-being around the world.

In terms of impact, our approach to expanding access to care for underserved communities went to the next level in 2021, reaching 17.3 million people, up from 7.5 million people in 2020. Even that is way below the bar of our true ambition, but the growth counts, for 10 million more people now can use medical services.

Leading a corporate foundation, I am convinced that donations alone do not sustainably improve a healthcare system. A donation to develop another mobile app, or donating equipment, or funding a societal organization, does not mean lasting change. Meaningful innovation for impact can only derive from really understanding the local context and needs, cultural behaviors, standard practices, and the potential for task shifting, training, digitalization, collaboration, logistics, insurance, maintenance: these are all just as important for impactful change as money. Lasting change for better healthcare (access) requires a model that itself becomes financially self-sufficient. This is well understood by some of the social entrepreneurs in healthcare that we want to support in an entrepreneurial way. This is why, in September 2021, we established Philips Foundation Impact Investments B.V. – a separate legal entity under Philips Foundation that is equipped to invest (loans and equity) in innovative ventures and to incubate them.

As we are growing up as an organization, we are also opening up and sharing the knowledge and experience in underserved settings that we have gained in Philips Foundation's first seven years of existence. Our new Knowledge Hub is intended to capture our learnings and expertise, and to disseminate them to relevant partners. It has also led to a model that we call *The Wheel*, which is explained later in this report. It contains the nine elements for the success of self-sustaining healthcare provision in low-and middle-income countries.

In conclusion, I wish to express my gratitude for the skilled volunteers, technologies, innovative power and financial support we receive from Philips, as well as the funds raised by its employees in 2021. Philips' offices worldwide have conducted local activities for the common good. And together, we have actively been working on improving access to care for underserved communities in remote and low-resource settings.

We look forward to continued collaboration for true social impact.

Margot Cooijmans

Director of Philips Foundation and Philips Foundation Impact Investments B.V.

Our work across the globe

Aiming to improve access to care through...



Technology-enabled solutions

To reach patients in communities with limited access to healthcare, Philips Foundation plays a proactive role in understanding local community needs and deploying Philips digital and connected healthcare solutions to address the medical needs of communities in low-resource settings. Fast and reliable access to advanced medical support in underserved communities helps reduce healthcare barriers, such as having to travel to a larger hospital due to local staff and medical capability shortcomings. Philips Foundation supports initiatives that aim to digitalize and integrate technology-enabled healthcare solutions in underserved communities.



Strengthening community and primary care

To provide healthcare support in underserved communities, Philips Foundation is focusing on improving education, early detection, timely patient referrals, and tech-enabled task-shifting to lower levels of healthcare, such as strengthening the role of community-based healthcare workers. As members of their local communities, community health workers play an indispensable role in providing basic health services close to the patients' homes. With an estimated shortage of 13 million health workers by 2035¹, Philips Foundation explores ways to empower community health workers by providing them with tools, technologies and skills that can enhance the quality of community and primary healthcare where it is needed.

1. World Bank (2017). Half the world lacks access to essential health services, 100 million still pushed into extreme poverty because of health expenses.



Scalable healthcare delivery models

Philips Foundation supports healthcare delivery models that provide scalable, financially sustainable, and affordable healthcare in low- and middle-income regions. Digital technologies and data offer enormous potential to transform healthcare for better medical outcomes. Underserved areas present opportunities for social enterprises to step in, scale their operations and ultimately reduce dependence on donations and grants. Philips Foundation aims to increase the probability of lasting healthcare access by supporting social entrepreneurs who strive to create positive social impact.

Addressing clinical areas of...



Non-communicable diseases (NCDs)

More than three-quarters of the world's non-communicable (chronic) disease fatalities occur in low- and middle-income countries.² These severe health conditions in developing countries often affect people during their prime working age, leading to financial insecurity when they are unable to work. Timely and accessible services to detect cardiovascular or lung anomalies and provide cancer care at primary healthcare facilities are vital for effective treatment and better medical outcomes. In line with Philips' area of expertise, the Philips Foundation focuses on combating cancer, respiratory diseases, and cardiovascular disease, as well as the root causes.



Mother and child care

Globally, 94% of all maternal deaths occur in low- and middle-income countries³, while maternal and child health is one of the key drivers of sustainable socio-economic development. Improving access to quality maternal and child healthcare in underserved communities can not only help reduce maternal and child mortality rates but can also improve the livelihoods of the local community. That is why improving healthcare for mothers and children in underserved communities is a focus area for the Philips Foundation.



Acute (emergency) healthcare

Acute and emergency healthcare, as well as trauma care, are health interventions known to dramatically reduce healthcare costs and mortality rates in low- and middle-income countries.⁴ Through innovative care delivery models and technological solutions, the Philips Foundation helps to respond more quickly and effectively in acute (emergency) situations. Philips Foundation supports efforts aimed at reducing emergency response time and improving acute care medical outcomes for underserved and low-density communities across the globe.

2. WHO (2021). Noncommunicable diseases

3. WHO (2019). Maternal mortality

4. WHO (2019). Global Emergency and Trauma Care Initiative



Technology that enables access to quality healthcare

Two major obstacles to providing healthcare in underserved areas are the lack of financial means and lack of human resources. The solutions we propose must take these challenges into account. Philips Foundation supports initiatives aimed at integrating technology to reduce healthcare costs and increase access to a doctor or specialist at a distance through virtual care.

We collaborate on projects that aim to create evidence for new ways of delivering digital healthcare, addressing existing gaps and barriers in the local health system. In leveraging Philips technologies – such as mobile ultrasound, medical information apps, sensors, testing, monitoring and data collection – the aim is always to have a substantial positive impact on people’s lives. Digital technology enables early disease detection and timely referral, allowing people in their own communities to become the first link in the healthcare chain.

In 2021, our work included collaborating with various organizations in this report, examples include UNICEF, Pink Ribbon Deutschland and the native American tribes of the Navajo Nation, as well as social enterprises driving locally adapted solutions. Together, we can explore innovative ways to improve access to healthcare for underserved communities.





Improving remote monitoring solutions in Kenya

Well-functioning medical equipment can be crucial to saving lives. But even when health technologies are available at facilities in Kenya, the devices often aren't working due to lack of maintenance or missing spare parts. This year, Philips Foundation and UNICEF Kenya, in collaboration with Philips, teamed up with Kenya Ministry of Health, and both Kisumu and Kakamega county's health departments, to improve medical equipment management through a technology-enabled remote monitoring solution.

An assessment undertaken before the implementation of the project indicated that a quarter to a third of all equipment was not functioning. This large-scale effort involved 100 health facilities in the counties Kisumu and Kakamega in Kenya. The objective was to improve access and quality of mother and child services by strengthening medical equipment management in these facilities while not overburdening medical staff.

The Philips' digital remote monitoring solution for medical equipment allows primary healthcare facilities to monitor device status and track device breakdowns, repair histories and maintenance routines from a centralized dashboard. This dashboard, combined with appropriate workflows and capacity building to fix equipment quickly, will help reduce downtime and save lives. Based on the results, this initiative will be used to advocate for improved national and county medical equipment management policies and the scale-up into other counties in Kenya.



Point-of-care ultrasound for the tribes of the Navajo Nation

The Navajo Nation stretches across the states of Arizona, New Mexico and Utah and represents one of the most underserved healthcare settings in the United States. Health disparities have become even more prevalent during the COVID-19 pandemic.

While only one piece of a broader challenge, Philips Foundation is building technology-enabled capacity to address deficiencies in access to high-quality imaging through point-of-care ultrasound (POCUS) training. In collaboration with experts at the University of California San Francisco Medical Center (UCSF MC) and the HEAL Fellowship, a portable ultrasound system is paired with integrated tele-ultrasound capabilities in the Navajo Nation, and a structured POCUS fellowship program is being established.

Beyond the provision of mobile ultrasound technology, the education program is training a small group of dedicated physicians to become fully competent in the use of point-of-care ultrasound. The program will provide additional mentorship to help these physicians become leaders in point-of-care ultrasound education and will allow them to implement a sustainable education program on the Navajo Nation, thereby increasing the number of physicians and nurses that are trained to use POCUS each year.

A multilingual app for early detection of breast cancer

To better reach women with a migrant background in Germany and provide access to important breast cancer early detection information – such as how to perform a self-examination – the Philips Foundation along with Philips and Pink Ribbon Germany developed a multilingual mobile application on self-breast examination.

Phase 1 in 2020 entailed the development of the app, including intensive research on valuable contact numbers and locations in municipalities, communities and cities, as well as in the districts and federal states, for possible referral in case the end-user finds anomalies during breast self-examination and is able to receive the necessary care.

Phase 2 in 2021 included the launch of the app on International Women's Day in March, followed by a broad communication campaign to reach the specific target groups. The app is now live and available in seven languages: German, English, French, Spanish, Turkish, Standard Arabic and Farsi.

You can download the app at www.breastcare.app





Empowering health workers to enhance the quality of primary care

In places with minimal access to medically trained staff, Philips Foundation explores ways to strengthen the role of community health workers by providing tools, technologies and training to enhance the quality of community and primary healthcare where it is needed most.

We collaborate with organizations that acknowledge the indispensable role of community health workers in last-mile delivery to build resilient healthcare systems. A mix of top-down and bottom-up engagement practices is needed to understand the local context, develop and offer the right tools to community health workers to provide locally relevant health services and combine them with the right information and operational procedures. In this way, access to healthcare can start in the communities, so people no longer have to travel far to health facilities to receive timely treatment and recover from their conditions.

In 2021, examples of our work included collaborating with local humanitarian organizations (e.g., SAS Brazil), universities (Aga Khan and Amref International Universities), global NGOs (Save the Children) and social entrepreneurs (e.g., ZMQ) to empower community health workers and improve people's lives.





Making care accessible in some of Brazil's most remote areas

To improve primary healthcare in hard-to-reach areas in Brazil, Philips Foundation with Philips and SAS Brazil deployed a digital and connected healthcare solution. We installed virtual care units equipped with connectivity, medical equipment and computers to empower local health workers in some of Brazil's most rural areas.

Philips' software is part of these virtual healthcare services – connecting the healthcare provider using an app built to provide them with information about, for example, obstetric care. Suppose the assessed mother's condition raises questions or poses any risks, the local health care provider is able to virtually connect the pregnant woman in the primary care facility with a remote midwife or trained gynaecologist.

Virtual care is a pragmatic solution to ensure access to specialized physicians for patients in remote areas via local assessment and referral. The digitization of healthcare is a breakthrough in improving access to care around the world. Collected data will help develop better solutions for community health workers and elevate primary health care in some of the world's most remote areas.



Empowering local midwives to deliver ultrasound screening

The World Health Organization (WHO) recommends one ultrasound scan before the 24th week of gestation to identify any potential pregnancy outcome risks⁵. However, diagnostic imaging equipment and the relevant know-how are insufficiently available in rural and remote areas in low-resource settings. In several projects, Philips Foundation explored models to increase access to obstetric ultrasound through task-sharing between locally operating midwives supported by sonographers-at-a-distance via telehealth.

Midwives in Kenya are being trained, for instance, at Amref International University; however, they often leave their jobs as they cannot make a living being a midwife. To utilize this lost capacity, in a project with Amref, we focused on testing a social franchise model in which midwives would offer pregnancy screening in primary healthcare facilities using ultrasound to providing them with an income (through pay per scan).

The project results confirmed pregnant women's willingness to pay for the service, validating the principal foundation for an income-based scalable model. Whether the time to break even is sufficiently short to enable, the midwife-based ownership model will strongly depend on the number of screenings. The project led to valuable new insights, such as identifying women's motivations and barriers to taking up routine ultrasound screening and the willingness to pay for it, which may result in a self-sustaining model that offers a viable income for midwives.

5. WHO (2016). [New guidelines on antenatal care for a positive pregnancy experience](#)

Supporting frontline health workers in the community

The two-year VISHWAAS project is a collaboration between Philips Foundation, Save the Children India, the social enterprise ZMQ Development, and the corporate social responsibility department of Philips India to develop a low-cost, innovative approach to the prevention, diagnosis and management of childhood pneumonia.

The project was built around mobile health applications, targeting four audiences: community members, frontline health workers, medical officers, and staff nurses. The intervention included the ChARM device, a Philips-developed technology for pneumonia identification through automated respiratory rate measurement.

After almost two years, strong improvement has been observed in community awareness and care-seeking behavior, as well as improved case management. The mHealth tools for pneumonia were developed to stimulate behavioral change and support frontline health workers. The tools have not only helped the primary health care workers to do their job and actively prevent childhood pneumonia, but it has also been able to distinguish and strengthen their role in the community. This boosted the confidence of health workers and made them more reliable in supporting families and patients in the community.





Building financially sustainable healthcare solutions

Philips Foundation aims to increase the probability of lasting healthcare access by supporting social enterprises or scalable initiatives that have proven their impact. We join forces with social enterprises to advance digital health models for sustainable healthcare system strengthening.

Digital technologies can transform healthcare and improve medical outcomes, and an entrepreneurial approach reduces dependency on donations and grants. Next to the entrepreneurial approach, success and long-term sustainability are advanced by sustainable business models that go hand in hand with impact.

In 2021, initiatives, among many others, included collaborating with several social enterprises, such as Penda Health and Healthy Entrepreneurs. We also explored scalable initiatives with Philips offices, creating a positive impact. For instance, the clean air for schools approaches in collaboration with Global Action Plan, extending from the United Kingdom to Spain.





Build trust by offering a steady stream of high-quality health services

Offering quality services for a reasonable fee is the growth model of Penda Health in Kenya, a fast-growing network of 21 primary care clinics across Nairobi. At the end of 2021, Penda Health served over 30,000 patients per month.

Across Africa, there is a shortage of well-trained health professionals, which limits opportunities to improve quality, reduce costs or put patients first. Quality healthcare is hard to find as a result, leaving patients with little confidence in the public health system. Even today, many people go to a pharmacy rather than a clinic to seek medical advice when they have problems.

Penda Health wants to bridge the gap by offering quality healthcare at an affordable price to as many people as possible. Technology is both the enabler and the customer attractor of Penda Health. A fully digitized, paperless electronic medical record system serving as the basis for all patient interaction, data storage and quality assurance. The aim is to standardize care, with less variability in advice and results between doctors. This should generate confidence in the quality of the care and enable scaling of their operations.



Transforming isolated villages into strong, healthy, well-informed communities

Many global food suppliers reach even the most remote villages. However, the delivery of healthcare services hardly ever does. That inspired Healthy Entrepreneurs, a social business working in Uganda. They enable community health workers to become small entrepreneurs, sell essential medicines and hygiene products, and disseminate information while performing basic consultations on patients.

Healthy Entrepreneurs' model is based on professional procurement of commodities in bulk to keep the prices as low as possible. Together with Philips Foundation, Healthy Entrepreneurs explored a model to expand their services with diagnostic tools. In connection with a "doctor at a distance" telehealth model for more complex consults and follow-ups, 50 community health workers were empowered through an app-based platform for collaboration and data sharing.

The model has proven to work well. It increases disease awareness, expands access to healthcare services, and lowers patients' healthcare costs while generating an income for the participating community health workers. For some, the extra income allowed them to quit side jobs or pay for their children's school fees. With 6,000 franchise holders already in Uganda, the model is growing fast and expanding to hard-to-reach areas in other countries.

Adapt scalable healthcare delivery models to drive local change

Philips Foundation and the NGO Global Action Plan (GAP) launched a program in 2021 to improve classroom air quality in Spain. Following the successful outcomes of the Clean Air for Schools framework in the United Kingdom by GAP, Philips UK and the Philips Foundation, the program in Spain also provides support to help schools implement a tailored clean air action plan.

Young children are particularly susceptible to the effects of air pollution, being early in their development. Polluted air can cause health problems, including irreversible damage to lung function, worsening respiratory issues and asthma. Philips Foundation and GAP consider it essential to protect the health of children against air pollution, so they have the best opportunities in life, and new generations are healthy and protected against future health crises.

In 2022 we will report on the results of the project in Spain, which includes workshops for students to learn more about air pollution and a clean air plan for the school led by teachers, as well as the possibility of scaling up the project to other air-polluted regions in Europe.





Non-communicable diseases (NCDs)

Addressing the rise of NCDs in underserved communities

Non-communicable (chronic) diseases, like cancers and cardiovascular diseases, are a growing health concern globally, especially in low- and middle-income countries. They are often lifestyle or living environment related. More than three-quarters of the world's non-communicable disease fatalities occur in low- and middle-income countries.⁶ Philips Foundation believes that timely and accessible screening is vital to effective treatment and improved health outcomes in cancer, respiratory and cardiovascular diseases, as well as their underlying causes.

In 2021, we worked with organizations to address the lack of access to cardiovascular care (e.g., Singapore and Dutch Heart Foundation) and stimulated self-management and coaching for better health and the prevention of NCDs through mobile solutions (e.g., Estación Vital). Philips Foundation remains committed to addressing NCDs in 2022 and beyond, to counter the rise of these conditions in underserved communities.

6. WHO (2021). [Noncommunicable diseases](#)





Empowering Nicaraguans to take care of their health and well-being

Obesity is an important risk factor driving a broad range of health issues – from diabetes and chronic non-communicable diseases to mental health problems. With obesity affecting more than 40%⁷ of the world’s adult population and even more in Latin America, social enterprise Estación Vital aims to improve the health outcomes of Nicaraguans suffering from conditions triggered by obesity.

With support from the Philips Foundation, Estación Vital has created a digital platform with nutritional and psychological tools that help people change how they see themselves and reduce their consumption of high-calorie and high-fat foods. Self-management and coaching are available through a dedicated app, as well as at kiosks set up in high-traffic shopping centers in Nicaragua.

The digital app offers the same service as the physical kiosks and has the advantage of being accessed anytime, from any place. Estación Vital charges customers a subscription fee but provides free services through the kiosks and to those who cannot afford the paid service or do not own a smartphone, reaching many people in the risk category.



Increasing access to cardiac care in Singapore

Philips Foundation and social service agency Singapore Heart Foundation (SHF) partnered to improve cardiac incident outcomes in communities by increasing access to quality healthcare. Besides supporting community cardiac rehabilitation infrastructure with the funding of the newly-named SHF – Philips Foundation Heart Wellness Centre, the partnership also provided CPR training for 500 individuals while increasing public accessibility to Automated External Defibrillators (AEDs).

The year-long program aims to reduce the mortality rate of cardiac incidences by at least 50% (compared to patients who do not participate) and lower the risk of hospital readmission for individuals by 25%.

The project will address patients' lack of participation in rehabilitation programs and not adhering to medication – two of the biggest barriers to secondary prevention of cardiovascular disease. Although rehabilitation is the foundation of secondary prevention, only 6% to 15% of eligible patients today attend cardiac rehabilitation programs.

The SHF – Philips Foundation Heart Wellness Center will tackle this problem and drive higher participation in rehabilitation programs. It is one of only three such centers in Singapore providing a structured community-based heart wellness program.

Heart Diary App helps recognize heart failure

In the Netherlands, an estimated 255,000 people have undiagnosed heart disease, and without treatment, the heart continues to deteriorate. To help recognize heart failure earlier, the Heart Foundation has developed the Heart Diary app with support from the Philips Foundation.

The sooner heart failure is detected, the better, but it is often not recognized until late in the process because common complaints, such as shortness of breath, fatigue and fluid retention, are non-specific and might seem innocent. As a result, people postpone a visit to the doctor and miss out on early treatment, which can slow down further deterioration of the heart.

The Heart Foundation campaign helps identify symptoms that may indicate heart failure and, when appropriate, advises people to discuss these with their general practitioner. The easy-to-use Heart Diary app can be downloaded for free from Google Play (Android) and the Apple App Store (iOS). Users complete a short, personalized questionnaire each day for two weeks. After two weeks, users receive a clear overview of the duration and frequency of their symptoms. The aim is to make it easier for the patient and the doctor to start the conversation. If heart failure is suspected, the general practitioner can initiate follow-up tests.

You can download the app at www.hartstichting.nl/hart-en-vaatziekten/hartfalen-gids/hartdagboek-app





Improving access to healthcare for mothers and children

Improving healthcare for mothers and children in underserved communities is one of the focal areas of the Philips Foundation, especially because a staggering 94% of all maternal deaths occur in low- and lower-middle-income countries.⁸

Routine diagnostic ultrasound screening improves the detection of fetal abnormalities. Screening can also detect occasional multiple pregnancies, provide an accurate estimate of the gestational age (i.e., stage of the pregnancy), and is essential to support appropriate interventions during pregnancy, labor, and delivery. Despite the well-known benefits, diagnostic imaging is insufficiently available in many rural and remote areas in low-resource settings.

To inform policies that can improve maternal health, the underlying factors need to be better examined, and more data is needed on the causes of maternal mortality. In 2021, Philips Foundation was able to share the results of its long-term studies on improving maternal health with the International Committee of the Red Cross and Imaging the World.

8. WHO (2019). [Maternal mortality](#)





Deploying high-risk pregnancy referral cards at scale

This project evaluated and confirmed that the pregnancy risk identification cards, developed by the Philips Foundation, Philips Design and the International Committee of the Red Cross (ICRC), effectively helped in the identification of high-risk pregnancies and appropriate referral to primary health care facilities for further examination and treatment of pregnant women.

The referral cards are part of a toolkit developed to address the fact that 94% of all maternal deaths occur in low- and lower-middle-income countries.⁹ Well-informed or skilled care during and after childbirth can save the lives of women and newborns. The cards consist of tested illustrations of healthy situations on one side and symptoms that indicate risks on the other side. It's a simple tool to support conversations between caregivers (e.g., midwives, community health workers, birth companions) and pregnant women. The cards and conversations can help identify at-risk pregnancies and ensure timely referrals from the community to a higher level of care.

After earlier validation with ICRC in several underserved communities, this study was deployed with the Kenya Red Cross Society in four Kenyan counties and reached over 280,000 women.



Ultrasound training center to perform basic examinations in rural clinics

Imaging the World, an organization dedicated to increasing access to modern medical imaging technology in rural and resource-limited areas, has been working in Uganda for 12 years to develop a fully sustainable model that provides ultrasound services in rural areas.

With the support of the Philips Foundation, Imaging the World is establishing a centralized ultrasound training facility in Kampala. This will further expand the number and capacity of midwives and other health professionals from Uganda and beyond. The facility will be able to provide training and supervision of nurses and midwives, combined with tele-ultrasound technology, to ensure the highest quality results for rural patients.

Having trained 350 midwives, Imaging the World has enabled over 400,000 decentralized pregnancy scans with portable ultrasound technology. They have gained a wealth of experience and demonstrated favorable outcomes, ensuring the quality of pregnancy care over time. These lessons could benefit other countries envisioning similar improvements.

Improving pregnancy outcomes through early antenatal care

Together with Aga Khan University in Kenya, Philips Foundation is running a scientific study demonstrating that connected digital innovation across the referral chain can increase antenatal care acceptance and improve pregnancy outcomes.

Taking place in 21 health facilities in Kenya – through in-person training, remote education, and real-time video collaboration – midwives build the skills and confidence to perform routine basic obstetric screening. This allows them to identify women with high-risk pregnancies for timely transfer and treatment in a proper healthcare center, giving women a far better chance of bringing a healthy child into the world. Next to midwives, community health workers are trained to use a mobile app that allows them to register pregnant women, conduct an initial risk assessment and explain the importance of going to the primary care clinic for an ultrasound scan as part of their prenatal care plan.

While the current study does not have the scale to directly prove the effects on maternal and child mortality, it will measure the effect of the intervention on 17 health outcome indicators for healthy pregnancy outcomes.





Accelerating effective acute and emergency care

To rapidly increase the capacity to provide quality emergency health and trauma care, affordable and well-organized emergency care systems with appropriate resources are critical.

Ensuring timely care for the acutely ill and injured is considered one of the health interventions to dramatically reduce mortality rates and lower healthcare costs in low- and middle-income countries.¹⁰ Through innovative care delivery models and technological solutions, the Philips Foundation helps to respond more quickly and effectively in acute (emergency) situations. Philips Foundation supports efforts aimed at reducing emergency response time and improving acute care medical outcomes for underserved and low-density communities across the globe.

In 2021, we strengthened acute and urgent care with local organizations in the Netherlands, Kenya and Peru. By working with organizations that operate locally, we believe we can better equip and organize communities to provide faster and more affordable care where time can be of the essence.

10. WHO (2019): [Global Emergency and Trauma Care Initiative](#)





First city in the Netherlands to have a comprehensive network of AEDs

In the Netherlands, every year, 17,000 people are affected by cardiac arrest outside the hospital. That's why Philips Foundation supported the campaign of Philips Netherlands and Eindhoven Hartveilig to realize a comprehensive network of Automated External Defibrillators (AEDs) in Eindhoven to provide access for neighborhoods that previously did not have them and thereby increase the chance of survival in the event of sudden cardiac arrest.

Volunteers received cardiopulmonary resuscitation (CPR) training in the Philips Stadium in Eindhoven with the aim of becoming civilian aid providers. The training, as well as the installation of the additional AEDs, makes Eindhoven the first major Dutch city with a network of civilian aid workers and AEDs covering the entire city. This creates a "6-minute zone" – meaning that within six minutes of a cardiac arrest, help can reach the victim, which is critical to increasing chances of survival.

By partnering with Philips and Eindhoven Hartveilig, we were able to provide CPR training to 800 participants and access to 44 AEDs.



Access to heart attack care in Kenya

In the partnership between Heart Attack Concern Kenya (HACK) and Philips Foundation, we are improving the preparedness for heart attack services in three counties in Kenya by improving symptom recognition, diagnosis and correct treatment to enhance positive outcomes for patients who suffer a heart attack.

In 2021, 495 healthcare workers were trained during a 5-month virtual training program. The results were positive, as most health workers were able to perform and interpret ECGs, as well as determine when to intervene. Overall, the results in combination with public education have led to improvements in awareness, recognition and diagnosis of acute cardiac conditions and heart attacks. There has been an increase in consistent access to medication and diagnostic facilities for prevention and treatment purposes, and clinical quality measures have been developed.

Most importantly, all these actions resulted in increased diagnosis of heart conditions and institution of appropriate treatment and referral. The aim is to reduce premature heart attack mortality and potential complications in underserved communities.

Remote tele-ultrasound education for emergency medicine clinicians in Peru

This project with the non-profit Ondas de Latinoamérica improved emergency care in Latin America by training emergency medicine physicians to be leaders in point-of-care ultrasound (POCUS).

POCUS enables physicians to make critical diagnoses and treatment decisions at the bedside. The project focused on training physician leaders in POCUS through a versatile approach that uses tele-ultrasound to provide ongoing remote education and support in addition to traditional hands-on education. This allowed healthcare professionals to interact remotely and dynamically in a wide range of applications, from teleconsultations, secure messaging, and tele-ultrasound to interactive surgical assistance and remote procedure supervision.

The physicians in the program were required to complete a quality improvement assessment, an education project, or a research project leading to scientific publication. These knowledge-generating activities exponentially increased the impact of the program.



Disaster relief in times of crisis

Provide lasting access to healthcare for underserved communities, as well as disaster relief in times of crisis

Philips Foundation's mission is to reduce healthcare inequality by providing access to quality healthcare for underserved communities, as well as disaster relief in times of crisis.

In 2021, as the COVID-19 pandemic continued to have a devastating impact on people's lives, Philips Foundation stayed committed to ensuring access to critical care for those most in need by leveraging Philips' expertise, innovative products and solutions. Acting in partnership with Philips offices, local NGOs and leading healthcare providers, Philips Foundation responded by providing point-of-care ultrasound solutions, patient monitoring, ventilators, emergency kits and medical supplies. In 2021 alone, Philips Foundation initiatives to address the pandemic provided more than 1.4 million people with access to critical healthcare.

At a local level, many employees worked tirelessly to volunteer and deploy their expertise to help contain the COVID-19 pandemic.

For more information, go to philips-foundation.com/a-w/covid-19-response

Romania

In the autumn of 2021, Romania ranked top 5 for COVID-19 cases worldwide. As a country already faced with a high infant mortality rate, the pandemic has exacerbated an already dire situation. Philips Foundation joined forces with Save the Children Romania to support its Every Child Matters program. Four hospitals received essential medical equipment, and capacity was enhanced to treat COVID-19, raising the level of care for patients and contributing to prevention. In addition, an awareness campaign was launched for parents and future parents.

Chile

In partnership with Philips Chile, Philips Foundation has supported the Nuestros Hijos Foundation by enabling tele-rehabilitation and safer transfer for children and adolescents with cancer to reduce their chances of exposure to COVID-19.

Responding to the unfolding humanitarian crisis and helping Ukrainians with medical and financial aid where needed in 2022

As of 2022, the situation in Ukraine and on its borders has created an emergency that requires support from all over the world. Together with Philips, international organizations and local partners, Philips Foundation is working on getting medical equipment, field hospitals, mother and child care products and medical support to those most in need.

For more information, go to philips-foundation.com/a-w/support-ukraine



India

Philips Foundation, Prosus, Johnson Foundation and the Johnson & Johnson Family of Companies joined forces in 2021 to provide more than 800 ventilators to Indian public hospitals in regions most impacted by COVID-19.

Indonesia

In 2021, Philips Foundation responded to calls for oxygen supply to help COVID-19 patients at emergency posts in West Java. We provided 126 oxygen concentrator units to the Center for Indonesia's Strategic Development Initiatives (CISDI). This initiative focused on strengthening primary health services and establishing six community-based command posts in West Java.

Leveraging the capabilities of Philips' workforce

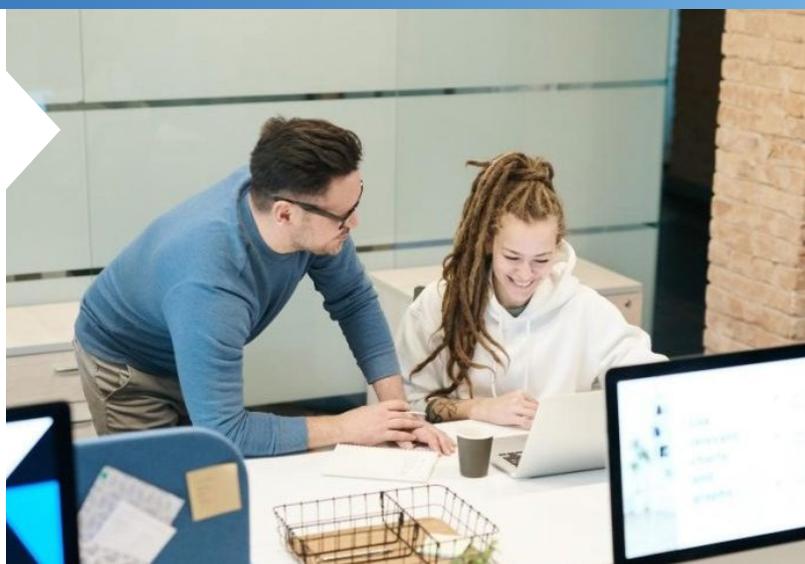
Our strongest asset is the talent of Philips employees, and we encourage them to share their skills. Philips has a policy that allows every employee to spend one volunteering day a year to help out through hands-on activities that support healthcare or environmental organizations. Philips Foundation has access to the capabilities of more than 80,000 employees. Philips Foundation is grateful that many of them are highly motivated beyond that one day, putting their skills to work solving challenges in healthcare provision for underserved communities.

In 2021, as the pandemic continued to affect health systems and communities around the world, Philips employees stood ready to lend a helping hand.

Philips Foundation was also lucky to welcome many Philips hearts, heads and hands to help overcome obstacles and deploy their talents alongside impactful organizations and start-up enterprises. In 2022, Philips employees will continue to use their time and expertise to support the joint mission to provide access to quality healthcare for underserved communities.

Making well-being accessible to anyone

A diverse team from the US, UK and Netherlands developed a value proposition and marketing strategy for Inuka, a start-up aiming to make top-quality coaching with concrete, measurable results accessible to everyone. Using open data sources, employees explored how a science-based and easily accessible solution could improve employee well-being at a time when the pandemic is taking its toll on many people's mental health.



Improving communication between provider and patient

Employees volunteered for the Kenyan social enterprise Penda Health, a partner of Philips Foundation, to co-create new digital services for patients at their health centers in Nairobi. The new service intends to improve communication between the healthcare provider and healthcare recipients, allowing patients to be more proactive in managing their health.



Scaling access-to-healthcare solutions

To further accelerate the development of opportunities for improving access to healthcare, Philips Foundation has established a social impact investment vehicle that supports social enterprises and early-stage ventures, with situation-specific investment through loans and equity, as well as business support.

Philips Foundation Impact Investments B.V. takes an integrated approach to assessing the potential for scaling of enterprises. Behind clever technologies or promising forecasts, business savviness and stamina are important, as well as coachability and overall readiness to make a meaningful and lasting impact. Philips Foundation Impact Investments B.V. operates in the gap in the investment market: between donations and grants on the one hand and impact investors casting a sharp eye on returns on investment on the other hand. To further develop early-stage enterprises and encourage social innovation, maximizing returns and rapid growth is not always the right solution. Sometimes an innovative approach needs patient and judicious impact investing, where the investor can provide an additional entrepreneurial eye to achieve self-sustaining, impactful scaling of the enterprise for the benefit of society.

For more information, go to philips-foundation.com/a-w/social-impact-investment



Solvoz: Procurement capacity for all

From their experience with Doctors Without Borders and other humanitarian aid organizations, the founders of Solvoz created a digital procurement platform for aid organizations. With the platform's intelligence, a 'basket' is formed based on the functionalities and search terms of the purchase officer. In this basket, the necessary accessories, training, spare parts, and potential local providers are being taken into account to avoid transport and waiting time and avoid purchasing equipment that does not work at the location or is missing parts. With their budgets, the organizations can procure much more by using the Solvoz platform. This leads to more impact without extra donor funding. Over 300,000 suppliers are represented in the system.

Solvoz' mission is to improve the efficiency, effectiveness and responsibility in procurement and planning for impact-driven organizations in crisis situations in low- and middle-income countries. Philips Foundation Impact Investments B.V. provides Solvoz with financial support and guidance on how to scale up operations.

“We want to empower local responders with the capacity to be able to act to meet humanitarian needs in their areas. It doesn't make sense that this power is underutilized now, simply because they don't have the means to get on the radar of funders or large NGOs.”

Claire Barnhoorn, CEO and Founder of Solvoz

Sharing our experience to establish sustainable healthcare for underserved communities

The cumulated experience of Philips Foundation, in its work to reduce healthcare inequality around the globe, has led at the end of 2021 to a conceptual model we call *The Wheel*. It contains nine elements that need to be addressed to ensure healthcare services that will last. In remote, low-resource and medically understaffed areas, it is especially hard to create healthcare that becomes independent from charitable donations and will be financially self-sufficient.

Collaboration (SDG 17) is key throughout the elements of *The Wheel*, and the work with societal organizations continues. Many social enterprises around the world have demonstrated intelligent solutions to reach populations with better capacity to scale.

Another demonstration of sharing our experiences is the creation of our *Knowledge Hub*, a virtual place with insights into our lessons learned, as well as successful projects. Our access to the expertise and capabilities available at Philips, combined with those of our partners, allows us to adopt original and distinctive approaches and to explore and disseminate them in a scientific manner. With our exploratory approach, Philips Foundation is a learning organization, and at the same time, will be a platform for knowledge dissemination.

In 2022 and beyond, *The Wheel* and the *Knowledge Hub* will be our framework and strategic approach for how we – together with our partners – can create sustainable healthcare for underserved communities.

The Wheel





Financial statements

Balance sheet as at 31 December 2021

(in euros after result appropriation)

		2021	2020
		EUR	EUR
Loans	1	-	752,061
Total non-current assets		-	752,061
Cash and cash equivalents	2	13,540,989	13,369,006
Receivable from Group Companies	3	130,000	-
Short-term receivables	4	89,738	4,722
Total current assets		13,760,726	13,373,728
Total assets		13,760,726	14,125,789
Other reserves	5	3,772,869	7,032,912
Total equity		3,772,869	7,032,912
Long-term payables	6	3,770,572	-
Total non-current liabilities		3,770,572	-
Accounts payable	7	403,148	-
Accrued expenses	8	5,814,138	7,092,877
Total current liabilities		6,217,286	7,092,877
Total equity and liabilities		13,760,726	14,125,789

Statement of Income and Expenses 2021

		2021	2020
		EUR	EUR
Cash contribution from Koninklijke Philips N.V.	10	6,700,000	6,700,000
In-kind contribution from Koninklijke Philips N.V.	11	914,500	780,789
Other contributions	12	2,190,316	72,538
Financial income	1	2,363	6,790
Total income		9,807,179	7,560,118
Donations	13	10,788,764	8,413,374
Personnel expense	11	914,500	780,789
Other expenses	14	164,071	73,810
Financial expenses	15	72,307	36,902
Impairment loss on long-term loan	16	1,127,581	-
Total expenses		13,067,222	9,304,876
Result	17	-3,260,044	-1,744,758

Notes

Notes to the Balance sheet and the Statement of Income and Expenses

General

Stichting Philips Foundation, registered at the Dutch Chamber of Commerce with number 61055379, is a foundation under Dutch law, based in Amsterdam, Amstelplein 2, 1096 BC.

Financial reporting period

These financial statements cover the year 2021, which ended 31 December 2021. The comparative figures cover the year 2020, which started on 1 January 2020 and ended 31 December 2020.

Basis of preparation

The financial statements have been prepared in accordance with the Guideline for annual reporting 640 *Not-for-profit organisations*.

Philips Foundation applied the consolidation exemption included in the Dutch Civil Code 2:407 section 2, allowing small-sized companies to solely prepare a stand-alone set of Financial Statements.

Going concern

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

Impact of COVID-19

During 2021 and 2020, fewer site visits took place due to travel restrictions because of COVID-19. Consequently, representatives of the Foundation were in most cases not able to personally verify the impact of the projects the Foundation donated to.

Accounting policies

General

The principles applied for the valuation of assets and liabilities and result determination are based on the historical cost convention. Unless stated otherwise, assets and liabilities are shown at nominal value. Valuation takes place at nominal value less any provision deemed necessary.

Provisions for receivables are determined based on individual assessments of the collectability of receivables.

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

Contributions are recognized in the Statement of Income and Expenses when the Foundation is reasonably certain that it will meet the requirements for the contribution and will actually receive it.

Donation expenses are recognized in the Statement of Income and Expenses and as a liability on the balance

sheet when the Board has approved the donation and notified the counterparty in writing, resulting in an obligation.

Expenses are recognized in the Statement of Income and Expenses when a decrease in the economic potential related to a decrease in an asset or an increase in a liability has arisen, the size of which can be measured with sufficient reliability.

Income is recognized in the Statement of Income and Expenses when an increase in future economic potential related to an increase in an asset or a decrease in a liability has arisen, the size of which can be measured reliably.

Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability. Income and expenses are allocated to the period to which they relate.

Use of estimates

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

Functional currency

The financial statements are presented in euros, which is the Foundation's functional currency. Transactions denominated in foreign currency are translated into euros at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. Exchange differences resulting from the settlement of monetary items or resulting from the translation of monetary items denominated in foreign currency are recognized in the Statement of Income and Expenses in the period in which they arise.

Financial instruments

Financial instruments comprise only primary financial instruments, such as receivables, cash and cash equivalents and accounts payable. For the principles applying to these instruments, please refer to the treatment of each relevant balance sheet item.

Non-current loans

Non-current loans are recognized initially at fair value plus directly attributable transaction costs, and subsequently stated at amortized cost based on the effective interest method. Gains and losses are recognized in the Statement of Income and Expenses when the receivables are transferred to a third party or an (reversal of) impairment is recognized, as well as through the amortization process.

Receivables

Receivables are measured at fair value at initial recognition. After initial recognition, the assets are measured at amortized cost using the effective interest method, less an allowance for uncollectible debts. This allowance is determined by individual assessment of the receivables.

Cash and cash equivalents

Cash and cash equivalents are stated at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement.

Current liabilities

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

Other reserves

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

Notes to the Balance sheet

1. Loans / Financial Income

In 2020, Philips Foundation started to issue loans, as a potential alternative to straightforward donations. Loans may be used to incentivize and promote the self-sustainability of certain social initiatives. As of 31 December 2021, two loans to social entrepreneurs were outstanding, for an amount of approximately EUR 1.1 million. Because of a legal issue, there is some uncertainty whether these loans will be paid back. Therefore the loan was impaired, resulting in a loss of EUR 1.1 million reported separately under Impairment loss on long-term loan.

2. Cash and cash equivalents

Cash and cash equivalents mainly relate to current account balances on Philips Foundation's bank account. Cash and cash equivalents are available without restrictions.

3. Receivable from Group Companies

In December 2021, Philips Foundation disbursed EUR 130,000 to a third party on behalf of Philips Foundation Impact Investments B.V. (PFII). This amount will be paid back in 2022, as soon as PFII's bank account is in place.

4. Short-term receivables

The short-term receivables as per 31 December 2020 relate to interest to be received on the loans. The 2021 amount includes a EUR 77,000 contribution from Philips, confirmed to be received in 2022, plus a small prepayment of Optimy license costs.

5. Equity

Other reserves

	2021	2020
	EUR	EUR
Opening balance	7,032,912	8,777,670
Additions (result for the year)	-3,260,044	-1,744,758
Total	3,772,869	7,032,912

The other reserves consist fully of the results of previous years as well as the current year. All is freely disposable. Foundation capital in 2014 at establishment was EUR 1.5 million.

6. Long term payables

The RAD-AID contract, which covers several years, is included in the Foundation numbers for an amount of EUR 5.8 million, of which the current part of EUR 2.0 million is under Accrued expenses, while the long-term part of EUR 3.8 million is reported here.

7. Accounts payable

	2021	2020
	EUR	EUR
Payables in EUR	403,148	-
Total	403,148	-

The Accounts payable position on 31 December 2021 relates mostly to invoices received in 2021 relating to a number of projects, which have been paid in 2022.

8. Accrued expenses

	2021	2020
	EUR	EUR
Accruals related to strategic projects with global NGOs	4,391,686	4,496,627
Accruals related to Market CSR projects	1,422,451	2,508,325
Accruals related to employee fundraisers	-	66,282
Accruals other	-	21,644
Total	5,814,138	7,092,877

9. Off-balance sheet commitments and assets

Stichting Philips Foundation will receive a contribution of EUR 50,000 each year for the next 3 years. On September 15, 2021, Philips Foundation established a 100% subsidiary, Philips Foundation Impact Investments B.V. The purpose and mission of the company are in line with Philips Foundation: to contribute to UN Sustainable Development Goal 3, in particular to provide affordable qualitative healthcare to underserved populations and everything related to this goal or that may be conducive thereto. The company (B.V.) strives to achieve this goal by investing in social enterprises or other companies or organizations relevant to its purpose and mission, providing (share) capital and/or (convertible) loans to, and otherwise participating in, the aforementioned enterprises and organizations, as well as providing non-financial support (expertise, board positions, advise, volunteers).

Philips Foundation is committed to fund Philips Foundation Impact Investments B.V. by obtaining 100% of the company's share capital, comprising EUR 10,000 and a share premium of EUR 4,990,000 for a total commitment of EUR 5,000,000, which will be deposited as soon as the bank account is ready for use (expected May 2022). With this capital, the investments from Philips Foundation Impact Investments B.V. that the Board will decide upon in 2022, and potentially beyond, will be executed.

The investment in Philips Foundation Impact Investments B.V. will be capitalized on the balance sheet of Philips Foundation upon payment of the share capital and share premium in accordance with Dutch Civil Code 2:378 section 2.

Notes to the Statement of Income and Expenses

10. Cash contribution Koninklijke Philips N.V.

In 2021, Koninklijke Philips N.V. donated EUR 6.7 million to Philips Foundation. The amount is equal to the amount received in 2020. Koninklijke Philips N.V. furthermore seconded a number of employees to the Foundation's operational team, as a contribution in kind (please refer to note 11 below). Of the Other Contributions, EUR 50,000 annually is secured for 5 subsequent years (2020-2024).

11. In-kind contribution from Koninklijke Philips N.V. / Personnel expenses

In 2021 and 2020, the Foundation employed no staff members. The Board members receive no remuneration for their duties. Members of the Board receive a fixed allowance of EUR 250 per Board meeting to cover their expenses. The Foundation's operational team consists of employees of Koninklijke Philips N.V. who are seconded to the Foundation. Their salaries and expenses are paid by Koninklijke Philips N.V. for EUR 914,500 (2020: EUR 780,789) to carry out Foundation activities. The related costs have been included as 'In-kind contribution' and 'Personnel expense'.

N.B. The calculation of the in-kind contribution was changed compared to last year, i.e. this year the actual 2021 costs are reported (derived from the formal KPNV accounting), while last year an estimate was used based on salary costs. Last year's amount, comparable to the reported 2021 amount, is EUR 979,101.

12. Other contributions

Of the total of EUR 2.2 million recorded here, the major part relates to the 2021 COVID 19 project for India, a coalition that was established to jointly provide ventilators. Philips Foundation contributed EUR 1 million to that project, and a number of partners (Prosus, J&J and Shell) also contributed major amounts, in total close to EUR 2 million. The other amounts included here include volunteering contributions (just over EUR 150,000), a EUR 50,000 donation secured for 5 years (2020-2024) and some smaller unallocated contributions.

13. Donations

	2021	2020
	EUR	EUR
Donations related to strategic projects with global NGOs	7,446,914	5,801,159
Donations related to Market CSR projects	3,455,450	2,514,607
Donations related to employee fundraisers	-	97,608
Donations other	-113,600	-
Total	10,788,764	8,413,374

The donations made by Philips Foundation can be categorized as follows: the first type relates to strategic projects with NGOs; the second type relates to Market CSR projects proposed and implemented by Philips country offices with local partners. The NGOs receive the donation after sending an invoice according to the agreement. In-kind donations comprise Philips equipment purchased for a charitable price from Philips and donated to the NGOs. The amount under Donations Other relates to an old former Philips Lighting Project which was cancelled in 2021.

14. Other expenses

Other expenses in 2021 and 2020 consist of audit fees including audit of non-financial statements, consultancy expenses, communications and subscription costs, Board expenses and representation costs. In 2021 an amount of almost EUR 50,000 is included for a BBC documentary on Foundation activities in Latin America.

15. Financial expenses

The financial expenses in 2021 and 2020 consist of banking fees, interest over outstanding loan receivables, and exchange rate differences. In 2021 an impairment of outstanding loan receivables took place, for an amount of EUR 1.1 million, which is included here as a loss (see also note 1).

16. Impairment loss on long-term loan

As of 31 December 2021, two loans to social entrepreneurs were outstanding, for an amount of approximately EUR 1.1 million. Because of a legal issue, there is some uncertainty whether these loans will be paid back. Therefore the loan was impaired, resulting in a loss of EUR 1.1 million reported separately under Impairment loss on long-term loan.

17. Appropriation of result

The 2021 result has been added to the Other reserves in accordance with the proposal approved by the Board of the Foundation. The Board proposes to deduct the 2021 negative result of EUR 3,260,044 from the Other reserves.

Subsequent events

In 2022, Philips Foundation paid EUR 283,000 on behalf of Philips Foundation Impact Investments B.V. (PFII) due to the fact that the opening of the bank account for PFII is pending. The amount relates to investment decisions taken after the balance sheet date.

In May 2022, Philips foundation paid EUR 2,510,000 to (partially) fulfil our commitment to fund Philips Foundation Impact Investments B.V.

The Board:

Ronald de Jong

Robert Metzke

Ann Aerts

Liesbeth Rutgers

Bernard van der Vyver

Allert van den Ham

Nancy Bocken

Amsterdam, May 24, 2022

Other information

Independent auditor's report

To: The board of Stichting Philips Foundation

Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the financial statements 2021 of Stichting Philips Foundation based in Amsterdam. In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Philips Foundation as at December 31, 2021 and of its result for 2021 in accordance with the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards Board.

The financial statements comprise:

- the balance sheet as at December 31, 2021;
- the statement of income and expenses for 2021; and
- the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

We are independent of Stichting Philips Foundation 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.

Emphasis of matter relating to uncertainty about Corona

The developments around the Corona (COVID-19) pandemic have a profound impact on people, society and on the economy. This impacts operational performance of organizations. The impact may continue to evolve, giving rise to complexity and inherent uncertainty. Stichting Philips Foundation is confronted with this uncertainty as well.

The financial statements and our auditor's report thereon reflect the conditions at the time of preparation, including the uncertainty and the impact on significant assumptions, that are disclosed in the notes to the financial statements in paragraph "Impact of COVID-19". We draw attention to these disclosures. Our opinion is not modified in respect of this matter.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of the 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, including board's report in accordance with the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards Board.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 640 “Not-for-profit 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 financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company’s ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company 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 company’s ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

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

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

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

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

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’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 company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause a company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the 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, May 24, 2022

Ernst & Young Accountants LLP

Signed by Eric Kuijer



Philips Foundation