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Providing access to quality healthcare through meaningful innovation



Philips Foundation

Annual Report 2022

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. This report details the achievements of the Foundation in 2022 toward fulfilling its mission.

Philips Foundation works to improve healthcare accessibility for everyone by utilizing Philips' healthcare innovations and expertise, and by examining and investing in financially viable healthcare delivery models – forging partnerships with non-profit organizations, universities, and other like-minded partners. We team up with inventive social entrepreneurs globally – specifically, those who are in the early stages, have proven their concept, and are rooted in the local ecosystem to establish sustainable healthcare in underserved regions.

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 ensure affordable healthcare is available to those most in need.

Philips Foundation supports social entrepreneurs that complement existing healthcare systems while solving care challenges by employing disruptive models and innovative approaches. This is why Philips Foundation in 2021 established Philips Foundation Impact Investments B.V., a social impact investment vehicle that will support social enterprises through early-stage and situation-specific investment.

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 and help accelerate our impact.

Learn more at www.philips-foundation.com

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Message from the Board

An eventful year for Philips Foundation: from crisis response to sustainable healthcare solutions

2022 was very difficult for millions of people around the world. The year started with the invasion of Ukraine, which brought war back to the European continent. The devastating attacks led to unimaginable human suffering and an urgent need for medical support, which Philips Foundation provided in collaboration with our partners on the ground.

Recent reports from organizations like Oxfam Novib and IPCC confirm that humanity has a long way to go before we get to grips with the complex issues of our times. The recent earthquakes in Turkey and Syria are a sad reminder that providing disaster relief and emergency medical support will remain an important part of the work of Philips Foundation and its partners.

As well as providing support in crisis situations, our mission remains to enable long-term, sustainable system change in healthcare provision for underserved communities. We have come to the view that charitable donations alone – whilst still necessary – will not be sufficient to drive this much-needed change. Through Philips Foundation Impact Investments B.V., a 100% subsidiary of Philips Foundation, we invest in social entrepreneurs who share our commitment to drive system change based on innovative, self-sustaining, and scalable business models.

Since its inception, our impact investment vehicle has built up a portfolio of eight passionate social healthcare entrepreneurs. These investees – with their complementary capabilities – are starting to form an ecosystem that is united in the ambition to enable access to healthcare for underserved communities. We strive to provide these entrepreneurs with many forms of support.

One example especially worth mentioning is the Knowledge Hub we set up in 2022. By building a repository of use cases, best practices, learnings, and outcomes of research, we are contributing to the capture and dissemination of relevant information that we make available to all partners who share our ambition: to create access to healthcare for over 100 million people a year in underserved communities by 2030.

We take pride in the fact that 2022 was a year of strong progress for us in that context: based upon the efforts of Philips Foundation, Philips Foundation Impact Investment B.V., the investees and our partners, we were able to provide access to healthcare to 26.6 million people, an increase of more than 50% compared with 2021 (see * on page 6).

On behalf of the Board of Philips Foundation, I wish to thank the Foundation team, our partners and our investees for their enormous efforts and the impact made.

Finally, I thank Royal Philips and its employees for their continued support. Without that support, we would not be able to make a difference in an increasingly challenging world.

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 Tilburg University, Chair Global Sustainable Leadership



Ann Aerts

Head of Novartis Foundation since 2013. Before joining Novartis as a medical doctor, Ann worked for 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

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

From 2011 until 2021 Allert worked for SNV Netherlands Development Organization as CEO, Chairman of SNV USA and SNV Country Director in Laos & Myanmar. Currently Allert serves on several boards as a nonexecutive member and serves as advisor to various organizations.



Robert Metzke

Robert is Philips' Global Head of Sustainability. In this role, he leads all activities relating to Philips' environmental sustainability, with a focus on climate action, circular economy and expanding access to healthcare in underserved communities.



Liesbeth Rutgers

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.



Bernard van der Vyver

Bernard spent his early career founding and managing multiple successful startups. In 2005, he sold his startup in the HR domain to Deloitte Consulting. At Deloitte, he served as a strategic advisor on people and technology to the boards of industry-leading companies. He was a co-lead architect in the founding of Deloitte University and Philips University.

Key figures 2022

In 2022, Philips Foundation provided access to care to over

26 million people

in some of the most underserved regions across the globe.*

Throughout the year, partnering with earlystage and impact-driven enterprises, we supported **11 social enterprises**.**

18 new projects

around the world were initiated in 2022. Philips Foundation continued to roll out projects with strategic partners to leverage health technology for more sustainable healthcare delivery in areas such as cardiovascular disease and oncology.

10 projects

supported the people of Ukraine. Together with Philips, international organizations and local partners, Philips Foundation worked on getting medical equipment, field hospitals, mother and child care products and medical support to those most in need. Through our projects, we generate new insights and knowledge that help catalyze innovation and inspire others to act. To foster collaboration, **16 projects** have been made publicly accessible via our Knowledge Hub.

*We state that 26,609,744 people were provided access to healthcare in 2022, reached through collaborations with humanitarian and non-governmental organizations and the work of social enterprises. This impact metric does not include direct impact through the provided health solutions, but includes the number of people that have gained access to those services, when needed. 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, the population of a region based on a 1-hour driving time from a health facility where we provided access to ultrasound diagnostic screening.

**This number includes the investments by Philips Foundation Impact Investments B.V. and the loans previously issued by Philips Foundation.

Message from the Director



Creating access to healthcare for underserved communities: beyond pilots, projects and disaster relief

In 2020 and 2021, Philips Foundation focused on providing support to people suffering from the COVID-19 pandemic. As a consequence, our efforts to help drive system change in healthcare, leading to access to care for underserved communities, encountered delays. This was not helped by the outbreak of the war in Ukraine in February 2022, which again required Philips Foundation to focus on crisis relief-related activities. As I write this introduction, we have been providing medical equipment to support the victims of the devastating earthquakes in Turkey and Syria.

It is heartwarming to see employees of Philips and our partners contributing generously via the fundraisers we initiated, enabling us to provide more healthcare services for those affected.

Looking ahead, it is my expectation that natural disasters caused by climate change – flooding, landslides, storms, draughts, lost crops – will continue to increase. All of this, on top of man-made political crises, points to a tremendous increase in requests for humanitarian aid in the years to come. As we work to address the growing need for humanitarian crises support, Philips Foundation will nevertheless maintain its focus on enabling lasting change in healthcare systems to help improve access to care and drive health equity worldwide.

In 2022, together with Philips country offices and partners in society, we started 19 new projects in Latin America, Africa, India and Europe, providing technologies that enable access to healthcare for underserved communities. These initiatives will help tackle cardiovascular diseases, support the early detection of tumors and respiratory diseases, and address complications during pregnancy, as well as preventing other severe conditions.

In 2022, our impact investments in innovative local healthcare startups around the world took off, providing access to healthcare services for over 26 million people who were previously deprived of medical support.

The social entrepreneurs we support are committed to complementing the efforts of governments, NGOs and established private parties in tackling healthcare inequality. The drive to create a positive impact on the one hand, while making business operations financially sustainable on the other, is the definition of true social entrepreneurship. Given the lack of resources typically encountered in low-resource settings, these entrepreneurs bring impressive stamina, business acumen and an unrelenting focus on efficiency.

Our 'class of 2022' investees form a solid group. Investing in an early stage for this socio-economic segment of the pyramid – as Philips Foundation Impact Investment B.V. does – is very rare. We actively try to foster collaboration between the investees and provide support beyond funding in domains like IT, legal services, marketing and attracting additional finance.

As a corporate foundation, we like working with social entrepreneurs. They, too, see the urgent need for change, not through donations, but by providing access to healthcare in a way that is financially viable while being affordable for underserved communities across the globe.

Margot Cooijmans

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

Access to healthcare for all

Aiming to improve access to healthcare for all, Philips Foundation makes essential impact





Technology-enabled solutions

To reach patients in communities with limited access to healthcare, Philips Foundation plays a proactive role in understanding local 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 helps reduce healthcare barriers for underserved communities, such as having to travel to a larger hospital due to staff and medical capability limitations.

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 digitizing and integrating technology in healthcare to reduce healthcare costs, while providing a doctor- or specialist-at-a-distance through virtual care – such as tele-radiology enabling remote image analysis, which can reduce costs while improving access to radiology services to underserved populations. 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 leveraging Philips technologies – such as point-of-care ultrasound, medical information apps, and other often mobile solutions – the ambition is always to have a substantial positive impact on people's lives. We collaborate on projects that help address existing gaps and barriers in the local health system, and create evidence for new ways of delivering digital healthcare.



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 techenabled task-shifting to lower levels of healthcare, such as strengthening the role of community-based healthcare workers in underserved communities. As members of their local communities, community health workers play an indispensable role in providing basic health services close to patients' homes.

To help address the expected shortage of an estimated 10 million health workers by 2030¹, Philips Foundation explores ways to empower community health workers. In places with minimal access to medically trained staff, Philips Foundation provides tools, technologies and training to help strengthen the role of community health workers and enhance the quality of 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 that people no longer have to travel far to health facilities to receive timely treatment and recover from their conditions.

1. WHO (2022). Global Strategy on Human Resources for Health: Workforce 2030: Reporting at Seventy-fifth World Health Assembly



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. Using technology in innovative ways, social entrepreneurs can step in and help bring care to underserved communities. By scaling their operations, these social enterprises can ultimately help reduce dependence on donations and grants.

Philips Foundation aims to achieve this goal by setting up longer-term projects with Philips country offices and global NGOs, embedding scalability from the start and supporting social entrepreneurs who strive to create positive social impact.

By supporting social enterprises and scaling those programs with proven impact, Philips Foundation aims to increase the probability of providing lasting healthcare access to communities that are currently underserved. We particularly choose to join forces with social enterprises that are working to advance digital health models for sustainable healthcare system strengthening.

Addressing clinical areas of:



Non-communicable diseases

Health conditions related to non-communicable diseases (NCDs) often affect people of working age, making it difficult for them to work and causing financial insecurity. As well, with more than three-quarters of the world's NCD-related fatalities occuring in low- and middle-income countries², the impact of NCDs in these regions is immense. Philips Foundation has a strong focus on cardiovascular disease and oncology, but also addresses respiratory disease and diabetes, as well as their root causes. Timely and accessible services to detect NCDs at primary healthcare facilities are vital for effective treatment and better medical outcomes.



Mother and child care

In 2020, almost 95% of all maternal deaths occured in low- and middleincome countries.³ Improving access to quality maternal and child healthcare in underserved communities can help reduce maternal and child mortality rates, as well as improve the livelihoods of the local community. Improving healthcare for mothers and children in underserved communities is one of the key drivers of sustainable socio-economic development and is a focus area for 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, 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 communities across the globe, as well as in time of disaster relief and other healthcare crises.

2. WHO (2022). Noncommunicable diseases

- 3. WHO (2023). <u>Maternal mortality</u>
- 4. WHO (2023). Advocating for emergency care: a guide for nongovernmental organizations







Addressing the rise of NCDs in underserved communities

The main types of NCDs are cancers, cardiovascular and respiratory diseases. Non-communicable (chronic) diseases are a growing global health concern, especially in low- and middle-income countries (LMICs). More than threequarters of the world's non-communicable disease fatalities occur in LMICs.⁵ 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. NCDs are often lifestyle or living environment-related.

In 2022, we strengthened our focus on addressing the increasing incidence of cardiovascular disease and cancer in underserved communities. These two disease areas represent a significant portion of the global burden of disease, and their prevalence is increasing rapidly in LMICs due to factors such as urbanization, changing lifestyles and aging populations.



5. WHO (2022). Noncommunicable diseases





"You have to establish a best practice model... and this best practice model must be simple, and replicable."

Dr. Gerald Yonga, cardiologist and President Africa NCD Alliances Network

Strengthening cardiovascular disease management in Kenya

Cardiovascular diseases (CVD) are the leading cause of death globally. The strategic approach by the World Health Organization (WHO) to reduce the CVD burden involves strengthening the primary healthcare system to provide comprehensive integrated prevention programs, primary care, early detection of complications, and referral. Early detection of CVD has been shown to greatly improve outcomes and reduce economic burden.

Philips Foundation and the NCD Alliance Kenya (NCDAK) are implementing a project in Siaya county to strengthen CVD services at primary healthcare. The project explores the utility of a CVD care model that includes tele-electrocardiogram and point-of-care ultrasound at primary care level to enhance effective triage, early detection, and referral of CVD patients.

Current practice within the healthcare system leaves the use of ECG and cardiac ultrasound to higher levels of care upon referral, and most of the referrals end up being done late, when patients already have symptoms and advanced disease.

In 2022, the project supported the development and dissemination of CVD triage algorithms for use at the facility level, as well as the training of over 100 health workers on CVD guidelines, screening triage, management and referral. It also helped equip facilities with CVD risk screening equipment. This enabled the comprehensive assessment of cardiovascular risk using the WHO CVD risk assessment guidelines, triage, early detection of cardiovascular complications and referral.



How does technology drive healthcare access?



The lack of trained healthcare professionals in Argentina causes delayed cancer diagnoses. To speed up diagnosis, tele-radiology solutions enable remote analysis and improve treatment options for remote patients.

Early detection of lung cancer in Argentina with tele-radiology solution

According to the World Health Organization (WHO) incidences of cancer in Argentina are expected to rise from 129,047 new cases in 2018 to 190,779 cases in 2040 – an increase of 47.8% in 20 years. Lung cancer accounts for 15% of all deaths from cancer in Argentina. The main challenge is a lack of trained professionals in public hospitals, causing delayed diagnoses.

To address this, Philips Foundation is partnering with Fundación para la Investigación, Docencia y Prevención del Cáncer (FUCA) to install remote tele-radiology diagnosis solutions. Together with the Instituto Alexander Fleming (IAF), the first private institute for oncology in Latin America, and 13 public hospitals, the National Oncology Committee was created. The collaboration aims to speed up diagnosis for people living in remote areas.

The tele-radiology solution will enable approximately 25,000 images to be analyzed virtually on an annual basis by IAF thoracic pathology specialists, speeding up diagnosis and treatment. Hospitals in remote areas will be trained to upload the information to the system, creating a valuable opportunity to access and learn about this type of technology. The tele-radiology design will be easily scalable in other regions or countries and will support Argentina's goal to work on early diagnosis.

Developing scalable programs for rheumatic heart disease in Uganda

Rheumatic heart disease (RHD) affects around 40 million people each year⁶ and is the number one cause of death from heart disease in children and young adults. It is also very much a disease of inequity, as the majority of those affected are socio-economically disadvantaged and living in low- and middle-income countries (LMICs). After having supported the first large-scale research trial to investigate the role of penicillin in early RHD management between 2018 and 2021, Philips Foundation teamed up again with Heart Healers International in the next phase to design and test the first decentralized model for RHD healthcare delivery in sub-Saharan Africa.

Focusing on two districts in Uganda and in close partnership with the Ministry of Health Uganda, the program is based on two core approaches: (1) community-based RHD screening using handheld echocardiography and (2) registry-based secondary prophylaxis. The program, which will also screen for other cardiovascular diseases, targets detection in two districts with a combined 390,000 residents and is expected to have farreaching indirect impact.

Approximately 1.8 million people live in surrounding districts. As the only cardiac specialty clinic in the far north of Uganda, referrals will likely come from the surrounding districts. Ultimately, the program is designed to be scalable. Rigorous testing of approaches will create a 'scalable unit' to impact care nationally, regionally and globally.

6. World Heart Federation (2022). Rheumatic heart disease (RHD)





"Scaling up active detection of RHD ... when coupled with early initiation of antibiotics, is a powerful tool for preventing advanced heart disease and early death for millions of youths around the world."

Andrea Beaton, professor at Cincinnati Children's Hospital & representative of Heart Healers International

Addressing the deficits in stroke care in low- and middle-income countries

NCDs are responsible for 27% of recorded deaths in Nigeria⁷, and the country is falling behind on providing preventative stroke care. There is also little access to rehabilitation, which creates a burden for families of stroke survivors caring for their loved ones. Gaps in stroke care research in low- and middle-income countries (LMICs) like Nigeria are exacerbated by how competitive funding streams can be.

This is why Philips Foundation is deploying Philips' expertise in stroke care in underserved settings. One of these projects is supporting the development of a new online platform, called Collavidence, to increase stroke research funding. This platform will not only focus on research funding available in LMICs, but will help explore whether the crowdfunding model is a viable alternative to traditional sources of stroke research funding.

Another initiative is our support of The Life After Stroke Centre (LASC) Onitsha, established by Stroke Action Nigeria. The center has provided over 200 stroke survivors with community-based rehabilitation, secondary prevention and psychosocial support. It supports survivors' return to work as a 'stroke survivor entrepreneur', a role created during roundtable discussions between social entrepreneurs and Philips employees who took part in the Ashoka-Philips Foundation partnership. To determine whether this intervention is effective, and to address the lack of research in these settings, Philips Foundation is supporting a new study into community-based stroke rehabilitation care in the LASC program.

7. WHO (2022). Noncommunicable Diseases Progress Monitor 2022





How does the project strengthen community care?

The results of a new study focused on communitybased stroke care may pave the way for addressing the increase in stroke at the community level in low- and middle-income countries.





"The pain monitor app is a great example of how you can leverage low-threshold technology to make life more bearable for children with cancer and those around them."

Sylvia van Es, President Philips Netherlands

KLIK Pain Monitor app helps children with cancer and their parents communicate about pain

About 600 children are diagnosed with cancer each year in the Netherlands, and since 2018, the healthcare professionals at the Princess Maxima Center in Utrecht have overseen their treatment and managed their symptoms and pain. However, not all children stay in the hospital at all times, and there is a need to help children – and their parents – manage pain at home.

With the support of Philips Foundation, a special app has been developed to help children and parents at home to quickly get in touch with care providers at moments of pain: the KLIK Pijnmonitor-app (pain monitor app). Children or their parents can report 'pain scores' from 0 to 10, 24 hours a day. With a low score from 0 to 3, they receive tips to deal with pain, such as "Put something hot or cold against the sore spot," or "Does your child need a hug?" With scores of 4 or higher, care providers contact the family by telephone.

Initial research shows that families indicated that the app made them feel safe, because they knew that someone from the hospital was available to watch and give advice. The healthcare professionals say the app is a good addition to cancer treatment. Follow-up research is currently taking place; if the results are positive, the Princess Máxima Center expects to integrate the app into its operations next year.





What makes the project scalable?

The program includes face-to-face training, which can be repeated at different locations, and a digital first aid e-learning course, which is available remotely and therefore accessible to a wider population.

Supporting life-saving first aid training for children in France

As with many countries, cardiovascular disease remains the number one killer in France. The chance of survival increases when bystanders or members of the household are able to provide cardiopulmonary resuscitation (CPR) until medical professionals arrive. However, only around 30% of the population in France has first aid training. Teaming up with Global Heart Watch, the key objective of this project is to raise awareness about the dangers of sudden cardiac arrest (SCA) and the life-saving actions that can help save lives.

Training younger populations is critical because they are tomorrow's first responders. While recent laws have been passed to ensure first aid training in schools, young people in the age group of 16-30 who have left school early or have learning difficulties are being left behind. Among youths, the project targets specifically young people in underserved settings.

During these trainings, participants learned how to use a defibrillator and received guidance about how to do CPR. Beyond face-to-face training, the program also supported the creation of a digital first aid e-learning course.



Mother and child care



Improving access to healthcare for mothers and children

Improving healthcare for mothers and children in underserved communities is one of the focal areas of 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. It detects occasional multiple pregnancies, provides 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 2022, Philips Foundation announced a multi-year cross-continental partnership to increase access to ultrasound services for many pregnant women in low- and middle-income countries.

8. WHO (2023). Maternal mortality







"By adopting a train-the-trainer model, first-generation healthcare workers can contribute to the education of the next generation of ultrasound practitioners."

Daniel J. Mollura, President and CEO of RAD-AID International

Promoting access to diagnostic ultrasound services

Philips Foundation has embarked on a multi-year cross-continental partnership with RAD-AID to promote access to diagnostic ultrasound services in 10 countries. By leveraging the virtual care capabilities of Philips ultrasound solutions, RAD-AID is rolling out a highly scalable, remote 'train-the-trainer' model to improve access to diagnostic and point-of-care ultrasound through curriculum-based education and clinical hands-on teaching for improved healthcare access for mothers and children.

With these solutions, ultrasound experts, such as radiologists and sonographers, can communicate with training program participants thousands of kilometers away via voice, video and text messages, view the ultrasound images taken in real time, and remotely demonstrate equipment settings during guided ultrasound examinations of pregnant women.

This multi-year initiative aims to reach many pregnant women across Africa, Asia, North America, Latin America, and the Caribbean – including in Ethiopia, Ghana, Grenada, Guyana, Kenya, Laos, Nepal, Malawi, Tanzania, and the US. During the project's initial phase, RAD-AID International is deploying the model in five high-impact regional sites. Learnings from phase-one deployment will help Philips Foundation and RAD-AID International co-create new educational strategies for second-phase deployment.



How does technology drive healthcare access?



The digital solution provided facility managers with real-time monitoring of equipment status, placement, and movement. This enabled them to schedule maintenance and allocate resources more efficiently, resulting in expedited access to maternity services.

Strengthening medical equipment management in Kenya

The availability and use of functional medical equipment is key in the effective delivery of health services and access to care. Many high-impact maternal, newborn and child health interventions require access to medical equipment considered essential for normal or assisted delivery, cesarean section, post-operative care, and routine and advanced neonatal care.

Philips Foundation, UNICEF and Philips partnered with Kenya Ministry of Health to develop and deploy a novel digital solution to monitor health equipment, track breakdowns, and initiate maintenance and repairs workflows in 100 health facilities in Kakamega and Kisumu counties.

Completed in 2022, the project was instrumental in streamlining equipment management in the two counties. Facility managers were able to monitor equipment status, track equipment placement and movement, schedule maintenance, and improve efficiency in resource allocation. The improved availability and functionality of medical equipment was essential for maternity health service delivery. Learnings from the project helped the Kenya Ministry of Health begin to develop standard operating procedures for medical equipment inventory management, decommissioning and procurement.

Improving antenatal care and pregnancy outcomes in Kenya

Philips Foundation in collaboration with Aga Khan University Centre of Excellence in Women and Child Health implemented the Mimba Yangu Project in Kilifi County, Kenya. The project was aimed at testing the implementation of World Health Organization (WHO) guidelines that recommend one ultrasound scan before 24 weeks of gestational age for every pregnant woman, testing digital connection in antenatal care (ANC), and evaluating impact in remote environments in Kenya.

The project involved equipping health centers with obstetric ultrasound machines and training midwives to perform basic obstetric ultrasound, with verification and quality control from higher levels of care. At the community level, community health volunteers were equipped with a mobile app to enable them to register pregnant women and refer them to health facilities for antenatal care. The project enabled improved high-risk pregnancy detection, facilitated early referral, and supported timely management of high-risk pregnancies.

The availability of the ultrasound services and improved communication between facilities and communities improved utilization of ANC services, including increased follow-up care for ANC clients and improved satisfaction with ANC services. Additionally, the project has demonstrated that with adequate training and support, midwives can provide basic obstetric ultrasound scanning as part of the routine ANC.





"We have explored the feasibility, affordability, and sustainability of implementing the WHO's advice to have at least one ultrasound before 24 weeks gestation in the real-life situation in Kenya."

Prof. Marleen Temmerman, Professor of Obstetrics & Gynecology at Aga Khan University

Promoting access to newborn nutrition through digital tools

In 2020, over 2.4 million children worldwide died in their first month of life, accounting for nearly half of all deaths of children below the age of five.⁹ It is possible to improve newborn survival rates by increasing access to high-quality antenatal care, skilled care at birth, postnatal care for mother and baby, and better care for small and sick newborns. Additionally, human milk is considered one of the powerful interventions to improve newborn survival. However, huge data gaps exist globally to actively track, measure, and troubleshoot the feeding of vulnerable infants, to inform decision-making and to optimize care.

Philips Foundation partnered with PATH to explore ways to enhance lactation and feeding support for newborn children and address the gap in data collection. Prioritizing breastfeeding support – as well as the use of appropriate nutritional supplements and human donor milk – can streamline maternal and infant care to ensure the long-term success of breastfeeding.

The project developed a digital kit to optimize critical feeding and save newborn lives through the provision of data-informed guidance to improve practices. Using a rigorous human-centered design approach and working closely with users to iterate the solution, PATH developed a fully functional prototype based on architectures recommended by the World Health Organization.

9. WHO (2022). Newborn mortality





How does the project strengthen community care?

The human-centered design ensures that the digital kit is user-friendly and practical, making it more likely to be adopted by community healthcare providers and integrated into healthcare systems.





"Mortality rates of expectant mothers are still too high. This partnership with Philips Foundation helps us provide much-needed medical assistance to community centers in Yemen by providing mobile ultrasound services in the country."

Pim Kraan, CEO of Save the Children

Training midwives in Yemen to improve much-needed care for mothers and children

Yemen's healthcare system has been devastated by years of civil war and ongoing conflict. The country is facing a major healthcare crisis, with only 50% of health facilities fully functioning¹⁰, and those that remain open lack qualified health staff, basic medicine, and medical equipment. There are an estimated 24 million people – out of a population of 32 million – who need some form of humanitarian assistance, of whom 13 million people are in urgent need of aid.

In response, Philips Foundation and Save the Children have combined their efforts to increase access to maternity care in the country by deploying mobile ultrasound services. The project aims to address rising maternal and infant mortality rates by equipping nine community centers with Philips mobile ultrasound devices and support through the training of midwives in the community. Mobile ultrasound enables easy transport to remote areas, where access to healthcare is often limited. This means that more women in Yemen will have access to the vital healthcare they need during pregnancy and childbirth, while the training provided by Philips and Save the Children will help to build the capacity of local healthcare facilities.

On average more than 1,000 expectant mothers will be reached per month in Yemen through this collaboration. Given that each community center currently supports approximately 120 expectant mothers per month, the nine community centers are expected to scan an additional 13,000 patients within a year.

Acute (emergency) care



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 acutely ill and injured patients is considered one of the health interventions that can dramatically reduce mortality rates and lower healthcare costs in low- and middle-income countries.¹¹ Through innovative care delivery models and technological solutions, Philips Foundation helps to respond more quickly and effectively in acute (emergency) situations. Philips Foundation supports efforts to reduce emergency response time and improve acute care medical outcomes for underserved and low-density communities across the globe.

In 2022, we primarily strengthened acute and urgent care with local organizations in Latin America and East Africa. By working with organizations that operate locally, we believe we can better equip communities to provide faster and more affordable care when time is of the essence.

11. WHO (2019): Global Emergency and Trauma Care Initiative







What makes the project scalable?

The project's focus on education and training courses, combined with the creation of a comprehensive handbook, provides a train-the-trainer education model that is easily transferable to other geographical areas.

Training healthcare providers in neurologic emergency to prevent unnecessary death in Colombia

Traumatic Brain Injury (TBI) is a major health problem worldwide. While many lives could be saved with fast and timely intervention, there is a lack of appropriate education and training in most regions of the world. It's worse in low- and middle-income countries, where cases are nearly triple and mortality rates are up to six times higher. In Latin America, TBI is one of the leading causes of death.

To address this major health issue, Philips Foundation has partnered with Global Neuro to build sustainable, scalable education and training models with advanced diagonostic tools in areas in Colombia with extremely limited access to healthcare and eduction.

Enabled by health professionals and supported by teams specialized in neurotrauma, the initiative leverages portable diagnosis and monitoring technology to improve decision-making skills in clinics, community health centers, ambulances, trauma centers and public hospitals. Emergency physicians, paramedics, intensivists and trauma surgeons have been trained in a standardized fashion.

In addition to education and training courses, Global Neuro has created a comprehensive handbook to capture standardized education in acute healthcare. Combined, this train-the-trainer education model sustains the project and will be the core output. Starting in Colombia, the care model will be easily transferable to other geographical areas.





"We believe in a multifaceted approach involving early recognition of heart attacks through public awareness ... as well as prompt treatment and timely referral; this will reduce morbidity and mortality associated with heart attacks."

Dr. Hassan A. Ahmed, Medical Director at Heart Attack Concern Kenya

Improving access to heart attack care

Philips Foundation partnered with Heart Attack Concern Kenya on a project aimed at improving the quality of heart attack care at county hospitals in Kenya by improving diagnosis and instituting prompt and appropriate treatment of heart attack patients. An acute myocardial infarction (AMI) is the most serious presentation of coronary artery disease and is associated with serious morbidity and mortality. Successful management of an AMI in the early phase requires timely recognition of symptoms, prompt diagnosis and urgent institution of treatment aimed at restoring blood flow in the blocked artery. Rapid transfer to a hospital capable of providing this treatment and managing complications is a key determinant of treatment success.

The project developed heart attack protocols for use at the health facility level and trained health workers on heart attack symptom recognition, diagnosis, treatment, and referral. It also equipped health facilities with ECGs and created awareness at the community level on heart attack prevention and symptoms recognition. In 2022, local health workers continued to receive training and around 1,730 ECG examinations were conducted in the target facilities. The project has enabled early diagnosis and management of acute heart conditions, thus improving disease outcomes.

With help from the Philips Foundation, Kenyan healthcare facilities such as this one in Siaya County are striving to bridge the gap in the diagnosis and treatment of heart disease amid limited infrastructure and resources.

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Philips Foundation supports the people of Ukraine

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 has worked on getting medical equipment, field hospitals, mother and child care products, and medical support to those most in need.

Since the war began, Philips Foundation has been working closely with Philips employees in Ukraine. Thanks to reactive and proactive support from Philips Ukraine in cooperation with Philips Foundation, local humanitarian institutions – such as Ukraine's territorial defense units, doctors and maternity clinics – now have improved access to medical equipment.

As of March 2022, Philips employees were able to donate through Philips Foundation. All donations received went directly to initiatives that provide medical relief to people in Ukraine.

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

Philips Foundation and Philips respond to the unfolding humanitarian crisis and help Ukrainians with medical and financial aid

Increasing access to care in Lviv region

Philips Foundation has collaborated with Lviv Regional Healthcare Administration to provide 90 mobile ultrasound machines with tablets and five mobile digital radiography systems (DXRs) to be distributed among hospitals in the Lviv region, which recently doubled its population and has become the main medical hub in the area. The healthcare system in the region has been under extreme pressure due to the high number of wounded people and internally displaced older people impacted by the stress of the ongoing conflict.

Equipping hospitals

Philips Foundation has collaborated with Serhiy Prytula Charitable Organization to provide high-end ultrasound machines - including mobile ultrasound with tablets monitors, defibrillators, and cardiographs to hospitals in Ukraine. The mobile ultrasound machines have been particularly helpful in providing access to diagnostics during power shortages and enabling in-time diagnosis, also in ambulances and in areas with no other medical services available. The Neurology Department in Kharkiv Hospital has been given a stationary ultrasound machine with extended functions, which has helped to diagnose cardiovascular and other health issues for patients suffering from daily attacks. Another highend unit, fully packed with obstetrics and gynecology options, has been provided to the National Institute of Pediatrics, Obstetrics and Gynecology in Kyiv, which has seen an increase in the number of pregnancy complications due to stressful conditions and health issues caused by poor nutrition under occupation.

Mobile ultrasound training

Philips Foundation, in collaboration with Philips North America, is working on a program to provide ultrasound training to clinicians in Ukraine. The initiative aims to train the clinicians on how to use handheld ultrasound devices, as well as how and when to diagnose and refer patients to hospitals. The initiative will also identify local leaders and build their skills to develop a network of experts in the country.

Access to MRI diagnostics

Philips Foundation partnered with local organization VinMedTech in Lviv to provide free MRI examinations to Ukrainians injured in the ongoing war. The mobile MRI scanner, a medical imaging technique that detects abnormalities such as bleeding, inflammation and internal injuries, was installed and serves several hospitals in the area where no public MRIs were available. Between April and October 2022, more than 1,000 examinations were performed on war victims.

Hospital relief

Philips Foundation provided a 20-bed mobile hospital equipped with Philips patient monitors, electrocardiographs, handheld diagnostic ultrasound devices, and other resources, such as furniture and technical equipment, for the operation of the temporary hospital. The hospital was delivered in close cooperation with Belgian non-profit organization NGO Flame and is stationed in the heavily impacted region of northern Ukraine. Philips Foundation and the Italian Red Cross stationed a second mobile hospital at Romania's border with Ukraine, ready for deployment in case of emergency. In the coming year, Philips and Philips Foundation will continue to ensure that medical equipment is maintained and critical resources will continue to arrive.

Support for acute and emergency care

Philips Foundation is working with Philips teams in Poland and Romania, as well as humanitarian organizations with a local presence (such as the Red Cross) to provide acute and emergency care. Philips Foundation supplied 65 patient monitors to assist health professionals on the ground in both Poland and Ukraine. The Red Cross in Poland received 30 of these monitors, along with handheld diagnostic ultrasound equipment, to provide acute and emergency care. Governmental organizations in Poland also received 35 patient monitors for healthcare assistance. Philips Poland provided 15,000 maternal and child care products to the Polish Red Cross. In addition, Philips Poland employees collected necessary items, such as food, clothing, cleaning and personal care products, and distributed them to Ukrainian families arriving in Poland.

Financial support and supplies for displaced Ukrainian citizens

Philips Foundation and Philips teamed up with the Red Cross in Romania to provide financial assistance to displaced Ukrainian citizens at the Romanian and Polish borders. The outreach provided support with Philips maternal and child care products, respiratory care products, and handheld ultrasound devices used by partner organizations at dedicated medical tents.

Healthcare products to Czech Republic

Philips Foundation and the Red Cross in the Czech Republic worked together to bring personal and maternal health products, such as breast pumps and feeding bottles, to Ukrainian refugees arriving in the city of Prague.

Social entrepreneurs: the reformers of healthcare for underserved communities

Philips Foundation supports social entrepreneurs that complement existing healthcare systems while solving care challenges by employing disruptive models and innovative approaches. This is why Philips Foundation in 2021 established Philips Foundation Impact Investments B.V., a social impact investment vehicle that will support social enterprises through early-stage and situationspecific investment.



Philips Foundation Impact Investments Philips Foundation Impact Investments B.V. takes an integrated approach in assessing the potential scalability of enterprises by not only looking at their technology, business model or another partial aspect of their solution, but rather at their overall readiness to make a meaningful impact within the healthcare systems in which they operate. Behind entrepreneurs' agile technologies and promising forecasts are business acumen and stamina, as well as general willingness to make a meaningful and lasting impact in places where others don't go.

Philips Foundation Impact Investments B.V. aims to operate in the gap in the investment market: between donations and grants on the one hand, and on the other, impact investors who have a keen eye for a snappy return on their investment. Sometimes an innovative approach needs a patient but judicious impact investor, with a complementary entrepreneurial eye for self-sustaining, impactful scale-up over time.

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



"Entrepreneurs striving to provide healthcare for underserved communities embody the essence of our unwavering commitment, driven by a mission to help bridge the vast inequality in healthcare access worldwide. They can fill in the gaps where others fall short, blending determination, business acumen, and efficiency to create a lasting impact. In the face of adversity and limited resources, they can leverage digital technologies and drive innovation locally, to bring lifesaving healthcare to millions across the globe."

Margot Cooijmans, Director of Philips Foundation Impact Investments B.V.

A preventive healthcare model for Hispanic communities

Gradually, over the last 50 years, obesity (which the World Health Organization defines as a body mass index over 30) increased from 15% to over 60% worldwide. Currently, 70% of Central Americans are at high risk of heart disease, 30% are either pre-diabetic or diabetic, and 70% are obese or overweight (defined as a body mass index over 25). In the United States, around 30 million Hispanics have similar health statistics.

Marcos Lacayo Bosche, founder of Estación Vital in Nicaragua, saw the significant difference in access to preventative services as an obstacle to reducing chronic non-communicable diseases, such as obesity and diabetes. After the 2018 human rights crisis, many free healthcare services by non-governmental organizations ended. Marcos decided to create a model directly addressing underserved communities in Nicaragua, to raise awareness, support them in embracing, new healthy habits, and reduce the severe impact of chronic health conditions.

Estación Vital combines nutritional and psychological telemedicine tools in a user-friendly approach to ease tech adoption among communities who can't afford to pay for preventive or proactive healthcare. The telemedicine software is designed to be accessed through kiosks in high-traffic areas such as supermarkets and shopping malls.

Users can get their basic vital signs measured there. The application also provides self-care tools for the low- to medium-income population to reduce obesity and create and sustain a healthy lifestyle. A nutritionist, based on the recommendations, needs of the patient, and health requirements, will create a guide after using the application and share it with both patient and the health professional.

While the initial plan was to rapidly extend the number of kiosks, social and economic instability led to the creation of two interconnected virtual solutions. First, adapting the kiosks' software into a virtual model so that any remote healthcare professional, such as general practitioners, pharmacists, physical trainers, or nurses, can use it and provide an additional service in their community or private practice. This model has enabled specialty care in remote and rural areas with limited nutritional support. And second, a mobile application that offers nutritional and emotional guidance via coaching to a broader audience outside of Nicaragua, including Mexico and Panama. Users can access nutritional and wellness coaching courses and exercises via the application, which creates new habits to reduce NCDs.

In addition, healthcare professionals such as health coaches, psychologists, and nutritionists can use the Estación Vital platform to add specific services to their practice, helping to maintain a connection with their patients while tracking their health condition and data.

"Prevention and education, creating health awareness, is not perceived as an immediate necessity, which makes the learning curve of our services high," says Marcos Lacayo Bosche. "The unstable environment in Nicaragua is a challenge. Thousands of Nicaraguans have fled the country in recent years, and many companies have stopped operations. Combined with the post-COVID fragile economy, this has affected growth and encouraged us to adapt and create new avenues, locally and globally. We must show that solving social problems while being profitable is more valuable for humanity than just 'big money'."

The Estación Vital model created by Marcos Lacayo Bosche in Nicaragua can be scaled to other Hispanic communities across Latin America and the US. The telemedicine software and user-friendly approach make it a feasible option for underserved populations in different regions.







An affordable monitoring system

In Malawi and Rwanda, each nurse must often attend to over 20 baby beds at once because no additional staff are available. It is impossible for a single person in this circumstance to see which baby needs immediate medical attention and which to prioritize in case of simultaneous distress. This is why the founders of GOAL 3 developed the IMPALA system, an easy-to-use digital diagnostics and decisionmaking tool to reduce risk, cost and time.

Patient monitors at each bedside already monitor vital signs, such as heart and breathing rate, temperature, and blood oxygenation, which are essential to track the little patient's condition and provide life-saving care in time. This clinical analytics software shows all signals on one tablet, providing an overview of all beds. Nurses receive indications about which bed to attend to first, what is happening, and what to do next. The tool is integrated seamlessly into the staff workflow and adjusted to the patients and the setting.

Data-driven services like this support end-users with relevant insights, improve healthcare quality, and add value to patients and the health system, increasing the chances for survival and a quick recovery.



A hub-and-spoke model of medical centers

Penda Health is dedicated to providing compassionate healthcare and appropriate treatment. Patients in Nairobi, Kenya, can access virtual care with an app, Pigia Penda, or visit one of Penda's medical centers. Services are affordable for patients, made possible by the efficiency of licensed medical providers and clinical decision support technology.

Penda Health has built a hub-and-spoke model with 19 medical centers in the Nairobi metropolitan area and has served more than 1.3 million people using WhatsApp chat, telemedicine and in-person visits (clinics are not more than one bus stop away). The blended service delivery model combining remote and on-site care services has improved accessibility, as well as patient satisfaction and retention.

The partnership with Philips Foundation started in 2020 with a blended access model and expansion of radiology services with Philips X-ray and mobile ultrasound. The impact of these services has been immense. Upfront costs would usually be prohibitive, but Philips Foundation provided medical equipment upfront as part of a shared revenue model.

Penda Health provides the services and repays through a revenue-sharing agreement after deducting the operational costs. This agreement is facilitated by an open and transparent relationship, where both parties are interested to learn and improve access to affordable and high-quality healthcare for underserved populations.







An on-demand teleradiology platform

One of the huge challenges preventing underserved populations from accessing healthcare services is the shortage of medical professionals. This is why Philips Foundation became interested in Rology, which created a platform with zero set-up costs to solve human resource challenges.

Radiology, which enables visualization of the body's internal parts using radiology techniques, requires expertise and skills that are not widely available. Rology developed a tele-radiology platform that instantly matches cases with remote radiologists with the appropriate specialty in the hospital's network.

Rology ensures highly qualified reports within 12 hours – and 90 minutes in emergency cases. They also provide a second opinion service. Hospitals make and upload scans, together with patients' medical histories. An AI-based tool automatically prepares the cases and matches them with the optimal radiologists. The radiologists can receive the file digitally, review it, write the report, and send it back to the hospital within the agreed time frame.

Set-up is free for all clients without any extra required infrastructure, and Rology receives a percentage of the price per scan, applying pricing differentiation per country based on feasibility and affordability.

Since its launch in October 2017, the Rology platform has generated over 500,000 patient screening reports. In eight countries and counting, Rology is accelerating its scale-up using artificial intelligence for gradual diagnosis automation.



A mobile Al-powered ECG device

Timely risk assessment and monitoring of heart conditions can positively affect people's lives. Enabling the use of innovative technology is one of the many ways in which we help create access to quality healthcare.

Philips Foundation's work with the NCD Alliance and the Ministry of Health of Siaya County in Kenya includes Philips' portable ultrasound and iMedrix[™] mobile-connected electrocardiography (ECG) technology KardioScreen[™] to help doctors quickly diagnose and manage heart conditions.

iMedrix's mission is to revolutionize cardiac risk assessment and care by incorporating a mobile platform, cloud technology and artificial intelligence. The goal is to enable diagnosis and accurate clinical decision-making for cardiovascular disease within minutes.

KardioScreen simplifies the acquisition and analysis of clinical-grade ECG outside of the hospital through the display analyses of up to 12-lead electrocardiograms. The ECG signals and AI-powered risk assessment help clinicians analyze and diagnose heart disease better and faster. Compared to traditional ECG machines, the device helps decentralize triage and routine screening, and brings real-time collaboration with the same results and accuracy, with remote cardiologist review and advice in a matter of minutes.

By enabling a tele-cardiology network close to community care centers, KardioScreen reduces the need for people to travel to remote and more expensive hospitals for cardiac screening and doctor consultation.







A standardized model of micro-clinics

Access Afya has a standardized model of 'micro-clinics' that deliver chronic care, family planning, lab testing, child immunizations and nutrition, pre-and post-natal care, general consultations, first aid and more. The clinics are easy to access and open every day of the week.

Its mDaktari app helps patients manage their health conveniently via mobile phone, and it enables healthcare professionals to provide consultations, prescriptions, lab referrals and coaching. The Curafa Franchise Platform – a combination of health technology, training, analytics and support – helps new and experienced clinicians and their teams improve quality and performance. These tools provide healthcare workers with the information they need to keep their patients healthy and meet quality standards.

Apart from these technologies, the micro-clinics are tailored to operate in peri-urban conditions at a substantially lower cost than comparable peers while maintaining high quality and accessibility. Specialists travel between sites based on customer demand each day.

Access Afya also provides a range of health financing options, including insurance, health micro-loans, savings and memberships, to make healthcare services attainable for low-income populations. The philosophy is to combine physical and digital healthcare because healthcare doesn't start and end at the clinic.



Sharing our experience to advance sustainable healthcare

Philips Foundation's experience in addressing healthcare inequality can serve as a catalyst for others to take action. Collaboration (SDG 17) is crucial, and our ongoing work with various societal organizations highlights the importance of collaboration in tackling access to quality health care in the most underserved settings.

In remote, resource-limited and medically underequipped areas, creating self-sustaining healthcare without depending on charitable donations is especially difficult. We aim to share our insights, highlighting both our successes and areas for improvement. In this way, Philips Foundation functions as both a learning organization and a conduit for disseminating knowledge.

Since 2021, Philips Foundation has hosted a series of webinars, tapping into the expertise of Philips employees, entrepreneurs, and other leading experts from the healthcare sector. These webinars allow our partner experts to enhance understanding and retention of the lessons being shared, making it easier for our audience to grasp complex concepts and ideas derived from the projects we run. An essential aspect of sharing our experiences is the development of our Knowledge Hub, a centralized resource for gaining insight into our projects. By leveraging the expertise and capabilities of Philips and our partners, we can adopt unique and innovative approaches, exploring and disseminating them through scientific methods.

In 2022, we officially launched the Knowledge Hub platform, accessible via our website. This platform is integrated into our framework and strategic plan, allowing us and our partners to apply learnings from past experiences to help us build more sustainable healthcare systems for underserved communities.



Knowledge hub



Inspiring others to act

Through our projects, we generate new insights and knowledge that help catalyze innovation and inspire others to act. In 2022, we launched Philips Foundation's new Knowledge Hub, with a repository of resources from an initial 16 projects. The Knowledge Hub provides a description of each project, as well as reports and other resources generated as part of the projects. The availability of these resources is necessary for catalyzing action and disseminating knowledge.

Here are two examples from the Knowledge Hub. To find more, go to <u>www.philips-foundation.com/a-w/knowledge-hub-home.html</u>





Rheumatic heart disease screening program in Uganda

Rheumatic heart disease (RHD) affects over 40 million people globally and results in more than 300,000 deaths per year. It is a preventable condition caused by rheumatic fever, which develops after untreated Streptococcus pyogenes infection. Early detection and treatment can prevent RHD through appropriate antibiotic prophylaxis.

Philips Foundation partnered with Heart Healers International in Uganda for a research trial investigating the role of penicillin in early RHD management. The study aimed to determine the effect of intramuscular penicillin on newly diagnosed latent RHD in children aged between 5 and 17. Over 200 schools and 100,000 children were screened, with severe cases referred to hospitals and latent RHD cases invited to participate in the trial.

The study found that antibiotic prophylaxis reduced the risk of disease progression at two years. Further research is needed to inform population-level screening and establish a real-world model for RHD healthcare delivery.

In this page in the Knowledge Hub, you will find the main report from the project and links to a scientific peer reviewed publication describing the results of the project.



mHealth tools to combat childhood pneumonia

The VISHWAAS project is a two-year collaboration between Philips Foundation, Save the Children India, ZMQ Development, and Philips India CSR to develop low-cost, innovative approaches for preventing, diagnosing, and managing childhood pneumonia.

The project uses digital mHealth applications targeting community members, frontline health workers, and medical staff. The ChARM device assists in pneumonia identification through automated respiratory rate measurement. The systemic change model addresses prevention, protection, diagnosis, and treatment of pneumonia, focusing on social behavior change communication and case management, supported by technology interventions, capacity building, immunization, and medication.

Implemented across 45 urban wards in Rajasthan and two rural blocks in Uttar Pradesh, the project delivered pneumonia care to approximately 110,000 children under five. Results include a decrease in children with Acute Respiratory Infection symptoms from 18.3% to 6.7%, increased community awareness, and improved case detection and management. The project recommends scaling up and sustaining impact based on learnings and leveraging the use of digital tools for behavior change and support. Webinar series



Exploring innovative paths

Philips Foundation leverages the diverse expertise of Philips employees, entrepreneurs and healthcare professionals. By connecting these experts with our audience, we facilitate a comprehensive learning experience through a series of webinars and written-up editorials that improve understanding and retention of valuable information.

Here you can find two webinars hosted in 2022. To learn more about our webinar series, go to <u>www.philips-foundation.com/a-w/foundation-webinars.html</u>





Access to cardiovascular care for underserved communities

June 2022, Philips Foundation discussed some of its initiatives with cardiologists and other experts to explore ways to improve prevention, diagnosis and treatment of cardiovascular diseases.

Cardiovascular diseases are on the rise in lowand middle-income countries around the world. Unfortunately, health systems in many of these settings are ill-prepared to respond to the rising CVD burden, leading to poor health outcomes among patients who suffer from acute or chronic cardiac conditions. There is still limited knowledge among the general population on preventive behavior, or on how to recognize and act on symptoms that may point to heart failure.

The webinar highlighted learnings from two initiatives supported by Philips Foundation aimed at improving awareness, screening and treatment of CVD in underserved settings. The webinar also explored lessons learned from implementation experiences that can be applied to further improve access to CVD care in a sustainable and scalable manner in underserved communities.

Philips Foundation supports a range of initiatives seeking to find ways to structurally improve access to, and preparedness for, heart care across the board – from raising public awareness, enhancing community-level prevention and first aid, to strengthening cardiology health systems and health workers' capabilities at primary care levels and beyond.

For further insights, <u>read our editorial</u> derived from the webinar.



Entrepreneurs on their journey to improve access to care

December 2022, Philips Foundation explored how social entrepreneurs and their disruptive models can offer ways to solve everyday healthcare challenges, while complementing existing healthcare systems through their innovative problem-solving approaches.

The webinar brought together four social entrepreneurs supported by Philips Foundation and discussed the innovative models that the entrepreneurs are deploying to solve healthcare access challenges and complement existing healthcare systems in underserved areas. The webinar further discussed how the social entrepreneurs are dealing with challenges. such as access to funding, collaboration with and integrating into existing health systems, and scaling up their innovations.

In 2021, Philips Foundation established a social impact investment vehicle to support social enterprises through early-stage investment and situation-specific support to accelerate opportunities to improve access to care in underserved communities.

By establishing such a vehicle, Philips Foundation is underlining its commitment to finding innovative ways to provide access to quality healthcare for around 100 million underserved people annually by 2030.

For further insights, <u>read our editorial</u> derived from the webinar.

Consolidated financial statements

Consolidated balance sheet as of 31 December 2022

(in euros after result appropriation)

	2022	2021
	EUR	EUR
Financial assets 1	2,893,577	130,000
Total non-current assets		
Cash and cash equivalents 2	12,017,633	13,540,989
Short-term receivables 3	75,540	89,738
Total current assets	12,093,173	13,760,726
Total assets	14,986,749	13,760,726
Other reserves 4	7,477,759	3,772,869
Total equity	7,477,759	3,772,869
Long-term payables 5	2,818,754	3,770,572
Total non-current liabilities	2,818,754	3,770,572
Accounts payable 6	316,822	403,148
Accrued expenses 7	4,373,414	5,814,138
Total current liabilities	4,690,236	6,217,286
Total equity and liabilities	14,986,749	13,760,726

Consolidated statement of income and expenses 2022

		2022	2021
		EUR	EUR
Cash contribution from Koninklijke Philips N.V.	9	7,065,999	6,700,000
In-kind contribution from Koninklijke Philips N.V.	10	1,154,654	914,500
Other contributions	11	442,063	2,190,316
Financial income	1	18,481	2,363
Total income		8,681,197	9,807,179
Donations	12	3,205,481	10,788,764
Personnel expense	10	1,154,654	914,500
Other expenses	13	141,983	164,071
Financial expenses	14	474,189	72,307
Impairment loss on long term loan		-	1,127,581
Total expenses		4,976,306	13,067,222
Result	15	3,704,890	(3,260,044)

Notes

Notes to the Consolidated balance sheet and 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.

On September 15, 2021, Philips Foundation established its wholly owned subsidiary 'Philips Foundation Impact Investments B.V.' ('Impact Investments BV'). The purpose and mission of Impact Investments BV are in line with those of Philips Foundation: to contribute to United Nations Sustainable Development Goal 3: Ensure healthy lives and promote well-being for all at all ages, to provide affordable qualitative healthcare to underserved populations and everything related to this goal or conducive thereto. Impact Investments BV tries to achieve this goal by investing in social enterprises 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 non-financial support (expertise, board positions, advise, volunteers).

Impact Investments BV is organized under Dutch law, is based at Amstelplein 2, 1096BC Amsterdam, and is registered at the Dutch Chamber of Commerce with number 83915427. The financial information of Impact Investments BV is consolidated in the financial statements of Philips Foundation.

Financial reporting period

These consolidated financial statements cover the year 2022, which ended 31 December 2022. Impact Investments BV started operating from November 2021, which is included in the period ended 2022.

The comparative figures cover Stichting Philips Foundation and Impact Investments BV, for the year 2021, which started on 1 January 2021 and ended 31 December 2021.

Basis of preparation

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

Going concern

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

Basis of consolidation

The consolidated financial statements include the financial information of Philips Foundation and its wholly owned subsidiary Impact Investments BV at 31 December of the financial year.

Stichting Philips Foundation and Impact Investments BV are fully consolidated as from the date on which control is obtained and until the date that control ceases. The items in the consolidated financial statements are determined in accordance with consistent accounting policies. Profits and losses resulting from intragroup transactions are eliminated in full.

Accounting policy

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.

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

Impact Investments BV is not expected to make distributions on its issued shares, held by Philips Foundation.

Expenses are recognized when a decrease in the economic potential related to a decrease in an asset or an increase of 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 of 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. Contributions are recognized in the Statement of income and expenses when the amount can be determined in a reliable manner, and collection of the related contribution to be received is probable.

Use of estimates

The preparation of the consolidated financial statements requires the Board of Philips Foundation and of Impact Investments BV 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 consolidated 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 Consolidated 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, unlisted securities and accounts payable. For the principles applying to these instruments, please refer to the treatment of each relevant consolidated balance sheet item.

Non-current other securities

Non-current other securities included under financial assets are initially recognized at fair value plus directly attributable transaction costs.

After initial measurement, other unlisted securities not held to maturity are carried at cost net of any impairment losses.

Gains and losses arising on other securities are recognized in the Consolidated statement of income and expenses when the investments are transferred to a third party or in the event of an (reversal of) impairment. Dividends and interest received are recognized in the Consolidated statement of income and expenses.

Derivatives

Following initial measurement, other derivatives with underlying securities other than listed shares or bonds are carried at cost or lower fair value. If the fair value is negative, this amount is recognized in full. In determining the lower fair value, the effect of accrued interest is not taken into consideration. Gains and losses are recognized in the Consolidated statement of income and expenses when the derivatives are transferred to a third party or an (reversal of) impairment is recognized.

Embedded derivatives included in other unlisted securities are not bifurcated from the host contract as derivatives are not measured at fair value.

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 Consolidated 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 Consolidated balance sheet

1. Financial assets

Non-current other securities

Unlisted securities – shares and participation certificates:

Movements in investments in unlisted securities	2022	2021
	EUR	EUR
Opening balance	0	0
Acquisitions	2,209,063	
Disposals	0	
Impairments	0	
Total	2,209,063	0

All investments [in unlisted securities] are held through Philips Foundation Impact Investments B.V. ('Impact Investments BV'). Impact Investments BV does not hold more than 20% shareholding in any of the investee companies and has no power (directly, jointly or through significant influence) to control the financial and operating policies of the investee companies. After initial measurement, the non-current other (unlisted) securities are carried at cost net of any impairment losses.

The investments consist of shares in the capital of, or loans to, companies that are active in providing affordable qualitative healthcare to underserved populations. The investee companies' headquarters are primarily located in the Netherlands, Africa and the United States of America.

Summary of unlisted security investments:

Social entrepreneur (unlisted entities)	Type of security	Size of investment	Significant contractual arrangements
Healthy Entrepreneurs B.V.	Unlisted shares	EUR 1,500,337	 Impact Investments BV holds one supervisory board seat in the social entrepreneur. Under certain conditions (change of control event and/or change in direction of the social entrepreneur), Impact Investments BV, in line with the other investors, has the right to transfer its shares back to the social entrepreneur at fair market value.
iMedrix	Unlisted shares	EUR 476,099 (USD 500,000)	 Impact Investments BV holds one (non-voting) observer board seat. If the social entrepreneur issues new equity with contractual registration rights, Impact Investments BV has the right to participate in the equivalent new equity contractual registration rights. If the social entrepreneur issues any securities with voting rights in the election of the Board of Directors of the social entrepreneur or securities evidencing an ownership interest in the social entrepreneur, Impact Investments BV shall be offered its ratable portion of the securities.
Access Afya	Simple agreement for future equity – SAFE note	EUR 232,625 (USD 250,000)	 Impact Investments BV holds a SAFE note with a value of USD 250,000 in the social entrepreneur. Depending on the conversion events (being either: change of control, initial public offering, termination of operations, liquidation or capital-raising events), the SAFE note can be converted (automatically or through the option of Impact Investments BV) into unlisted preferred stock shares of the social entrepreneur. Under certain circumstances (being either: liquidation, change of control or initial public offering events), the SAFE note includes a 'cash-out' option. The SAFE note conversion price depends on the method of conversion, whereby one of the conversion price methods would result in the conversion into the social entrepreneur's shares at a discount.

Non-current loans

Movements in issued loans	2022	2021
	EUR	EUR
Opening balance	130,000	752,061
Loans issued	600,000	603,157
Loans repaid		(100,000)
Interest receivable on issued loans	18,481	2,363
Impairments		(1,127,581)
Less short-term portion of loans presented under Short Term Receivables	(63,967)	0
Total	684,514	130,000

As a potential alternative to donations (by Philips Foundation) or share capital investments by Impact Investments BV, Impact Investments BV may issue loans to social enterprises. Loans may be used to incentivize and promote the self-sustainability of certain social initiatives. As of 31 December 2022, three loans to social entrepreneurs were outstanding, which generated financial income of EUR 18,481. All loans are repayable within five years. One loan was fully impaired in 2021, and as of 31 December 2022, remains impaired. The loans have interest rates of between 3% to 6% per annum. With the exception of the impaired loan, all loans are issued in euros. One loan includes an equity-based derivative conversion feature which is not bifurcated as derivatives are held at the lower cost or lower fair value.

<u>Credit risk</u>

Given the nature of the social enterprises, the loans are considered to have a high credit risk. The maximum credit risk of the loans is equal to the amount of loans issued.

2. Cash and cash equivalents

Cash and cash equivalents mainly relate to current account balances on Philips Foundation's and Impact Investments BV's bank accounts. Cash and cash equivalents are available without restrictions. The cash balances available to Philips Foundation and Impact Investments BV are primarily utilized for donations or for investments in social enterprises. The majority of the cash balances are either committed or in the negotiation phase of being committed to further the social mission of Philips Foundation and Impact Investments BV.

3. Short-term receivables

The short-term receivables as per 31 December 2022 primarily relate to interest and repayments to be received on the loans, EUR 64,000.

4. Equity

Other reserves

	2022	2021
	EUR	EUR
Opening balance	3,772,869	7,032,912
Additions (result for the year)	3,704,890	(3,260,044)
Total	7,477,759	3,772,869

The other reserves consist fully of the results of previous years as well as the current year. Foundation capital in 2014 at its establishment was EUR 1,500,000.

5. Long term payables

The RAD-AID contract, which covers several years, is included in the Foundation numbers for EUR 5,167,000 (2021 5,767,000), of which the current part of EUR 2,349,000 (2021 1,996,000) is under Accrued expenses, while the long-term part of EUR 2,819,000 (2021 3,773,000) is reported here.

6. Accounts payable

	2022	2021
	EUR	EUR
Payables in EUR	316,822	403,148
Total	316,822	403,148

The Accounts payable position on 31 December 2022 relates mostly to equipment invoices received in 2022 relating to a number of projects, to be paid in 2023.

7. Accrued expenses

	2022	2021
	EUR	EUR
Accruals related to strategic projects with global NGOs	3,483,954	4,391,686
Accruals related to Market CSR projects	851,071	1,422,451
Accruals related to employee fundraisers	-	-
Accruals other	38,390	-
Total	4,373,414	5,814,138

8. Off-balance sheet commitments and assets

Stichting Philips Foundation will receive a contribution of EUR 50,000 from private donors each year for the next two years.

Notes to the Consolidated statement of income and expenses

9. Cash contribution Koninklijke Philips N.V.

In 2022, Koninklijke Philips N.V. donated EUR 6,700,000 (2021: EUR 6,700,000) to Philips Foundation. Separately, Koninklijke Philips N.V. employees donated to a fundraising program for Ukraine (included in Other contributions – note 11) which Koninklijke Philips N.V. matched as a cash contribution (EUR 366,000). 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 10 below).

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

In 2022 and 2021, 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 1,154,654 (2021: EUR 915,000) to carry out Foundation activities. The related costs have been included as 'In-kind contribution' and 'Personnel expense.'

11. Other contributions

For 2022, out of the total of EUR 442,000, 375,000 is related to fundraising for Ukraine. The other amounts included here primarily relate to a EUR 50,000 donation secured from private donors for five years (2020-2024).

12. Donations

	2022	2021
	EUR	EUR
Donations related to strategic projects with global NGOs	2,290,256	7,446,914
Donations related to Market CSR projects	915,225	3,455,450
Donations other	-	(113,600)
Total	3,205,481	10,788,764

The donations made by Philips Foundation can be categorized as follows: the first type relates to strategic projects with NGOs. The second type of donation relates to Market CSR projects proposed and implemented by Philips country offices with local partners. The NGOs received the donation after sending an invoice according to the agreement. In-kind donations containing Philips equipment are purchased from Philips at non-commercial rates and donated to NGOs.

Donations related to strategic projects with global NGOs and Market CSR projects also include initiatives that have supported the people of Ukraine affected by the war started in 2022.

13. Other expenses

Other expenses in 2022 and 2021 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 approximately EUR 50,000 is included for a BBC documentary related to the Foundation Activities in Latin America.

14. Financial expenses

The financial expenses in 2022 and 2021 consist of banking fees and exchange rate differences.

15. Appropriation of result

The 2022 result has been added to the Other reserves in accordance with the proposal approved by the Board of the Foundation. In 2021, the Board proposed to deduct the 2021 negative result of EUR 3,260,000 from the Other reserves.

Subsequent events

In February 2023, the Board of Philips Foundation Impact Investments B.V. approved an equity investment in a chain of primary healthcare clinics (EUR 475,000) and the set-up of a joint venture around technology for early-stage detection of pneumonia (EUR 250,000).

In 2023, Stichting Philips Foundation has entered into projects for in total (approved/committed): EUR 1,416,672.

Foundation financial statements

Foundation balance sheet as at 31 December 2022

(in euros after result appropriation)

	2022	2021
	EUR	EUR
Financial assets 1	4,942,248	-
Total non-current assets	4,942,248	-
Cash and cash equivalents 2	10,038,084	13,540,989
Receivable from Group Companies 3	-	130,000
Short-term receivables 4	6,373	89,738
Total current assets	10,044,456	13,760,726
Total assets	14,986,704	13,760,726
Other reserves 5	7,477,759	3,772,869
Total equity	7,477,759	3,772,869
Long-term payables 6	2,818,754	3,770,572
Total non-current liabilities	2,818,754	3,770,572
Accounts payable 7	316,822	403,148
Accrued expenses 8	4,373,370	5,814,138
Total current liabilities	4,690,191	6,217,286
Total equity and liabilities	14,986,704	13,760,726

Foundation statement of income and expenses 2022

		2022	2021
		FUD	FUD
		EUK	EUK
Cash contribution from Koninklijke Philips N.V.	10	7,065,999	6,700,000
In-kind contribution from Koninklijke Philips N.V.	11	1,154,654	914,500
Other contributions	12	442,063	2,190,316
Financial income		-	2,363
Total income		8,662,716	9,807,179
Donations	13	3,205,481	10,788,764
Personnel expense	11	1,154,654	914,500
Other expenses	14	100,808	164,071
Financial expenses	15	439,132	72,307
Impairment loss on long-term loan		-	1,127,581
Total expenses		4,900,074	13,067,222
Share in results of participating interests (loss)	1	57,752	-
Result	16	3,704,890	(3,260,044)

Notes

Notes to the Foundation balance sheet and 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

For the details of the financial reporting period, please refer to the consolidated financial statements.

Basis of preparation

For the details of the basis of preparation, please refer to the consolidated financial statements.

Going concern

For the details of the going concern, please refer to the consolidated financial statements.

Impact of COVID-19

For the details of the impact of COVID-19, please refer to the consolidated financial statements.

Accounting policies

For the accounting policies, please refer to the accounting policies of the consolidated financial statements, unless stated otherwise below.

Financial assets

Participating interests in group companies are valued using the net asset value method. Under this method, participating interests are carried at the entity's share in their net asset value. The net asset value increases with its share in the results of the participating interest and its share in the changes recognized directly in the equity of the participating interest as from the acquisition date, determined in accordance with the accounting policies disclosed in these financial statements. The net asset value decreases with the entity's share in the dividend distributions from the participating interest. The entity's share in the results of the participating interest is recognized in the Statement of income and expenses. If and to the extent the distribution of profits is subject to restrictions, these are included in a legal reserve. The entity's share in direct equity of participating interests, both increases and decreases, is also included in the legal reserve - except for asset revaluations recognized in the revaluation reserves.

Following application of the net asset value method, the company determines whether an impairment loss has to be recognized in respect of the participating interest. At each balance sheet date, the entity assesses whether there are objective indications of impairment of the participating interest. If any such indication exists, the entity determines the impairment loss as the difference between the recoverable amount and the carrying amount of the participating interest. This amount is recognized in the Statement of income and expenses.

If the value of the participating interest under the net asset value method has become nil, this method is no longer applied, with the participating interest being valued at nil as long as the net asset value remains negative. In connection with this, any long-term interests that, in substance, form part of the investor's net investment in the participating interest, are included. A provision is recognized if and to the extent the entity is liable for all or part of the debts of the participating interest or if it has a constructive obligation to enable the participating interest to repay its debts. The provision is carried at the present value.

A subsequently obtained share of the profit of the participating interest is recognized only if and to the extent that the accumulated share of the previously unrecognized loss has been compensated.

Results from transactions with or between participating interests that are carried at net asset value are recognized proportionally.

Share in results of participating interest

The share in results of a participating interest is the amount by which the carrying amount of the participating interest has changed since the previous financial statements as a result of the earnings achieved by the participating interest to the extent that this can be attributed to the Foundation.

Notes to the Foundation balance sheet

1. Financial assets

On September 15, 2021, Philips Foundation established a 100% subsidiary 'Philips Foundation Impact Investments B.V.' As of 31 December 2022, all loans have been transferred to Philips Foundation Impact Investments B.V. at fair value. The Philips Foundation investment in Philips Foundation Impact Investments B.V. is generated through the contribution of EUR 10,000 in share capital and a share premium of EUR 5,000,000.

Investments in participating interests – Philips Foundation Impact Investments B.V.

	2022	2021
	EUR	EUR
Opening balance	0	0
Investments	5,000,000	-
Disposals	-	-
Impairment loss	-	-
Share in results of participating interest	(57,752)	-
Total	4,942,248	0

The investment in Philips Foundation Impact Investments B.V. was made in May 2022. The amount paid for the investment, at fair value, was EUR 4,578,000. The difference between the amount paid for the investment and the contribution of EUR 10,000 in share capital and a share premium of EUR 4,990,000 (total EUR 5,000,000) relates to the settlement of receivable positions between Phillips Foundation and Philips Foundation Impact Investments B.V. The receivable positions related to cash payments made by Philips Foundation on behalf of Philips Foundation Impact Investments B.V.

2. Cash and cash equivalents

For details of the Cash and cash equivalents, please refer to the note on Cash and cash equivalents in the consolidated financial statements.

3. Receivable from Group Companies

In December 2021 Philips Foundation paid EUR 130,000 on behalf of Philips Foundation Impact Investments B.V. In 2022, the receivable position was cleared through the net investment paid to Philips Foundation Impact Investments B.V.

4. Short-term receivables

The short-term receivable position primarily relates to prepayments which will be settled in the delivery of goods and services.

5. Equity

Other reserves

	2022	2021
	EUR	EUR
Opening balance	3,772,869	7,032,912
Additions (result for the year)	3,704,890	(3,260,044)
Total	7,477,759	3,772,869

The other reserves consist fully of the results of previous years as well as the current year. Foundation capital in 2014 at its establishment was EUR 1,500,000.

6. Long term payables

For details on the Long-term payables, please refer to the note on Long-term payables in the consolidated financial statements.

7. Accounts payable

	2022	2021
	EUR	EUR
Payables in EUR	316,822	403,148
Total	316,822	403,148

8. Accrued expenses

	2022	2021
	EUR	EUR
Accruals related to strategic projects with global NGOs	3,521,046	4,391,686
Accruals related to Market CSR projects	851,071	1,422,451
Accruals related to employee fundraisers	-	-
Accruals other	38,345	-
Total	4,373,370	5,814,138

9. Off-balance sheet commitments and assets

For details on the off-balance sheet commitments and assets, please refer to the note on Off-balance sheet commitments and assets in the consolidated financial statements.

Notes to the Foundation statement of income and expenses

10. Cash contribution Koninklijke Philips N.V.

For details on the Cash contribution from Koninklijke Philips N.V., please refer to the note on Cash contribution Koninklijke Philips N.V. in the consolidated financial statements.

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

For details on the In-kind contribution from Koninklijke Philips N.V. / Personnel expenses, please refer to the note on In-kind contribution from Koninklijke Philips N.V. / Personnel expenses in the consolidated financial statements.

12. Other contributions

For details on the Other contributions, please refer to the note on In-kind contribution from Other contributions in the consolidated financial statements.

13. Donations

	2022	2021
	EUR	EUR
Donations related to strategic projects with global NGOs	2,290,256	7,446,914
Donations related to Market CSR projects	915,225	3,455,450
Donations related to employee fundraisers	-	-
Donations other	-	(113,600)
Total	3,205,481	10,788,764

For details on the Donations, please refer to the note on Donations in the consolidated financial statements.

14. Other expenses

For details on the Other expenses, please refer to the note on Other expenses in the consolidated financial statements.

15. Financial expenses

The financial expenses in 2022 and 2021 consist of banking fees and exchange rate differences.

16. Appropriation of result

The 2022 result has been added to the Other reserves in accordance with the proposal approved by the Board of the Foundation.

Subsequent events

For details on subsequent events, refer to the Subsequent events disclosure included in the consolidated financial statements.

The Board:

Ronald de Jong	Robert Metzke	Ann Aerts	
Liesbeth Rutgers	Bernard van der Vyver	Allert van den Ham	Nancy Bocken

Amsterdam, May 15, 2023

Other information

Independent auditor's report

To: the board of Stichting Philips Foundation

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

Our opinion

We have audited the financial statements 2022 of Stichting 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 31 December 2022 and of its result for 2022 in accordance with the 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board).

The financial statements comprise:

- the consolidated and foundation balance sheet as at 31 December 2022;
- the consolidated and foundation statement of income and expenses for 2022; and
- the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

We are independent of Stichting Philips Foundation in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the other information included in the annual report

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

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

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board is responsible for the preparation of the other information, including the board report in accordance with the 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board).

Description of responsibilities regarding the financial statements

Responsibilities of the Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with the 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board). Furthermore, the Board is responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting, unless the Board either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so. The Board should disclose events and circumstances that may cast significant doubt on the foundation'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 the Board;
- concluding on the appropriateness of the Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Eindhoven, 15 May 2023

Ernst & Young Accountants LLP

Signed by Eric Kuijer



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