

# Foundation Policy Plan

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Signify Foundation

## Introduction

The Signify Foundation is an independent, non-profit organization with a mission to enable access to the benefits of sustainable lighting solutions to underserved communities.

In keeping with this mission, the core activities of the Foundation contribute to the supply of clean technology-based lighting to underprivileged populations, promoting a participatory approach where the recipients can take ownership and sustain the interventions.

In the choice of partner and projects that we support, we apply a gender lens as well as the underlying principle of supporting local capacity development. From technology manufacturers, logistics and distribution agencies, financing partners, training institutions and other donors, the Foundation's choice of partners is driven by the objective of enabling market-based ecosystems where local need for light is met through local supply.

It aims to reach this objective by:

- (a) the establishment and execution of projects that deliver clean energy lighting
- (b) the provision of knowledge transfer and trainings to the communities in focus
- (c) the cooperation with other organizations with shared values and objectives
- (d) (the facilitation of) the deployment of employees, goods and/or knowledge and expertise made available by Signify, and
- (e) the promotion of the engagement of Signify employees with the Foundation's activities, by motivating and supporting employees to contribute to the areas referred to (by financial aid, charity work, secondment as employee by Signify or otherwise)

## Organization and governance

The Foundation aims to maximize use of its assets & resources to provide opportunity for

- engaging expert and general capacity
- efficiently using the donated financial and 'in-kind' resources
- empower community ownership and self-reliance
- sustainability as key criteria in project considerations

The Foundation, its Board members, the Director and other members of the operations team acknowledge the Signify Integrity code<sup>1</sup>), as its key code of conduct.

The Board of the Foundation has the final responsibility for the strategy, policies, performance and operation (including funds management) of the Foundation. The Board makes the final decisions on projects to be run as part of the Foundation's lighting lives, lighting entrepreneurs and humanitarian lighting programs, funding of activities and on partnerships.

The Board consists of a minimum of three and a maximum of seven members. The majority of Board members are independent from Signify. Board members are appointed in accordance with the Foundation's Articles of Association.

The Foundation delegates the daily operations to the Foundation Director who reports and is accountable to the Board. This Foundation Director is supported by the operations team consisting of Signify employees who are lent to the Foundation by Signify. In addition, other Signify employees may support the Foundation on an ad-hoc or part-time or voluntary basis. Temporary FTE and external experts may be hired into, and external experts may be engaged by, the Foundation towards specific implementation of projects that may have received funding from agencies other than Signify.

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<sup>1</sup> [https://www.signify.com/b-dam/b2b-li/en\\_AA/company/supplier/working-with-signify/integrity-code-eng.pdf](https://www.signify.com/b-dam/b2b-li/en_AA/company/supplier/working-with-signify/integrity-code-eng.pdf)

## Foundation resourcing

The framework agreement between the Foundation and Signify will govern Signify's support of the Foundation, including the following elements:

1. Signify's contribution to the operational functioning of the Foundation, by lending out people on a structural and ad hoc basis, and making available office space and other facilities; The commitment of Signify to respect the independence of the employees lent out to the Foundation, vis-à-vis Signify and its business;
2. The Foundation may receive periodic funding from Signify;
3. The Foundation may receive "in kind" contribution of products, systems and services from Signify.
4. Use of Foundation funds will be under the sole guidance and discretion of the Foundation Board, towards stated objectives of the Foundation.

Furthermore, the Foundation may raise external funds from grant giving organizations and other entities towards specific programs that contribute to the achievement of its objectives.

## Project assessment

### Funding criteria

The Foundation will contribute solely to projects that fit its three-pillar strategy described on Foundation's website and seeks to conduct its interventions in a sustainable and responsible way. The three pillars of the Foundation strategy are:

1. **Lighting Lives:** Enabling access to relevant, affordable, and sustainable lighting technology for off-grid and partial grid communities to help extend the productive day.
2. **Lighting Entrepreneurs:** Lighting Lives can only have a long-term impact if communities have the skills to operate and maintain the lighting installation provided. In addition to this technical training, the Signify Foundation helps entrepreneurs develop enterprise skills
3. **Humanitarian Lighting:** Signify Foundation will support lighting for emergency relief based on its disaster relief protocol.

It will not support activities that are aimed to lead to a direct commercial benefit for businesses of Signify. Projects and funding proposals that will not be considered as eligible include:

- Individuals (all funds from the Foundation are directly given to our partners or recipient institutions)
- Organizations that discriminate based on race, color, gender, religion, sexual orientation, national origin, age or disability
- Religious endeavors
- Political, legislative, lobbying or organizations
- Movie, film or television documentaries
- Concerts or other entertainment events
- Marketing sponsorships, cause marketing or advertising projects

### Partner Selection

Partners are assessed and selected based on criteria including, but not limited to:

- Affinity with vision and mission, alignment with Foundation strategy
- Dedication, capacity and experience in local context
- Track record in execution of projects in energy, livelihoods & humanitarian settings
- Apply a gender inclusive approach to their project implementation
- General reputation
- Sustainability and scalability in the operational model
- Focus on innovation

### Project Monitoring and Evaluation

All partners will be responsible for reporting to the Foundation on the progress of the joint project bi-annually, unless agreed otherwise. The partner organization will be responsible for tracking KPIs and reporting any issues in the set up and implementation of the project to the Foundation.

Market level contact persons will be assigned per project and will be responsible for reporting the results of back to the Foundation on an annual level, using a simplified version of the objectives and measures for the Foundation.

Currently, the Foundation tracks and reports program level outcomes against two high-level indicators: lives lit & entrepreneurs supported, to assess our program effectiveness. The Foundation's objective is to move towards reporting of social, environmental and socio-economic impact of the projects - mainly in terms of safety & security, job creation, income generation, gender equality, education & health in the long run.

## Funds management

Funds received by the Foundation are under the direct management of the Foundation Board. The Board will aim to pre-determine in a calendar year the percentage of funds available for spend on programs, projects and overhead costs. Monies that are not spent are retained within the Foundation but with the restriction of the ANBI requirement that *“the Foundation cannot hold on to more capital than is needed for the continuation of the planned activities in line with the object of the Foundation”*.

### The 90% test

The Foundation funds will be spent according to the rules governing the charity (ANBI) status. The main rule is that 90% of the total expenditures of the Foundation has to be made to serve the public benefit (i.e. and not serve a private interest). As long as the expenditures of the Foundation (on a project level) entirely serve the public interest, the 90%-test will usually be met. Note that it is irrelevant for the 90%- test what the total income is of the Foundation.

In case of grants, for example as part of the Foundation’s disaster relief program, this is easy to measure. The total amount of the grant qualifies as ‘public benefit expenditure’.

It is worth noting that based on the ANBI-regulation the management and administration expenses of an ANBI must be in reasonable proportion to the expenses incurred by the ANBI in the pursuit of its actual objectives. This proportion depends of the type of organization. Therefore, the actual proportion that is deemed reasonable will be determined on a case-by-case basis.

### Payment of Foundation Board expenses

As the Foundation is exempted from making wage withholdings, it is important that it can at all times demonstrate that expenses of Board members are only reimbursed within the fiscal limits. This implies that expenses are claimed individually and are duly specified. This especially for more significant expense amounts like for air and car travel, lodging and dining.

The Foundation will follow the general expense policy of Signify with regards to expenses as summarized below:

- All flights for the purpose of the Foundation will be in Economy
- Business standard hotels
- Board members are eligible to gain loyalty points under the airline and accommodation bookings made on their behalf
- Reimbursement for personal meals and incidental personal expense
- Reimbursement of visa costs/vaccinations
- WIFI/broadband reimbursement
- A spouse or other individual may accompany a Board member while travelling and share accommodation, but their expenses will not be reimbursed
- Itemized receipts are necessary when submitting expenses

## Financial reporting processes and auditing

### Annual reporting

The key element of the financial reporting process is the set up and publication of an Annual Report for the Foundation, which needs to be published on the website of the Foundation on an annual basis. This is a brief document reporting on the activities and projects of the Foundation and showing a balance sheet of the accounts, contribution and expenses.

### Auditing

The annual report is currently not audited by an external auditor and will instead be checked by a Signify 'kascontrolecommissie'.

## Project management, funding of partners

The following principles apply to Foundation funded projects:

- For each funded project there is a signed agreement in place
- Budgets allocated for projects or partnerships are kept for the activities they are meant for and never "borrowed" for other activities
- For product donations, only quality, certified product should be used. Vendor should also be able to provide adequate warranty on all products supplied, unless explicitly agreed between the Foundation, recipients and vendors

## Liquidation

If the Foundation is liquidated, then the funds of the Foundation cannot return to Signify. The balance needs to be accorded to another ANBI (or foreign charity) with a similar objective to the Foundation. The Articles of Association state that the Board of the Foundation is empowered to determine to which organization Foundation funds will be donated.

This Foundation Policy Plan was last amended in May 2020.