

VAN LEER GROUP

Annual Report 2021

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Message from the Chair and the CEO



Nanno Kleiterp
Chair, Governing Council



Michael Feigelson
Chief Executive Officer

Learning to flourish in a hybrid world

In 2021, we continued learning how to live amid the periodic opening and closing of society. We treasured moments of human connection when we could find them. When we could not, we continued building our ability to operate in a virtual environment. This report provides insights into how each of the institutions we support pursued its mission in a hybrid world.

The Bernard van Leer Foundation worked with partners to combine virtual and in-person training for frontline workers supporting families across countries such as Brazil, India, Afghanistan and the Netherlands. It mixed online and in-person modalities in its executive education offering including the launch of a capacity-building programme with the London School of Economics and Political Science, which will serve 100 cities during 2022. And it combined a global virtual conversation with local gatherings to reflect on the importance of clean air for children's health and wellbeing.

The Van Leer Jerusalem Institute ramped up its social impact activities with a big media push including a range of opinion pieces, as well as more creative ventures such as a television documentary about secularism in Israel in partnership with Kan 11. The team also strengthened its support for the next generation of pluralist leaders through the expansion of its intellectual journeys programme to the Hebrew University and launched a leadership incubator for East Jerusalem.

The Jerusalem Film Center celebrated an in-person return to its signature festival despite reduced international presence due to travel restrictions. It did, however, find ways to reach out to a global audience through its digital archive, which received 1.1 million visits by 720,000 visitors from around the world. Restrictions proved an obstacle to traditional onsite activities for children and schools, but the team found ways to work with smaller groups in larger spaces and continued to develop virtual alternatives.

Although our Board meetings continued in a virtual setting, we were able to organise several in-person interactions among sub-groups of Trustees and the team. We gathered in our Dutch office with more regularity and members of the management team visited colleagues and partners in nearly all offices outside

the Netherlands. And – while a poor replacement for spending time together in person – we experimented with new ways to make virtual collaboration more inspiring and effective.

Finally, the Board spent a significant portion of its time together reviewing our governance and organisational structure. This led to a decision to further integrate the activities of the Bernard van Leer Foundation and the Van Leer Group Foundation in the coming years. This decision was taken to simplify our governance and management structure and allow us to better leverage the capabilities of the full team towards all our mission-related activities.

As in prior years, we are reminded that the hard work of our team and partners is the key to the Foundation's impact in the world. We thank them for their dedication to our mission and for their commitment to building a society that cherishes and cultivates caring and compassion. These values seem more important than ever considering the challenges today's children will grow up to face.

Nanno Kleiterp and Michael Feigelson
10 June 2022

Van Leer Group Director's Report



The Van Leer Group performs the holding function for all the Van Leer activities. As such, it supervises its investment portfolio and the governance of its charitable activities. This includes overseeing the work of the Bernard van Leer Foundation to help all children get a good start in life and supporting the Van Leer Jerusalem Institute and the Jerusalem Film Center, focused on strengthening democracy and nurturing the humanities and arts.

Our work traces back to 1949, when Bernard van Leer decided to dedicate the profits of his business – Royal Packaging Industries Van Leer – to philanthropy. Having lived through the Second World War as a Jewish man and as a refugee, he wanted to use his wealth to help build a more peaceful society. His wife Polly and sons Wim and Oscar agreed, relinquished their inheritance rights, and set up a foundation. When his father Bernard died in 1958, Oscar took over the business and the philanthropic activities. He believed that the methods and insights of the business world could strengthen those of the social sector and vice versa. He sought an ideal synthesis, which over time evolved to form the Van Leer Group.

In these pages, we report on how we advanced this vision during 2021.

Bernard van Leer Foundation



Oscar van Leer decided to focus on early childhood development in the early 1960s. Today, the Foundation believes the major challenge is the transition to scale. Plenty of ideas to improve babies' and toddlers' health, nutrition, protection and learning have proven their worth at small scale, but how do we effectively reach hundreds of thousands or millions of children? Answering this question is the focus of the current strategic plan, which runs until 2023.

The strategic plan has three areas of work: Parents+, centred on training for caregivers combined with at least one service that meets families' basic needs; Urban95, bringing a focus on babies, toddlers and caregivers into the planning, design, and management of cities; and Early Years Thought Leadership, supporting leaders who want to advance the wellbeing of young children and families by sharing research and ideas, running executive programmes and organising convenings.

In 2021, the Foundation balanced in-person and online efforts to improve the wellbeing of babies and toddlers, underlining the value of human connection. The Covid-19 pandemic's ongoing impact, on projects as well as staff, reinforced the need to deepen our commitment to building a society that cherishes and cultivates care – especially for vulnerable children and their families.

Parenting programmes are one way in which the Foundation supports caregivers and caregiving. In 2021, investments in Brazil, India, Afghanistan and the Netherlands improved training for caregivers to reach the most vulnerable families. Partnerships in Israel and Brazil demonstrated the potential of the private sector to expand the reach of parenting programmes. Finally, the Foundation opened an office in Jordan to help scale-up parenting programmes with local partners.

The Foundation also continued its work to make cities better places to raise young children. At the end of the year, the Foundation counted 76 cities in its Urban95 network with large growth in India and Brazil. To better support these and other cities, the Foundation also launched a capacity-building programme with the London School of Economics and Political Science. The Urban95 Academy is an executive education course that will engage over 100 cities in 2022.

Finally, we invested in several activities to further explore the impact of climate change on the lives of babies, toddlers and their families. Our Urban95 Convening focused on the importance of clean air for the development of young children: 500 participants engaged online, through a global conversation and local initiatives in Brazil, India, Jordan, the Netherlands and Peru. Subsequently, our 2021 issue of *Early Childhood Matters* featured scientists, parent movements and global leaders outlining both the ways in which climate change will impact on the world's youngest citizens and practical ideas for how to bring their interests into the global conversation.

Van Leer Jerusalem Institute



The Van Leer Jerusalem Institute was founded in 1958. It was the fulfilment of Polly Van Leer's dream to bring together national and international thinkers, writers, scientists and artists to address the problems facing humanity in the aftermath of World War II. To this day, the Institute cultivates innovative interdisciplinary research reflecting its commitment to a just and open society. The Institute focuses on the challenges of polarisation facing Israeli society and other societies across the globe. It aims to develop ideas in this area that serve to influence academic scholarship, foster thought leadership and shape public discourse.

In 2021, considering the ongoing global pandemic, the team working on science and technology pivoted its focus to solidarity in healthcare. The team investigated altruism in live anonymous organ donors and surrogate mothers, and it began to explore the responsibilities of the state in big data collection and of the global north in supplying vaccinations to people in conflict zones.

The pandemic also helped advance the Institute's work on post-capitalism, which gained further footing in Israeli public discourse. Concepts such as working from home, the pursuit of meaningful careers and universal basic income found increased resonance in mainstream media. In parallel, the team worked to develop new and creative outlets for this body of work, including a book series of speculative fiction titled *The Days of Tomorrow*.

In line with Institute-wide efforts to increase social impact, the team also collaborated with television station Kan 11 to produce a documentary series, *Secularism in Israel: Past, Present, and Future*. This will be paired with the publication of a book based on the research done for the documentary, and an academic reader that aims to enrich academic curricula in institutions of higher education.

The Institute's thought leadership programmes also thrived in 2021. It ran the fourth cycle of its Intellectual Journeys programme, which included a new partnership with the Hebrew University. In 2022, the programme will grow further by extending the model to Tel Aviv University. Over time, this will lead to an active alumni network across both campuses and pave the way for further growth across Israeli higher education.

The Israel in the Middle East team introduced a new intellectual incubator for Palestinians from East Jerusalem. In a series of lectures and discussions, the fellows acquired knowledge and skills to create long-lasting socio-political change in the city. The programme provided participants with insight on Jerusalem's social, economic, religious, historic and political complexities, and gave them tools for advancing social goals, such as writing position papers and analysing urban plans.

Finally, the team addressing the challenge of shared society launched a new group to reflect on protests by members of the Israeli Ethiopian community against institutional racism. The group looked at how global developments, such as Black Lives Matter, resonate locally, and it is working on a collection of articles focused on local Ethiopian communities in Israel.

Upon entering 2022, the Institute is reviewing its last five years of work and will be developing an updated strategic plan with the aim to increase the social impact of deep ideas.

Jerusalem Film Center



The Center was established in 1974 by Lia and Wim van Leer. Since that time, it has served as a bastion of pluralism within a city full of divisions and conflicts. Through year-round programming and festivals, the Center provides a meeting ground and forum for respectful, serious and fruitful dialogue between people of all faiths, ethnicities and worldviews. Some of its most notable activities include the Jerusalem Film Festival, the Israeli Film Archive, the Jerusalem Cinematheque, an educational programme for children and youth and a variety of thematic activities such as Jewish, Arabic and Turkish Film Festivals, Anthropology film week, an animation film festival and an International Writers Festival.

2021 was marked by continued uncertainty posing a challenge to the ability of all cultural institutions to plan and execute an annual events schedule. The Center reopened to the public on 1 March 2021 – the first cinema in Israel to invite people back to see films in person. In the summer, it held the Jerusalem Film Festival, enjoying a celebratory atmosphere as a live event, which had proven impossible in 2020. Although there were very few international guests due to the pandemic, it did include a special programme in collaboration with Quentin Tarantino.

Traditional onsite activities for children and schools were limited due to health restrictions during most of the year, but the Center met this challenge with agility and innovation. For example, the film education programme worked with smaller groups in larger available spaces and offered virtual alternatives. One poignant moment was during the war last May when a group of school principals from across Jerusalem met at the Center to discuss ways to use film to promote positive co-existence.

The Center's flagship digital archive continued to evolve reaching out to audiences around the world. By year-end, the archive website had received 1.1 million site visits by over 720,000 visitors. The Center also worked closely with the staff from the Israel Ministry of Education to explore ways in which the archive's content could support teachers.

Looking forward, the Center will build on the learnings from 2021, continue to explore the optimal balance between live and virtual activity, seek to strengthen and expand its education programming and partnerships, and work towards the next iteration of the Jerusalem Film Festival, which will hopefully welcome guests from around the world.

Our Endowment

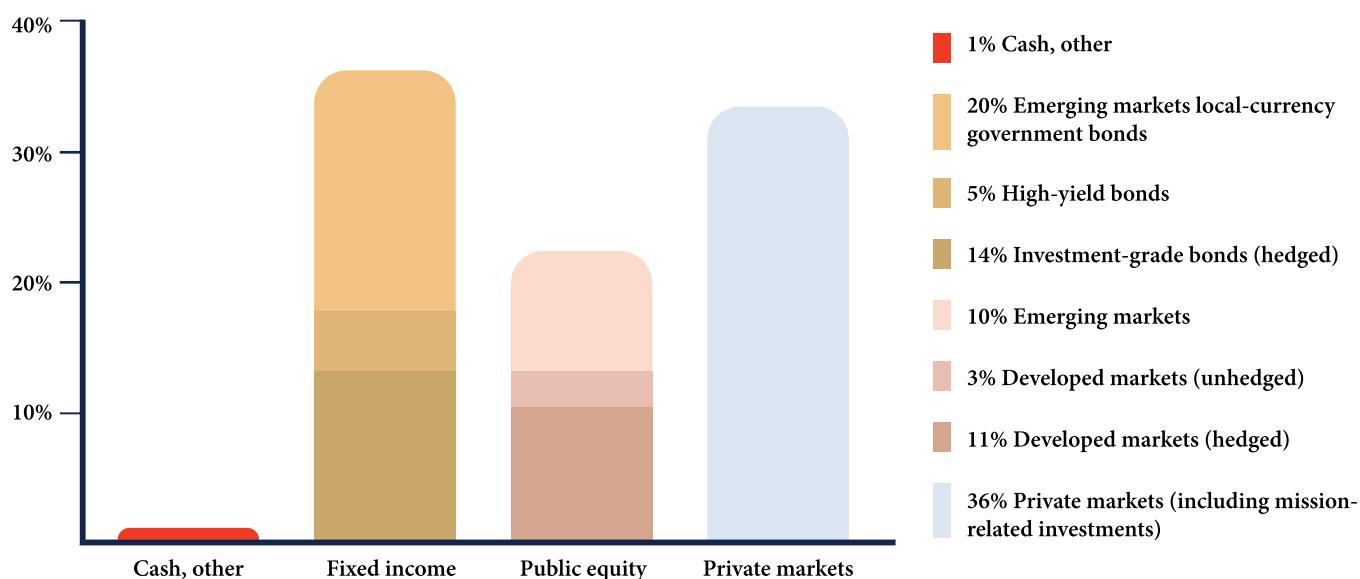
Initially, the dividends of Royal Packaging Industries Van Leer funded our philanthropic activities. In 1996, its Board decided on an initial public offering (IPO) for the company, the ultimate proceeds of which formed an endowment that funds our philanthropic activities today.

The endowment predominantly invests in a highly diversified portfolio of public market equity and debt through passive index funds. It also contains a substantial allocation to private equity funds and a limited portfolio of direct venture capital investments in Israel through its wholly-owned subsidiary Crecor.

At year-end, after 2021 spending, the endowment's investments were valued at EUR 873 million (2020: EUR 766 million).

A new investment and spending policy – adopted in late 2019 – calls for spending of 3.6% (of a three-year moving average of the endowment's net asset value).

Asset allocation, year-end 2021



Performance

In 2021, the endowment's performance was +17.3% vs +12.9% for the market benchmark (a composite of 15% investment grade bonds, 5% high-yield bonds, 20% emerging markets local-currency bonds, and 60% public equity). The average total return on the endowment's investment portfolio since inception (1997) has been +6.3%.

ESG and mission-related investing

Morgan Stanley Capital International and Institutional Shareholder Services screen the allocations to public equity markets based on environmental, social and governance (ESG) criteria. As a result, they exclude certain companies not considered to meet socially responsible principles (related to non-compliance with the UN Global Compact Principles, tobacco, nuclear weapons, controversial weapons, civilian firearms, conventional weapons, thermal coal, controversies, and governance criteria). Northern Trust and EOS at Federated Hermes undertake company engagement. The allocation to high-yield bonds is subject to similar ESG exclusions (by Northern Trust).

We reserved part of the private markets target allocation for mission-related investments (MRI; 2.8% of the endowment). In 2021, we made one specific MRI commitment to New Markets Venture Partners, a US-based early-stage venture capital firm that invests in scaling visionary education and workforce technology companies.

Outlook

The Covid-19 pandemic and the war in Ukraine have had far-reaching economic consequences. We have monitored our investment portfolio's performance and currently do not predict a negative impact on our charitable spending in 2023. However, we will only make final decisions about 2023 budgets later in 2022.

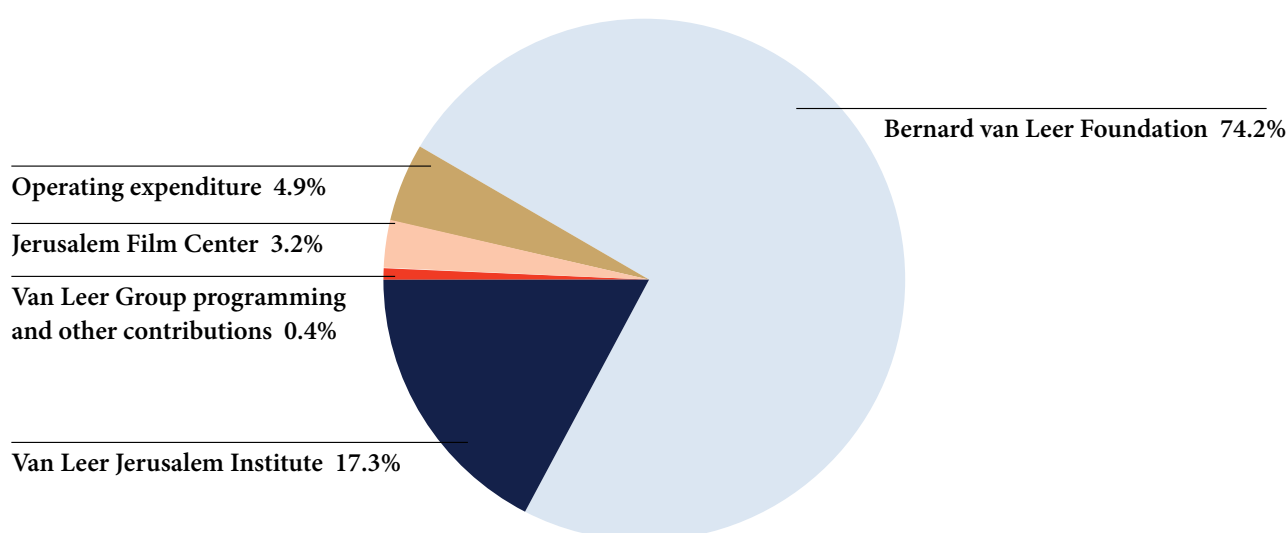
The going concern assumption applied in preparing the financial statements is upheld.

As of the time of writing, the management of the endowment remains fully operational without incident.

2021 Expenditure and Contributions

Expenditure in 2021 was EUR 24,973,000. The chart and table below provide more details regarding the distribution of expenditure across our activities.

2021 expenditure and contributions



2021 expenditure and contributions (in EUR)

Bernard van Leer Foundation	18,534,000
Van Leer Jerusalem Institute	4,329,000
Jerusalem Film Center	800,000
Van Leer Group programming and other contributions	93,000
Operating expenditure	1,217,000
Total	24,973,000

Team

At the end of 2021, the Van Leer Group employed 5 FTEs. These staff members work in close collaboration with the Executive Directors of the Bernard van Leer Foundation, the Van Leer Jerusalem Institute, and the Jerusalem Film Center, as well as members of their teams, drawing on their expertise to help shape and strengthen the activities of the Group. Compensation for employees of the Van Leer Group is indexed against a remuneration benchmark conducted by an outside firm. We benchmark against the median of the general market in the Netherlands in line with our desire to recruit staff from the public, private, and non-profit sectors. As we work internationally, we then adapt this benchmark to maintain a competitive position in the different markets where we recruit and employ team members.

Michael Feigelson

Chief Executive Officer, Van Leer Group

Cecilia Vaca Jones

Executive Director, Bernard van Leer Foundation

Dr Shai Lavi

Executive Director, Van Leer Jerusalem Institute

Dr Noa Regev

Executive Director, Jerusalem Film Center

Bob Galesloot

Investment Manager, Van Leer Group

Blanca Rey Ariza

Executive Assistant to the CEO, Van Leer Group

Neil van der Meer

Director Finance Operations and HR, Van Leer Group

Tim Otto

Finance Manager, Van Leer Group

Irina Ivan

Programme Manager Innovation and Learning, Van Leer Group

Governing Council

Yarom Ariav

Trustee since 2015

Yarom Ariav is a senior economist with expertise in macroeconomic policy. He served as Director General of the Ministry of Finance for three years until the end of 2009. He is Chairman of the Investment Committee of Israel Sovereign Fund, Chairman of the Executive Committee of Ben-Gurion University of the Negev, Chairman of the Lod Foundation and Chairman of the Investment Committee of Jewish Agency pension funds.

Wim Borgdorff

Trustee since 2015

Wim Borgdorff is founder and former executive of AlpInvest, a leading private equity investment manager. Previously, he was a member of the Board of CDC, the UK government's Development Finance Institution. Prior to AlpInvest he held positions as a Senior Managing Director at APG investments and as a Managing Director at ING Real Estate.

Nanno Kleiterp, Chair

Trustee since 2018

Nanno Kleiterp is the Chairman of the European Development Finance Institutions. He was CEO of the Dutch Development Bank, FMO, for 21 years. He is Chairman of the Board of Directors of the &Green Fund, a senior fellow of the World Resources Institute, and a member of the Advisory Boards of Form International and Commonland and the Board of Banco Sudameris.

Eloy Lindeijer

Trustee since 2018

Eloy Lindeijer is a board member of the Global Impact Investing Network, an advisor to AustralianSuper and an advisory board member of the African Green Infrastructure Investment Bank initiative. He was the Chief Investment Management and member of the Executive Committee of PGGM, a Dutch pension fund service provider. Prior to PGGM he was director of Financial markets and held various roles at De Nederlandsche Bank (DNB), the Dutch central bank.

Ory Okolloh

Trustee since 2020

Until recently, Ory Okolloh was the Managing Director of Omidyar Network and Luminare Group in Africa. She serves on the Board of Directors of several organisations, including the Thomson Reuters Founders Share Company, East African Breweries Limited, the Adecco Group Foundation, and is the Chair of the Stanbic Bank Foundation. Previously, Ory was Google's Policy and Strategy Manager for Africa. She is also an Aspen Global Leadership Network (AGLN) Fellow and was at the forefront of developing technology innovation as a founding member of Ushahidi, and co-founder of Mzalendo.

Fay Twersky

Trustee since 2020

Fay has been President of the Arthur M. Blank Family Foundation since February 2021. She previously served in senior roles at the William and Flora Hewlett Foundation, the Bill and Melinda Gates Foundation and Yad Hanadiv, and was a founding principal of BTW – Informing

Change, a strategic consulting firm. Fay serves on the Board of The Center for Effective Philanthropy and is the founding co-Chair of the Fund for Shared Insight.

Ngaire Woods

Trustee since 2020

Ngaire Woods is the founding Dean of the Blavatnik School of Government and Professor of Global Economic Governance at Oxford University. She serves as a member of the Asian Infrastructure Investment Bank's International Advisory Panel, and is an Independent Non-Executive Director at Rio Tinto. Ngaire is Chair of the Harvard University Visiting Committee on International Engagement and co-Chair of the World Economic Forum Global Future Council on Frontier Risks.

Sam Worthington, Vice-Chair

Trustee since 2014

Sam Worthington is CEO of InterAction. He sits on the UN Inter-Agency Standing Committee, the boards of the Center for Disaster Philanthropy, Forus, Religions for Peace, and the Alliance to End Hunger. He is a member of the Council on Foreign Relations. Previously he was CEO of Plan International USA and a resident policy fellow at the Rockefeller Foundation's Bellagio Center.

Financial Statements

Balance sheet (after appropriation of result)

31 December 2021

EUR thousands

	Note	2021	2020
Investments			
Participating interests	1	24,600	17,006
Financial investments	2	847,944	749,112
		<u>872,544</u>	<u>766,118</u>
Other assets and liabilities			
Tangible fixed assets	3	6	
Receivables	3	118	121
Cash and cash equivalents	4	89	105
Current liabilities	5	<u>(20,268)</u>	<u>(18,550)</u>
Net other assets/(liabilities)		<u>(20,058)</u>	<u>(18,318)</u>
Total assets less liabilities		<u>852,486</u>	<u>747,800</u>
Capital and reserves			
Capital	6	2,268	2,268
Reserve BvLF		19,646	18,534
Reserve VLJI		4,614	4,329
Reserve VLJI building		1,835	1,835
Reserve JFC		867	800
Reserve VLG programming		968	300
General reserve		<u>822,288</u>	<u>719,734</u>
		<u>852,486</u>	<u>747,800</u>
		<u>852,486</u>	<u>747,800</u>

Statement of comprehensive income and expenditure for the year 2021

31 December 2021

EUR thousands

	Note		2021	2020
Income				
Result from participating interests	1	8,191	(2,699)	
Income from financial investments	10	27,650	15,482	
(Un)realised gains/(losses) and valuation & exchange rate differences in financial investments	11	94,163	41,000	
Net investment fees/rebates	12	<u>(346)</u>	<u>(14)</u>	
			129,658	53,769
Expenditure				
General and administrative expenses	13	(1,036)	(1,145)	
Remuneration and expenses Governing Council members	14	<u>(181)</u>	<u>(185)</u>	
			<u>(1,217)</u>	<u>(1,330)</u>
Net result			128,441	52,439
Direct capital movements				
Contributions BvLF	6	18,534	18,616	
Contributions VLJI	6	4,329	4,274	
Contribution VLJI/Polonsky building	6	-	529	
Contributions JFC	6	800	803	
VLG programming and other contributions	6	<u>93</u>	<u>226</u>	
			<u>23,756</u>	<u>24,448</u>
Total net result and direct capital movements			<u>104,685</u>	<u>27,991</u>