

VAN LEER GROUP

Annual Report 2022

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Message from the Chair and the CEO



Nanno Kleiterp
Chair, Governing Council

A year of transition sets the foundation for a good start

In 2021, we decided to streamline our management structure and integrate the activities of the Bernard van Leer Foundation and the Van Leer Group. As a result, in 2022, our Board of Trustees, management and staff focused on transitioning into a new organisational structure. We took this opportunity to reflect on our learning since our current strategy began in 2016 with an eye towards a new strategic plan set to launch in 2024. This exercise, conducted in parallel with our ongoing activities, demonstrated the exceptional teamwork and learning ability of our staff.

Through this exercise, we affirmed our commitment to the topic of early childhood development, as well as to our support for the Van Leer Jerusalem Institute and the Jerusalem Film Center. These activities alongside the management of our endowment will continue to be the focus of our work during the next strategic cycle from 2024 to 2028. We are finalising the details of our strategic plan for this period including extensive consultation with our partners around the world. We expect to be able to share more with our partners in the autumn of this year.



Michael Feigelson
Chief Executive Officer

In parallel, we continued to adjust our activities to the reality of the post-pandemic situation. The Bernard van Leer Foundation accelerated its efforts to strengthen policies and programmes for young children and caregivers impacted by prolonged lockdowns. These include national-level initiatives such as Paalan 1000 in India and Solid Start in the Netherlands and city-based initiatives like increasing families' access to nature through micro-parks across Brazil. The Jerusalem Film Center established partnerships and implemented creative strategies to revive in-person attendance for film programmes. The Van Leer Jerusalem Institute launched new research on the relationship between science, technology and society, including a critical examination of solidarity in healthcare.

In-person gatherings became a key focus for all three organisations, resulting in impactful initiatives such as executive education courses, a public ideas festival on secularism and other public events, and the Jerusalem Film Festival, which welcomed renowned international guests. These gatherings showcased the power of open debate in strengthening pluralism across various domains.

We advanced efforts to align our endowment with the Sustainable Development Goals closest to our work on early childhood development. In 2022, we made two mission-related investments, one in affordable housing and one in education technology. We are now working with the fund managers to help them find ways to increase the impact of these investments on young children and families

Finally, we welcomed Rushda Majeed as our new Chief Programme Officer and Neil van de Meer as our new Chief Financial Officer, both of whom have come from within the organisation. We see these appointments as a testament to the talent and commitment of our staff to whom we are deeply grateful for their energy and dedication. With such an exceptional team and fantastic partners, we are excited to start the next chapter in our journey to support the wellbeing of babies, toddlers and the people who take care of them every day around the world.

Nanno Kleiterp and Michael Feigelson
29 June 2023

Van Leer Group 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, as well as providing support to the Van Leer Jerusalem Institute and the Jerusalem Film Center, focused on strengthening democracy and nurturing the humanities and arts.

Our work dates 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 2022.

Bernard van Leer Foundation



Oscar van Leer decided to focus on early childhood development in the early 1960s. Today, the Foundation's strategic plan to 2023 centres on the challenge of scaling impactful ideas that support the health and wellbeing of babies, toddlers and their caregivers. The plan encompasses three key areas: Parents+, concentrating on training for caregivers combined with at least one service that meets families' basic needs; Urban95, bringing a focus on young children into the planning, design, and management of cities; and Early Years Thought Leadership, supporting leaders in advancing the wellbeing of young children and families through research, executive programmes, and convenings.

In 2022, the Foundation's partnerships focused on strengthening social and health systems supporting parents and caregivers worldwide. In India, it partnered with the Ministry of Health to create Paalan 1000, an ambitious project empowering parents to provide care to their children

during the critical first 1,000 days. In the Netherlands, the Foundation provided support to the Gezonde Generatie campaign, which celebrated parents, fostered strong care networks, and offered assistance to families.

Partnerships with local governments through the Urban95 programme also gained remarkable momentum, reaching 81 cities by the end of 2022. A new collaboration with Big Win Philanthropy in Ethiopia has led to a city-wide initiative led by the Addis Ababa City Administration. Furthermore, the Foundation established the Urban95 Academy, an executive education course with the London School of Economics and Political Science, which expanded Urban95 globally, training over 300 leaders from 100 cities in its first year.

Recognising the increasing needs of displaced families, the Foundation collaborated with like-minded organisations to secure funding for early childhood programmes in seriously affected regions and enhanced training for early childhood professionals, equipping them with the necessary tools to navigate challenges. Additionally, the Foundation prioritised mental health support for displaced families, providing care and stability during uncertain times.

The integration of behavioural science into the Foundation's work was also strengthened by the new ABC for ECD executive education course with INSEAD and other partners. The course empowers professionals to design behaviorally informed parent-coaching programmes and urban interventions. Noteworthy initiatives emerged, such as the Jaffa Reads Programme in Israel, which aimed to improve young children's literacy rates, and a groundbreaking reading programme in Jordan that employed chatbot technology to encourage parent-child reading at home.

A comprehensive strategy review is already underway in preparation for the Foundation's next strategic cycle (2024–2028). The focus will be on scaling with quality, sustainability, and inclusion by collaborating with existing and new partners from governments, foundations, businesses and civil society.

Van Leer Jerusalem Institute



Established in 1958, the Van Leer Jerusalem Institute realised the visionary aspirations of Polly Van Leer. The Institute brings together intellectuals, writers, scientists and artists from Israel and abroad to confront the predicaments faced by humanity. To this day, the Institute remains dedicated to nurturing inventive interdisciplinary research with a specific focus on the pervasive issue of social polarisation, both within Israeli society and worldwide. The Institute forges bold ideas and inspires a civic space, in order to promote an inclusive democracy. It generates impactful ideas that shape academic scholarship, inspire intellectual leadership, and influence public discourse.

In 2022, the Institute held over 40 public events, covering a wide range of research topics. These events shared the Institute's research on subjects such as capitalism, the environment, and the underlying concepts behind significant current events like the Russian-Ukrainian war, changes in abortion laws in the USA, and proposed neoliberal reforms in the Israeli education system. Additionally, the Institute hosted a series of documentary film screenings, accompanied by engaging discussions involving the film creators and academic experts.

In May, the Institute hosted a public ideas festival called Let's Talk Secularism, which attracted over 700 participants from across the country. The festival aimed to foster insightful discussions on the complexities of religion, secularisation, and the relationship between them. Held on the Institute's campus, the event featured 11 thought-provoking talks, complemented by food, drinks, music, an exhibition, and a live concert. Most of the talks are available to the wider public on YouTube

Demonstrating a commitment to nurturing young leadership, the Institute's binational group focused on studying Israel in the Middle East and provided professional training to nearly 20 young Palestinian writers in September. The participants gained intellectual knowledge, analytical skills and writing tools, and many now work as translators and analysts of Middle Eastern culture and Palestinian issues on behalf of the Institute. This programme has expanded and diversified the information and insights that the Institute offers to the Israeli public on the Arab world.

In the aftermath of Covid-19, a dedicated research group investigating the intricate relationship between science, technology and society continued their critical examination of solidarity in healthcare. The group ran diverse projects spanning various fields, including organ donation, surrogacy, biobanks, disability and loneliness. In December, an international workshop was held to facilitate discussions on original texts written by project leaders, with the ultimate goal of publishing the findings as a book or special issue.

In pursuit of the social impact of deep ideas, the Institute's flagship young intellectual programme launched its fifth cycle in August. Collaborating with both the Hebrew University of Jerusalem and Tel Aviv University, the programme welcomed two parallel groups of students for the first time. Approximately 30 students entered their academic studies with a strong basis of critical thinking skills, appreciation of human diversity and civic commitment to bettering society.

Looking ahead to 2023, the Institute is positioned to amplify its influence, placing a strong emphasis on cultivating an inclusive democracy.

Jerusalem Film Center



The Jerusalem Film Center, established in 1974 by Lia and Wim van Leer, has consistently upheld its values of artistic excellence and pluralism. Deeply embedded in the local community, the Center's mission is to cultivate new cultural audiences, promote outstanding cinema and creativity, and foster intercultural understanding through the arts. It achieves this through a diverse range of film screenings, festivals, lectures and workshops, all aimed at nurturing social responsibility and facilitating public discourse on social values and democracy. The Center is also home to the Jerusalem Cinematheque and the Israel Film Archive, which houses the world's largest collection of Jewish and Israeli cinema.

Similar to film institutions worldwide, the Center has experienced a decline in attendance compared to the pre-Covid era, although overall attendance in 2022 exceeded that of 2021. However, the Center's two flagship festivals, the Jerusalem Film Festival and the Jewish Film Festival, have not only rebounded to pre-pandemic levels but have even surpassed them in terms of numbers, attendance, and revenue. This achievement can be attributed

to a combination of compelling film content, unique supplementary events, and proactive efforts to engage new audiences. Such efforts include close collaboration with representatives from various communities (Russian, Arab, ultra-Orthodox, English-speaking), organising tailored monthly events catering to their specific interests, establishing dedicated WhatsApp groups for Jerusalem Cinematheque members, and forging partnerships with institutions and NGOs.

In 2022, the Jerusalem Film Center celebrated notable accomplishments and hosted numerous international guests, including renowned directors like Ruben Östlund (*Triangle of Sadness*) and notable figures such as Charlotte Gainsbourg and Ivan Attal (*The Accusation*), and Nazi hunters Serge and Beate Klarsfeld. Standout activities included the participation of the Department of Education in the Young Audience Awards for the European Film Academy 2022 and a significant film seminar for Arab and Jewish teenagers.

The Israel Film Archive also reached a remarkable milestone, surpassing 2.5 million visitors to its website within just two and a half years of operation. Additionally, in commemoration of Israel's 75 years of independence, the Archive made 75 Israeli films (spanning various genres) available internationally, complete with English subtitles.

Looking ahead to 2023, the primary challenge for the Jerusalem Film Center lies in the ongoing crisis gripping the cinema industry, as global and local attendance figures continue to fall short of pre-Covid levels. Nonetheless, the Center remains dedicated to investing efforts and implementing diverse strategies to increase visits. However, the local cultural scene faces an additional threat posed by controversial actions by the current government across multiple fronts. Lastly, this year holds special significance as the Jerusalem Film Festival celebrates its 40th year, and the Jewish Film Festival marks its 25th year.

Our Endowment

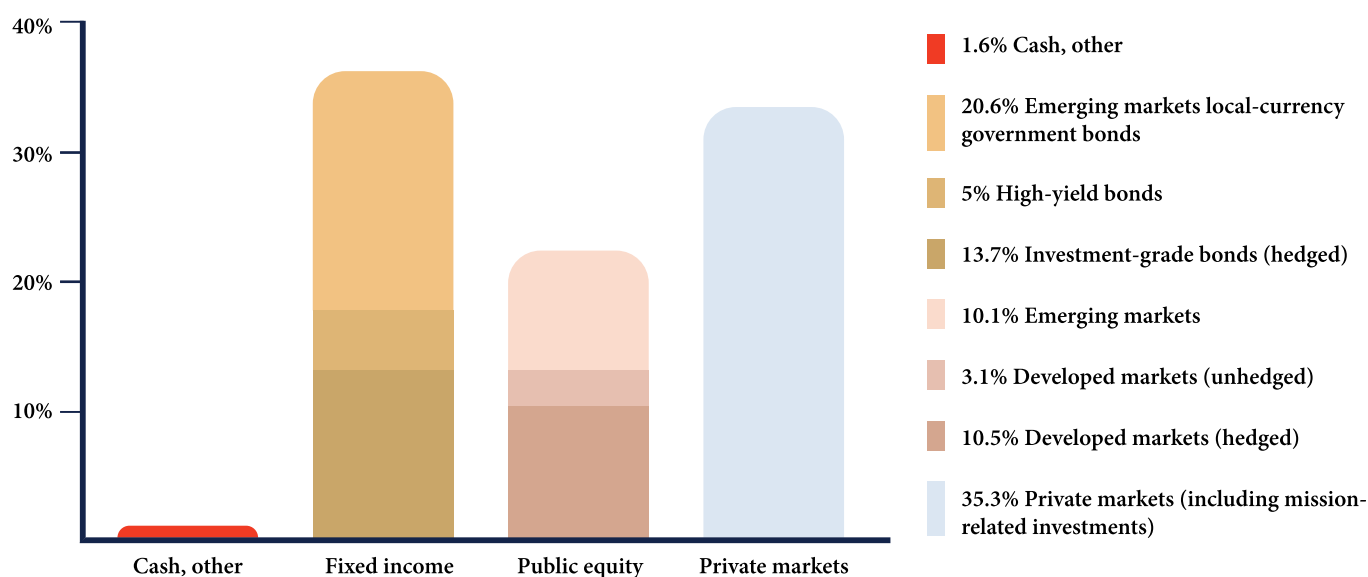
Initially, the dividends of Royal Packaging Industries Van Leer funded our philanthropic activities. In 1996, its Board decided on an initial public offering (IPO) for the company, the ultimate proceeds of which formed an endowment that funds our philanthropic activities today.

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 2022 spending, the endowment's investments were valued at EUR 761 million (2021: EUR 873 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 2022



Performance

In 2022, the endowment's performance was -9.1% vs -12.4% 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 +5.8%.

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 2022, the Foundation committed to two more mission-related private investment funds.

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 significant impact on our charitable spending in 2024. However, we will only make final decisions about 2024 budgets later in 2023.

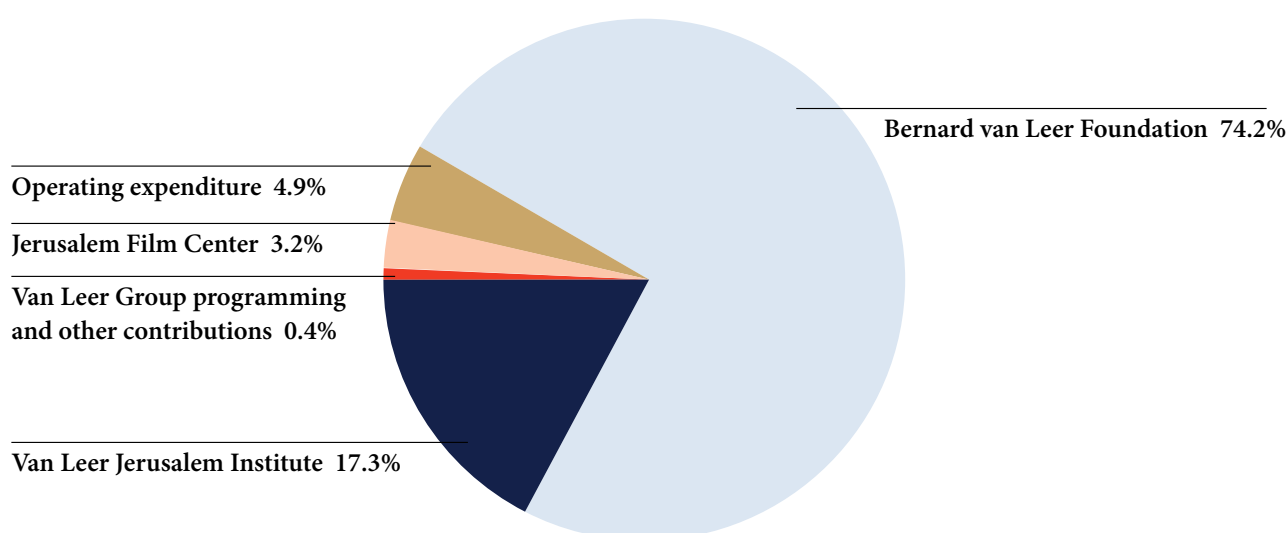
The going concern assumption applied in preparing the financial statements is upheld.

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

2022 Expenditure and Contributions

Expenditure in 2022 was EUR 28,834,000. The chart and table below provide more details regarding the distribution of expenditure across our activities.

2022 expenditure and contributions



2022 expenditure and contributions (in EUR)

Bernard van Leer Foundation	19,646,000
Van Leer Jerusalem Institute	6,449,000
Jerusalem Film Center	867,000
Van Leer Group programming and other contributions	511,000
Operating expenditure	1,361,000
Total	28,834,000

Team

At the end of 2022, the Van Leer Group employed 5 FTEs. These staff members work in close collaboration with the CEO of the Bernard van Leer Foundation, the Executive Director of the Van Leer Jerusalem Institute, and the Executive Director of 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

Dr Shai Lavi

Executive Director, Van Leer Jerusalem Institute

Roni Mahadav-Levin

Executive Director, Jerusalem Film Center

Blanca Rey Ariza

Executive Assistant to the CEO, Van Leer Group

Neil van der Meer

Chief Financial Officer, Van Leer Group

Tim Otto

Finance Director, Van Leer Group

Irina Ivan

Programme Manager Innovation and Learning, Van Leer Group

Javier Lopez

Finance and Investment Analyst, Van Leer Group

Governing Council

Yarom Ariav

Trustee since 2015

Yarom Ariav is the Executive Chairman of Lavi Capital Ltd. He also serves as Chairman of the Future Scientists Center, the Investment Committee of Israel Sovereign Fund, the Lod Foundation and the Investment Committee of Jewish Agency Pension Funds, and is a member of the boards of Tzur Shamir Ltd, Sonol Ltd, Amot Ltd and Miskey Hanegev. In addition, he is an economic and strategic consultant. Yarom served as Director General of the Ministry of Finance from 2007 to 2009, where he was responsible for setting and implementing the Israeli macroeconomic policy and leading the Israeli economy through the financial crisis. He chaired the steering committee for Israel joining the OECD, and was a central figure in the Israeli administration. Prior to his work in government, Yarom served as President and CEO of ICL Fertilizers Europe, a division of Israel Chemicals (ICL) Group. Between 1984 to 1993 Yarom served the Government of Israel in several positions.

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 pension industry veteran and former central banker. He was CEO of PGGM Investment Management and member of the executive committee of PGGM N.V. from 2011 to 2020. He has since taken on a variety of roles. Eloy is interim chair of the Global Impact Investing Network (GIIN), member of Hassana's Board Investment Committee and a supervisory board member of AhlströmInvest. He is an advisor to AustralianSuper and Hillhouse Investment Management. Eloy holds a master's and bachelor's degree from Nyenrode Business University and a graduate diploma from the Johns Hopkins University, SAIS Europe. He is married and has two children.

Ory Okolloh

Trustee since 2020

Ory is currently a Partner at Verod-Kepple Africa Ventures, a pan-African focused venture capital firm that backs exceptional founders in and from Africa. Previously, Ory was the Managing Director, Omidyar Network and Luminate Group in Africa, both impact investing arms of The Omidyar Group. She serves on the Board of Directors of several organisations including the Thomson Reuters Founders Share Company, Safaricom PLC, the East African Breweries Limited, Deloitte Africa, the Adecco Group Foundation, and is the Chair of the Stanbic Bank Kenya Foundation. In the past, Ory was Google's Policy and Government Relations manager for Africa. Ory was also at the forefront of developing technology innovation as a founding member of Ushahidi. She was the organisation's Executive Director from inception until December 2010. Ory is the co-founder of Mzalendo, a website that tracks the performance of Kenyan MPs, and Asphalt & Ink, a strategic advisory firm. In 2011 Ory was named a Young Global Leader by the World Economic Forum, and one of Africa's most Powerful Women by *Forbes* magazine. In 2014 she was *Time* 100's most influential people in the world.

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 Executive Committee of the Metro Atlanta Chamber of Commerce and is the Chair of the Board of Van Leer Jerusalem Institute.

Ngairé Woods

Trustee since 2020

Professor Ngairé Woods is the founding Dean of the Blavatnik School of Government and Professor of Global Economic Governance at Oxford University. She is Vice-Chair of the Alfred Landecker Foundation's Governing Council and on the Boards of the Mo Ibrahim Foundation, the Stephen A. Schwarzman Education Foundation and the Institut National du Service Public. She is a member of the Asian Infrastructure Investment Bank's International Advisory Panel and of the Australian government's Strengthening Democracy Taskforce Expert Advisory Group. She is an Independent Non-Executive Director at Rio Tinto and sits on the advisory boards of the Centre for Global Development, the African Leadership Institute, the Hoffmann Global Institute for Business and Society and the School of Management and Public Policy at Tsinghua University.

Sam Worthington, Vice-Chair

Trustee since 2014

Sam Worthington was President and CEO of InterAction from 2006 to 2022 where he represented US NGOs to the highest levels of government, the United Nations, multilateral organisations, and other stakeholders. Sam is a member of the Council on Foreign Relations, and sits on the Boards of the Van Leer Group Foundation, Plan International USA, Global Executive Leadership Initiative, and is Vice-Chair of Forus, a global NGO platform. He sits on the advisory council of the Center for Human Rights and Humanitarian Studies at Brown University and serves as Chair of the advisory council at UN Association-NCA. He was a policy fellow at the Rockefeller Foundation's Bellagio center.

Financial Statements

Balance sheet (after appropriation of result)

31 December 2022

EUR thousands

	Note	2022	2021
Investments			
Participating interests	1	5,739	24,600
Financial investments	2	755,238	847,944
		<u>760,977</u>	<u>872,544</u>
Other assets and liabilities			
Tangible fixed assets	3	3	3
Receivables	3	139	118
Cash and cash equivalents	4	114	89
Current liabilities	5	<u>(17,204)</u>	<u>(20,268)</u>
Net other assets/(liabilities)		<u>(16,948)</u>	<u>(20,058)</u>
Total assets less liabilities		<u>744,029</u>	<u>852,486</u>
Capital and reserves			
Capital	6	2,268	2,268
Reserve BvLF		22,954	19,646
Reserve VLJI		5,141	4,614
Reserve VLJI building		-	1,835
Reserve JFC		913	867
Reserve VLG programming		457	968
General reserve		<u>712,296</u>	<u>822,288</u>
		<u>744,029</u>	<u>852,486</u>
		<u>744,029</u>	<u>852,486</u>

Statement of comprehensive income and expenditure for the year 2022

31 December 2022

EUR thousands

	Note		2022	2021
Income				
Result from participating interests	1	(10,108)	8,191	
Income from financial investments	10	24,008	27,650	
(Un)realised gains/(losses) and valuation & exchange rate differences in financial investments	11	(93,853)	94,163	
Net investment fees/rebates	12	30	(346)	
			(79,923)	129,658
Expenditure				
General and administrative expenses	13	(1,109)	(1,036)	
Remuneration and expenses Governing Council members	14	(252)	(181)	
			(1,361)	(1,217)
Net result			(81,284)	128,441
Direct capital movements				
Contributions BvLF	6	19,646	18,534	
Contributions VLJI	6	4,614	4,329	
Contribution VLJI/Polonsky building	6	1,835	-	
Contributions JFC	6	867	800	
VLG programming and other contributions	6	512	93	
			27,474	23,756
Total net result and direct capital movements			(108,758)	104,685