ANNUAL REPORT

Human Practice Foundation

2024

Brolæggerstræde 2, st. th. 1211 København K
Business Registration No. 36049081

Fonden Human Practice Foundation

Brolæggerstræde 2, st. th
1211 København K
CVR No. 36049081

Annual report 2024

The Annual Meeting adopted the annual report on 26.05.2025

Mads Munkholt Ditlevsen
Chairman of the Annual Meeting

Contents

Entity details

Entity

Fonden Human Practice Foundation
Brolæggerstræde 2, st. th
1211 København K

Business Registration No.: 36049081
Registered office: København
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Mads Munkholt Ditlevsen, chaiman
Martin André Dittmer, board member
Henning Jakobsen, board member
Jørgen Kirkegaard Raguse, board member
Martin Kring, board member
Pernille Kruse Madsen, board member
Charlotte Rosendahl Dohm, board member

Executive Board

Pernille Kruse Madsen, CEO
Tine Bruntse Werner, CFO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Fonden Human Practice Foundation for the financial year 01.01.2024 - 31.12.2024.

The annual report is presented in accordance with the Danish Financial Statements Act and bekendtgørelse nr. 1701 af 21. december 2010 om økonomiske og administrative forhold for modtagere af driftstilskud fra Kulturministeriet.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We also believe that business procedures and internal controls have been established to ensure that the transactions covered by the annual report are in accordance with appropriations granted, laws and other regulations, and with agreements entered into and usual practice, and that due account has been taken of financial considerations in the management of the funds and operations covered by the annual report.

We recommend the annual report for adoption at the Annual Meeting.

København, 26.05.2025

Executive Board

Pernille Kruse Madsen
CEO

Tine Bruntse Werner
CFO

Board of Directors

Mads Munkholt Ditlevsen
chairman

Martin André Dittmer
board member

Henning Jakobsen
board member

Jørgen Kirkegaard Raguse
board member

Martin Kring
board member

Pernille Kruse Madsen
board member

Charlotte Rosendahl Dohm
board member

Independent auditor's report

To the shareholders of Fonden Human Practice Foundation

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Fonden Human Practice Foundation for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act and bekendtgørelse nr. 1701 af 21. december 2010 om økonomiske og administrative forhold for modtagere af driftstilskud fra Kulturministeriet.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act and bekendtgørelse nr. 1701 af 21. december 2010 om økonomiske og administrative forhold for modtagere af driftstilskud fra Kulturministeriet.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark as well as the standards for public audit, the audit being carried out on the basis of the requirements in bekendtgørelse nr. 1701 af 21. december 2010 om økonomiske og administrative forhold for modtagere af driftstilskud fra Kulturministeriet §§ 15-20. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and bekendtgørelse nr. 1701 af 21. december 2010 om økonomiske og administrative forhold for modtagere af driftstilskud fra Kulturministeriet, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, as well as the standards for public audit, the audit being carried out on the basis of the requirements in bekendtgørelse nr. 1701 af 21. december 2010 om økonomiske og administrative forhold for modtagere af driftstilskud fra Kulturministeriet §§ 15-20, will always detect a material misstatement when it exists. 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, as well as the standards for public audit, the audit being carried out on the basis of the requirements in bekendtgørelse nr. 1701 af 21. december 2010 om økonomiske og administrative forhold for modtagere af driftstilskud fra Kulturministeriet §§ 15-20, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.

- Obtain 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act and bekendtgørelse nr. 1701 af 21. december 2010 om økonomiske og administrative forhold for modtagere af driftstilskud fra Kulturministeriet.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act and bekendtgørelse nr. 1701 af 21. december 2010 om økonomiske og administrative forhold for modtagere af driftstilskud fra Kulturministeriet. We did not identify any material misstatement of the management commentary.

Report on other legal and regulatory requirements and other reporting responsibilities

Statement on compliance audit and performance audit

The management is responsible for the transactions comprised by the financial statements and for ensuring the compliance of the transactions with the applicable appropriations, legislation and other regulations as well as with any contractual obligations and generally accepted practice. The management is also responsible for the administration of the funds and the operation of the ac-tivities comprised by the financial statements and for establishing the systems and processes relevant for ensuring econ¬omy, efficiency and effectiveness in the activities of Human Practice Foundation.

As part of our engagement to audit the financial statements, it is our responsibility to conduct compliance and performance audits of selected subject matters in accordance with the Danish Standards on Public-Sector Auditing (SOR). This implies that we assess whether there is a risk of material viola-tions of regulations in the transactions covered by the financial statements, or a risk of material performance deficiencies in the systems and processes established by the management. On the basis of our risk assessment, we determine the subject matters of which we will conduct our compliance audit or performance audit.

In a compliance audit, we verify with reasonable assurance whether the specific transactions that we have selected as the subject matter of our audit comply with the relevant criteria established by applicable appropriations, legislation, other regulations, agreements or general¬ly accepted practice. In a performance audit, we assess with reasonable assurance whether the specific systems, processes or activities that we have selected as the subject matter of our audit exhibit due considerations to econ-omy, efficiency and effectiveness in the operation of Human Practice Foundation and the administration of the funds covered by the financial statements.

Our audit of any given subject matter aims to obtain sufficient and appropriate audit evidence in order to conclude with reasonable assurance on the subject matter. It is not a guarantee that an audit con-ducted with reasonable assurance will detect any material violation in the transactions covered by the financial statements, or any material performance deficiency in the systems and processes established by the management. Since we have only conducted compliance and performance audits of selected subject matters, we cannot provide assurance that there may be no material violations of regulations or material performance deficiencies in other subject matters.

If, based on the work performed, we conclude that our audit gives rise to material critical comments, we are required to report these in this statement.

We do not have any material critical comments to report in this respect.

København, 26.05.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Susanne Arnfred Møller
State Authorised Public Accountant
Identification No (MNE) mne24625

Management commentary

Primary activities

The object of Human Practice Foundation ("the Foundation") is to launch, finance and operate humanitarian projects, growth projects and community projects helping needy or poor people in the world.

The Foundation uses a unique model according to which a wholly owned management company, whose costs are entirely covered by a charitable group of men and women, the Founding Partners, takes care of the administration.

The model means that donations can be used and managed by the Foundation for the intended charity without any deductions of administrative expenses.

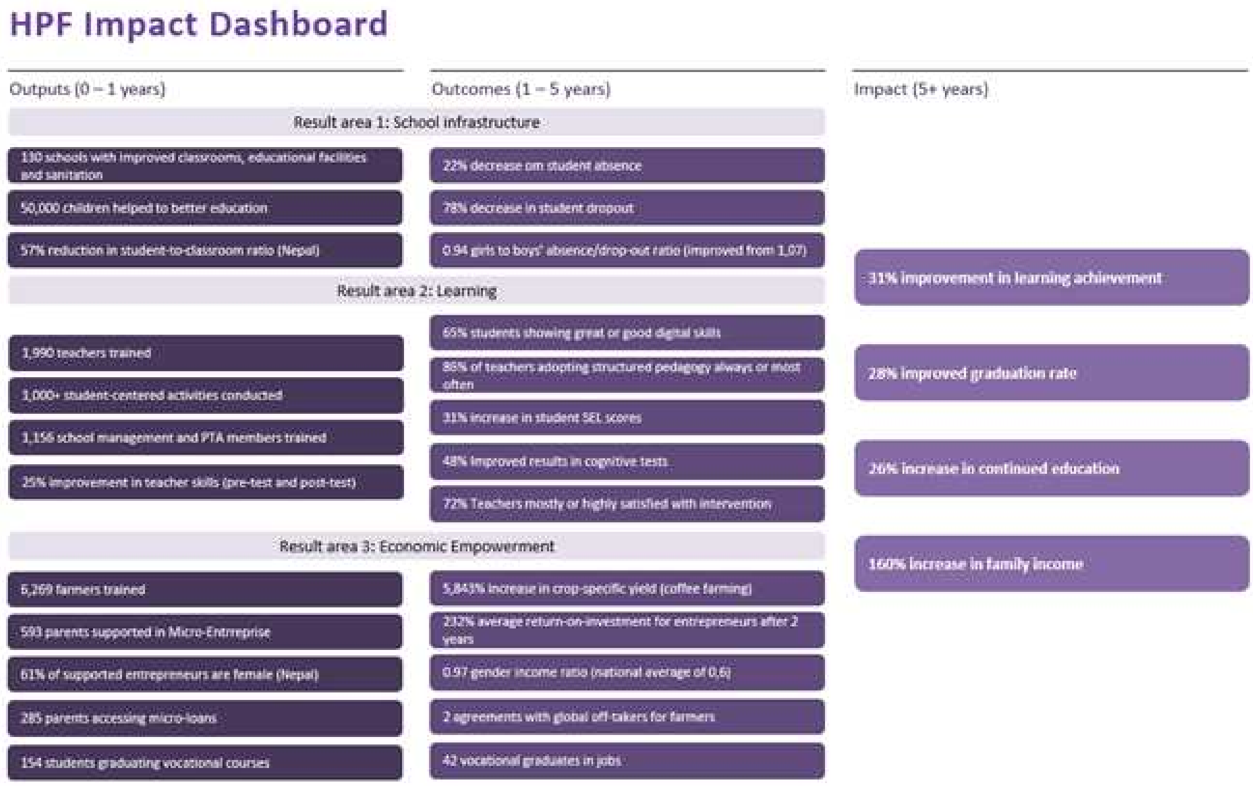
Development in activities and finances

2024 marked a special milestone: 10 years since we built our first school in Nepal and the founding of HPF. We celebrated this journey in Copenhagen with friends and supporters — a moment that reaffirmed our shared belief in the power of quality education to transform lives.

The celebration marked the significant highlights and results achieved during the 10 years, together with donors and supporters of Human Practice Foundation.

During the year we increased the number of projects in both Nepal & Kenya and continued developing and expanding our Inner Strength programme in Denmark. We have continued our development of measurement and evaluation initiatives and created our fourth comprehensive HPF Impact Report, available on our website – humanpractice.org.

In our Impact Report 2024, we shared an updated HPF Impact Dashboard that shows the results for HPF over the last 10 years.



The data for the "Output" indicators is from Nepal and Kenya combined, while the data for "Outcomes" and "Impact", is from our deepdive monitoring report from the Taplejung District in Nepal.

Our work this year included improving 20 schools with infrastructure for over 6,750 students, training 1,415 teachers and 1,697 parents. Our team has grown to nearly 100 dedicated employees by the end of the year across Nepal, Kenya, and Europe.

During the year we raised around 36 million DKK and by the end of 2024, we have committed pending donations for 2025 of around 23 million DKK.

In the following we include highlights on our projects and activities in 2024.

Our Commitment – Holistic, Local and Transparent
We prioritize depth over scale in our projects, focusing on anchoring robust support. Our commitment extends until children have the best conditions to create a better future and our partner schools flourish as top performing schools with thriving students. This defines our holistic intervention model, the Child Empowerment Model.

In 2024, we concentrated on refining the Child Empowerment Model to ensure greater clarity and structure, making it more focused and better suited for effective local implementation. As part of this effort, we collaborated with Deloitte to enhance our impact measurement framework, enabling us to more accurately assess the model's outcomes across short-, medium-, and long-term periods.

We believe that change has the best chance of success with local ownership, which is why we work with our own implementing organizations in Nepal, Kenya, and Denmark. This enables agile project implementation and iterative improvement through local co creation.

At Human Practice Foundation, we prioritize total clarity and transparency for both donors and beneficiaries. To minimize administration costs, our Founding Partners cover expenses for activities at the Copenhagen headquarters and international fundraising chapters in Zürich, Stockholm, and London, including administration, fundraising, and project management. This ensures that all project donations go directly to those in need.

Fundraising
The HPF fundraising chapters in the UK, Switzerland, Sweden and Denmark are now well established with a wide network of supporters and are fundraising for HPF's projects managed by HPF Denmark.

In 2024 we hosted impactful fundraising events like dinners in both Denmark, UK and Sweden, a golf tournament in Denmark, an event at the Danish Embassy in London as well as an event at the Danish Embassy in Nairobi. We have also focused on collaboration with major foundations, which has resulted in significant committed grants over several years.

In 2025 we will continue to focus on fundraising from major international foundations and developing our fundraising chapters further.

Projects
As described earlier, we have further developed the HPF Child Empowerment Model in 2024. All our activities are based on this model. We use the Child Empowerment Model for implementation, and with this approach we empower marginalized children to transform their lives and local communities – ensuring sustainable lasting change.

The Child Empowerment Model has 3 core components that are all equally important to empower children to take control of their own future.

School Infrastructure focuses on creating safe, inclusive, and child-friendly learning environments by investing in essential facilities such as classrooms, sanitation, access to clean water, libraries, and labs. The goal is to remove physical barriers to education and ensure that every child has a dignified space to learn and grow.

At the heart of the model lies a commitment to improving educational quality and the students Learning achievements. This includes strengthening teaching practices, adding student life skills, introducing child-centered pedagogy, enhancing school leadership, and fostering active community engagement. By building the capacity of teachers and school leaders, the model ensures that children receive a holistic, engaging, and relevant education.

Economic Empowerment is the final component of the model. To support the sustainability of educational gains and address the broader socio-economic challenges faced by families, this component promotes income-generating activities and vocational training. It targets both students and caregivers, enabling them to build livelihoods, increase household resilience, and reduce the risk of school dropouts due to economic pressures.

Nepal
This year marks a milestone: it has as described been 10 years since the construction of our first school in Nepal. Since 2016, our projects in the Taplejung district have led to completed infrastructure improvements in 68 schools, helping to create safer, more modern classrooms and specialised facilities. This effort now reaches 80% of all secondary schools, substantially reducing classroom congestion and encouraging higher student attendance.

Alongside these improvements, both teachers and parents in Taplejung have benefited from our comprehensive approach to enhancing education quality, including targeted programmes that focus on improving pedagogy and life skills, alongside broader community engagement. Through our Life Skills programme, students have developed important interpersonal and intrapersonal skills, resulting in improved cognitive and social-emotional learning outcomes.

Additionally, we have successfully implemented programmes aimed at advancing economic empowerment by training farmers in sustainable farming, entrepreneurship, and job skills, with additional support from our IT academy. These initiatives have cemented lasting economic resilience and enabled 2,078 farmers and parents to establish a more secure future for their families.

Beyond Taplejung, we have also concluded three school projects in Dhankuta, with a further six currently underway. Recognising the need to reach even more communities, this year we expanded our operations to the Tehrathum and Panchtar districts, with 57 school construction projects planned in those regions. In total, our Nepalese operations comprise 93 completed or ongoing projects and 57 planned endeavours, reaffirming our continued commitment to resilient and inclusive educational development.

Kenya
Our operations in Kenya continued to expand throughout 2024, culminating in a local team of 20 employees by yearend. Over the same period, we had 36 completed or ongoing school construction projects, illustrating our ongoing commitment to the region's educational development.

Building upon our success, we have charted an ambitious plan to extend our efforts in the Maasai Mara through collaboration with the Governor of Narok County. As part of this strategy, we plan to create 160 HPF lighthouse schools across the 8 sub-counties of Narok reflecting our dedication to delivering long-term benefits for local communities and strengthening our presence in Kenya.

Meanwhile, our focus on strengthening educational infrastructure and implementing the Learning component in 17 schools in the Mount Kenya region, has already generated rising attendance rates and encouraging improvements in key learning indicators, reinforcing our promise to deliver sustainable and meaningful advancements for students and communities alike.

The Agricultural Impact Program, which concluded in December 2024, has significantly improved food security, raised incomes, and boosted climate resilience among smallholder farmers. Progress has been driven by the introduction of climate-smart farming methods, better access to high-quality farm inputs, and enhanced financial inclusion. As the initiative transitions to local management, HPF and SAF Africa remain dedicated to ensuring that farmers can further develop climate-smart practices and strengthen long-term food security in the region.

The rollout of a new national education system has highlighted the critical importance of effective partnerships and introduced new challenges for measuring impact. We remain committed to learning from these developments and adapting our strategies accordingly, ensuring that our programmes continue to deliver tangible, lasting results for the communities we serve.

Denmark
The Inner Strength Wellbeing Program currently runs in 30 public schools, from 4th to 9th grade, reaching and educating over 10,000 students and 800 teachers with plans to expand into additional schools across Denmark in the coming school years. A generous grant from the A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal, as well as ongoing generous donations from Christopher Jones, enables us to roll out the Inner Strength program.

Human Practice Foundation's Project Inner Strength aims to address this by enhancing self-esteem and confidence in students, emphasizing emotional and social competencies. In a world of high expectations, Inner Strength trains students in self-esteem, empathy, and concentration, striving to create a model for Danish schools that supports all students in flourishing.

Constructive and healthy communities don't arise on their own. A strong community is made up of individuals who are able to regulate themselves under pressure. Who have empathy and understanding for others — and for themselves. Who are capable of both stepping back and stepping forward to take responsibility. We call this Inner Strength.

We received a positive evaluation from SDU for the period 2023–2024. A comparison of this year's evaluation with last year's shows the following (quoted from SDU evaluation):

- Positive improvements in the project compared to last year.
- More teachers report that their participation in the project has increased their competencies in working with student well-being.
- More teachers indicate that they will use elements from the project in their everyday work at school.
- The proportion of students who find the exercises in the Inner Strength project useful has increased.
- The number of students who feel that the program has strengthened their relationships with classmates has also risen.

We have taken the initiative to organize a School Leaders' Seminar at Deloitte, with 30 invited school and department leaders from both new and existing partner schools. The agenda was to prepare school leadership teams for the cultural and change process that the Inner Strength initiative requires — including the resources the three-year initiative will demand from schools. There was great interest, and going forward, we will continue this initiative.

We have also conducted a workshop on Inner Strength and psychological vulnerability among children and youth at the University College, gathering 160 pedagogy students as well as a few teachers and student teachers. We are continuously planning lectures and aim to build a stronger connection with the teacher education program.

Profit/loss for the year in relation to expected developments

The net result of the year was positive DKK 183 thousand, which was as expected.

Prepayments from donors was at a slightly lower level compared to 2023. The prepayments express the timing difference between receiving the donations and the upstart of the projects, where the Foundations principle is, that no projects are started until the donation is received. Donations for education programmes also affects the prepayments, as these are typically received for a full year's activities but paid in milestones to the projects.

Outlook

The Foundation expects a positive result of DKK 169 thousand for 2025.

The limited drop compared to 2024 is due to a slightly lower result in HPF Driftsselskab ApS in 2024, which is expressing the expected result in the Foundation in 2025 being the distribution of profits from HPF Driftsselskab ApS.

Foreign branches

The Foundation comprise a INGO in Nepal and Kenya to support project work locally. The INGOs are incorporated in the Financial Statements as a branches.

Statutory report on foundation governance

The Management Board of the Foundation

The board members of the foundation are appointed based on their personal characteristics and competences, considering the Board's overall competencies, and taking into account diversity in relation to business and distribution experience, age and gender. The Board of Directors does not receive remuneration.

There is an age limit of 75 years for the board members of the foundation. The members of the Board of Directors are as follows:

Mads Ditlevsen, Chairman
Male, 48 years old.
Joined the Board on 19 March 2021 for a two-year term; re-elected on 25 May 2023 for a two-year term, re-elected on 29 May 2024 for another two-year term.

The member is considered independent.

Other Management Positions: Board member; Banking Circle, 3SHAPE HOLDING A/S, Brancheforeningen Aktive Ejere i Danmark. Partner; EQT Partners Denmark ApS

Martin Kring, board member
Male, 48 years old.
Joined the Board on 19 March 2021 for a two-year term, re-elected on 25 May 2023 for a two-year term, re-elected on 29 May 2024 for a two-year term.

The member is considered independent.

Other management positions: Board member; Bodil ApS, Aalborg Lufthavn A.M.B.A, Flextribe ApS, Flextribe Holding Aps, Nuna Technologies Aps. Board member and CEO; CASA FRIHEDEN ApS, GREENBLUE A/S, KRING A/S, KRING Group A/S, KRING Management ApS. CEO; KRING Speedbooting 2016 ApS, KRING Speedbooting 2019 ApS, KRING Speedbooting 2022 GP ApS, M. KRING HOLDING ApS, Relabee ApS, SB22 Energi ApS, SB22 Female Health ApS, SB22 Longevity ApS, SB22-2 ApS, SB22-3 ApS.

Charlotte Rosendahl Dohm, board member
Female, 54 years old.
Joined the Board on 29 May 2024 for a two-year term.

The member is considered independent.

Other management positions: Board member; CEPOS, Håb i Psykiatrien, Impero A/S

Henning Jakobsen, board member
Male, 64 years old.
Joined the Board on 29 May 2024 for a two-year term.

The member is considered independent.

Other management positions: Board member; Melitek A/S, Ingwar Invest APS, Apart selskaberne 1-11 A/S

Martin André Dittmer, board member
Male, 55 years old.
Joined the Board on 29 May 2024 for a two-year term.

The member is considered independent.

Other management positions: Managing Partner; Gorrissen Federspiel Secretary General, European Maritime Law Organisation. Chair; Danish Industry Federation of Danish Professional Service Firms, ICC Commission on Competition. Member; Executive Committee and the executive board at Danish Industry, Representative committee at the Association of Danish Law Firms.

Jørgen Raguse, board member
Male, 52 years old.
Joined the Board on 29 May 2024 for a two-year term.

The member is considered independent.

Other management positions: Chair; SECOMEA A/S. Board member; AALBORG BOLDSPILKLUB A/S. CEO; Raguse Family Invest Fund I ApS, Raguse Holding ApS, Raguse ApS.

Pernille Kruse Madsen, board member
Female, 45 years old.
Joined the Board on 10 July 2014 as a born member.

The member is not considered independent.

Other Management Positions: Board member at Ejendomsselskabet Scandinavia A/S. Director of HPF Driftsselskab ApS.

Good governance for Human Practice Foundation
Recommendations on foundation governance

The foundation is covered by the Recommendations on Foundation Governance, which are available on the website of the Committee on Foundation Governance www.godfondsledelse.dk.

Recommendation:
1. Transparency and communication

No. 1.1 It is recommended that the board of directors adopt principles for external communication that address the need for transparency and stakeholders' needs and possibilities to obtain relevant up-to-date information about the circumstances of the foundation.

The foundation **complies**

2. Tasks and responsibilities of the board of directors

2.1 Overall tasks and responsibilities

No. 2.1.1 It is recommended that, in order to secure the activities of the commercial foundation in accordance with the purposes and interests of the foundation, the board of directors should, at least once a year, take a position on the overall strategy and distribution policy of the foundation on the basis of the articles of association.

The foundation **complies**

No. 2.1.2 It is recommended that the board of directors regularly address whether the foundation's asset management is in line with the purpose of the foundation and its long- and short-term needs.

The foundation **complies**

2.2 Chairman and vice-chairman of the board of directors

No. 2.2.1 It is recommended that the chairman of the board of directors organise, convene and chair meetings of the board of directors in order to ensure effective board work and to establish the best conditions for the work of the board members, individually and collectively.

The foundation **complies**

No. 2.2.2 It is recommended that if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special activities for the commercial foundation which extend beyond the duties of chairman, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, general management and control function. Appropriate allocation of responsibilities should be ensured between the chairman, the vice-chairman, the other members of the board of directors and the executive board, if any.

The foundation **complies**

2.3 Composition and organization of the board of directors

No. 2.3.1 It is recommended that the board of directors regularly, and at least every second year, assess and stipulate the competences that the board of directors needs to possess in order to best perform the tasks incumbent upon the board of directors.

The foundation **complies**

No. 2.3.2 It is recommended that, with due respect of any right in the articles of association to make appointments, the board of directors approves a structured, thorough and transparent process for selection and nomination of candidates for the board of directors.

The foundation **complies**

No. 2.3.3 It is recommended that members of the board of directors are appointed on the basis of their personal qualities and competences, taking into account the collective competences of the board, and when composing and nominating new members of the board the need for introducing new talent is weighed against the need for continuity and the need for diversity in relation to commercial and grants experience, age and gender.

The foundation **complies**

No. 2.3.4 It is recommended that in the management commentary in the annual report and on the commercial foundation's website, if any, there is an account of the composition of the board of directors, including its diversity, and that the following information is provided on each board member:
• the name and position of the member,
• the age and gender of the member,
• date of original appointment to the board whether the member has been re-elected, and expiry of the current election period,
• any special competences possessed by the member,
• other managerial positions held by the member, including positions on executive boards, boards of directors and supervisory boards and board committees in Danish and foreign foundations, enterprises and institutions, as well as other demanding organisation tasks,
• whether the member owns shares, options, warrants and similar in the foundation's subsidiaries and/or associated companies,
• whether the member has been appointed by authorities/providers of grants etc., and
• whether the member is considered independent.

The foundation **complies**

No. 2.3.5 It is recommended that the majority of the members of the board of directors of the commercial foundation are not also members of the board of directors or executive board of the foundation's subsidiary(ies), unless it is a fully owned actual holding company.

The foundation **complies**

2.4 Independence

No. 2.4.1 It is recommended that an appropriate proportion of the board of directors be independent. If the board of directors (excluding employee representatives) is composed of
• up to four members, at least one member should be independent,
• between five and eight members, at least two members should be independent, or
• nine to eleven members, at least three members should be independent, and so on.

To be considered independent, this person may not, for example:

- be or within the past three years have been member of the executive board, or senior employee in the foundation, or an essential subsidiary or associated company to the foundation,
- within the past five years have received larger emoluments, including distributions or other benefits from the foundation/group or a subsidiary or associated company to the foundation in other capacity than as member of the board of directors or executive board of the foundation,
- within the past year have had a significant business relationship (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management of companies with corresponding connection) with the foundation/group or a subsidiary or associated company to the foundation,
- be or within the past three years have been employed or partner at the external auditor,
- have been a member of the board of directors or executive board of the foundation for more than 12 years,
- be a close relative of, or in some other way be especially close to, persons who are not considered independent,
- be the founder or a significant donor if the purpose of the foundation is to grant support to this person's family or others who are especially close to this person, or
- be a member of the management of an organisation, another foundation or similar, which receives or repeatedly within the past five years has received significant donations from the foundation.

The foundation **complies**

2.5 Appointment period

No. 2.5.1 It is recommended that members of the board of directors be appointed for a minimum period of two years and a maximum period of four years.

The foundation **does not comply.**

The foundation explains
For 4 of 7 members, the Foundation complies. Pernille Kruse Madsen, who took the initiative to start the Foundation, is due to the statutes, born member of the board of directors, and is not on election. Moreover, Mads Ditlevsen and Martin Kring have been members of the board since 2021, and thus contribute to the continuity in the Board.

No. 2.5.2 It is recommended that an age limit for members of the board of directors be set, which is published in the management commentary or on the foundation's website.

The foundation **complies**

2.6 Evaluation of the performance of the board of directors and the executive board

No. 2.6.1 It is recommended that the board of directors establish an evaluation procedure in which the board of directors, the chairman and the contributions and performance of individual members are evaluated annually, and the result is discussed by the board of directors.

The foundation **complies**

No. 2.6.2 It is recommended that once a year the board of directors evaluate the work and performance of the executive board and/or the administrator (where relevant) in accordance with predefined clear criteria.

The foundation **complies**

3. Remuneration of management

No. 3.1.1 It is recommended that the members of the board of directors of commercial foundations be remunerated with a fixed remuneration and that members of an executive board, if any, be remunerated with a fixed remuneration, possibly combined with a bonus which should not be dependent upon accounting results. The remuneration should reflect the work and responsibilities consequential to the position.

The foundation **complies**

No. 3.1.2 It is recommended that the financial statements provide information about the full remuneration received by each member of the board of directors and any executive board from the commercial foundation and from the foundation's subsidiaries and associated companies. Furthermore there should be information on any other remuneration which members of the board of directors and any executive board have received for performing other work or tasks for the foundation, the foundation's subsidiaries or associated companies, except for the remuneration of employee representatives as employees.

The foundation **complies**

Statutory report on distribution policy

The distribution policy of the Foundation has been adopted by the Foundation Board and is included below: Distribution policy of the Human Practice Foundation

Distribution policy of the Human Practice Foundation

1. Introduction

1.1 This distribution policy has been prepared in accordance with section 77b of the Danish Financial Statements Act.

1.2 The Foundation's articles of association state that:
"The object of the Foundation is to launch, fund and operate humanitarian projects, growth projects and community projects helping needy or poor people in the world, and any related business."

1.3 The Foundation owns an operating company, HPF Driftsselskab ApS, which is responsible for carrying out operational and administrative tasks, as well as project tasks, etc for the Foundation. The administrative expenses of the operating company are financed entirely by a number of resourceful people, the so-called Founding Partners. This means that the Foundation, through the operating company, manages funds donated by others, which go to earmarked purposes in full.

1.4 In some cases, however, the Foundation will have funds available, which the Foundation distributes directly, i.e. dividends from the Foundation's ownership interest in HPF Driftsselskab ApS and other means which Management considers to be distributed.

1.5 The distribution of funds in the Foundation is made in accordance with this distribution policy.

2. Distribution objectives of the Foundation

2.1 The Foundation will allocate funds to projects that fall within its object. More specifically, the Foundation will support:

2.1.1 Humanitarian projects, such as initiatives and investments contributing to better educational aspects, including general access to education, as well as education of a higher quality, and under better conditions than would otherwise be available.

2.1.2 Growth projects, such as entering into partnerships, taking initiatives and making investments concerning local businesses which together can support and develop the production of local products and services, thereby creating growth and jobs.

2.1.3 Community projects, such as initiatives and investments aimed at enhancing the standard of living in areas in need of this.

3. Adoption and distribution of dividends

3.1 The Foundation may allocate the amounts determined by the Foundation Board at the annual general meeting, or other board meetings, within the framework of this distribution policy and the regulation of distribution in accordance with the Danish Act on Commercial Foundations. The amount for distribution must be included in the Foundation's distributable reserves.

3.2 Upon distribution, the Foundation determines the specific purpose, possibly in agreement with the donor. Distributions and recipients of distributions are listed in a register of legatees.

4. Recipients of distributions

4.1 It is important to the Foundation that activities managed by the Foundation contribute to a positive social return in the areas where the activities are performed. Projects covered by the Foundation's work must help to start a good circle, thus relying on a sustainability principle, so that the effect can survive after the projects are completed. This means that projects covered by the Foundation's work must include a requirement for local investment and involvement where this makes sense.

5. Evaluation of distributions

5.1. As part of the Foundation's work, projects will be evaluated on an ongoing basis and effects will be measured to the extent possible.

Income statement for 2024

	Notes	2024 DKK	2023 DKK
Revenue	1	10,446,152	9,824,727
Other operating income	2	804,971	357,264
Other external expenses		(7,084,199)	(7,099,082)
Gross profit/loss		**4,166,924**	**3,082,909**
Staff costs	3	(4,441,766)	(3,100,421)
Operating profit/loss		**(274,842)**	**(17,512)**
Income from investments in group enterprises		183,437	150,311
Other financial income	4	309,247	18,870
Other financial expenses	5	(34,405)	(1,358)
Tax on profit/loss for the year		0	0
Profit/loss for the year		**183,437**	**150,311**
Proposed distribution of profit and loss:			
Provision for distributions		183,437	150,311
Proposed distribution of profit and loss		**183,437**	**150,311**

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Investments in group enterprises		50,000	50,000
Financial assets	6	**50,000**	**50,000**
Fixed assets		**50,000**	**50,000**
Receivables from group enterprises		98,723	173,079
Other receivables		74,043	8,609
Receivables		**172,766**	**181,688**
Cash	7	**31,156,262**	**31,211,861**
Current assets		**31,329,028**	**31,393,549**
Assets		**31,379,028**	**31,443,549**

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		300,000	300,000
Provision for distributions		183,437	150,311
Equity		**483,437**	**450,311**
Prepayments received from customers	8	25,127,275	26,810,806
Income tax payable		0	1
Other payables		147,171	144,750
Deferred income		5,621,145	4,037,681
Current liabilities other than provisions		**30,895,591**	**30,993,238**
Liabilities other than provisions		**30,895,591**	**30,993,238**
Equity and liabilities		**31,379,028**	**31,443,549**
Transactions with related parties	9		
Relation to commercial enterprise or another foundation	10		
Group relations	11		

Statement of changes in equity for 2024

	Contributed capital DKK	Provision for distributions DKK	Total DKK
Equity beginning of year	300,000	150,311	450,311
Ordinary distributions	0	(150,311)	(150,311)
Profit/loss for the year	0	183,437	183,437
Equity end of year	**300,000**	**183,437**	**483,437**

Notes

1 Revenue

	2024	2023
Revenue from Founding Partners	5.220.883	6.065.009
Revenue from projects, Nepal	3.080.885	2.678.365
Revenue from projects, Kenya	2.144.384	1.081.303
Total Revenue	**10.446.152**	**9.824.677**
Other Income	-804.971	-357.264
Administration fee to HPF Driftsselskab	6.300.696	6.439.785
Financial income	-309.247	-18.870
Financial expenses	34.405	1.358
Danish activities funded by Founding Partner contributions	**5.220.883**	**6.065.009**
Other external expenses	126.302	165.041
Staff costs	2.954.583	2.513.324
Nepal INGO activities funded by project contributions	**3.080.885**	**2.678.365**
Other external expenses	657.201	494.206
Staff costs	1.487.183	587.097
Kenya INGO activities funded by project contributions	**2.144.384**	**1.081.303**

2 Other operating income

	2024 DKK	**2023 DKK**
Operating grant from the Ministry of Culture Denmark	339,401	357,264
Collected constributions	465,570	0
	804,971	**357,264**

The grant from the Ministry of Culture Denmark has been utilised in accordance with the purpose of the Foundation and the terms and conditions set out in the grant confirmation dated 17 December 2024.

3 Staff costs

	2024 DKK	**2023 DKK**
Average number of full-time employees	**53**	**47**

Staff cost of DKK 4.442 thousand (2023: DKK 3.100) thousand relate to staff cost in the INGO, Nepal, and INGO, Kenya.

The board of directors and executive board have not received any renumeration in 2024.

4 Other financial income

	2024 DKK	2023 DKK
Financial income from group enterprises	16,323	0
Other interest income	292,924	18,870
	309,247	**18,870**

5 Other financial expenses

	2024 DKK	2023 DKK
Financial expenses from group enterprises	30,042	0
Other interest expenses	17	0
Other financial expenses	4,346	1,358
	34,405	**1,358**

6 Financial assets

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
HPF Driftsselskab ApS	Denmark	ApS	100.00	230,086	168,611

7 Cash

The item comprises prepayments received regarding projects of DKK 25.474 thousand, which the Foundation cannot dispose of for own purposes.

8 Prepayments received from customers

Prepaid donations include donations, of which 100% of the funds are allocated to a project either directly or through the HPF INGOs. All cost in the HPF INGOs are allocated to projects. These donations are recognised directly in the balance sheet by offsetting payments made to the partner of the individual project or cost in the INGOs.

	2024	2023
Donations received at beginning of the year	26.810.806	20.906.813
Donations received during the year	24.624.416	23.834.845
Donations received at collections *	1.431.647	5.797.560
Foundation distributions granted during the year **	150.311	121.818
Transferred directly to projects partners from Denmark	-3.052.740	-2.938.023
INGO ressources used in project work	-5.225.269	-3.759.668
INGO funds transferred directly to local projects partners	-22.204.502	-14.693.592
Currency exchange adjustments and interest on project bank accounts	2.632.888	-2.458.948
Donations received at the end of the year	**25.167.558**	**26.810.806**

* 1.188 DKK thousands of the donations received during collections have not been used at 31.12.2024

** In 2024, the Foundation distributed 150 DKK thousand to HPF Nepal to support our establishment in new districts and to further develop and implement our impact measurement work

9 Transactions with related parties

Related party transactions comprise:
- Purchase of services from subsidiary of DKK 6.301 thousand (2023: DKK 6.440 thousand)
- Dividend from subsidiary of DKK 183 thousand (2023: DKK 150 thousand)
- Accrued interest on payable to subsidiary of net DKK 13 thousand (2023: DKK 0 thousand)
- Founding Partner contributions from board members of DKK 1.000 thousand (2023: DKK 750 thousand)
- Payable to group enterprises comprise invoices for administrative services not yet settled
- The subsidiary's remuneration and the Foundation CEO amounted to DKK 706 thousand (2023: 704 thousand)
- Project donations from board members of DKK 431 thousand (2023: 0 thousand)

10 Relation to commercial enterprise or another foundation

The Foundation have established independent fundraising associations in the U.K., Switzerland and Sweden with the sole purpose of raising grants to support the Foundations project activities.

11 Group relations

HPF Driftsselskab ApS and Fonden Human Practice Foundation has collective VAT registration, as they are considered as group connected entities.

12 Donations from foundations

A.P. Møller Fonden	1.245.500
JONAS AND CHRISTINA AF JOCHNICK FOUNDATION	1.376.638
Jubilæums Fonden af 12/8 1973	17.230
Asta og Jul. P. Justesens Fond	49.765
Stiftelsen Actum	413.395
Summa Foundation	692.735
Rambøll Fonden	930.081
Medarbejdernes Honorarfond i Novo gruppen	49.849
GUDBJÖRG OG EJNAR HONORÉ'S FOND	2.480.000
Det Arnstedtske Famiiefond	50.000
PHOENIX FOUNDATION	478.450
KAVLI TRUST	1.612.442
Nordic Capitals Utbildningsstiftelse	736.355
William Demant Fonden	500.000
Michael Cowan Foundation	1.336.224
AG trust	31.842
HESSE-RAGLES FOND	100.000
IDA & J.RINDOMS FOND	50.000
D/S ORIENT FOND	1.000.000
JPA ESPERSENS FOND	50.000
FONDEN AF 17-12-1981	100.000
Bukhman Foundation	173.872
Hoffmann og Husmans Fond	100.000
Goldman Sachs Gives total	1.856.748
	15.431.124

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

The Nepal INGO was translated into DKK based on the exchange rate DKK/NPR as at 31 December 2022 of DKK 0,0546 per NPR. (2022: DKK 0,0546 per NPR).

The Kenya INGO was translated into DKK based on the exchange rate DKK/KES as at 31 December 2022 of DKK 0,0582 per KES (2022: DKK 0,0582 per KES).

Income statement

Revenue

Charities and contributions to the Foundation are recognised in the income statement as received.

Contributions from the Founding Partners are recognised as income statement when a binding commitment is available and are recognised in the income statement when they are utilized.

Contributions from projects utilized in the HPF INGOs are recognised in the income statement.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses include expenses relating to the administration etc. of the Foundation as well as expenses relating to the administration of the HPF INGOs.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff in the HPF INGOs.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

The accounting policies applied to material financial statement items of group enterprises are:

Other investments: Other investments comprising unlisted investments are measured at fair value.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash
Cash comprises cash in hand and bank deposits.

Distributions
Distributions approved
Distributions are regarded as equity movements and are recognised as a liability at the time when the Foundation Board has approved the distribution and the recipient has been informed. Distributions that have been approved, but not paid, are recognised as long-term and short-term liabilities other than provisions, respectively.

Transferred for distribution
In accordance with the Danish Act on Commercial Foundations, a provision is made for distributions allowing the Foundation Board to approve and pay distributions during the financial year. The Board is not obliged to use the provision, but it is written down as distributions are approved. Each year at the Foundation's annual general meeting, the Board evaluates the size of the provision.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Distributions payable that have been adopted and communicated to the beneficiary on the balance sheet date in accordance with the object of the Foundation but that have not been paid out on the balance sheet date, are recognised in Other payables in the balance sheet.

Distributions payable that are expected to be paid out within one year of the balance sheet date are recognised as current liabilities other than provisions in the balance sheet whereas distributions payable that are expected to be paid out more than one year after the balance sheet date are recognised as non-current liabilities other than provisions in the balance sheet.

Prepayments received from customers
Donations to projects are recognised in the balance sheet as prepayments. Amounts attributable to project work performed by HPF is recognised as revenue in the income statement. Amounts paid directly to project partners are offset against prepayments received.

Tax receivable or payable
Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred income
Deferred income comprises contributions received from the Founding Partners relating to subsequent financial years.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Mads Munkholt Ditlevsen
Bestyrelsesformand
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Mads Munkholt Ditlevsen
Dirigent
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Henning Jakobsen
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Jørgen Kirkegaard Raguse
Bestyrelsesmedlem
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Tine Bruntse Werner
Økonomiansvarlig
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Pernille Kruse Madsen
Adm. direktør
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Pernille Kruse Madsen
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Martin Kring
Bestyrelsesmedlem
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Susanne Arnfred Møller
Revisor
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Charlotte Rosendahl Dohm
Bestyrelsesmedlem
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