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Independent auditor's report

To: the Board of Electronics Watch Foundation

A. Report on the audit of the financial statements 2025 included in the annual report

We have audited the financial statements 2025 of Stichting Electronics Watch Foundation based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Electronics Watch Foundation as at 31 December 2025 and of its result for the year 2025 in accordance with the accounting policies as mentioned in the financial report 2025.

The financial statements comprise:

1. the balance sheet as at 31 December 2025;
2. the profit and loss account for 2025; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

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

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

B. Report on the other information included in the financial statements

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

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Dutch law.

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

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code and Dutch GAAP C1 (annual reporting of small organisations without profit motive).

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code and Dutch GAAP C1. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.


Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.



We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Amstelveen, 26th June 2026

Horatio Accountants B.V.

Original signed by

A. van Capelle RA

Stichting Electronics Watch Foundation



Stichting Electronics Watch Foundation

Amsterdam

Annual Accounts 2025

Stichting Electronics Watch Foundation

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[Director's report](#)

Mission of the foundation

Electronics Watch envisions a world in which global supply chain workers can realise and defend their rights. Our mission is to use public procurement leverage to promote and protect the rights of workers in global supply chains.

Governance structure

Stichting Electronics Watch was founded in 2015 in the Netherlands. The foundation is registered with the Chamber of Commerce in Amsterdam (nr 62721445).

The director of the foundation is Mr. B.S. Claeson.

The board of the foundation is formed by:

Ms. E. Marcu – Co-Chair of Board of Trustees

Mr. S. Tanaka – Co-Chair of Board of Trustees

Mr. R. Ellis – Co-Secretary of Board of Trustees

Mr. D. Foust – Co-Secretary of Board of Trustees

Mr. M. McLaughlin – Treasurer of Board of Trustees

Ms. N. de Leon - Trustee

Ms. A. Ferus-Comelo – Trustee

Ms. P. Göthberg – Trustee

Ms. A. Hawes - Trustee

Mr. C. Martin – Trustee

Ms. K. Murray – Trustee

Mr. P. Nohrstedt – Trustee

Ms. R. Porras – Trustee

Mr. V. Torrents - Trustee

Ms. Joanna Unterschütz – Trustee

Mr. L. Ying-Da Wang - Trustee

Course of events

Electronics Watch celebrated its 10th birthday in 2025 with a series of actions and [communications](#) during the year, culminating in an [anniversary event](#) in December. Over 100 attendees from 29 countries participated, reflecting on how far we've come. In 2025 alone, Electronics Watch coordinated monitoring or remediation activities for 53 sites in the electronics or low-emission vehicle supply chain in 10 countries. There was verifiable progress for workers at 80% of cases Electronic Watch submitted to remediation to industry actors.

The engagement of affiliated public buyers with their suppliers is fundamental to our impact. We supported our network of 1500 affiliates in 14 countries to build capacity to use their leverage to protect the rights of workers in their supply chains. This included support for supply chain mapping, procurement planning and contract management; risk

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assessment and awareness raising; facilitated peer learning; identification of opportunities to exercise collective leverage; guidance on interrogating evidence; and analysis of relevant regulatory frameworks and standards. We supported affiliate-led working groups to address issues with companies and to promote freedom of association in their supply chains.

In 2025, we produced 60 Monitoring Status Reports (MSRs) for 248 affiliated organisations, a 22 percent increase in reports and a 17.5 percent increase in the number of recipients compared to 2024. These reports provide affiliates with insight into human rights issues at sites in their supply chains based on the worker-driven monitoring conducted by Electronics Watch monitoring partners. They also provide detailed guidance for affiliates to engage their suppliers to address these issues. In the 2025 Affiliate Feedback Survey, MSRs were noted as the most useful tool provided by Electronics Watch.

Beyond the shared services provided to affiliates, in 2025 we delivered a bespoke workshop on evidence in the construction sector for Barcelona City Council, with a follow-up session on remedy and grievance mechanisms. This arose from the Knowledge Building Series, a seven-webinar initiative that provided participants from seven different public bodies with an overview of labour rights violations and risks in several high-volume, high-cost purchasing categories. With expert input from trade unions, civil society and academics, the Knowledge Building Series increased public buyers' capacity to evaluate the quality of evidence from suppliers in the construction, logistics, seafood, furniture, and textiles sectors.

Reflecting Electronics Watch ongoing engagement and trainings with monitoring partners, we received and followed up on 138 grievances from workers or worker representatives in affiliate supply chains. In part, this results from training sessions in Thailand and Indonesia delivered as part of the EU funded ElectroPower project. The training brought together migrant workers, civil society organisations and trade unions, enabling them to develop joint strategies and build capacity to address forced labour. The share of Electronics Watch cases in which local or national level trade unions are involved in the monitoring or remediation activities increased from 7% to 13% in 2025. At the same time, the number of cases that include freedom of association or the right to collective bargaining issues increased from 5 to 10. This trend is consistent with our fundamental emphasis on freedom of association and the right to collective bargaining in public supply chains, which is now inscribed in our bylaws as part of our purpose.

We also undertook several activities to advance meaningful stakeholder engagement, which is central to the new mandatory human rights due diligence regime in the EU. As part of a bespoke project in the medtech sector, we convened a roundtable meeting to facilitate trust-building between public buyers, Taiwanese government officials, the medtech industry, labour rights organisations and trade unions, as well as international civil society organisations. As part of another bespoke project on the medical gloves sector in Malaysia, we conducted a feasibility study to understand better the conditions under which migrant workers in this sector can meaningfully engage public buyers and suppliers.

Finally, in 2025, we agreed on organisational developments which consolidated our identity as both a worker rights organisation and a service for public buyers. Among these were changes to our governance structure that will ensure that we are well-equipped to meet

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the challenges of the future. We adopted a business plan that includes establishing second legal entity, which will undertake all bespoke services, allowing Electronics Watch to fully focus on shared services to affiliated public buyers. For some public authorities, these changes should make it easier to affiliate to Electronics Watch without undertaking a competitive tender.

Budget 2026

For the realization of our plans in 2026, we expect the following budget:

Budget 2026 (in Euros)	
Income	1.213.000
Costs	
Direct project costs	41.500
Personnel costs	1.024.500
General expenses	122.000
Total expenditure	1.188.000
Result	25.000

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BALANCE SHEET AS OF 31st OF DECEMBER 2025

(After appropriation of result)

ASSETS (in Euros)	31 December 2025	31 December 2024
Fixed assets	8.367,41	10.584,29
Current assets	672.025,20	635.612,01
Receivables		
Trade debtors	13.811,00	51.421,10
Deposits	8.174,03	5.128,37
Other receivables	<u>88.408,14</u>	<u>115.505,40</u>
	110.393,17	172.054,87
Cash and Cash Equivalents	<u>561.632,03</u>	<u>463.557,14</u>
Total Assets	<u>680.392,61</u>	<u>646.196,30</u>
LIABILITIES		
Equity		
General reserves	215.853,28	158.604,79
Current liabilities		
Creditors	7.127,06	5.663,46
Taxation and Social Security	41.684,27	33.803,09
Preinvoicing and deferred income	305.837,15	395.372,13
Other accruals and liabilities	<u>109.890,85</u>	<u>52.752,83</u>
	464.539,33	487.591,51
Total Liabilities	<u>680.392,61</u>	<u>646.196,30</u>

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STATEMENT OF INCOME AND EXPENDITURE 2025

Profit and Loss (in Euros)	2025 realisation	2025 budget	2024 realisation
Income	1.287.456,78	1.331.023	1.724.534
Costs			
Direct project costs	123.046,85	127.599	317.586
Personnel costs	984.225,06	977.932	1.169.315
General expenses	<u>122.936,38</u>	<u>200.492</u>	<u>227.252</u>
Total expenditure	1.230.208,29	1.306.023	1.714.153
Result	<u>57.248,49</u>	<u>25.000</u>	<u>10.381</u>

ACCOUNTING PRINCIPLES FOR FINANCIAL REPORTING

General accounting principles for preparation of the financial statements

The financial statements have been prepared in accordance with Dutch GAAP C1 (Annual reporting of small organisations without profit motive).

Valuation of assets and liabilities and determination of the result take place under the historical cost convention. Unless presented otherwise, the relevant principle for the specific balance sheet item, assets and liabilities are presented at face (nominal) value. Income and expenses are accounted for on accrual basis. Expenses are determined taking the mentioned valuation principle into account. Profit is only included when realized on balance sheet date. Losses originated before the end of the financial year are considered when ascertained before preparation of the financial statements.

We include the balances at the end of the previous year for comparison purposes. All amounts are in Euros unless otherwise indicated.

Principles of valuation of assets and liabilities

The principles applied in evaluating assets and liabilities and determining financial results are based on nominal value. Revenues and expenses are matched to the period in which they occurred (according to the matching principle). Revenues from legacy are recorded in the year that their size can be reliably established.

Receivables

Receivables are included at face value, less any provision for doubtful accounts. These provisions are determined by individual assessment of the receivables.

Subsequent events

The foundation has not identified any events after year-end.

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NOTES TO THE BALANCE SHEET AS OF 31ST OF DECEMBER 2025

ASSETS

Fixed Assets

Fixed assets are registered at its actual purchase value and depreciated on a straight-line basis over 5 years.

The balance at the end of 2025 is:

Fixed assets		Computers
Purchase value	31/12/24	17.843
Accumulated depreciation	31/12/24	7.258
Book value	31/12/24	10.584
Disposals	2025	
Depreciation disposed	2025	
Depreciation	2025	3.569
Purchase value	31/12/25	19.194
Accumulated depreciation	31/12/25	10.827
Book value	31/12/25	8.367

Current Assets

Electronics Watch's Current Assets consist of:

.- receivables: mainly unpaid dues of Affiliates at the end of the year. Although Electronics Watch keeps on trying to receive all the dues owed by its affiliates, a provision for bad debts was created to cover possible unpayments.

.- other receivables: taxes to be recovered from Governments, subsidies granted but not transferred yet, rental deposits for the offices that Electronics Watch has hired and deposits related to staff.

.- cash and cash equivalents: Electronics Watch maintains its funds in different bank accounts to arrange payments in different countries and currencies.

The balance at the end of 2025 compared with the previous year of each asset item is as follows:

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Receivables	31/12/25	31/12/24
Trade debtors	33.811	71.421
Provision for doubtful debtors	(20.000)	(20.000)
	<u>13.811</u>	<u>51.421</u>
Other receivables	31/12/25	31/12/24
Subsidy receivable	81.304	105.406
Deposits	8.174	5.128
Prepayments	7.104	10.099
	<u>96.582</u>	<u>120.634</u>
Cash and Cash Equivalents	31/12/25	31/12/24
Triodos Bank	470.083	369.214
Triodos Bank savings account	71.712	70.603
Banco Santander	9.140	10.363
Wise	10.698	13.377
	<u>561.632</u>	<u>463.557</u>

RETAINED EARNINGS – RESERVES

Electronics Watch dedicates the total amount of its earnings to build reserves. At the end of 2025 the increase in the level of reserves was as follows:

	31/12/25	31/12/24
Retained earnings opening balance	158.605	148.224
Current year earnings	<u>57.248</u>	<u>10.381</u>
Retained earnings closing balance	215.853	158.605

LIABILITIES

Current liabilities

Electronics Watch's Current Liabilities consist of:

.- creditors: third parties that provide us with services (consultants, monitoring partners, travel expenses still not reimbursed,...) still unpaid at the end of 2025.

.- taxation and social security: taxes and social charges corresponding to 2025 to be paid in 2026.

.- preinvoicing and deferred income: affiliates' dues corresponding to 2026 invoiced in 2025 and other funds already received to be allocated in the next few years.

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.- other accruals and liabilities: invoices not received at the end of the year that correspond to expenses of 2025.

The balance at the end of 2025 compared with the previous year of each liability item is as follows:

Current Liabilities	31/12/25	31/12/24
Creditors		
Creditors	<u>6.962</u>	<u>5.663</u>
Taxation and social security		
Wage tax and social security	<u>37.082</u>	<u>33.803</u>
	<u>37.082</u>	<u>33.803</u>
Preinvoicing and deferred income		
Affiliation fees preinvoiced	299.373	347.227
Advanced received funds	<u>6.464</u>	<u>48.145</u>
	<u>305.837</u>	<u>395.372</u>
Other accruals and liabilities		
Audit, administration & other fees	40.626	25.161
Pension and salary arrears	70.301	18.705
Other	<u>3.732</u>	<u>8.887</u>
	<u>114.658</u>	<u>52.753</u>

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NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE 2025

Income

Electronics Watch's income come from 3 different sources: affiliates dues, subsidies and earned income. Affiliates dues and earned income are accrued on a time proportional basis and subsidies are accrued based on the execution of expenditure related to these funds.

Income accrued in 2025 compared with 2024:

Income	2025	2024
<u>Affiliation fees</u>	762.366,92	735.718
<u>LEV participants fees</u>	87.572,36	71.699
<u>Grants</u>	343.689,79	701.694
<u>Other income</u>	93.827,71	215.423
	<u>1.287.456,78</u>	<u>1.724.534</u>

In 2025 Electronics Watch managed the following subsidies:

Granting authority	Grant period	Total amount	Balance 01-2025	Accrued 2025	Received 2025	Deferred income	To receive
	Oct 22 - May 26	479.830	(48.145)	119.575	56.847	0	14.583
EPRM							
GIZ	Aug 22 - Apr 24	890.438	38.638	(1.563)	32.724	0	4.351
Solidar Suisse	Jan 24 - Sep 24	44.691	5.268	0	5.435	0	0
Solidar Suisse	Jan 24 - Dec 24	47.357	1.500	0	1.461	0	0
Barcelona Council	Year 2024	60.000	60.000	0	60.000	0	0
Solidar Suisse	Oct 24-Dec 25	40.950	0	40.950	38.580	0	2.370
Barcelona Council	Year 2025	60.000	0	60.000	0	0	60.000
ElectroPower	Jan 25-Jun 28	442.012	0	124.728	131.192	6.464	0
			57.261	343.690	326.238	6.464	81.304

Costs

There are three main kinds of expenditure in Electronics Watch: project costs, personnel and general expenses. The accrual principle is followed for recording expenses.

Project costs accounts gather the cost of monitoring and development and outreach of

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Electronics Watch's model.

Personnel costs include salaries, social charges and other allowances and perks of the employees in Electronics Watch.

Any other expenditure such as consultancies, translations, IT apps and licences, insurances, travel expenses, etc. are considered General Expenses.

The expenditure in each of these concepts during 2025 was:

<u>Project costs</u>	2025	2024
Monitoring Restricted	94.030,49	266.043
Monitoring General	25.665,00	28.904
Affiliations outreach and service	2.800,75	21.272
Other costs	550,61	1.367
	<u>123.046,85</u>	<u>317.586</u>
<u>Personnel costs</u>	2025	2024
Salary	772.966,04	929.299
Social security	150.641,72	161.550
Pension contributions	36.727,60	40.576
Payroll	18.719,08	13.193
Other staff expenses	23.889,70	24.697
	<u>1.002.944,14</u>	<u>1.169.315</u>
<u>General expenses</u>	2025	2024
Audit and legal costs	14.100,00	26.000
Liabilities insurance	7.153,70	4.734
Comms infrastructure	17.962,05	19.663
Consultancies	17.057,93	21.236
Rent office	4.889,57	3.361
Travel costs	19.007,19	29.772
Events costs	1.270,00	95.412
Other general expenses	22.776,86	27.074
	<u>104.217,30</u>	<u>227.252</u>
Total costs	<u>1.230.208,29</u>	<u>1.714.153</u>