



**RAINFOREST ALLIANCE B.V.**

**Annual Financial Report**

**For the year ended December 31, 2022**

**With Independent Auditors' Report**

**RAINFOREST ALLIANCE B.V.**  
**Annual Financial Report**  
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## Annual Financial Report

### 1.1 Report of the Leadership Team

On 1st January 2018, UTZ (hereafter Stichting Rainforest Alliance or the "Foundation") entered into the business combination agreement with Rainforest Alliance Inc., both consolidated under a newly formed parent company named Rainforest Alliance Holding Inc., a US nonprofit (hereafter called "merger").

The merger was driven by our collective vision to have greater environmental and social impact, and to be a stronger partner to the many stakeholders with whom we work. The merger reduced the complexity of the certification process for producers that worked with both previous standards and programs and increased efficiency and flexibility. A new combined standard, with a new supply chain standard, a new fee structure, and a new labeling policy for companies sourcing certified products, was launched in July 2020. During 2021, the UTZ standard and the RA standards remained in place while certifications began under the new unified Rainforest Alliance Standard that is owned by Rainforest Alliance Inc. In 2022, certificate holders were transitioned to the unified Rainforest Alliance Standard and the previous UTZ and RA standards are no longer in force. The Rainforest Alliance Supervisory Board has agreed to the continued financial support of the Foundation and the BV via Rainforest Alliance Inc. all of which are actively engaged in fulfilling the alliance's strategic vision of the organization.

The Rainforest Alliance is an international non-profit organization working at the intersection of business, agriculture, and forests to make responsible business the new normal. We are building an alliance to protect forests, improve the livelihoods of farmers and forest communities, promote their human rights, and help them mitigate and adapt to climate crisis.

We achieve this through:

- Field development: Enabling producers (farmers and forest communities) to become entrepreneurs
- Standards & Certification: Making the improvements visible
- Traceability: Connecting parties in a transparent supply chain
- Market development: Tell the story and create demand
- Through certification, brands can make credible claims and trace their products back to farms that have introduced better practices, based on the UTZ standard (which remained in place while certifications began under the new unified Rainforest Alliance Standard).

In 2022, we developed a new seven-year Strategic Plan 2023 – 2030 under the leadership of the leadership team and the Board, inclusive of a bottom-up approach with stakeholders staff consultation to achieve an ambitious goal: By 2030, Rainforest Alliance aims to reach 100 million people in farming and forest communities through our regenerative agriculture movement. Rainforest Alliance will meet producers where they are, takes them on a journey of continuous improvement, and provides them market access, incentives and improvement opportunities. Together with consumers, companies, governments, financial institutions and civil society organizations, we will transform the agriculture and forestry sectors from driving land degradation, biodiversity loss, and poverty to delivering net positive impacts for people and nature. The 3 strategic initiatives to achieve this are:

1. Regenerative Agriculture - partnering with farmers to promote growing methods that not only protect but restore the land and build climate resilience
2. Thriving Landscapes - transforming landscapes at scale with an alliance of local-to-global stakeholders who share the same vision
3. Impact Data - building one integrated data system for all our programs to drive continuous improvement from farm to landscape level

The organization consists of two legal entities: Stichting Rainforest Alliance (the "Foundation" formerly known as Stichting UTZ), founded on 3rd July 2001 (articles amended 1st January 2018) and Rainforest Alliance BV (the "BV" formerly known as UTZ Certified BV), founded on 3rd December 2012 (articles amended 1st January 2018) as a subsidiary limited company of the Foundation. Both companies registered their office at the De Ruyterkade 6, 1013 AA in Amsterdam, The Netherlands. The Foundation focuses on innovative partnerships with companies, farmers, NGOs, governments and others. The Foundation continues to win grants from corporations, foundations and governments in 2022 to continue its sector-wide approach to achieve the Strategic Plan.

## Annual Financial Report

### 1.1 Report of the Leadership Team (cont.)

Under the Rainforest Alliance Standard, Rainforest Alliance BV (the "BV" formerly known as UTZ BV) program work consists of certified coffee, cocoa, tea and hazelnuts and is produced in over 40 countries and the program operates in more than 130 countries, working with approximately 1 million farmers and over 250,000 workers. Our presence in origin has been continuously growing, as well as our staff capacity in Amsterdam. New markets, such as China, India and Turkey have received more attention and Foundation activities have been started up there. The Rainforest Alliance Learning Network has been improving our training in the field and enabling even more partners to work with our concepts.

The Foundation is full-owner of the BV and net profit (if any) made by the BV flows entirely back into the Foundation. The organization as a whole remains a non-profit and retains its charity status (in Dutch: "Algemeen Nut Beogende Instelling", "ANBI" status). This status has certain tax advantages and is a pre-requisite for some potential donors considering subsidies or sponsorship.

The internal organization structure is matrixed, allowing for cross-organizational connections between our teams around the globe. There is special attention paid to diversity at all levels of the organization, which is reflected in the Leadership team, which reflects multiple ethnicities, languages and is well balanced from a gender perspective.

Portfolio	External Relations	Finance , Technology & Administration	Human Resources	Global Engagement	Legal	Programs	Executive Office
Departments	Individual Philanthropy	Accounting	Human Resources	Markets Transformation	Legal	Africa	Executive Office
	Institutional Relations	Finance		Supply Chain Excellence		Asia-Pacific	Transformational Innovation
	Fundraising Operations	Global Internal Compliance		Advocacy & Themes		Latin America	
		Technology		Marketing & Communications		DMERL	
		Data Excellence				Standards & Assurance	

### Employees

In 2022, the BV staff increased again mainly in the regions from 85 (61 in Amsterdam and 24 in the regions) to 120 (68 in Amsterdam and 52 in the regions) due to filling of increased vacant positions in the regions to set the organization up for implementing the 2023-2030 strategic plan. For staffing specific to BV, please see the Personnel in the notes to the financial statements. An internal rules of conduct (IRC) applies to all staff during working hours and after working hours while travelling on official Rainforest Alliance business. The term "staff" in this code refers to all Rainforest Alliance employees, associates, consultants, interns, trainees and volunteers. Each member of staff is responsible for ensuring that he/she has read and understood the IRC. Staff members must report any breach of this code to Stichting Rainforest Alliance. The Foundation reserves the right to impose appropriate penalties in respect of employees who infringe the IRC, including the possibility of instant dismissal. Also, Stichting Rainforest Alliance reserves the right to withhold legal assistance in such cases.

### Corporate Social Responsibility

Sustainability is part of our DNA and visibly reflected in our daily work. Our premises are furnished with recycled and environmentally friendly materials. Every day, our Netherlands based employees commute by train, bus or bicycle to work. We aim to be a paperless office and when we do have to use paper we make sure it is recycled and chlorine-free and we use environmentally friendly inks for our printing. And all necessary flights to meet with members, supporters, partners and other stakeholders or to attend conferences are compensated via the Green Seat program, meaning that Climate Neutral Group offsets 100% of our CO2 emissions by planting trees.

By implementing the Rainforest Code of Conduct, over a million farmers and workers' lives are changed through better crop, better income, better environment, which lead to better lives.

## Annual Financial Report

### 1.1 Report of the Leadership Team (cont.)

#### Volunteers

On 6th November 2012, the Dutch tax authorities gave their written approval regarding the application of the fundraising deduction for BV. With regard to the approval the tax authorities state that based on the received information all the conditions are fulfilled. Especially the recognizability of the activities, the use of volunteers and the run-through- obligation are fulfilled (statement in the written approval: "Uit de mij ter beschikking staande gegevens blijkt dat UTZ Certified BV voldoet aan de in artikel 9aWet VPB '69 gestelde voorwaarden. Met name het kenbaarheid vereiste, de vrijwilligerstoets en de doorstootverplichting"). Based on the summary and the additional consultation, the tax authorities agreed that there is a participation of at least 30% volunteers. As long as the activities of the Rainforest Alliance BV (and Stichting Rainforest Alliance) are performed the same way as ruled with the tax authorities the criteria regarding the volunteers is fulfilled. This means that it is not necessary to review the precise amount of volunteers each year. Nevertheless it is essential to keep the criteria regarding the "fondswerver"-benefits in mind in case of substantial changes in the activities etc.

#### Risks and uncertainties

Risks are the consequences of uncertainties on the achievement of objectives. The following five categories can be distinguished:

1. Strategy risks (often external),
2. Operational activities (internal processes, organisation and administration)
3. Financial position (foreign exchange rate, interest rate, acquiring financing),
4. Finance reporting (reliability, allocations, subjectivity in valuations, reporting systems), and
5. Rules and regulations (internally) and laws (externally).

Based on these five categories the following selection of risks for the BV are disclosed:

- IT disruption of critical business processes may result in non-availability of products for members and stakeholders.
- Therefore, the BV continues to maintain and invest in IT related business continuity strategies, management plans and a business continuity framework.
- There is a risk of currency differences in times of USD exchange rate decreases. Conservative budgeting of USD income and keeping sufficient reserves will be sufficient to absorb the exchange rate fluctuations.
- There is a lot of cash handling in the origin countries. Cash handling is closely monitored and avoided wherever possible. There are yearly audits in origin countries when the yearly expenses are above Euro 50K.
- By the nature of certification work, accounts receivable presents the risk of overdue payments. Therefore accounts receivable are weekly monitored and monthly evaluated in coordination with program teams to ensure efficient collections through Rainforest Alliance Inc. in order to fully support the mission work in our offices. Reminders are sent and finally members with payments overdue can be suspended from business.

## Annual Financial Report

### 1.1 Report of the Leadership Team (cont.)

#### **BV current year results & future outlook**

The BV net result for 2022 decreased substantially compared to 2021. Total income in 2022 is €3.7M which represents a 88% decrease compared to the 2021 income of €32.1M due to the ownership from 2022 and on of the new Rainforest Alliance Standard whose receivables and corresponding income for certification fees are borne by Rainforest Alliance Inc. Cash remaining from 2021 funded BV operations for a significant portion of 2022 after which BV was (and will continue to be) funded by RA Inc. Total operating expenses are €16.2M which represents a 32% increase compared to the 2021 operating expenses of €12.2M mainly due to increased personnel costs and consultancy costs as the organization prepared for operationalizing the 2023-2030 Strategic Plan.

In 2023, we expect an increase in budgeted income as compared to 2022 actual income as a result of certification income funding from RA Inc to fund a significant amount of operations of the BV, while palm oil fees remains stable. As a result of that the unification of the standard, royalty fee income has shifted to RA Inc. and RA Inc. will fund the Foundation and RA B.V. for the foreseeable future to ensure all operating expenses are covered. We expect operating expenses to decrease in 2023 as the majority of the costs for the strategy ramp-up occurred in 2022 as well as a decrease in shared services cost for BV as we seek to streamline the structure of the BV to reduce the amount of cost it has to bear. We expect there will be a small net income for BV in 2023 as the shifts that occurred in 2022 normalize for a full year of operations in 2023.

#### **Compliance with laws and regulations**

Rainforest Alliance operates in multiple geographies, each with its own regulatory environment. To address the risk of non-compliance with laws and regulations, Rainforest Alliance Management together with local country directors monitor developments in the legal and regulatory landscape of the countries Rainforest Alliance operates. To ensure compliance with the regulatory environment of any country, prior to incorporation, a full assessment of the legal and regulatory environment relevant to Rainforest Alliance is being performed by reputable legal firms for each country where the organisation expects to create a registration. Regular support on legal and other compliance matters is available in the form of internal and external legal counsel. Rainforest Alliance internal legal counsel is also contains the appointed Global Compliance Officer for Rainforest Alliance.

#### **Fraud risk**

There is an inherent risk of fraud in the business in which Rainforest Alliance operates. Losses that could arise because of fraud or corruption from an Rainforest Alliance supplier are to be mitigated by the procurement procedures and internal control policies and procedures. Ethics, compliance, and procedures for reporting of non-ethical behavior are outlined in the Rainforest Alliance Global Code of Conduct (CoC) including anticorruption policy which applies to all Rainforest Alliance staff. On an annual basis, training is undertaken and compulsory for all employees across all countries. Part of the training curriculum is to ensure employees understand the importance of maintaining reputable business practices and the organization's zero tolerance for non-compliance of the Code of Conduct. Financial controls also exist to prevent employee fraud, including segregation of duties in cash management as referenced above in the organisation's policies & procedures.



Santiago Gowland  
Director Rainforest Alliance B.V.  
June 28, 2023

## Annual Financial Report

### Annual Accounts

#### 2.1 Balance Sheet as of December 31, 2022 (after appropriation of result) (After appropriation of results)

	2022	2021
<b>ASSETS</b>		
B01 Financial fixed assets	€ 1.304	€ 1.304
<b>B01 Total fixed assets</b>	<b>€ 1.304</b>	<b>€ 1.304</b>
B02 Accounts receivable	€ 3.728.272	€ 9.639.264
B03 Taxes and social premiums	€ 99.042	€ 0
B04 Other receivables and prepaid expenses	€ 105.669	€ 77.806
B05 Cash at banks	€ 1.556.565	€ 8.589.640
<b>Total current assets</b>	<b>€ 5.489.547</b>	<b>€ 18.306.710</b>
	<b>€ 5.490.851</b>	<b>€ 18.308.014</b>
<b>DISPOSABLE RESERVES AND LIABILITIES</b>		
B06 Paid in capital	€ 200.000	€ 200.000
<b>B06 Total disposable reserves</b>	<b>€ 200.000</b>	<b>€ 200.000</b>
B07 Accounts payable	€ 4.210.525	€ 4.462.763
B08 Taxes and social premiums	€ 159.437	€ 131.716
B09 Subsidies received	€ 0	€ 66.468
B10 Other liabilities	€ 534.961	€ 390.409
B11 Payable to other subsidairies	€ 385.929	€ 13.056.657
<b>Total current liabilities</b>	<b>€ 5.290.852</b>	<b>€ 18.108.014</b>
<b>Total disposable reserves and liabilities</b>	<b>€ 5.490.852</b>	<b>€ 18.308.014</b>

## Annual Financial Report

## 2.2 Income Statement for the Year Ended December 31, 2022

	2022	2021
Fees cocoa	(€ 11.017)	€ 9.448.162
Fees coffee	€ 374.395	€ 18.359.181
Fees palm oil	€ 3.281.269	€ 3.621.560
Fees tea	€ 0	€ 4.854
Fees hazelnuts	(€ 458)	€ 269.100
Fees herbs & spices	€ 87.098	€ 122.708
<b>01 FEES</b>	<b>€ 3.731.287</b>	<b>€ 31.825.566</b>
02 Grant & Contract revenue	€ 95.250	€ 316.279
Other Income	€ 528	€ 456
<b>TOTAL INCOME</b>	<b>€ 3.827.065</b>	<b>€ 32.142.300</b>
03 Personnel expenses	€ 5.523.127	€ 4.162.092
Subgrants	€ 0	€ 37.371
Travel costs	€ 235.721	€ 24.281
Consultancy & professional services	€ 1.250.796	€ 826.142
IT services & licenses	€ 38.512	€ 657
Office costs	€ 136.800	€ 165.331
Equipment & materials	€ 45	€ 0
Marketing & subscription fees	€ 175.017	€ 52.514
Trainings & workshops	€ 57.084	€ 38.013
Bad debt expense	(€ 142.139)	€ 166.957
Shared services	€ 6.460.000	€ 4.594.000
Allocation between subsidiaries	€ 2.540.260	€ 2.178.824
<b>TOTAL OPERATING EXPENSES</b>	<b>€ 16.275.223</b>	<b>€ 12.246.181</b>
<b>Operational result</b>	<b>(€ 12.448.158)</b>	<b>€ 19.896.119</b>
Exchange result	€ 810.150	€ 1.045.452
Interest received	€ 34	€ 0
<b>TOTAL FINANCIAL RESULT</b>	<b>€ 810.184</b>	<b>€ 1.045.452</b>
<b>RESULT</b>	<b>(€ 11.637.974)</b>	<b>€ 20.941.571</b>
Payable settlement of funding activities	€ 0	(€ 20.941.571)
<b>RESULT OF THE YEAR</b>	<b>(€ 11.637.974)</b>	<b>€ 0</b>



## Annual Financial Report

### 2.3 Notes to the accounts

#### Ownership group structure

The organization consists of two legal entities: Stichting Rainforest Alliance (the "Foundation" formerly known as Stichting UTZ), founded on 3rd July 2001 (articles amended 1st January 2018) and Rainforest Alliance B.V. (the "BV" formerly known as UTZ Certified B.V.), founded on 3rd December 2012 (articles amended 1st January 2018). Both companies registered their office at the De Ruyterkade 6, 1013 AA in Amsterdam, The Netherlands. At the end of 2012, for technical reasons the Foundation set up the BV as a subsidiary limited company. The Foundation is full-owner of the B.V. and all profits (if any) made by the B.V. flow entirely back into the Foundation. The organization as a whole remains a non-profit and retains its charity status (in Dutch: "Algemeen Nut Beogende Instelling", "ANBI" status). This status has certain tax advantages and is a pre-requisite for some potential donors considering subsidies or sponsorship.

On 1st January 2018, the Foundation (and therefore, the BV) merged with Rainforest Alliance Inc., with both consolidating under a newly formed parent company named Rainforest Alliance Holding Inc., a US nonprofit. Rainforest Alliance as a whole remains a non-profit organization and retains its charity status (in Dutch: "Algemeen Nut Beogende Instelling", "ANBI" status). The financial information of the BV subsidiary has been recorded in the consolidated financial statements of the Foundation. Copies are available at the registered office at the Ruyterkade 6, 1013 AA Amsterdam, The Netherlands. The Chamber of Commerce registration number is 56612508.

#### Activities

BV activities consist of program work in certification of Rainforest Alliance certified coffee, cocoa, tea and hazelnuts that is produced in over 40 countries and the program operates in more than 130 countries, working with approximately 1 million farmers and over 250,000 workers. Through certification, BV works to connect parties in a transparent supply chain so that they can make credible claims and so that companies can trace their products back to farms that have introduced better practices, based on the new unified Rainforest Alliance certification standard. During 2021, the UTZ standard and the RA standards remained in place while certifications began under the new unified Rainforest Alliance Standard that is owned by Rainforest Alliance Inc. In 2022, certificate holders were transitioned to the unified Rainforest Alliance Standard and the previous UTZ and RA standards are no longer in force. The Rainforest Alliance Supervisory Board has agreed to the continued financial support of the Foundation and the BV via Rainforest Alliance Inc. all of which are actively engaged in fulfilling the alliance's strategic vision of the organization.

#### Principles of consolidation

The consolidated financial statements include all of the assets, liabilities, reserves, income and expenses of all branches and affiliates of the Foundation. All significant intercompany accounts and transactions have been eliminated in consolidation. The offices are owned by the Foundation and BV as follows:

Owner	Location	Ownership Type
Foundation	Brazil	Branch office
Foundation	Kenya	Subsidiary
Foundation	Vietnam	Branch office
BV	Turkey	Subsidiary
Jointly owned by Foundation and BV	CDI	Subsidiary
BV 99,98% and local employees	India for profit	Subsidiary
	India foundation	Independent
BV	China	Branch office

The financial information of the company has been recorded in the consolidated financial statements of the Foundation. BV utilizes the exemption of Section 408.1, Book 2 of the Dutch Civil Code. The annual accounts of BV's participations are presented and incorporated into the consolidated annual accounts of the Foundation (which also meets the criteria under Section 408.1, Book 2 of the Dutch Civil Code. Therefore, this annual report should be read in conjunction with the annual financial report of the BV.

#### Principles of valuation of assets and liabilities

The financial statements are prepared according to the stipulations in Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'). Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet and income statement references are made to the notes.

#### Financial instruments

Financial instruments are primary financial instruments (such as receivables and debts). The notes to the specific items of the balance sheet disclose the fair value of the related instrument if this deviates from the carrying amount. If the financial instrument is not recorded in the balance sheet the information on the fair value is disclosed in the notes to the 'Contingent assets and liabilities'.

## Annual Financial Report

### 2.3 Notes to the accounts (cont.)

#### Estimates

The financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial report, and the reported amounts of income and expense during the reporting period. Significant estimates include those required in the valuation of deferred taxes, accounting for provisions and the depreciation and impairment of tangible fixed assets. Accrued results could differ from those estimates. All assumptions, expectations and forecasts used as a basis for certain estimates within the financial statements represent good-faith assessments of the company's future performance, for which it believes there is a reasonable basis. It involves known and unknown risks, uncertainties and other factors that could cause the company's actual future results, performance and achievements to differ from those forecasted.

#### Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing as at balance sheet date. Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at the transaction dates. The exchange differences resulting from the translation as at the balance sheet date are recorded in the income statement. Foreign group companies and non-consolidated associated companies outside the Netherlands qualify to carry on business operations in a foreign country, with a functional currency different from that of the company. For the translation of the financial statements of these foreign entities, the balance sheet items are translated at the exchange rate as at the balance sheet date and the income statement items at the exchange rate at the transaction dates. The exchange rate differences that arise are directly deducted from or added to group equity and recognized in the translation differences reserve.

#### Financial fixed assets

Where significant influence is exercised, associated companies are valued under the net asset value method, but not lower than a nil value. This net asset value is based on the same accounting principles as applied by Rainforest Alliance B.V. Associated companies with a negative net equity value are valued at nil. This likewise takes into account other long-term interests that should effectively be considered as part of the net investment in the associated company. If the company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively to enable the associated company to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the associated company are taken into account. Where no significant influence is exercised associated companies are valued at cost and if applicable less impairments in value.

#### Accounts receivable

Upon initial recognition, the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

#### Cash at Banks

The cash is valued at face value. If cash is not freely disposable, then this has been taken into account upon valuation.

## Annual Financial Report

### 2.3 Notes to the accounts (cont.)

#### Payable to Foundation and other subsidiaries

The payable to Foundation and other subsidiaries account represent the balances of amounts payable and receivable between the Foundation and the BV.

#### Current liabilities

On initial recognition, current liabilities are recognised at fair value. After initial recognition, current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

#### Income

Income represents amounts invoiced for services supplied during the financial year, net of discounts and value added taxes. Grant revenue is recognized as expenses are incurred, except for unconditional grants which are recognized in full at the start of the grant.

#### Fees

All fees are based on a price per KG, converted into a EUR price per metric ton (MT) for cocoa and tea or an USD price per MT for coffee and palm oil. The prices differ per product because of the different services provided. For every product the prices are agreed upon with the product stakeholder.

#### Result of the year

The result represents income minus costs based on accrual accounting during the year minus the payable settlement of funding activities for the Foundation. The result on transactions are recognized in the year they are realized; losses are taken as soon as they are foreseeable.

#### Pension plans personnel

Rainforest Alliance has various pension plans. The Dutch plans are financed through contributions to pension providers, i.e., insurance companies and industry pension funds. The foreign pension plans can be compared to how the Dutch pension system has been designed and functions. The pension obligations of both the Dutch and the foreign plans are valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account. Based on the administration agreement it is assessed whether and, if so, which obligations exist in addition to the payment of the annual contribution due to the pension provider as at balance sheet date. These additional obligations, including any obligations from recovery plans of the pension provider, lead to expenses for the group and are included in a provision on the balance sheet. With final salary pension plans an obligation (provision) for (upcoming) past service is included if future salary increases have already been defined as at balance sheet date.

## Annual Financial Report

### 2.3 Notes to the accounts (cont.)

#### Personnel pension plans (cont.)

The valuation of the obligation is the best estimate of the amounts required to settle this as at balance sheet date. If the effect of the time value of money is material the obligation is valued at the present value. Discounting is based on interest rates of high-quality corporate bonds. Additions to and release of the obligations are recognized in the profit and loss account. A pension receivable is included in the balance sheet when the group has the right of disposal over the pension receivable and it is probable that the future economic benefits which the pension receivable holds will accrue to the group, and the pension receivable can be reliably established.

Rainforest Alliance BV has a pension plan for all employees, working in The Netherlands, who are subject to Dutch law. It is a Defined Contribution scheme. These schemes have no influence on the balance sheet for Rainforest Alliance. Also, the cover factor is not relevant in these schemes, because the guaranteed pension capitals do not constitute a right to a predetermined pension pay. On the pension date, the available capital will be used to provide a pension income, based on the prices for pensions at that time. The premium is calculated over the pension income. This is calculated as the employee's gross annual income including vacation pay, lowered by the "AOW-franchise". This franchise is used to correct for the AOW they will receive from the Dutch government when they retire. Part of the premiums from this premium table are used to insure continuation of the pension plan in case of disability. Partner pension and orphan pension are insured and included in the pension plan. The premiums for these insurances are paid on top of the premium table. The employer pays 2/3 and the employee pays 1/3 of the premium.

#### Corporate income tax

The negative result of the BV will not be transferred to the Foundation as a payable settlement of funding activities. The activities of the Foundation are exempt from corporate income tax.

#### Principles for preparation of the cash flow statement

The cash flow statement has been omitted as it is included in the consolidated financial statements of the Foundation which are filed together with the company's financial statements.

## Annual Financial Report

### 2.4 Explanation to the Balance Sheet

	2022	2021
Shares India	€ 1.304	€ 1.304
<b>B01 Financial fixed assets</b>	<b>€ 1.304</b>	<b>€ 1.304</b>
Share capital of € 1.304 in UTZ Certified India Ltd, which is a 99,98 % subsidiary. From the 10.000 shares there are 2 shares (0,02%) in hands of two shareholders		
Accounts receivable	€ 341.973	€ 6.886.438
Accounts receivable to RSPO, incl Broker	€ 3.619.202	€ 3.120.688
Bad Debt Provision	(€ 232.903)	(€ 367.861)
<b>B02 Accounts receivable</b>	<b>€ 3.728.272</b>	<b>€ 9.639.265</b>
Security Deposits	€ 72.087	€ 25.589
Prepaid expenses	€ 9.645	€ 6.911
Prepaid Pension costs	€ 23.937	€ 45.306
<b>B04 Other receivables and prepaid expenses</b>	<b>€ 105.669</b>	<b>€ 77.806</b>
<p>The fair value of the receivables approximates the carrying value due to their short-term character and the fact that provisions for bad debt are recognized where necessary. Due to the ownership of the new Rainforest Alliance Standard, from 2022 and on, receivables and corresponding income for program fees are borne by Rainforest Alliance Inc.</p>		
Bank accounts	€ 1.556.565	€ 8.589.640
<b>B05 Cash at banks</b>	<b>€ 1.556.565</b>	<b>€ 8.589.640</b>
<p>The decrease in BV's 2022 cash balance is due to the fact that there were less certification fees. All crops except Palm Oil are invoiced from RA Inc, starting 2022. As a result, there was a significant reduction in cash, but BV will continue to be funded by RA Inc. as it collects the certification fees income. The cash balances from 2021 was used in 2022 until funding began regularly in 2022 by RA Inc.</p>		
Paid in capital	€ 200.000	€ 200.000
<b>B06 Paid in capital</b>	<b>€ 200.000</b>	<b>€ 200.000</b>
Accounts payable	€ 957.243	€ 1.597.676
Accounts payable to RSPO	€ 1.228.373	€ 1.709.840
Accounts payable to RSPO Broker	€ 2.024.909	€ 1.155.248
<b>B07 Accounts payable</b>	<b>€ 4.210.525</b>	<b>€ 4.462.763</b>

Accounts payable includes a position with UTZ india of 37k

## Annual Financial Report

### 2.4 Explanation to the Balance Sheet (cont.)

	2022	2021
Value added tax	€ 0	€ 16.127
Social Security premiums	€ 25.380	
Payroll taxes	€ 134.057	€ 115.589
<b>B08 Taxes and social premiums</b>	<b>€ 159.437</b>	<b>€ 131.716</b>
Provision vacation allowance	€ 214.009	€ 160.472
Provision holiday days	€ 176.173	€ 198.757
Accrual costs	€ 144.779	€ 31.180
<b>B10 Other liabilities</b>	<b>€ 534.961</b>	<b>€ 390.409</b>
Payable to other subsidiaries	€ 2.815.885	€ 1.990.203
Intercompany current account	(€ 2.429.956)	€ 11.066.454
<b>B11 Payable to other subsidiaries and foundation</b>	<b>€ 385.929</b>	<b>€ 13.056.657</b>

The BV's payables to the organization's subsidiaries decreased in 2022 due to the loss position in BV as royalty invoicing changed to RA Inc. In 2022, there is no payable settlement to be moved from BV to the Foundation as BV was a loss position because it needed to be funded by RA Inc via the Foundation. This is offset by an increase in payable to subsidiaries due to the Rainforest Alliance indirect expense allocation that attributes a fair share of indirect expenses across its primary reporting subsidiaries based on their relative expenses.

#### Contingent liabilities

The Foundation has to charge reasonable costs to the BV for shared services: usage of office, IT infrastructure, reception, administration and services of teams. The costs for these services are adjusted based on the annual budget.

#### VAT

For the value added tax the Foundation and the BV are a fiscal unit.

## Annual Financial Report

## 2.5 Explanation to the Income Statement

	2022	2021
Fees palm oil	€ 11.698.240	€ 10.713.649
Donations to RSPO	<u>(€ 8.416.971)</u>	<u>(€ 7.092.089)</u>
<b>01 Fees palm oil total</b>	<b><u>€ 3.281.269</u></b>	<b><u>€ 3.621.560</u></b>
Customized program coffee	€ 34.869	€ 0
Customized program cocoa	€ 0	€ 52.075
Customized program tea	€ 0	€ 242.851
Customized program forestry	<u>€ 60.381</u>	<u>€ 21.351</u>
<b>02 Grant &amp; Contract revenue</b>	<b><u>€ 95.250</u></b>	<b><u>€ 316.277</u></b>

In 2022, the corporate support activities were partly budgeted under contract revenue. The actual income of € 95K came mainly from customized (extra) services for, coffee from JDE and forestry from Henkel and Oriflame, etc. There was a significant decrease from 2021 to 2022 for tea from Unilever.

Gross salaries	€ 3.401.858	€ 2.575.798
Temporary/interim/consultancy	€ 0	€ 0
Social premiums	€ 733.810	€ 475.107
Holiday allowance	€ 272.523	€ 278.052
Pension premiums	€ 195.765	€ 176.508
Vacation days reserve	<u>€ 17.950</u>	<u>€ 59.601</u>
<b>Direct personnel expenses</b>	<b><u>€ 4.621.906</u></b>	<b><u>€ 3.565.066</u></b>
Remote offices	€ 872.515	€ 578.817
Commute cost	€ 7.490	€ 8.941
Internship costs	€ 2.650	€ 5.746
Lunch/meals & entertainment	€ 27.571	€ 1.691
Other personnel expenses	<u>(€ 9.005)</u>	<u>€ 1.829</u>
<b>Indirect personnel expenses</b>	<b><u>€ 901.221</u></b>	<b><u>€ 597.024</u></b>
<b>03 Total personnel expenses</b>	<b><u>€ 5.523.127</u></b>	<b><u>€ 4.162.092</u></b>

Other expenses are mainly untaxed allowances

At year end the total number of FTE (including interns) in the BV in Netherlands is 68,2 (in 2021 60,9).  
For the remote offices the total number of headcount is 52 FTE (in 2021 24 FTE).

**Remuneration of (former) directors and supervisory directors**

In accordance with article 2:383 paragraph 1 BW, the emoluments of directors are not mentioned because the statement can be traced back to a single natural person as director. Supervisory board members participate on a voluntary basis. They receive no remuneration and are only reimbursed for travel expenses to attend board meetings.

## 2.6 Other Information

	2022	2021
Payable settlement of funding activities	€ 0	(€ 20.941.571)
RESULT of the company	<u>(€ 11.637.974)</u>	<u>€ 20.941.571</u>
<b>RESULT OF THE YEAR</b>	<b><u>(€ 11.637.974)</u></b>	<b><u>€ 0</u></b>

The result of the BV will be a 100% payable settlement to the Foundation.

**Subsequent events**

The BV has evaluated subsequent events occurring after the balance sheet date through the date of the report of the independent auditors. Based on this evaluation, BV has determined that no subsequent events have occurred which require adjustment to or disclosure in the financial statements.

  
.....  
Santiago Gowland  
Director Rainforest Alliance B.V.  
June 28, 2023

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**Rainforest Alliance Board Members 2022**

Johanna Wijn	.....
Anisha Pushpika Rajapakse	.....
Antonius van Der Laan (Vice Chairman)	.....
Anurag Priyadarshi	.....
Dan Houser	.....
Eric Rothenberg	.....
Juan Esteban Orduz Trujillo	.....
Kerri Smith	.....
Marilu Hernandez de Bosoms	.....
Nalin Miglani	.....
Nina Haase	.....
Paul Douglas Rubacha (joined Nov 29, 2022)	.....
Peter Lehner	.....
Peter Schulte (Treasurer)	.....
Sarah Jane Danchie	.....



## Annual Financial Report

### 2.6 Other Information

#### Statutory rules concerning appropriation of result

The articles of association of the BV do not stipulate any provisions governing the appropriation of profit. Profits obtained from the proceeds of knowable funding activities will totally or mostly be distributed in accordance with Article 9a, paragraph 3 letter a of the Corporate Tax Act 1969 (Wet op de vennootschapsbelasting 1969), within six months after the end of the year in which the proceeds were obtained.

## **Annual Financial Report**

### **3.1 Independent Auditors' Report**

The report of the independent auditor is included hereinafter.