



**RAINFOREST ALLIANCE B.V.**

**Annual Financial Report**

**For the year ended December 31, 2019**

**With Independent Auditors' Report**

**RAINFOREST ALLIANCE B.V.**  
**Annual Financial Report**  
**Table of Contents**

b1	<b>Cover Page</b>
b2	<b>Table of Contents</b>
b3-b6	<b>1.1 Report of the Leadership Team</b>
	<b>Annual BV Accounts</b>
b7	<b>2.1 Balance Sheet as of December 31, 2019</b>
b8	<b>2.2 Income Statement for the Year Ended December 31, 2019</b>
b9-12	<b>2.3 Notes to the BV accounts</b>
b13-14	<b>2.4 Explanation to the Balance Sheet</b>
b15	<b>2.5 Explanation to the Income Statement</b>
b16	<b>2.6 Appropriation of the BV result</b>
b16-17	<b>2.7 Other Information</b>
b18	<b>3.1 Independent Auditors' Report</b>

## Annual Financial Report

### 1.1 Report of the Leadership Team

On 1st January 2018, UTZ (hereafter Stichting Rainforest Alliance or the "Foundation") merged with Rainforest Alliance Inc., both consolidated under a newly formed parent company named Rainforest Alliance Holding Inc., a US nonprofit. The merger was driven by the Board's collective vision to have greater environmental and social impact, and to be a stronger partner to the many stakeholders with whom we work. A new standard, in which a new chain of custody, a new fee structure, and a new labeling policy for companies sourcing certified products, will be developed. We plan to publish and implement a new combined certification standard by end of 2020, until which time there will be two certification standards and programs (Rainforest Alliance and UTZ).

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 remains in place until there is a single Rainforest Alliance Standard at the end of 2019).

In 2018, we developed a new three-year Strategic Plan (2019 – 2021), acknowledging that consumers, companies and governments are increasingly involved in the sustainability agenda, finding new ways to make their contribution to sustainability, and they are looking for trustworthy organizations to work with. The 5 strategic goals 2019 – 2021 are:

1. Producers have the skills knowledge and incentives to adopt sustainable management practices
2. Local Civil Society Organizations (CSOs), producers and governments build capacity to drive systemic change
3. Companies increase sustainability commitments, asses and map sustainability risks
4. Public and Consumers demand improved company sustainability performance
5. Partner with CSOs and the finance sector to influence government and company policies

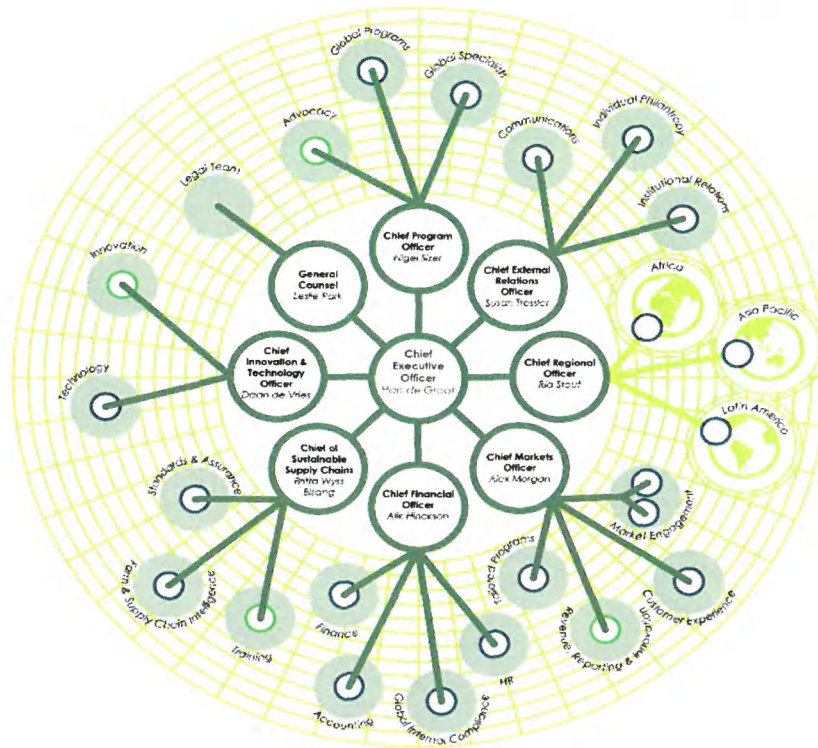
The organization consists of two legal entities: Stichting Rainforest Alliance (the "Foundation" formerly known as Stichting UTZ), founded on 3rd July 2001 (articles amended 1st January 2018) and Rainforest Alliance BV (the "BV" formerly known as UTZ Certified BV), founded on 3rd December 2012 (articles amended 1st January 2018). Both companies registered their office at the De Ruyterkade 6, 1013 AA in Amsterdam, The Netherlands. Stichting Rainforest Alliance focuses on innovative partnerships with companies, farmers, NGOs, governments and others. Rainforest Alliance BV program fee income consists of UTZ certified coffee, cocoa, tea and hazelnuts and is produced in 42 countries and the UTZ name appears on more than 15,000 products in 130 countries.

At the end of 2012, for technical reasons the Foundation set up as a daughter limited company (in Dutch "BV"). The Foundation is full-owner of the BV and net profit made by the BV 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. The change of model was a logical step.

## Annual Financial Report

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

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.



### Employees

In 2018, the Foundation staff (inclusive of the BV) reduced from 211 in 2018 (171 in Amsterdam, and 40 in the Regions) to 185 (156 in Amsterdam and 29 in the Regions). 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.

## Annual Financial Report

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

#### Corporate Social Responsibility (cont.)

By implementing the UTZ Code of Conduct, over a million farmers and workers' lives are changed through better crop, better income, better environment, which lead to better lives. Please see <https://utz.org/what-weve-achieved/> for the impact the Foundation has around the world.

#### 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 years. 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, allocation issues, 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
- Accounts receivable needs always extra attention. The risks of overdue payments is always there. Therefore the accounts receivable are daily monitored and monthly evaluated. Reminders are sent and finally members with payments overdue can be excluded from business.

## Annual Financial Report

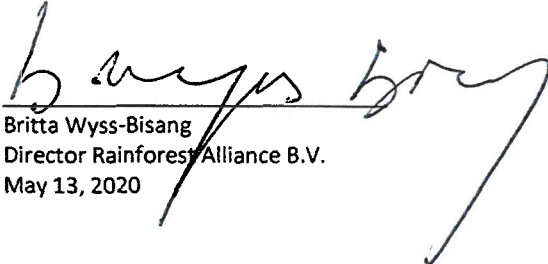
### 1.1 Report of the Leadership Team (cont.)

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

The BV net result for 2019 is €11.8M which is a 0.9% increase compared to the 2018 result of €11.7M. Total income is €22.0M which represents a 5.3% increase compared to the 2018 result of €20.9M. Total operating expenses are €10.7M which represents a 13.8% increase compared to the 2018 operating expenses of €9.4M due to higher than anticipated expenses in shared services costs. The positive result will be added to the general reserve of the Foundation.

In 2020, we expect a slight increase in income as compared to 2019 actual income. We expect operating expenses to increase in 2020 by investing reserves in our strategy in the areas of reimagining certification and advocacy, aligning IT systems and further developments to our traceability software.

At the time of preparation of the annual accounts, the COVID-19 health crisis prevails in the Netherlands and its neighbouring countries, as well as in several parts of the world. Government measures are currently being taken and it is likely that additional government measures will need to be taken to minimize the financial effects of this virus as much as possible. We cannot exclude that, despite aforementioned government measures, serious impediments of the company's business operations may occur for some time which may affect negatively the company's future financial position.



Britta Wyss-Bisang  
Director Rainforest Alliance B.V.  
May 13, 2020

## Annual Financial Report

### Annual BV Accounts

#### 2.1 Balance Sheet as of December 31, 2019 (after appropriation of result)

	2019	2018
<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	€ 8.463.929	€ 4.770.073
B03 Taxes and social premiums	€ 0	€ 0
B04 Other receivables and prepaid expenses	€ 79.947	€ 16.832
B05 Cash at banks	€ 3.134.550	€ 14.619.384
<b>Total current assets</b>	<b>€ 11.678.426</b>	<b>€ 19.406.289</b>
<b>Total assets</b>	<b>€ 11.679.730</b>	<b>€ 19.407.593</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	€ 3.925.070	€ 3.373.852
B08 Taxes and social premiums	€ 126.685	€ 119.859
B09 Subsidies received	€ 7.315	€ 0
B10 Other liabilities	€ 236.833	€ 307.622
B11 Payable to foundation	€ 7.183.826	€ 15.406.260
<b>Total current liabilities</b>	<b>€ 11.479.730</b>	<b>€ 19.207.593</b>
<b>Total disposable reserves and liabilities</b>	<b>€ 11.679.730</b>	<b>€ 19.407.593</b>

## Annual Financial Report

## 2.2 Income Statement for the Year Ended December 31, 2019

	2019	2018
Fees cocoa	€ 10.001.256	€ 9.549.821
Fees coffee	€ 8.730.654	€ 7.431.255
Fees palm oil	€ 2.681.835	€ 3.508.776
Fees tea	€ 301.979	€ 224.217
Fees hazelnuts	€ 262.240	€ 220.219
<b>01 FEES</b>	<b>€ 21.977.964</b>	<b>€ 20.934.289</b>
<b>02 Grant &amp; Contract revenue</b>	<b>€ 370.183</b>	<b>€ 0</b>
<b>TOTAL INCOME</b>	<b>€ 22.348.147</b>	<b>€ 20.934.289</b>
<b>03 Personnel expenses</b>	<b>€ 2.327.328</b>	<b>€ 2.315.246</b>
Sub-grants	€ 24.176	€ 0
Travel costs	€ 209.562	€ 176.904
Consultancy & professional services	€ 220.851	€ 355.287
IT services & licenses	€ 183.754	€ 41.677
Office costs	€ 83.668	€ 62.027
Equipment & materials	€ 13.401	€ 610
Marketing & subscription fees	€ 33.581	€ 14.095
Trainings & workshops	€ 151.746	€ 88.668
Shared services	€ 7.188.953	€ 6.247.237
Bad debt expense	€ 201.713	€ 128.412
<b>TOTAL OPERATING EXPENSES</b>	<b>€ 10.638.733</b>	<b>€ 9.430.163</b>
<b>EBIT</b>	<b>€ 11.709.414</b>	<b>€ 11.504.126</b>
Exchange result	€ 111.765	€ 155.837
Interest received	€ 13.335	€ 7.459
<b>TOTAL FINANCIAL RESULT</b>	<b>€ 125.100</b>	<b>€ 163.296</b>
<b>RESULT BV</b>	<b>€ 11.834.514</b>	<b>€ 11.667.422</b>
Payable settlement of funding activities	(€ 11.834.514)	(€ 11.667.422)
<b>RESULT OF THE YEAR</b>	<b>€ 0</b>	<b>€ 0</b>



## Annual Financial Report

### 2.3 Notes to the BV 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 made by the B.V. (program fees minus expenses) 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 fee income from certification of UTZ certified coffee, cocoa, tea and hazelnuts that is produced in 42 countries. The UTZ name appears on more than 15,000 products in 130 countries. 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 UTZ standard. We plan to publish and implement a new combined certification standard by end of 2020, until which time there will be two certification standards and programs (Rainforest Alliance and UTZ).

#### Principles of consolidation

The financial information of the company has been recorded in the consolidated financial statements of the Foundation. This annual report should be read in conjunction with the consolidated annual financial report of the Foundation.

#### 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 BV 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 BV accounts (cont.)

#### Payable to Foundation

The payable to Foundation 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.

#### 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 BV 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 activities of the Foundation are exempt from corporate income tax. The result of the BV will be transferred to the Foundation through as a payable settlement of funding activities and therefore the BV is not liable for 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

	2019	2018
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	€ 5.260.163	€ 2.980.370
Accounts receivable to RSPO	€ 1.874.837	€ 1.305.257
Accounts receivable to RSPO Broker	€ 1.712.248	€ 1.061.453
Bad Debt Provision	(€ 383.319)	(€ 577.007)
<b>B02 Accounts receivable</b>	<b>€ 8.463.929</b>	<b>€ 4.770.073</b>

Interest to be received	€ 0	€ 7.459
Prepaid expenses	€ 26.509	€ 7.664
Intercompany Rainforest Alliance Inc	€ 39.938	€ 1.545
Advance payments to employees	€ 0	€ 165
Prepaid Pension costs	€ 13.499	€ 0
<b>B04 Other receivables and prepaid expenses</b>	<b>€ 79.946</b>	<b>€ 16.833</b>

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.

Bank accounts	€ 3.134.550	€ 14.619.384
<b>B05 Cash at banks</b>	<b>€ 3.134.550</b>	<b>€ 14.619.384</b>

The decrease in the 2019 cash balance is due to the timing of the settlement of the appropriation of results to the Foundation. The appropriation will be paid to the Foundation by July 1, 2020.

Paid in capital	€ 200.000	€ 200.000
<b>B06 Paid in capital</b>	<b>€ 200.000</b>	<b>€ 200.000</b>

Accounts payable	€ 106.919	€ 619.453
Accounts payable to RSPO	€ 1.263.878	€ 807.290
Accounts payable to RSPO Broker	€ 2.056.081	€ 1.946.346
Invoices to be received	€ 498.193	€ 763
<b>B07 Accounts payable</b>	<b>€ 3.925.070</b>	<b>€ 3.373.852</b>

**Annual Financial Report****2.4 Explanation to the Balance Sheet (cont.)**

	<b>2019</b>	<b>2018</b>
Value added tax	€ 55.007	€ 62.653
Payroll taxes	€ 71.678	€ 57.206
<b>B08 Taxes and social premiums</b>	<b>€ 126.685</b>	<b>€ 119.859</b>
Provision vacation allowance	€ 78.073	€ 84.668
Provision holiday days	€ 89.526	€ 52.717
Accrual audit costs	€ 0	€ 36.000
Other income received	€ 69.234	€ 134.237
<b>B10 Other liabilities</b>	<b>€ 236.833</b>	<b>€ 307.622</b>
Intercompany current account	€ 4.650.688	(€ 3.738.838)
Payable settlement of fundings	(€ 11.834.514)	(€ 11.667.422)
<b>B11 Payable to foundation</b>	<b>(€ 7.183.826)</b>	<b>(€ 15.406.260)</b>

Payable to the Foundation before July 1, 2020 due to tax regulations.

**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

	2019	2018
Fees palm oil	€ 8.167.767	€ 8.030.313
Donations to RSPO	(€ 5.485.932)	(€ 4.521.537)
<b>01 Fees palm oil total</b>	<b>€ 2.681.835</b>	<b>€ 3.508.776</b>
Customized program coffee	€ 173.557	€ 0
Customized program palm oil	€ 135.200	€ 0
Customized program cocoa	€ 58.000	€ 0
Customized program vanilia	€ 3.425	€ 0
<b>02 Grant &amp; Contract revenue</b>	<b>€ 370.183</b>	<b>€ 0</b>

In 2019, the industrial support activities were partly budgeted under contract revenue. The actual income of € 370K came mainly from customized (extra) services for palm oil from Unilever, coffee from JDE and cocoa from Mars.

Gross salaries	€ 1.577.475	€ 1.551.459
Temporary/interim/consultancy	€ 5.989	€ 114.633
Social premiums	€ 270.785	€ 271.513
Holiday allowance	€ 106.493	€ 124.383
Pension premiums	€ 113.586	€ 122.419
Vacation days reserve	€ 36.809	€ 6.219
<b>Direct personnel expenses</b>	<b>€ 2.111.136</b>	<b>€ 2.190.626</b>
Remote offices	€ 195.168	€ 89.300
Commute cost	€ 31.815	€ 33.656
Internship costs	€ 3.386	€ 525
Lunch/meals & entertainment	€ 947	€ 1.188
Other personnel expenses	(€ 15.124)	(€ 49)
<b>Indirect personnel expenses</b>	<b>€ 216.192</b>	<b>€ 124.620</b>
<b>03 Total personnel expenses</b>	<b>€ 2.327.328</b>	<b>€ 2.315.246</b>

Other expenses are mainly untaxed allowances

At year end the total number of FTE (excluding interns) in the BV is 30,5 (in 2018 24,5).

#### 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.

**Annual Financial Report**

**2.6 Appropriation of the BV result**

	<b>2019</b>	<b>2018</b>
Payable settlement of funding activities	(€ 11.834.514)	(€ 11.667.422)
RESULT BV	€ 11.834.514	€ 11.667.422
<b>RESULT OF THE YEAR</b>	<b>€ 0</b>	<b>€ 0</b>

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

**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.

**2.7 Other Information**

**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.

At the time of preparation of the annual accounts, the COVID-19 health crisis prevails in the Netherlands and its neighbouring countries, as well as in several parts of the world. Government measures are currently being taken and it is likely that additional government measures will need to be taken to minimize the financial effects of this virus as much as possible. We cannot exclude that, despite aforementioned government measures, serious impediments of the company's business operations may occur for some time which may affect negatively the company's future financial

  
 Britta Wyss-Bisang  
 Director Rainforest Alliance B.V.  
 May 13, 2020

**Rainforest Alliance Board Members 2019**

- Johanna Wijn .....
- Antonius van Der Laan (Vice Chairman) .....
- Anurag Priyadarshi .....
- Dan Houser .....



**Annual Financial Report**

**Rainforest Alliance Board Members 2019 (cont.)**

Daniel Couvreur .....  
Daniel Katz (Chair) .....  
Eric Rothenberg .....  
Juan Esteban Orduz Trujillo .....  
Kerri Smith .....  
Labeeb Abboud .....  
Marilu Hernandez de Bosoms .....  
Nalin Miglani .....  
Nina Haase .....  
Peter Lehner .....  
Peter Schulte (Treasurer) .....  
Sonila Cook .....  
Tasso Azevedo .....  
Vanusia Nogueira .....  
Wendy Gordon Rockefeller .....

**Annual Financial Report**

**3.1 Independent Auditors' Report**

The report of the independent auditor is included hereinafter.

## INDEPENDENT AUDITOR'S REPORT

To: the General Meeting and the Management of Rainforest Alliance B.V.

### A. Report on the audit of the financial statements 2019

#### Our opinion

We have audited the financial statements 2019 of Rainforest Alliance B.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Rainforest Alliance B.V. as at December 31, 2019, and of its result for 2019 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The balance sheet as at December 31, 2019;
2. The income statement for the year ended December 31, 2019; and
3. The notes comprising 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 on 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 Rainforest Alliance B.V. 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.

#### Emphasis of matter relating to uncertainty about Corona

The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organisations and the assessment of the ability to continue as a going concern. The financial statements and our auditor's report thereon are snapshots. The situation changes on a daily basis giving rise to inherent uncertainty. Although at this moment the impact of Corona (Covid-19) virus on Rainforest Alliance B.V. is minor, Rainforest Alliance B.V. will be confronted with this uncertainty as well. This is disclosed in the report of the Leadership Team and the disclosure about Subsequent events (note 2.7). We draw attention to these disclosures. Our opinion is not modified in respect of this matter.

## **B. Report on the other information included in the annual report**

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The report of the Leadership Team;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 Part 9 of Book 2 of the Dutch Civil Code.

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 (the Leadership Team) is responsible for the preparation of the report of the Leadership Team in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

## **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 the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management 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 assignment 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 e.g.:

- 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 company'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.

Waalwijk, May 19, 2020

HLB Van Daal Audit B.V.

Originally signed by

drs. E.W. van der Haar  
Registeraccountant