



**STICHTING RAINFOREST ALLIANCE**

**Consolidated Annual Financial Report**

**For the year ended December 31, 2021**

**With Independent Auditors' Report**

**STICHTING RAINFOREST ALLIANCE**  
**Consolidated Annual Financial Report**  
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## Consolidated Annual Financial Report

### 1.1 General Information

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.

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 all profits made by the BV (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. The change of model was a logical step.

The Supervisory Board meets a minimum of three times a year, oversees the Leadership Team and, for a number of important matters, the Supervisory Board's approval is required before the Leadership Team can pass resolutions. The Leadership Team is formed by the Chief Executive Officer (RA, Inc.), Chief Financial Officer (RA, Inc.), General Counsel (RA, Inc), Chief Development Officer (RA, Inc), Chief Markets Officer (RA, Inc.), Chief Regional Officer (RA Inc.), Chief People Officer (Foundation), who together are responsible for day-to-day affairs.

In 2011 the Standards Committee was set up. Their task is to adopt, on the basis of information and data provided by the stakeholders, new Codes of Conduct as well as revise existing codes. The composition of the Standards Committee consists of representatives of producers or other supply chain actors, NGO's or other experts in the field of specific sustainable subjects (e.g. employees' rights, women's rights, good agricultural practice, and biodiversity), experts in the field of certification and sustainability and the Rainforest Alliance Standards Director (non-voting member) representing the category of employees of the Rainforest Alliance.

#### Supervisory Board Members 2021

Anisha Pushpika Rajapakse  
 Antonius van der Laan (Vice Chairman)  
 Anurag Priyadarshi  
 Dan Houser  
 Daniel Couvreur  
 Daniel Katz (Chairman)  
 Eric Rothenberg  
 Johanna Wijn  
 Juan Esteban Orduz Trujillo  
 Kerri Smith  
 Labeeb Abboud  
 Marilu Hernandez de Bosoms  
 Nalin Miglani  
 Nina Haase  
 Peter Lehner

## Consolidated Annual Financial Report

### 1.1 General Information (cont.)

#### **Supervisory Board Members 2021 (cont.)**

Peter Schulte (Treasurer)

Sonila Cook

Tasso Azevedo

Vanusia Nogueira

Wendy Gordon Rockefeller

#### **Leadership Team Members 2021:**

Santiago Gowland, Chief Executive Officer (Director Stichting Rainforest Alliance)

Margriet Glazenborg, Chief People Officer

Alik Hinckson, Chief Financial Officer

Molly Stark, General Counsel (Secretary)

Alex Morgan, Chief Global Engagement Officer

Ria Stout, Chief Program Officer

Aparajita Bhalla, Chief Development Officer

## Consolidated Annual Financial Report

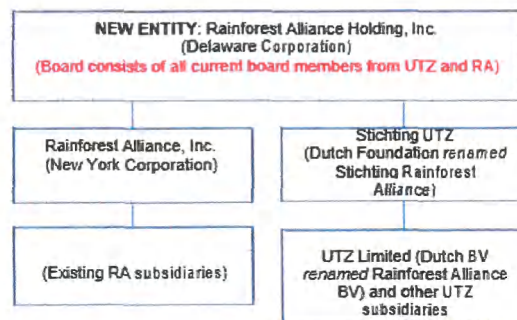
### 1.2 Board Report

#### The Merger and Legal Structure

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 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 chain of custody, a new fee structure, and a new labeling policy for companies sourcing certified products, was launched in July 2020. However, the UTZ standard and the RA standards remained in place while certifications began under the new unified Rainforest Alliance Standard.

On 1st January 2018, the structure and Articles of the Foundation and BV were amended to reflect the merger.



The Rainforest Alliance Holding Board is responsible for appointing the Supervisory Board of the Foundation. The Supervisory Board (being equal to and mirroring the Holding Board) is responsible for supervising and advising the Leadership Team, overseeing the general course of affairs, strategy and operational performance of the organization. In 2021, the Supervisory Board met 4 times for regular meetings in January, May, September and November.

#### Board Agenda 2021

In 2021, the Board had the pleasure of guiding the Leadership Team in the areas of: Strategy Development, Enterprise Priorities & Goals, Standards Development, Re-imagining Certification, Annual Plan & Budget, Diversity, Equity & Inclusion Strategy and Technology Strategy among other key strategic topics. Additionally, the Board helped guide the organization through the health and economic challenges of the COVID-19 pandemic.

#### Board Governance

The Board has one permanent (Executive) Committee, which, in between Board meetings, may exercise all powers of the Board that may be delegated in connection with the management of the affairs of the Foundation, except as restricted by law or the Articles of Association. The Holding Board additionally conducts business through several committees: Nominating and Governance, Development, Human Resources, Finance, and Audit & Risk. A summary of the directive of each committee follows:



## Consolidated Annual Financial Report

### 1.2 Board Report (cont.)

#### Board Governance (cont.)

**Nominating & Governance (N&G):** oversee organizational structure and functioning of the Board as well as policies related to board governance.

**Development Committee:** Oversee and review Rainforest Alliance's fundraising program, including foundations, government and multilateral agencies, corporations, individuals, special events, cause marketing, capital campaign, areas of potential growth and any other revenue opportunities to support the organization that may arise.

**Human Resources Committee:** Oversee Rainforest Alliance human resources policies, programs, and practices. Periodically review employee benefit and remuneration surveys and assess competitiveness and effectiveness of Rainforest Alliance benefits and remuneration.

**Finance Committee:** Oversees and pre-approves the annual budget, business results, financial statements and reporting, and management of investments. In 2021, the Finance Committee approved the CY2022 budget for the Foundation.

**Audit & Risk (A&R) Committee:** Oversee the legal and operational risks over the organization, system of internal business controls, including conflicts of interest at board and staff level. The A&R Committee also reviews and pre-approves the audited financial statements of the Foundation. In 2021, the A&R committee, along with the Leadership Team invited the external auditor to review and approve the 2020 audited financial statements. The A&R Committee discussed the financial statements at length, including the relevant reports and the observations of the external auditor. Extensive attention was devoted to the income and risk exposures, in particular IT risk exposures. The Audit Committee concluded that the Leadership Team gave sufficient attention to the observations and recommendations set out in the management letter and that the annual financial report 2020 and the summary budget 2021 are clear and responsible. It therefore advised the Supervisory and Holding Boards to approve the audited financial statements for 2020.

By the 6th August 2021, the Board reviewed and approved the report of the Leadership Team and financial results presented in this consolidated annual report 2020.

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Daniel Katz  
Chair of the Board  
Rainforest Alliance  
July 19, 2022

## Consolidated Annual Financial Report

### 1.3 Report of the Leadership Team

#### Mission

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 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 is currently working on its 2023-2030 Strategic Plan under the leadership of the CEO and the Board.

Stichting Rainforest Alliance (the "Foundation" formerly known as Stichting UTZ) focuses on innovative partnerships with companies, farmers, NGOs, governments and others. In line with this approach, we formed a strategic partnership with the Dutch Ministry of Foreign Affairs. Funding for this "Sector Partnership" program entailed €18 million over five years, started in 2016 and ended in 2020. The program enabled us to tackle issues that require a sector wide approach, with a focus on building the capacity of civil society. The Foundation won additional grants from corporations, foundations and governments in 2021 to continue this sector-wide approach.

Rainforest Alliance BV (the "BV" formerly known as UTZ BV) program fee income consists of UTZ 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 and Turkey have got more attention and Foundation activities have been started up there. The new programs in hazelnuts and herbs are still promising. The UTZ Academy has been improving our training in the field and enabling even more partners to work with our concepts.

## Consolidated Annual Financial Report

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

Throughout the whole world a very large number of volunteers contribute to the success of the program.

The internal organization structure is matrixed, allowing for cross-organizational connections between our teams around the globe. There is special attention paid to diversity, equity and inclusion 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 2021, the Foundation staff increased from 148 in 2020 (102 in Amsterdam and 46 in the Regions) to 155 (88 in Amsterdam and 67 in the regions). In 2021, the BV staff increased from 44 (39 in Amsterdam and 5 in the Regions) to 85 (61 in Amsterdam and 24 in the regions) due to a transfer of staff from the Foundation to the BV. 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.



## Consolidated Annual Financial Report

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

#### 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 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.

#### Volunteers

On 6th November 2012, the Dutch tax authorities gave their written approval regarding the application of the fundraising deduction for UTZ Certified B.V. (now named Rainforest Alliance 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 B.V. 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 B.V. (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 Foundation are disclosed:

- IT disruption of critical business processes may result in non-availability of products for members and stakeholders.
- Therefore, the Foundation continues to maintain and invest in IT related business continuity strategies, management plans and a Business continuity framework.

## Consolidated Annual Financial Report

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

#### Risks and uncertainties (cont.)

- 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

#### Consolidated Results 2021 & 2020

	2021 Actuals	2021 Budget	2020 Actuals	2020 Budget
01 Fees	€ 31,825,565	€ 22,023,788	€ 26,200,946	€ 21,785,808
02 Grant & contract revenue	€ 3,172,230	€ 2,947,207	€ 4,650,073	€ 4,056,628
Other income	€ 713,194	€ 0	€ 100	€ 0
<b>TOTAL INCOME</b>	<b>€ 35,710,989</b>	<b>€ 24,970,995</b>	<b>€ 30,851,119</b>	<b>€ 25,842,436</b>
08 Personnel expenses	€ 13,871,795	€ 14,600,949	€ 13,348,674	€ 14,214,294
Other expenses	€ 10,306,698	€ 12,694,867	€ 10,738,799	€ 12,792,945
<b>Total Operating expenses</b>	<b>€ 24,178,494</b>	<b>€ 27,295,816</b>	<b>€ 24,087,473</b>	<b>€ 27,007,239</b>
<b>EBITDA</b>	<b>€ 11,532,495</b>	<b>(€ 2,324,821)</b>	<b>€ 6,763,646</b>	<b>€ -1,164,803</b>
Depreciation	€ 2,182,702	€ 2,172,111	€ 1,356,495	€ 971,011
<b>EBIT</b>	<b>€ 9,349,793</b>	<b>(€ 4,496,932)</b>	<b>€ 5,407,151</b>	<b>€ -2,135,814</b>
TOTAL FINANCIAL RESULT	€ 712,315	€ 0	(€ 51,674)	€ 0
Donation to RA Inc.	(€ 1,722,947)	€ 0	(€ 13,186,784)	€ 0
<b>RESULT OF THE YEAR</b>	<b>€ 8,339,161</b>	<b>(€ 4,496,932)</b>	<b>(€ 7,831,307)</b>	<b>€ -2,135,814</b>

#### Consolidated current year results & future outlook

The consolidated net result for 2021 increased to €8.3M from the 2020 result of (€7.8M) mostly due to increased royalty revenue. In 2020, the result was largely reduced by sizeable donations made from the Foundation to RA Inc., also an ANBI organization, for the purpose of supporting RA's operations such as mission-driven grants and related work. Total income is €35.7M which represents a 16% increase compared to the 2020's income of €30.8M due to increased royalty revenue driven by demand for certified products during the COVID-19 pandemic. Total operating expenses stayed level at €24.2M compared to the 2020 operating expenses of €24.1M.

The continuity reserve at the end of 2021 is €10.3M compared to €5.3M in 2020 as we transferred €5M to the continuity reserve from the general reserve as no donation transfers were made from the Foundation to RA Inc. in 2021. In 2021, we will continue to monitor the health of our reserve and ensure that the company has sufficient funds to cover its operating expenses.

## Consolidated Annual Financial Report

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

#### Consolidated current year results & future outlook (cont.)

In 2022, we expect a slight increase in budgeted income as compared to 2021 actual income. We expect an increase in secured and expected grant and contract revenue. We expect a decrease in fee income due to the unification of the certification standard. As a result of that change, royalty fee income will shift 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 increase significantly in 2022 through investments in our strategy in the areas of increased staffing related to certification, credibility and advocacy; a return to more normal expenses for subgrants, training and travel as the world reopens, and continued developments to our certification & traceability software. We expect that these projects will require additional hiring and a substantial increase in consultancy costs.

#### Foundation current year results & future outlook

The Foundation net result for 2021 is a loss of €12.3M which is a 82% loss increase compared to the 2020 loss result of €6.8M due to decreased grant income, significant reduction in the recoupment of shared services costs as staff were moved to the BV and reduced spending after a major grant ended in 2020. The Foundation was budgeted for a much higher loss result so this was favorable news. Total 2021 income is €3.6M which represents a 17% decrease compared to the 2020 result of €4.3M due to a decrease in grant activities after a major grant ended in 2020. Total operating expenses are €13.7M which represents a 41% increase compared to the 2020 operating expenses of €9.7M due to a decrease in the shared services cost reduction as explained above.

In 2022, we expect an increase in grant and contract income as compared to 2021 actual income from secured and expected grant wins. We expect a decrease in fee income from RA B.V. due to the unification of the certification standard. As a result of that change, royalty fee income will shift 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 increase significantly in 2022 through investments in our strategy in the areas of increased staffing related to certification, credibility and advocacy; a return to more normal expenses for subgrants, training and travel as the world reopens, and continued developments to our certification & traceability software.

At the time of preparation of the annual accounts, the COVID-19 health crisis continues in both the Netherlands and the world. While our operations have not been negatively impacted by the pandemic to date, we will continue to monitor the situation and its potential impact on the company. We recognize that we may still experience impediments to the company's business operations which may affect negatively the company's future financial position.

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*Santiago Gowland*

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Santiago Gowland  
Director Stichting Rainforest Alliance  
Rainforest Alliance  
July 19, 2022



**Consolidated Annual Financial Report**

**Consolidated Annual Accounts**

**2.1 Consolidated Balance Sheet as of December 31, 2021**

	2021	2020
<b>ASSETS</b>		
B01 & B02 Intangible fixed assets	€ 5,103,889	€ 2,829,313
B03 & B04 Tangible fixed assets	€ 277,705	€ 120,315
B05 Financial fixed assets	€ 1,304	€ 1,304
<b>Total fixed assets</b>	<b>€ 5,382,898</b>	<b>€ 2,950,932</b>
B06 Accounts receivable	€ 9,921,671	€ 7,145,332
B08 Other receivables and prepaid expenses	€ 773,280	€ 1,038,896
B09 Cash at banks	€ 9,854,494	€ 3,334,622
<b>Total current assets</b>	<b>€ 20,549,445</b>	<b>€ 11,518,850</b>
<b>Total assets</b>	<b>€ 25,932,343</b>	<b>€ 14,469,782</b>
<b>DISPOSABLE RESERVES AND LIABILITIES</b>		
B10 Paid in capital	€ 4,514	€ 3,325
B11 General reserve	€ 4,479,716	€ 1,140,555
B12-14 Continuity reserve	€ 10,300,000	€ 5,300,000
<b>Total disposable reserves</b>	<b>€ 14,784,230</b>	<b>€ 6,443,880</b>
B15 Accounts payable	€ 5,961,962	€ 4,253,285
B16 Taxes and social premiums	€ 273,099	€ 300,723
B17 Subsidies received	€ 1,894,488	€ 1,810,689
B18 Other liabilities	€ 3,018,564	€ 1,661,205
<b>Total current liabilities</b>	<b>€ 11,148,113</b>	<b>€ 8,025,902</b>
<b>Total disposable reserves and liabilities</b>	<b>€ 25,932,343</b>	<b>€ 14,469,782</b>



## Consolidated Annual Financial Report

### 2.2 Consolidated Income Statement for the Year Ended December 31, 2021

	2021	2021 Budget	2020
Fees cocoa	€ 9,448,162	€ 10,017,787	€ 9,579,160
Fees coffee	€ 18,359,181	€ 8,390,559	€ 12,825,107
Fees palmoil	€ 3,621,560	€ 2,833,333	€ 3,171,512
Fees tea	€ 4,854	€ 298,776	€ 221,922
Fees hazelnuts	€ 269,100	€ 366,667	€ 403,246
Fees herbs & Spices	€ 122,708	€ 116,666	€ 0
<b>01 Fees</b>	<b>€ 31,825,565</b>	<b>€ 22,023,788</b>	<b>€ 26,200,946</b>
02 Grant & contract revenue	€ 3,172,230	€ 2,947,207	€ 4,650,073
Charitable Donations	€ 206,950	€ 0	€ 0
Subsidiary Funding	€ 472,904	€ 0	€ 0
Other income	€ 33,340	€ 0	€ 100
<b>TOTAL INCOME</b>	<b>€ 35,710,989</b>	<b>€ 24,970,995</b>	<b>€ 30,851,119</b>
08 Personnel expenses	€ 13,871,795	€ 14,600,949	€ 13,348,674
09 Subgrants	€ 749,857	€ 1,814,688	€ 1,923,235
10 Travel costs	€ 493,270	€ 947,322	€ 540,319
11 Consultancy & professional services	€ 4,150,193	€ 5,748,154	€ 5,735,189
12 IT services & licenses	€ 2,685,693	€ 1,456,008	€ 829,484
13 Office costs	€ 1,290,804	€ 1,009,738	€ 839,646
14 Equipment & materials	€ 44,610	€ 166,475	€ 150,572
15 Marketing & subscription fees	€ 253,375	€ 322,670	€ 245,920
16 Trainings & workshops	€ 372,568	€ 1,173,040	€ 527,797
17 Insurance expenses	€ 76,339	€ 56,772	€ 61,212
19 Bad debt expense	€ 189,990	€ 0	-€ 114,575
<b>TOTAL OPERATING EXPENSES</b>	<b>€ 24,178,494</b>	<b>€ 27,295,816</b>	<b>€ 24,087,473</b>
<b>EBITDA</b>	<b>€ 11,532,495</b>	<b>(€ 2,324,821)</b>	<b>€ 6,763,646</b>
18 Depreciation	€ 2,182,702	€ 2,172,111	€ 1,356,495
<b>EBIT</b>	<b>€ 9,349,793</b>	<b>(€ 4,496,932)</b>	<b>€ 5,407,151</b>
20 Exchange result	€ 710,634	€ 0	-€ 52,222
21 Interest received	€ 1,681	€ 0	€ 548
<b>TOTAL FINANCIAL RESULT</b>	<b>€ 712,315</b>	<b>€ 0</b>	<b>(€ 51,674)</b>
<b>RESULT Foundation and BV</b>	<b>€ 10,062,108</b>	<b>(€ 4,496,932)</b>	<b>€ 5,355,477</b>
Indirect allocation to RA Inc.	€ 1,722,947	€ 0	€ 0
Donation to RA Inc.	€ 0	€ 0	€ 13,186,784
<b>RESULT OF THE YEAR</b>	<b>€ 8,339,161</b>	<b>(€ 4,496,932)</b>	<b>(€ 7,831,307)</b>
B11 General reserve	€ 8,339,161	(€ 4,496,932)	(€ 7,831,307)
Distribution reserve	€ 8,339,161	(€ 4,496,932)	(€ 7,831,307)

## Consolidated Annual Financial Report

### 2.3 Consolidated Statement of Cash Flows as of December 31, 2021

	2021	2020
Operating Income (EBIT)	€ 9,349,793	€ 5,407,151
Depreciation	€ 2,196,397	€ 1,356,496
Accounts receivable	(€ 2,776,339)	€ 1,566,621
Taxes and social premiums	(€ 27,624)	(€ 44,619)
Other receivables and prepaid expenses	€ 265,616	€ 949,244
Accounts payable	€ 1,708,677	(€ 1,295,227)
Subsidies received	€ 83,799	€ 137,161
Other current liabilities	€ 1,357,360	€ 595,437
Paid in capital India	€ 1,187	€ 0
<b>Net Cash Flow from Operating Activities</b>	<b>€ 12,158,866</b>	<b>€ 8,672,263</b>
<i>Intangible fixed assets</i>	(€ 4,351,942)	(€ 2,670,459)
<i>Tangible fixed assets</i>	(€ 276,420)	(€ 20,915)
<b>Net Cash Flow from Investing Activities</b>	<b>(€ 4,628,362)</b>	<b>(€ 2,691,374)</b>
Financial result	€ 712,315	(€ 51,674)
Donation to RA Inc	(€ 1,722,947)	(€ 13,186,784)
<b>Net Cash Flow from Financing Activities</b>	<b>(€ 1,010,632)</b>	<b>(€ 13,238,458)</b>
<b>Net change in Cash / Net Cash Flow</b>	<b>€ 6,519,872</b>	<b>(€ 7,257,569)</b>
Cash and cash equivalents at 1 January	€ 3,334,622	€ 10,592,190
Cash at period end	€ 9,854,494	€ 3,334,622
<b>Net change in Cash / Net Cash Flow</b>	<b>€ 6,519,872</b>	<b>(€ 7,257,568)</b>
<b>Result of the year</b>	<b>€ 8,339,161</b>	<b>(€ 7,831,307)</b>
(= EBIT +/- net cashflow from financing activities)		

## Consolidated Annual Financial Report

### 2.4 Notes to the Consolidated Accounts

#### Ownership 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 prerequisite 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 31459275.

#### Activities

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 an alliance of companies, farmers, foresters, communities, and consumers committed to creating a world where people and nature thrive in harmony.

The Foundation focuses on innovative partnerships with companies, farmers, NGOs, governments and others. In line with this approach, we formed a strategic partnership with the Dutch Ministry of Foreign Affairs. Funding for this "Sector Partnership" program entailed €18 million over five years, started in 2016 and ended in 2020. The program enabled us to tackle issues that require a sector wide approach, with a focus on building the capacity of civil society. The Foundation won additional grants from corporations, foundations and governments in 2021 to continue this sector-wide approach.

The BV program fee income consists of UTZ certified coffee, cocoa, tea, hazelnuts and most recently, herbs and spices 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.



## Consolidated Annual Financial Report

### 2.4 Notes to the Consolidated Accounts (cont.)

#### 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.

#### Accounting principles

The consolidated 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') and in accordance with the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards. 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'.

#### 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.

#### Leases

The company has lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of nor incurred by the company. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis as applicable, taking into account reimbursements received from the lessor, in the income statement for the duration of the contract.



## Consolidated Annual Financial Report

### 2.4 Notes to the Consolidated Accounts (cont.)

#### 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 rate at transaction date. The exchange rate differences that arise are directly deducted from or added to group equity and recognized in the translation differences reserve.

#### Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the company are considered to be a related party. In addition, statutory directors, other key management of the Foundation or the Rainforest Alliance Holding, Inc. parent company and close relatives are regarded as related parties. Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

#### Principles of valuation of assets and liabilities

**Intangible fixed assets** are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortisation method are reassessed at the end of each financial year. For the costs of research and development, a statutory reserve is formed in the amount of the capitalized amount.

**Tangible fixed assets** are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the expected future useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Land is not depreciated.

## Consolidated Annual Financial Report

### 2.4 Notes to the Consolidated Accounts (cont.)

#### 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 BV. 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 amortised cost. The fair value and amortised 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.

#### Intercompany accounts

The intercompany accounts represent the balances of amounts payable and receivable between the parent company and the subsidiary company.

#### 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 reported on, 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.

## Consolidated Annual Financial Report

### 2.4 Notes to the Consolidated Accounts (cont.)

#### Personnel pension plans

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.

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.

#### Interest income and interest expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.



## Consolidated Annual Financial Report

### 2.4 Notes to the Consolidated Accounts (cont.)

#### 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 to corporate income tax.

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

The consolidated cash flow statement is prepared according to the indirect method. The funds in the cash flow statement consist of cash. Cash flows in foreign currencies are translated at an average rate. Exchange rate differences concerning finances are shown separately in the cash flow statement. Interest received are presented under the cash flow from operating activities. Interest paid and dividend paid are presented under the cash flow from financing activities.



## Consolidated Annual Financial Report

### 2.5 Explanation to the Consolidated Balance Sheet

<b>B01 Intangible fixed assets</b>	<b>Software</b>	<b>Total</b>
Cost	€ 6,976,494	€ 6,976,494
Accumulated depreciation	€ 4,147,181	€ 4,147,181
<b>Book value 1st January 2021</b>	<b>€ 2,829,313</b>	<b>€ 2,829,313</b>
Disposal	€ 81,585	€ 81,585
Acquisitions	€ 4,351,942	€ 4,351,942
Depreciation acquisitions	€ 2,077,366	€ 2,077,366
<b>Changes in the book value 2021</b>	<b>€ 2,274,576</b>	<b>€ 2,274,576</b>
Cost	€ 11,246,851	€ 11,246,851
Accumulated depreciation	€ 6,142,962	€ 6,142,962
<b>Book value 31st December 2021</b>	<b>€ 5,103,889</b>	<b>€ 5,103,889</b>
Depreciation %	33%	

Intangible investments have been in traceability software and some financial software.

<b>B03 Tangible fixed assets</b>	<b>Hardware</b>	<b>Inventory</b>	<b>Office</b>	<b>Total</b>
Cost	€ 389,059	€ 136,059	€ 60,231	€ 585,349
Accumulated depreciation	€ 321,127	€ 101,968	€ 41,939	€ 465,034
<b>Book value 1st January 2021</b>	<b>€ 67,932</b>	<b>€ 34,091</b>	<b>18,292</b>	<b>120,315</b>
Disposals	€ 8,190	€ 0	€ 0	€ 8,190
Acquisitions	€ 82,694	€ 191,212	€ 2,515	€ 276,420
Depreciation acquisitions	€ 59,487	€ 46,291	€ 13,252	€ 119,030
<b>Changes in the book value 2021</b>	<b>€ 31,396</b>	<b>€ 144,921</b>	<b>(€ 10,738)</b>	<b>€ 165,580</b>
Cost	€ 463,563	€ 327,271	€ 62,746	€ 853,580
Accumulated depreciation	€ 372,424	€ 148,259	€ 55,191	€ 575,875
<b>Book value 31st December 2021</b>	<b>€ 91,138</b>	<b>€ 179,012</b>	<b>€ 7,554</b>	<b>€ 277,705</b>
Depreciation %	33%	20%	20%	

The main investments in tangible fixed assets have been in office acquisitions and extra workspaces.

#### B05 Financial fixed assets

Shares India	€ 1,304	€ 1,304
<b>B05 Financial fixed assets</b>	<b>€ 1,304</b>	<b>€ 1,304</b>

The share capital is € 1.304 in UTZ Certified India Ltd, which is a 99,98 % subsidiary of the BV. From the 10.000 shares there are 2 shares (0,02%) in hands of two shareholders.

## Consolidated Annual Financial Report

## 2.5 Explanation to the Consolidated Balance Sheet (cont.)

	2021	2020
Accounts receivable	€ 7,168,844	€ 4,756,637
Accounts receivable to RSPO, incl Broker	€ 3,120,688	€ 2,613,612
Bad debt provision	(€ 367,861)	(€ 224,917)
<b>B06 Accountants receivable</b>	<b>€ 9,921,671</b>	<b>€ 7,145,332</b>
Security deposit	€ 109,309	€ 0
Prepaid expenses	€ 356,192	€ 251,210
Advances in Africa	€ 0	€ 87,578
Advances in Asia	€ 0	€ 145,285
Advances in America	€ 0	€ 92,025
Advances subgrants	€ 103,466	€ 0
Advances to employees	€ 49,672	€ 256
Prepaid pensions	€ 130,905	€ 65,825
Intercompany Rainforest Alliance Shanghai	€ 28,068	€ 0
Intercompany Rainforest Alliance Inc.	€ 0	€ 173,883
To be invoiced	€ 0	€ 219,166
Other receivables and prepaid expenses	(€ 4,332)	€ 3,668
<b>B08 Other receivables and prepaid expenses</b>	<b>€ 773,280</b>	<b>€ 1,038,896</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 (free at disposal)	€ 9,854,494	€ 3,334,622
<b>B09 Cash at banks</b>	<b>€ 9,854,494</b>	<b>€ 3,334,622</b>
Balance as at 1st January General reserve	€ 1,140,555	(€ 1,028,138)
Result of the year	€ 8,339,161	(€ 7,831,307)
From Continuity reserve	(€ 5,000,000)	€ 10,000,000
<b>B11 General reserve</b>	<b>€ 4,479,716</b>	<b>€ 1,140,555</b>

The result of the year is added to the General reserve. The Continuity reserve is built from the General reserve to cover risks in the short term.

Balance as at 1st January Continuity reserve	€ 5,300,000	€ 15,300,000
Transfer to (from) General reserve	€ 5,000,000	(€ 10,000,000)
<b>B12 Continuity reserve</b>	<b>€ 10,300,000</b>	<b>€ 5,300,000</b>

The Continuity reserve is not subject to expenditure restrictions other than resulting from statutory goals of the Foundation. In 2021, we transferred €5M to the Continuity reserve from the General reserve due to reserves remaining on hand and since no transfers were made to RA Inc. In 2022, we will continue to monitor the health of our reserve and ensure that the company has sufficient funds to cover its operating expenses.

## Consolidated Annual Financial Report

### 2.5 Explanation to the Consolidated Balance Sheet (cont.)

Current liabilities	2021	2020
Accounts payable	€ 2,871,457	€ 245,765
Payable to RSPO	€ 2,865,088	€ 3,063,111
Invoices to be received	€ 225,417	€ 944,409
<b>B15 Accounts payable</b>	<b>€ 5,961,962</b>	<b>€ 4,253,285</b>
Value added tax	€ 13,284	€ 18,360
Vendor Withholding taxes	(€ 2,198)	€ 0
Wage tax/social securities	€ 6,263	€ 0
Payroll taxes	€ 255,750	€ 282,363
<b>B16 Taxes and social premiums</b>	<b>€ 273,099</b>	<b>€ 300,723</b>
Strategic Partnership received and not yet spent	€ 0	(€ 68,499)
Other donor funds received and not yet spent	€ 1,894,488	€ 1,879,188
<b>B17 Subsidies received</b>	<b>€ 1,894,488</b>	<b>€ 1,810,689</b>
Provision vacation allowance	€ 397,050	€ 389,888
Untaken vacation days	€ 605,399	€ 563,329
Prepaid expenses Strategic Partnership	€ 0	€ 256,821
Audit accruals	€ 63,000	€ 51,438
Employees payable	€ 2,175	€ 2,195
Projects advances received	€ 0	€ 395,090
Intercompany RA Inc.	€ 1,894,558	€ 0
Other	€ 56,383	€ 2,442
<b>B18 Other liabilities</b>	<b>€ 3,018,564</b>	<b>€ 1,661,205</b>

#### Contingent liabilities

The Foundation office lease contract amounts to € 360K per annum ending 31th March 2024. The total engagement on 31st December 2021 therefore amounting to € 810K:

< 1 year amount to € 360K

< 5 year amount to € 450K

The following bank guarantee has been issued : REAAL De Ruyterkade B.V. in the amount of € 94,294 concerning the rental agreement. The Foundation has to charge reasonable costs to the BV for shared services: usage of office, IT infra structure, reception, administration and services of teams.

## Consolidated Annual Financial Report

### 2.6 Explanation to the Consolidated Income Statement

#### Contingent liabilities (cont.)

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

	2021	2020
Fees cocoa	€ 9,448,162	€ 9,579,160
Fees coffee	€ 18,359,181	€ 12,825,107
Fees palm oil	€ 3,621,560	€ 3,171,512
Fees tea	€ 4,854	€ 221,922
Fees hazelnut	€ 269,100	€ 403,246
Fees herbs & spices	€ 122,708	€ 0
<b>01 Fees</b>	<b>€ 31,825,565</b>	<b>€ 26,200,946</b>
Fees palm oil	€ 10,713,649	€ 8,945,960
Donations to RSPO	(€ 7,092,089)	(€ 5,774,448)
<b>01 Fees palm oil</b>	<b>€ 3,621,560</b>	<b>€ 3,171,512</b>

#### Cocoa fees

Total cocoa program fee income in 2021 is 1% lower than 2020 actual mainly because of decreased production in Africa.

#### Coffee fees

The actual income from coffee program fees continued to grow significantly compared to the past years and in 2021 is 43% higher than 2020 actual, mainly because of higher volumes and increased demand during the COVID-19 pandemic.

#### Palm oil fees

The palm oil fees are 14% higher than actuals in 2020. This increase is the result of higher registered volumes of RSPO Palm Trace and Credit Trade volumes than expected. There is a trend that more palm oil is being purchased for export. RA does not control drive for demand and only gets a transactional volume.

#### Tea fees

The actual fee income in 2021 is 98% lower than 2020 actuals due to tea being the first program to shift to the new unified certification standard under RA Inc.

#### Hazelnut fees

The hazelnut program fees for 2021 is 33% lower than actuals in 2020 as this is the fourth year of this program and is still in its infancy. Fluctuations are expected.

#### Herbs & Spices

The herbs & spices program fees is new for 2021.



## Consolidated Annual Financial Report

## 2.6 Explanation to the Consolidated Income Statement (cont.)

	2021	2020
Strategic partnership	€ 0	€ 3,252,497
Sat4farming	€ 749,266	€ 781,676
RVO Uganda	€ 181,810	€ 48,694
RVO Cote d' Ivoire	€ 56,924	€ 23,919
RVO SDGP	€ 183,050	€ 52,304
Ikea	€ 582,742	€ 30,572
Customized program coffee	€ 466,816	€ 236,948
Customized program palm oil	€ 0	€ 97,000
Customized program cocoa	€ 166,036	€ 18,000
Customized program vanilla	€ 0	€ 7,315
Customized program hazelnuts	€ 3,881	€ 0
Customized program tea	€ 276,837	€ 0
Customized program forestt	€ 7,117	€ 0
Other (diverse small donor fundings)	€ 497,751	€ 101,148
<b>02 Grant Revenue</b>	<b>€ 3,172,230</b>	<b>€ 4,650,073</b>

**Strategic Partnership (SP)**

The Dutch Ministry of Foreign Affairs granted a subsidy of €18 million for the period 2016 -2020 for the Sector Partnerships (SP) program. As the grant ended in 2020 and a mix of smaller grants were won in 2021, income decreased from 2020.

**Other grant revenue**

The other grant revenue amount to €1.75M as the Foundation continued to work on existing grants, as listed above. In 2020, there were several new granted subsidies received from RVO. €921K of actual 2021 income came mainly from customized (extra) services for palm oil from Unilever, coffee from JDE and cocoa from Mars, etc.

The Strategic partnership subsidy can be divided per region and per strategy as follows:

Global	€ 0	€ 1,124,048
Africa	€ 0	€ 1,429,953
America	€ 0	€ 291,219
Asia	€ 0	€ 407,277
Strategic partnership prepaid expenses	€ 0	€ 0
<b>Strategic partnership (regions)</b>	<b>€ 0</b>	<b>€ 3,252,497</b>
Monitoring and evaluation	€ 0	€ 1,061,427
Knowledge management	€ 0	€ 367,840
Lobby & advocacy	€ 0	€ 845,955
Capacity building	€ 0	€ 977,275
Strategic partnership prepaid expenses	€ 0	€ 0
<b>Strategic partnership (strategy)</b>	<b>€ 0</b>	<b>€ 3,252,497</b>

## Consolidated Annual Financial Report

### 2.6 Explanation to the Consolidated Income Statement (cont.)

	2021	2020
Gross salaries	€ 9,171,784	€ 8,121,811
Temporary/interim/consultancy	€ 230,112	€ 125,252
Social premiums	€ 1,727,273	€ 1,278,434
Holiday allowance	€ 659,085	€ 612,572
Pension premiums	€ 626,591	€ 644,618
Vacation days reserve	(€ 5,656)	€ 79,907
<b>Direct personnel expenses</b>	<b>€ 12,409,188</b>	<b>€ 10,862,596</b>
Remote offices	€ 1,403,119	€ 2,273,676
Commute cost	€ 14,371	€ 88,647
Internship cost	€ 0	€ 10,823
Lunch/meals & entertainment	€ 29,628	€ 30,156
Other personnel expenses	€ 15,489	€ 82,777
<b>Indirect personnel expenses</b>	<b>€ 1,462,607</b>	<b>€ 2,486,078</b>
<b>08 Total personnel expenses</b>	<b>€ 13,871,795</b>	<b>€ 13,348,674</b>

Total personnel expenses of €13.8M are €523K or 4% higher than the 2020 actuals of €13.3M. This can be mainly explained by the increase in salary costs from increased hiring and the payments of several transition payments in the Netherlands.

At year end the total number of FTE (including interns) for the Netherlands is 149 (in 2020 140). For the remote offices the total number of headcount is 91 FTE (in 2020 51 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.

## Consolidated Annual Financial Report

### 2.6 Explanation to the Consolidated Income Statement (cont.)

	2021	2020
Grant agreements strategic partnership	€ 0	€ 1,545,163
Grant agreements	€ 749,857	€ 378,072
<b>09 Subgrants</b>	<b>€ 749,857</b>	<b>€ 1,923,235</b>

Grant agreement expenses in 2021 were €1,173K lower than in 2020 due to increased implementation activities.

Advocacy & Themes	€ 14,995	€ 5,683
Africa	€ 282,040	€ 166,937
America	€ 10,978	€ 18,861
Asia	€ 79,844	€ 21,974
Communication	€ 5,031	€ 2,376
Data Excellence	€ 695	€ 0
DMERL (Monitoring & evaluation)	€ 22,577	€ 33,574
General	€ 10,878	€ 2,597
Market transformation	€ 17,229	€ 20,657
Membership support	€ 1,177	€ 12,896
Partnerships	€ 179	€ 9,421
Product management	€ 0	€ 14,608
Regional development (global)	€ 0	€ 2,455
Standards & assurance	€ 38,312	€ 122,631
Strategic partnership	€ 0	€ 70,582
Technology	€ 2,806	€ 27,375
Training	€ 172	€ 7,695
Transformational Innovation	€ 6,358	€ 0
<b>10 Travel costs</b>	<b>€ 493,270</b>	<b>€ 540,319</b>

Travel costs were €47K lower in 2021 compared to 2020 due to COVID-19 travel restrictions.

Recruitment costs	€ 248,552	€ 0
Translation costs	€ 532,658	€ 326,906
Auditors costs	€ 216,111	€ 117,145
Tax advise costs	€ 14,230	€ 11,961
Legal costs	€ 98,662	€ 90,014
Admin and salary costs	€ 77,120	€ 38,035
Arbo costs	€ 54,218	€ 33,378
Consultancy & research	€ 2,908,642	€ 5,117,751
<b>11 Consultants &amp; professional services</b>	<b>€ 4,150,193</b>	<b>€ 5,735,189</b>

Consultant & professional services expenses in 2021 were €1.585K lower than in 2020, due to increased in consultants & research costs mainly due that the implementation of the new seal are finalized in 2020. And starting 2020 the IT consultancy costs are reported under IT services.

## Consolidated Annual Financial Report

### 2.6 Explanation to the Consolidated Income Statement (cont.)

	2021	2020
Technology	€ 734,575	€ 802,915
IT Consultant fees	€ 1,951,117	€ 0
General	€ 0	€ 22,913
Customer experience	€ 0	€ 3,656
<b>12 IT services &amp; Licenses</b>	<b>€ 2,685,693</b>	<b>€ 829,484</b>

IT services & licenses expenses in 2020 were €1.856K higher than in 2020 due to a change in reporting change. In 2020 those costs were reported under consultancy costs.

Office rent	€ 445,611	€ 311,108
General & office	€ 18,556	€ 30,301
Service costs	€ 44,310	€ 66,698
Regional offices expenses	€ 0	€ 216,499
Cleaning	€ 28,630	€ 46,591
Catering	€ 89,705	€ 375
Office materials/maintenance	€ 126,676	€ 19,884
Telephone costs	€ 47,232	€ 41,370
Postage	€ 11,254	€ 3,819
Learning & staff development	€ 75,207	€ 0
Other general costs	€ 294,001	€ 12,220
Board costs (travel)	€ 0	€ 5,418
Bank charges	€ 109,622	€ 85,363
<b>13 Office costs</b>	<b>€ 1,290,804</b>	<b>€ 839,646</b>

Office costs expenses in 2020 were € 451k higher than in 2020, due to COVID-19 restrictions most of the employees has bought an office at home. And more learning & staff development costs.

Africa	€ 27,084	€ 32,485
America	€ 183	€ 0
Asia	€ 3,377	€ 31
Communication	€ 205	€ 4,932
DMERL (Monitoring & evaluation)	€ 2,177	€ 4,678
General	€ 871	€ 5,777
Market development	€ 0	€ 4,728
Membership support	€ 0	€ 114
Partnerships	€ 0	€ 812
Product management	€ 0	€ 218
Standards & assurance	€ 260	€ 29,768
Strategic Partnership	€ 0	€ 10,559
Technology	€ 10,453	€ 53,330
Themes	€ 0	€ 9
Training	€ 0	€ 3,133
<b>14 Equipment &amp; materials</b>	<b>€ 44,610</b>	<b>€ 150,572</b>

Equipment & materials expenses were € 106k lower in 2021 compared to 2020 due to COVID-19 restrictions, still most of the employees worked from home.



## Consolidated Annual Financial Report

### 2.6 Explanation to the Consolidated Income Statement (cont.)

	2021	2020
Dues, Memberships, Subscriptions	€ 174,527	€ 134,627
Advertising and Marketing	€ 38,046	€ 111,294
Promotional materials	€ 40,802	
<b>15 Marketing &amp; subscription fees</b>	<b>€ 253,375</b>	<b>€ 245,920</b>

Marketing & subscription fees remained relatively flat in 2021 as compared to 2020.

Advocacy & Themes	€ 17,442	€ 23,577
Africa	€ 214,126	€ 76,721
America	€ 7,800	€ 22,419
Asia	€ 68,934	€ 10,188
Communication	€ 500	€ 4,975
DMERL (Monitoring & evaluation)	€ 10,135	€ 29,955
General	€ 5,994	€ 73,892
Legal	€ 0	€ 245
Market transformation	€ 7,848	€ 9,409
Partnerships	€ 48	€ 18,958
Product management	€ 0	€ 21,002
Standards & assurance	€ 1,775	€ 66,713
Strategic partnership	€ 0	€ 39,250
Supply Chain Excellence	€ 36,868	€ 4,547
Technology	€ 0	€ 114,951
Training	€ 0	€ 10,993
Transformational Innovation	€ 1,097	€ 0
<b>16 Trainings &amp; workshops</b>	<b>€ 372,568</b>	<b>€ 527,797</b>

Training & workshop expenses decreased in 2021 by €155K due to decreased training activities in Africa, Standard & Assurance, Strategic Partnership and Markets development also due to COVID-19 restrictions on travel.

## Consolidated Annual Financial Report

### 2.6 Explanation to the Consolidated Income Statement (cont.)

	2021	2020
Bad Debt provision	€ 189,990	(€ 114,575)
<b>19 Bad debt expense</b>	<b>€ 189,990</b>	<b>(€ 114,575)</b>
Hardware	€ 59,487	€ 74,631
Inventory and furniture	€ 37,417	€ 27,742
Office	€ 10,738	€ 11,225
Software	€ 2,075,060	€ 1,242,897
<b>18 Depreciation &amp; amortization</b>	<b>€ 2,182,702</b>	<b>€ 1,356,495</b>
<p>Depreciation was €826K higher in 2021 than in 2020 due to continued investments in our certification systems.</p>		
Exchange rate differences	(€ 710,634)	€ 52,222
<b>20 Exchange result</b>	<b>(€ 710,634)</b>	<b>€ 52,222</b>
Interest received	(€ 1,681)	(€ 548)
<b>21 Interest received</b>	<b>(€ 1,681)</b>	<b>(€ 548)</b>

Bad debt expense, Exchange result and Interest received were not budgeted.

## Consolidated Annual Financial Report

## 2.7 Supplementary Information - Schedule of Expenditures Related to IKEA Mt. Kenya Grant

Project: Mount Kenya Sustainable Landscape and Livelihoods Program

Inception August 1, 2020 to December 31, 2021

Presented in grant budget currency: USD

Category	Total Approved Budget (USD)	Claimed/Audited	Claimed/Audited	Total
		Costs Inception - December 31, 2020 (USD)	Costs January 1, 2021 - December 31, 2021 (USD)	Costs Inception - December 31, 2021 (USD)
Personnel costs	\$ 2,234,523	\$ 30,551	\$ 304,151	\$ 334,702
Capital expenditure	294,000	-	86,302	86,302
Travel	585,169	2,574	22,708	25,282
Distributable goods & supplies, infrastructures	34,500	-	-	-
Reports, assessments & publications	172,946	-	63,011	63,011
Communications & visibility	43,000	-	10,996	10,996
Office costs	187,426	628	70,251	70,879
Conferences & meetings	712,818	-	42,829	42,829
Others: Partners Dedicated Amounts & LMB	1,153,000	-	-	-
<b>Total Direct Costs</b>	<b>5,417,382</b>	<b>33,753</b>	<b>600,248</b>	<b>634,001</b>
Indirect Costs	1,218,846	8,438	150,062	158,500
<b>Total Costs</b>	<b>\$ 6,636,228</b>	<b>\$ 42,191</b>	<b>\$ 750,310</b>	<b>\$ 792,501</b>



## Annual Foundation Accounts

## 3.1 Foundation Balance Sheet as of December 31, 2021

	2021	2020
<b>ASSETS</b>		
B01 & B02 Intangible fixed assets	€ 5,103,889	€ 2,829,313
B03 & B04 Tangible fixed assets	€ 277,705	€ 120,315
B05 Financial fixed assets	€ 200,000	€ 200,000
<b>Total Fixed assets</b>	<b>€ 5,581,594</b>	<b>€ 3,149,628</b>
B06 Accounts receivable	€ 282,407	€ 312,399
B07 Taxes	€ 2,843	€ 0
B08 Other receivables and prepaid expenses	€ 667,407	€ 776,087
B09 Cash at banks	€ 1,264,854	€ 1,084,127
B10 Receivable from other subsidairies	€ 123,713	€ 0
B10 Receivable from BV	€ 11,066,454	€ 4,722,900
<b>Total current assets</b>	<b>€ 13,407,678</b>	<b>€ 6,895,513</b>
<b>Total assets</b>	<b>€ 18,989,272</b>	<b>€ 10,045,141</b>
<b>DISPOSABLE RESERVES AND LIABILITIES</b>		
B11 Paid in capital	€ 4,514	€ 3,325
B12 General reserve	€ 4,479,716	€ 1,140,555
B13-15 Continuity reserve	€ 10,300,000	€ 5,300,000
<b>Total disposable reserves</b>	<b>€ 14,784,230</b>	<b>€ 6,443,880</b>
B16 Accounts payable	€ 1,499,199	€ 294,912
B17 Taxes and social premiums	€ 122,261	€ 207,469
B18 Subsidies received	€ 1,828,020	€ 1,810,689
B19 Other liabilities	€ 755,563	€ 1,288,191
<b>Total current liabilities</b>	<b>€ 4,205,042</b>	<b>€ 3,601,261</b>
<b>Total disposable reserves and liabilities</b>	<b>€ 18,989,272</b>	<b>€ 10,045,141</b>

## Annual Foundation Accounts

## 3.2 Foundation Statement of Income and Expenditures for the Year Ended December 31, 2021

	2021	2021 Budget	2020
01 Grant & Contract revenue	€ 2,855,952	€ 2,947,207	€ 4,290,810
Charitable Donations	€ 206,950		
Subsidiary Funding	€ 472,904		
Other income	€ 32,884	€ 0	€ 100
<b>TOTAL INCOME</b>	<b>€ 3,568,690</b>	<b>€ 2,947,207</b>	<b>€ 4,290,910</b>
02 Personnel expenses	€ 9,709,703	€ 11,168,166	€ 10,270,776
03 Subgrants	€ 712,487	€ 1,547,073	€ 1,858,987
04 Travel costs	€ 468,989	€ 765,414	€ 492,160
05 Consultancy & professional services	€ 3,324,051	€ 4,047,780	€ 4,685,895
06 IT services & licenses	€ 2,685,036	€ 1,434,758	€ 825,828
07 Office costs	€ 1,124,335	€ 998,738	€ 746,422
08 Equipment & materials	€ 44,610	€ 166,475	€ 145,512
09 Marketing & subscription fees	€ 200,861	€ 289,337	€ 119,745
10 Trainings & workshops	€ 334,555	€ 1,043,728	€ 492,839
Insurance expenses	€ 76,339	€ 56,772	€ 63,388
Bad debt expense	€ 23,033	€ 0	€ 0
11 Shared services	(€ 4,594,000)	(€ 2,982,000)	(€ 10,010,677)
Allocation between subsidairies	(€ 455,877)	€ 0	€ 0
<b>TOTAL OPERATING EXPENSES</b>	<b>€ 13,654,122</b>	<b>€ 18,536,241</b>	<b>€ 9,690,875</b>
<b>EBITDA</b>	<b>(€ 10,085,432)</b>	<b>(€ 15,589,034)</b>	<b>(€ 5,399,965)</b>
Depreciation	€ 2,182,702	€ 2,172,111	€ 1,356,495
<b>EBIT</b>	<b>(€ 12,268,134)</b>	<b>(€ 17,761,145)</b>	<b>(€ 6,756,460)</b>
Exchange result	(€ 335,956)	€ 0	€ 110,109
Interest received	€ 1,681	€ 0	€ 504
<b>TOTAL FINANCIAL RESULT</b>	<b>(€ 334,275)</b>	<b>€ 0</b>	<b>€ 110,613</b>
<b>RESULT FOUNDATION</b>	<b>(€ 12,602,410)</b>	<b>(€ 17,761,145)</b>	<b>(€ 6,645,847)</b>
Donation to RA Inc.	€ 0	€ 0	(€ 13,186,784)
Payable settlement of funding activities	€ 20,941,571	€ 17,761,145	€ 12,001,324
<b>RESULT OF THE YEAR</b>	<b>€ 8,339,161</b>	<b>€ 0</b>	<b>(€ 7,831,307)</b>
General reserve	€ 8,339,161	€ 0	(€ 7,831,307)
<b>Distribution result</b>	<b>€ 8,339,161</b>	<b>€ 0</b>	<b>(€ 7,831,307)</b>

## Annual Foundation Accounts

### 3.3 Notes to the Foundation Accounts

For notes to the Annual Foundation accounts, we refer to the notes of the Consolidated Annual Accounts unless stated otherwise.

#### Ownership structure

The Foundation is full-owner of the BV and all profits made by the BV flow back entirely into the Foundation before corporate income tax in order to support the Foundation's work. 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 this 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 31459275.

#### Principles of consolidation

The 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.

#### Accounting principles

The company-only 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') and in accordance with the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards. 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.

#### Participations in group companies

Participations in group companies in which significant influence is exercised on the business and financial policy, are valued under the net equity value, but not lower than nil. This net asset value is based on the same accounting principles as applied by the BV. If the net asset value is negative, the participating interest is valued at nil. This likewise takes into account other long-term interests that should effectively be considered part of the net investment in the participating interest. 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.





## Annual Foundation Accounts

## 3.4 Explanation to the Foundation Balance Sheet

	2021	2020
<b>B01-B04 Intangible &amp; Tangible Fixed Assets:</b> reference is made to the notes to the consolidated financial statements.		
Share capital BV	€ 200,000	€ 200,000
<b>B05 Financial fixed assets</b>	<u>€ 200,000</u>	<u>€ 200,000</u>

The BV is a 100% subsidiary of the Foundation.

Accounts receivable	€ 282,407	€ 312,399
<b>B06 Accounts receivable</b>	<u>€ 282,407</u>	<u>€ 312,399</u>
Security deposit	€ 83,720	€ 0
Prepaid expenses	€ 344,951	€ 291,904
Advances in Africa	€ 0	€ 87,578
Advances in Asia	€ 0	€ 145,285
Advances in America	€ 0	€ 92,025
Advances Subgrants	€ 103,466	€ 0
Advances to employees	€ 49,672	€ 0
Prepaid pensions	€ 85,599	€ 0
Other	€ 0	€ 3,668
Intercompany Rainforest Alliance Inc	€ 0	€ 155,627
<b>B08 Other receivables and prepaid expenses</b>	<u>€ 667,407</u>	<u>€ 776,087</u>

Cash handling is avoided, wherever possible. There are yearly audits in origin countries in cases where the total yearly expenses are above € 50K.

Bank accounts (free at disposal)	€ 1,264,854	€ 1,084,127
<b>B09 Cash at banks</b>	<u>€ 1,264,854</u>	<u>€ 1,084,127</u>

The 2021 cash balance remained on par with 2020.



## Annual Foundation Accounts

## 3.4 Explanation to the Foundation Balance Sheet (cont.)

	2021	2020
Accounts payable	€ 1,273,782	€ 240,304
Invoices to be received	€ 225,417	€ 54,608
<b>B16 Accounts payable</b>	<b>€ 1,499,199</b>	<b>€ 294,912</b>
Vendor Withholding taxes	(€ 2,198)	€ 0
Wage tax/social securities	(€ 15,702)	€ 0
Payroll taxes	€ 140,161	€ 207,469
<b>B17 Taxes and social premiums</b>	<b>€ 122,261</b>	<b>€ 207,469</b>
Strategic Partnership already spend	€ 0	(€ 68,499)
Other donor funds received and not yet spend	€ 1,828,020	€ 1,879,188
<b>B18 Subsidies received</b>	<b>€ 1,828,020</b>	<b>€ 1,810,689</b>
Provision vacation allowance	€ 236,578	€ 288,864
Untaken vacation days	€ 406,643	€ 444,261
Audit accruals	€ 63,000	€ 51,438
Prepaid expenses Strategic Partnership	€ 0	€ 256,821
Project advances received	€ 0	€ 244,735
Employees payable	€ 3,848	€ 2,070
Other	€ 45,494	€ 0
<b>B19 Other liabilities</b>	<b>€ 755,563</b>	<b>€ 1,288,191</b>
Intercompany current account	(€ 9,875,117)	(€ 7,278,424)
Payable settlement of fundings	€ 20,941,571	€ 12,001,324
<b>B10 Receivable from BV</b>	<b>€ 11,066,454</b>	<b>€ 4,722,900</b>

Receivable from BV is due to be paid before July 1, 2022 due to tax regulations.

**Contingent liabilities**

The Foundation office lease contract amounts to € 360K per annum ending 31st March 2024. The total engagement on 31st December 2021 therefore amounting to € 810K:

< 1 year amount to € 360K

< 5 year amount to € 450K

The following bank guarantee has been issued : REAAL De Ruyterkade B.V. in the amount of € 94,294 concerning the rental agreement. The Foundation has to charge reasonable costs to the BV for shared services: usage of office, IT infra structure, reception, administration and services of teams.

## Annual Foundation Accounts

## 3.5 Explanation to the Foundation Statement of Income and Expenditures

	2021	2020
Strategic partnership	€ 0	€ 3,252,497
Sat4farming	€ 749,266	€ 781,676
G4AWGC	€ 0	€ 0
RVO Uganda	€ 181,810	€ 48,694
RVO Cote d'Ivoire	€ 56,924	€ 23,919
RVO SDGP	€ 183,050	€ 52,304
Ikea	€ 582,742	€ 30,572
Other (diverse small donor fundings)	€ 1,102,160	€ 101,148
<b>01 Grant &amp; Contract Revenue</b>	<b>€ 2,855,951</b>	<b>€ 4,290,810</b>

**Strategic Partnership (SP)**

The Dutch Ministry of Foreign Affairs granted a subsidy of €18 million for the period 2016 -2020 for the Sector Partnerships (SP) program. As the grant ended in 2020 and a mix of smaller grants were won in 2021, income decreased from 2020.

**Other grant revenue**

The other grant revenue amount to €1.75M as the Foundation continued to work on existing grants, as listed above. In 2020, there were several new granted subsidies received from RVO. €921K of actual 2021 income came mainly from customized (extra) services for palm oil from Unilever, coffee from JDE and cocoa from

The actual Strategic partnership subsidy can be divided per region and per strategy as follows:

Global	€ 0	€ 1,124,048
Africa	€ 0	€ 1,429,953
America	€ 0	€ 291,219
Asia	€ 0	€ 407,277
Strategic partnership prepaid expenses	€ 0	€ 0
<b>Strategic partnership (regions)</b>	<b>€ 0</b>	<b>€ 3,252,497</b>
Monitoring and evaluation	€ 0	€ 1,061,427
Knowledge management	€ 0	€ 367,840
Lobby & advocacy	€ 0	€ 845,955
Capacity building	€ 0	€ 977,275
Strategic partnership prepaid expenses	€ 0	€ 0
<b>Strategic partnership (strategy)</b>	<b>€ 0</b>	<b>€ 3,252,497</b>

## Annual Foundation Accounts

## 3.5 Explanation to the Foundation Statement of Income and Expenditures (cont.)

	2021	2020
Gross salaries	€ 6,593,156	€ 6,283,609
Temporary/interim/consultancy	€ 230,112	€ 124,492
Social premiums	€ 1,125,336	€ 965,767
Holiday allowance	(€ 63,922)	€ 466,687
Pension premiums	€ 450,083	€ 522,914
Vacation days reserve	€ 379,696	€ 50,365
<b>Direct personnel expenses</b>	<b>€ 8,714,459</b>	<b>€ 8,413,834</b>
Remote offices	€ 941,067	€ 1,682,175
Commute cost	€ 5,430	€ 72,415
Internship cost	€ 0	€ 4,782
Lunch/meals & entertainment	€ 31,075	€ 24,154
Other personnel expenses	€ 17,671	€ 73,415
<b>Indirect personnel expenses</b>	<b>€ 995,244</b>	<b>€ 1,856,942</b>
<b>02 Total personnel expenses</b>	<b>€ 9,709,703</b>	<b>€ 10,270,776</b>

Total personnel expenses of €9.7M are €562K or 3% lower than the 2020 actuals of €10.3M. This can be mainly explained by the transfer of staff from the Foundation to RA B.V. to align with RA's structure offset by new hires in the Foundation.

At year end the total number of FTE (incl. interns) in the Foundation is 88,4 (in 2020 101,7).

For the remote offices the total number of headcount is 67 FTE (in 2020 46 FTE).

Grant agreements Strategic Partnership	€ 0	€ 1,545,163
Grant agreements	€ 712,487	€ 313,824
<b>04 Subgrants</b>	<b>€ 712,487</b>	<b>€ 1,858,987</b>

Grant agreement expenses in 2021 were €1.1M lower than in 2020 due to the end of the Strategic Partnership grant in 2020 and decreased implementation activities and restrictions during the COVID-19 pandemic.



## Annual Foundation Accounts

## 3.5 Explanation to the Foundation Statement of Income and Expenditures (cont.)

	2021	2020
Regional development (global)	€ 0	€ 2,455
Africa	€ 282,040	€ 166,937
Asia	€ 79,844	€ 21,974
America	€ 10,978	€ 18,861
Data Excellence	€ 695	€ 0
Standards & assurance	€ 38,312	€ 122,631
Training	€ 172	€ 7,695
Advocacy & Themes	€ 14,896	€ 5,683
Technology	€ 2,806	€ 27,375
Supply Chain Excellence	€ 579	
DMERL (Monitoring & evaluation)	€ 21,220	€ 33,574
Communication	€ 32	€ 2,376
Partnerships	€ 179	€ 9,421
Transformational Innovation	€ 6,459	€ 0
Strategic Partnership	€ 0	€ 70,582
General	€ 10,777	€ 2,597
<b>04 Travel costs</b>	<b>€ 468,989</b>	<b>€ 492,160</b>

Travel costs in 2021 were on par with 2020 as both years were impacted by COVID-19 travel restrictions.

Recruitment costs		-
Translation costs	438,235	301,767
Auditors costs	216,111	68,595
Tax advise costs	14,230	11,961
Legal costs	96,997	83,014
Admin and salary costs	76,181	35,482
Arbo costs	54,218	33,378
Consultancy & research	2,428,078	4,151,700
<b>06 Consultants &amp; professional services</b>	<b>€ 3,324,051</b>	<b>€ 4,685,895</b>

Consultant & professional services expenses in 2021 were €1.4M lower than in 2020 mainly due to reduced consultants & research costs as more of the costs for the improvements to the certification systems and other system improvements were incurred in 2020 (an unusually high year).

## Annual Foundation Accounts

## 3.5 Explanation to the Foundation Statement of Income and Expenditures (cont.)

	2021	2020
General	€ 0	€ 22,913
IT Consultant fees	€ 1,951,117	€ 0
Technology	€ 733,918	€ 802,915
<b>06 IT services</b>	<b>€ 2,685,036</b>	<b>€ 825,828</b>

IT services & licenses expenses in 2021 were €1.9M lower than in 2020 due a conscious decision in the Foundation to outsource technical expertise with the alignment of IT systems.

Bank charges	€ 23,736	€ 20,326
Board costs (travel)	€ 0	€ 5,418
Catering	€ 86,824	€ 245
Cleaning	€ 28,630	€ 46,591
General & Office	€ 18,556	€ 22,188
Learning & staff development	€ 59,388	
Office materials/maintenance	€ 124,451	€ 11,708
Office rent	€ 445,611	€ 311,108
Other general costs	€ 235,930	€ 8,953
Postage	€ 11,008	€ 3,787
Regional offices expenses	€ 0	€ 216,412
Service costs	€ 44,310	€ 66,698
Telephone costs	€ 45,890	€ 32,988
<b>07 Office costs</b>	<b>€ 1,124,335</b>	<b>€ 746,422</b>

Office costs increased by €378K in 2021 as compared to 2020 with most offices reopening in 2021.

Africa	€ 27,084	€ 32,485
America	€ 183	€ 0
Asia	€ 3,377	€ 31
Communication	€ 205	€ 4,932
DMERL (Monitoring & evaluation)	€ 2,177	€ 4,678
General	€ 871	€ 5,777
Partnerships	€ 0	€ 812
Standards & assurance	€ 260	€ 29,768
Strategic Partnership	€ 0	€ 10,559
Technology	€ 10,453	€ 53,330
Themes	€ 0	€ 9
Training	€ 0	€ 3,133
<b>08 Equipment &amp; materials</b>	<b>€ 44,610</b>	<b>€ 145,512</b>

Equipment & materials expenses decreased by €101K due to the endinf of the Strategic Partnership grant in 2020.

## Annual Foundation Accounts

## 3.5 Explanation to the Foundation Statement of Income and Expenditures (cont.)

	2021	2020
Advertising and Marketing	€ 28,004	€ 32,566
Dues, Memberships, Subscriptions	€ 133,360	€ 87,179
Promotional materials	€ 39,496	€ 0
<b>09 Marketing &amp; subscription fees</b>	<b>€ 200,861</b>	<b>€ 119,745</b>

Marketing & subscription fees in 2021 increased by €81K due to expenses related to the new certification standard.

Advocacy & Themes	€ 17,442	€ 23,577
Africa	€ 214,126	€ 76,721
America	€ 7,800	€ 22,419
Asia	€ 68,934	€ 10,188
Communication	€ 0	€ 4,975
DMERL (Monitoring & evaluation)	€ 10,135	€ 29,955
General	€ 5,959	€ 73,892
Legal	€ 0	€ 245
Markets transformation	€ 5,000	€ 0
Partnerships	€ 0	€ 18,958
Standards & assurance	€ 1,775	€ 66,713
Strategic partnership	€ 0	€ 39,250
Supply Chain Excellence	€ 2,286	€ 0
Technology	€ 0	€ 114,951
Training	€ 0	€ 10,993
Transformational Innovation	€ 1,097	€ 0
<b>10 Trainings &amp; workshops</b>	<b>€ 334,555</b>	<b>€ 492,839</b>

Training & workshop expenses decreased in 2021 by €158K due to decreased training activities in Africa, Standard & Assurance and due to the end of the Strategic Partnership grant.

## Annual Foundation Accounts

## 3.5 Explanation to the Foundation Statement of Income and Expenditures (cont.)

	2021	2020
Regional development	€ 0	€ 800,000
Standards & certification	€ 0	€ 1,065,757
Training and themes	€ 0	€ 763,000
Technology	€ 0	€ 5,450,920
Monitoring and impact	€ 0	€ 142,000
Communication	€ 0	€ 271,000
Partnerships	€ 0	€ 426,000
Sector partnerships	€ 0	€ 584,000
General & administration	€ 0	€ 508,000
Personnel expenses	€ 3,519,000	€ 0
Grants strategic partnership	€ 159,000	€ 0
Travel costs	€ 181,000	€ 0
Consultancy & professional services	€ 1,331,000	€ 0
IT services & licenses	€ 920,000	€ 0
Office costs	€ 343,000	€ 0
Equipment & materials	€ 15,000	€ 0
Marketing & subscription fees	€ 75,000	€ 0
Trainings & workshops	€ 111,000	€ 0
Insurance expenses	€ 28,000	€ 0
Bank & Other Fees	€ 10,000	€ 0
Depreciation & Amortization	€ 38,000	€ 0
Technology - non depreciation costs	(€ 1,274,000)	€ 0
Standard & Assurance	(€ 862,000)	€ 0
<b>11 Shared services</b>	<b>€ 4,594,000</b>	<b>€ 10,010,677</b>

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



**Consolidated Annual Financial Report****4.1 Other Information**

<b>Appropriation of the Result</b>	<b>2021</b>	<b>2020</b>
RESULT FOUNDATION	(€ 12,602,410)	(€ 19,832,631)
RESULT BV	€ 20,941,571	€ 12,001,324
<b>RESULT OF THE YEAR</b>	<b>€ 8,339,162</b>	<b>(€ 7,831,307)</b>

The result of the year will be added to the general reserve.

**Statutory rules concerning appropriation of result**

The articles of association of the Foundation 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.

**Subsequent events**

The Foundation has evaluated subsequent events occurring after the balance sheet date through the date of the report of the independent auditors. Based on this evaluation, Foundation 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 continues in both the Netherlands and the world. While our operations have not been negatively impacted by the pandemic to date, we will continue to monitor the situation and its potential impact on the company. We recognize that we may still experience impediments to the company's business operations which may affect negatively the company's future financial position.

DocuSigned by:

*Santiago Gowland*

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Santiago Gowland  
Director Stichting Rainforest Alliance  
July 19, 2022

**Board Members Rainforest Alliance 2021**

Johanna Wijn .....

Anisha Pushpika Rajapakse .....

Antonius van Der Laan (Vice Chairman) .....

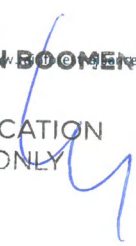
Anurag Priyadarshi .....

Dan Houser .....

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**Rainforest Alliance Board Members 2021 (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	.....



**Consolidated Annual Financial Report**

**5.1 Independent Auditors' Report**

The report of the independent auditor is included hereinafter.



## **INDEPENDENT AUDITOR'S REPORT**

To: The supervisory board of Stichting Rainforest Alliance

### **Report on the audit of the financial statements 2021 included in the annual financial report**

#### **Our opinion**

We have audited the financial statements 2021 of Stichting Rainforest Alliance based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Rainforest Alliance as at December 31, 2021 and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code and specific in accordance the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards.

The financial statements comprise:

1. the consolidated and company balance sheet as at December 31, 2021;
2. the consolidated and company income statement for 2021; 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 Stichting Rainforest Alliance in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), 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.

#### **HLB Witlox Van den Boomen Audit N.V.**

HLB WVDB Audit  
Prof. Asserweg 8  
5144 NC Waalwijk

P.O. Box 460  
5140 AL Waalwijk

T: +31(0)41-6330505

E: info@hnb-wvdb.nl  
CoC: 17187876



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

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

The other information consists:

- the report of the Supervisory Board;
- the report of the Leadership Team;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code and the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards.

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 and as required by the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards.

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.

The Leadership Team (management) 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 the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards and other information as required by Part 9 of Book 2 of the Dutch Civil Code and the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards.

## **Description of responsibilities regarding the financial statements**

### **Responsibilities of management and for the financial statements**

Management (Leadership Team) is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil and the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards. 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.

The supervisory board is responsible for overseeing the company's financial reporting process.

### **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.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with those charged with governance (the supervisory board) 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, July 20, 2022

HLB Witlox Van den Boomen Audit N.V.

drs. E.W. van der Haar  
Registeraccountant

Initials for identification purposes:

