



STICHTING RAINFOREST ALLIANCE

Consolidated Annual Financial Report

For the year ended December 31, 2022

With Independent Auditors' Report

STICHTING RAINFOREST ALLIANCE
Consolidated Annual Financial Report
Table of Contents

c1	Cover Page
c2	Table of Contents
	Board report
c3-4	1.1 General Information
c5-6	1.2 Board Report
c7-11	1.3 Report of the Leadership Team
	Consolidated Annual Accounts
c12	2.1 Consolidated Balance Sheet as of December 31, 2022
c13	2.2 Consolidated Statement of Income and Expenditures for the Year Ended December 31, 2022
c14	2.3 Consolidated Statement of Cash Flows as of December 31, 2022
C15-20	2.4 Notes to the Consolidated Accounts
C21-23	2.5 Explanation to the Consolidated Balance Sheet
c24-30	2.6 Explanation to the Consolidated Statement of Income and Expenditures
c31	2.7 Supplementary Information - Schedule of Expenditures Related to IKEA Mt. Kenya Grant
	Annual Foundation Accounts
f32	3.1 Foundation Balance Sheet as of December 31, 2022
f33	3.2 Foundation Statement of Income and Expenditures for the Year Ended December 31, 2022
f34	3.3 Notes to the Foundation Accounts
f35-36	3.4 Explanation to the Foundation Balance Sheet
f37-43	3.5 Explanation to the Foundation Statement of Income and Expenditures
c44	4.1 Other Information
c45	5.1 Independent Auditors' Report

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 Senior Manager, Standards (non-voting member) representing the category of employees of the Rainforest Alliance.

Supervisory Board Members 2022

Anisha Pushpika Rajapakse

Antonius van der Laan (Vice Chairman)

Anurag Priyadarshi

Dan Houser

Daniel Katz (Chairman)

Eric Rothenberg

Johanna Wijn

Juan Esteban Orduz Trujillo

Kerri Smith

Labeeb Abboud (departed Feb 2023)

Marilu Hernandez de Bosoms

Nalin Miglani

Nina Haase

Paul Douglas Rubacha

Peter Lehner

Consolidated Annual Financial Report

1.1 General Information (cont.)

Supervisory Board Members 2022 (cont.)

Peter Schulte (Treasurer)

Sarah Jane Danchie

Sonila Cook

Tasso Azevedo

Vanusia Nogueira

Wendy Gordon Rockefeller

Leadership Team Members 2022:

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

Margriet Glazenborg, Chief People Officer

Alik Hinckson, Chief Financial Officer (resigned September 2022)

Adam Cox, Chief Financial Officer (started September 2022)

Molly Stark, General Counsel (Secretary)

Alex Morgan, Chief Global Engagement Officer (resigned February 2023)

Ria Stout, Chief Program Officer

Aparajita Bhalla, Chief Development Officer (resigned May 2023)

Consolidated Annual Financial Report

1.2 Board Report

Legal Structure

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

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

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 2022, the Supervisory Board met 4 times for regular meetings in February, May, September and November.

Board Agenda 2022

In 2022, the Board had the pleasure of guiding the Leadership Team in the areas of: Strategic Plan Development for 2023-2030, Corporate Engagement Strategy, Enterprise Priorities & Goals, Standards Development, Re-imagining Certification, Annual Plan & Budget, Diversity, Equity & Inclusion Strategy and Technology Strategy among other key strategic topics.

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 April 2023, the Finance Committee approved the CY2023 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 2022, the A&R committee, along with the Leadership Team invited the external auditor to review and approve the 2021 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 2021 and the summary budget 2022 are clear and responsible. It therefore advised the Supervisory and Holding Boards to approve the audited financial statements for 2021.

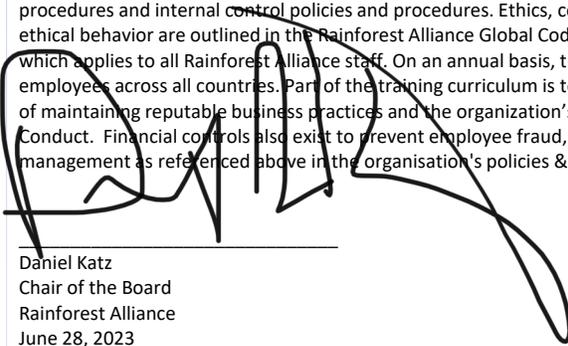
By the 19th July 2022, the Board reviewed and approved the 2021 report of the Leadership Team and financial results presented in this consolidated annual report.

Compliance with laws and regulations

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

Fraud risk

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



Daniel Katz
Chair of the Board
Rainforest Alliance
June 28, 2023

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

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

Stichting Rainforest Alliance (the "Foundation" formerly known as Stichting UTZ) focuses on innovative partnerships with companies, farmers, NGOs, governments and others in support of Rainforest Alliance's worldwide mission and strategy plan. The Foundation continues to win grants from corporations, foundations and governments in 2022 to continue its sector-wide approach to achieve the Strategic Plan.

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

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 2022, the Foundation staff increased mainly in region locations from 155 in 2021 (88 in Amsterdam and 67 in the regions) to 186 (83 in Amsterdam and 103 in the regions). In 2022, the BV staff increased again mainly in the regions from 85 (61 in Amsterdam and 24 in the regions) to 120 (68 in Amsterdam and 52 in the regions) due to filling of increased vacant positions in the regions to set the organization up for implementing the 2023-2030 strategic plan. 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 Rainforest Alliance 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.
- By the nature of certification work, accounts receivable presents the risk of overdue payments. Therefore accounts receivable are weekly monitored and monthly evaluated in coordination with program teams to ensure efficient collections through Rainforest Alliance Inc. in order to fully support the mission work in our offices. Reminders are sent and finally members with payments overdue can be suspended from business.

Consolidated Results 2022 & 2021

	2022 Actuals	2022 Budget	2021 Actuals	2021 Budget
01 Fees	€ 3.731.287	€ 3.226.471	€ 31.825.565	€ 22.023.788
02 Grant & contract revenue	€ 2.576.719	€ 3.495.861	€ 3.172.230	€ 2.947.207
Charitable Donations	€ 12.094.083	€ 28.239.457	€ 0	€ 0
05 Other income	€ 180.130	€ 0	€ 713.194	€ 0
TOTAL INCOME	€ 18.582.219	€ 34.961.789	€ 35.710.989	€ 24.970.995
06 Personnel expenses	€ 16.344.450	€ 16.130.645	€ 13.871.795	€ 14.600.949
Other expenses	€ 12.754.966	€ 14.589.552	€ 10.306.699	€ 12.694.867
Total Operating expenses	€ 29.099.416	€ 30.720.197	€ 24.178.494	€ 27.295.816
Result before depreciation	(€ 10.517.197)	€ 4.241.592	€ 11.532.495	(€ 2.324.821)
Depreciation	€ 3.068.094	€ 3.648.688	€ 2.182.702	€ 2.172.111
Result after depreciation	(€ 13.585.291)	€ 592.905	€ 9.349.793	(€ 4.496.932)
TOTAL FINANCIAL RESULT	€ 761.507	€ 0	€ 712.315	€ 0
20 Overhead allocation from RA Inc.	(€ 1.055.192)	(€ 3.373.846)	(€ 1.722.947)	€ 0
RESULT OF THE YEAR	(€ 13.878.976)	(€ 2.780.942)	€ 8.339.161	(€ 4.496.932)

Consolidated current year results & future outlook

Total operating expenses increased to €29.0M compared to the 2021 operating expenses of €24.2M driven by increased staffing in our regions and expected increases in technology costs from 2021 and 2022's continued developments to our certification & traceability software.

Total income is €18.5M which represents a 48% decrease compared to the 2021's income of €35.7M. The consolidated net result for 2022 decreased to a loss of (€14.3M) from the 2021 result of €8.3M mostly due to the unification of the Rainforest Alliance Certification Standard which meant that certification fee income shifted to RA Inc. from 2022 and on. RA Inc. began to and will continue to fund the Foundation and RA BV for the foreseeable future to ensure all operating expenses are covered. Without certification fee income being generated within the Foundation, it used its residual cash from 2021, consistent palm oil revenue and collections in 2022 to fund operations. RA Inc. then began regular donations to the Foundation to fund its operations and that of BV.

Consolidated Annual Financial Report

1.3 Report of the Leadership Team (cont.)

Consolidated current year results & future outlook (cont.)

In 2023, we expect a significant increase in donations from RA Inc. as not only will it fund the Foundation and BV for a full year for the first time and during a year when expenses are expected to be significantly higher for the Foundation. Expect to see significant increases in certification staffing in regions, addition of leadership team members, trainings and workshops, subgrant expenses and investment in information technology for impact data systems as we begin to operationalize our 2023-2023 Strategic Plan. We also expect to see constant palmoil revenue in BV and continued growth in our grant and contract revenue in the Foundation as compared to 2022 actual income from secured and expected grant wins as we continue to build partnerships and alliances to drive impact.

In 2022, we transferred the full amount of €10.3M from the Continuity reserve to the General reserve due to reserves remaining on hand to be used for operations and since no transfers were made to RA Inc. in 2022. These reserves in addition to funding from RA Inc. supported the Foundation in its activities.

Foundation current year results & future outlook

The Foundation net result for 2022 is a loss of €2.4M which is an approximately 80% increase compared to the 2021 higher loss result of €11.5M. Total 2022 income is €8.8M which represents an approximately 540% increase compared to the 2021 result of €1.4M largely due to donations from RA Inc. Total operating expenses were €7.8M which represents a 26% decrease compared to the 2021 operating expenses of €10.7M. These 2022 results occurred primarily due to the unification of the Rainforest Alliance Certification Standard which meant that certification fee income shifted to RA Inc. from 2022 and on. RA Inc. began to and will continue to fund the Foundation and RA BV for the foreseeable future to ensure all operating expenses are covered. As cash was used for operations within the Foundation in 2022, RA Inc. began regular donations to the Foundation to fund its operations and that of BV. This loss was anticipated and so the Foundation came in close to its budgeted loss for 2022.



Santiago Gowland
 Director Stichting Rainforest Alliance
 Rainforest Alliance
 June 28, 2023

Consolidated Annual Financial Report

Consolidated Annual Accounts

2.1 Consolidated Balance Sheet as of December 31, 2022

(After appropriation of results)

	2022	2021
ASSETS		
B01 Intangible fixed assets	€ 5.150.345	€ 5.103.889
B02 Tangible fixed assets	€ 266.843	€ 277.705
B03 Financial fixed assets	€ 1.304	€ 1.304
Total fixed assets	€ 5.418.492	€ 5.382.898
B04 Accounts receivable	€ 3.801.805	€ 9.921.671
B05 Taxes	€ 141.395	€ 0
B06 Other receivables and prepaid expenses	€ 813.596	€ 773.280
B07 Cash at banks	€ 3.186.453	€ 9.854.494
Total current assets	€ 7.943.249	€ 20.549.445
Total assets	€ 13.361.740	€ 25.932.343
DISPOSABLE RESERVES AND LIABILITIES		
B08 Paid in capital in branches	€ 5.019	€ 4.514
B09 General reserve	€ 900.740	€ 4.479.716
B10 Continuity reserve	€ 0	€ 10.300.000
Total disposable reserves	€ 905.758	€ 14.784.230
B11 Accounts payable	€ 6.310.959	€ 5.961.962
B12 Taxes and social premiums	€ 610.874	€ 273.099
B13 Subsidies received	€ 2.464.502	€ 1.894.488
B14 Other liabilities	€ 3.069.648	€ 3.018.564
Total current liabilities	€ 12.455.982	€ 11.148.113
Total disposable reserves and liabilities	€ 13.361.740	€ 25.932.343

Consolidated Annual Financial Report

2.2 Consolidated Statement of Income and Expenditures for the Year Ended December 31, 2022

	2022	2022 Budget	2021
Fees cocoa	(€ 11.017)	€ 0	€ 9.448.162
Fees coffee	€ 374.395	€ 0	€ 18.359.181
Fees palmoil	€ 3.281.269	€ 3.226.471	€ 3.621.560
Fees tea	€ 0	€ 0	€ 4.854
Fees hazelnuts	(€ 458)	€ 0	€ 269.100
Fees herbs & Spices	€ 87.098	€ 0	€ 122.708
01 Fees	€ 3.731.287	€ 3.226.471	€ 31.825.565
02 Grant & contract revenue	€ 2.576.719	€ 3.495.861	€ 3.172.230
03 Charitable Donations	€ 169.512	€ 0	€ 206.950
04 Subsidiary Funding	€ 12.094.083	€ 28.239.457	€ 472.904
05 Other income	€ 10.618	€ 0	€ 33.340
TOTAL INCOME	€ 18.582.219	€ 34.961.789	€ 35.710.989
06 Personnel expenses	€ 16.344.450	€ 16.130.645	€ 13.871.795
07 Subgrants	€ 636.815	€ 996.213	€ 749.857
08 Travel costs	€ 1.618.558	€ 1.321.409	€ 493.270
09 Consultancy & professional services	€ 4.663.683	€ 5.628.366	€ 4.150.193
10 IT services & licenses	€ 3.141.956	€ 3.291.808	€ 2.685.693
11 Office costs	€ 1.231.243	€ 1.237.537	€ 1.290.804
12 Equipment & materials	€ 107.890	€ 182.579	€ 44.610
13 Marketing & subscription fees	€ 575.313	€ 727.968	€ 253.375
14 Trainings & workshops	€ 818.802	€ 1.156.352	€ 372.568
15 Insurance expenses	€ 102.568	€ 47.321	€ 76.339
16 Bad debt expense	(€ 141.861)	€ 0	€ 189.990
TOTAL OPERATING EXPENSES	€ 29.099.416	€ 30.720.197	€ 24.178.494
Result before depreciation	(€ 10.517.197)	€ 4.241.592	€ 11.532.495
17 Depreciation	€ 3.068.094	€ 3.648.688	€ 2.182.702
Result after depreciation	(€ 13.585.291)	€ 592.905	€ 9.349.793
18 Exchange result	€ 775.628	€ 0	€ 710.634
19 Interest received	(€ 14.121)	€ 0	€ 1.681
TOTAL FINANCIAL RESULT	€ 761.507	€ 0	€ 712.315
RESULT Foundation and BV	(€ 12.823.784)	€ 592.905	€ 10.062.108
20 Overhead allocation from RA Inc.	€ 1.055.192	€ 3.373.846	€ 1.722.947
RESULT OF THE YEAR	(€ 13.878.976)	(€ 2.780.942)	€ 8.339.161
appropriation of result			
B09 General reserve (withdrawal)	(€ 13.878.976)	(€ 2.780.942)	€ 8.339.161
	(€ 13.878.976)	(€ 2.780.942)	€ 8.339.161

Consolidated Annual Financial Report

2.3 Consolidated Statement of Cash Flows as of December 31, 2022

	2022	2021
Operating Income (EBIT)	(€ 13.585.291)	€ 9.349.793
Depreciation	€ 3.068.094	€ 2.196.397
Accounts receivable	€ 6.119.867	(€ 2.776.339)
Taxes and social premiums	€ 479.170	(€ 27.624)
Other receivables and prepaid expenses	(€ 40.316)	€ 265.616
Accounts payable	€ 348.997	€ 1.708.677
Subsidies received	€ 570.013	€ 83.799
Other current liabilities	€ 51.083	€ 1.357.360
Paid in capital India	€ 505	€ 1.187
Cumulative Translation Adjustment	(€ 323.676)	
Net Cash Flow from Operating Activities	(€ 3.311.553)	€ 12.158.866
Intangible fixed assets	(€ 3.002.966)	(€ 4.351.942)
Tangible fixed assets	(€ 118.007)	(€ 276.420)
Net Cash Flow from Investing Activities	(€ 3.120.973)	(€ 4.628.362)
Financial result	€ 761.507	€ 712.315
Indirect allocation	(€ 1.055.192)	(€ 1.722.947)
Net Cash Flow from Financing Activities	(€ 293.685)	(€ 1.010.632)
Net change in Cash / Net Cash Flow	(€ 6.726.211)	€ 6.519.872
Cash and cash equivalents at 1 January	€ 9.854.494	€ 3.334.622
Exchange rate difference cash at 1 January	(€ 58.170)	€ 0
Cash at period end	€ 3.186.453	€ 9.854.494
Net change in Cash / Net Cash Flow	(€ 6.726.211)	€ 6.519.872
Result of the year	(€ 13.878.976)	€ 8.339.161
(= 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 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.

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.

Stichting Rainforest Alliance (the "Foundation" formerly known as Stichting UTZ) focuses on innovative partnerships with companies, farmers, NGOs, governments and others in support of Rainforest Alliance's worldwide mission and strategy plan. The Foundation continues to win grants from corporations, foundations and governments in 2022 to continue its sector-wide approach.

Under the Rainforest Alliance Standard, the BV's program work consists of certified coffee, cocoa, tea and hazelnuts and is produced in over 40 countries and the program operates in more than 130 countries, working with approximately 1 million farmers and over 250,000 workers. Through certification, BV works to connect parties in a transparent supply chain so that they can make credible claims and so that companies can trace their products back to farms that have introduced better practices, based on the new unified Rainforest Alliance certification standard.

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. The offices are owned by the Foundation and BV as follows:

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

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

Accounting principles

The consolidated financial statements are prepared in accordance with the Guideline for annual reporting RJ 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. Grant revenue is recognized as expenses are incurred, except for unconditional grants which are recognized in full at the start of the grant.

Fees

All fees are based on a price per KG, converted into a EUR price per metric ton (MT) for cocoa and tea or an USD price per MT for coffee and palm oil. The prices differ per product because of the different services provided. For every product the prices are agreed upon with the product stakeholder. These fees will phase out as they will be invoiced through Rainforest Alliance Inc. and will return to Foundation to support through donations to fund operations.

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, if positive, 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

B01 Intangible fixed assets	Software	Total
Cost	€ 11.246.851	€ 11.246.851
Accumulated depreciation	€ 6.142.962	€ 6.142.962
Book value 1st January 2022	€ 5.103.889	€ 5.103.889
Disposal	€ 0	€ 0
Acquisitions	€ 3.002.966	€ 3.002.966
Depreciation acquisitions	€ 2.956.510	€ 2.956.510
Changes in the book value 2022	€ 46.455	€ 46.455
Cost	€ 14.249.817	€ 14.249.817
Accumulated depreciation	€ 9.099.473	€ 9.099.473
Book value 31st December 2022	€ 5.150.344	€ 5.150.344
Depreciation %	33%	

Intangible investments have been in traceability software as originally owned by the Foundation and financial software. In 2022, the unified Rainforest Alliance Standard was in place and invoicing for this programmatic work changed to RA Inc. which owns the new standard (see page c5).

B02 Tangible fixed assets	Hardware	Inventory	Office	Total
Cost	€ 463.563	€ 327.271	€ 62.746	€ 853.580
Accumulated depreciation	€ 372.161	€ 148.259	€ 55.191	€ 575.612
Book value 1st January 2022	€ 91.401	€ 179.012	7.554	277.968
Disposals	€ 15.139	€ 0	€ 0	€ 15.139
Acquisitions	€ 101.957	€ 16.050	€ 0	€ 118.007
Depreciation acquisitions	€ 68.368	€ 38.070	€ 7.555	€ 113.993
Changes in the book value 2022	€ 48.728	(€ 22.020)	(€ 7.555)	€ 19.153
Cost	€ 550.381	€ 343.321	€ 62.746	€ 956.448
Accumulated depreciation	€ 440.530	€ 186.329	€ 62.746	€ 689.604
Book value 31st December 2022	€ 109.852	€ 156.992	(€ 0)	€ 266.844
Depreciation %	33%	20%	20%	

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

B03 Financial fixed assets

Shares India	€ 1.304	€ 1.304
B03 Financial fixed assets	€ 1.304	€ 1.304

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.)

	2022	2021
Accounts receivable	€ 472.572	€ 7.168.844
Accounts receivable to RSPO, incl Broker	€ 3.562.136	€ 3.120.688
Bad debt provision	(€ 232.903)	(€ 367.861)
B04 Accountants receivable	€ 3.801.805	€ 9.921.671
Security deposit	€ 167.590	€ 109.309
Prepaid expenses	€ 222.160	€ 356.192
Advances Consultance	€ 12.895	€ 0
Advances Subgrants	€ 84.800	€ 103.466
Advances to Staff	€ 114.926	€ 49.672
Prepaid pensions	€ 62.555	€ 130.905
Intercompany Rainforest Alliance Shanghai	€ 0	€ 28.068
Other receivables and prepaid expenses	€ 148.669	(€ 4.332)
B06 Other receivables and prepaid expenses	€ 813.596	€ 773.280

The fair value of the receivables approximates the carrying value due to their short-term character and the fact that provisions for bad debt are recognized where necessary. Due to the ownership of the new Rainforest Alliance Standard, from 2022 and on, receivables and corresponding income for certification fees are borne by Rainforest Alliance Inc.

Bank accounts (free at disposal)	€ 3.186.453	€ 9.854.494
B07 Cash at banks	€ 3.186.453	€ 9.854.494

The decrease in 2022 cash balance is due to the fact that there were less certification fees. All crops except Palm Oil are invoiced from RA Inc, starting in 2022. As a result, there was a significant reduction in cash, but BV will continue to be funded by RA Inc. as it collects the certification fees income. The cash balances from 2021 was used in 2022 until funding began regularly in 2022 by RA Inc.

Balance as at 1st January General reserve	€ 4.479.716	€ 1.140.555
Result of the year	(€ 13.878.976)	€ 8.339.161
To Continuity reserve	€ 10.300.000	(€ 5.000.000)
B09 General reserve	€ 900.740	€ 4.479.716

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. The difference of the General reserve between foundation and consolidated of € 11.637.974,- is the loss of BV over 2022.

Balance as at 1st January Continuity reserve	€ 10.300.000	€ 5.300.000
Transfer to (from) General reserve	(€ 10.300.000)	€ 5.000.000
B10 Continuity reserve	€ 0	€ 10.300.000

The Continuity reserve is not subject to expenditure restrictions other than resulting from statutory goals of the Foundation. In 2022, we transferred the full amount of €10.3M from the Continuity reserve to the General reserve due to reserves remaining on hand to be used for operations and since no transfers were made to RA Inc. in 2022. These reserves in addition to funding from RA Inc. supported the Foundation in its activities.

Consolidated Annual Financial Report

2.5 Explanation to the Consolidated Balance Sheet (cont.)

Current liabilities	2022	2021
Accounts payable	€ 3.057.676	€ 2.871.457
Payable to RSPO	€ 3.253.283	€ 2.865.088
Invoices to be received	€ 0	€ 225.417
B11 Accounts payable	€ 6.310.959	€ 5.961.962
Value added tax	€ 0	€ 13.284
Vendor Withholding taxes	€ 2.745	(€ 2.198)
Wage tax/social securities	€ 41.670	€ 6.263
Payroll taxes	€ 566.459	€ 255.750
B12 Taxes and social premiums	€ 610.874	€ 273.099
Other donor funds received and not yet spent	€ 2.464.502	€ 1.894.488
B13 Subsidies received	€ 2.464.502	€ 1.894.488
Provision vacation allowance	€ 408.874	€ 397.050
Untaken vacation days	€ 577.298	€ 605.399
Audit accruals	€ 46.150	€ 63.000
Employees payable	€ 0	€ 2.175
Projects advances received	€ 0	€ 0
Intercompany with INC	€ 1.690.114	€ 1.894.558
Other	€ 347.211	€ 56.383
B14 Other liabilities	€ 3.069.648	€ 3.018.564

In 2021, the Rainforest Alliance began attributing a fair share of indirect expenses across its primary reporting subsidiaries based on their relative expenses. Therefore, Intercompany to RA Inc. consists primarily of the indirect allocation costs attributed to the organization to cover its fair share of these costs.

Contingent liabilities

The Foundation office lease contract amounts to € 360K per annum ending 31st March 2024. The total engagement on 31st December 2022 therefore amounting to € 450K:

< 1 year amount to € 360K

< 5 year amount to € 90K

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 Statement of Income and Expenditures

Contingent liabilities (cont.)

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

	2022	2021
Fees cocoa	(€ 11.017)	€ 9.448.162
Fees coffee	€ 374.395	€ 18.359.181
Fees palm oil	€ 3.281.269	€ 3.621.560
Fees tea	€ 0	€ 4.854
Fees hazelnut	(€ 458)	€ 269.100
Fees herbs & spices	€ 87.098	€ 122.708
01 Fees	€ 3.731.287	€ 31.825.565
Fees palm oil	€ 11.698.240	€ 10.713.649
Donations to RSPO	(€ 8.416.971)	(€ 7.092.089)
01 Fees palm oil	€ 3.281.269	€ 3.621.560

Cocoa, coffee, tea, hazelnut, herbs & spices fees

Total commodity program fee income in 2022 is substantially lower than 2021 as 2021 was the final year for the now-retired UTZ standard. In 2022, the unified Rainforest Alliance Standard was in place and invoicing for this programmatic work took place out of Rainforest Alliance Inc. which owns the new standard (see page c5). Invoicing and collections there remain strong for the global organization.

Palm oil fees

The palm oil fees are 9% lower than actuals in 2021. This decrease is the result of higher registered volumes of RSPO Palm Trace and Credit Trade volumes of €984K than expected. There is a trend that more palm oil is being purchased for export. Starting in 2022, RSPO received a higher fee of the total palm oil revenue.

Consolidated Annual Financial Report

2.6 Explanation to the Consolidated Statement of Income and Expenditures (cont.)

	2022	2021
Sat4farming	€ 0	€ 749.266
RVO Uganda	€ 149.727	€ 181.810
RVO Cote d' Ivoire	€ 60.912	€ 56.924
RVO SDGP	€ 377.096	€ 183.050
RVO JDE Vietnam	€ 167.658	€ 0
RVO Turkey	€ 101.347	€ 0
RVO Guatemala	€ 7.500	€ 0
Ikea	€ 1.049.420	€ 582.742
GIZ Cote d'Ivoire	€ 117.371	€ 0
Cloetta Cote d'Ivoire	€ 130.000	€ 0
Customized program coffee	€ 34.869	€ 466.816
Customized program cocoa	€ 0	€ 166.036
Customized program hazelnuts	€ 0	€ 3.881
Customized program tea	€ 0	€ 276.837
Customized program forestt	€ 60.381	€ 7.117
Other (diverse small donor fundings)	€ 320.438	€ 497.751
02 Grant Revenue	€ 2.576.719	€ 3.172.230

Other grant revenue

The other grant revenue amounts decreased €595K, compared with 2021. In 2022, there were several more new granted subsidies received from RVO for €442k and Ikea for 466k. This income came mainly from customized (extra) services for cocoa and coffee. The project Sat4farming (also RVO) ended 2021.

Consolidated Annual Financial Report

2.6 Explanation to the Consolidated Statement of Income and Expenditures (cont.)

	2022	2021
Donations	€ 169.512	€ 206.950
03 Charitable Donations	€ 169.512	€ 206.950

This amount represents individual and corporate donor contributions for the purposes of supporting the organization's non-profit mission activities.

Subsidiary funding	€ 12.094.083	€ 472.904
04 Subsidiary Funding	€ 12.094.083	€ 472.904

This amount represents funding provided to the organization's offices outside of the Netherlands in various currencies where such offices require the amounts sent to be represented as income.

Gross salaries	€ 10.055.890	€ 9.171.784
Temporary/interim/consultancy	€ 387.083	€ 230.112
Social premiums	€ 1.748.252	€ 1.727.273
Holiday allowance	€ 631.434	€ 659.085
Pension premiums	€ 603.159	€ 626.591
Vacation days reserve	€ 763	(€ 5.656)
Direct personnel expenses	€ 13.426.580	€ 12.409.188
Remote offices	€ 2.802.330	€ 1.403.119
Commuter cost	€ 18.589	€ 14.371
Lunch/meals & entertainment	€ 63.232	€ 29.628
Other personnel expenses	€ 33.718	€ 15.489
Indirect personnel expenses	€ 2.917.869	€ 1.462.607
06 Total personnel expenses	€ 16.344.450	€ 13.871.795

Total direct personnel expenses of €13.4M are €1.017K or 8% higher than the 2022 actuals of €12.4M. This can be mainly explained by the increase in salary costs from increased hiring, the inflation correction at October 2022 of 3% and the payments of several transition payments in the Netherlands. The indirect personnel expenses are increased mainly due to the extension of remote employees in 2022.

At year end the total number of FTE (including interns) for the Netherlands is 151 (in 2021 149). For the remote offices the total number of headcount is 156 FTE (in 2021 91 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 Statement of Income and Expenditures (cont.)

	2022	2021
Grant agreements	€ 636.815	€ 749.857
07 Subgrants	€ 636.815	€ 749.857

Grant agreement expenses in 2022 were €113k lower than in 2021 due to that there were less projects with subgrants contracts.

Accounting	€ 2.257	€ 0
Advocacy & Themes	€ 58.176	€ 14.995
Africa	€ 534.162	€ 282.040
America	€ 90.176	€ 10.978
Asia	€ 321.193	€ 79.844
Communication	€ 17.073	€ 5.031
Data Excellence	€ 3.151	€ 695
DMERL (Monitoring & evaluation)	€ 91.609	€ 22.577
Executive General	€ 10.516	€ 0
General	(€ 17)	€ 10.878
Global Engagement General	€ 8.354	€ 0
Global Internal Compliance	€ 5.722	€ 0
Human Resources General	€ 27.624	€ 0
Institutional Relations	€ 4.006	€ 0
Legal	€ 8.967	€ 0
Market transformation	€ 122.688	€ 17.229
Membership support	€ 0	€ 1.177
Partnerships	€ 0	€ 179
Programs General	€ 1.506	€ 0
Standards & assurance	€ 204.606	€ 38.312
Supply Chain Excellence	€ 82.351	€ 0
Technology	€ 1.715	€ 2.806
Training	€ 0	€ 172
Transformational Innovation	€ 22.723	€ 6.358
08 Travel costs	€ 1.618.558	€ 493.270

Travel costs increased by €1125k in 2022, this was the level of travel costs before the impacted by COVID-19 travel restrictions.

Admin and salary costs	€ 127.017	€ 77.120
Arbo costs	€ 21.348	€ 54.218
Auditors costs	€ 441.304	€ 216.111
Communications Consultant fee	€ 267.194	€ 0
Consultancy & research	€ 2.908.924	€ 2.908.642
Legal costs	€ 119.576	€ 98.662
Recruitment costs	€ 450.297	€ 248.552
Tax advise costs	€ 22.971	€ 14.230
Translation costs	€ 305.051	€ 532.658
09 Consultants & professional services	€ 4.663.683	€ 4.150.193

Consultant & professional services expenses increased by €514k in 2022, more costs for project audits, more costs for outsourcing payroll and more HR consultants costs.

Consolidated Annual Financial Report

2.6 Explanation to the Consolidated Statement of Income and Expenditures (cont.)

	2022	2021
Technology	€ 558.986	€ 734.575
IT Consultant fees	€ 2.582.970	€ 1.951.117
10 IT services & Licenses	€ 3.141.956	€ 2.685.693

IT services & licenses expenses in 2022 were €456K higher than in 2021 due a conscious decision in the Foundation to outsource technical expertise with the alignment of IT systems.

Bank charges	€ 118.927	€ 109.622
Board costs (travel)	€ 0	€ 0
Catering	€ 131.057	€ 89.705
Cleaning	€ 28.548	€ 28.630
General & office	€ 116.296	€ 18.556
Learning & staff development	€ 106.364	€ 75.207
Office materials/maintenance	€ 68.334	€ 126.676
Office rent	€ 464.240	€ 445.611
Other general costs	€ 8.642	€ 294.001
Postage	€ 15.310	€ 11.254
Regional offices expenses	€ 103.628	€ 0
Service costs	€ 8.265	€ 44.310
Telephone costs	€ 61.633	€ 47.232
11 Office costs	€ 1.231.243	€ 1.290.804

Office costs expenses in 2022 were € 59k lower than in 2021. Most of the employees has already bought an office at home. More costs for the regional offices.

Advocacy & Themes	€ 181	€ 0
Africa	€ 14.208	€ 27.084
America	€ 102	€ 183
Asia	€ 24.502	€ 3.377
Communication	€ 0	€ 205
DMERL (Monitoring & evaluation)	€ 1.120	€ 2.177
General	€ 0	€ 871
Markets Trtransformation	€ 45	€ 0
Standards & assurance	€ 240	€ 260
Supply Chain Excellence	€ 159	€ 0
Technology	€ 42.479	€ 10.453
Transformational Innovation	€ 24.855	€ 0
12 Equipment & materials	€ 107.890	€ 44.610

Equipment & materials expenses increased by €63K, more costs for Asia, Technology and Transformational innovation. Due to the fact that there are more employees.

Consolidated Annual Financial Report

2.6 Explanation to the Consolidated Statement of Income and Expenditures (cont.)

	2022	2021
Dues, Memberships, Subscriptions	€ 189.360	€ 174.527
Advertising and Marketing	€ 223.518	€ 38.046
Promotional materials	€ 162.435	€ 40.802
13 Marketing & subscription fees	€ 575.313	€ 253.375

Marketing & subscription fees in 2022 increased by €321K due to expenses on advertising and promotional materials related to the new certification standard.

Accounting	€ 495	€ 0
Advocacy & Themes	€ 13.603	€ 17.442
Africa	€ 448.273	€ 214.126
America	€ 17.112	€ 7.800
Asia	€ 180.068	€ 68.934
Communication	€ 0	€ 500
DMERL (Monitoring & evaluation)	€ 42.124	€ 10.135
General	€ 0	€ 5.994
Global Engagement General	€ 728	€ 0
Human Resources General	€ 14.661	€ 0
Institutional Relations	€ 1.000	€ 0
Market transformation	€ 13.211	€ 7.848
Marketing & Communications	€ 12.963	€ 0
Partnerships	€ 0	€ 48
Standards & assurance	€ 29.332	€ 1.775
Supply Chain Excellence	€ 41.949	€ 36.868
Transformational Innovation	€ 3.283	€ 1.097
14 Trainings & workshops	€ 818.802	€ 372.568

Training & workshop expenses increased in 2022 by €446K due to repacking these training activities in Africa, Asia and Standard & Assurance department, after the Covid-19 period.

Consolidated Annual Financial Report

2.6 Explanation to the Consolidated Statement of Income and Expenditures (cont.)

	2022	2021
Bad Debt provision	(€ 141.861)	€ 189.990
16 Bad debt expense	<u>(€ 141.861)</u>	<u>€ 189.990</u>
Hardware	€ 65.383	€ 59.487
Inventory and furniture	€ 38.646	€ 37.417
Office	€ 7.555	€ 10.738
Software	€ 2.956.510	€ 2.075.060
17 Depreciation & amortization	<u>€ 3.068.094</u>	<u>€ 2.182.702</u>

Depreciation was €885K higher in 2022 than in 2021 due to continued investments in our certification systems.

Exchange rate differences	(€ 775.628)	(€ 710.634)
18 Exchange result	<u>(€ 775.628)</u>	<u>(€ 710.634)</u>

Interest received	€ 14.121	(€ 1.681)
19 Interest received	<u>€ 14.121</u>	<u>(€ 1.681)</u>

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, 2022

Presented in grant budget currency: USD

Category	Total Approved Budget (USD)	Claimed/Audited Costs	Claimed/Audited Costs	Claimed/Audited Costs	Total Claimed/Audited Costs
		Inception - December 31, 2020 (USD)	January 1, 2021 - December 31, 2021 (USD)	January 1, 2022 - December 31, 2022 (USD)	Inception - December 31, 2022 (USD)
Personnel costs	\$ 2.349.878	\$ 30.551	\$ 304.151	\$ 374.589	\$ 709.291
Capital expenditure	265.052	-	86.302	1.465	\$ 87.767
Travel	466.188	2.574	22.708	73.612	\$ 98.894
Distributable goods & supplies, infrastructures	57.700	-	-	8.442	\$ 8.442
Reports, assessments & publications	129.603	-	63.011	1.959	\$ 64.970
Communications & visibility	51.135	-	10.996	10.946	\$ 21.942
Office costs	242.582	628	70.251	57.481	\$ 128.360
Conferences & meetings	664.848	-	42.829	158.046	\$ 200.875
Others: Partners Dedicated Amounts & LMB Activities	1.242.396	-	-	41.599	\$ 41.599
Total Direct Costs	5.469.382	33.753	600.248	728.139	1.362.140
Indirect Costs	1.166.846	8.438	150.062	145.269	\$ 303.769
Total Costs	\$ 6.636.228	\$ 42.191	\$ 750.310	\$ 873.408	\$ 1.665.909

Annual Foundation Accounts

3.1 Foundation Balance Sheet as of December 31, 2022
(After appropriation of results)

	2022	2021
ASSETS		
B01 Intangible fixed assets	€ 5.150.345	€ 5.103.889
B02 Tangible fixed assets	€ 80.882	€ 88.131
B03 Financial fixed assets	€ 200.000	€ 200.000
Total Fixed assets	€ 5.431.227	€ 5.392.020
B04 Accounts receivable	€ 114.036	€ 282.145
B05 Taxes	€ 564	€ 51
B06 Other receivables and prepaid expenses	€ 327.234	€ 461.476
B07 Cash at banks	€ 1.191.098	€ 1.024.666
B08 Receivable from other subsidiaries	€ 11.792.331	€ 12.511.781
Total current assets	€ 13.425.264	€ 14.280.119
Total assets	€ 18.856.491	€ 19.672.139
 DISPOSABLE RESERVES AND LIABILITIES		
B09 Paid in capital	€ 3.325	€ 3.325
B10 General reserve	€ 13.332.321	€ 15.732.257
Total disposable reserves	€ 13.335.646	€ 15.735.582
B12 Accounts payable	€ 1.862.933	€ 1.085.373
B13 Taxes and social premiums	€ 439.829	€ 183.481
B14 Subsidies received	€ 2.433.098	€ 1.789.948
B15 Other liabilities	€ 784.985	€ 877.755
Total current liabilities	€ 5.520.845	€ 3.936.557
Total disposable reserves and liabilities	€ 18.856.491	€ 19.672.139

Annual Foundation Accounts

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

	2022	2021
01 Grant & Contract revenue	€ 2.437.210	€ 2.818.980
02 Charitable Donations	€ 169.512	€ 206.950
03 Subsidiary Funding	€ 6.149.173	(€ 1.676.235)
04 Other income	€ 6.110	€ 20.421
TOTAL INCOME	€ 8.762.005	€ 1.370.117
05 Personnel expenses	€ 7.707.010	€ 7.919.789
06 Subgrants	€ 348.608	€ 712.487
07 Travel costs	€ 548.526	€ 142.534
08 Consultancy & professional services	€ 2.668.923	€ 2.953.139
09 IT services & licenses	€ 3.093.111	€ 2.685.036
10 Office costs	€ 744.218	€ 896.358
11 Equipment & materials	€ 43.076	€ 17.412
12 Marketing & subscription fees	€ 220.746	€ 178.526
13 Trainings & workshops	€ 190.513	€ 119.502
14 Insurance expenses	€ 73.753	€ 59.040
15 Bad debt expense	(€ 10)	€ 23.033
16 Shared services	(€ 6.460.000)	(€ 4.594.000)
17 Allocation between subsidiaries	(€ 1.339.693)	(€ 455.877)
TOTAL OPERATING EXPENSES	€ 7.838.781	€ 10.656.978
Result before depreciation	€ 923.223	(€ 9.286.860)
18 Depreciation	€ 3.014.252	€ 2.163.284
Result after depreciation	(€ 2.091.029)	(€ 11.450.145)
19 Exchange result	(€ 326.290)	(€ 32.975)
20 Interest	(€ 4.402)	(€ 820)
TOTAL FINANCIAL RESULT	(€ 330.692)	(€ 33.795)
RESULT FOUNDATION	(€ 2.421.720)	(€ 11.483.939)
21 Payable settlement of funding activities	€ 0	€ 20.941.571
RESULT OF THE YEAR	(€ 2.421.720)	€ 9.457.632
Appropriation of result		
General reserve	(€ 2.421.720)	€ 9.457.632
	(€ 2.421.720)	€ 9.457.632

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 (if any) 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. The financial information of the company has been recorded in the consolidated financial statements of the Foundation. BV utilizes the exemption of Section 408.1, Book 2 of the Dutch Civil Code. The annual accounts of BV's participations are presented and incorporated into the consolidated annual accounts of the Foundation (which also meets the criteria under Section 408.1, Book 2 of the Dutch Civil Code. Therefore, this annual report should be read in conjunction with the annual financial report of the BV. Under this exemption, the results of 3 registrations that are formally owned by the BV remain part of the consolidated accounts of the Stichting and are excluded from the standalone results of the Foundation. The prior year results of the Foundation have been adjusted to reflect this change.

Accounting principles

The consolidated financial statements are prepared in accordance with the Guideline for annual reporting RJ 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. The budget for the current year is not presented as it does not contain management information.

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

	2022	2021
B01-B02 Intangible & Tangible Fixed Assets: reference is made to the notes to the consolidated financial statements.		
Share capital BV	€ 200.000	€ 200.000
B03 Financial fixed assets	€ 200.000	€ 200.000

The BV is a 100% subsidiary of the Foundation.

Accounts receivable	€ 114.036	€ 282.145
B04 Accounts receivable	€ 114.036	€ 282.145
Security deposit	€ 38.812	€ 44.045
Prepaid expenses	€ 115.809	€ 315.592
Advances Subgrants	€ 54.093	€ 0
Advances to staff	€ 78.315	€ 10.806
Prepaid pensions	€ 38.618	€ 85.599
Other	€ 1.587	€ 5.434
B06 Other receivables and prepaid expenses	€ 327.234	€ 461.476

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)	€ 1.191.098	€ 1.024.666
B07 Cash at banks	€ 1.191.098	€ 1.024.666

The 2022 cash balance remained on par with 2021.

Receivable from other subsidiaries	€ 2.627.959	€ 1.445.327
Receivable from BV	€ 9.164.372	(€ 9.875.117)
Payable settlement of fundings	€ 0	€ 20.941.571
B08 Receivable from other subsidiaries and BV	€ 11.792.331	€ 12.511.781

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

Annual Foundation Accounts

3.4 Explanation to the Foundation Balance Sheet (cont.)

	2022	2021
Accounts payable	€ 1.862.933	€ 1.085.373
B12 Accounts payable	€ 1.862.933	€ 1.085.373
Vendor Withholding taxes	€ 0	(€ 500)
Wage tax/social securities	€ 7.817	€ 0
Payroll taxes	€ 432.012	€ 183.981
B13 Taxes and social premiums	€ 439.829	€ 183.481
Other donor funds received and not yet spend	€ 2.433.098	€ 1.789.948
B14 Subsidies received	€ 2.433.098	€ 1.789.948
Provision vacation allowance	€ 232.701	€ 236.578
Untaken vacation days	€ 306.386	€ 332.859
Audit accruals	€ 46.150	€ 63.000
Employees payable	€ 303	€ 1.959
Other	€ 199.444	€ 243.359
B15 Other liabilities	€ 784.985	€ 877.755

Contingent liabilities

The Foundation office lease contract amounts to € 360K per annum ending 31th March 2024. The total engagement on 31st December 2022 therefore amounting to € 450K:

< 1 year amount to € 360K

< 5 year amount to € 90K

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

	2022	2021
Sat4farming	€ 0	€ 749.266
RVO Uganda	€ 149.727	€ 181.810
RVO Cote d'Ivoire	€ 60.912	€ 56.924
RVO SDGP	€ 377.096	€ 183.050
RVO JDE Vietnam	€ 167.658	€ 0
RVO Turkey	€ 101.347	€ 0
RVO Guatemala	€ 7.500	€ 0
Ikea	€ 1.049.420	€ 582.742
GIZ Cote d'Ivoire	€ 117.371	€ 0
Cloetta Cote d'Ivoire	€ 130.000	€ 0
Other (diverse small donor fundings)	€ 276.178	€ 1.065.189
01 Grant & Contract Revenue	€ 2.437.210	€ 2.818.980

Other grant revenue

The other grant revenue amounts have remained fairly stable at the Foundation, compared with 2021. In 2022, there were several more new granted subsidies received from RVO for €442k and Ikea for 466k. This income came mainly from customized (extra) services for cocoa and coffee. The project Sat4farming (also RVO) ended 2021.

Annual Foundation Accounts

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

	2022	2021
Gross salaries	€ 4.361.303	€ 5.150.657
Temporary/interim/consultancy	€ 283.631	€ 211.138
Social premiums	€ 814.557	€ 936.761
Holiday allowance	€ 358.912	(€ 63.922)
Pension premiums	€ 339.884	€ 395.827
Vacation days reserve	(€ 6.222)	€ 306.922
Direct personnel expenses	€ 6.152.063	€ 6.937.382
Remote offices	€ 1.489.314	€ 931.182
Commute cost	€ 11.099	€ 5.430
Lunch/meals & entertainment	€ 42.814	€ 27.937
Other personnel expenses	€ 11.719	€ 17.857
Indirect personnel expenses	€ 1.554.947	€ 982.406
05 Total personnel expenses	€ 7.707.010	€ 7.919.789

Total personnel expenses of €7.7M are €213K or 3% less than the 2021 actuals of €7,9M. At year end the total number of FTE (incl. interns) in the Foundation is 82,8 (in 2021 88,4). For the remote offices the total number of headcount is 24 FTE (in 2021 24 FTE).

Grant agreements	€ 348.608	€ 712.487
06 Subgrants	€ 348.608	€ 712.487

Grant agreement expenses in 2022 were €364k lower than in 2021 due to that there were less projects with subgrants contracts.

Annual Foundation Accounts

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

	2022	2021
Accounting	€ 2.033	€ 1.049
Advocacy & Themes	€ 57.960	€ 14.896
Africa	€ 17.381	€ 4.568
America	€ 89.721	€ 10.978
Asia	€ 44.997	€ 44.041
Communication	(€ 227)	€ 32
Data Excellence	€ 3.000	€ 695
DMERL (Monitoring & evaluation)	€ 71.820	€ 9.842
Executive General	€ 10.189	€ 3.518
Global Internal Compliance	€ 5.298	€ 0
Human Resources	€ 27.624	€ 5.915
Institutional Relations	€ 4.006	€ 0
Legal General	€ 8.360	€ 188
Markets Transformation	(€ 1.988)	(€ 686)
Programs General	(€ 8)	€ 179
Standards & assurance	€ 197.524	€ 38.135
Supply Chain Excellence	€ 70	€ 595
Technology	€ 1.715	€ 2.806
Transformational Innovation	€ 9.051	€ 5.784
07 Travel costs	€ 548.526	€ 142.534

Travel costs increased by €406k in 2022, this was the level of travel costs before the impacted by COVID-19 travel restrictions.

Admin and salary costs	74.668	63.681
Arbo costs	21.348	54.218
Auditors costs	418.307	208.976
Communications Consultant fee	29.698	113.326
Consultancy & research	1.399.289	1.811.628
HR Consultant costs	424.202	199.408
Legal costs	77.011	70.236
Tax advise costs	21.725	12.212
Translation costs	202.676	419.452
08 Consultants & professional services	€ 2.668.923	€ 2.953.139

Consultant & professional services expenses increased by €284k in 2022, more costs for project audits, more costs for outsourcing payroll and more HR consultants costs.

Annual Foundation Accounts

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

	2022	2021
General	€ 0	€ 0
IT Consultant fees	€ 2.582.970	€ 1.951.117
Technology	€ 519.380	€ 733.918
09 IT services & licenses	€ 3.102.350	€ 2.685.036

IT services & licenses expenses in 2022 were €418K higher than in 2021 due a conscious decision in the Foundation to outsource technical expertise with the alignment of IT systems.

Bank charges	€ 29.828	€ 24.231
Catering	€ 125.469	€ 86.824
Cleaning	€ 26.368	€ 27.602
General & Office	€ 72.900	€ 205.139
Learning & staff development	€ 48.266	€ 53.554
Office materials/maintenance	€ 23.051	€ 19.968
Office rent	€ 377.651	€ 393.702
Other general costs	€ 1.427	(€ 5.814)
Postage	€ 7.696	€ 9.423
Regional offices expenses	€ 1.437	€ 47.876
Service costs	€ 2.746	€ 2.135
Telephone costs	€ 27.378	€ 31.719
10 Office costs	€ 744.218	€ 896.358

Office costs in 2022 were on par with 2021, a decreased of €152K in 2022.

Advocacy & Themes	€ 181	€ 0
Africa	(€ 323)	€ 1.096
America	€ 102	€ 183
Asia	(€ 703)	€ 2.167
Communication	€ 0	€ 205
DMERL (Monitoring & evaluation)	€ 1.120	€ 2.177
Markets Transformation	(€ 152)	€ 0
Standards & assurance	€ 5	€ 260
Supply Chain Excellence	€ 159	€ 0
Technology	€ 42.479	€ 10.453
Transformational Innovation	€ 209	€ 0
11 Equipment & materials	€ 43.076	€ 16.541

Equipment & materials expenses increased by €26K, more costs for Technology, due to the fact that there are movements with employees.

Annual Foundation Accounts

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

	2022	2021
Advertising and Marketing	€ 52.238	€ 27.505
Dues, Memberships, Subscriptions	€ 169.821	€ 133.046
Promotional materials	(€ 1.313)	€ 17.975
12 Marketing & subscription fees	€ 220.746	€ 178.526

Marketing & subscription fees in 2022 increased by €42K due to expenses on advertising and promotional materials related to the new certification standard.

Accounting	€ 495	(€ 3.778)
Advocacy & Themes	€ 12.904	€ 17.442
Africa	(€ 27.316)	€ 31.570
America	€ 17.112	€ 7.800
Asia	€ 99.271	€ 38.681
DMERL (Monitoring & evaluation)	€ 30.549	€ 10.135
Executive General	€ 0	€ 2.000
General	€ 0	€ 7.218
Human Resources General	€ 14.661	€ 519
Marketing & Communications	€ 349	€ 0
Markets transformation	(€ 3.732)	€ 5.000
Standards & assurance	€ 29.225	(€ 412)
Supply Chain Excellence	€ 14.214	€ 2.286
Transformational Innovation	€ 2.781	€ 1.040
13 Trainings & workshops	€ 190.513	€ 119.502

Training & workshop expenses increased in 2022 by €71K due to repacking these training activities in Asia and Standard & Assurance department, after the Covid-19 period.

Annual Foundation Accounts

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

	2022	2021
Personnel expenses	€ 4.207.000	€ 3.519.000
Grants strategic partnership	€ 0	€ 159.000
Travel costs	€ 562.000	€ 181.000
Consultancy & professional services	€ 1.531.000	€ 1.331.000
IT services & licenses	€ 1.219.000	€ 920.000
Office costs	€ 381.000	€ 343.000
Equipment & materials	€ 49.000	€ 15.000
Marketing & subscription fees	€ 156.000	€ 75.000
Trainings & workshops	€ 329.000	€ 111.000
Insurance expenses	€ 41.000	€ 28.000
Bank & Other Fees	€ 22.000	€ 10.000
Depreciation & Amortization	€ 46.000	€ 38.000
Technology - non depreciation costs	(€ 1.423.000)	(€ 1.274.000)
Standard & Assurance	<u>(€ 660.000)</u>	<u>(€ 862.000)</u>
16 Shared services	<u>€ 6.460.000</u>	<u>€ 4.594.000</u>

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.

Appropriation of the Result

RESULT FOUNDATION	<u>(€ 2.421.720)</u>	(€ 11.483.939)
RESULT BV	<u>(€ 11.637.974)</u>	<u>€ 20.941.571</u>
RESULT OF THE YEAR	<u>(€ 14.059.694)</u>	<u>€ 9.457.632</u>

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

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.



Santiago Gowland
 Director Stichting Rainforest Alliance
 June 28, 2023

Consolidated Annual Financial Report

Board Members Rainforest Alliance 2022

Johanna Wijn	.....
Anisha Pushpika Rajapakse	.....
Antonius van Der Laan (Vice Chairman)	.....
Anurag Priyadarshi	.....
Dan Houser	.....
Daniel Katz (Chair)	.....
Eric Rothenberg	.....
Juan Esteban Orduz Trujillo	.....
Kerri Smith	.....
Marilu Hernandez de Bosoms	.....
Nalin Miglani	.....
Nina Haase	.....
Paul Douglas Rubacha	.....
Peter Lehner	.....
Peter Schulte (Treasurer)	.....
Sarah Jane Danchie	.....
Sonila Cook	.....
Tasso Azevedo	.....
Vanusia Nogueira	.....
Wendy Gordon Rockefeller	.....

Consolidated Annual Financial Report

4.1 Other Information

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.

Consolidated Annual Financial Report

5.1 Independent Auditors' Report

The report of the independent auditor is included hereinafter.