



STICHTING RAINFOREST ALLIANCE

Consolidated Annual Financial Report

For the year ended December 31, 2023

With Independent Auditors' Report

STICHTING RAINFOREST ALLIANCE
Consolidated Annual Financial Report
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1.1 General Information

The organization consists of two legal entities: Stichting Rainforest Alliance (the "Foundation" formerly known as Stichting UTZ), founded on July 3rd 2001 (articles amended January 1st, 2018) and Rainforest Alliance BV (the "BV" formerly known as UTZ Certified BV), founded on December 3rd, 2012 (articles amended January 1st, 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 2023

Anisha Pushpika Rajapakse
 Antonius Theodorus Christoffel van der Laan (Vice Chairman) (departed 31 DEC 2023)
 Anurag Priyadarshi
 Daniel Louis Houser
 Daniel Roger Katz (Chairman)
 Eric B. Rothenberg
 Johanna Maria Wijn
 Juan Esteban Orduz Trujillo
 Kerri Anne Smith
 Labeeb Makram Abboud (departed Feb 2023)
 Maria de Lourder Hernandez Velasco de Bosoms
 Nalin Kumar Miglani
 Nina Haase
 Paul Douglas Rubacha
 Peter Hans Lehner

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1.1 General Information (cont.)

Supervisory Board Members 2023 (cont.)

Peter Martin Schulte (Treasurer)
Sarah Jane Danchie
Sonila Alice Cook
Tasso Rezende Azevedo
Vanusia Maria Carneiro Nogueira
Wendy Gordon Rockefeller

Leadership Team Members 2023:

Santiago Gowland, Chief Executive Officer (Director Stichting Rainforest Alliance)
Margriet Glazenborg, Chief People Officer (Resigned December 2023)
Franck O Sime Tafang, Chief People Officer (Joined 07/01/2023)
Adam Cox, Chief Financial Officer
Molly Stark, General Counsel (Secretary)
Alex Morgan, Chief Global Engagement Officer (resigned February 2023)
Paula Quazi, Chief Marketing and Communication Officer (Joined October 2023)
Ruth Newsome, Chief Data & Technology Officer
Ria Stout, Chief Program Officer
Aparajita Bhalla, Chief Development Officer (resigned May 2023)

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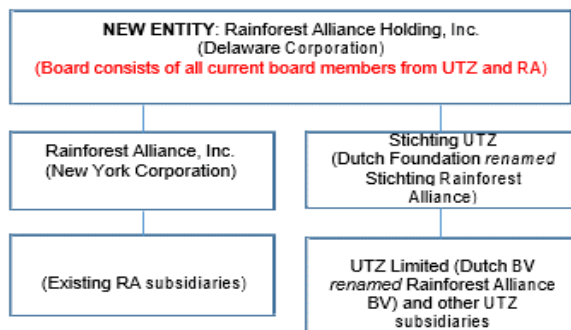
1.2 Board Report

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 Rainforest Alliance (RA) standards remained in place while certifications began under the new unified Rainforest Alliance Standard that is owned by Rainforest Alliance Inc. 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 January 1st 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 2023, the Supervisory Board met 4 times for regular meetings in February, May, September and November.

Board Agenda 2023

In 2023, the Board focused on implementing an adjusted operating model. This includes implementing required changes in the organizational structure as well as RA working culture. In 2023 RA board prioritized right-sizing teams and strengthening the strategic capabilities, invest in building high-performing teams, prioritized accountability and performance management and optimize and simplify work processes.

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:

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1.2 Board Report (cont.)

Board Governance (cont.)

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

Development Committee: Oversees and reviews 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: Oversees 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 October 2023, the Finance Committee approved the CY2024 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 2023, the A&R committee, along with the Leadership Team invited the external auditor to review and approve the 2022 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 2022 and the summary budget 2023 are clear and responsible. It therefore advised the Supervisory and Holding Boards to approve the audited financial statements for 2022.

By the June 30th 2023, the Board reviewed and approved the 2022 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 due to 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

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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. The rainforest alliance's mission is to conserve Biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices, and consumer behavior. We envision a world where people can thrive and prosper in harmony with the land. The core of our approach lies in leveraging market demand for sustainable products to conserve biodiversity and enhance local livelihoods.

The Rainforest Alliance is creating a more sustainable world by using social and market forces to protect nature and improve the lives of farmers and forest communities. Instead of protecting nature from people, our alliance works to restore the balance between people and nature so they both thrive in harmony. We are an alliance of people who pledge to take action. We do this because we want to shift markets toward being net positive for people and nature.

Why work with markets and companies?

Markets need to change. They need to be part of the solution, not part of the problem. The Rainforest Alliance supports the communities that care for our most critical landscapes to thrive together with nature. We do this by accelerating and scaling up the social and market forces that protect, restore, and regenerate these ecosystems. We want agricultural, food, and forestry supply chains to internalize different values; to not degrade—but restore, to not displace—but include, to work in harmony with people and nature—not against them. We want markets to become the fastest and most scalable solution to the collapse of the earth's most critical ecosystems. We work in collaboration with millions of farmers and farmworkers to shift market incentives toward rewarding positive social, economic, and environmental impacts. By doing that, local communities become both the stewards and the primary beneficiaries of thriving landscapes. We use a 'continuous improvement' approach. We partner with people and organizations to move from harmful and degrading practices to sustainable and regenerative ones. In short: We go where we are needed.

Why form an alliance?

Global crises need a joint and systemic approach. We are an alliance of people who pledge to take action. We need to move beyond the current mindset of fragmented, incremental, project-centric efforts which are holding us back. Our alliance of more than four million farmers and farmworkers, as well as forest communities, companies, governments, civil society partners, and millions of individuals are committed to creating a world where people and nature thrive together. Together we work to protect forests and biodiversity, take action on climate, and promote the rights and improve the livelihoods of rural people.

What's the strategy?

Our strategy is to **accelerate the speed and scale of impact** through a virtuous cycle; where more sustainable farmers lead to more committed companies and consumers, leading to more investment and support for farmers, and so on. Everyone benefits from this cycle. This shift in value creation is rooted in regenerative production systems that create a net-positive impact for people and nature—a win-win-win model:

Rural Producers have more economic wellbeing, and are able to adapt and build resiliency, by implementing our sustainability standards. This in turn helps

Global Citizens to build trust in our brand, and confidently use their choices responsibly, which inspires

Companies to build stronger supply chains, greater stakeholder trust, shareholder confidence, consumer loyalty, and achieve their sustainability goals. This mobilizes

Investors to support our market-based impact model, because governments, philanthropists, and institutions see a higher return on investment by protecting and restoring nature than by degrading it.

What are our interventions?

To shift markets to being regenerative and net positive, we must work with both sides of market forces.

Therefore, we use reinforcing offerings to shift both 'supply' and 'demand':

SUPPLY: THRIVING FARM AND FOREST COMMUNITIES

We work at the Supply level by developing:

Standards and Frameworks, Thriving Landscapes.

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1.3 Report of the Leadership Team (cont.)

DEMAND: THRIVING MARKETS

We work at the Demand level with:

Transparency and Claims, Brand and Advocacy.

We support these interventions with our other strengths:

Advocacy and government engagement, Public communications, Stakeholder engagement, Thought and action leadership

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	Revenue	Data & Technology	Programs	Marketing & Comm	Growth & Innovation	HR	Finance	Legal
Departments	Revenue Operation	Product Development	Global Programs	Marketing & Comms	Innovation	HR	Accounting	Internal Compliance
	Institutional Relations	Technology	Assurance	Advocacy			Financial Planning and Analytics	
	Philanthropy	Customer Care	Asia Pacific	Corporate Engagement & Partnerships				
		Data & Analytics	East & Southern Africa					
			West & Central Africa					
			Mesoamerica					
			South America					

Employees

As result of implementing the 2023-2030 strategic plan Rainforest Alliance wants to be an organization that attracts, develops and retains the best employees in the respective fields. Rainforest Alliance wants to be a purpose driven organization that has highly committed employees who, through their top performance, make Rainforest Alliance a high performing organization. Rainforest Alliance will be an employer where employees can thrive, regardless of their origin, personal orientation, religion, location or position. The 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 the IRC code has been read and understood. Staff members must report any breach of this code to Sighting Rainforest Alliance. The Foundation reserves the right to impose appropriate penalties in respect of employees who infringe the IRC code, including the possibility of instant dismissal. Also, Sighting Rainforest Alliance reserves the right to withhold legal assistance in such cases.

Corporate Social Responsibility

Sustainability is part of our DNA and visibly reflected in our daily work. Our premises are furnished with recycled and environmentally friendly materials. Every day, our Netherlands based employees commute by train, bus or bicycle to work. We aim to be a paperless office and when we do have to use paper we make sure it is recycled and chlorine-free and we use environmentally friendly inks for our printing. Furthermore, 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.

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1.3 Report of the Leadership Team (cont.)

Volunteers

On November 6th 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 B.V.). 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 (internal) and laws (external).

Currently, the foundation is manages risks and uncertainties by adopting a proactive and integrated risk management approach to identify and assess potential risks across all areas of the organization. Develop and implement strategies to mitigate identified risks. Establish robust monitoring and reporting mechanisms to track risk exposures and the effectiveness of mitigation strategies. Continuously review and improve risk management practices. Learn from past experiences and adapt to emerging risks and changes in the business environment. 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 is adopting a proactive and integrated approach, leveraging cutting-edge technologies, fostering a risk-aware culture, and aligning their strategies with emerging trends and regulatory requirements. These improvements not only enhance their ability to manage risks effectively but also position them to thrive in a dynamic and uncertain environment.

Risk committee meets on monthly basis where legal entity is included in the meeting to discuss and consider all the business risks. Mainly, Legal entity Managing risk and uncertainty is a fundamental responsibility of a legal department in any organization. Legal departments employ a variety of strategies and tools to identify, assess, mitigate, and monitor risks, ensuring that the organization operates within legal boundaries while minimizing potential negative impacts. Legal entity identifies, assess, mitigate, monitor and report risks on different related aspects such as compliance, contractual, litigation and operational risks.

Legal department can effectively manage risk and uncertainty, contributing to the stability and resilience of the foundation. Legal department focus on the foundation's financial position by managing Integrated Risk Management though

- **Cross-Functional Collaboration:** Working with other departments like finance, operations, and HR to manage risks collectively.
- **Enterprise Risk Management (ERM):** Incorporating legal risk management into the broader ERM framework of the organization.

Rainforest Alliance Stichting Management is focusing on strengthen the financial health of the foundation through improve cash flow management and maintain adequate reserve. Also maintain adequate reserve and enhance profitability.

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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 adequate reserves will be sufficient to absorb the exchange rate fluctuations. A director of Treasury position was created and fulfilled to manage FX transactions including overseeing FX strategy to minimize FX impacts.
- There is a lot of cash handling in the origin countries such as Indonesia and Cote D'Ivoire. 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 receivables 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 2023 & 2022

	2023 Actuals	2023 Budget	2022 Actuals	2022 Budget
01 Fees	€ 3.729.853	€ 3.257.100	€ 3.731.287	€ 3.226.471
02 Grant & contract revenue	€ 3.402.076	€ 3.772.435	€ 2.576.719	€ 3.495.861
03 Charitable Donations	€ 147.340	€ 0	€ 169.512	€ 0
04 Subsidiary Funding	€ 30.312.384	€ 37.506.000	€ 12.094.083	€ 28.239.457
05 Other income	€ 24.234	€ 13.621	€ 10.618	€ 0
TOTAL INCOME	€ 37.615.888	€ 44.549.156	€ 18.582.219	€ 34.961.789
06 Personnel expenses	€ 19.306.457	€ 19.181.723	€ 16.344.450	€ 16.130.645
Other expenses	€ 15.512.874	€ 20.562.529	€ 12.754.966	€ 14.589.552
Total Operating expenses	€ 34.819.331	€ 39.744.252	€ 29.099.416	€ 30.720.197
Result before depreciation	€ 2.796.557	€ 4.804.904	(€ 10.517.197)	€ 4.241.592
Depreciation	€ 3.681.421	€ 4.754.693	€ 3.068.094	€ 3.648.688
Result after depreciation	(€ 884.864)	€ 50.211	(€ 13.585.291)	€ 592.905
TOTAL FINANCIAL RESULT	€ 166.277	€ 0	€ 761.507	€ 0
20 Overhead allocation from RA Inc.	(€ 1.448.647)	(€ 3.347.039)	(€ 1.055.192)	(€ 3.373.846)
RESULT OF THE YEAR	(€ 2.167.233)	(€ 3.296.828)	(€ 13.878.976)	(€ 2.780.942)

Consolidated current year results & future outlook

Total operating expenses increased to €34.9M compared to the 2022 operating expenses of €29.1M driven by increased staffing in our regions and expected increases in technology costs from 2022 and 2023's continued developments to our certification & traceability software.

Total income is €37.6M which represents a 202% increase compared to the 2022's income of €18.6M. The consolidated net result for 2023 net loss decreased to a loss of (€2.2M) due to increase in subsidiary funding of €30.3M. RA Inc. began to and will continue to fund the Foundation and RA B.V. for the foreseeable future to ensure all operating expenses are covered.

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1.3 Report of the Leadership Team (cont.)

Foundation current year results & future outlook (cont.)

In 2023, there was a significant increase in donations from RA Inc. to fund the Foundation and B.V. for a full year. However, there was also 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 2023-2030 Strategic Plan. We also expect to see constant palmoil revenue in B.V. for 2024 and continued growth in our grant and contract revenue in the Foundation actual income from secured and expected grant wins as we continue to build partnerships and alliances to drive impact.

In 2023, we transferred the full amount of €31M from the Continuity reserve of Rainforest Alliance Inc. to the General reserve as a loan to be used for operations and since no transfers were made to RA Inc. in 2023. 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 2023 is a gain of €8.8M which is significant increase compared to the 2022. Total 2023 income is €26.7M which represents an approximately 205% increase compared to the 2022 result of €8.8M largely due to subsidiary funding. Total operating expenses were €14.3M which represents a 83% increase compared to the 2022 operating expenses of €7.8M. These 2023 expense results occurred primarily due to increase in personal and other expenses. RA Inc. will continue to fund the Foundation and RA B.V. for the foreseeable future to ensure all operating expenses are covered. RA Inc. funding is treated as a loan for CY 23 and the loan amount will be capitalized in CY 24.

Special Events: There are no specific special events to report for CY 24 such as investments, financing, staffing or any other circumstances on which the development of turnover depends. However, the management of the foundation is working on improving financial health through strategic expense cuts, through operational efficiency and revenue increases through market expansion.

General Reserve Policy: There is a designated contribution funding source for funds received from RA Inc. The funds are set based on Stichting and B.V. budget. Senior management govern the Day-to-Day management of the reserve and implementation of the policy. There is a clear criteria for when and how reserves can be accessed. Approval process for the use of reserves often involves senior management or the board. There is a periodic assessment of reserve levels and policy effectiveness. Flexibility to adapt the policy to changing financial conditions or organizational needs. There is a flexibility to adapt the policy to changing financial conditions or organizational needs. Management is ensuring that it clearly documents and communicates the policy, including the rationale for reserve levels and usage guidelines.

Santiago Gowland
 Director Stichting Rainforest Alliance
 Rainforest Alliance
 June 24, 2024

Consolidated Annual Financial Report

Consolidated Annual Accounts

2.1 Consolidated Balance Sheet as of December 31, 2023

(After appropriation of results)

	2023	2022
ASSETS		
B01 Intangible fixed assets	€ 4.897.547	€ 5.150.345
B02 Tangible fixed assets	€ 295.458	€ 266.843
B03 Financial fixed assets	€ 1.304	€ 1.304
Total fixed assets	€ 5.194.309	€ 5.418.492
B04 Accounts receivable	€ 5.522.611	€ 3.801.805
B05 Taxes	€ 391.314	€ 141.395
B06 Other receivables and prepaid expenses	€ 420.853	€ 813.596
B07 Cash at banks	€ 2.311.602	€ 3.186.453
Total current assets	€ 8.646.379	€ 7.943.249
Total assets	€ 13.840.688	€ 13.361.741
DISPOSABLE RESERVES AND LIABILITIES		
B08 Paid in capital in branches	€ 4.958	€ 5.019
B09 General reserve	(€ 838.147)	€ 900.740
B10 Continuity reserve	€ 0	€ 0
Total disposable reserves	-€ 833.190	€ 905.758
B11 Accounts payable	€ 8.700.314	€ 6.310.959
B12 Taxes and social premiums	€ 470.544	€ 431.066
B13 Subsidies received	€ 1.884.398	€ 2.464.502
B14 Other liabilities	€ 3.618.622	€ 3.249.456
Total current liabilities	€ 14.673.878	€ 12.455.982
Total disposable reserves and liabilities	€ 13.840.688	€ 13.361.741

Consolidated Annual Financial Report

2.2 Consolidated Statement of Income and Expenditures for the Year Ended December 31, 2023

	2023	2023 Budget	2022
Fees cocoa	€ 0	€ 0	(€ 11.017)
Fees coffee	(€ 18.033)	€ 0	€ 374.395
Fees palmoil	€ 3.747.886	€ 3.257.100	€ 3.281.269
Fees hazelnuts	€ 0	€ 0	(€ 458)
Fees herbs & Spices	€ 0	€ 0	€ 87.098
01 Fees	€ 3.729.853	€ 3.257.100	€ 3.731.287
02 Grant & contract revenue	€ 3.402.076	€ 3.772.435	€ 2.576.719
03 Charitable Donations	€ 147.340	€ 0	€ 169.512
04 Subsidiary Funding	€ 30.312.384	€ 37.506.000	€ 12.094.083
05 Other income	€ 24.234	€ 13.621	€ 10.618
TOTAL INCOME	€ 37.615.888	€ 44.549.156	€ 18.582.219
06 Personnel expenses	€ 19.306.457	€ 19.181.723	€ 16.344.450
07 Subgrants	€ 1.182.296	€ 2.410.660	€ 636.815
08 Travel costs	€ 1.328.526	€ 1.320.776	€ 1.618.558
09 Consultancy & professional services	€ 3.886.146	€ 5.658.721	€ 4.663.683
10 IT services & licenses	€ 6.591.857	€ 7.073.762	€ 3.141.956
11 Office costs	€ 1.293.461	€ 1.317.477	€ 1.231.243
12 Equipment & materials	€ 86.632	€ 143.463	€ 107.890
13 Marketing & subscription fees	€ 380.559	€ 1.057.129	€ 575.313
14 Trainings & workshops	€ 729.015	€ 1.576.592	€ 818.802
15 Insurance expenses	€ 55.369	€ 3.948	€ 102.568
16 Bad debt expense	(€ 20.987)	€ 0	(€ 141.861)
TOTAL OPERATING EXPENSES	€ 34.819.331	€ 39.744.252	€ 29.099.416
Result before depreciation	€ 2.796.557	€ 4.804.904	(€ 10.517.197)
17 Depreciation	€ 3.681.421	€ 4.754.693	€ 3.068.094
Result after depreciation	(€ 884.864)	€ 50.211	(€ 13.585.291)
18 Exchange result	€ 154.073	€ 0	€ 775.628
19 Interest received	€ 12.205	€ 0	(€ 14.121)
TOTAL FINANCIAL RESULT	€ 166.277	€ 0	€ 761.507
RESULT Foundation and BV	(€ 718.587)	€ 50.211	(€ 12.823.784)
20 Overhead allocation from RA Inc.	(€ 1.448.647)	(€ 3.347.039)	(€ 1.055.192)
RESULT OF THE YEAR	(€ 2.167.233)	(€ 3.296.828)	(€ 13.878.976)
appropriation of result			
B09 General reserve (withdrawal)	(€ 2.167.233)	(€ 3.296.828)	(€ 13.878.976)
	(€ 2.167.233)	(€ 3.296.828)	(€ 13.878.976)

Consolidated Annual Financial Report

2.3 Consolidated Statement of Cash Flows as of December 31, 2023

	2023	2022
Operating Income (EBIT)	(€ 884.864)	(€ 13.585.291)
Depreciation	€ 3.681.421	€ 3.068.094
Accounts receivable	(€ 1.720.806)	€ 6.119.867
Taxes and social premiums	€ 289.396	€ 479.170
Other receivables and prepaid expenses	€ 392.743	(€ 40.316)
Accounts payable	€ 2.389.355	€ 348.997
Subsidies received	(€ 580.103)	€ 570.013
Other current liabilities	€ 369.166	€ 51.083
Paid in capital India	(€ 61)	€ 505
Cumulative Translation Adjustment	(€ 363.167)	(€ 323.675)
Net Cash Flow from Operating Activities	€ 3.573.080	(€ 3.311.553)
Intangible fixed assets	(€ 3.003.044)	(€ 3.002.966)
Tangible fixed assets	(€ 162.516)	(€ 118.007)
Net Cash Flow from Investing Activities	(€ 3.165.560)	(€ 3.120.973)
Financial result	€ 166.277	€ 761.507
Indirect allocation	(€ 1.448.647)	(€ 1.055.192)
Net Cash Flow from Financing Activities	(€ 1.282.369)	(€ 293.685)
Net change in Cash / Net Cash Flow	(€ 874.850)	(€ 6.726.211)
Cash and cash equivalents at 1 January	€ 3.186.453	€ 9.854.494
Exchange rate difference cash at 1 January	€ 0	(€ 58.170)
Cash at period end	€ 2.311.602	€ 3.186.453
Net change in Cash / Net Cash Flow	(€ 874.851)	(€ 6.726.211)
Result of the year	(€ 2.167.233)	(€ 13.878.976)
(= EBIT +/- net cashflow from financing activities)		

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2.4 Notes to the Consolidated Accounts

Ownership group structure

The organization consists of two legal entities: Stichting Rainforest Alliance (the "Foundation" formerly known as Stichting UTZ), founded on July 3rd 2001 (articles amended January 1st 2018) and Rainforest Alliance B.V. (the "B.V." formerly known as UTZ Certified B.V.), founded on December 3rd 2012 (articles amended January 1st 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 B.V. as a subsidiary limited company. The Foundation is full-owner of the B.V. and all profits (if any) made by the B.V. (program fees minus expenses) flow entirely back into the Foundation. The organization as a whole remains a non-profit and retains its charity status (in Dutch: "Algemeen Nut Beogende Instelling", "ANBI" status). This status has certain tax advantages and is a pre-requisite for some potential donors considering subsidies or sponsorship.

On January 1st 2018, the Foundation (and therefore, the B.V.) 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 B.V. 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 2023 to continue its sector-wide approach.

Under the Rainforest Alliance Standard, the Foundation 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, Foundation 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.

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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. B.V. utilizes the exemption of Section 408.1, Book 2 of the Dutch Civil Code. The annual accounts of B.V.'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 B.V. India and Kenya are subsidiaries of Stichting with legal registration in their respective countries. In 2022, China is considered a branch office, hence its account balances are included in B.V. Financial reports.

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.

Correction to CY22

A correction was made to include China branch office figures into 2023 RA B.V. accounts, because the China branch office is not legal present. Accordingly the 2022 balance position has increased at Other receivables and prepaid expense, cash at banks by € 63.190. The equity has remained the same. The balance position credit has also increased with € 63.190 at Accounts payable and Payable to other subsidiaries. The revenue remained the same and the operation expenses are increased, in total net effect on the P&L is (€307.143).

Going Concern

The Rainforest Alliance Supervisory Board has agreed to the continued financial support of the Foundation and the B.V. via Rainforest Alliance Inc. all of which are actively engaged in fulfilling the alliance's strategic vision of the organization. There is currently an agreement in place to capitalize the financing from Stichting RA to RA B.V. as equity each year in order to satisfy the operational demands of RA B.V. recipient.

Financial instruments

Financial instruments include receivables and debts. The notes for the specific items of the balance sheet are disclosed at the fair value of the related instrument if this deviates from the carrying amount. If the financial instrument is not recorded on the balance sheet, the information on the fair value is disclosed in the note of the ‘Contingent assets and liabilities’.

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2.4 Notes to the Consolidated Accounts (cont.)

Estimates

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

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.

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.

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2.4 Notes to the Consolidated Accounts (cont.)

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

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.

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2.4 Notes to the Consolidated Accounts (cont.)

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.

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.

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2.4 Notes to the Consolidated Accounts (cont.)

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.

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.

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2.5 Explanation to the Consolidated Balance Sheet

B01 Consolidated Intangible fixed assets	Software	Total
Cost	€ 14.249.817	€ 14.249.817
Accumulated depreciation	€ 9.099.472	€ 9.099.472
Book value 1st January 2023	€ 5.150.345	€ 5.150.345
Disposal	(€ 315.351)	(€ 315.351)
Acquisitions	€ 3.003.044	€ 3.003.044
Depreciation acquisitions	€ 3.571.192	€ 3.571.192
Changes in the book value 2023	(€ 568.148)	(€ 568.148)
Cost	€ 17.568.212	€ 17.568.212
Accumulated depreciation	€ 12.670.664	€ 12.670.664
Book value 31st December 2023	€ 4.897.548	€ 4.897.548
Depreciation %	33%	

The main investments in intangible fixed assets have been in new software to support the field operations for Cote d'Ivoire office.

B02 Tangible fixed assets	Hardware	Inventory	Office	Total
Cost	€ 550.381	€ 343.321	€ 62.746	€ 956.448
Accumulated depreciation	€ 440.530	€ 186.329	€ 62.746	€ 689.605
Book value 1st January 2023	€ 109.851	€ 156.992	-	266.843
Disposals	(€ 27.639)	€ 40.535	(€ 7.555)	€ 5.341
Acquisitions	€ 90.305	€ 72.211	€ 0	€ 162.516
Depreciation acquisitions	€ 86.461	€ 34.542	€ 7.555	€ 128.558
Changes in the book value 2023	(€ 23.796)	€ 78.204	(€ 15.110)	€ 39.299
Cost	€ 668.325	€ 374.997	€ 70.301	€ 1.113.621
Accumulated depreciation	€ 526.991	€ 220.871	€ 70.301	€ 818.163
Book value 31st December 2023	€ 141.333	€ 154.126	€ 0	€ 295.458
Depreciation %	33%	20%	20%	

The main investments in tangible fixed assets have been in office acquisitions and 2 new cars for CDI.

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.

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2.5 Explanation to the Consolidated Balance Sheet (cont.)

	2023	2022
Accounts receivable	€ 1.708.952	€ 472.572
Accounts receivable to RSPO, incl Broker	€ 3.951.745	€ 3.562.136
Bad debt provision	(€ 138.087)	(€ 232.903)
B04 Accountants receivable	€ 5.522.611	€ 3.801.805
Security deposit	€ 125.128	€ 167.590
Prepaid expenses	€ 150.528	€ 222.160
Advances Consultance	€ 1.265	€ 12.895
Advances Subgrants	€ 0	€ 84.800
Advances to Staff	€ 48.726	€ 114.926
Prepaid pensions	€ 87.007	€ 62.555
Other receivables and prepaid expenses	€ 8.199	€ 148.669
B06 Other receivables and prepaid expenses	€ 420.853	€ 813.596
<p>The fair value of the receivables approximates the carrying value due to their short-term character and the fact that provisions for bad debt are recognized where necessary. Due to the ownership of the new Rainforest Alliance Standard, from 2022 and on, receivables and corresponding income for certification fees are borne by Rainforest Alliance Inc.</p>		
Bank accounts (free at disposal)	€ 2.311.602	€ 3.186.453
B07 Cash at banks	€ 2.311.602	€ 3.186.453
<p>The decrease in 2023 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 funding is on monthly basis started 2023</p>		
Balance as at 1st January General reserve	€ 900.740	€ 4.479.716
Result of the year	(€ 2.167.234)	(€ 13.878.976)
Cumulatieve Translation Adjustment	€ 271.412	€ 0
To Continuity reserve	€ 0	€ 10.300.000
Local corrections previous years	€ 156.934	€ 0
B09 General reserve	(€ 838.148)	€ 900.740
<p>General reserve is the balance net unrestricted net assets. Also, account includes India office correcting tax and other expense balances.</p>		
Balance as at 1st January Continuity reserve	€ 0	€ 10.300.000
Transfer to (from) General reserve	€ 0	(€ 10.300.000)
B10 Continuity reserve	€ 0	€ 0
<p>The Continuity reserve is not subject to expenditure restrictions other than resulting from statutory goals of the Foundation. There is no General Reserve as the organization receive funding for operating expenses from RA Inc.</p>		

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2.5 Explanation to the Consolidated Balance Sheet (cont.)

Current liabilities	2023	2022
Accounts payable	€ 3.397.920	€ 3.057.676
Payable to RSPO	€ 5.302.394	€ 3.253.283
B11 Accounts payable	€ 8.700.314	€ 6.310.959
<p>The accounts payable are included unpaid invoices from Zwitserleven for the pensioncosts over 2024 of €80k.</p>		
Value added tax	€ 257	€ 0
Vendor Withholding taxes	€ 10.327	€ 2.745
Wage tax/social securities	€ 62.661	€ 41.670
Payroll taxes	€ 397.299	€ 386.651
B12 Taxes and social premiums	€ 470.544	€ 431.066
Other donor funds received and not yet spent	€ 1.884.398	€ 2.464.502
B13 Subsidies received	€ 1.884.398	€ 2.464.502
Provision vacation allowance	€ 458.229	€ 408.874
Untaken vacation days	€ 659.716	€ 577.298
Audit accruals	€ 63.918	€ 46.150
Provision settlement agreements	€ 632.627	€ 179.808
Intercompany with INC	€ 1.235.270	€ 1.690.114
Other	€ 568.862	€ 347.211
B14 Other liabilities	€ 3.618.621	€ 3.249.456

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 will expire March 31th 2024. The new lease contract will commence July 1st 2024 for 5 years and will end on June 30th 2029. The free period between March 31th 2024 and July 1st 2024 is compensation of office renovation. The total engagement on December 31st 2023 amounts to € 1.301K:

< 1 year amount to € 128K

< 5 year amount to € 1.173K

The following bank guarantee has been issued on the rental agreement : REAAL De Ruyterkade B.V. in the amount of € 94,294. This bank guarantee will be adjusted to € 86,519 in June 2024. The Foundation has to charge reasonable costs to the B.V. for shared services: usage of office, IT infra structure, reception, administration and services of teams.

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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.

	2023	2022
Fees cocoa	€ 0	(€ 11.017)
Fees coffee	(€ 18.033)	€ 374.395
Fees palm oil	€ 3.747.886	€ 3.281.269
Fees hazelnut	€ 0	(€ 458)
Fees herbs & spices	€ 0	€ 87.098
01 Fees	€ 3.729.853	€ 3.731.287
Fees palm oil	€ 11.666.200	€ 11.698.240
Donations to RSPO	(€ 7.918.314)	(€ 8.416.971)
01 Fees palm oil	€ 3.747.886	€ 3.281.269

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

Total commodity program fee income in 2023 slightly increased than 2022. CY 2021 was the final year for the now-retired UTZ standard. In 2023 there is correction for coffee for 18K

Palm oil fees

There is a very slight decrease in palm oil fees in 2023. This increase is the result of higher registered volumes of RSPO Palm Trace and Credit Trade volumes of €498K than expected. There is a trend that more palm oil is being purchased for export. Starting in 2023, RSPO received a lower fee of the total palm oil revenue.

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

	2023	2022
RVO Uganda	€ 345.031	€ 149.727
RVO Cote d' Ivoire	€ 33.917	€ 60.912
RVO SDGP	€ 427.976	€ 377.096
RVO JDE Vietnam	€ 302.062	€ 167.658
RVO Turkey	€ 196.819	€ 101.347
RVO Guatemala	€ 75.239	€ 7.500
RVO Sumatra	€ 51.526	€ 0
Ikea	€ 1.194.747	€ 1.049.420
GIZ Cote d'Ivoire	€ 83.356	€ 117.371
Cloetta Cote d'Ivoire	€ 0	€ 130.000
JDE Turkey	€ 149.785	€ 0
GAHP Vietnam	€ 469.073	€ 0
Nestle	€ 25.893	€ 0
Customized program coffee	€ 0	€ 34.869
Customized program forestt	€ 0	€ 60.381
Other (diverse small donor fundings)	€ 46.652	€ 320.438
02 Grant Revenue	€ 3.402.076	€ 2.576.719

Other grant revenue

The other grant revenue in total is going up by 825K due to increase in Uganda grants plus new project have been acquired in 2023 In Turkey and Vietnam

Consolidated Annual Financial Report

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

	2023	2022
Donations	€ 147.340	€ 169.512
03 Charitable Donations	€ 147.340	€ 169.512

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

Subsidiary funding	€ 30.312.384	€ 12.094.083
04 Subsidiary Funding	€ 30.312.384	€ 12.094.083

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	€ 11.867.010	€ 10.055.890
Temporary/interim/consultancy	€ 259.439	€ 387.083
Social premiums	€ 1.933.535	€ 1.748.252
Holiday allowance	€ 717.695	€ 631.434
Pension premiums	€ 707.368	€ 603.159
Vacation days reserve	€ 120.351	€ 763
Direct personnel expenses	€ 15.605.398	€ 13.426.580
Remote offices	€ 3.551.851	€ 2.802.330
Commuter cost	€ 81.359	€ 18.589
Lunch/meals & entertainment	€ 26.632	€ 63.232
Other personnel expenses	€ 41.218	€ 33.718
Indirect personnel expenses	€ 3.701.059	€ 2.917.869
06 Total personnel expenses	€ 19.306.457	€ 16.344.450

Total direct personnel expenses of €15.6M are €2.18M or 16% higher than the 2022 actuals. This is mainly explained by the increase in salary costs from increased hiring, The inflation correction in October 2023 of 3% and the payment of several transition payments in the Netherlands. The indirect personnel expenses are increased due to the extension of remote employees in 2023.

At year end the total number of FTE (including interns) for the Netherlands is 146 (in 2022 151). For the remote offices the total number of headcount is 170 FTE (in 2022 156 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.

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

	2023	2022
Grant agreements	€ 1.182.296	€ 636.815
07 Subgrants	€ 1.182.296	€ 636.815

Grant agreement expenses in 2023 were €545k higher than in 2022 due to more projects with subgrants contracts.

Accounting	(€ 689)	€ 2.257
Advocacy & Themes	€ 70.831	€ 58.176
Africa	€ 566.863	€ 534.162
America	€ 63.381	€ 90.176
Asia	€ 209.087	€ 321.193
Communication	€ 8.311	€ 17.073
Data Excellence	€ 866	€ 3.151
DMERL (Monitoring & evaluation)	€ 58.725	€ 91.609
Executive General	€ 13.010	€ 10.516
General	€ 137	(€ 17)
Global Alliances General	€ 1.404	€ 0
Global Engagement General	€ 8.687	€ 8.354
Global Internal Compliance	€ 1.877	€ 5.722
Human Resources General	€ 2.492	€ 27.624
Institutional Relations	€ 2.895	€ 4.006
Legal	€ 1.700	€ 8.967
Market transformation	€ 68.394	€ 122.688
Programs General	€ 4.478	€ 1.506
Standards & assurance	€ 128.403	€ 204.606
Supply Chain Excellence	€ 81.768	€ 82.351
Technology	€ 7.179	€ 1.715
Transformational Innovation	€ 28.728	€ 22.723
08 Travel costs	€ 1.328.526	€ 1.618.558

Travel costs decreased by €290k in 2023, the level of travel activities was low due to budget constraints

Admin and salary costs	€ 117.588	€ 127.017
Arbo costs	€ 36.673	€ 21.348
Auditors costs	€ 428.320	€ 441.304
Communications Consultant fee	€ 176.235	€ 267.194
Consultancy & research	€ 2.407.960	€ 2.908.924
Legal costs	€ 178.876	€ 119.576
Recruitment costs	€ 428.475	€ 450.297
Tax advise costs	€ 7.324	€ 22.971
Translation costs	€ 104.696	€ 305.051
09 Consultants & professional services	€ 3.886.146	€ 4.663.683

Consultant & professional services expenses decreased by €777k in 2023, due to cutting costs on outsourcing payroll and HR consultants costs.

Consolidated Annual Financial Report

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

	2023	2022
Technology	€ 2.796.914	€ 558.986
IT Consultant fees	€ 3.794.943	€ 2.582.970
10 IT services & Licenses	€ 6.591.857	€ 3.141.956

IT services & licenses expenses in 2023 were €3.4M higher than in 2022 due a conscious decision in the Foundation to outsource technical expertise with the alignment of IT systems.

Bank charges	€ 124.303	€ 118.927
Catering	€ 114.977	€ 131.057
Cleaning	€ 38.420	€ 28.548
General & office	€ 112.777	€ 116.296
Learning & staff development	€ 101.301	€ 106.364
Office materials/maintenance	€ 65.564	€ 68.334
Office rent	€ 579.863	€ 464.240
Other general costs	€ 553	€ 8.642
Postage	€ 23.838	€ 15.310
Regional offices expenses	€ 48.581	€ 103.628
Service costs	€ 10.956	€ 8.265
Telephone costs	€ 72.329	€ 61.633
11 Office costs	€ 1.293.461	€ 1.231.243

Office costs expenses in 2023 were € 62k higher than in 2022 due to increase office rent.

Advocacy & Themes	€ 0	€ 181
Africa	€ 67.603	€ 14.208
America	€ 172	€ 102
Asia	-€ 1.767	€ 24.502
Data Excellences	€ 83	€ 0
DMERL (Monitoring & evaluation)	€ 754	€ 1.120
Executive General	€ 3.176	€ 0
Markets Trtansformation	€ 0	€ 45
Standards & assurance	€ 188	€ 240
Supply Chain Excellence	€ 729	€ 159
Technology	€ 6.322	€ 42.479
Transformational Innovation	€ 9.373	€ 24.855
12 Equipment & materials	€ 86.632	€ 107.890

Equipment & materials expenses decreased by €21K, less costs for Asia, Technology and Transformational innovation. More costs in Africa for the Mt Kenya project. There were tablets and IT accessories purchases for farmers for data capturing

Consolidated Annual Financial Report

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

	2023	2022
Dues, Memberships, Subscriptions	€ 203.287	€ 189.360
Advertising and Marketing	€ 124.000	€ 223.518
Promotional materials	€ 53.271	€ 162.435
13 Marketing & subscription fees	€ 380.559	€ 575.313

Marketing & subscription fees in 2023 decreased by €195K due to cutting expenses on advertising and promotional materials related to the new certification standard.

Accounting	€ 0	€ 495
Advocacy & Themes	€ 6.168	€ 13.603
Africa	€ 485.714	€ 448.273
America	€ 17.144	€ 17.112
Asia	€ 131.926	€ 180.068
DMERL (Monitoring & evaluation)	€ 10.889	€ 42.124
Executive General	€ 2.352	€ 0
Global Engagement General	€ 338	€ 728
Human Resources General	€ 961	€ 14.661
Institutional Relations	€ 0	€ 1.000
Market transformation	€ 18.089	€ 13.211
Marketing & Communications	€ 0	€ 12.963
Programs General	€ 177	€ 0
Standards & assurance	€ 19.593	€ 29.332
Supply Chain Excellence	€ 33.492	€ 41.949
Transformational Innovation	€ 2.172	€ 3.283
14 Trainings & workshops	€ 729.015	€ 818.802

Training & workshop expenses decreased in 2023 by €90K due to cutting training activities in DMERL, Asia and Standard & Assurance department.

Consolidated Annual Financial Report

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

	2023	2022
Bad Debt provision	(€ 20.987)	(€ 141.861)
16 Bad debt expense	<u>(€ 20.987)</u>	<u>(€ 141.861)</u>
Hardware	€ 73.724	€ 65.383
Inventory and furniture	€ 36.505	€ 38.646
Office	€ 0	€ 7.555
Software	€ 3.571.192	€ 2.956.510
17 Depreciation & amortization	<u>€ 3.681.421</u>	<u>€ 3.068.094</u>

Depreciation was €613K higher in 2023 than in 2022 due to continued investments in our certification systems.

Exchange rate differences	(€ 154.073)	(€ 775.628)
18 Exchange result	<u>(€ 154.073)</u>	<u>(€ 775.628)</u>

Interest received	(€ 12.205)	€ 14.121
19 Interest received	<u>(€ 12.205)</u>	<u>€ 14.121</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, 2023

Presented in grant budget currency: USD

Category	Total Approved Budget (USD)	Claimed/Audited Costs	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)	January 1, 2022 - December 31, 2023 (USD)	Inception - December 31, 2023 (USD)
Personnel costs	\$ 2.382.633	\$ 30.551	\$ 304.151	\$ 374.589	\$ 424.296	\$ 1.133.587
Capital expenditure	219.401	-	86.302	1.465	83.982	171.749
Travel	396.142	2.574	22.708	73.612	78.675	177.569
Distributable goods & supplies, infrastructures	107.700	-	-	8.442	31.488	39.930
Reports, assessments & publications	175.908	-	63.011	1.959	19.915	84.885
Communications & visibility	52.737	-	10.996	10.946	14.075	36.017
Office costs	242.558	628	70.251	57.481	34.787	163.147
Conferences & meetings	655.499	-	42.829	158.046	197.296	398.171
Others: Partners Dedicated Amounts & LMB						
Activities	1.236.805	-	-	41.599	177.332	218.931
Total Direct Costs	5.469.383	33.753	600.248	728.139	1.061.846	2.423.986
Indirect Costs	1.166.846	8.438	150.062	145.269	193.609	497.378
Total Costs	\$ 6.636.229	\$ 42.191	\$ 750.310	\$ 873.408	\$ 1.255.455	\$ 2.921.364

Annual Foundation Accounts

3.1 Foundation Balance Sheet as of December 31, 2023
(After appropriation of results)

	2023	2022
ASSETS		
B01 Intangible fixed assets	€ 4.896.673	€ 5.150.345
B02 Tangible fixed assets	€ 74.986	€ 80.882
B03 Financial fixed assets	€ 200.000	€ 200.000
Total Fixed assets	€ 5.171.659	€ 5.431.227
B04 Accounts receivable	€ 341.670	€ 114.036
B05 Taxes	€ 0	€ 564
B06 Other receivables and prepaid expenses	€ 148.264	€ 327.234
B07 Receivable from other subsidiaries and BV	€ 0	€ 11.792.331
B08 Outstanding loan with BV	€ 10.161.489	€ 0
B09 Cash at banks	€ 931.446	€ 1.191.098
Total current assets	€ 11.582.869	€ 13.425.264
Total assets	€ 16.754.527	€ 18.856.491
 DISPOSABLE RESERVES AND LIABILITIES		
B10 Paid in capital	€ 3.325	€ 3.325
B11 General reserve	€ 10.463.859	€ 13.332.321
Total disposable reserves	€ 10.467.184	€ 13.335.646
B13 Accounts payable	€ 1.690.921	€ 1.862.933
B14 Taxes and social premiums	€ 273.041	€ 260.021
B15 Subsidies received	€ 1.828.697	€ 2.433.098
B16 Other liabilities	€ 1.935.385	€ 964.793
B17 Payable to other subsidiaries	€ 559.298	€ 0
Total current liabilities	€ 6.287.343	€ 5.520.845
Total disposable reserves and liabilities	€ 16.754.527	€ 18.856.491

Annual Foundation Accounts

3.2 Foundation Statement of Income and Expenditures for the Year Ended December 31, 2023

	2023	2022
01 Grant & Contract revenue	€ 3.369.131	€ 2.437.210
02 Charitable Donations	€ 147.340	€ 169.512
03 Subsidiary Funding	€ 23.196.585	€ 6.149.173
04 Other income	€ 23.217	€ 6.110
TOTAL INCOME	€ 26.736.274	€ 8.762.005
05 Personnel expenses	€ 8.522.220	€ 7.707.010
06 Subgrants	€ 1.012.244	€ 348.608
07 Travel costs	€ 307.664	€ 548.526
08 Consultancy & professional services	€ 2.493.832	€ 2.668.923
09 IT services & licenses	€ 6.241.689	€ 3.093.111
10 Office costs	€ 868.405	€ 744.218
11 Equipment & materials	(€ 11.663)	€ 43.076
12 Marketing & subscription fees	€ 197.635	€ 220.746
13 Trainings & workshops	€ 3.526	€ 190.513
14 Insurance expenses	€ 44.148	€ 73.753
15 Bad debt expense	€ 20.000	(€ 10)
16 Shared services	(€ 4.723.000)	(€ 6.460.000)
17 Allocation between subsidiaries	(€ 661.943)	(€ 1.339.693)
TOTAL OPERATING EXPENSES	€ 14.314.758	€ 7.838.781
Result before depreciation	€ 12.421.516	€ 923.223
18 Depreciation	€ 3.597.577	€ 3.014.252
Result after depreciation	€ 8.823.939	(€ 2.091.029)
19 Exchange result	(€ 60.907)	(€ 326.290)
20 Interest	€ 2.196	(€ 4.402)
TOTAL FINANCIAL RESULT	(€ 58.711)	(€ 330.692)
RESULT FOUNDATION	€ 8.765.228	(€ 2.421.720)
21 Payable settlement of funding activities	€ 0	€ 0
RESULT OF THE YEAR	€ 8.765.228	(€ 2.421.720)
Appropriation of result		
General reserve	€ 8.765.228	(€ 2.421.720)
	€ 8.765.228	(€ 2.421.720)

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

	2023	2022
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	€ 341.670	€ 114.036
B04 Accounts receivable	€ 341.670	€ 114.036
Security deposit	€ 36.732	€ 38.812
Prepaid expenses	€ 11.402	€ 115.809
Advances Subgrants	€ 0	€ 54.093
Advances to staff	€ 31.995	€ 78.315
Prepaid pensions	€ 66.173	€ 38.618
Other	€ 1.963	€ 1.587
B06 Other receivables and prepaid expenses	€ 148.264	€ 327.234
Cash handling is avoided, wherever possible. There are yearly audits in countries in cases where the total yearly expenses are above € 50K. Such as audits are encountered in Kenya and Ghana		
Receivable from other subsidiaries	€ 0	€ 2.627.959
Receivable from BV	€ 0	€ 9.164.372
B07 Receivable from other subsidiaries and BV	€ 0	€ 11.792.331
<p>The Foundation's receivables from the organization's subsidiaries decreased in 2023 due to the loss position in BV as royalty invoicing changed to RA Inc. In 2023, 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. In 2023, B.V. was funded through a loan by the Foundation, to satisfy the operational demands of RA B.V. recipient.</p>		
Outstanding loan with BV	€ 10.161.489	€ 0
B08 Outstanding loan with BV	€ 10.161.489	€ 0
Bank accounts (free at disposal)	€ 931.446	€ 1.191.098
B09 Cash at banks	€ 931.446	€ 1.191.098

The 2023 cash balance remained on par with 2022.

Annual Foundation Accounts

3.4 Explanation to the Foundation Balance Sheet (cont.)

	2023	2022
Accounts payable	€ 1.690.921	€ 1.862.933
B13 Accounts payable	€ 1.690.921	€ 1.862.933
Accounts payable The accounts payable is included an unpaid invoice from Zwitterleven for the pensioncosts over 2024 of €58k.		
Vendor Withholding taxes	€ 147	€ 0
Wage tax/social securities	€ 3.608	€ 7.817
Payroll taxes	€ 269.287	€ 252.204
B14 Taxes and social premiums	€ 273.041	€ 260.021
Other donor funds received and not yet spend	€ 1.828.697	€ 2.433.098
B15 Subsidies received	€ 1.828.697	€ 2.433.098
Provision vacation allowance	€ 326.062	€ 232.701
Untaken vacation days	€ 464.796	€ 306.386
Provision settlement agreements	€ 522.252	€ 179.808
Audit accruals	€ 63.918	€ 46.150
Employees payable	€ 0	€ 303
Other	€ 558.358	€ 199.444
B16 Other liabilities	€ 1.935.385	€ 964.793

Contingent liabilities

The Foundation office lease contract amounts to € 360K per annum will expire March 31th 2024. The new lease contract will commence July 1st 2024 for 5 years and will end on June 30th 2029. The free period between March 31th 2024 and July 1st 2024 is compensation of office renovation. The total engagement on December 31st 2023 amounts to € 1.301K:
 < 1 year amount to € 128K
 < 5 year amount to € 1.173K

The following bank guarantee has been issued on the rental agreement : REAAL De Ruyterkade B.V. in the amount of € 94,294. This bank guarantee will be adjusted to € 86,519 in June 2024. The Foundation has to charge reasonable costs to the B.V. 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

	2023	2022
RVO Uganda	€ 345.031	€ 149.727
RVO Cote d'Ivoire	€ 33.917	€ 60.912
RVO SDGP	€ 427.976	€ 377.096
RVO JDE Vietnam	€ 302.062	€ 167.658
RVO Turkey	€ 196.819	€ 101.347
RVO Guatemala	€ 75.239	€ 7.500
RVO Sumatra	€ 51.526	€ 0
Ikea	€ 1.194.747	€ 1.049.420
GIZ Cote d'Ivoire	€ 83.356	€ 117.371
Cloetta Cote d'Ivoire	€ 0	€ 130.000
JDE Turkey	€ 149.785	€ 0
GAHP Vietnam	€ 469.073	€ 0
Other (diverse small donor fundings)	€ 39.602	€ 276.178
01 Grant & Contract Revenue	€ 3.369.131	€ 2.437.210

Other grant revenue

The other grant revenue amounts have fairly increased at the Foundation, compared to 2022. In 2023, there were several more new granted subsidies received from RVO for €932k and Ikea for 466k. This income came mainly from customized (extra) services for cocoa and coffee.

Annual Foundation Accounts

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

	2023	2022
Gross salaries	€ 4.825.049	€ 4.361.303
Temporary/interim/consultancy	€ 227.611	€ 283.631
Social premiums	€ 908.742	€ 814.557
Holiday allowance	€ 395.435	€ 358.912
Pension premiums	€ 324.892	€ 339.884
Vacation days reserve	€ 166.090	(€ 6.222)
Direct personnel expenses	€ 6.847.818	€ 6.152.063
Remote offices	€ 1.532.249	€ 1.489.314
Commute cost	€ 43.593	€ 11.099
Lunch/meals & entertainment	€ 74.647	€ 42.814
Other personnel expenses	€ 23.914	€ 11.719
Indirect personnel expenses	€ 1.674.403	€ 1.554.947
05 Total personnel expenses	€ 8.522.220	€ 7.707.010

Total personnel expenses of €8.5M are €815K or 11% more than the 2022 actuals of €7,7M. Increase due to salary raises and inflation corrections and remote offices.

Grant agreements	€ 1.012.244	€ 348.608
06 Subgrants	€ 1.012.244	€ 348.608

Grant agreement expenses in 2023 were €664k more than in 2022 due to that there were more projects with subgrants contracts.

Annual Foundation Accounts

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

	2023	2022
Accounting	(€ 344)	€ 2.033
Advocacy & Themes	€ 52.010	€ 57.960
Africa	(€ 25.799)	€ 17.381
America	€ 63.381	€ 89.721
Asia	€ 34.370	€ 44.997
Communication	€ 2.743	(€ 227)
Data Excellence	€ 476	€ 3.000
DMERL (Monitoring & evaluation)	€ 40.053	€ 71.820
Executive General	€ 11.881	€ 10.189
Global Internal Compliance	€ 1.877	€ 5.298
Human Resources	€ 2.161	€ 27.624
Institutional Relations	€ 2.895	€ 4.006
Legal General	€ 1.700	€ 8.360
Markets Transformation	€ 2.826	(€ 1.988)
Programs General	€ 2.268	(€ 8)
Standards & assurance	€ 97.812	€ 197.524
Supply Chain Excellence	€ 3.383	€ 70
Technology	€ 5.511	€ 1.715
Transformational Innovation	€ 8.461	€ 9.051
07 Travel costs	€ 307.664	€ 548.526

Travel costs decreased by €241k in 2023, this was due to budget constraints and cutting on travel expenses.

Admin and salary costs	89.412	74.668
Arbo costs	36.565	21.348
Auditors costs	413.570	418.307
Communications Consultant fee	69.500	29.698
Consultancy & research	1.271.588	1.399.289
HR Consultant costs	371.385	424.202
Legal costs	133.291	77.011
Tax advise costs	7.324	21.725
Translation costs	101.197	202.676
08 Consultants & professional services	€ 2.493.832	€ 2.668.923

Consultant & professional services expenses decreased by €175k in 2023, less costs for project audits, less costs for outsourcing payroll and HR consultants costs.

Annual Foundation Accounts

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

	2023	2022
General	€ 0	€ 0
IT Consultant fees	€ 2.487.661	€ 2.582.970
Technology	€ 3.754.028	€ 519.380
09 IT services & licenses	€ 6.241.689	€ 3.102.350

IT services & licenses expenses in 2023 were €3.14M higher than in 2022 due a conscious decision in the Foundation to outsource technical expertise with the alignment of IT systems.

Bank charges	€ 32.695	€ 29.828
Catering	€ 112.445	€ 125.469
Cleaning	€ 33.102	€ 26.368
General & Office	€ 50.669	€ 72.900
Learning & staff development	€ 86.004	€ 48.266
Office materials/maintenance	€ 12.269	€ 23.051
Office rent	€ 489.886	€ 377.651
Other general costs	€ 0	€ 1.427
Postage	€ 14.115	€ 7.696
Regional offices expenses	€ 11.324	€ 1.437
Service costs	€ 2.432	€ 2.746
Telephone costs	€ 23.462	€ 27.378
10 Office costs	€ 868.405	€ 744.218

An increased of €124K in office costs in 2023 due to rent increase.

Advocacy & Themes	€ 0	€ 181
Africa	(€ 19.227)	(€ 323)
America	€ 172	€ 102
Asia	(€ 2.142)	(€ 703)
Data Excellence	€ 0	€ 0
DMERL (Monitoring & evaluation)	€ 0	€ 1.120
Executive General	€ 3.176	€ 0
Markets Transformation	(€ 313)	(€ 152)
Standards & assurance	€ 144	€ 5
Supply Chain Excellence	€ 205	€ 159
Technology	€ 6.322	€ 42.479
Transformational Innovation	€ 0	€ 209
11 Equipment & materials	-€ 11.663	€ 43.076

Equipment & materials expenses decreased by €55K, less costs for Technology, due to the fact that there are movements with employees. The negative balance is due to a total of €26k for cross charging to INC.

Annual Foundation Accounts

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

	2023	2022
Advertising and Marketing	€ 70.830	€ 52.238
Dues, Memberships, Subscriptions	€ 115.642	€ 169.821
Promotional materials	€ 11.163	(€ 1.313)
12 Marketing & subscription fees	€ 197.635	€ 220.746

Marketing & subscription fees in 2023 decreased by €23K due to cutting expenses on memberships fee and Subscriptions.

Accounting	€ 0	€ 495
Advocacy & Themes	€ 4.980	€ 12.904
Africa	(€ 140.314)	(€ 27.316)
America	€ 17.144	€ 17.112
Asia	€ 77.977	€ 99.271
DMERL (Monitoring & evaluation)	€ 3.873	€ 30.549
Executive General	€ 2.352	€ 0
Human Resources General	€ 961	€ 14.661
Marketing & Communications	€ 0	€ 349
Markets transformation	(€ 587)	(€ 3.732)
Standards & assurance	€ 16.127	€ 29.225
Supply Chain Excellence	€ 19.417	€ 14.214
Transformational Innovation	€ 1.596	€ 2.781
13 Trainings & workshops	€ 3.526	€ 190.513

Training & workshop expenses decreased in 2023 by €187K due to cutting training activities in Asia, Africa and Standard & Assurance department.

Annual Foundation Accounts

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

	2023	2022
Personnel expenses	€ 2.954.000	€ 4.207.000
Travel costs	€ 305.000	€ 562.000
Consultancy & professional services	€ 898.000	€ 1.531.000
IT services & licenses	€ 1.324.000	€ 1.219.000
Office costs	€ 262.000	€ 381.000
Equipment & materials	€ 26.000	€ 49.000
Marketing & subscription fees	€ 65.000	€ 156.000
Trainings & workshops	€ 210.000	€ 329.000
Insurance expenses	€ 14.000	€ 41.000
Bank & Other Fees	€ 28.000	€ 22.000
Depreciation & Amortization	€ 29.000	€ 46.000
Technology - non depreciation costs	(€ 278.000)	(€ 1.423.000)
Supply chain Excellence	(€ 969.000)	€ 0
Standard & Assurance	(€ 145.000)	(€ 660.000)
16 Shared services	€ 4.723.000	€ 6.460.000

The Foundation charges reasonable costs to the B.V. 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 OF THE YEAR	(€ 2.167.233)	(€ 13.878.976)
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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.

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 Santiago Gowland
 Director Stichting Rainforest Alliance
 June 24, 2024

Consolidated Annual Financial Report

Board Members Rainforest Alliance 2023

Johanna Maria Wijn	.....
Anisha Pushpika Rajapakse	.....
Antonius van Der Laan (Vice Chairman) LEFT 31 DEC 2023	.....
Anurag Priyadarshi	.....
Dan Louis Houser	.....
Daniel Roger Katz (Chair)	.....
Eric B. Rothenberg	.....
Juan Esteban Orduz Trujillo	.....
Kerri Anne Smith	.....
Labeeb Makram Abboud LEFT 11 FEB 2023	.....
Maria de Lourdes Hernandez Velasco de Bosoms	.....
Nalin Kumar Miglani	.....
Nina Haase	.....
Paul Douglas Rubacha	.....
Peter Hans Lehner	.....
Peter Martin Schulte (Treasurer)	.....
Sarah Jane Danchie	.....
Sonila Alice Cook	.....
Tasso Rezende de Azevedo
Vanusia Maria Carneiro Nogueira
Wendy Gordon Rockefeller

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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.