

GOVERNANCE

UTZ has an executive team that is responsible for day-to-day affairs, and a multi-stakeholder governance structure.

UTZ is governed by a multi-stakeholder Supervisory Board, with members drawn from: producers, the supply chain (including brands, processors, trade, retailers), civil society/non-governmental organizations and representative trade unions. The Supervisory Board meets a minimum of two times a year and oversees the Executive Team. For a number of important matters, the Supervisory Board's approval is required before the Executive Team can take decisions. In 2015, the Supervisory Board met 4 times. A major focus area was the development of the multi-year strategy for UTZ from 2016 onwards.

The multi-stakeholder Standards Committee consists of representatives of producers and supply chain actors, NGOs and technical experts on specific sustainability issues (e.g. employees' rights, good agricultural practices, and biodiversity), experts in the field of certification and sustainability and the UTZ Standards Director (non-voting member). The Committee's task is to adopt, on the basis of information and data provided by stakeholders, new Codes of Conduct as well as revise existing Codes. In 2015, the Standards Committee met 3 times. The committee reviewed feedback from the pilot period of the new Code of Conduct, and approved several certification documents: the amended version of the Code, the new List of Banned Pesticides and Pesticides Watch List, and the final Hazelnut Module.

Lastly, the Product Advisory Committees (PACs) support and advise both the Supervisory Board and UTZ's staff on the development, implementation and revision of product specific programs. Members of the PACs possess knowledge of production, trade, manufacturing or retail.

"UTZ's mission is to make sustainable farming the norm, and that's no easy task. It requires strong relationships with many different stakeholders, particularly farmers, companies and civil society. That's why it is so important to have a multi-stakeholder governance model. It means that UTZ benefits from the expertise of many different players in the sector, as well as representing their interests." Ton van der Laan, Chair of the UTZ Supervisory Board

EXECUTIVE TEAM

Han de Groot - Executive Director

Daan de Vries - Markets Director

Britta Wyss Bisang - Standards Director

Juliette Caulkins - Emerging Markets Director (until December 2015)

For all UTZ staff please see: <https://www.utz.org/who-we-are/who-is-who/>



GENERAL NOTES ON THE ACCOUNTS

General

Unless otherwise indicated, assets and liabilities are stated at nominal value.

Accounts receivable

Accounts receivable are stated at nominal value including an allowance for bad debts. The bad debt allowance is calculated as follows:

- Nominal value of invoices outstanding between 30 and 60 days x 25%.
- Nominal value of invoices outstanding between 60 and 90 days x 50%.
- Nominal value of invoices outstanding longer than 90 days x 100%.
- +10% of the sum of the above to cover additional debtor management expenses.

Tangible fixed assets

Tangible fixed assets are stated at their historical cost less depreciation. Depreciation is provided in equal annual installments over the estimated useful lives of the assets.

Intangible fixed assets

Intangible fixed assets are stated at their historical cost less amortization. Amortization is provided in equal annual installments over the estimated useful lives of the assets.

Result of the year

The result represents the difference between income and costs based on accrual accounting during the year. The results on transactions are recognized in the year they are realized; losses are taken as soon as they are foreseeable.

Income

Income represents funds received from donors, contributions from targeted industries and administration fees billed to users of the UTZ Traceability system calculated on the basis of volume.

Corporate Income Tax

The activities of UTZ are exempt from corporate income tax.

COMMENTS ON THE 2015 FINANCIAL STATEMENTS

The year 2015 ended with a positive result of € 2.622K compared to a positive result of €263K for 2014. This result is transferred into the general and continuity reserves. Income increased by 26% to € 13.942K due to increased income from fees for coffee, cocoa and palm oil. Operating expenses increased by 3%.

Due to the fact that a non-profit organization as UTZ is more vulnerable to volatile markets and changes in donor policies, a continuity reserve exists to secure continuity of its activities. When surplus funds are available, additions to this reserve are made to keep up with the growth.

Growth in existing and new activities led to an increased number of employees. At the end of the year 2015 UTZ has employed a total of 97 FTEs, which is a growth of 5 FTEs compared to last year.

A trainee program offered 3 young professionals possibilities to increase their knowledge and research experience at the beginning of their working career. In the total personnel costs of € 5,994K a total of € 269K was remuneration of the statutory directors.

UTZ will use its knowledge and experience to roll out new programs and thereby increase its contribution to agricultural sustainability. The objective is to be able to finance all current operations through program fee income. New programs in their initial phase will mainly be financed through contributions and sponsoring.

UTZ acknowledges financial support from various donors. Their financial support has been crucial in strengthening our producer programs and market linkage.

AUDITOR'S REPORT

dubois + co
REGISTERACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To: the Board of UTZ CERTIFIED Foundation, Amsterdam.

The accompanying summary consolidated financial statements, as part of the 'UTZ 2015 Governance & Financial Information' in the annual report of UTZ CERTIFIED Foundation, Amsterdam, which comprise the summary consolidated balance sheet as at 31 December 2015, the summary consolidated statement of income and expenditure for the year then ended and related notes, are derived from the audited consolidated financial statements of UTZ CERTIFIED Foundation for the year ended 31 December 2015. We expressed an unqualified audit opinion on those consolidated financial statements in our report dated 30 March 2016.

The summary consolidated financial statements do not contain all the disclosures required by the Guidelines for annual reporting of the Dutch Accounting Standards Board, especially Guideline 640 'Organizations not for profit'. Reading the summary financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of UTZ CERTIFIED Foundation.

Board's responsibility
Board is responsible for the preparation of a summary of the audited financial statements in accordance with the accounting policies as mentioned in these financial statements.

Auditor's responsibility
Our responsibility is to express an opinion on the summary of the audited consolidated financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standard on Auditing 810, 'Engagements to Report on Summary Financial Statements.'

Opinion
In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of UTZ CERTIFIED Foundation for the year ended 31 December 2015 are consistent, in all material respects, with those financial statements, in accordance with the accounting policies as set out in the financial statements.

Amsterdam, 30 March 2016
Dubois & Co. Registeraccountants

Signed on original:
A.P. Buteijn RA

Dubois & Co. Registeraccountants is een maatschap van praktijkvermoetschappen. Op alle opdrachten die aan ons kantoor worden verstrekt zijn onze algemene voorwaarden van toepassing. Deze voorwaarden, waarvan de tekst is opgenomen op de website www.dubois.nl, bevatten een aansprakelijkheidsbeperking.

MAIN SUBSIDIES

The main subsidies received and accounted for by UTZ for the year 2015 can be listed as follows:

Income & expenses	€ x 1,000
Postcode loterij (NPL)	500
Ford Foundation	242
Hazelnuts (industry support)	106
Deutsche Entwicklung Gesellschaft (DEG)	73
Cocoa (industry support)	96
UNEP & Sustainable Rice Platform	49
Other (diverse small donor fundings)	82
Total Subsidies	1,148

BALANCE

Balance as per December 2015

(€ x 1,000)	31-Dec-15	31-Dec-14
Intangible fixed assets	613	818
Tangible fixed assets	304	317
Financial fixed assets	1	0
Total fixed assets	918	1,135
Accounts receivable	2,809	2,293
Other receivables and prepaid expenses	422	323
Cash at banks	3,892	1,778
Total current assets	7,123	4,394
Total assets	8,041	5,529
Paid in capital	3	3
General reserve	2,604	983
Continuity reserve	2,800	1,800
Total capital account	5,407	2,786
Accounts payable	1,896	1,900
Taxes and premiums	216	148
Subsidies received	132	314
Other liabilities	390	381
Total current liabilities	2,634	2,743
Total disposable reserves and liabilities	8,041	5,529

REVENUE AND EXPENDITURES

Statement of revenue and expenditures for the year ending 31-Dec-2015

(€ x 1,000)	2015	2014	2013
Fees	11,975	9,158	7,644
Subsidies	1,148	1,193	1,334
Contributions	783	637	447
Other	36	48	55
Total Income	13,942	11,036	9,480
Personnel cost	-5,994	-5,740	-4,362
Brand & advertising	-105	-96	-147
Events & trainings	-607	-687	-370
Materials & translation	-163	-148	-139
Travel & meals	-902	-805	-785
General & office	-612	-635	-408
ICT services	-682	-555	-645
Consultancy & research	-870	-1,154	-1,108
Repres. & projects in origin	-896	-647	-463
Total Operating expenses	-10,831	-10,467	-8,427
EBITDA	3,111	569	1,053
Depreciation	-540	-396	-164
EBIT	2,571	173	889
Exchange result	38	83	-42
Interest	14	13	27
Other	-1	-6	9
Total financial result	51	90	-6
Result	2,622	263	883

SUPERVISORY BOARD

Paul Andela

SB member since 08/12/2011. Union Representative. Former International Secretary FNV Bondgenoten (largest Dutch trade union), former President of ECF-IUF (now EFFAT), former President IUF.

Sidiki Cissé

SB member since 4/12/2014. Producer Representative. General Manager at ANADER, the National Agency for Rural Development Support in Côte d'Ivoire.

Jim Fisher

SB member since 22/06/2010. Supply Chain Representative. Managing Principal of Triumph Revenue Advisors, a marketing and consulting firm focused on building revenues and a special expertise in retail coffee marketing including development of a premium coffee house concept for Melitta, USA.

Richard Holland

Former SB chair, SB member since 10/10/2007. Civil Society Representative. Director Market Transformation Initiative at WWF.

Ton van der Laan

SB member since 04/12/2012, SB chair since 04/04/2013. Supply Chain Representative. CEO of Nidera, a commodity service and solutions provider for the global agricultural markets and also worked for Cargill, Provimi, Unilever and Philips.

Nalin Miglani

SB member since 10/12/2010. Supply Chain Representative. Executive Vice President and Chief Human Resources Officer of Exl Service Holdings Inc. Former Chief HR and Corporate Development Officer at Nutreco; and former Chief HR and Communication Officer at Tata Beverage Group.

Stefanie Miltenburg

SB member since 28/03/2011. Supply Chain Representative. Director of International Corporate Social Responsibility at Jacobs Douwe Egberts and Director of DE Foundation.

Paula Nimpuno

SB member since 04/04/2013. Civil Society Representative. Development planning consultant working on issues of rural enterprise, social justice and policy development. Formerly Program Officer for Economic Opportunities and Assets at the Ford Foundation Southern Africa.

Vanusia Nogueira

SB member since 12/09/2014. Producer Representative. Executive Director of the Brazil Specialty Coffee Association (BSCA). Vanusia comes from a coffee growing family.

Juan Esteban Orduz

SB member since 12/09/2014. Producer Representative. President of Colombian Coffee Federation, Inc., the North America subsidiary of the National Federation of Coffee Growers of Colombia (FNC) which represents more than 563,000 coffee-growing families.

Cees van Rijn

SB member since 09/12/2013. Supply Chain Representative. Worked for more than 35 years in the agribusiness and food industry. He is former CFO at Nutreco and worked at Sara Lee, McCain Foods and Nutricia.

STANDARDS COMMITTEE

Hugo Byrnes

Industry Representative. VP Product Integrity, Royal Ahold, The Netherlands.

Niwton Castro Moraes

Producer Representative. Technical Advisor for Coffee of Department of Agriculture of Minas Gerais State, Brazil.

Jean-Yves Couloud

Producer Representative. Program Coordinator, World Cocoa Foundation, Côte d'Ivoire.

Stephanie Daniels

NGO Representative/Individual Expert. Program Manager, Agriculture & Development, Sustainable Food Lab, USA.

Anneke Fermont

Industry Representative. Regional Sustainability Manager, Kyagalanyi Coffee Ltd. (Volcafe), Uganda.

Jürg von Niederhausern

Industry Representative. Head of Social Compliance & Standards, Migros, Switzerland.

Michele Pisetta

Industry Representative. Sustainable Project Developer. Ferrero Trading Lux., Luxembourg.

Ximena Rueda Fajardo

Producer Representative. Research Associate, Stanford University, USA (previous: Strategic Marketing Director, Federación Nacional de Cafeteros de Colombia).

Leonardo Sánchez Hernández

NGO Representative/Individual Expert. Environment and Certification Expert, Aceres Consultants, Costa Rica.

Winaryo Suyono

Certification Body Representative. Control Union Certifications, Indonesia.

Kraig Kraft

NGO Representative/Individual Expert. Regional Technical Advisor for Coffee and Cocoa at Catholic Relief Services, Nicaragua.

Britta Wyss Bisang

Non-Voting Member. Standards Director, UTZ.