Introduction

UTZ Certified is a program and label for sustainable farming worldwide. Our mission is to create a world where sustainable farming is the norm. Sustainable farming helps farmers, workers and their families to fulfill their ambitions and contributes to safeguarding the earth’s natural resources, now and in the future.

A world where sustainable farming is the norm, is a world where farmers implement good agricultural practices and manage their farms profitably with respect for people and planet, industry invests in and rewards sustainable production, and consumers can enjoy and trust the products they buy.

Through the different activities of UTZ Certified (Field Development, Standards and Certification, Traceability and Market Development) UTZ is increasingly positioning itself as a provider of sustainability services for several supply chains: Coffee, Cocoa, Tea, Palm Oil, Cotton.

In combination, these services reinforce each other to provide the highest possible impact on our long term sustainability goals and it is our ambition to develop these services to the highest possible level. In that way we maximize our impact on the sustainability of the respective supply chains.
Looking back

2011 was another successful year in which the supply of UTZ Certified coffee, our first commodity, grew by more than 20 percent. Our newer programs expanded even faster: the supply of UTZ Certified cocoa and tea multiplied by 3 and 2.8 respectively. Also on the market side of the supply chain UTZ grew rapidly: over 1200 new UTZ labeled products were launched worldwide in 2011.

With a lot of gratitude we said farewell to some institutional funders in 2011 that had supported UTZ Certified from its early days, most notably Hivos and Stichting DOEN, whose support allowed UTZ to become what it is today. We were very pleased to become a beneficiary of the Dutch National Postcode Lottery from 2011 onwards and look forward to growing further with their support, as well as the continued support by Irish Aid (via the Irish Fairtrade Network) and the Dutch Sustainable Trade Initiative (IDH).

2011 was also a year of seeking new partnerships and cooperation amongst the sustainability standards. In February we launched a joint statement, together with Fairtrade International, Rainforest Alliance/ Sustainable Agriculture Network. Since then, talks with Fairtrade International, Rainforest Alliance/ Sustainable Agriculture Network, the Dutch Sustainable Trade Initiative (IDH), Aid (via the Irish Fairtrade Network) and the Dutch National Postcode Lottery from 2011 onwards and look forward to growing further with their support, as well as the continued support by Irish Aid (via the Irish Fairtrade Network) and the Dutch Sustainable Trade Initiative (IDH).

Our ambition

This year UTZ Certified will celebrate its 10th Anniversary. The years of pioneering are behind us, but exploring new ways of improving and expanding will always remain a strong part of who we are. For that reason we have defined three areas of further qualitative and quantitative growth as our sustainability goals for the next years:

- Increase volume and coverage of our program
  - In the coming years we plan to continue enlarging the share of sustainably produced products in the coffee, tea and cocoa sectors.
  - In order to really make the coffee, cocoa and tea sectors more sustainable as a whole, a lot of effort has to be put into involving more farmers into our program. This cannot be done by certification programs alone, but needs involvement of the whole supply chain. We call upon coffee roasters, chocolate manufacturers and many others to join us, not only in demanding sustainable products, but also in investing in better farming practices: supporting extension services, organization of farmers and investing in infrastructure. This is needed to safeguard production now and in the future, improve the living and working conditions for farmers, workers and their families, safeguarding the earth’s natural resources and help consumers to enjoy and trust the products they buy.

- Broaden the base
  - The industry players move to integrate sustainability into their core strategies with highly ambitious programs in sustainable sourcing, supply chain CO2 & water footprint and sustainable product portfolio. This is driven by their increasingly critical customers who expect to be able to trust their favorite brands and supermarkets in taking their responsibility. In search for partners that can support them to make their supply chains sustainable, companies turn to us with the request to broaden our portfolio beyond current products. With the experience we gained over the years we will start to explore how we can service even more supply chains and commodities. Given our limited financial and human resources, a number of prerequisites have to be met for new product based programs: Buy-in of critical mass of large players, a solid business case for UTZ Certified and matching funding. Since UTZ takes a sector approach and we value cooperation with other organizations, these initiatives will be open to be joined by stakeholder-partners in the sector.

- Stay ahead
  - UTZ is proud to add value in innovative ways: our strongly growing sector programs are an example of being able to service what our stakeholders, most notably farmers, need. We will keep seeking new ways to do this. The launch of a new traceability system, the Good Inside Portal, has been a good and very challenging example of that. Years of gaining experience and investing in modern techniques have made it possible to offer a state of the art traceability system that is also very attractive to new sectors. Our codes will go through a code revision cycle this year, making them even more up to date and supportive to better farming.
Building on our years of experience in the field, working together with our strategic partner organization Solidaridad, an UTZ Field Development department was set up in 2011. The objective of Field Development (FD) is to raise the number of farmers working in accordance with the UTZ requirements and vision. This not only benefits an increasing number of people in origin countries, but also leads to reliable supply of sustainable products for partner companies. FD is active in producer support, producer marketing, local representation and developing additional benefits for farmers that contribute to the impact envisioned by UTZ that goes beyond certification. In this way, farmers will not only want to join the program, but also have reason to stay in it.

The recruiting of Field Coordinators for Africa, Asia and Latin America was concluded in August. This central team will coordinate and expand the global network of representatives and partner organizations. In 2011, UTZ Certified had own representation in Brazil and Vietnam. In Guatemala, UTZ Certified was represented by Fundacion Utz Kapeh. This organization has become independent per January 1st, 2012. Solidaridad continued to play an important role in UTZ-related field activities around the world and remains a strategic partner across most regions and commodities. In addition, other partnerships are being explored at the international and local level to ensure that the strong demand growth can be met on the supply side.

During the course of 2011, the FD department was involved in a number of special projects, such as the Certification Capacity Enhancement project aimed at common training materials for cocoa farmers in West Africa. The project is coordinated by GIZ and supported by a wide range of organizations, including the three main certification systems in cocoa. UTZ Certified also sponsored the Progreso Productivity Challenge, for best practices on enhancing coffee productivity. The final winner will be selected early 2012.
Standards and Certification

Our warm welcome and thanks to the new UTZ Certified Standards Committee that became fully operational in 2011. This multi-stakeholder body is responsible for approving the content of the UTZ Code of Conducts which are set up by the Standards and Certification department, and is an important partner in program discussions.

The UTZ assurance not only covers production, but also the downstream supply chain. In the area of supply chain assurance, 2011 saw the release of improved and harmonized Chain of Custody standards for coffee, cocoa and tea. These releases were followed by trainings for certification bodies (CB) and other stakeholders involved.

The introduction of the new traceability system, the Good Inside Portal (GIP) in 2011, marked the beginning of a new era for UTZ’ certification management. The cocoa certification management was done through the GIP’s “Certification Bodies area”, meaning that CBs now have a worldwide available software tool to upload the results of the auditing and certification process – a huge step towards increased efficiency. In the fall the coffee CBs were also intensively trained by the Standards and Certification staff to be ready for using the CB area in early 2012. What continues to remain is that all certification information is subject to UTZ’ thorough quality check and timely processing.

UTZ Certified feels the climate is a crucially important subject to include in working towards a world where sustainable farming is the norm. This is put into practice as we enter the the second year of the “Energy from Coffee Waste project”. This project experienced an important milestone with the inauguration visit to the Nicaragua project partners in 2011. The constructions at the project partners in Guatemala and Honduras are also making a lot of progress. “Energy from Coffee waste in Central America” is a project within the framework of the Dutch “Bioroots- Moelkweit” fund, granted by NL Agency, an agency of the Dutch Ministry of Economic Affairs, Agriculture and Innovation. UTZ Certified has been working and will continue to work in a consortium with Climate Neutral Group (CNG) and Fundación Utz Kapeh. Other project partners are ACERES (Ambiente y Certificaciones Especiales) consultancy and Solidaridad.

Coffee Training is key for the UTZ Certified coffee program, the longest standing program since UTZ was founded. Training supports the continuous improvement of already certified UTZ coffee farmers, it supports new producers on their way to sustainability and it is needed to train the independent certification bodies in the interpretation of the UTZ codes and the use of the UTZ program. In 2011 face-to-face trainings were held in Kenya (with participants attending from all over East Africa), Brazil, Peru, Guatemala, Nicaragua, India and Indonesia. Also, the UTZ E-learning tool was popular both with consultants and agronomists as well as auditors.

We are proud to announce that by the end of 2011, 161,306 coffee producers, of which 160,737 organized in groups and therefore mostly smallholders, are certified and farming in accordance with the UTZ Certified Code of Conduct for coffee. The total annual production was 476,903 metric tons of coffee, from 394,003 tons in 2010.

The UTZ Certified feels the climate is a crucially important subject to include in working towards a world where sustainable farming is the norm. This is put into practice as we enter the the second year of the “Energy from Coffee Waste project”. This project experienced an important milestone with the inauguration visit to the Nicaragua project partners in 2011. The constructions at the project partners in Guatemala and Honduras are also making a lot of progress. “Energy from Coffee waste in Central America” is a project within the framework of the Dutch “Bioroots- Moelkweit” fund, granted by NL Agency, an agency of the Dutch Ministry of Economic Affairs, Agriculture and Innovation. UTZ Certified has been working and will continue to work in a consortium with Climate Neutral Group (CNG) and Fundación Utz Kapeh. Other project partners are ACERES (Ambiente y Certificaciones Especiales) consultancy and Solidaridad.
Cocoa · With the fantastic uptake and commitments the cocoa program experiences in the market, the UTZ Certified cocoa program faces the positive challenge to scale up the supply of certified cocoa to match the rapidly increasing demand. As per the end of 2011, almost 150,000 smallholders got certified and are farming in accordance with the UTZ Certified Code of Conduct for cocoa. UTZ Certified cocoa production can be found on three continents, in Africa, Asia and Latin America where dedicated farmers work hard to meet the increasing requirements of UTZ's four years continuous improvement code. UTZ Certified farmers produced over 200,000 metric tons of sustainable cocoa, an impressive increase from the 70,000 metric tons in 2010. Together with partners in our partner network trainings were organized in new UTZ origins such as Nigeria and Papua New Guinea, and also in origins that have been in the program for a while, such as Côte d'Ivoire, Ghana, Indonesia, Peru and Ecuador.

<table>
<thead>
<tr>
<th>UTZ Certified Cocoa</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified volume in metric tons</td>
<td>70,228</td>
<td>214,172</td>
</tr>
<tr>
<td>Number of smallholders</td>
<td>40,032</td>
<td>149,436</td>
</tr>
<tr>
<td>Number of estates</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Number of origin countries</td>
<td>8</td>
<td>14</td>
</tr>
</tbody>
</table>

Tea · 2011 saw an impressive growth of the UTZ Certified tea supply. Five new origin countries - Sri Lanka, Vietnam, Argentina, Kenya and Colombia - were added to the UTZ Tea program, the number of tea gardens almost doubled and the number of tea smallholders grew exponentially. This led to more than doubling of supply compared to the previous year; the UTZ Certified tea supply increased from 17,280 metric tons in 2010 to 48,142 metric tons in 2011. Furthermore the supply of rooibos also increased and green tea was added to the program (compared to only black tea in 2010). The UTZ Code of Conduct for tea was translated into Mandarin, Vietnamese, Tamil and Sinhala. Tea certification trainings were held in Argentina and India and a further roll-out to potential new producing countries Zimbabwe, Mozambique and China took place.

<table>
<thead>
<tr>
<th>UTZ Certified Rooibos</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified volume in metric tons</td>
<td>135</td>
<td>990</td>
</tr>
<tr>
<td>Number of smallholders</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of origin countries</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

The UTZ Code of Conduct for tea was translated into Mandarin, Vietnamese, Tamil and Sinhala. Tea certification trainings were held in Argentina and India and a further roll-out to potential new producing countries Zimbabwe, Mozambique and China took place. UTZ Certified participated in an interesting “Tea Wage” project initiated by Oxfam Novib and the Ethical Tea Partnership. The project aims to increase understanding of wages in the tea industry. Achieving fairness and transparency with regards to wages for workers in the tea sector remains a complex challenge for a variety of reasons. These include non-wage benefits and variable rates complicating the picture, governmental policy of spreading employment in some regions, seasonality, and the different roles traditionally played by men and women on tea estates. UTZ Certified is looking forward to continuing supporting this project in the future.
Social

“UTZ Certified is not only interested that we become more successful farmers but it is also interested in the development and education of our children. It makes us aware that children belong at school and not in the fields performing dangerous work.”

Koffi Konan Seraphin
Cocoa farmer, Côte d’Ivoire

“Together with UTZ Certified Pickwick is making great progress on the journey to improve sustainability. Every single day we already offer millions of cups of sustainable sourced tea around the world. In 2011 Pickwick has introduced a fully UTZ Certified Rooibos range. Enjoying a cup of Pickwick tea means you contribute to good working and living conditions for thousands of people on the tea farms and their families.”

Diana van der Meulen - International Senior Category Development Manager Pickwick

“In our efforts to make a difference to people and planet through our business performance we are realizing significant gains by focusing on the sourcing of our raw materials. By aligning our market demand with credible standards and practices in sustainability we can make such a difference. Together with UTZ Certified we strive to maximize the impact we have on farm productivity, quality and farmer livelihoods, whilst minimizing impact on the environment and ensuring safe working conditions for farmers and workers.”

Alastair Child
Cocoa Sustainability Director Certification & Community Development, Mars

Monitoring & Evaluation · Based on conversations with producers, partners in origin and other stakeholders, it has been long confirmed that producers are benefiting from the UTZ Certified program in different ways. In addition to individual experiences and case studies, we also see an increase in UTZ Certified production and sales. However, to continuously learn and improve the program and to be able to show program-wide results to the outside world, thorough analysis and an overall Monitoring and Evaluation (M&E) program is needed.

UTZ Certified is making progress with the implementation of its M&E program in line with the ISEAL Code of Good Practice for Impact assessment. Since July 2011, UTZ has created a full time position at the headquarters to work on the development and implementation of an overall program monitoring system. As a result, UTZ will be able to monitor and quantify the effectiveness of the program against a full set of indicators. The UTZ M&E program will be based on a Theory of Change (ToC), which clearly describes the change UTZ aims to make (goals), how we will achieve this (strategies) as well as indicators to measure our success, continuously learn and refine our strategies.

In order to draft the Theory of Change and develop an M&E framework that summarizes our goals and strategies and sets the boundaries of our program, a wide stakeholder consultation round was conducted, covering producer representatives, companies, certification and sustainability experts, M&E experts, donors, government representatives and NGOs, representing stakeholders from the coffee, tea and cocoa sector. The expert feedback that was given ensures that the M&E framework meets the needs and expectations of our main stakeholders. UTZ Certified thanks the stakeholders for their valuable comments.

Finally, with the launch of the new traceability system, a draft survey and draft indicators are being tested. UTZ will revise and adjust the indicators and survey in the system based on the Theory of Change. In 2012, methods for data collection, data analysis and data management will be further developed and UTZ will continue working on the implementation of a lean and meaningful monitoring system. Participation in the ISEAL Impacts project is expected to further support this work.
As you might have read in previous chapters, 2011 was an exciting year for the Traceability team. After years of hard work on the new traceability system, the Good Inside Portal (GIP) was finally launched in 2011 for one of our key commodities: cocoa. However, the traceability team did much more than that. Its activities included projects for UTZ products (from UTZ Certified farms to supermarkets shelves) as well as projects for external assurance programs to improve operation of Traceability and IT service delivery. The Traceability team is responsible for the execution, management and daily support of five traceability systems: UTZ coffee, UTZ cocoa, UTZ tea, RSPO palm oil and BCI cotton. In total approximately 2,500 members and 7,500 users in more than 25 countries worldwide were served.

Projects for UTZ farm-to-shelf programs

The Good Inside Portal (GIP) was successfully launched for the UTZ Certified cocoa program. Training materials were developed in five languages and members were trained in Europe as well as in most origin countries by face-to-face trainings and webinars.

In 2011, all preparations were also made for the launch of the GIP for the UTZ Certified coffee program. Training materials were developed in five languages and members were trained in Europe as well as in most origin countries by face-to-face trainings and webinars.

The Traceability team redesigned the so-called tracers which enable consumers to trace their products to a particular farm(s) or cooperative(s). The new tracers work in conjunction with the new website and GIP and allow the use of barcodes and QR codes.

Furthermore, the Traceability team developed the new UTZ Certified website in cooperation with the Marketing & Communications team. This website includes a redesigned Stories & Interactive Map application. Consumers and members can use it to find stories about their products and producers, and all members in the supply chain.

Another new area within the website is the section designed for our member companies who want to communicate about their commitment to sustainability and provide their consumers with the ability to trace their products. This new area contains the UTZ Certified tracer, UTZ Certified interactive map with producers and UTZ Certified producer stories. The member can define the look and feel of the website as well as the content to be shown.

Projects for external assurance programs

Roundtable for Sustainable Palm Oil (RSPO)

Of all vegetable oils, palm oil is produced in the largest quantities. It comes from the fruit of the oil palm and is an important cooking ingredient in the tropical belt of Africa, Southeast Asia and parts of the Economic

"Before certification, 5% of the total harvest consisted of unripe cherry. The percentage of unripe cherry picked now stands at 0.5%. This has a positive effect on bean quality and cup flavor.”

Finca Los Cerros (Coffee Farm), Guatemala

"My three children are in college. Before I had to borrow money to pay for this. Now I can pay for it myself and I expect to even start saving some money in the future.”

Ibrahim Ahmed Ventoum
Cocoa Farmer, Ghana

"Since we began our Farmer Field School training program in Côte d’Ivoire in 2008, 30,000 farmers have received training with the majority achieving UTZ Certification. As a result of using improved agricultural practices, which have improved yields and bean quality, farmers have benefitted from an average of 30% increase in income. Following this success we are close to doubling the number of farmers we are planning to train – as well as expanding the program to Cameroon, Ghana and Vietnam.”

Harold Poelma
Managing Director Cocoa division, Cargill

Environmental

"Certification has improved the way we manage waste and different resources (forests etc), for example by record keeping of activities. We have always been aware of our environment and tried to improve it, but we had not yet formalized this process.”

Satemwa, Tea Producer, Malawi

"The use of shade management and intercropping with plantain, allows a reduction of up to 25% of the amount of chemical fertilizer that has to be applied to coffee plants.”

Cooperative Anserma (Coffee farm), Colombia

"We are happy to have UTZ Certified as our partner. The cooperation with UTZ Certified contributes to our strategy on the way to 100% sustainable coffee. Especially in times of changes in the sector, climate change for example, improving the production process is one of the core challenges.”

Achim Lohrie, Director Corporate Responsibility, Tchibo

Annual Report 2011
The Roundtable on Sustainable Palm Oil (RSPO) is a multi-stakeholder initiative dedicated to promoting sustainable production of palm oil worldwide. RSPO’s more than 800 members include palm growers, oil processors, traders, consumer goods manufacturers, retailers, investors and social and environmental NGOs. Through cooperation and open dialogue, they work to put on the market certified palm oil that is produced in a sustainable way, and to maximize the amount of palm oil that can be RSPO-certified. www.rspo.eu

Brazil. In Europe it is an ingredient in approximately half of all packaged goods such as shampoo, margarine, detergent, soap and ice cream. In 2007, UTZ Certified became the endorsed partner of the RSPO and since 2008 UTZ has provided traceability services to the RSPO. Since then the RSPO has grown substantially and we have been part of a tenfold increase in RSPO certified volumes. By the end of 2011 RSPO counted approx. 800 members, of which 600 supply chain actors, and the RSPO certified about ten percent of the world’s palm oil supply. In 2011, UTZ Certified traced 818,000 metric tons of RSPO certified palm oil through its traceability system, almost a doubling from the 429,000 tons traced in 2010. In 2011 a review took place of the traceability system and preparations started for the migration to a new system in 2012. Better Cotton Initiative (BCI)

In the summer of 2010, UTZ Certified was contracted as a partner by the Better Cotton Initiative (BCI) to develop and implement a traceability system for sustainably produced cotton. In 2011 the Traceability team developed and implemented a number of improvements to the BaleTracker traceability system that it designed for and is used by BCI. Preparations were made for the BCI project of 2012: extensive business requirements definition sessions were held and mockups were created and presented to BCI.

“The Better Cotton Initiative (BCI) exists in order to respond to the current impacts of cotton production worldwide. BCI aims to promote measurable improvements in the key environmental and social impacts of cotton cultivation worldwide to make it more economically, environmentally, and socially sustainable. Since 2005, the BCI has been working with organizations from across the cotton supply chain and interested stakeholders to facilitate a solution for the mainstream cotton sector. The BCI’s philosophy is to develop a market for a new mainstream commodity: ‘Better Cotton’ and thereby transform the cotton commodity to bring long-term benefits for the environment, farmers and other people dependent on cotton for their livelihood.” www.bettercotton.org
Coffee · Despite the international economic turbulence, one of the world’s most traded commodities, coffee, is being consumed in ever increasing cupfuls. An estimated 135 million 60kg bags were consumed worldwide in 2011. Market growth in Europe and Japan has been weak and consumption is showing signs of stagnation. The situation is only slightly better in the US where the growth rate is low, however there is a boom in the specialty sector. It is the emerging markets and producing countries which are compensating for the fall in industrialized economies.

From this playing field sustainability is coming of age. Whether it be the natural rise, the defining or the establishing of Corporate Responsibility departments or managing supply chain effectiveness, boardrooms and regional regulations are leading the charge and shaping the discussions.

After the tremendous earthquake disaster in Japan, Japanese coffee consumption declined markedly for several months. Industry in general kept a very inward looking attitude and only at the end of 2011 seemed to be getting back to a normal situation. Green coffee imports in Japan stayed about the same as last year at 415,635 tons for 2011 compared to 409,385 tons in 2010. With respect to sustainable coffee, UTZ Certified pleasantly marked some increase though the feeling is that the major part of the Japanese coffee industry still positions certified coffee as a “tool for differentiation”.

The US marked a 1.6% growth in coffee consumption and Brazil, the 2nd largest consuming country after the US, is expected to surpass the US in 2012. Sustainable coffees and the concept of gourmet are still largely unknown to the Brazilian market consumer who still purchases based on brand and then price.

Worldwide UTZ Certified sold 136,752 metric tons of certified coffee in 2011 from 22 origin countries, a 13% increase from 2010. The average premium that was paid per pound was 4.14 US dollar cents, resulting in a total premium of US $12,479,100 paid directly to the certificate holders.

Private label coffees were the strong drivers in sustainability this year which will lead to A-Brands having to follow the sustainability route if they are not yet already committed. Due to higher green coffee costs and consumer prices increasing, we also saw a shift from Out of Home consumption to In Home consumption, leading to strong growth in consumption of capsules. This meant a win for brands and we saw them shift from Roast & Ground pods to capsules.
Cocoa - The market for UTZ Certified cocoa continued to develop strongly in 2011, also expanding across Europe and to Canada. A total of 42,704 metric tons of cocoa were sold by producers under the UTZ Certified program, which is more than a doubling of the 2010 numbers. Various important chocolate producers and retailers launched UTZ-labeled products. Nestlé committed to buy 100% UTZ cocoa for Kit Kat by 2014 in 34 countries across Europe. In Canada also Smarties, Aero and Coffee Crisp will be switched to UTZ. Ikea launched the first fully traceable UTZ Certified chocolate bar across the world. Mars announced to purchase UTZ cocoa for its Mars bar in the Netherlands in early 2012.

One country where the market has been especially dynamic was Germany. Mars launched its Balisto bar with the UTZ Certified logo in Germany, Belgium, France, Switzerland and Austria. An active advertising campaign in Germany helped to raise the public profile of UTZ. In September, Lidl committed to purchase only UTZ Certified cocoa for their Fin Carré chocolate tablets by 2020. For each tablet, one euro cent will be put in a special development fund. Lidl will use this fund to build a school in Côte d’Ivoire to train farmers in sustainable farming methods with the cooperation of GIZ. UTZ is involved in the definition of the project. As a result of these first mover steps, the German chocolate and retail companies are increasingly demanding sustainable cocoa. We expect to see strong growth here in 2012.

In the Netherlands, Scandinavia and Australia, the program also continued to expand to new companies and categories. The Dutch A-brand Droste buys 100% UTZ cocoa for its chocolate letters. Both leading retailer HEMA and up-market convenience store Bijenkorf in the Netherlands purchase UTZ cocoa for their chocolate products. Consumers now find the UTZ logo on chocolate products such as bars, bread toppings, desserts and other categories.
Tea · Interest for sustainable teas is slowly increasing, the main driver being commitment from the tea industry to source sustainably. Sales of sustainable teas showed an increase mainly in Europe, especially in the UK and the Netherlands, where it is expected that more than 75% of the whole tea market will be sustainable by 2015.

As awareness of sustainability issues grows in tea producing countries, so does the increase of certified supply. The strong growth in supply of UTZ Certified teas, from around 18,000 tons in 2010 (from three different origins) to 48,142 tons in 2011 (from eight different origins), shows the ability of the program to scale up rapidly and efficiently. It is also an assurance for the industry that the needed volume and variety of teas (tastes and qualities) can become available as commitments rise.

After the first launch of UTZ Certified teas in the Dutch market by mid-2010, UTZ teas were introduced in different countries during 2011. Though a modest volume of about 3,154 metric tons of UTZ tea was sold in 2011, sales increased by more than 50 percent compared to 2010. With the rising volume of certified tea and rooibos brought into the European market by Sara Lee, Pickwick blends with UTZ teas are sold now in the Netherlands, Belgium, Hungary, Denmark, Czech Republic, Switzerland and Spain.

The Dutch retailer Albert Heijn committed to fully UTZ Certified teas by 2015. Their commitment strengthens the ambition of achieving a more sustainable tea sector in the Netherlands. Growing interest in sustainable sourcing for UTZ teas amongst retailers such as Migros in Switzerland, tea shops and OOH channels in Europe will build up purchases of UTZ Certified teas in 2012. Markets in traditional producing countries also saw the first sustainable certified blends in Vietnam and South Africa.

Marketing and Communications · 2011 has been a fruitful year for the Marketing and Communications department, with many UTZ labeled product launches supported and important groundwork done and delivered.

Over 1200 new UTZ labeled products where launched worldwide in 2011. Supporting our partners and liaising with their marketing and communication departments bore fruit. Partners’ marketers and communication specialists acknowledge the added value in shaping their sustainability message towards their consumers. The cooperation between the UTZ and partner’s teams has led to a multitude of joint press releases, advertising, campaigning and events.

On the side of groundwork done and delivered our new website was launched in June, we redesigned our social media channels and found the right tone of messaging for Twitter and Facebook. We launched the QR-code communication tool for our partners. Through the UTZ QR-code on products, displays and in advertisements consumers are able to download a 60 second clip on their smart phone, getting an insight in all the work UTZ is doing to scale up sustainable farming. Our partner exclusive Media Center has been launched in quarter four, which now has almost 500 active users worldwide.

In key countries The Netherlands and Germany we realized a lot of attention in the media for the UTZ program and the cooperation between UTZ and partners. Taking journalists to origin countries on press trips have led to strong and positive publications. Our press releases were widely picked up by online, print and radio media. This means we have found the right tone, which we will now capitalize upon in other markets.

Attention in the media for sustainability programs is growing and with that attention for all sides of certification, both positive and negative. Liaising with journalists and UTZ stakeholders and being transparent about all sides of the UTZ programs will be key for the Marketing and Communications team in the coming years.
Netherlands:  
- First meeting of the UTZ Standards Committee took place.

Germany:  
- Tchibo committed to sourcing increasing volumes of UTZ Certified coffee in Germany.

Nigeria:  
- First UTZ cocoa training held in cooperation with Solidaridad. Consultants from Ghana, Cameroon and Nigeria were trained in the UTZ Code and Internal Control System.
- First cocoa farms certified.

Japan:  
- UTZ Certified chocolate reaches several Asian markets, including Japan, for the first time because of partners such as IKEA and Gavarny.

Argentina:  
- First UTZ Certified Latin American tea producers in Argentina and Colombia.

Canada:  
- Nestlé Canada has started sourcing UTZ Certified cocoa for the brands KitKat, Aero, Coffee Crisp and Smarties and has committed to 100% by 2014.

Sri Lanka:  
- 3 Tea organizations became UTZ Certified.
- The UTZ Certified Tea Code of Conduct is available in Tamil and Sinhala (local languages).

Colombia:  
- First GIP training for coffee producers and supply chain actors launched.

Ecuador:  
- Cocoa GIP training Ecuador.

Ghana:  
- UTZ attended the National Cocoa Stakeholders’ Conference in November.
- UTZ went on a scoping trip with LEI to set up a new Impact study.
- As part of the “For the Love of Chocolate” Campaign organized by Mars, Solidaridad and UTZ, three journalists visited UTZ Cocoa farms.

Cameroon:  
- Workshop on the Challenges of Certification in cocoa and coffee held in Yaoundé.
- First cocoa farms certified.

Nicaragua:  

Côte d’Ivoire:  
- Nidar from Norway has committed to sponsor two cooperatives in Alepe and Oume over a 4-year period in the process to become UTZ Certified.
- Traders and producers were trained on the use of the GIP.

Indonesia:  
- PT Armajaro Indonesia-West Sulawesi became the first UTZ Certified cocoa producer group in Indonesia.

Vietnam:  
- UTZ has received the first results from the COSA impact study in Vietnam for coffee.
- First UTZ Certified cocoa delivery in Vietnam.

India:  
- 3 day training held of the UTZ Certified standard for 30 coffee and tea producers.
UTZ Certified is a multi-stakeholder organization with a governance model in line with ISEAL Alliance requirements. UTZ Certified is governed by a Supervisory Board with members drawn from the following groups: producers, the supply chain (including brands, processors, trade, retailers), civil society/non-governmental organization and representative trade unions. The Supervisory Board meets a minimum of three times a year, oversees the Directorate and, for a number of important matters, the Supervisory Board’s approval is required before the Directorate can pass resolutions. The Directorate is responsible for day-to-day affairs and in 2011 consisted of the Executive Director, Han de Groot, and Commercial Director, Juliette Caulkins. In January 2012 the Directorate was expanded to include a Field Director, Daan de Vries, and a Standards Director, Britta Wyss-Bisang.

In 2011 the UTZ Certified Standards Committee was set up whose task is to approve, on the basis of information and data provided by the stakeholders, new Codes of Conduct as well as the revision of existing codes. It checks the content of the code, ensuring the technical consistency and integration of all UTZ Certified programs. Based on the approval of the Standards Committee and the verification that the UTZ Code Development Procedures have been duly followed, the UTZ Supervisory Board can then release the new/revised Codes of Conduct.

The UTZ Standard Committee consists of representatives of producers and supply chain actors, NGOs and technical experts on specific sustainability issues (e.g. employees’ rights, good agricultural practice, and biodiversity), experts in the field of certification and sustainability and the UTZ Standards Director (non-voting member).

Next to our existing Product Advisory Committee (PAC) for cocoa, we are in the process of setting up PACs for coffee and tea. The PACs support and advise both the Supervisory Board and UTZ Certified’s staff on the development, implementation and revision of product specific programs. Members of the PACs possess knowledge of the production, trade, retail, and/or development of a brand. We will finalize the setting up of these committees in 2012.

People behind the program

UTZ Certified Supervisory Board (SB)

- Richard Holland - SB Chair from 01/01/2011, SB member from 10/10/2007; Chief Conservation Officer, WWF Netherlands Chair, WWF Market Transformation Initiative.
- Nico Roozen - SB member from 01/09/2007, Director of Solidaridad, Founder of Max Havelaar, AgroFair, Fair & Co.
- Herman Mulder - SB member from 01/09/2007; Chairman GRI; member board TEEB, NCP-NL; former Director-General ABN AMRO Bank; co-initiator of Equator Principles.
- Carlos Brando - SB member from 04/09/2008, Director of PIK International Marketing, a consulting, marketing and trading company in the field of agribusiness, Brazil.
- Adriana Mejía Cuartas - SB member from 04/09/2008, Director for Europe at the Colombian Coffee Growers Federation FNC.
- Jim Fisher - SB member from 22/06/2010, Managing Principal of Triumph Revenue Advisors, a marketing 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.
- Nalin Miglani - SB member from 10/12/2010, Chief HR and Communication Officer at Tata Beverage Group.
- Stefanie Miltenburg - SB member from 28/03/2011, Director International Corporate Social Responsibility at Sara Lee International.
- Paul Andela - SB member from 08/12/2011, Former International Secretary FNV Bondgenoten, (Largest Dutch Trade Union), Former President of ECF-IUF (now EFFAT), Former President of IUF.

UTZ Standards Committee

- Dr. Francis Baah - Senior Scientist, Cocoa Research Institute of Ghana.
- Jean-Yves Couloud - Program Coordinator, World Cocoa Foundation, Côte d’Ivoire.
- Stephanie Daniels - Program Manager, Agriculture & Development, Sustainable Food Lab, USA.
- Juerg von Niederhaeumern - Migros, Head of Social Compliance & Standards, Switzerland.
- Ximena Rueda - Post Doctoral Researcher, Stanford University, USA (previous: Strategic Marketing Director, Federación Nacional de Cafeteros de Colombia).
- Bernardino Canguçu - EMATER Brazilian agriculture extension service, Brazil.
- Winaryo Suyono - Control Union Certifications, Indonesia.
- Britta Wyss-Bisang - Standards Director, UTZ Certified.
As per 31 December 2011  

Name | Title | Based in
--- | --- | ---
Han de Groot | Executive Director | Amsterdam
Juliette Caulkins | Commercial Director | Amsterdam
Paula Frankema | Finance Manager | Amsterdam
Brigitte Bonekamp | Office Manager | Amsterdam
Henry Ochiobi | Finance Administration Coord. | Amsterdam
Eng Que | Finance Officer | Amsterdam
Dana de Vries* | Field Development Manager | Amsterdam
Albertine de Lange / Beatrice Moulanitaki | Field Coordinator Africa | Amsterdam
Vera Espindola-Raafel | Field Coordinator Latin America | Amsterdam
Wim Spieringhs | Field Coordinator Asia | Amsterdam
Eduardo Sampaio | Country Representative Brazil | Amsterdam
Thiet Nguyen | Country Representative Vietnam | Panama
Enrique Abril | Regional Representatives Central America | Guatemala
Miguel Gamboa | Ana Gelera | Guatemala

As per 31 December 2011  

Name | Title | Based in
--- | --- | ---
Paul Zuiderbeek | Sales Account Manager Europe | Amsterdam
Anita Aerni | Sales Account Manager Europe | Switzerland
Miyuki Ortiz | Sales Account Manager Japan | Japan
Maya Semielo | De Ruijter de Wijk | Member Support | Amsterdam
Desiree Jaques | Member Support | Amsterdam
Sarah Browne | Sales Support | Panama
Monique van Wijnbergen | MarCom Manager | Amsterdam
Elena Binkhuijsen | MarCom Coordinator | Amsterdam
Inge Verburg | MarCom Coordinator | Amsterdam
Marlene Siebrecht | MarCom Coordinator | Amsterdam
Brigitta Nemes | MarCom Assistant | Amsterdam
Stephanie de Heer | PR Manager | Amsterdam
Laurie Anne Flax | Social Media North America | United States
Laurens van Oeijen | Partnership Development Mgr. | Amsterdam
Sabinie Bierema | Advocacy & Donor Account Mgr. | Amsterdam
Gieljan Beijen | New Programs Manager | Amsterdam

As per 31 December 2011  

Name | Title | Based in
--- | --- | ---
Britta Wyss Bisang* | S & C Manager | Amsterdam
Tessa Lann | M&E/Impact Coordinator | Amsterdam
David Short | S & C Coordinator | Amsterdam
Marian van Hal | S & C Coordinator | Amsterdam
Aleyda Carrillo Bustamante | S & C Coordinator | Amsterdam
Alexander Dijker | S & C Coordinator | Amsterdam
Elisa Trepp | S & C Assistant | Amsterdam
Angela Tejada Chavez | Program Officer | Amsterdam

As per 31 December 2011  

Name | Title | Based in
--- | --- | ---
Wlad Gorzer | Interim Traceability Manager | Amsterdam
Daphne Hameeteman | Project Manager | Amsterdam
Stefanie Vermaesen | Project Manager | Amsterdam
Derek Hardwick | IT Coordinator | Amsterdam
Isabel Aguilar Hirlemann | Trace. Support Coordinator | Amsterdam
Laura Horvath | Trace. Support Coordinator | Amsterdam
Ruben Bergmans | Project Assistant | Amsterdam
Emil Pilecki | Traceability Support | Amsterdam

As per 31 December 2011  

Name | Title | Based in
--- | --- | ---
Paul Zuiderveen | Sales Account Manager Europe | Amsterdam
Anita Aerni | Sales Account Manager Europe | Switzerland
Miyuki Ortiz | Sales Account Manager Japan | Japan
Maya Semielo | De Ruijter de Wijk | Member Support | Amsterdam
Desiree Jaques | Member Support | Amsterdam
Sarah Browne | Sales Support | Panama
Monique van Wijnbergen | MarCom Manager | Amsterdam
Elena Binkhuijsen | MarCom Coordinator | Amsterdam
Inge Verburg | MarCom Coordinator | Amsterdam
Marlene Siebrecht | MarCom Coordinator | Amsterdam
Brigitta Nemes | MarCom Assistant | Amsterdam
Stephanie de Heer | PR Manager | Amsterdam
Laurie Anne Flax | Social Media North America | United States
Laurens van Oeijen | Partnership Development Mgr. | Amsterdam
Sabinie Bierema | Advocacy & Donor Account Mgr. | Amsterdam
Gieljan Beijen | New Programs Manager | Amsterdam

* Have joined the directorate from January 2012, see piece on governance.

Sustainability in the way we work

UTZ Certified flew thousands of miles across the world to meet with UTZ Certified members, supporters and partners and to attend conferences and other producer and business gatherings. While these flights are necessary for our work, they do have a negative impact on the environment. For all flights booked through our Dutch travel agency, we used the GreenSeat program by KlimaatNeutralGroep to compensate 100% of our CO₂ emissions by planting trees. In addition, all UTZ Certified staff in Amsterdam commutes by train or bike to work every day. We use recycled and chlorine-free paper for our printing.
General notes on the accountings

Significant accounting policies

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.

Long term liabilities
Long term liabilities consist of the long term part (over 1 year) of investment subsidies used to finance the foundation’s investments in tangible and intangible fixed assets.

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 result 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 the Foundation are exempt from corporate income tax until the reserves of the foundation reach one million.

The year 2011 ended with a positive financial result of € 64,545 compared to a positive result of € 422,482 for 2010. This result will be re-invested in the budget of 2012. Income increased by 26% to € 5,554,462 due to increased income from administration fees for coffee and palm oil. Operational expenses increased by 43%.

Due to the fact that a non-profit organization as UTZ Certified 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 might be made.

Growth in existing and new activities led to an increased number of employees. At the end of this period 32 persons are employed by UTZ Certified, of which 10 have permanent and 22 have fixed-term employment contracts. In addition, the company employed 3 persons as intern.

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

UTZ Certified acknowledges financial support from the Nationale Postcode Loterij (Dutch Postcode Lottery), Irish Aid, Initiative Duurzame Handel (IDH, the Dutch sustainable trade initiative), Agentschap NL (NL Agency), Hivos and Fica. Their financial support has been crucial in strengthening our producer programs and market linkage.

The main subsidies received by UTZ Certified for the year 2011 can be listed as follows:

<table>
<thead>
<tr>
<th>Main Subsidies 2011</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dutch Postcode Lottery</td>
<td>500,000</td>
</tr>
<tr>
<td>Irish Aid</td>
<td>300,000</td>
</tr>
<tr>
<td>IDH</td>
<td>286,000</td>
</tr>
<tr>
<td>Agentschap NL</td>
<td>169,000</td>
</tr>
<tr>
<td>Hivos</td>
<td>48,000</td>
</tr>
</tbody>
</table>

The year 2011 ended with a positive financial result of € 64,545 compared to a positive result of € 422,482 for 2010. This result will be re-invested in the budget of 2012. Income increased by 26% to € 5,554,462 due to increased income from administration fees for coffee and palm oil. Operational expenses increased by 43%.

Due to the fact that a non-profit organization as UTZ Certified 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 might be made.

Growth in existing and new activities led to an increased number of employees. At the end of this period 32 persons are employed by UTZ Certified, of which 10 have permanent and 22 have fixed-term employment contracts. In addition, the company employed 3 persons as intern.

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

UTZ Certified acknowledges financial support from the Nationale Postcode Loterij (Dutch Postcode Lottery), Irish Aid, Initiative Duurzame Handel (IDH, the Dutch sustainable trade initiative), Agentschap NL (NL Agency), Hivos and Fica. Their financial support has been crucial in strengthening our producer programs and market linkage.

The main subsidies received by UTZ Certified for the year 2011 can be listed as follows:

<table>
<thead>
<tr>
<th>Main Subsidies 2011</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dutch Postcode Lottery</td>
<td>500,000</td>
</tr>
<tr>
<td>Irish Aid</td>
<td>300,000</td>
</tr>
<tr>
<td>IDH</td>
<td>286,000</td>
</tr>
<tr>
<td>Agentschap NL</td>
<td>169,000</td>
</tr>
<tr>
<td>Hivos</td>
<td>48,000</td>
</tr>
</tbody>
</table>

The year 2011 ended with a positive financial result of € 64,545 compared to a positive result of € 422,482 for 2010. This result will be re-invested in the budget of 2012. Income increased by 26% to € 5,554,462 due to increased income from administration fees for coffee and palm oil. Operational expenses increased by 43%.

Due to the fact that a non-profit organization as UTZ Certified 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 might be made.

Growth in existing and new activities led to an increased number of employees. At the end of this period 32 persons are employed by UTZ Certified, of which 10 have permanent and 22 have fixed-term employment contracts. In addition, the company employed 3 persons as intern.

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

UTZ Certified acknowledges financial support from the Nationale Postcode Loterij (Dutch Postcode Lottery), Irish Aid, Initiative Duurzame Handel (IDH, the Dutch sustainable trade initiative), Agentschap NL (NL Agency), Hivos and Fica. Their financial support has been crucial in strengthening our producer programs and market linkage.

The main subsidies received by UTZ Certified for the year 2011 can be listed as follows:

<table>
<thead>
<tr>
<th>Main Subsidies 2011</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dutch Postcode Lottery</td>
<td>500,000</td>
</tr>
<tr>
<td>Irish Aid</td>
<td>300,000</td>
</tr>
<tr>
<td>IDH</td>
<td>286,000</td>
</tr>
<tr>
<td>Agentschap NL</td>
<td>169,000</td>
</tr>
<tr>
<td>Hivos</td>
<td>48,000</td>
</tr>
</tbody>
</table>

The year 2011 ended with a positive financial result of € 64,545 compared to a positive result of € 422,482 for 2010. This result will be re-invested in the budget of 2012. Income increased by 26% to € 5,554,462 due to increased income from administration fees for coffee and palm oil. Operational expenses increased by 43%.

Due to the fact that a non-profit organization as UTZ Certified 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 might be made.

Growth in existing and new activities led to an increased number of employees. At the end of this period 32 persons are employed by UTZ Certified, of which 10 have permanent and 22 have fixed-term employment contracts. In addition, the company employed 3 persons as intern.

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

UTZ Certified acknowledges financial support from the Nationale Postcode Loterij (Dutch Postcode Lottery), Irish Aid, Initiative Duurzame Handel (IDH, the Dutch sustainable trade initiative), Agentschap NL (NL Agency), Hivos and Fica. Their financial support has been crucial in strengthening our producer programs and market linkage.

The main subsidies received by UTZ Certified for the year 2011 can be listed as follows:

<table>
<thead>
<tr>
<th>Main Subsidies 2011</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dutch Postcode Lottery</td>
<td>500,000</td>
</tr>
<tr>
<td>Irish Aid</td>
<td>300,000</td>
</tr>
<tr>
<td>IDH</td>
<td>286,000</td>
</tr>
<tr>
<td>Agentschap NL</td>
<td>169,000</td>
</tr>
<tr>
<td>Hivos</td>
<td>48,000</td>
</tr>
</tbody>
</table>

The year 2011 ended with a positive financial result of € 64,545 compared to a positive result of € 422,482 for 2010. This result will be re-invested in the budget of 2012. Income increased by 26% to € 5,554,462 due to increased income from administration fees for coffee and palm oil. Operational expenses increased by 43%.

Due to the fact that a non-profit organization as UTZ Certified 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 might be made.

Growth in existing and new activities led to an increased number of employees. At the end of this period 32 persons are employed by UTZ Certified, of which 10 have permanent and 22 have fixed-term employment contracts. In addition, the company employed 3 persons as intern.

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

UTZ Certified acknowledges financial support from the Nationale Postcode Loterij (Dutch Postcode Lottery), Irish Aid, Initiative Duurzame Handel (IDH, the Dutch sustainable trade initiative), Agentschap NL (NL Agency), Hivos and Fica. Their financial support has been crucial in strengthening our producer programs and market linkage.

The main subsidies received by UTZ Certified for the year 2011 can be listed as follows:

<table>
<thead>
<tr>
<th>Main Subsidies 2011</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dutch Postcode Lottery</td>
<td>500,000</td>
</tr>
<tr>
<td>Irish Aid</td>
<td>300,000</td>
</tr>
<tr>
<td>IDH</td>
<td>286,000</td>
</tr>
<tr>
<td>Agentschap NL</td>
<td>169,000</td>
</tr>
<tr>
<td>Hivos</td>
<td>48,000</td>
</tr>
</tbody>
</table>
### Statement of revenues and expenditures for the year ended December 31, 2011

<table>
<thead>
<tr>
<th></th>
<th>2011 Budget</th>
<th>2011 Actual</th>
<th>2010 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fees</strong></td>
<td>3,869,033</td>
<td>3,881,322</td>
<td>2,661,184</td>
</tr>
<tr>
<td><strong>Subsidies</strong></td>
<td>1,190,000</td>
<td>1,411,431</td>
<td>1,380,766</td>
</tr>
<tr>
<td><strong>Contributions</strong></td>
<td>145,000</td>
<td>261,709</td>
<td>383,000</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>5,204,033</td>
<td>5,554,462</td>
<td>4,424,950</td>
</tr>
<tr>
<td><strong>Personnel cost</strong></td>
<td>-2,375,950</td>
<td>-2,388,862</td>
<td>-1,877,445</td>
</tr>
<tr>
<td><strong>Brand &amp; advertising</strong></td>
<td>-379,560</td>
<td>-443,281</td>
<td>-332,932</td>
</tr>
<tr>
<td><strong>Events &amp; trainings</strong></td>
<td>-423,000</td>
<td>-271,082</td>
<td>-28,904</td>
</tr>
<tr>
<td><strong>Materials &amp; translation</strong></td>
<td>-105,500</td>
<td>-62,999</td>
<td>-45,455</td>
</tr>
<tr>
<td><strong>Travel &amp; meals</strong></td>
<td>-322,000</td>
<td>-386,013</td>
<td>-489,185</td>
</tr>
<tr>
<td><strong>General &amp; office</strong></td>
<td>-254,000</td>
<td>-283,287</td>
<td>-250,520</td>
</tr>
<tr>
<td><strong>ICT services</strong></td>
<td>-716,000</td>
<td>-397,190</td>
<td>-377,489</td>
</tr>
<tr>
<td><strong>Consultancy &amp; research</strong></td>
<td>-507,000</td>
<td>-342,984</td>
<td>-37,033</td>
</tr>
<tr>
<td><strong>Repres. &amp; projects in origin</strong></td>
<td>-716,000</td>
<td>-618,482</td>
<td>-37,033</td>
</tr>
<tr>
<td><strong>Total EBITDA</strong></td>
<td>-5,350,010</td>
<td>-5,194,180</td>
<td>-3,632,933</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>-145,977</td>
<td>360,282</td>
<td>792,017</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>-145,977</td>
<td>360,282</td>
<td>792,017</td>
</tr>
<tr>
<td><strong>Exchange result</strong></td>
<td>-125,402</td>
<td>-129,990</td>
<td>-115,543</td>
</tr>
<tr>
<td><strong>Interest</strong></td>
<td>1,006,490</td>
<td>1,098,942</td>
<td>1,143,799</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>-316,282</td>
<td>-354,336</td>
<td>-125,402</td>
</tr>
<tr>
<td><strong>Total financial result</strong></td>
<td>-345,977</td>
<td>64,545</td>
<td>422,482</td>
</tr>
</tbody>
</table>

### Balance as per December 31, 2011

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intangible fixed assets</strong></td>
<td>624,455</td>
<td>664,456</td>
</tr>
<tr>
<td><strong>Tangible fixed assets</strong></td>
<td>132,020</td>
<td>175,346</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td>756,475</td>
<td>839,802</td>
</tr>
<tr>
<td><strong>Accounts receivable</strong></td>
<td>929,027</td>
<td>717,665</td>
</tr>
<tr>
<td><strong>Taxes and social premiums</strong></td>
<td>23,994</td>
<td>62,049</td>
</tr>
<tr>
<td><strong>Other receivables and prepaid expenses</strong></td>
<td>92,733</td>
<td>138,526</td>
</tr>
<tr>
<td><strong>Cash at banks</strong></td>
<td>1,006,490</td>
<td>1,098,942</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>2,052,244</td>
<td>2,017,182</td>
</tr>
<tr>
<td><strong>Paid in capital</strong></td>
<td>3,325</td>
<td>3,325</td>
</tr>
<tr>
<td><strong>General reserve</strong></td>
<td>418,879</td>
<td>354,336</td>
</tr>
<tr>
<td><strong>Continuity reserve</strong></td>
<td>625,000</td>
<td>625,000</td>
</tr>
<tr>
<td><strong>Total capital account</strong></td>
<td>1,047,204</td>
<td>982,661</td>
</tr>
<tr>
<td><strong>Investment subsidies</strong></td>
<td>293,053</td>
<td>909,918</td>
</tr>
<tr>
<td><strong>Total long term liabilities</strong></td>
<td>293,053</td>
<td>909,918</td>
</tr>
<tr>
<td><strong>Accounts payable</strong></td>
<td>690,585</td>
<td>597,433</td>
</tr>
<tr>
<td><strong>Investment subsidies</strong></td>
<td>324,959</td>
<td>-</td>
</tr>
<tr>
<td><strong>Taxes and premiums</strong></td>
<td>55,932</td>
<td>50,690</td>
</tr>
<tr>
<td><strong>Other liabilities</strong></td>
<td>396,986</td>
<td>316,282</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>1,468,462</td>
<td>964,405</td>
</tr>
<tr>
<td><strong>Total disposable reserves and liabilities</strong></td>
<td>2,808,719</td>
<td>2,856,984</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITOR’S REPORT

To the Board of UTZ CERTIFIED Foundation, Amsterdam.

Regarding the financial statements.

We have audited the accompanying financial statements of UTZ CERTIFIED Foundation, Amsterdam, which contains the financial statements as at December 31, 2011, the statement of revenue and expenses for the year then ended and the notes forming an integral part of those statements. We conducted our audit in accordance with the International Standards on Auditing.

Our audit included performing procedures to perform audit evidence about the amounts and disclosures in the financial statements. The audit procedures included reviewing the accounting records; checking selected transactions; and testing the accounting records. The audit also included evaluating the appropriateness of financial statements in conformity with the financial reporting framework used by the foundation.

We believe that our audit evidence is sufficient and appropriate to provide a basis for our opinion.

Opinion with respect to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of UTZ CERTIFIED Foundation, Amsterdam, as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with the financial reporting framework used by the foundation.