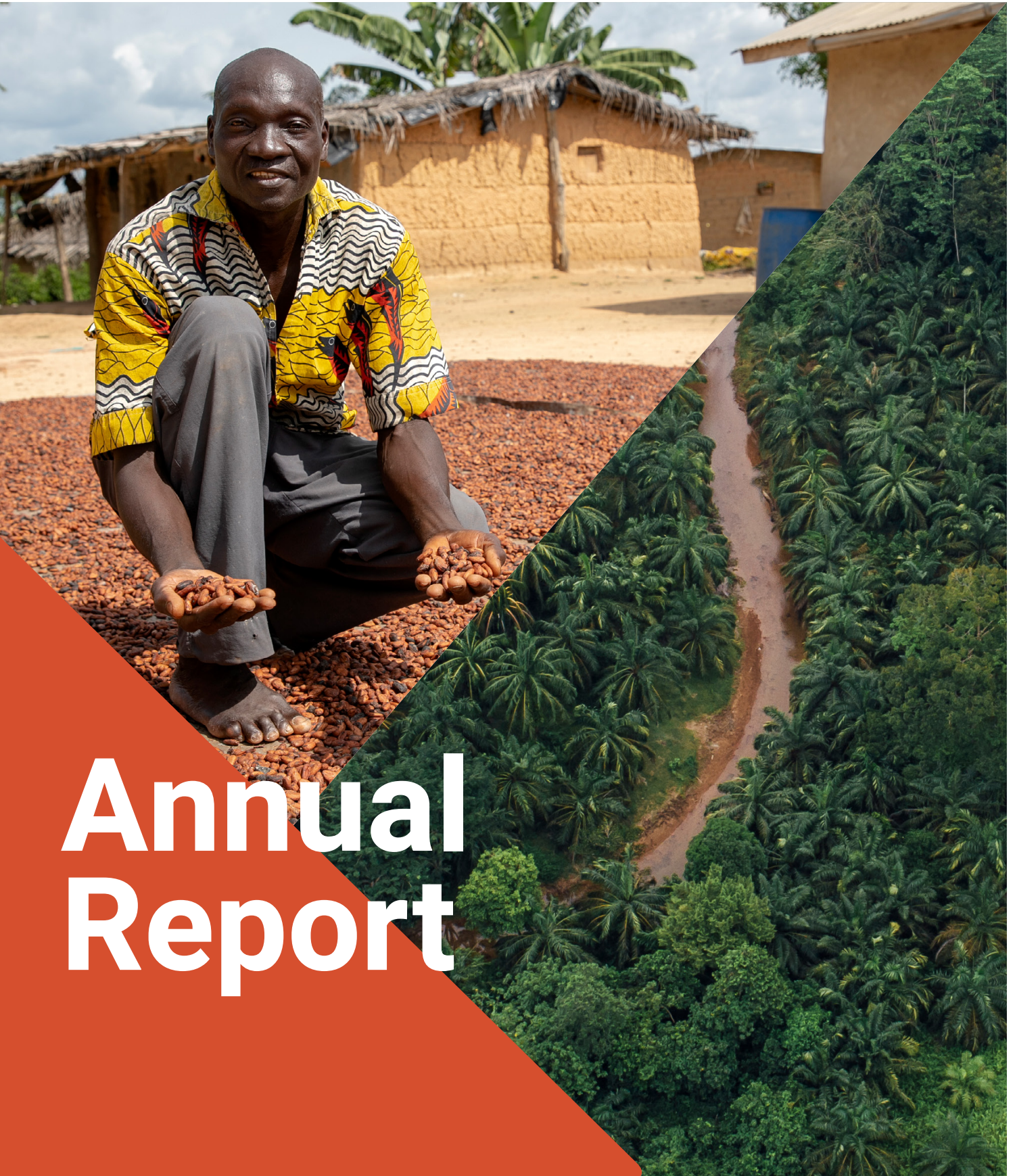


Earthworm

2022



Annual Report

Contents

03	Chairman's letter
04	Our values
05	2022 at a glance:
05	News
07	New Partnerships
10	Areas of our work:
10	Supply Chain Transformation
11	Resilient Farmers
13	Community and Indigenous Rights
15	Labour Rights
17	Regenerative Agriculture
19	Landscapes:
20	Aceh Landscape, Indonesia
21	Riau Landscape, Indonesia
22	Sabah Landscape, Malaysia
23	SCFS Landscape, Malaysia
24	Cavally Landscape, Côte d'Ivoire
25	Soubre Landscape, Côte d'Ivoire
26	Longitudinal Landscape, Peru
27	Chiapas Landscape, Mexico
28	Tsay Keh Dene, Canada
29	Conclusion
30	Independent Auditors' Report
33	Statement of financial activities
37	Notes to the financial statements
45	Appendix

Chairman's letter

As we navigate through the challenges of the past year, I am pleased to share with you the progress and achievements we have made at Earthworm Foundation. Despite the once far-reaching effects of the pandemic, as a collective we have successfully overcome its effects. We have managed to reconnect with our roots and establish ourselves back on the field, working on significant projects in many regions across the world.

We have also welcomed numerous new members to the Earthworm Foundation family in 2022, each bringing their unique expertise and dedication to our shared mission. Their arrival has allowed us to explore new areas of work and broaden our scope of influence and capability, enabling us to make an even greater difference in supply chains.

In our commitment to making a lasting impact, we have also focused on expanding our geographical reach. By establishing partnerships in new regions with local communities and companies, we are extending our reach and effectiveness in aiding local communities in regenerating forests and soils in more regions than ever before. This expansion not only allows us to protect valuable ecosystems but also creates a ripple effect, inspiring others to adopt sustainable practices and join us in our mission.

We continue to work hard within our Landscapes teams, whose efforts have been instrumental in our achievements. Our teams have worked across diverse regions, promoting responsible land use and restoration. Their work serves as a testament to our unwavering commitment to preserving our delicate ecosystems and the relationships humans have with them.

In 2022, the teams across our organisation came together to aid the executive team in restructuring the way we are organised within Earthworm Foundation. The time spent discussing and implementing these changes were invaluable, as our organisation continues to adapt to its growth and widespread reach. Teams have been restructured all while maintaining the satisfaction and positions of our staff and new digital applications have been set in place as a means of support throughout our growth and restructuring.

Looking ahead, we are inspired by the progress we have made and the challenges that lie before us. We remain persistent in our mission to positively impact the relationship between people and nature. We believe in the possibility of making a difference and to leave a positive legacy for generations to come. I would like to thank our Earthworm staff worldwide, as well as our members, partners, donors, and board members for their dedication, insights and support throughout this year.



Eric BOUCHET

Our values

Our values are our greatest asset. They guide us forward and serve as the cornerstone as we interact with businesses, stakeholders and our peers. It is no coincidence that our first step to engage people in our work always puts values at the centre of the conversation.

OUR CORE VALUES ARE:

COMPASSION

Our work is, above all, with people. And to connect with people, it is crucial that we be able to see their perspectives and understand their feelings towards an issue. The chaotic nature of our work also requires us to be compassionate towards ourselves and our peers so that we may not compromise our own values.

COURAGE

Courage for us is about being bold and trusting. It is about facing the unknown or the tension while trusting ourselves and others to be able to overcome it.

HUMILITY

We strive to make humility a trademark of everything we do – we do not boast about our achievements, we share them so that others may benefit; we do not claim to have all the answers, we open up to others to work on solutions; We do not see ourselves as morally superior, we merely share our truths and hope to inspire.

TRUTH

To carry our mission forward, we must be able to face the truth, open ourselves to accepting it, and speak from that place, especially when it goes against the consensus.

RESPECT

All our interactions with peers, stakeholders, and ourselves are grounded in respect – respect of perspectives, dignity, and boundaries.



Values at
the center of
conversations

2022 at a glance: News

A Fully Funded Training for Women at Earthworm's Centre of Social Excellence

Earthworm Foundation's [Hilary Thompson Scholarship fund](#), established in memory of a dedicated colleague, has commenced training for its first two beneficiaries, Maigane Etienne from Haiti and Yeo Kiteni Mawa from Côte d'Ivoire. The training, held at [Earthworm's Centre of Social Excellence \(CSE\)](#) in Yaoundé, Cameroon, includes practical sessions at the [Cavally landscape project](#) in Côte d'Ivoire. The scholarship aims to empower young women by providing them with practical skills and international experience in human and labour rights, fostering future leaders in the field.

Technology to Monitor Deforestation in Supply Chains: Making No Deforestation Possible

Efforts to [reduce deforestation](#) in supply chains have shown positive results, particularly in the palm oil sector. Tools like satellite monitoring and engagement with suppliers have played a key role. New regulations in the EU, China, and the USA will soon require companies to address deforestation risks. Earthworm Foundation's [Starling satellite monitoring platform](#) has been instrumental in assessing deforestation risks in various commodities. Traceability and field verification are crucial, and collaboration with smallholders is important. Challenges remain in terms of transparency and monitoring, emphasizing the need for industry-government cooperation.

How Community Engagement is Driving Forest Protection in Côte d'Ivoire

Efforts by Nestlé, the Ivorian Ministry of Water and Forests, SODEFOR, and Earthworm Foundation have led to the reforestation of over 1,000 hectares in the [Cavally Forest Reserve](#), Ivory Coast. The project aims to protect and restore forests while improving the resilience of rural communities. Earthworm Foundation utilises the [HCV-HCS](#) (High Conservation Value-High Carbon Stock) approach and Starling satellite monitoring technology to identify important forest areas and detect deforestation. Community involvement is emphasised, with women's groups setting up nurseries and village groups participating in reforestation and seedling maintenance. These initiatives align with Nestlé's commitment to sustainable cocoa farming and [zero-deforestation supply chains](#).

Earthworm Foundation Outlines its Soil Health Approach and Impact in France, India and the U.S.

Earthworm Foundation aims to restore soil health across one million hectares of land by 2025 through regenerative agriculture practices. [The report](#) highlights soil regeneration projects in India, the US, and France, including collaborations with companies like Nestlé, McDonald's, and Lidl. Findings from a field campaign in France show that 75% of sampled soils are degraded but have the potential for regeneration, with carbon stocks stable or increasing in 55% of samples. The report emphasises the need for collaboration between brands, farmers, agronomists, and scientists to improve soil health and support regenerative agriculture.

Regenerating Soil Health in the US

Soil health is crucial for climate change mitigation and agricultural resilience. Soil degradation remains an issue in the US, costing an estimated [\\$67 billion annually](#). Climate change further challenges agriculture with extreme weather events. Regenerative agriculture can enhance soil health and increase resilience. Businesses can engage with suppliers and farmers, invest in pilots and partnerships, and communicate best practices to protect and regenerate soil. Earthworm Foundation supports members like Grupo Bimbo in implementing regenerative agriculture practices and aims to drive systems change in agriculture for environmental and social benefits.

Supporting the Tsay Keh Dene Nation's Efforts to Sustainably Manage their Territory

3M, Mars, Inc., Nestlé, and Earthworm Foundation are partnering with the [Tsay Keh Dene](#) First Nation in British Columbia, Canada, to support their vision for sustainable management of their territory. This collaboration aims to respect the Nation's rights to decide how their land is managed and protect key areas from unwanted harvesting and industrial activities. Responsible sourcing policies of the partnering companies, along with Indigenous-led conservation efforts, are being leveraged to respect Free, Prior, Informed Consent (FPIC) rights and protect [High Conservation Values](#) in the region's forestry sector.

Helping Farmers Plant over 264,000 Trees, Shrubs and Grasses in Vietnam

Earthworm Foundation, Nestlé, and One Tree Planted have helped farmers plant 264,000 trees, shrubs, and grasses in Vietnam's Ham Tan District. The initiative aims to restore degraded riparian areas, address water shortages, and promote self-sufficiency for farmers. The project focuses on native tree species and provides livelihood benefits. Challenges include obtaining quality seedlings and ensuring their survival during transportation. The success of the project sets a precedent for businesses to invest in ecosystem conservation. Expansion plans and continued partnership with One Tree Planted are underway.

Using Agroforestry to Address Issues Plaguing Indian Soils and Farmers

Agroforestry is being used in India to address soil issues and support farmers. Earthworm Foundation has been working with farmers in Punjab and Haryana to implement a sheesham-based agroforestry model. Soil health tests have shown a correlation between soil quality and the presence of sheesham trees. The project aims to expand tree species, provide better extension services, and improve farmer income through partnerships with stakeholders. Agroforestry helps improve soil health, increase tree cover, and enhance farmers' livelihoods in India.

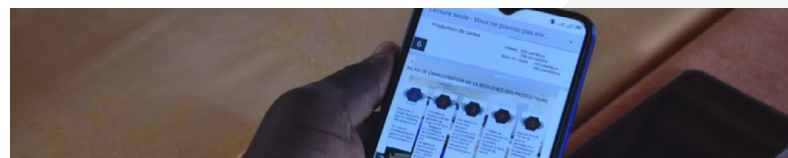
Gathering Marks on First Batch of Guinean Graduates from Earthworm's Centre of Social Excellence

[The Centre of Social Excellence \(CSE\)](#) in Guinea celebrated the graduation of its first class of social practitioners with a symposium on responsible mining. The event brought together government officials, mining companies, civil society, and local communities to discuss socially responsible mining in Guinea. The symposium emphasised the importance of respectful relationships with local communities and strengthening development opportunities linked to mining.

2022 at a glance: Partnerships

Earthworm Foundation Gathers Data on Digital Payment Solutions for Cocoa Farmers

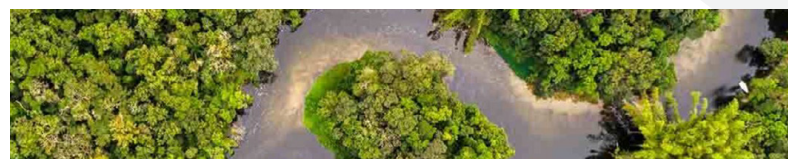
Earthworm Foundation and [New Venture Fund](#) have partnered to address financial inclusion in Ghana's cocoa sector. The partnership aims to support brands' [NDPE](#) commitments through a digital payment system for farmers. Historically, cocoa bean purchases in Ghana have been made in cash, leading to challenges such as theft and armed robbery. Earthworm Foundation's approach involves identifying key stakeholders,



piloting a digital payment system, and gathering data on farmer perception. A survey conducted revealed that only 15% of farmers subscribe to digital payment through formal banking institutions, while 91% prefer mobile money due to its speed and convenience. The gathered data will inform the pilot of a digital payment system in collaboration with Licensed Buying Companies.

Using Satellite Monitoring Tool to Support Communities in Better Management of Cocoa Landscapes with Fairtrade

Fairtrade International, Fairtrade Africa, and Earthworm Foundation are committed to combatting deforestation. Using Earthworm Foundation's Starling satellite monitoring tool, the project will gather deforestation data in Fairtrade cooperatives and cocoa farmers in Ghana and Ivory Coast.

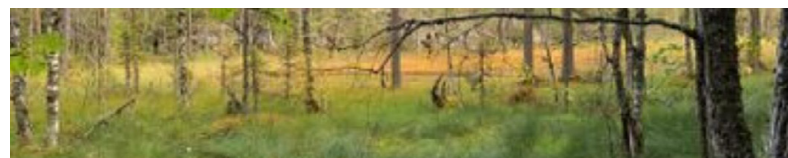


The partnership aims to help these communities manage forest landscapes and maintain access to European markets amid deforestation regulations. The pilot project will provide smallholder farmers with tools to navigate legislative challenges while preserving the environment.

3M, Ahlstrom, Metsä Fibre and Earthworm Foundation Continue Collaboration in Responsible Wood Sourcing

[3M](#), [Ahlstrom](#), and [Metsä Fibre](#), with the help of Earthworm Foundation, continue their close collaboration in responsible wood sourcing.

This year the partnership concentrates on the Kainuu region in Finland, where the different parties will conduct research on current and forestry practices linked to the Kemi Mill expansion. Based on the results, the three companies will develop their operations



and continue collaboration among each other and other stakeholders to pursue sustainability in wood sourcing. Metsä Fibre seek to advance environmental performance and sustainability throughout their operations and supply chains. Bringing all supply chain actors together promotes responsible practices from forests to customers.

Partnering with Government to Tackle forced labour and child labour in Sabah

Earthworm Foundation and the Sabah Labour Department in Malaysia are working together to implement the [National Action Plan on Forced Labour](#) and eliminate child labour in the palm oil industry in Sabah.

The partnership aims to raise awareness of forced and child labour and conduct dialogues with palm oil companies in five zones in Sabah. The goal is to improve protection for children in plantations and enhance the welfare of workers in the region. The collaboration involves local authorities such as the Sabah Immigration



Department and Royal Malaysia Police, as well as civil society organisations. The partnership started with a two-day event attended by representatives from 156 companies in Sabah.

The dialogue with palm oil companies will contribute to crafting effective strategies and promoting responsible sourcing policies. Reckitt and Johnson & Johnson are supporting this work through their commitment to sustainable sourcing and protecting the rights of workers and vulnerable groups.

Earthworm Foundation and PX Precinox SA Announce Partnership to Accelerate Change in Gold Supply Chains

Earthworm Foundation and [PX Precinox SA](#) have joined forces to drive change in the artisanal and small-scale mining gold sector.

The partnership aims to establish transparent and responsible supply chains that benefit all stakeholders involved. Our experience in transforming supply chains will be leveraged to create direct and transparent business models, from miners to customers. The collaboration includes implementing the



PX Impact Programme, updating responsible sourcing policies, conducting assessments of suppliers, and enhancing traceability processes. The focus is on addressing environmental and social issues like mercury contamination and labor rights violations.

The partnership emphasises transparency, collaboration, and co-creation of solutions with stakeholders across the supply chain.

Socfin, National Forestry School and Earthworm Foundation Partner to Restore Degraded Cameroonian Forests

Earthworm Foundation, in collaboration with agribusiness [Socfin](#) and the National Forestry School (NFS), has initiated a project to restore 1,568 hectares of degraded forest in Cameroon's Centre Region.

The project, known as the Remediation and Compensation Procedure (RaCP), was approved by the Roundtable on Sustainable Palm Oil (RSPO) as part of the RSPO certification process. Socfin, one of our



members, sought support from us and NFS to develop the RaCP project, which involves reforesting degraded forest areas over a 25-year period.

The project aims to secure the forest, reduce human-led pressures, provide job opportunities for local communities, and support training and research activities. This initiative contributes to sustainable palm oil production and aligns with the RSPO's goals.

Working with Nestlé to Improve Recruitment Practices in the Pulp and Paper Sector

[Nestlé](#) and Earthworm Foundation are working diligently to improve recruitment practices in the Malaysian [pulp and paper](#) sector. This collaboration stems from assessments conducted at Malaysian pulp converters that supply Nestlé, focusing on addressing unethical recruitment of foreign workers. Nestlé launched its [Human Rights Framework and Roadmap](#) to strengthen due diligence across its value chain. Training sessions



were held with major pulp and paper suppliers, covering topics such as ethical recruitment and human rights due diligence. The partnership also introduced the [Ethical Recruitment Due Diligence Tool](#). Follow-up engagements and a deep dive into ethical recruitment issues are planned for the future, emphasising the commitment to on-the-ground improvements in human rights.

Earthworm Foundation Supports McDonald's on New Regenerative Agriculture Project

Earthworm Foundation partnered with McDonald's France to support a regenerative agriculture and agroforestry pilot project aimed at wheat farmers in the fast-food chain's supply chain. The project will involve planting trees and hedgerows across 60 wheat producers over three years, with a goal of planting 230,000 by 2030. The initiative aims to address soil erosion and sequester carbon, contributing to McDonald's broader strategy of reducing greenhouse



gas emissions. The pilot project will also measure the impacts of these practices, study their effects on farmers and biodiversity, and identify obstacles and levers for success. Earthworm Foundation's Regenerative Agriculture team will leverage its field knowledge to improve soil fertility. This partnership aligns with Earthworm Foundation's campaign on regenerative agriculture and soil health, highlighting how businesses can restore soil health in their supply chains.

Partnering with NetZero to Restore Soil Health and Fight Climate Change

Earthworm Foundation, with the support and expertise of [NetZero](#), are dedicated to restoring soil health in Cameroon. The collaboration focuses on training and supporting local farmers to use biochar, a carbon-rich soil amendment. Biochar is produced by heating agricultural waste without oxygen, improving agricultural productivity and reducing the need for synthetic fertilisers. NetZero operates an industrial



unit in Nkongsamba, recycling coffee waste to produce biochar. Their goal is to remove over one million tonnes of CO₂ annually by 2030. Earthworm Foundation provides diagnostic support, training, traceability systems, monitoring and evaluation, and stakeholder engagement to promote the use of biochar. The partnership aims to combat climate change and enhance sustainable agriculture in Cameroon.

Areas of our work:

Supply Chain Transformation

STARLING
Reliable, unbiased



Starling continues to expand its services to support companies in delivering on their climate commitments as well as on their regulatory obligations.

In 2016, Earthworm and Airbus jointly developed [Starling Solutions](#) with the goal of introducing innovative technology into the way companies are tackling key challenges in their supply chains, such as deforestation or scope 3 carbon emissions.

Starling monitored various commodities in 2022. We provided monitoring in Asia, Africa, and North & South America regions and have new regions and countries in development. The main commodities covered were Palm Oil, Cocoa, Pulp & Paper, Rubber, Coconut, and Coffee.

To provide businesses with a high visibility of their supply chain linked to these commodities, Action Reports are delivered on a regular basis. The Action Reports include updates on supply chain traceability, flagged cases of deforestation occurring within the supply chain, and an overview per supplier of their level of meeting deforestation free requirements. The reports also include recommendations to guide supplier engagement and help improve the achievement of deforestation free supply chains.

Starling solutions continues to enhance its scope, extending the range of its mapped and monitored regions to accommodate increasing demand from businesses looking to tackle deforestation and degradation in their supply chains and meet the requirements of up and coming regulations such as the New European Union Deforestation Regulation (EUDR).



5.7 million km²

of land was covered by
Starling Satellites in 2022



109'075

hectares of
deforestation
detected by Starling
globally this year



20+

number of global
companies that utilise
Starling for data coverage
on their supply chains



25+

Countries currently
covered by Starling

Areas of our work:

Resilient farmers



At Earthworm Foundation, we see farmers as entrepreneurs who, with targeted support, can bring their businesses to their full ecological, economic and social potential. We work with farmers to amplify their voice, improve their resilience, strengthen their connections with buyers and leverage their position in supply chains; all on their own terms.

Our work to strengthen the resilience of farmers has been ongoing since 2011. Currently, we are active in 16 countries across Asia, Africa, Latin America and Europe. Our approach is founded in tailor-made strategies created with farmers and their communities; and is based on mutual understanding, trust and respect for local contexts.

Below are some of the highlights from 2022.

VIETNAM



The Rurality - Cat Phu project, a collaboration between Nestlé and Earthworm Foundation (EF), aims to empower smallholder acacia farmers in Nestlé's supply chain to the Cat Phu Vung Tau (CPVT) chip mill.

By improving farm management practices, livelihood diversification, and market connectivity, the project enhances farmers' resilience and livelihood outcomes. Through increased awareness of best practices and the importance of healthy soil, farmers have transformed their practices, focusing on better seedlings and soil conservation.

The project has primarily operated in the Ham Tan district, with around 1,200 farmers producing approximately 145,000 green meter tons annually, representing 30% of CPVT's total volume in one year.



1'368

farmers
engaged since
start of the project



23.1%

of farmers
reached in project area
(Ham Tan District)

SOLOMON ISLANDS



In 2022, the Rurality transformation program made significant progress in driving change for smallholder coconut farmers in the SICPL supply chain of the Solomon Islands.

The achievements include mapping and maximising the supply chain, registering over 3,900 farmer families, and improving copra moisture content. Farmer and community awareness trainings were conducted, with lead farmers playing a crucial role in scaling the project goals. Model farms were successful, generating additional income for farmers, and women's empowerment training reached 251 women. Access to tools and equipment was improved, and stakeholder engagements and promotional events continued despite pandemic limitations. Collaboration with stakeholders and government meetings contributed to the program's progress.



11'703

farmer family members
registered to program

THAILAND



The Rurality Thaitex program has evolved over different phases since its conception in 2015. The goal of the program is to help smallholder rubber farmers transition to more sustainable rubber farming practices, improve their livelihood resilience and achieve positive socio-economic and environmental outcomes.

While initially focusing on traceability and transparency, it later added components on agronomy, livelihood diversification, and ecosystem restoration. Livelihood diversification is crucial for rubber farmers to sustain income amidst price fluctuations, reducing dependence on rubber. Low rubber prices discourage fertiliser application, leading to soil fertility decline and reduced yields.

The program emphasises regenerative agriculture practices, including agroforestry and ecosystem restoration, while also addressing human-elephant conflict. Traceability ensures targeted interventions, and stakeholder engagement with local authorities and organisations is crucial for contextualisation and sustainability.



1'002

farmers which account
for 100% of farmers in the
region received in-depth
yield and quantity*



100%

of farmers
replanted with
improved rubber
clones*

Areas of our work:

Community and Indigenous Rights



We work with companies, communities and other key stakeholders to improve respect for community and Indigenous rights. This involves working with communities and companies to strengthen collaboration, build capacity of communities to exercise rights, and put in place policies, action plans, and due diligence systems to monitor suppliers and sourcing regions. At the field-level, we work with communities to plan land-use, secure land and resource rights, and participate effectively in conflict resolution. Our work in British Columbia this year – described above in the first pages of this report – exemplifies this work.

Across other continents, our Centre of Social Excellence (CSE), first established in 2008 in Africa, has systematically built capacity for harmonious engagement between companies and communities in commodity sectors by equipping companies, civil society, and governments with well-trained social practitioners from the regions where they operate. The CSE offers best-in-class training on social management at every level of the supply chain, from investors to local communities. In 2022, we continued to mobilise diverse social experts who have practical experience addressing social issues to design and teach courses in Cameroon, Guinea, and Brazil. These courses targeted professionals who can go on to directly influence company-community interactions in vast regions. The CSE's trainings and resources on Community Relations, Conflict Resolution, Workers' Rights, Respect for Indigenous Peoples, and Social Management Systems, are complemented by a dynamic network of alumni who support and challenge one another for continuous growth and learning.

A few highlights of this work are the following:

GUINEA



Community Leaders Trained

Over twelve days in November, the Centre of Social Excellence (CSE) trained 20 community leaders in Guinea's Boké region on community rights and social aspects of bauxite mining operations. The training was made possible with funding from the [Alcoa Foundation](#) and its objective was to strengthen the capacity of community leaders to exercise their rights and participate effectively in development processes.

Second Group of Guineans Trained as Social Practitioners for the Bauxite Sector Businesses, governments and investors increasingly understand that cultivating healthy community and worker relationships not only reduces risk, but it can create value. Well-trained staff are key, and CSE's courses are designed to build the human capital to make this a reality.

BRAZIL



Forestry Companies Trained for More Effective Community and Stakeholder Relations

Earthworm's Centre of Social Excellence (CSE) Brazil team continued its programme to build the capacity of forestry companies in Brazil's pulp and paper sector to mitigate social risk and address social conflicts with communities. In 2022, this included producing classes on human rights, and delivering an intensive training to two-dozen professionals from 16 forestry companies on social impact identification and assessment, external communication processes, grievance mechanisms, and stakeholder engagement strategies.



24

professionals with an intensive training

INDONESIA



Earthworm has carried out Participatory Land Use Planning (PLUP) activities in several jurisdictions over the past decade.

Participatory Land Use Planning (PLUP) is a bottom-up collaborative process that involves all stakeholders at the village level in a dialogue. It is conducted iteratively to determine and decide on a socially just, economically viable, and environmentally friendly form of land use. It is a dependable process that helps communities effectively identify their needs while also ensuring that resources are preserved for the future. PLUP applies the principle of Free, Prior, Informed Consent (FPIC) in its implementation.

PLUP outputs have the capacity to build trust and partnerships among communities, governments, and the private sector, while also reducing potential conflicts. In terms of jurisdictional governance, they can serve as a source of inspiration for policies and provide a foundation for decision-making in the area. We believe that PLUP plays a vital role in regenerating supply chains and creating significant socio-economic and environmental impacts in the long run.

Areas of our work:

Labour Rights



Our programme focusing on labour rights and workers' welfare was launched in 2017 and is implemented in all regions covering diverse supply chains such as recycled paper, hazelnuts, palm oil and rubber.

To date, our teams have launched a variety of practical tools and resources for palm oil companies in Indonesia and Malaysia to reduce risky labour practices. These include the addressing the welfare of children in plantations, child labour, recruitment practices for migrant workers, the rights of casual and temporary workforces, and wages for agricultural workers through better target-setting. The approach is based on **increasing awareness and understanding** on the organisational (company, government or farmer) level (training, assessments etc.) on key topics and working with companies and farmers to implement better practices.

MALAYSIA AND INDONESIA


947

Workers positively affected by engagement on ethical recruitment, across 12 companies

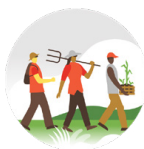

372

casual workers being promoted to permanent contracts. (Indonesia)


+600

Workers positively affected by implementation of better practices for targets and payments

EF also worked with the [Labour Transformation programme \(LTP\)](#) in Malaysia, a Mill & Plantation engagement framework designed to support mill & plantation managers and guide them towards the adoption of improved labour practices.



10

sites were engaged in labour transformation program effecting 818 workers.

TURKEY



Earthworm Foundation's project aimed at addressing child labour in Turkey started in 2021. The project focuses on Turkey's hazelnut supply chain, and uses community-based approaches and resilience building exercises among smallholders to generate change. The project is the first of its kind, and involves a diverse range of stakeholders with the aim of improving outcomes for children.

Currently, we are working to develop a community-based model for the prevention of child labour in Turkey's Hazelnut supply chain.

Results to date:



24

Community based committees developed



4

labour brokers trained



18

Accommodation sites improved, benefitting **267** worker families.



230

workers benefitted from improved sanitation

Future plans - scale up, continue roll out, focus on grievance mechanisms

Areas of our work:

Regenerative Agriculture



Earthworm Foundation recognises the critical role of healthy soil in sustaining our food, medicine, and various products. Unfortunately, a significant portion of the world's soil is degraded. To address Earthworm collaborates with businesses, cooperatives, scientists, and farmers to restore soil health. The Regenerative Agriculture section highlights the importance of supporting farmers in transitioning from traditional farming to regenerative agriculture practices. Businesses play a vital role in leading this transition. By working together, we can restore soil health, mitigate pollution, meet global food demand, sequester carbon, and revolutionise our food production methods.

FRANCE



To support farmers interested in transitioning to regenerative agriculture practices and enhancing soil health, EF France collaborates with agronomy and ecology experts, as well as technicians from various organisations. Together, we provide training to farmers, addressing the technical support they need. Additionally, we incentivise their transition through the development of new financial tools. To measure progress, our soil health indicator tool assesses the biological, chemical, and physical aspects of soil, empowering decision-making for soil health practices. Through these efforts, we aim to facilitate the adoption of regenerative agriculture and improve soil health outcomes.

Currently, the Earthworm Regenerative Agriculture program is most active in France, India and Kansas USA.


364

Number of farms partaking in the Program


54'600

Hectares covered.
Regions: Bretagne, Charente, Rhone-Alpes


2030

Year our soils partner Nestlé aims to source 50% of its supplies in France from regenerative agriculture


75%

of Soil sampled in France is degraded, highlighting its fragility.

INDIA



2'417

Number of farmers that we have supported to regenerate soils and improve livelihoods



135'445

Sheesham saplings planted in Haryana and Punjab



269

Number of Villages which have joined the project





Landscapes



The vision of the Landscapes programme is to create resilient landscapes where the stakeholders can successfully balance the production of commodities, forest conservation, sustainable livelihoods and welfare of people at scale.

Aceh, Indonesia

Palm Oil



Aceh is home to the Leuser Ecosystem, the last place on Earth where orangutans, tigers, elephants, and rhinoceros coexist.

Leuser is also home to some of the world's last old-growth tropical forests and significant areas of peat soils that serve as important carbon sinks.

“Generating profits was our only focus.

The partnership with Earthworm made us incorporate sustainability principles into our daily work and improve workers' safety and well-being. Clients are more eager to buy our products thanks to our enhanced reputation and continuous improvement.”

– Representatives of PT Asdal Prima Lestari,
PALM OIL producer



Supporters: Nestlé, Mars, The Hershey Company, Musim Mas, Reckitt, The Clorox Company, ADM, Colgate-Palmolive, Avril, Vandemoortele, Bunge, Givaudan, Fuji Oil

Key Achievements

7'485 ha

of forest protected by **3 communities**

13 stakeholders

from public, private sector and civil society developed one Collective Action Plan in Subulussalam to implement NDPE in the district's oil palm sector

222 smallholders

improved their livelihoods

668 workers

directly impacted with improved working conditions

8 communities

with strengthened land tenure on **413 ha** of land

Riau, Indonesia

Palm Oil, Pulp & Paper



Riau is the largest palm-oil producing province in Indonesia, producing approximately **2.5 million ha of oil palm** and **2 million ha of pulp & paper**.

In Riau, an estimated **80%** of the agricultural workforce is informal.

“Replanting old oil palm plantations is important for securing farmers’ livelihoods in the long run, as older trees produce fewer fruits. However, farmers often delay replanting because palms do not produce fruits for the first 3-4 years after planting, which affects their income. To support farmers, Earthworm helped them find alternative income during this period, and in 2022, 642 ha of old oil palm plantations were replanted under the EF replanting program. EF and 6 farmers’ cooperatives identified corn as the best crop for intercropping with oil palm, and in the second semester of 2022, a farmers’ corporation was established to pilot corn farming as an alternative income. With an investment of \$67,000 USD, farmers planted corn on 30 ha and estimate they will earn \$135,000 - \$225,000 USD from this alternative livelihood programme.”

– Earthworm Foundation Team, Riau

Key Achievements

59,668 ha

of forest areas protected outside concession - **16% of our 2025 outcomes**

642 ha

replanted by **321 farmers**

3 at-risk communities

have developed effective conflict resolution systems

914 farmers

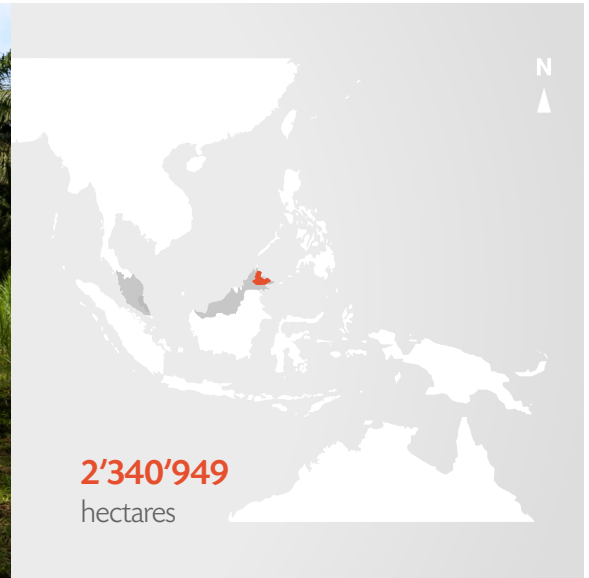
adopt Good Agricultural and Best Management Practices

11,662 workers

were indirectly impacted through direct work with 16 companies

Sabah, Malaysia

Palm Oil, Rubber, Forestry/Logging



The Sabah state is home to some of the most biodiverse forest landscapes in the world. It produces 25% of Malaysia's palm oil and is home to over 30,000 independent palm smallholder farmers – largely migrants who often live on plantations with their families.

“The goal to end forced and child labour requires our urgent attention. But this can't be achieved with government agencies alone. Palm oil companies, government agencies, trade unions and civil societies can and must be part of the solution if the scale of our results is to meet the scale of our ambitions. Earthworm has partnered with the Sabah Labour Department to implement the National Action Plan on Forced Labour (NAPFL) and eliminate child labour in the palm oil industry in Sabah, Malaysia.”

– Director of Sabah, Labour Department



Key Achievements

25%

of PO **mills** (23 mills) are **100% traceable** to plantations

23.7%

of PO **mills** committed to time bound action plans to address NDPE issues

9,547 ha

of elephant ranging area currently being managed

486 children

benefited from the completion of the [Child Risk Assessment Framework](#) pilot

2,054 smallholders

reached of which **513** are improving their livelihoods

Southern CFS, Malaysia

Palm Oil



The group of forest complexes known as the Southern Central Forest Spine (SCFS) is host to critical wildlife corridors and flora and fauna species. Significant land conversion to palm oil plantations since the 1980s has resulted in a fragmented forest ecosystem.

“My community is recognised as an indigenous group with strong ties to the land. However, we face challenges in securing land rights and protecting against deforestation and development plans. Our settlement in in Sg. Mok (Rompin, Pahang) is particularly vulnerable since it borders the Rompin state park, and our members rely on the forest for food and spiritual connection.

To address these challenges, our village committee is working to document ancestral lands and identify alternative sources of income, such as eco-tourism and agricultural development. Earthworm is collaborating with the community to support land protection efforts through a community mapping exercise. This initiative will continue through 2023 to solidify land planning and management decisions.”

– Indigenous Community Member

Key Achievements

26%

of PO mills are **100% traceable** to plantations

38.5%

of PO mills have action plans to **address NDPE**

274 workers

directly and **1,934 workers** indirectly impacted with improved welfare & working conditions

67%

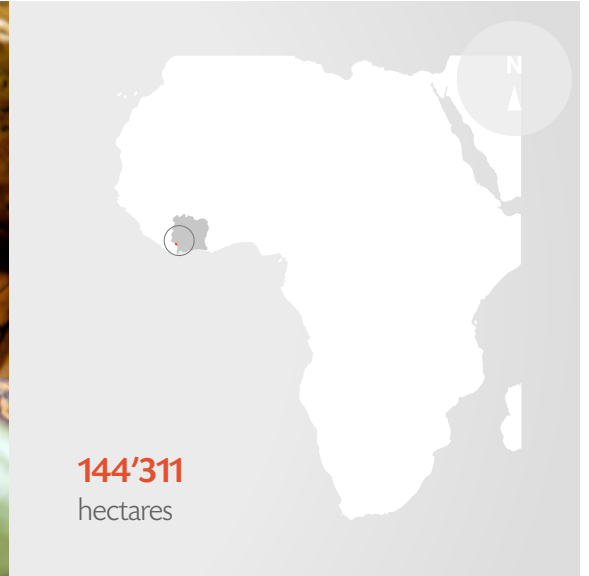
reduction in deforestation in the landscape's key sensitive areas

206 farmers

engaged

Cavally, Côte d'Ivoire

Cocoa



The Cavally Forest Reserve covers an area of 67,541 ha and is home to endangered species such as chimpanzees and pygmy hippos.

“During the final months of phase one, our top priority is to meet the planned targets for all objectives and collect data to measure and report on impact. We are also preparing for phase 2 of the project by meeting with several partners on the ground. In early 2023, a delegation from Touton visited our field activities. Our EF field team also met with Cocosource and their cooperative, Ocean, to review progress and discuss future collaboration. Additionally, we have engaged with CHC (Cavally Rubber Company) to explore opportunities for working together in phase 2, as the extended scope includes rubber. Finally, the team from the DRCF (Regional Direction of Forest Cadaster) of the Ministry of Water and Forests conducted a visit to monitor and evaluate the Cavally project.”

– Senior Manager, Earthworm Foundation

Supporters: Nestlé

Key Achievements

6 959 ha

naturally regenerated since Q1 2020

36 192 ha

of preserved forest since Q1 2018

306 people

are continuously coached and monitored on nurseries' activities.

413 people

ongoing coaching transitioning to new sources of revenue other than production in the forest

112 farmers

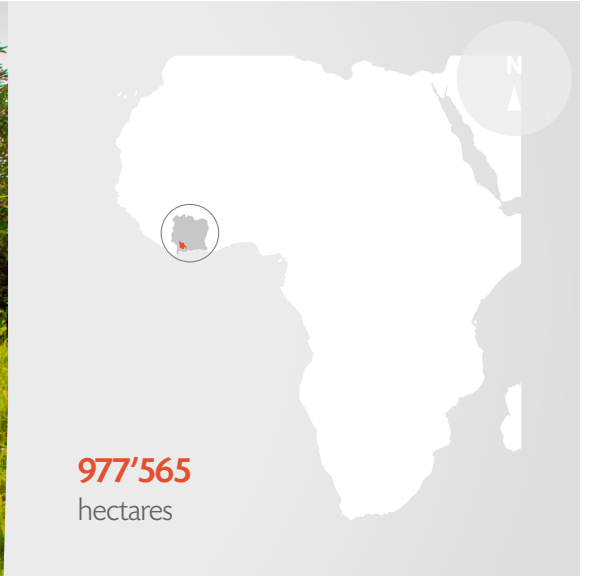
involved in agroforestry in **117 plantations** (187 ha)

3 new partners

are adopting Cavally landscape vision by joining the phase 2

Soubré, Côte d'Ivoire

Cocoa, Palm Oil



Soubré is the largest cocoa-producing region in Côte d'Ivoire. About **40% of the cocoa** in the country is grown there. The region has **several protected areas** threatened by agriculture, including Tai National Park in the west, Niégré Forest Reserve in the southeast, Rapid Grah Forest Reserve in the north and south, and Mont Kourabahi Forest Reserve. Due to poverty, these forests are threatened by cocoa farmers, who **rely on the land for income**.

"I'm a farmer from Okrouyo in the Soubré Region. My oil palm plot was reaching the end of its economic life, so I needed to renew it. Unfortunately, there's limited access to quality seedlings in our area. The National Center for Agronomic Research is located far away, and there's a high demand for their seedlings. Earthworm offered us the opportunity to register our interest and directly discuss with the National Center for Agronomic Research to help us get access to quality seeds. With their advice, I was able to replant 2 hectares of my plot, and over the next 4 years, I will continue to renew my entire plantation of 8 hectares."

– Farmer from Okrouyo, Soubré

Key Achievements

4 MoU

signed with cooperatives

132 farmers

have replanted their farms

1 maintenance

activity undertaken to facilitate the restoration and monitoring of 2 zones by communities

369 women

have access to finance

731 farmers

reached

Longitudinal Landscape, Peru

Cocoa, Palm Oil



The 6.5-million-hectare Longitudinal Landscape counts 7,000 palm and 40,000 cacao farmers. The landscape is a biodiversity hotspot, containing six critically important protected areas.

“My family and I are dedicated to protecting the 15 ha of forest and 7 ha of riverside strip adjacent to our farm. We have committed to the Holistic Farm Plans and the Farm Management Plan for HCS/HCV areas, which were developed jointly between the Earthworm Foundation and our family with the support of UNDP.”

– Smallholder based in the province of Padre Abad



Supporters: Swiss Agency for Development and Cooperation, Grupo Palmas

Key Achievements

9 local companies

are adopted no deforestation, no peat and no exploitation policies

404 ha

of key ecosystems covered by management plans

1,373 farmers

reached to increasing their resilience

3

local **stakeholders** are implementing sustainability initiatives

80 workers

with improved working conditions

Chiapas, Mexico

Palm Oil



Chiapas alone is responsible for nearly half of Mexico's palm oil production, with 90% of palm oil farmers being smallholders. It is also the number two state in the country in terms of biodiversity and forest cover.

"EF's main challenge in Mexico has been to shift the perspective of the mills and small-scale farmers in the supply chain regarding sustainability. To achieve this, EF has been working to encourage government collaboration with mills and support farmers in diversifying their crops while implementing best practices in palm, cocoa, and livestock. EF has also been promoting the implementation of the HCS and HVC protocols with mills. Though the road to sustainability is a long one, it has already begun and its impacts will soon be visible."

– Earthworm's head of Chiapas Landscape



Key Achievements

5 mills

are implementing no-deforestation policies and action plans

54 farmers

implementing regenerative agricultural practices

47 farms

have implemented holistic farm plans

16 ha

of mangroves restored and monitored

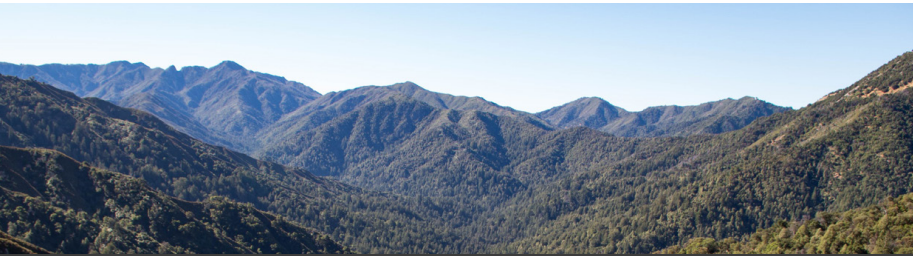
28,000 ha

(core area of reserve) free from encroachment to date

Tsay Keh Dene, British Columbia, Canada

Nation-led Landscape Initiative

Pulp & Paper



The Ingenika Indigenous Protected and Conserved Area (IPCA), covering 79,220 ha of culturally and ecologically important land in the Ingenika River watershed, was established and celebrated through a week-long event involving TKDN Members, EF staff and EF member representatives.

A High Conservation Value study was carried out for the establishment of the Chuyaza Conservancy, an important cultural area for the Tsay Keh Dene people which includes a series of lakes, important hunting grounds, and historic trails. The Chuyaza Conservancy is 24,675 hectares.

Earthworm member company policies include commitments to respecting Indigenous peoples' rights to Free, Prior, Informed Consent (FPIC) on activities impacting their resources, as well as the protection of High Conservation Values.

Tsay Keh Dene Nation and Earthworm members are calling on forestry companies operating in the Nation's territory to respect the management rules put in place through the Nation's Forest Stewardship Framework and the establishment of the Ingenika IPCA and Chuyaza Conservancy.

"Of all the rights recognised in the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), Free, Prior and Informed Consent (FPIC) may be the most important for realising the Tsay Keh Dene's vision of a sustainable future. FPIC is the foundation for reconciliation and empowering the Tsay Keh Dene people to become self-determining and self-reliant."

– Chief Pierre, Tsay Keh Dene Nation

Supporters: Nestlé, Mars, 3M



Key Achievements

The Tsay Keh Dene Nation's territory spans 3.2 million hectares in the Rocky Mountain Trench of British Columbia, Canada, including the watersheds of the Ingenika, Ospika, Swannel and Finlay Rivers, to name a few. Within the territory are intact forest landscapes and important habitat for southern mountain caribou, grizzly bears, migratory birds, fish and moose. Tsay Keh Dene Nation is leading efforts to negotiate with government and companies operating on their territory to ensure that the land is well-managed and their rights are respected.

Conclusion

2022 has been a year of growth for Earthworm Foundation. First and foremost, we have experienced growth in our EF family, as new staff have joined us all across our global offices, bringing their stories, expertise and experiences to our organisation.

Secondly and fortunately, the most hindering effects of the Covid-19 pandemic have effectively disappeared, which has allowed our organisation to return to the field and resume our efforts in establishing human connections to generate meaningful change on the ground level. For the first time in a few years, we are regenerating our connections on the field, our connections to one another at Earthworm, and our connections with our cherished members and partners.

Looking towards next year, we hope to continue our momentum in these areas, taking on new projects and challenges and extending our reach further than before.



Independent Auditors Report

To the board of foundation of

Earthworm Foundation

Nyon

Report on the Audit of
the Financial Statements 2022
in accordance with
Swiss GAAP FER

(for the period from 01.01.2022 to 31.12.2022)

STATUTORY AUDITOR'S REPORT

To the board of foundation of Earthworm Foundation, Nyon

Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of Earthworm Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2022, and the statement of income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In accordance with Swiss GAAP FER 21, the disclosures in the performance report are not subject to the audit by the statutory auditor.

In our opinion the financial statements (pages 18 to 20) give a true and fair view of the financial position of the Foundation as at December 31, 2022 and its results of operations and cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law and the deed of foundation as well as the regulations of the foundation.

BASIS FOR OPINION

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Foundation in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

OTHER INFORMATION

The board of foundation is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF FOUNDATION FOR THE FINANCIAL STATEMENTS

The board of foundation is responsible for the preparation of the financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law and complies with the deed of foundation as well as the regulations of the foundation, and for such internal control as the board of foundation determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the board of foundation is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless the board of foundation either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>.

This description forms part of our auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the board of foundation.

We recommend that the financial statements submitted to you be approved.

Geneva, June 28, 2023

BDO Ltd



Olivier Griot
Licensed Audit Expert



Zoé Bender
Auditor in Charge
Licensed Audit Expert

Enclosures Financial statements

Statement of financial activities

(incorporating an income and expenditure account)
for the year ended 31 December 2022

	Note	USD		CHF	
		Total 2022	Total 2021	Total 2022	Total 2021
Operating income					
Member & partners contributions	2	20,137,986	15,293,262	19,230,166	14,000,217
Public authorities grants	2	348,543	1,750,828	332,830	1,602,795
Other grants received	2	1,766,819	1,241,051	1,687,170	1,136,120
Total		22,253,347	18,285,141	21,250,166	16,739,132
Operating expenses					
Personnel expenses		(16,413,811)	(14,259,192)	(15,673,876)	(13,053,578)
Operating expenses		(4,407,434)	(3,033,575)	(4,208,747)	(2,777,086)
Depreciation and amortization	5 - 6	(111,553)	(81,674)	(106,524)	(74,769)
Total	3	(20,932,797)	(17,374,441)	(19,989,147)	(15,905,432)
Operating Result		1,320,550	910,700	1,261,019	833,700
Non-operating result					
Financial result		6,461	473	6,170	433
Non-operating result		(967,064)	(918,719)	(923,469)	(841,041)
Extraordinary result		(88,744)	86,698	(84,743)	79,367
Result before change in fund capital		271,203	79,151	258,977	72,459
Allocation to voluntary retained earning		271,203	79,151	258,977	72,459
Total		-	-	-	-

Balance sheet

as at 31 December 2022

	Note	USD		CHF	
		2022	2021	2022	2021
Cash at bank and in hand		8,163,736	8,709,618	7,543,537	7,963,465
Debtors	7	5,672,717	5,397,040	5,241,760	4,934,675
Current Assets		13,836,453	14,106,658	12,785,298	12,898,141
Tangible Fixed Assets	5	195,018	137,794	180,202	125,989
Intangible Fixed Assets	6	292,879	114,279	270,629	104,489
Fixed Assets		487,897	252,072	450,831	230,477
Long term loan to third parties		158,147	-	146,132	-
Investments and participations		106,490	-	98,400	-
Financial Assets		264,637	-	244,532	-
Total Assets		14,588,986	14,358,730	13,480,661	13,128,618
Creditors	8	1,052,391	566,402	972,441	517,879
Deferred income - unrestricted		3,520,398	3,777,904	3,252,953	3,454,251
Deferred income - restricted		799,408	1,068,839	738,677	977,271
Short term loan		-	-	-	-
Short term liabilities		5,372,197	5,413,145	4,964,071	4,949,401
Retained earnings		9,166,394	8,895,191	8,994,167	8,735,190
Initial capital (50'000 CHF)		50,397	50,397	50,000	50,000
Cumulative Translation Adjustment				(527,579)	(605,974)
Foundation capital		9,216,789	8,945,586	8,516,588	8,179,217
Liabilities and Foundation capital		14,588,986	14,358,729	13,480,661	13,128,617

Statement of Cash Flow

for the year ended 31 December 2022

	USD		CHF	
	2022	2021	2022	2021
Operating expenses				
(Deficit)/surplus for the year	271,203	79,151	258,977	72,459
Interest received	(6,791)	(645)	(6,485)	(591)
Depreciation of tangible fixed assets	89,843	67,422	83,018	61,722
Amortization of intangible fixed assets	21,709	14,252	20,060	13,047
Loss on disposals of tangible fixed assets	2,604	3,562	2,486	3,261
Increase in debtors	(275,677)	(243,362)	(307,085)	(378,574)
Increase in liabilities	(40,948)	(79,182)	14,671	93,917
Foreign exchange gain/(losses) on cash	117,291	388,560	112,004	355,708
Total Operating Activities	179,234	229,759	177,646	220,949
Investing:				
Interest income	6,791	645	6,485	590
Purchase of tangible fixed assets	(148,100)	(97,115)	(138,315)	(92,256)
Purchase of intangible fixed assets	(201,880)	(60,661)	(186,142)	(57,535)
Inflows from disposal (selling) of fixed asset	-	-	-	-
Financial Assets	(264,637)	-	(244,532)	-
Total Investing Activities	(607,826)	(157,131)	(562,503)	(149,201)
Loan from banks	-	(645,180)	-	(570,370)
Total financing activities	-	(645,180)	-	(570,370)
Translation (gain)/loss			76,934	267,967
Increase in cash and equivalent in the year	(428,592)	(572,551)	(307,924)	(230,654)
Cash & equivalents at the beginning of the year	8,709,618	9,670,728	7,963,465	8,549,393
Effects of exchange rates	(117,291)	(388,560)	(108,381)	(355,272)
Cash and equivalents at the end of the year	8,163,736	8,709,618	7,543,537	7,963,465

Statement of changes in capital

for the year 2022

Currency: USD	Balance end 2020	Allocations	Cumulative translation adjustment	Total change	Balance end 2021
Fund capital	-	-	-	-	-
Initial capital	50,397	-	-	-	50,397
Retained earning	8,816,038	79,151	-	79,151	8,895,189
Foundation capital	8,866,434			79,151	8,945,586

Currency: USD	Balance end 2021	Allocations	Cumulative translation adjustment	Total change	Balance end 2022
Fund capital	-	-	-	-	-
Initial capital	50,397	-	-	-	50,397
Retained earning	8,895,189	271,203	-	271,203	9,166,392
Foundation capital	8,945,586			271,203	9,216,789

Currency: CHF	Balance end 2020	Allocations	Cumulative translation adjustment	Total change	Balance end 2021
Fund capital	-	-	-	-	-
Initial capital	50,000	-	-	-	50,000
Retained earning	8,662,728	72,459	3	72,462	8,735,190
Movement of translation adjustment	(874,373)	-	(268,399)	(268,399)	(605,974)
Foundation capital	7,838,355	72,459	268,402	340,861	8,179,216

Currency: CHF	Balance end 2020	Allocations	Cumulative translation adjustment	Total change	Balance end 2021
Fund capital	-	-	-	-	-
Initial capital	50,000	-	-	-	50,000
Retained earning	8,735,190	258,977	-	258,977	8,994,167
Movement of translation adjustment	(605,974)	-	(78,395)	78,395	(527,579)
Foundation capital	8,179,216	258,977	78,395	337,372	8,516,588

Notes to the financial statements

for the year ended 31 December 2022

1. PRINCIPAL ACCOUNTING POLICIES

General information

The Earthworm Foundation, Nyon, Switzerland (hereafter "the Foundation") was established in accordance with the Articles 80ff of the Swiss Civil Code. The Foundation is registered since 7 March 2018 in the Commercial register of the Canton of Vaud.

The Foundation promotes internationally positive interactions and relationships between nature and people by:

- the preservation, conservation and the protection of the environment and the prudent use of resources,
- the relief of poverty and the improvements of the conditions of life in socially and economically disadvantaged communities,
- the promotion of responsible and ethical means of achieving economic growth and regeneration, and
- the education of the public in the conservation, protection and improvement of the natural environment.

Accounting policies

The financial statements of the Foundation have been prepared in accordance with the provisions of the Swiss Code of Obligations and in accordance with the Swiss GAAP FER, in particular Swiss GAAP FER 21 relating accounting for charitable non-profit organisations. The recommendations have been established for organisations seeking to present their financial statements to reflect a true and fair view of the financial situation.

Revenue recognition

• Income from members and partners

Income contributions from members and partners are recognised in the statement of financial activities when the foundation has entitlement to the funds, any performance conditions attached to the item(s) of income have been met and it is probable that the

income will be received and the amounts can be measured reliably. They are considered as unrestricted activities unless otherwise specified.

Restricted funds that have not been used at the end of the year are presented in a separate section of the balance sheet. Revenue is recognised when it is probable that the economic benefits associated with the transaction will inure to Earthworm Foundation and can be reliably estimated.

• Grants

Income from government and other grants is recognised when the foundation has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. They are considered as restricted activities unless otherwise specified.

The Foundation recognizes revenue from long-term projects using the percentage-of-completion method. Under this method, income is recognized based on the completion of the performance conditions attached. This method requires that projects are monitored in order to estimate their progress. At year-end, the income is reviewed and recorded based on the actual and accrued expenses incurred over the projects. If the performance conditions are not fully met but the funds have been received, the income will be deferred over the years in which the funds will be used to perform the conditions.

When the donor wishes to see a contribution allocated to a specific cause, the contribution is considered to be a restricted fund. Restricted funds that have not been used at the end of the year are presented in a separate section of the balance sheet.

• Funding contracts

Income from funding contracts signed between donors and Earthworm Foundation is recognised in the year in which the financed expenditure is incurred. Outstanding grant amounts at year-end that will be used in future years are deferred in the balance sheet.

• Other income

Other income (e.g. Donations) are recorded on a cash

1. PRINCIPAL ACCOUNTING POLICIES

basis.

Expenditure

Expenses incurred by the Foundation are recorded on an accrual basis.

Supplies and equipment used by the projects are recorded when the costs are incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized over their estimated useful lives of 3 to 5 years, using the

straight-line method.

Intangible Assets

Intangible assets are acquired separately and are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives between 5 to 7 years.

Other valuation principles

Receivables are stated at their nominal value, less any value corrections. Debts are stated at their nominal value. Other financial assets are at acquisition cost.

2. OPERATING INCOME – RESTRICTED AND UNRESTRICTED

2022 - all amounts in USD	Restricted	Unrestricted	Total
Member and partners contributions	-	20,137,986	20,137,986
Public authorities grants	348,543	-	348,543
Other grants received	1,766,819	-	1,766,819
Total	2,115,362	20,137,986	22,253,347

2022 - all amounts in CHF	Restricted	Unrestricted	Total
Member and partners contributions	-	19,230,166	19,230,166
Public authorities grants	332,830	-	332,830
Other grants received	1,687,170	-	1,687,170
Total	2,020,000	19,230,166	21,250,166

2021 - all amounts in USD	Restricted	Unrestricted	Total
Member and partners contributions	-	15,293,262	15,293,262
Public authorities grants	1,750,828	-	1,750,828
Other grants received	1,241,051	-	1,241,051
Total	2,991,879	15,293,262	18,285,141

2021 - all amounts in CHF	Restricted	Unrestricted	Total
Member and partners contributions	-	14,000,217	14,000,217
Public authorities grants	1,602,795	-	1,602,795
Other grants received	1,136,120	-	1,136,120
Total	2,738,916	14,000,217	16,739,132

3. EXPENSES BY CATEGORIES

	USD		CHF	
	Total 2022	Total 2021	Total 2022	Total 2021
Fund raising & general advertising exp.	1,495,170	1,262,330	1,427,768	1,155,600
Administrative expenses	4,203,616	4,892,612	4,014,117	4,478,942
Other operational expenses	15,122,459	11,137,825	14,440,738	10,196,122
Depreciation and amortization	111,553	81,674	106,524	74,769
Total operating expenses	20,932,797	17,374,441	19,989,147	15,905,432

Calculation method

- **Administrative expenses** relate to all expenses and time reported as administrative and that are related to the general operation of the organisation

- **Fund raising** and general advertising relate to all expenses and time reported as a development of new opportunities and that are related to the general operation of the organisation

4. EMPLOYEE INFORMATION AND REMUNERATION

The key management personnel of the charity are the 7 members of the Executive Team. The total employee remuneration of the Executive Team was 1,282,991 USD (CHF 1,183,522) in 2022 and 1,299,844 USD (CHF 1,188,486) in 2021.

No Foundation Board trustee received any remuneration from the Foundation during the year.

The Foundation employees by location:

	2022 Number	2021 Number
Europe	93	72
North America	12	9
Central and South America	31	22
Africa	29	27
Asia	115	115
Total	280	245

5. TANGIBLE FIXED ASSETS

	USD			CHF		
	Office equipment	Assets Under Construction	Total	Office equipment	Assets Under Construction	Total
At 1 January 2022	744,754	1,571	746,325	688,175	1,142	689,626
Additions	149,168	518	149,686	137,836	479	138,315
Reclassification	2,073	(2,073)	-	1,916	(1,916)	-
Disposals	(28,338)	(16)	(28,354)	(26,185)	(15)	(26,200)
At 31 December 2022	867,657	-	867,657	801,741	-	801,741
Accumulated Depreciation			-			
At 1 January 2022	608,531		608,531	562,301	-	562,301
Charge of the year	89,843		89,843	83,018	-	83,018
Reclassification			-	-	-	-
Disposals	(25,735)		(25,735)	(23,780)	-	(23,780)
At 31 December 2022	672,640	-	672,640	621,539	-	621,539
Net book value	-		-	-		-
At 31 December 2022	195,018	-	195,018	180,201	-	180,201
At 1 January 2021	702,682	-	702,682	642,483	-	642,483
Additions	95,544	1,571	97,115	87,358	1,437	88,795
Reclassification			-	-	-	-
Disposals	(53,472)		(53,472)	(48,891)	-	(48,891)
At 31 December 2021	744,754	1,571	746,325	680,950	1,437	682,387
Accumulated Depreciation			-			
At 1 January 2021	591,018		591,018	540,385	-	540,385
Charge of the year	67,422		67,422	61,646	-	61,646
Reclassification			-	-	-	-
Disposals	(49,909)		(49,909)	(45,634)	-	(45,634)
At 31 December 2021	608,531	-	608,531	556,398	-	556,398
Net book value	-		-	-		-
At 31 December 2021	136,223	1,571	137,794	124,552	1,437	125,989

6. INTANGIBLE FIXED ASSETS

	USD			CHF		
	Intangible assets	Assets Under Construction	Total	Intangible assets	Assets Under Construction	Total
At 1 January 2022	110,425	19,984	130,410	102,036	18,466	120,502
Additions	-	201,446	201,446	-	186,142	186,142
Reclassification		(1,136)	(1,136)		(1,050)	(1,050)
Disposals	-			-	-	-
At 31 December 2022	110,425	220,293	330,719	102,036	203,558	305,594
Accumulated Amortization						
At 1 January 2022	16,130			14,905	-	-
Charge of the year	21,709		21,709	20,060	-	20,060
Reclassification				-	-	-
Disposals	-			-	-	-
At 31 December 2022	37,840	-	37,840	34,965	-	34,965
Net book value	-		-	-		-
At 31 December 2022	72,586	220,293	292,880	67,072	203,558	270,630
At 1 January 2021	129,390	67,870	197,260	118,305	62,056	180,361
Additions		60,661	60,661	-	55,464	55,464
Reclassification	108,547	(108,547)		99,248	(99,248)	-
Disposals	(127,512)			(116,588)	-	-
At 31 December 2021	110,425	19,984	130,410	100,965	18,272	119,237
Accumulated Amortization						
At 1 January 2021	129,390			118,305	-	-
Charge of the year	14,252		14,252	13,031	-	13,031
Reclassification				-	-	-
Disposals	(127,512)			(116,588)	-	-
At 31 December 2021	16,130	-	16,130	14,748	-	14,748
Net book value	-		-	-		-
At 31 December 2021	94,295	19,984	114,279	86,217	18,272	104,489

7. DEBTORS

	USD		CHF	
Amounts falling due within one year	2022	2021	2022	2021
Debtors	4,432,141	3,857,219	4,095,431	3,526,771
Provision on debtors	0	0	0	0
Accruals	191,142	186,911	176,621	170,898
Accrued income	787,025	1,230,142	727,235	1,124,756
Other debtors	262,408	122,767	242,473	112,250
Total debtors	5,672,717	5,397,040	5,241,760	4,934,675

8. CREDITORS

	USD		CHF	
Amounts falling due within one year	2022	2021	2022	2021
Creditors	608,096	190,547	561,899	174,223
Accrual liabilities	438,425	373,346	405,118	341,361
Other creditors	5,870	2,511	5,424	2,296
Total creditors	1,052,391	566,402	972,441	517,879

9. PENSION LIABILITIES

	USD	CHF
Earthworm employee Pension Foundation surplus cover 2022	-	-
Economic benefit 2022	-	-
Economic benefit 2021	-	-
Change during the year	-	-
Personnel costs 2022	590,096	545,266
Personnel costs 2021	502,711	459,643

In the year 2022 and 2021 there are no employer contribution reserves.

10. LEASE COMMITMENTS

	USD	CHF
Time period		
Within 1 year	313,372	289,565
Between 1 and 5 years	489,274	452,104
Over 5 years	253,020	233,798
Total	1,055,666	975,467

11. CONVERSION RATE

The annual average conversion rates used from USD to CHF to convert the statement of financial activities of 2022 and 2021 are 0.95492 and 0.91545.

The closing rates used from USD to CHF to convert 2022 and 2021 financial years are respectively 0.92403 and 0.91433.

12. SUBSEQUENT EVENTS

No subsequent event has occurred.

13. FINANCIAL STATEMENTS

The Financial statements were approved by the Board on June 28th, 2023.

ANNEX: SUPPORTERS DURING 2022 (UNAUDITED)

3M	Florin	Migros
Agincourt Resources	Fuji Oil Holdings Inc	Mr. Bricolage
Airbus DS Geo SA	GAR Downstream - PT SMART	Musim Mas Holdings
Alicorp	GAR Upstream - PT SMART	Natura
Apical Group Limited	Givaudan	Nestlé
APP-PT Purinusa Ekapersada	Godiva	NetZero
APRIL (Asia Pacific Resources International)	Golden Veroleum (Liberia) Inc.	Nutriswiss AG
Auchan	Groupe Metro	Oleofinos
Avril	Groupe Rocher	Oleon NV
BioMar	Grupo Bimbo	ÖNEM GIDA SAN. VE TİC. A.Ş.
Blue like an Orange - Chavin	Grupo Palmas	ONFI
Bonduelle	Gryfskand	Pacific Interlink (PACOIL)
Bordet	Heineken	Pacific Rim - SICPL
Bridgestone	Hershey	PARTNER COFCO
Bunge Lodders Croklaan BV	Herta	Pictet
Bunnings	Honest Foods S.A.C.	pladis Foods Limited
Business for Social Resp - BSR	IOI Edible Oils SDN BHD	Presco Plc
BUT	IOI Pan-Century Edible Oils Sdn Bhd	ProFairtrade - Ceres Food
Carbobois	Johnson and Johnson	PT Toba Pulp Lestari
Carbofrance	Kaufland Stiftung and Co.KG	Purina
Carbonex	KECK SENG (MALAYSIA) BERHAD	PX Precinox
Cargill	La Fabril	PZ Cussons
Cargill Brazil	La Forestiere du Nord	Reckitt Benckiser Corporate Services Ltd
CASINO	Labeyrie fine foods	Socfin
Chanel	Lacoste	Solidaridad Peru
Clorox	Lactalis Group	Sosucam
Colgate-Palmolive	Landesa	Southland Global Agriculture - SGA
Collecte Localisation Satellites	LeClerc-Acedelec	Sustainable Agriculture Initiative
Colour Republic LLC	Les Mousquetaires	Target
Compass Group	LIDL	Team Foods Colombia S.A
CONFORAMA	Lindt and Sprungli	Terra Isara
Coopérative U enseigne	LinkUp	Upfield
Danone	Lipidos	Vandemoortele
DHG	L'Occitane International Suisse SA	Veracel
Drax	L'Oréal	Vivescia
Enviva	LVMH	WhatIF FI Pte Ltd
Estice Espas	Maisons du Monde France SAS	Wilmar
Fairtrade International	Mars	
Ferrero Trading Lux S.A.	McCain	
	McDonald's	



CHARITABLE TRUSTS

ADM Cares

Alcoa Foundation

Alter Eco

CAF Cargill Fund

Collective Good Foundation

3M Gives

Earth Innovation Institute EEI

HSBC

Maison du Monde Fondation

New Venture Fund

One Tree Planted

United Soybean Board

ORGANISATIONS

Agence Française de Développement
AFD

DFID

Helvetas

Mercy Corps Indonesia MCI

UNDP - United Nations Development
Programme

USAID SEGAR



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