

Global Control Framework

Business planning, budgeting, and management review

Based on Corbion's strategy and plans, targets are set for the annual budget process. After determining the budgets, targets are rolled out to the responsibility areas (business units, operations, etc.) within Corbion. Quarterly updated estimates are made based on a forecast until the end of the year. Forecasts are specifically discussed between responsibility area leaders and the Board of Management. The Board of Management monitors business performance on a monthly and quarterly basis using a defined set of key performance indicators and reviews of actual results versus budgets and the previous year. Local entities are visited frequently. Operational management meets at least once a month to discuss the strategy and related risks, the actual performance versus budget, and other significant matters.

Financial Control Framework

As Corbion operates worldwide, it is committed to maintaining high-quality, reliable financial reporting, and a sound control environment.

All reporting entities assess operational effectiveness of their financial closing and reporting processes, at mid-year and end-of-year, confirming compliance with the relevant guidelines and IFRS.

Together with the Letters of Representation, this ensures the integrity of our financial reporting.

Our main entities performed an assessment of the effectiveness of their key financial process controls.

The assessments have been audited by internal audit and used as a starting point by external auditors. The scope of our information security policy is fully aligned with the ISO 27002 standard and also meets our financial reporting requirements. Central assessments were completed both by an external party and internally by the IT security officer.

Insurance

Insurance is an integral part of our risk management approach as it is an instrument to manage the financial consequences of risks. The choice to obtain external insurance cover depends on the cost efficiency of the instrument. The coverage of insurances is monitored and benchmarked regularly.

Internal audit

Internal audit (CIAS) supports the organization in accomplishing its objectives by providing a systematic, disciplined approach to evaluate and improve the effectiveness of internal control and governance processes. The Internal Audit Charter is approved by the Board of Management and the Audit Committee annually.

The objective of CIAS is to provide a broad range of audit services designed to assist the Board of Management in controlling the business operations. It provides independent, risk based objective assurance and consulting services designed to add value to the organization. CIAS evaluates risks and ensures that the controls in place are adequate to mitigate the risks identified by management. Besides the assurance role, CIAS also adds value to the business through tailor-made operational audits, identifying best practices, and recommending improvement opportunities to management.

The focus of CIAS is spread over the following areas:

- Compliance to the financial control framework for the legal entities.
- Conducting operational audits (various value-adding special investigations ranging from strategic themes, post mortems, fraud prevention, quality assurance, review of business processes, and segregation of duties).

Internal audit at Corbion is based on a co-sourcing model where an external professional provides the Director Internal Audit with specialized knowledge and flexibility.

Audit results are reported to the Board of Management and the Audit Committee.



External audit

Our external financial audit engagement ensures that all main entities are audited by the external auditor either for statutory and/or group purposes. The focus of the external auditor's work is the financial reporting with the objective of providing a reasonable basis for the audit opinion on the fairness of the presentation of the financial position.