Corbion
Annual Report
2020

Corbion
Keep creating

Contact

If you have any questions or remarks regarding this report, we kindly invite you to contact us.

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Cover and back image: These stripes show the steady warming of the planet over the past century. The color of each stripe represents the relative annual average global temperature from 1850 to 2017.

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At a glance

At Corbion, we champion preservation in all its forms, preserving food and food production, health, and our planet.

We are the global market leader in lactic acid and its derivatives, and a leading supplier of emulsifiers, functional enzyme blends, minerals, vitamins, and algae ingredients. We use our unique expertise in fermentation and other processes to deliver sustainable solutions for the preservation of food and food production, health, and our planet. For over 100 years, we have been uncompromising in our commitment to safety, quality, innovation, and performance. Drawing on our deep application and product knowledge, we work side-by-side with customers to make our cutting-edge technologies work for them. Our solutions help differentiate products in markets such as food, home & personal care, animal nutrition, pharmaceuticals, medical devices, and bioplastics.

In manufacturing, we have a long history of excellence in developing sustainable, resource-efficient production processes. We use these in four key areas: fermentation to organic acids and algae products, polymers, emulsifiers, and functional systems.

Corbion's strategy and all aspects of our operations are built around advancing sustainability underpinned by high ethical standards, whether this relates to the management of our global supply chain, responsible procurement of our raw materials, or the safety and well-being of our people.

In 2020, Corbion generated annual sales of € 986.5 million and had a workforce of 2,267 FTE. Corbion is listed on Euronext Amsterdam.

Three lines of business

At Corbion we distinguish between three lines of business, each with a different set of characteristics: Sustainable Food Solutions, Lactic Acid & Specialties, and Incubator.

Sustainable Food Solutions

Sustainable Food Solutions comprises Preservation, Functional Systems, and Single Ingredients. We are a global supplier of food ingredient solutions for leading food manufacturers, and we excel at using natural mechanisms and processes to help them create food products that stay fresh, safe, and delicious longer.

What we do, and the way we do it, helps to preserve what matters: a nutritious, high-quality eating experience consumers can share with friends and family; our planet's resources, which we aim to source responsibly and preserve by helping to minimize food waste; and access to affordable foods, which we make possible by enabling more efficient production in the bakery, meat, beverage, confectionery, and dairy markets.

Lactic Acid & Specialties

Lactic Acid & Specialties comprises Biochemicals (lactic acid, lactate salts, esters, and other specialties), Biomaterials (polymers for medical applications), and Total Corbion PLA (our joint venture with Total for the production and marketing of PLA bioplastics (polylactic acid polymers)).

The inherent safety, sustainability, and performance of our products set us apart, as does our passion for delivering solutions that create new opportunities for our customers. Leveraging our rich heritage in fermentation and the application of lactic-acid-based technologies, we provide value-adding functionalities using renewable resources.

Our solutions offer benefits in biochemical applications spanning a wide array of industries, including chemicals, electronic components, pharmaceuticals, home & personal care products, and animal health. We continuously explore and develop new ways to enhance the functionalities our products bring to customers' applications. In Biomaterials, our focus on resorbable polymers for medical applications enables the controlled release of actives, patient-friendly orthopedic devices and more. Through the Total Corbion PLA joint venture, we play an enabling role in the fast-growing global bioplastics market.

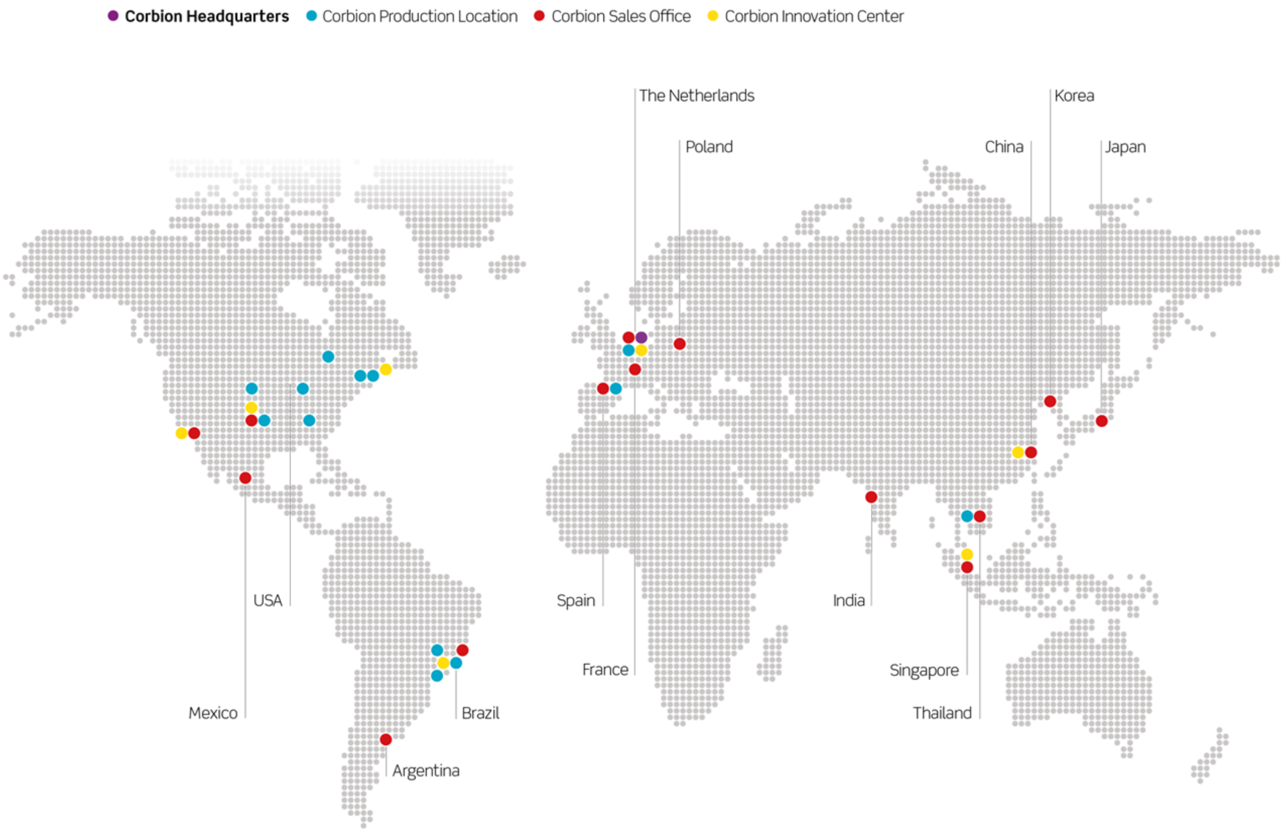
Incubator

Our Incubator, where we develop early-stage initiatives, accommodates three main product categories: algae-based omega-3, algae proteins, and our new co-polymer platform.

Through our Incubator, we develop new business platforms to deliver long-term value, applying disruptive technologies built on decades of experience in fermentation and industrial-scale manufacturing. Collaborating with like-minded partners we support our customers to make conscious choices, so they can create better, more sustainable products, based on renewable resources. We believe in a circular economy, where our innovations can help improve quality of life – both today and for future generations.

Our global presence

We market our products through a worldwide network of sales offices and distributors and have a global supply chain with manufacturing facilities in the US, Thailand, Brazil, the Netherlands, and Spain. Our innovation centers are located across the globe and our headquarters is based in the Netherlands.



Message from the CEO

There is no doubt that 2020 will go down in history as a very challenging year for virtually everyone everywhere. The coronavirus has effectively forced our way of living to an abrupt halt, causing uncertainty and concerns for the health of family and friends. Care – one of our company's core values – has never been more evident, essential, and alive in our employees than it has throughout this global pandemic. I could not be prouder of our colleagues across the globe for their commitment to our customers and to each other. Under extremely challenging circumstances, they produced record volumes while protecting the health and safety of our people – our highest priority. Working together, our teams overcame many obstacles to achieve an astonishing degree of continuity in production, raw-material supply, and timely delivery to our customers.

Corbion's purpose – "preserving food, food production, health, and the planet" – has proven especially meaningful and relevant in this time of crisis. Everything we do – from product offerings and operations to investments and innovation – is perfectly aligned with urgently felt needs in markets and industries around the globe. This is exactly why we are increasingly capturing the attention of a growing number of future-focused impact investors.

All business segments at Corbion improved significantly over the last year, in terms of both sales and profits. Given the profound impact of the COVID-19 pandemic across the global food industry throughout 2020, the successes achieved by our teams in driving sales and profit growth, as well as the continued high productivity in our plants, are truly remarkable. In Sustainable Food Solutions, we saw customers securing supplies and increasing inventories as much as possible in March, as an initial market reaction to the pandemic. As supply chains held firm, our customers proceeded to bring inventories down to pre-crisis levels in the second quarter. Lockdowns caused shifts in consumption, with significant increases in packaged food sales, offset by a slowdown in food service. In Lactic Acid & Specialties, we experienced some adverse COVID-19 impact in certain markets such as biomaterials for medical devices. On the other hand, we saw good growth driven by positive developments in both the electronics and PLA bioplastics.

As markets for PLA bioplastics and lactic acid derivatives are rapidly expanding, the urgency behind expanding our lactic acid production capacity has increased. Which is why in January of 2020 we announced that we will build a new 125,000 metric tons lactic acid plant in Thailand, operating at the highest sustainability standards and with the lowest footprint and costs. The new plant is expected to be operational in 2023 and will be based on our innovative and proprietary technology.

In addition to this, we jointly announced with Total on 29 September 2020, our intention to build a second PLA bioplastics plant, the first world-scale plant in Europe, through the Total Corbion PLA joint venture. This project is excellent news for Corbion, Total, our joint venture, and for the world. Luminy® PLA bioplastic is increasingly finding its place as a plastic that enables the world's acceleration toward a circular and biobased economy. An important goal outlined in our Advance 2025 strategy is to support Total Corbion PLA in becoming the market leader in PLA, and this new plant will put us firmly on track to achieve that goal.

With global crises such as COVID-19 and climate change converging, public and private institutions must demonstrate accountability, ethical behavior, inclusiveness, and transparency. The world's response to COVID-19 shows how quickly we, as a society, can change our behaviors – something we must also do when it comes to respecting our planet's natural boundaries. Accordingly, we have set ambitious sustainability targets and assessed our entire product portfolio as well as our value chain with a view to the potential – positive and negative – impact on the United Nations Sustainable Development Goals. Achieving a sustainable future for all is not something we can do alone, so we are increasing our open innovation efforts and collaborating with like-minded companies and academics.

While Corbion's commitment to providing a safe workplace for everyone has always been strong, the pandemic has inspired us to take that commitment to another level. In addition to putting rigorous COVID-19 measures in place, we performed a Safety Culture Assessment designed to further improve our safety culture and bring us closer to our zero-incident ambition. Let me underline clearly – and I am speaking here on behalf of the entire Executive Committee – that our number one priority is protecting the health and well-being of our people. We will never compromise on that.

At the same time, we remain deeply committed to consistently delivering on our customers' expectations. We are fortunate to be weathering this storm from a position of financial stability and resilience, and we will continue navigating the uncertainties of a post-COVID-19 world with the same focus and resolve that have brought us this far and kept us moving forward with our Advance 2025 strategy. On behalf of my colleagues across the world, I want to thank our customers, suppliers, partners, and shareholders for their continued confidence in Corbion.

Take care, stay safe, stay healthy.

On behalf of the Executive Committee

Olivier Rigaud

Members of the Executive Committee

Olivier Rigaud, Chief Executive Officer

Eddy van Rhede van der Kloot, Chief Financial Officer

Marco Bootz, President Lactic Acid & Specialties

Jacqueline van Lemmen, Chief Operations Officer

Andy Muller, President Sustainable Food Solutions

Ruud Peerbooms, President Algae Ingredients

Marcel Wubbolts, Chief Science & Sustainability Officer

Company highlights

Net sales

Organic sales growth 5.6%

€ 986.5 mln

Adjusted EBITDA*

Increased organically by 13.4%

€ 158.8 mln

Free cash flow*

Increased by € 22.5 million

€ 32.1 mln

Balance sheet ratios*

Net debt position/covenant EBITDA

1.7x EBITDA

Earnings per share

Increased by 181.8%

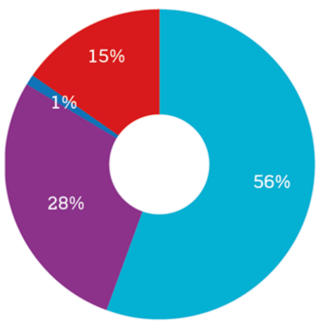
€ 1.24

Dividend per share

€ 0.56 in 2019

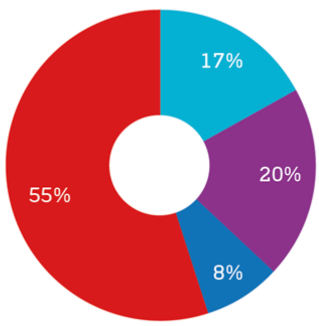
€ 0.56

Net sales



By business unit

- Sustainable Food Solutions € 545.8 million
- Lactic Acid & Specialties € 275.8 million
- Incubator € 13.4 million
- Non-core activities € 151.5 million



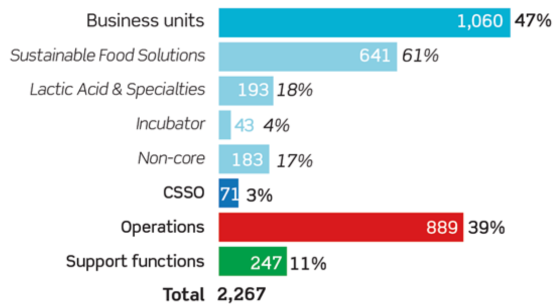
By region

- Asia € 170.8 million
- EMEA € 193.1 million
- Latin America € 76.7 million
- North America € 545.9 million

Adjusted EBITDA by business unit

Sustainable Food Solutions	€ 92.7 million
Lactic Acid & Specialties	€ 61.0 million
Incubator	€ -18.4 million
Non-core activities	€ 23.5 million

Number of employees (FTE) by unit



Preserving food and food production	% of cane sugar verified responsibly sourced	66%
	% of verified deforestation-free key agricultural raw materials	83%
Preserving health	Total Recordable Injury Rate	0.87
	Renewable electricity	71%
Preserving the planet	Reduction of Scope I, II, III emissions (SBTi approved target)	11%

** For definitions of non-IFRS performance measures see page 186.*

Report **of the Board of management**

Who we are and what we do

The world around us

At Corbion, we focus our resources and capabilities on addressing the global megatrends of population growth, food security, climate change, and resource scarcity while responding to evolving consumer needs and preferences. With our more than 100 years of experience and expertise in creating innovative solutions for our customers, we are well positioned to help address the impact of these trends. This will not only safeguard our commercial future, it will also benefit society at large.

Shifting demographics driven by a growing middle class and an aging population are creating a more informed and health-conscious consumer population focused on nutrition, food safety, and transparency. Increasing demand for more natural alternatives and antimicrobial solutions gives shape and direction to many of our innovation programs, and heightened awareness of climate change and resource depletion is illuminating the value our sustainable solutions deliver.

To create a future with sufficient resources for a growing population, the world needs to adopt circular systems, where material flows are recovered and re-used. Corbion's biobased products are inherently circular and critical enablers of the circular economy, as they reduce the use of fossil resources that cannot be replenished.

A sustainable bioeconomy can only be realized if we consider the full value chain, from raw material sourcing to manufacturing, use, and end of life. Our biobased resources depend on agriculture, which is one of the largest contributors to both environmental and social impacts. Implementation of sustainable agriculture is key to maintain economic performance while minimizing the damage to the environment and creating thriving farming communities.

The advancements in technology and, more specifically, biotechnology are key drivers for the development of our new platforms. They also function as new enablers in our continuous improvement programs in R&D and operations, where big data and manufacturing intelligence contribute to more efficiency, better insights, and improved safety performance. In executing our strategy we continue to be guided by our company purpose which articulates the role that Corbion envisions to play.

At Corbion, we champion preservation in all its forms, preserving food and food production, health, and our planet.

Our strategy: Advance 2025

Our Advance 2025 strategy builds on Corbion's fundamentals and strengths by bringing further focus to the business portfolio well aligned with global market trends. This will be achieved by increased investments in key growth areas such as natural food preservation and lactic acid, while at the same time reducing the breadth of our business portfolio. Given our purpose "Championing preservation in all its forms: preserving food and food production, health, and the planet," sustainability is at the heart of what we do and hence we are very well positioned to benefit from the worldwide drive for more sustainable products and solutions. We have aligned our Advance 2025 strategy with the United Nations Sustainable Development Goals (SDGs), specifically with SDG 2 Zero hunger, SDG 3 Good health and well-being, and SDG 12 Responsible consumption and production. These are the goals where we believe we can create the most significant impact, given our footprint, the nature of our business, and the environment in which we operate.

Our business and reporting structure has three business units.

Sustainable Food Solutions
Sustainable Food Solutions comprises three segments: Preservation, Functional Systems, and Single Ingredients.

In Preservation, we will expand our natural preservation offerings beyond the meat industry into other markets, including the bakery and savory foods segments. Within the meat segment, we continue collaborating with producers to develop better plant-based meat alternatives, which present safety and freshness challenges similar to more traditional meat products. New, patented natural ferments based on vegetables and fruits will further extend and diversify our already strong portfolio and open up exciting opportunities to deliver value in a wider array of applications.

In Functional Systems, we will focus on delivering more natural solutions, such as natural mold inhibition in bakery, and texture and stability enhancers in other markets like savory foods and dairy. Corbion is well-known in this area for its leadership, expertise, and capabilities. Nevertheless, in any of these segments, bolt-on acquisitions may prove to be strategically advantageous in expanding our reach. Meanwhile, internal efforts are underway to develop new functional systems that build on our applications, enzymes, and industry knowledge.

From this point forward, our emulsifiers portfolio will be managed for value, while we will exit other non-core activities, such as blend co-packing and frozen dough manufacturing.

Lactic Acid & Specialties

Lactic Acid & Specialties comprises Biochemicals (lactic acid, lactate salts, esters, and other specialties), Biomaterials (polymers for medical applications), and Total Corbion PLA (our joint venture with Total for the production and marketing of Luminy® PLA).

In Biochemicals, we enable brand owners to commercialize safe performance products using our lactic-acid-based products and technology. Corbion leads the global lactic acid market in terms of technology, production, breadth of portfolio, and geographic coverage. We fuel our customers´ success by creating specialties for a wide range of markets and applications, based on deep knowledge and advanced capabilities.

In Biomaterials, the Advance 2025 strategy enables us to expand and work toward a sustainable and accessible healthcare system. In support of implantable technologies such as cardiovascular devices, orthopedic implants, tissue regeneration scaffolds, drug delivery, and wound management systems, we offer a proven family of resorbable polymers. Our strategy, focused on safe and resorbable polymers aligns well with current trends in healthcare that point to continued opportunities in this sector.

To further strengthen our position in attractive growth markets, we announced plans to build a new lactic acid plant at our existing site in Rayong Province, Thailand. The new plant is expected to be operational in 2023, producing 125,000 tons of lactic acid annually. It will be built using state-of-the-art technology to the highest standards of sustainability, and will be our most competitive plant to date. This additional investment in lactic acid demonstrates our continuing commitment to supporting both our existing customers as well as the Total Corbion PLA joint venture, which is experiencing a surging demand for PLA bioplastics. Corbion and Total announced in September 2020 the intention to build a new 100,000 tons per annum PLA bioplastics plant in France. This in combination with the offering of an innovative portfolio of high-heat Luminy PLA resins and extensive application development will help to establish Total Corbion PLA as market leader in PLA bioplastics.

Incubator
Our three main product categories in Incubator are algae-based omega-3 (starting with fish feed applications), algae proteins (in cooperation with Nestlé), and our new co-polymer platform. In our Incubator we plan to bring omega-3 DHA to break-even in 2022 with the objective to realize further profitable growth beyond 2022, while we stay committed to investing in initiatives with a longer time horizon. The co-polymer platform is a lactic-acid-based, controlled-release co-polymer technology, which expands on our (medical) polymer expertise. Due to lack of strategic fit, the FDCA program is being managed for exit while our consumer brand Thrive algae oil activities were terminated in 2020.

	Core	Non-core	
	Manage for Growth	Manage for Value	Manage for Exit
SUSTAINABLE FOOD SOLUTIONS	• Preservation • Functional systems • Single ingredients	• Emulsifiers	• Frozen dough • Co-packing blending
LACTIC ACID & SPECIALTIES	• Lactic acid • Lactic acid derivatives • Biopolymers		
INCUBATOR	• Omega - 3 (DHA) • Algae protein • Co-polymer platform		• Thrive • FDCA
TOTAL CORBION PLA JOINT VENTURE (50/50)	• Poly Lactic Acid (PLA)		

Research and development initiatives
We live in a rapidly changing world, where critical success factors include agility to respond to change, strong collaborative networks, and (open) innovation. Increasingly, business development is executed with partners in the value chain that rely on their suppliers for innovation and provision of R&D services. In addition, there is a strong desire in multiple markets to provide scientific evidence for functionality claims. Similarly, increased awareness in society and the marketplace of the burden we place on our planet has fueled the demand for science-based proof and solutions to reduce the environmental impact of manufacturing and use of products.

Both the trend toward collaborative innovation and the need for evidence of functionality and sustainability provide an opportunity for Corbion. To capture these opportunities we will refocus in-house R&D to support accelerated execution of Advance 2025 and pursue more open innovation, both spin in (e.g. venturing, academic) and spin out.

Our strategy for 2020-2025 projects R&D spend at 4% of net sales.

Build preservation portfolio	Build functional systems portfolio	Maintain lactic acid leadership	Development new lactic acid outlets	Drive medical polymer growth	Drive algae ingredients growth
Expand portfolio to strengthen market leadership in sustainable food preservation	Develop new functional systems building on applications, enzymes, industry knowledge	Continue sustainable process improvements to maintain lactic acid leadership	Drive development of new lactic acid derivatives including encapsulation & controlled release	Increase support for fast-growing medical polymers business	Improve omega-3 cost position and protein portfolio

Investments over strategy period

Having established a leading global position in lactic acid and lactic acid derivatives, it is of strategic importance that we maintain a differentiated position. Increased demand for lactic acid, driven largely by its key role in PLA production, will lead us to invest in expansions of all our existing lactic acid facilities and to construct a new lactic acid plant in Thailand that uses our gypsum-free production technology. Next to that we have the intention to build a new 100,000 tons per annum PLA bioplastics plant in France through the Total Corbion PLA joint venture. This additional PLA investment will accelerate plans to further expand lactic acid production, with Europe being the likely site of a future facility. Our Algae Ingredients business will also require further investment as we continue to improve existing as well as develop new products with this platform. Other technology investments will enable us to enhance our readiness to use next-generation feedstocks such as second-generation sugars from agricultural residues as soon as they become available. We will strengthen our workforce capabilities to advance key strategic initiatives, such as continuing to develop and implement our solutions model in food, expanding our bakery operations in Latin America, and delivering on our medical biomaterials and biochemicals initiatives. The strategy period also encompasses a major multi-year investment in a new Enterprise Resource Planning platform (SAP S/4HANA) which, in concert with the execution of various Excellence Programs, will help drive progress toward our strategic objectives.

Targets Advance 2025

Sustainable development targets

	2025 [1)]	2030 [1)]
Preserving food and food production		
% of cane sugar verified responsibly sourced [2)]	100%	100%
% of verified deforestation-free key agricultural raw materials [3,4)]	100%	100%
% of Product Social Metrics [5)] coverage for products contributing to preserving food and food production [6)]	50%	100%
Preserving health		
Total Recordable Injury Rate [7)]	< 0.5	< 0.25
% of Product Social Metrics [5)] coverage for products contributing to preserving health [6)]	50%	100%
Preserving the planet		
Renewable electricity	90%	100%
Reduction of Scope I, II, III emissions (SBTi-approved target) [8)]	20%	33%
% recycled by-products [9)]	100%	100%
Landfill of waste	0 kT	0 kT
% of Life Cycle Assessment [10)] coverage for products contributing to preserving the planet [6)]	100%	100%
Preserving what matters		
% of products [11)] contributing to preserving food and food production, health, and/or the planet [6)]	> 70%	> 80%

1 *Targets based on current manufacturing footprint; to be reviewed in case of acquisitions / major changes.*
2 *Bonsucro-certified or meeting the requirements of Corbion's cane sugar code verified by third-party audits, by quantity.*
3 *Key agricultural raw materials include cane sugar, dextrose derived from corn, palm oil and derivatives, soybean oil and derivatives, and wheat, by quantity.*
4 *Through Bonsucro certification, RSPO certification or other certification covering deforestation; or demonstrated to be deforestation-free based on satellite data, third party audits (e.g. Corbion cane sugar code audit), and/or country of origin statements, by quantity.*
5 *The Product Social Metrics assessment is done according to the methodology described in the Handbook for Product Social Impact Assessment, published by the Roundtable for Product Social Metrics and applies to products manufactured at Corbion sites (outsourcing is excluded). By quantity.*
6 *Products for which there is evidence that the product contributes to the identified impact categories. See Sustainability statements for more details.*
7 *Based on OSHA guidelines. Including contractors.*
8 *Per metric ton of product. Our Science Based Target includes Scope I emissions from direct production (from natural gas), Scope II emissions from purchased energy (electricity and purchased steam, market-based), and Scope III emissions related to key raw materials and transport. Our 2030 target is approved by the Science Based Targets initiative. Progress is reported compared to 2016 as base year.*
9 *By quantity.*
10 *Life Cycle Assessment (LCA) is peer reviewed according to the ISO 14040/44 standards for Corbion's core products (such as lactic acid) or done according to the "LCA Approach for Corbion's Product Portfolio: Lactic acid derivative plants, Corbion 2017," which has been externally reviewed against and is considered to be in line with the principles of the ISO 14040/44 standards. Applies to products manufactured at Corbion sites (outsourcing is excluded). By quantity.*
11 *By revenue.*

Financial guidance

The Advance 2025 strategy aims to deliver organic sales growth of between 4 and 7 percent annually for Corbion's core activities.

Financial targets (on Core activities)		Target
Corbion	Organic net sales growth	4 - 7%
Corbion	EBITDA margin	>17% from 2025
Underlying ambitions		
Sustainable Food Solutions	Organic sales growth	~3%
Lactic Acid & Specialties	Organic sales growth	~7%
Incubator: omega-3	EBITDA	Break-even by 2022
Incubator: other	EBITDA investment	0.5 - 1.5% of Corbion sales
Corbion	Capex recurring	€ 60 mln - 70 mln
Corbion	Capex new plants	2020-2022 avg. € 55 mln p.a.
Corbion	ROCE	>WACC

Our value creation model

This scheme summarizes our value creation process and business model. It describes the resources we used in 2020 to carry out our business activities aimed at the production of innovative sustainable solutions that create value for our stakeholders.

Key material topics

Financial

- Economic performance

Natural

- Greenhouse gas emissions
- Sustainable and responsible agriculture
- Sustainable procurement

Human

- Safe and healthy working environment

Social and relationship

- Collaboration and partnerships
- Responsible business
- Sustainable procurement

Intellectual

- Innovation for safe, healthy, and sustainable food production
- Innovation for circular economy

Manufactured

- Product quality, and safety

Input capital

Financial

- Net debt position/ covenant EBITDA: 1.7x
- Capital expenditure: € 89.7 mln

Natural

- Raw materials spend: € 479.3 mln
- 98% biobased raw materials
- 3,459 GJ x 10^3 energy of which 23% renewable
- 4,793 m3x10^3 water

Human

- 2,267 FTE
- 24.1% women in leadership positions

Social and relationship

- 5 partnerships, stakeholder relationship, and network

Intellectual

- R&D spend: 3.8% of net sales

Manufactured

- Property, plant, and equipment € 355.4 mln

Business model

Purpose

- Preserving food and food production, health, and the planet

Values

- Care
- Courage
- Collaboration
- Commitment

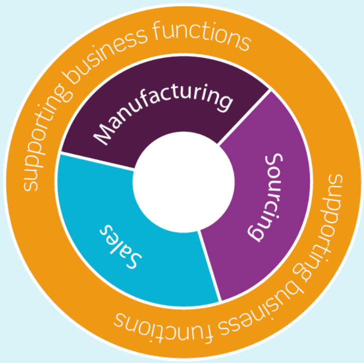
Advance 2025 strategy

Sustainable Food Solutions
- Expand preservation
- Expand functional systems
- Protect the core

Lactic Acid & Specialties
- Strengthen market leadership in lactic acid by becoming #1 supplier of lactic acid for PLA
- Provide differentiated lactic acid derivatives
- Expand biomedical portfolio

Incubator
- Break-even DHA by 2022
- Explore algae protein
- Explore co-polymer platform

Business activities



Output capital

Financial

- Net sales: € 986.5 mln
- Adjusted EBITDA: € 158.8 mln
- ROCE: 12.9%

Natural

- 11.06 kT landfilled by-products and waste
- 1,163 kT CO_2 equiv emissions (Scope I,II, III)

Human

- Total Recordable Injury Rate: 0.87
- Absentee rate: 2.4%

Social and relationship

- Taxes € 14.6 mln
- 61% of revenues contributing to SDG 2, SDG 3 and/or SDG 12

Intellectual

- 2226 granted patents and about 1328 pending patents

Manufactured

- 524 kT of lactic acid, lactic acid derivatives, emulsifiers, functional blends, polymers, and algae ingredients

Impact on Sustainable Development Goals

Focus SDGs

Linked SDGs

Corbion's response to COVID-19: Europe

When the spread of the coronavirus across Europe was reaching a critical point in mid-March, Corbion employees in the region were directed to work from home if at all possible.

A lot has happened since then. Massive work was undertaken to ensure everyone's health and well-being. Incredible efforts in Operations kept our production running, with all necessary precautions in place. Intense focus by IT enabled the majority of Corbion employees to work from home. Continuous monitoring and scenario planning helped Logistics and Procurement stay on target worldwide. Frequent communications kept everyone informed and engaged.

But Corbion employees also went beyond their usual job duties to help combat the spread of COVID-19. Colleagues in Montmeló, led by Plant Technologist Joan Miquel Roig, offered the use of their industrial autoclave to sterilize masks for a neighboring community in Spain. The team initially sterilized and packed 2,000 masks brought to them by the town's mayor so they could be used primarily in local elder-care facilities. That number has eventually reached 30,000!

Our employees have also found creative ways to take care of themselves. A group of more than 100 in the Netherlands raised a virtual toast together, enjoying care packages hand-delivered to their respective homes on a Friday afternoon. Local teams in Corbion Gorinchem and Amsterdam also organized bouquets of tulips to be delivered to the heroes working on-site to keep operations running through the lockdown. Similar initiatives included a flat sheet of apple pie delivered through the mail slot and a "1.5-meter package" containing sanitizing spray made in our labs. These surprises have not only helped boost morale among Corbion employees working in the Netherlands, but supported the local economy we are a part of.

Ester Esgueva - EHS manager - member Corona Crisis Team Spain

As a provider of ingredients for food products, it was important for us to keep producing, while ensuring everyone's safety at the same time. We had to react and learn quickly. A lot of basic things needed to be sorted and developed, such as knowing how to deal with personal information and take into account everyone's unique situation, because some are especially vulnerable due to age or health conditions. Work/life balance, kids, social isolation; there were so many factors to consider. We had to establish protocols for many things, from checking on each other's well-being to dealing with symptoms of infection inside the factory.

Gerwin Meulenbeld - site director - leader member Corona Crisis Team the Netherlands

I am so impressed by the core team here that worked hard in our offices, labs, and plant, so that we, and all our front-line heroes, could keep Corbion running. It is our people who make Corbion great, and they have truly made the difference through this crisis. Put a few Corbion folks together and magic happens! It was special to experience that over these past months.

For me, there are so many in Corbion whose help, creativity, critical reflection, initiative, and sense of responsibility have made it possible to do the impossible together. Whether it was contributing to the local corona team or the home-working team, organizing morale-boosting goodie bags or the IT infrastructure, inspiring the labs, labeling the site, running the plant, postponing new jobs, managing supplies or sick reporting, or working on cleaning or much-needed PPE... everyone did their part.

It may sound sentimental, but although it has been one of the weirdest challenges I have dealt with in my professional career, going through it with so many great colleagues really made it worthwhile.

Our performance

Business performance

Sustainable Food Solutions

Through our Sustainable Food Solutions business, Corbion serves as a global provider of value-adding ingredient solutions for the world's leading food manufacturers. We partner with our customers to create delicious foods of consistent quality that meet the demands of today's consumers, while giving manufacturers what they need to achieve sustainable business success.

In the bakery segment, our solutions enabled a reduction in the number of ingredients on product labels while improving the quality of finished goods, and helped to increase food safety in the supply chain by leveraging the unique functionalities of lactic acid. Our customers turned to us for help in reducing sugar in bakery formulations in order to meet increasing consumer demand for better-for-you food products. The global COVID-19 pandemic pressured bakery companies to provide products that could retain their freshness longer, as consumers suddenly began stocking up and purchasing less frequently. Drawing on our expertise in antimicrobials, and our understanding of spoilage organisms and applications, we delivered innovative, natural mold inhibitors that effectively extend the shelf life of bakery products using ingredients that feel familiar and comfortable to consumers.

Granotec do Brazil is now a fully integrated part of Corbion, following our acquisition in 2019 to provide us a stronger presence in the Brazilian bakery market, and to help us better support our key accounts in Latin America. The talent and access gained through this acquisition strengthen our position in this dynamic region.

The consumer movement favoring products made from more natural and familiar ingredients, as well as increased consumer focus on aspects of sustainability, have persisted through the COVID-19 pandemic. Accordingly, we continued to focus on natural meat preservation and expanded these efforts into more applications, including dips, sauces, and chilled foods. At the same time, changing consumer shopping patterns – stocking up, fewer retail visits, more online purchasing, and food deliveries left on the doorstep – created steeper challenges for manufacturers working to ensure their products remain safe and fresh. Our Verdad® Vinegars and Verdad® Avanta solutions provide answers to those challenges, helping customers supply safe, delicious foods that stay fresh longer using ingredients consumers feel good about. Next to achieving those goals, our customers also enjoy the increased cost efficiencies associated with reducing food waste.

Our new solutions for meat harvesting also help enhance food safety by providing an additional antimicrobial hurdle at the earliest stages of the value chain. These products minimize safety risks by treating the surface of the meat without negatively affecting the taste or color of the meat. These highly effective solutions allow our customers to reduce their reliance on synthetic chemicals while lowering their costs and food waste at the harvesting stage.

No matter what other aspects of food products they focus on, consumers still like to indulge, and they expect a high-quality eating experience when they do so. In confectionery, our solutions enable customers to differentiate their products in the market by delivering both distinctive flavors and sour impact while improving or maintaining consistent product quality. We work with leading confectionery manufacturers to jointly develop concepts emphasizing sourness and lasting stability (even in high-humidity regions), including innovative sourness concepts for the creative and growing gummy candy market.

Lactic Acid & Specialties

Biochemicals
In the home and personal care market, we have seen increased demand for hygiene and cleaning products triggered by the COVID-19 pandemic. We have seen that our PURAC® Sanilac solution helps brand owners meet the market's urgent need for effective sanitizing solutions. With Corbion's support, manufacturers have been able to create a hand sanitizer that kills germs using less ethanol, that evaporates quickly, and has a milder effect on the skin and planet. This solution helps our customers and consumers in their fight against the coronavirus.

In the electronics industry, the semiconductor business is driving the growth in our PURASOLV® esters portfolio. After a short cyclical decline in late 2019, the market is growing again with the continued rise in data processing; 5G, Internet of Things, electric vehicles, Big Data, and Industry 4.0 all stimulate demand for chips and memory, pushing the trend toward ever-higher performance at nano scale. By focusing on leadership in product quality and purity, Corbion's strategy aligns with the need for continuous improvement on the part of semiconductor material industry. The COVID-19 pandemic has also further sparked demand for chips in data centers and laptops, due to steep and sudden quarantine-related increases in conference calling, internet shopping, gaming, and working from home.

Market requirements in the pharma segment are becoming more stringent every year. Our PURASAL® pharma line is produced according to strict cGMP guidelines and complies with the highest quality standards, as demanded by the industry. Corbion enables our customers to continue meeting increasingly rigorous standards by delivering proven, consistent product quality; providing a transparent and reliable supply chain; and offering customization options and increased service levels.

The agrochemicals market was also lightly affected by the COVID-19 pandemic, albeit indirectly, causing some volatility at Corbion's customers and changing ordering patterns in anticipation of supply chain risks. This resulted in a slightly stronger demand for our solvents in 2020. In line with our strategy, we continue to focus on helping customers create environmentally-friendly biopesticide products using our PURASOLV® green solvents, which are well aligned with industry trends.

Biomaterials
Challenges associated with the COVID-19 pandemic led to a substantial decline in elective surgeries during 2020, and as a supplier to the healthcare industry, we saw a corresponding drop in demand for our products. Furthermore, several development projects representing a meaningful share of sales in Biomaterials were either postponed or slowed down due to the COVID-19 pandemic.

In the area of drug delivery, we are working closely with our pharmaceutical customers to improve the quality of life of patients worldwide and increase the number of patient-friendly and cost-effective treatment solutions available to them. A range of applications based on major active pharmaceutical ingredients and our PURASORB® polymers are currently in different phases of (clinical) testing, covering both the use of existing controlled-release technologies (e.g. long-acting injectables) as well as enabling innovative dosage forms, in different clinical indications and delivery routes.

In orthopedics, our portfolio continues to expand, and collaboration with customers has resulted in new and exciting products that can offer benefits to patients around the world, such as our high-strength FiberLive® technology.

Total Corbion PLA joint venture
The Total Corbion PLA joint venture performed above expectations in 2020, as Luminy® PLA production in Thailand continues to ramp up and strong market demand supports healthy price levels. In 2020, Corbion and Total announced their intention to build the first world-scale PLA bioplastics production facility in Europe through the Total Corbion PLA joint venture. The new plant is expected to be operational in 2024 with a capacity of 100,000 tons per annum and will be constructed in Grandpuits, France. Corbion will continue to be the supplier of lactic acid to the Total Corbion PLA joint venture. This additional PLA investment will accelerate plans to further expand lactic acid production, with Europe being the likely site of a future facility.

Incubator

In our Incubator we develop new technologies, products, and businesses with a longer term development perspective. Examples of such incubation projects are algae-based omega-3, algae proteins, and our new co-polymer platform.

Algae Ingredients
In 2020, Algae Ingredients performed according to expectation. AlgaPrime™ DHA is an algae-based omega-3 feed ingredient produced, allowing farmers to maintain or increase omega-3 levels in aquaculture and other animal nutrition applications in a sustainable way. The COVID-19 situation challenged our new business development activities and expansion, nevertheless both volume and revenue increased substantially compared to 2019. During 2020, we intensified our focus on the aquaculture and shrimp sectors resulting in various commercial successes in these sectors. We are continuously improving the properties of AlgaPrime DHA and made great progress in optimizing our production process and improving our yield.

During 2020, we conducted an updated Life Cycle Assessment of AlgaPrime DHA. The results indicate that when comparing AlgaPrime DHA to fish oil on an omega-3 basis, AlgaPrime DHA has a lower carbon footprint. This analysis, and resulting low carbon footprint, is critical for customers who are working to meet carbon reduction goals for their own operations and for their customers.

In October, we announced the expanded adoption of AlgaPrime DHA in our customer Thai Union's shrimp feed which progresses their goal of bringing responsibly sourced, sustainably harvested shrimp to consumers globally.

In the fourth quarter of 2020, Corbion and IQI Trusted Petfood Ingredients also announced their partnership to expand AlgaPrime DHA adoption.

We continued our partnership with Nestlé on development of next-generation microalgae-based ingredients for plant-based food products. The collaboration will enable Nestlé to deliver sustainable, tasty, and nutritious plant-based food products that provide a vegan source of protein, healthy lipids, and various micronutrients.

Other projects
Co-polymer platform
In the world of polymers and materials we see an increased need for new functionalities that enable our customers' products to achieve required performance targets while reducing environmental impact through biodegradability. Through SENTIALL®, a versatile co-polymer that delivers specific, high-value functionalities such as adhesion and controlled release we are able to address these functionalities and needs in the market. In 2020 we made significant progress with scaling up our lactic-acid-based co-polymers manufacturing process and demonstrated our products at semi-commercial scale.

Open Innovation Network
In 2020 we launched our Open Innovation Network with the main purpose of accelerating growth by feeding the front-end of the innovation funnel and boosting the innovation hit rate. While we are building the team, we have already identified promising co-creation partners, both startups and corporates with complementary competencies, and we are participating in consortia within our strategic focus areas. Most notably, we found tremendous traction in the areas of food preservation and sustainable process development.

Open innovation is critical to accelerate access to tools and competencies that enable our growth. At the same time we feel it is our responsibility to provide young entrepreneurs with an opportunity to test and grow their ideas, adding to the credibility and impact of their ventures. Similarly, open innovation is essential in the transition toward a world in which our planet's natural boundaries are respected.

With that in mind we invested in SHIFT III, the largest seed and early-stage impact investor in the Netherlands, and in the European Circular Bioeconomy Fund (ECBF), the first venture fund exclusively focused on the circular bioeconomy in Europe.

FDCA
Corbion has developed a proprietary process to produce 2,5-Furandicarboxylic acid (FDCA), a versatile building block for (co)polymers. Corbion believes in its unique FDCA technology and recognizes the important contribution that FDCA and PEF (a biobased polymer made from FDCA) can potentially make to a more sustainable world.

In the first half of 2020 Corbion piloted its latest FDCA production process and achieved all critical key performance indicators that impact the process economics to convert the intermediate product HMF into polymer-grade FDCA. Nevertheless, given the significant investments and management time required to further scale up our FDCA technology, and the lack of strategic fit, we have decided to manage for exit and find a new home for our FDCA program.

Thrive
In 2020 Corbion discontinued the consumer brand Thrive algae oil due to lack of strategic fit with the Advance 2025 strategy.

Financial performance

Key figures

Millions of euros	2020	2019
Net sales	986.5	976.4
Operating result	104.1	61.3
Adjusted EBITDA [1)]	158.8	145.9
Result after taxes	73.1	25.8
Earnings per share in euros [2)]	1.24	0.44
Diluted earnings per share in euros [2)]	1.23	0.43
Number of issued ordinary shares	59,242,792	59,242,792
Number of ordinary shares with dividend rights	58,871,671	58,819,590
Weighted average number of outstanding ordinary shares	58,851,367	58,819,590
Price as at 31 December	46.15	28.12
Highest price in calendar year	46.70	29.96
Lowest price in calendar year	22.54	24.26
Market capitalization as at 31 December [3)]	2,717	1,654
Other key data		
Cash flow from operating activities	109.0	114.4
Cash flow from operating activities per ordinary share, in euros [2)]	1.85	1.94
Free cash flow [4)]	32.1	9.6
Depreciation/amortization (in)tangible fixed assets	60.3	61.5
Capital expenditure on (in)tangible fixed assets	89.7	82.6
Equity per share in euros [5)]	8.76	9.00
Regular dividend in euros per ordinary share (reporting year)	0.56	0.56
Ratios		
ROCE % [6)]	12.9	9.9
Adjusted EBITDA margin % [7)]	16.1	14.9
Result after taxes/net sales %	7.4	2.6
Number of employees at closing date (FTE)	2,267	2,138
Net debt position/covenant EBITDA [8)]	1.7	2.0
Interest cover [9)]	16.5	22.2
Statement of financial position		
Non-current assets	689.4	718.6
Current assets excluding cash and cash equivalents	333.5	326.8
Non-interest-bearing current liabilities	173.8	161.4
Net debt position [10)]	284.2	303.3
Other non-current liabilities	18.5	24.1
Provisions	30.4	27.5
Equity	516.0	529.1
Capital employed [11)]	818.7	856.5
Average capital employed [11)]	841.8	841.7
Balance sheet total : equity	1:0.5	1:0.5
Net debt position : equity	1:1.8	1:1.7
Current assets : current liabilities	1:0.6	1:0.9

1 Adjusted EBITDA is the operating result before depreciation, amortization, impairment of (in)tangible fixed assets and after adjustments.
2 Per ordinary share in euros after deduction of dividend on financing preference shares.
3 Market capitalization is calculated by multiplying the number of ordinary shares with dividend rights by the share price at the closing date.
4 Free cash flow comprises cash flow from operating activities and cash flow from investment activities.
5 Equity per share is equity divided by the number of shares with dividend rights.
6 Return on capital employed (ROCE) is defined by Corbion as adjusted operating result, including results from joint ventures and associates, divided by the average capital employed x 100.
7 Adjusted EBITDA margin % is adjusted EBITDA as defined above divided by net sales x 100
8 Covenant EBITDA is adjusted EBITDA as defined above, increased by cash dividend of joint ventures received and annualization effect of newly acquired subsidiaries.
9 Interest cover is covenant EBITDA as defined above divided by net interest income and charges.
10 Net debt position comprises borrowings and lease liabilities less cash and cash equivalents, including third-party guarantees which are required to be included under the debt covenants.
11 Capital employed and average capital employed are based on balance sheet book values.

Results

Financial guidance Advance 2025

Financial targets (on Core activities)		Target	Results 2020
Corbion	Organic net sales growth	4 - 7%	7.0%
Corbion	EBITDA margin	>17% from 2025	16.2%
Underlying ambitions			
Sustainable Food Solutions	Organic sales growth	~3%	6.8%
Lactic Acid & Specialties	Organic sales growth	~7%	6.2%
Incubator: omega-3	EBITDA	Break-even by 2022	€ -15.4 mln
Incubator: other	EBITDA investment	0.5 - 1.5% of Corbion sales	0.4%
Corbion	Capex recurring	€ 60 mln - 70mln	€ 79.9 mln
Corbion	Capex new plants	2020-2022 avg. € 55 mln p.a.	€ 9.8 mln
Corbion	ROCE	>WACC	12.9%

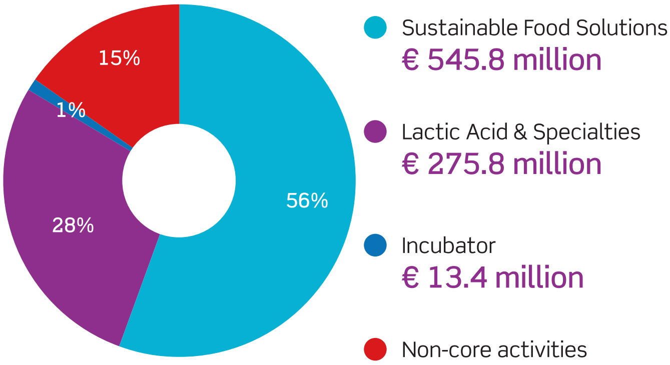
Net sales

Net sales in 2020 increased by 1.0% to € 986.5 million (2019: € 976.4 million), due to a 5.6% organic increase, a currency impact of -3.9%, and net divestments of -0.7%.

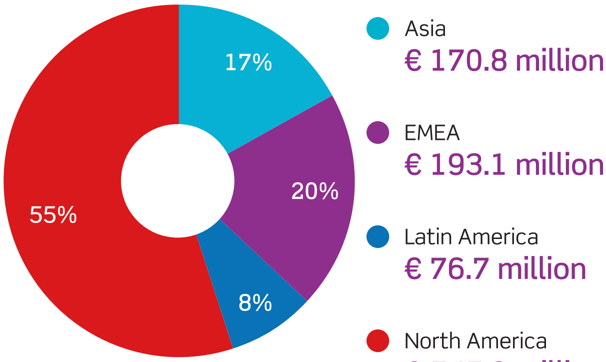
Full year 2020 compared to full year 2019

Net sales	Total growth	Currency	Total growth at constant currency	Acquisitions / Divestments	Organic	Price/Mix	Volume
Core	3.5%	-4.3%	7.8%	0.8%	7.0%	-1.5%	8.6%
- Sustainable Food Solutions	3.1%	-4.9%	8.0%	1.2%	6.8%	-0.1%	6.9%
- Lactic Acid & Specialties	4.5%	-1.7%	6.2%	0.0%	6.2%	-3.9%	10.5%
- Incubator	0.8%	-33.1%	33.9%	0.0%	33.9%	-9.3%	47.6%
Non-core	-10.8%	-1.9%	-8.9%	-7.8%	-1.1%	0.3%	-1.4%
Total	**1.0%**	**-3.9%**	**4.9%**	**-0.7%**	**5.6%**	**-1.2%**	**6.9%**

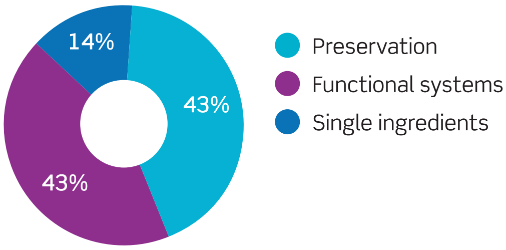
Net sales 2020



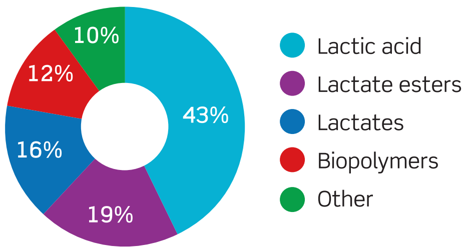
By business unit



By region



Sustainable Food Solutions



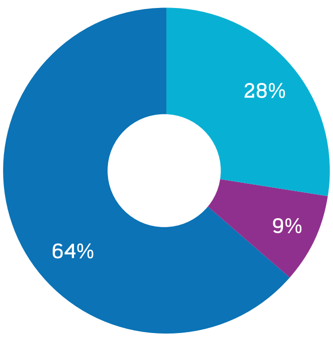
Lactic Acid & Specialties

Source: Company data

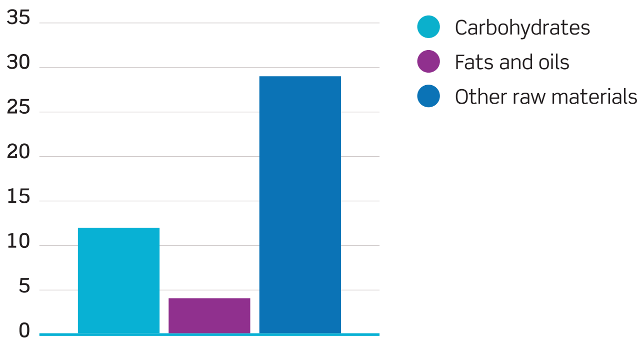
Raw materials

Carbohydrates share increased as % of the total raw material spend driven by capacity expansion and increased lactic acid output. The relative share of fats and oils was flat versus 2019 and the decrease in percentage in other raw materials is the result of the fact that the spend of this category was comparable to 2019, the total raw material spend increased and therefore the relative share of this category decreased.

Raw materials break down



As % of total raw materials spend



As % of total net sales

Source: Company data

EBITDA

Adjusted EBITDA increased by 8.8% to € 158.8 million in 2020. Organic growth of 13.4% was partly offset by a currency effect of -3.7% and a net divestment effect of -0.9%.

€ million	2020	2019
Net sales		
Core	835.0	806.5
- Sustainable Food Solutions	545.8	529.4
- Lactic Acid & Specialties	275.8	263.8
- Incubator	13.4	13.3
Non-core	151.5	169.9
Total net sales	**986.5**	**976.4**
Adjusted EBITDA		
Core	135.3	121.5
- Sustainable Food Solutions	92.7	89.1
- Lactic Acid & Specialties	61.0	56.7
- Incubator	-18.4	-24.3
Non-core	23.5	24.4
Total Adjusted EBITDA	**158.8**	**145.9**
Adjusted EBITDA margin		
Core	16.2%	15.1%
- Sustainable Food Solutions	17.0%	16.8%
- Lactic Acid & Specialties	22.1%	21.5%
- Incubator	-137.3%	-182.7%
Non-core	15.5%	14.4%
Total Adjusted EBITDA margin	**16.1%**	**14.9%**
Total Adjusted EBITDA excl. acquisitions/divestments, at constant currencies	**165.5**	**145.9**

Sustainable Food Solutions

€ million	2020	2019
Net sales	545.8	529.4
Organic growth	6.8%	
EBITDA	92.4	89.9
Adjusted EBITDA	92.7	89.1
Adjusted EBITDA margin	17.0%	16.8%

Net sales in Sustainable Food Solutions, increased organically by 6.8% in 2020. Preservation has performed well throughout 2020. Even though our customers in the meat processing sector in the US had to deal with temporary closures in the first half of the year, our volumes have generally not been impacted by this. The shift from food service to food retail has also supported growth. The trend to natural preservatives continues to gain ground. We are making good progress in the development of natural ferments, mold inhibitors for bakery, antioxidants, and antimicrobial solutions. As part of our Advance 2025 strategy to enhance our application capabilities, a new application lab in China was started in 2020, while a Singapore lab is expected to become operational in 2021.

Functional Systems showed mixed results in the first half as customers were securing supply in the onset of the COVID-19 pandemic, but stabilized in the second half of the year with low single-digit growth. We are making solid progress in expanding our business into close adjacencies such as dairy, and have opened an application lab in Lenexa, US.

Single Ingredients grew overall in 2020 with a strong close of the year in the fourth quarter. Growth had been limited in the first half of the year due to internal lactic acid allocation decisions.

The Adjusted EBITDA margin increased slightly from 16.8% to 17.0%.

Lactic Acid & Specialties

€ million	2020	2019
Net sales	275.8	263.8
Organic growth	6.2%	
EBITDA	74.2	56.9
Adjusted EBITDA	61.0	56.7
Adjusted EBITDA margin	22.1%	21.5%

Net sales in Lactic Acid & Specialties in 2020 increased organically by 6.2%. All product segments grew, with the exception of medical biopolymers. Biopolymers have been under pressure due to global postponements in elective surgeries (COVID-19 related). We continue to see good growth in pharma-grade lactates and also in esters, driven by growing demand, mostly in the semiconductor markets.

Incubator

€ million	2020	2019
Net sales	13.4	13.3
Organic growth	33.9%	
EBITDA	-19.4	-6.2
Adjusted EBITDA	-18.4	-24.3
Adjusted EBITDA margin	-137.3%	-182.7%

Net sales in Incubator increased organically by 33.9% in 2020 driven by significant growth in AlgaPrime DHA. We changed our pricing strategy (closer to fish oil) and concluded several projects on production improvements and strain development/implementation to further reduce the production costs of AlgaPrime DHA. Customer development in the first half of the year was slower than expected due to COVID-19 but picked up in the second half of the year. The lower EBITDA loss compared to last year is mainly related to a reduction in fixed costs. Due to our new strategy we expect to make significant further progress in 2021 in both sales growth and EBITDA loss reduction.

Non-core activities

€ million	2020	2019
Net sales	151.5	169.9
Organic growth	-1.1%	
EBITDA	18.5	23.7
Adjusted EBITDA	23.5	24.4
Adjusted EBITDA margin	15.5%	14.4%

The largest component in our non-core activities is Emulsifiers which declined slightly in 2020. Frozen dough was divested on 11 January 2021. We have phased-out of the co-packing blending activities and, we terminated the Thrive algae oil activities in 2020. We have begun to investigate whether the FDCA project can be excited in the course of 2021.

Total Corbion PLA joint venture

€ million *	2020	2019
Net sales	129.3	75.6
EBITDA	47.7	8.1
EBITDA margin	36.9%	10.7%

* *Results on 100% basis. Corbion owns 50% of Total Corbion PLA*

Sales increased by 71% in 2020, due to a combination of price and volume growth, partly offset by a negative currency effect. The EBITDA margin increased from 10.8% to 36.9%.

Depreciation, amortization, and impairment

Depreciation, amortization, and impairment of fixed assets before adjustments amounted to € 60.3 million compared to € 60.9 million in 2019.

Operating result

Adjusted operating result increased by € 13.5 million to € 98.5 million in 2020 (2019: € 85.0 million).

Adjustments

In 2020, total adjustments of € 3.8 million were recorded (at Result after tax level), consisting of the following components:

1. Gain of € 6.9 million related to the remeasurement of the sales price of the subsidiary Total Corbion PLA (Thailand) Limited to the joint venture Total Corbion PLA bv. The amount consists of a gain of € 12.9 million positive reported in Other proceeds, partly offset by a loss of € 6.0 million reported in Results from join ventures and associates.
2. Loss of € 4.6 million related to a write-down of inventory in our Algae Ingredients business
3. Loss of € 4.4 million as a result of a provision for a tax claim after a US tax audit
4. Loss of € 1.3 million related to an impairment of assets for preparation of the new lactic acid plant in Thailand
5. Loss of € 1.3 million related to restructuring costs
6. Loss of € 0.9 million related to advice costs for US tax audit and to de-risk a defined benefit pension scheme
7. Loss of € 0.3 million related to inventory write-down in the US
8. Tax effects on the above of € 2.1 million.

Financial income and charges

Net financial charges increased with € 6.3 million to € 20.9 million, mainly as a result of increased interest charges and exchange rate differences.

Taxes

The tax charge on our operations in 2020 amounted to € 14.6 million compared to a charge of € 18.9 million in 2019. In 2020, the effective tax rate of 16.6% was reduced due to the application of the participation exemption on the positive results of the joint venture with Total as well as the upward adjustment of the selling price of the subsidiary Total Corbion PLA (Thailand) Limited to the joint venture Total Corbion PLA bv, which are not taxable under the provision of the Dutch participation exemption. For 2021, we expect a normalized effective tax rate (excluding the joint venture results which are exempt under the participation exemption) of approximately 25% in line with the tax rates in the main jurisdictions where Corbion has its operations.

Statement of financial position

Capital employed decreased, compared to year-end 2019, by € 37.8 million to € 818.7 million. The movements were:

€ million	
Capital expenditure on (in)tangible fixed assets	89.7
Lease contract movements	3.6
Depreciation / amortization / impairment of (in)tangible fixed assets	-61.6
Change in operating working capital	14.4
Change in provisions, other working capital and financial assets/ accruals	7.3
Movements related to joint ventures	0.2
Taxes	-4.4
Exchange rate differences	-87.0

Major capital expenditure projects in 2020 were investments related to lactic acid capacity expansion in Thailand, our new SAP ERP platform, and the first capex amounts related to our new 125 kt lactic acid factory in Thailand based on the new gypsum-free technology.

Operating working capital increased by € 4.0 million. This increase is the balance of an operational increase of € 14.4 million and currency effects of € -10.4 million.

Shareholders' equity decreased by € 13.1 million to € 516.0 million. The movements were:

- The positive Result after taxes of € 73.1 million;
- A decrease of € 33.0 million related to the cash dividend for financial year 2019;
- Negative exchange rate differences of € 53.5 million due to the translation of equity denominated in currencies other than the euro;
- Positive movement of € 5.3 million in the hedge reserve;
- Negative remeasurement effect of defined benefit arrangement of € 5.1 million;
- Net share-based remuneration movement of € 2.7 million;
- Negative tax effects of € 2.6 million.

At year-end 2020 the ratio between balance sheet total and equity was 1:0.5 (2019 year-end: 1:0.5).

Cash flow/Financing

Cash flow from operating activities decreased compared to year-end 2019 by € 5.4 million to € 109.0 million. This is the balance of the higher operational cash flow before movements in working capital of € 11.1 million, a negative impact of the movement in working capital and provisions of € 9.8 million and higher taxes and interest paid of € 6.7 million.

The cash flow required for investment activities increased compared to 2019 by € 27.9 million to € 76.9 million. Capital expenditures (€ 88.9 million) accounted for most of this cash outflow, partly compensated by dividends from the PLA joint venture and payments received related to the sale (in 2017) of the subsidiary Total Corbion PLA (Thailand) Limited to the joint venture Total Corbion PLA bv.

The net debt position at year-end 2020 was € 284.2 million, a decrease of € 19.1 million compared to year-end 2019, mainly caused by the positive cash flow from operating activities before working capital and provisions, decreased lease liabilities and currency effects, partly offset by dividend payment and capital expenditures.

At year-end 2020, the ratio of net debt to EBITDA was 1.7x (end of 2019: 2.0x). The interest cover for 2020 was 16.5x (end of 2019: 22.2x). We continue to stay well within the limits of our financing covenants.

Subsequent events

On 11 January 2021 Corbion announced it reached an agreement to sell its frozen dough business, classified as held for sale in the 2020 Consolidated financial statements, for an estimated sales price of $ 25 million (€ 20 million). The sales price is subject to adjustments, amongst others working capital adjustments, and the final sales price will be determined in the course of 2021. The expected result after tax on the transaction amounts to around $ 11 million (€ 9 million) to be recognized in the 2021 financial statements.

On 25 January 2021 Corbion signed an agreement with the municipality of Breda (NL) and the Dutch province of Noord-Brabant to sell a plot of land, classified as held for sale in the 2020 Consolidated financial statements. The agreed purchase price (to be paid in installments over the next 10 years) amounts to € 21.9 million, the expected result after tax amounts to around € 23 million to be recognized in the 2021 financial statements.

Reservation and dividend policy

Corbion's reservation policy is aimed at creating and retaining sufficient financial capacity and flexibility to realize our strategic objectives while maintaining healthy balance sheet ratios. Corbion intends to add the profit (or charge the loss) to the company reserves after deduction of the proposed dividend on ordinary shares. Events potentially impacting our financing requirements such as acquisitions, divestments, reorganizations, or other strategic considerations can lead to adjustments in the reservation amount and the reservation policy. As regards Corbion's dividend policy, the amount and structure of dividend on ordinary shares that the company will pay to its shareholders depend on the financial results of the company, the market environment, the outlook, and other relevant factors. The dividend policy has the ambition to annually pay out a stable to gradually increasing absolute cash dividend amount per share (progressive regular dividend policy), subject to annual review of the outlook of the net debt/ EBITDA ratio development. This review will be based on multiple criteria such as major investments, timing of M&A, or divestment initiatives.

Dividend proposal

As we are entering a multi-year phase of substantially higher capex spending, a proposal to distribute an unchanged, regular dividend in cash of € 0.56 per ordinary share (2019: € 0.56) will be submitted for approval to the annual General Meeting of Shareholders, to be held on 19 May 2021. This represents 43% of our 2020 Adjusted result after taxes. The dividend will be charged to the Corbion reserves.

COVID-19

It is difficult to be precise about the direct/indirect effects that COVID-19 pandemic has had on our financial results. Nevertheless, we estimate the impact on the 2020 EBITDA to have been positive € 4-5 million in aggregate. Travel expenses in 2020 were € 7.5 million lower compared to our regular travel pattern due to severe travel restrictions. The estimated impact on our added value has been approximately € -1 million; a limited amount, due to the broad range of end-markets Corbion is servicing. We saw negative impacts on our food service-related activities, and our biopolymers business, which suffered as a result of the postponement of elective surgeries. We also saw an increase in logistic costs towards the end of the year due to a shortage of sea-containers. These effects were only partially offset by the positive impact from a sales increase in both food retail- and hand-sanitizing businesses. In recognition of the extraordinary performance of our employees, we have awarded an additional one-off bonus to all of our employees in the fourth quarter of € 2 million in total. Corbion did not receive any COVID-19-related financial government support in 2020. COVID-19 also had an impact on the implementation momentum of our multi-year SAP ERP initiative, especially due to severe travel restrictions around the world. As a consequence, the planned implementations for Asia and Europe had to be postponed from 2020 to 2021. This also had an impact on the total program costs which are expected to be in € 50–55 million range (€ 10 million higher than communicated last year). We envisage to complete the program by end of 2022.

Sustainability performance

KPI	2030 Target 1)	2025 Target 1)	2020	2019 2)
Preserving food and food production				
% of cane sugar verified responsibly sourced 3)	100%	100%	66%	n/a
% of verified deforestation-free key agricultural raw materials 4,5)	100%	100%	83%	n/a
% of products 6) contributing to preserving food and food production 7)	-	-	30%	29%
% of innovation projects contributing to preserving food and food production 8)	-	-	60%	n/a
% of Product Social Metrics 9) coverage for products contributing to preserving food and food production 7)	100%	50%	1%	n/a
Preserving health				
Total Recordable Injury Rate 10)	< 0.25	< 0.5	0.87	0.83
% of sites 11) certified according to internationally recognized food safety management system standards 12)	100%	100%	100%	100%
# of SIN list 13) chemicals produced	0	0	0	0
# of EU REACH Candidate List chemicals produced	0	0	0	0
# of EU REACH Authorization List chemicals produced	0	0	0	0
% of products 6) contributing to preserving health 7)	-	-	34%	33%
% of innovation projects contributing to preserving health 8)	-	-	94%	n/a
% of Product Social Metrics 9) coverage for products contributing to preserving health 7)	100%	50%	1%	n/a
Preserving the planet				
% of raw materials covered by generic supplier code 14) √	> 90%	> 90%	99%	100%
% of raw material/supplier combinations with high sustainability risk 15)	< 10%	< 10%	10%	n/a
% of high-risk raw materials/supplier combinations with mitigation plan 15)	> 90%	> 90%	96%	n/a
% biobased raw materials 14) √	> 95%	> 95%	98%	98%
Renewable electricity √	100%	90%	71%	58%
Reduction of Scope I, II emissions 16) √	-	-	23%	21%
Reduction of Scope I, II, III emissions (SBTi-approved target) 16) √	33%	20%	11%	12%
% recycled by-products 14) √	100%	100%	98%	99%
Landfill of waste √	0	-	1.8 kT	1.2 kT
% of products 6) contributing to preserving the planet 7)	-	-	50%	47%
% of innovation projects contributing to preserving the planet 8)	-	-	84%	n/a
% of Life Cycle Assessment 17) coverage for products contributing to preserving the planet 7)	100%	100%	80%	n/a
Preserving what matters				
% of products 6) contributing to preserving food and food production, health, and/or the planet 7)	> 80%	> 70%	61%	59%

1 *Targets based on current manufacturing footprint; to be reviewed in case of acquisitions / major changes.*
2 *Our facility in Araucária (Granotec do Brazil) was not included in 2019.*
3 *Bonsucro-certified or meeting the requirements of Corbion's cane sugar code verified by third-party audits, by quantity.*
4 *Key agricultural raw materials include cane sugar, dextrose derived from corn, palm oil and derivatives, soybean oil and derivatives, and wheat, by quantity.*
5 *Through Bonsucro certification, RSPO certification, or other certification covering deforestation; or demonstrated to be deforestation-free based on satellite data, third-party audits (e.g. Corbion cane sugar code audit), and/or country of origin statements, by quantity.*
6 *By revenue.*
7 *Products for which there is evidence that the product contributes to the identified impact categories. See Sustainability statements for more details.*

8 Innovation projects targeting the development of a product that contributes to the identified impact categories, by expected revenues in 5 years. See Sustainability statements for more details.
9 The Product Social Metrics assessment is done according to the methodology described in the Handbook for Product Social Impact Assessment, published by the Roundtable for Product Social Metrics and applies to products manufactured at Corbion sites (outsourcing is excluded). By quantity.
10 Based on OSHA guidelines. Including contractors; excluding our facility in Araucária (Granotec do Brazil) which was acquired in 2019.
11 Sites where food ingredients are produced.
12 Standards recognized by the Global Food Safety Initiative (GFSI): BRC, FSCC22000, SQF.
13 The Substitute It Now (SIN) list is a list of hazardous chemicals that have been identified as being Substances of Very High Concern, based on the criteria defined within REACH, the EU chemicals legislation. The SIN list is developed by the nonprofit ChemSec.
14 By quantity.
15 By number, based on Corbion's Security of Supply assessment methodology.
16 We report our emissions in accordance with the Greenhouse Gas Protocol per metric ton of product. Our Science Based Target includes Scope I emissions from direct production (from natural gas), Scope II emissions from purchased energy (electricity and purchased steam, market-based), and Scope III emissions related to key raw materials and transport. Our full Scope III emissions and biogenic emissions are reported in the Sustainability statements. Our 2030 target is approved by the Science Based Targets initiative. Progress is reported compared to 2016 as base year.
17 Life Cycle Assessment (LCA) is peer reviewed according to ISO 14040/44 standards for Corbion's core products (such as lactic acid) or done according to the "LCA Approach for Corbion's Product Portfolio: Lactic acid derivative plants, Corbion 2017," which has been externally reviewed against and is considered to be in line with the principles of the ISO 14040/44 standards. Applies to products manufactured at Corbion sites (outsourcing is excluded). By quantity.

√ = reviewed by external auditor

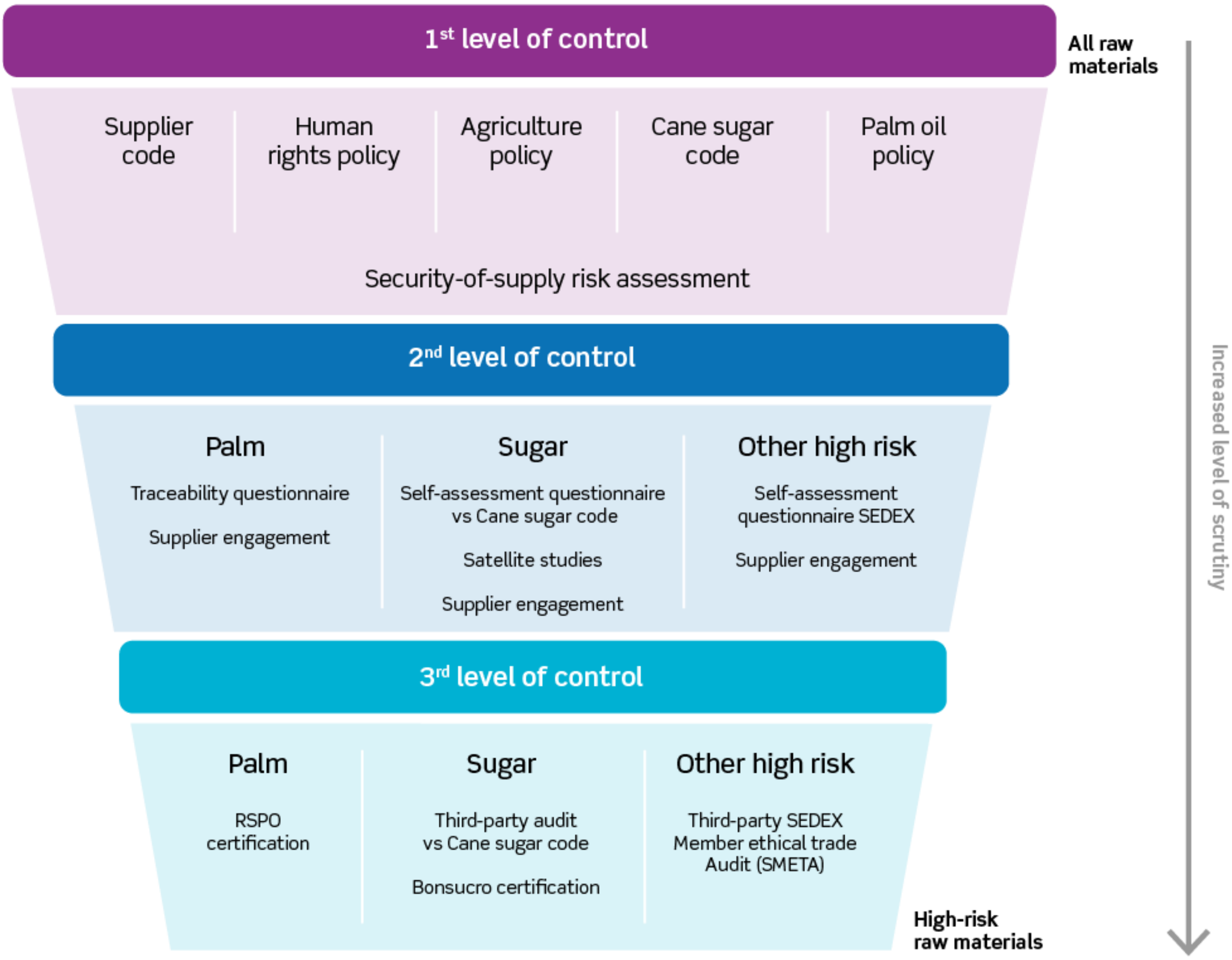
Corbion's impact on the Sustainable Development Goals

In 2020 we assessed our entire product portfolio as well as our value chain with a view to the potential – positive and negative – impact on the Sustainable Development Goals. Our vision is to preserve what matters by maximizing our positive impact and by minimizing any negative impacts. From this assessment, we learned that SDG 2 (Zero hunger), SDG 3 (Good health and well-being), and SDG 12 (Responsible consumption and production) are the goals where we can have the most significant positive impact given our business activities. We also recognize that our operations can (potentially) have a negative impact on some of the SDGs. This includes the potential impact of Corbion's manufacturing processes and use of raw materials on occupational health and safety (SDG 3), greenhouse gas emissions (SDG 13), deforestation (SDG 15), food security and agricultural impacts (SDG 2), and waste (SDG 12). Corbion's Advance 2025 strategy includes ambitious targets to minimize these impacts.

To monitor our current impact on our three focus SDGs (2, 3, and 13), we started to track the overall contribution to each of these SDGs as percentage of Corbion's total revenues. In 2020, 61% of Corbion's net sales contributed to preserving food and food production, health, and the planet. To increase this percentage in the years to come, we also assess our innovation projects on their SDG contribution, as part of the innovation stage gate process. At the end of 2020, 100% of our innovation projects contributed to one or more of the SDGs. See the Sustainability statements for more details on this SDG assessment.

Responsible sourcing

A significant part of the environmental and social impact in our value chain is upstream of our own operations. To safeguard an overall positive environmental and social impact of our sustainable solutions, we need to ensure our raw materials are sourced responsibly.



We assess all of our raw materials and suppliers on potential risks related to sustainability in our security-of-supply assessment, which is updated annually. The risk assessment results in a high, medium, or low score for each raw material/supplier combination.

In 2020, we started using RepRisk as a tool to identify high-risk suppliers regarding sustainability. RepRisk systematically identifies material ESG risks by analyzing information from public sources and stakeholders. This tool gives us more insight into the supplier-specific risks and provides the necessary information for focused supplier engagement.

In our 2020 assessment, 10% of the raw material/supplier combinations analyzed were classified as high risk. For 96% of these, mitigation plans have been created. Mitigation actions include supplier engagement, additional traceability investigation, SMETA audits, or identification of alternative raw materials or suppliers. Through these actions, we aim to reduce the number of high risk raw material/supplier combinations, however we also realize that it is not feasible to eliminate these risks entirely. We therefore update the assessment and mitigation plans annually to ensure continued awareness and to be prepared for potential issues.

We require all of our raw material suppliers to sign our supplier code for confirmation, or to demonstrate commitment to our code by compliance with company policies that embrace the standards included in our code. Our supplier code defines Corbion's expectations in respect of our suppliers meeting our responsible sourcing commitment. The code includes principles and criteria for business ethics, human rights and labor conditions, and environmental practices, based on the OECD Guidelines for Multinational Enterprises and the eight fundamental conventions defined by the ILO, including freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, the effective abolition of child labor, and the elimination of discrimination in respect of employment and occupation.

Biobased raw materials

The majority of our raw materials are biobased, derived from renewable, agricultural sources such as sugar cane, corn, soy, wheat, and palm oil. The use of biobased raw materials instead of fossil-based resources for the production of specialty chemicals supports the transition to a circular economy, because biobased raw materials are renewable by nature, in so long as its production is sustainably managed. According to the Bioplastic feedstock alliance, a sustainable biobased feedstock is legally sourced, conforms to Universal Declaration of Human Rights (UDHR), does not adversely impact food security, and does not result in deforestation. Corbion's sustainable agriculture policy describes our key principles for the production of biobased raw materials. At the current level of bioplastic production, land use is minimal and not competing with food. Over the next decades, world population will grow and global demand for crops for food and industrial applications is expected to increase. The use of next-generation feedstocks such as second-generation sugars from agricultural residues and C1 carbon sources can help address this concern and Corbion is following this closely.

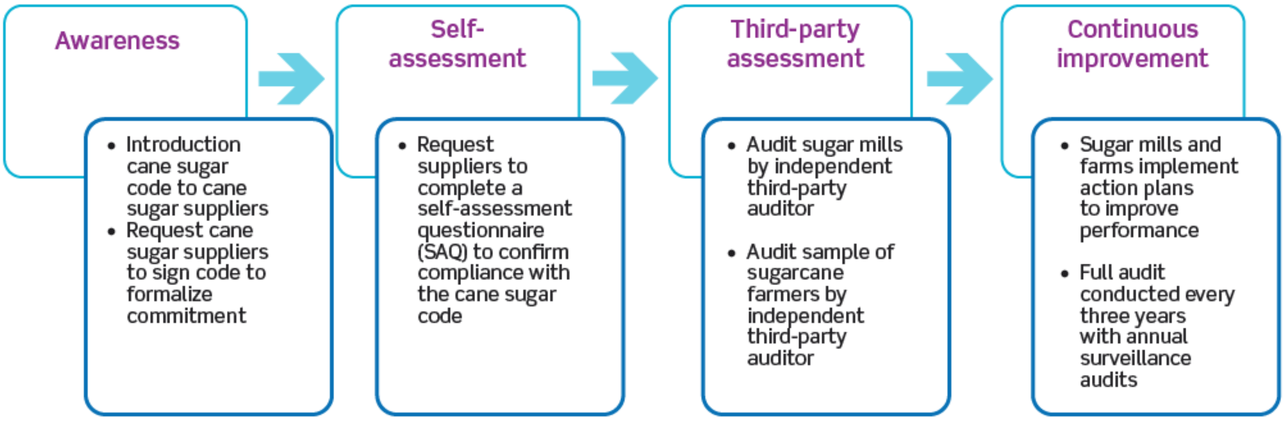
Sustainable agriculture

A sustainable agricultural supply chain is crucial to our business as we rely on agriculture for our biobased raw materials. It is also vital to the communities in which we operate and to our planet's resources. We recognize that intensive agriculture can have negative consequences for people and the environment. The agricultural sector is the second-largest source of GHG emissions globally and farming of sugarcane and oil palm has been linked to issues such as forced and child labor. Sustainable agriculture, however, has the potential to protect the planet, enhance the economic viability of the agricultural sector, and support the livelihoods and well-being of farmers and the communities they work in. Our sustainable agriculture policy describes our vision and key principles for sustainable agriculture, including protecting biodiversity, eliminating deforestation, stewardship of the air, soil and water, and mitigating climate change. Our cane sugar code defines the specific requirements for the production of sustainable cane sugar, based on the definitions for sustainable sugar cane and derived products as set out by Bonsucro. Our palm oil statement describes our requirements for responsible sourcing of palm, including no deforestation, no peat, and no exploitation.

Corbion is not directly involved with the growing, harvesting, and processing of the crops used to make our raw materials. We partner with our direct suppliers, conservation solution providers and engage with other stakeholders involved in our agricultural supply chains to promote our vision for sustainable agriculture. We also implement relevant certification schemes including Bonsucro and RSPO. Globally some 5% of the sugar cane growing areas is certified and for our main sourcing area, Thailand, this is less then 2%. We therefore audit our cane sugar suppliers against the Corbion cane sugar code if they are not yet able to deliver Bonsucro-certified sugar.

In 2020, we formalized the governance of our cane sugar code by implementing a formal auditing process, which includes a full audit of the sugar mills and supply farms every three years and an annual re-assessment. Through this approach, we verified that 66% of our total cane sugar consumption meets the requirements of our code. This includes some 13% Bonsucro-certified sugar.

To provide more transparency on the risk of deforestation in our agriculture supply chains, we developed a new KPI to track the percentage of key agricultural raw materials purchased that is verified deforestation-free. About 50% of our key agricultural raw materials is sourced in North-America, where deforestation is not an issue. For sugar and palm oil, the absence of deforestation is verified through audits and Bonsucro or RSPO certification. In 2020, we achieved 100% RSPO certification for palm oil and primary oleochemicals and 83% verified deforestation-free globally.

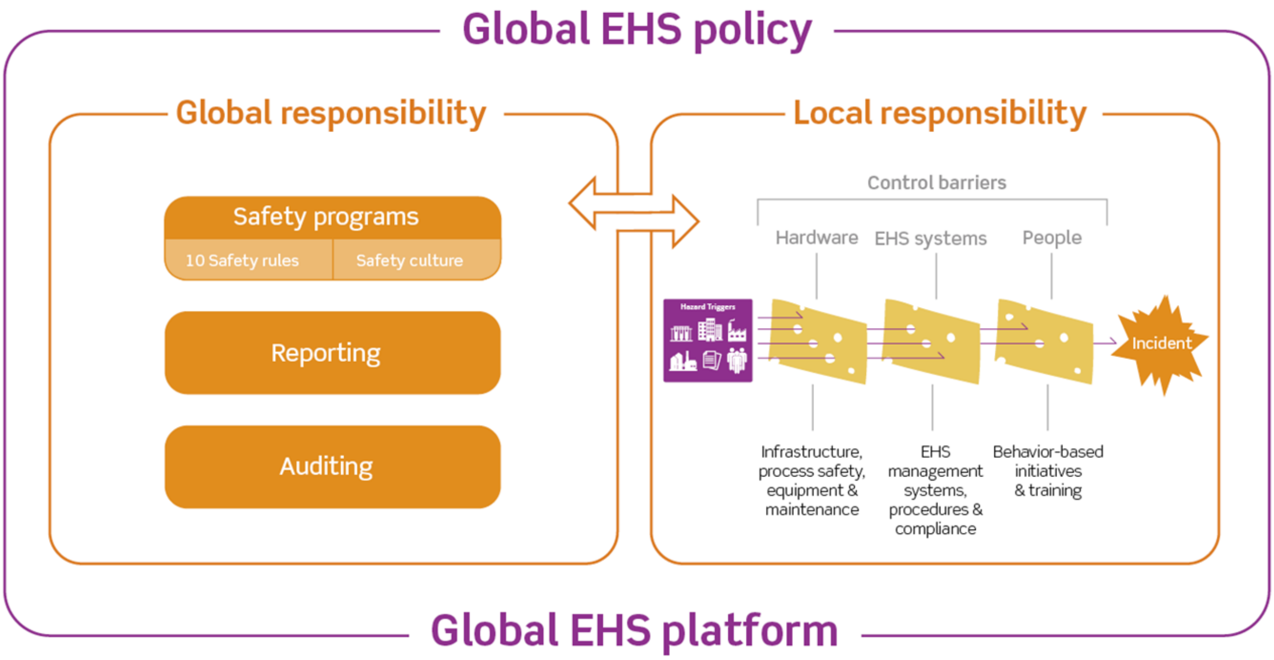


In 2020 we partnered with Cargill and Practical Farmers of Iowa to develop a soil health program targeting corn growers in the sourcing region surrounding Corbion's manufacturing facility in Blair, Nebraska. The program is focused on the adoption of soil health practices, including no till, planting of cover crops, and nutrient management. It aims to reduce GHG emissions, increase soil organic matter, increase farmer resilience, improve water quality, and leverage technical assistance and farmer-farmer networks to drive change.

To promote sustainable agriculture for the production of soy, we partnered with Truterra, LLC, the sustainability business of Land O'Lakes and a leader in scaling-up private-sector conservation solutions. The Truterra™ Insights Engine allows farmers and downstream value chain partners to measure sustainability progress and trends in real time at field level. The digital platform creates a framework for continuous improvement while also benchmarking against yield and profitability, ensuring customized, scalable on-farm conservation solutions that both protect our natural resources and are good for the farmer. In 2020, the first 20,000 acres in Nebraska/Iowa were enrolled in this program.

Environment, health, and safety

Corbion aims to create a safe and healthy workspace with the goal of having zero incidents because we believe no job is so important that it cannot be done safely and with minimal environmental impact. We therefore operate with the greatest care for safety, health, and the environment for our employees and the communities we engage with. Our activities are supported by a management system that includes policies, procedures, training, and feedback, which ascertain that we comply with laws and regulations applicable to our operations and act in accordance with our company standards and codes. Corbion management and employees are committed to achieving a zero-incident culture. Corbion fosters an open and transparent culture by encouraging all employees to report, amongst others, all near misses and events in order to continuously improve our safety and environmental performance. Our Environmental, Health, and Safety (EHS) framework clarifies the specific responsibilities of the local sites versus the global EHS platform.



In 2020 we recorded 25 recordable incidents across all regions. Our Total Recordable Injury Rate (TRIR) combined for Corbion and contractor employees was 0.87, which is slightly up from last year (0.83). To make a step change toward our goal of zero incidents we executed a Safety Culture assessment in 2020 with an external consultant. This exercise was somewhat hindered by COVID-19, but in the third quarter a roadmap toward best-in-class safety standards was provided. This roadmap will be translated into a Safety Excellence program which will start in 2021 on two pilot sites. We strengthened our global safety department with a VP EHS who reports to the COO, a Process Safety expert, and a program coordinator.

The current programs aimed at implementing ISO 45001 on all sites and the roll-out of our 10 Corbion Safety Rules are still underway and will be completed in 2021. By the end of 2020, 6 manufacturing sites were ISO 45001 or OSHAS certified, representing about 78% of Corbion's production volume and 4 sites were ISO 14001 certified, representing about 57% of Corbion's production volume.

Our employee absentee rate was 2.4% overall compared to 2.2% in 2019.

Greenhouse gas emissions and renewable electricity

In 2019, Corbion committed to reduce its Scope I, II, and III GHG emissions by 33% per metric ton of product by 2030 with 2016 as base year. This target has been approved by the Science Based Target initiative.

In 2020, we achieved a 11% reduction, which is slightly below the result achieved last year. Changes in product and supplier mix resulted in an increase of our specific Scope III emissions, which negated the Scope I and II improvement initiatives implemented elsewhere. For Scope I and II, we achieved a 23% reduction compared to the base year, a 2% improvement compared to 2019. We have updated our SBT roadmap, accelerated the implementation of existing initiatives, and started additional R&D projects to mitigate the impact of the increased growth in lactic acid. With these adjustments, we are on track to achieve our 2030 reduction target.

One of the key initiatives to achieve our target is the implementation of renewable electricity. By now, 8 of our 13 manufacturing sites, are fully powered by renewable electricity, compared to 7 in 2019. In 2020, we partnered with a new energy supplier in Thailand, and starting in 2021, we will gradually implement renewable electricity in this region. As member of RE100, a global initiative with the mission to accelerate change towards zero carbon grids at scale, we are committed to achieve 100% by 2030.

In 2020 we have implemented several energy savings projects with an expected total improvement potential of approximately 1,200 tons of GHG emissions annually, which will materialize in 2021. These improvements include the replacement of a boiler at our manufacturing site in Gorinchem, the Netherlands and several heat integration opportunities. Our capital expenditure plan for the next five years includes similar energy savings opportunities, as well as the implementation of the gypsum-free technology for lactic acid production in Rayong. The gypsum-free technology reduces the GHG emissions per ton of lactic acid by 20%.

We also established an R&D program to identify new technologies including electrification, use of low-carbon energy sources, and recycling. As part of this program Corbion participates in various external research programs focused on the development of low-carbon technologies. Examples include the Dutch hydrogen consortium's work on reducing CO_2 emissions from manufacturing processes and VoltaChem's research on industrial electrification. The R&D program is managed by a newly formed Sustainability Council, which is led by the CSSO, and includes representatives from Operations, R&D, and Finance. The council is responsible for the management of the stage-gate process and priority setting. The R&D program has identified 163 kTon of potential GHG emission reduction opportunities, with a technical readiness level ranging from 3 to 9.

Partnerships with our key raw material suppliers are essential to achieve the targeted Scope III reductions. In 2020, our procurement and sustainability teams worked together to engage key suppliers of cane sugar, dextrose, lime, and soy-bean oil. The goal is to better understand the footprints of these raw materials and identify GHG reduction opportunities. These reduction opportunities could be found within our suppliers' own manufacturing operations or captured through the implementation of sustainable agriculture practices on the farms our suppliers source from. The projects developed in collaboration with Cargill and Truterra (see Sustainable agriculture) are a result of these engagement activities. In addition to supplier engagement, another approach is to implement third-party sourcing certifications, such as Roundtable for Sustainable Palm Oil (RSPO) certification and Bonsucro, where GHG emissions are reduced by complying with the certification's stringent environmental standards.

To manage the impact of expansion and innovation projects on our GHG emissions, the financial impact of GHG emissions is evaluated through internal carbon pricing in capital expenditure and long-term R&D projects. We use a carbon price of € 50 per ton globally, as well as more detailed scenarios for e.g. the Netherlands where the carbon tax is projected to increase to € 125 per ton by 2030.

Biodiversity

Humans depend on healthy ecosystems as these stabilize the climate, provide food, clean water and air, and raw materials, and protect coastlines. Biodiversity loss is threatening earth's capacity to maintain healthy ecosystems. Business activities can contribute to biodiversity loss. To understand the potential impact of Corbion's own business activities on biodiversity and to demonstrate our commitment to address these, we joined the Science Based Targets for Nature (SBTN) corporate engagement program. Within this program, we will work with other stakeholders to co-create methods and tools for integrated target setting, in line with the best available science.

Water

Water is an essential resource for people and vital for industry, agriculture, and energy production. The majority of the water consumption in Corbion's value chain is in agriculture (see Sustainable agriculture). In Corbion's own manufacturing processes, fermentation is the most water intensive step. Most of the water used is recovered in the purification process and re-used or discharged for the wastewater treatment. The net water consumption includes only water evaporation in the cooling towers and water in (by-)products.

In 2020, we performed a risk assessment for our manufacturing sites, using Aqueduct. Aqueduct is a data platform run by the World Resources Institute, an environmental research organization. Aqueduct is comprised of tools that help companies, governments, and civil society understand and respond to water risks – such as water stress, variability from season-to-season, pollution, and water access. Based on the Aqueduct overall water risk assessment none of the 13 Corbion sites is located in a high or extremely high water risk area. Regarding water stress, some 16% of our water withdrawals comes from high stress areas. Within the SBTN corporate engagement program, we will further investigate our impact on water to begin prioritizing locations for action.

Waste

In our lactic acid production process we generate significant quantities of valuable by-products, such as gypsum. Per metric ton of lactic acid, almost 2 tons of by-product are produced. The majority of these by-products are valorized, but occasionally they do end up in landfill. Since the implementation of a new valorization option for gypsum at our lactic acid plant in the US in 2017, we have increased the recycling of by-products to 98-99%. For our site in Spain, there are legislative barriers that we need to overcome to achieve our target of 100% recycling. In 2020 we have submitted a request to the Spanish environmental authorities for regulatory approval.

Product quality and safety

We are committed to delivering high-quality solutions that safely meet our customer expectations and fulfill our customer promise through quality and manufacturing systems and processes.

On a local level we operate in compliance with local regulations and legislation, while ensuring certifications are in place to meet customer and industry-adopted standards and requirements, such as ISO 9001, GFSI (BRC, FSCC22000, SQF), GMP+, GMP Pharma, FDA Pharma, Halal, Kosher, non-GMO, Organic, and FSMA. For our Sustainable Food Solutions, food safety is a key priority as it relates to production quality, spoilage, contamination, supply chain traceability, and allergy labeling. All of our manufacturing sites where food ingredients are produced (11 out of 13) are certified against a GFSI-recognized standard. Four of our manufacturing sites have a pharmaceutical registration. In addition we host customer audits predominantly from our international pharmaceutical customers and large food clients. These, and our self-assessment audits performed by our global quality platform, ensure that we continue to improve our operational standards for quality and food safety. In 2020, we maintained all certifications and started to harmonize the quality management between the different Corbion sites by introducing a Global Quality Manual. This document underlines our drive for continuous quality improvement and food risk reduction.

Chemicals safety and stewardship

Chemicals safety and stewardship is a critical issue as chemicals during the use phase might have potential impacts on human health or the environment. Corbion's biochemicals offer safer alternatives for chemicals of concern. To make our chemicals-safety performance more transparent and demonstrate the low-hazard profile of our portfolio, we introduced three new chemicals-safety KPIs:

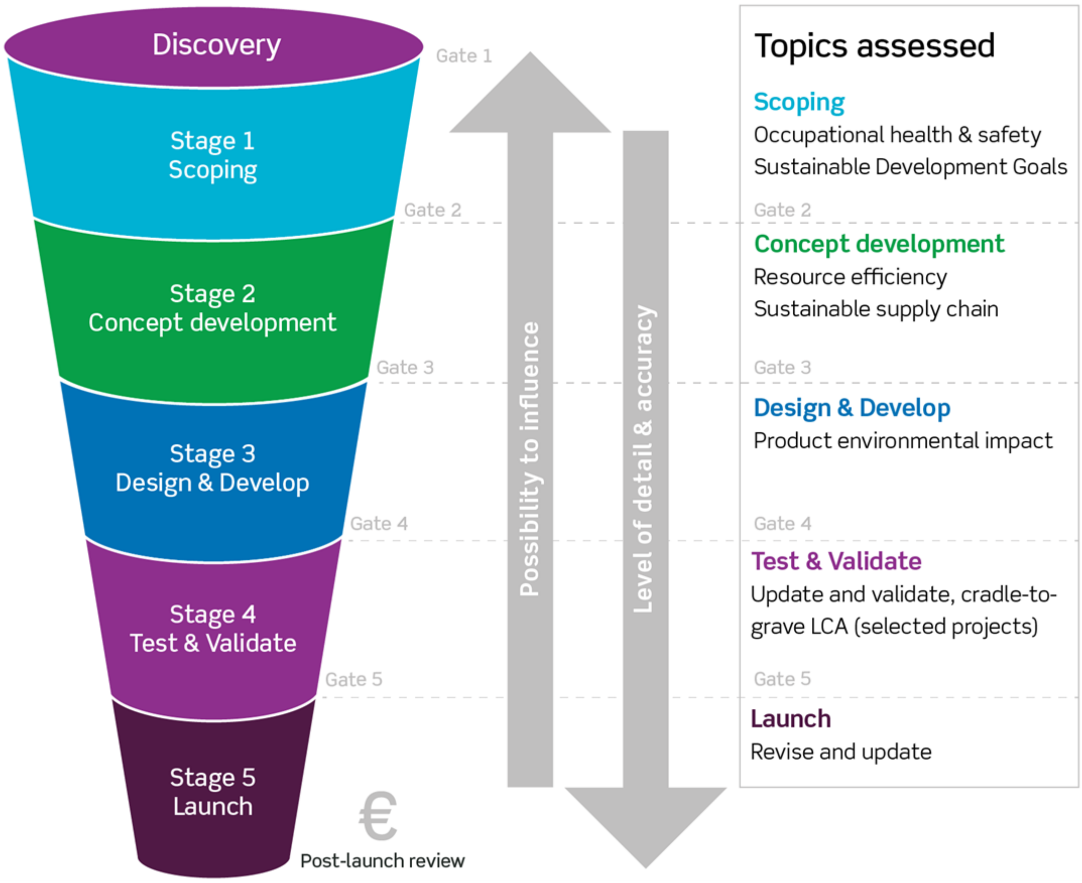
- The number of chemicals produced on the REACH Authorization List of the EU. Substances on this list are selected from the REACH Candidate List and cannot be launched on the market or used after a given date ("sunset date"), unless authorization is granted for their specific use, or the use is exempted from authorization.
- The number of REACH Candidate List chemicals produced. The REACH Candidate List of the EU is the first step toward stringent regulation of Substances of Very High Concern (SVHCs).
- The number of SIN list chemicals produced. The Substitute It Now (SIN list), developed by nonprofit ChemSec, is a list of very hazardous chemicals that may be placed on the REACH Candidate List.

None of Corbion's products is included in any of the above lists. It is a priority to maintain this, to meet our promise to preserve what matters, and to minimize risks related to regulatory measures, workers' health, consumer exposure, and potential accidents and spills. We apply strict cut-off criteria for the development of new products (SVHC criteria) and we adhere to the 12 principles of Green Chemistry. All Corbion products that are within the scope of REACH have been registered accordingly.

Innovation

To ensure alignment of our innovation projects with our sustainability ambitions, we assess new product and process development projects against the relevant material themes in our sustainability strategy. The assessment is integrated in our innovation stage-gate process and provides guidance to the project team on sustainability-related matters. This warrants that sustainability is an integrated part of the product and process design and that potential issues can be tackled at an early stage. The assessment includes an evaluation of resource and energy efficiency, chemicals safety, and the potential impact of the project on Corbion's GHG emissions. If a significant negative impact is identified, the project team needs to mitigate this within the project. If this is not feasible, R&D is requested to investigate alternative options to mitigate the impact elsewhere. In 2020, we extended the assessment and included an evaluation of the contribution of the innovation project to preserving food and food production, health, and the planet, linked to the Sustainable Development Goals that Corbion focuses on (see Corbion's impact on the Sustainable Development Goals).

Sustainability assessment at different stages of the innovation funnel



Life Cycle Assessment

Corbion uses Life Cycle Assessments (LCAs) as a tool to understand the environmental impacts of a product from the extraction of resources to their use and end of life. To enable our customers to make conscious choices, we will conduct cradle-to-gate LCAs for all products that can contribute to preserving the planet by 2025. Using this data, we can work side-by-side with customers to help them improve their environmental footprint and substantiate their sustainability claims.

In 2020, we performed LCAs for the lactic acid and derivatives produced at our facility in Blair, US. We also conducted an updated LCA of AlgaPrime DHA. With these two additions, we now performed assessments for 80% of our products that contribute to preserving the planet.

Product Social Metrics assessment

To make a positive impact on people, we need to understand the social impact of business activities throughout our supply chain and how they affect our stakeholders. In 2017, Corbion joined the Roundtable for Product Social Metrics, and together with the other Roundtable members, we developed a methodology for measuring social impacts, which is available in the Roundtable's handbook. The handbook provides a framework, an overview of data collection tools, and a scoring approach to assess social impacts. In 2020, the handbook was updated based on case studies from the Roundtable members, including a case study by Corbion for our meat safety and extended shelf-life solutions.

How we safeguard long-term value

Board of Management and Executive Committee

Mr. Olivier Rigaud
Chief Executive Officer / Chairman Board of Management and Executive Committee

Olivier Rigaud was appointed Chief Executive Officer at the extraordinary General Meeting of Shareholders in August 2019. His current term of office runs from 2019 – 2023.

Before joining Corbion, Olivier Rigaud was Chief Executive Officer of Naturex, worked for Tate & Lyle, and started his career at Amylum.

Olivier Rigaud holds the French nationality and was born in 1964.

Mr. Eddy van Rhede van der Kloot
Chief Financial Officer / Member Board of Management and Executive Committee

Eddy van Rhede van der Kloot was appointed Chief Financial Officer at the annual General Meeting of Shareholders in May 2014. His current term of office runs from 2018 – 2022.

Before becoming CFO, Eddy van Rhede van der Kloot was SVP Finance at Corbion and served for seven years as CFO of Purac, a division of CSM. Prior to joining Corbion, he was divisional finance director for chemicals in the European region at Van Ommeren and, after the merger with Pakhoed, at Vopak. Prior to that, he held several technical and finance roles at Unilever.

Eddy van Rhede van der Kloot holds the Dutch nationality and was born in 1963.

Mr. Marco Bootz

President Lactic Acid & Specialties / member Executive Committee

President Lactic Acid & Specialties / member Executive Committee
Marco Bootz is President Lactic Acid & Specialties and responsible for the business unit Lactic Acid & Specialties; he is member of the Executive Committee since April 2020.

Before becoming President Lactic Acid & Specialties, Marco Bootz was Regional Vice President for EMEA, SVP Biochemicals, Head of Chemical & Pharma, and Commercial Director Latin America at Corbion. Prior to joining Corbion, he worked for Perfetti van Melle and Unilever in various commercial roles.

Marco Bootz holds the Dutch nationality and was born in 1972.

Mrs. Jacqueline van Lemmen

Chief Operations Officer / member Executive Committee

Jacqueline van Lemmen is Chief Operations Officer and responsible for Corbion's global operations; she is member of the Executive Committee since April 2017.

Before joining Corbion, Jacqueline van Lemmen was VP Operations for DSM Biobased Products and Services after holding the same position for DSM Food Specialties. Before that she held several mostly manufacturing-related positions in different countries for DSM. She started her career at ICI.

Jacqueline van Lemmen holds the Dutch nationality and was born in 1961.

Mr. Andy Muller

President Sustainable Food Solutions / member Executive Committee

Andy Muller is President Sustainable Food Solutions and responsible for the business unit Sustainable Food Solutions; he is member of the Executive Committee since January 2015.

Before joining Corbion, Andy Muller served as SVP Global Sales, Innovation and Marketing at DuPont. Before that, he held several other positions in marketing and sales at Sensient and DuPont Nutrition & Health, formerly Danisco.

Andy Muller holds both the Argentinian and US nationality and was born in 1965.

Mr. Ruud Peerbooms

President Algae Ingredients / member Executive Committee

Ruud Peerbooms is President Algae Ingredients and responsible for the business unit Algae Ingredients; he is member of the Executive Committee since April 2020.

Before becoming President Algae Ingredients, Ruud Peerbooms was SVP Food at Corbion. Prior to joining Corbion, he worked at Kerry Group and Unilever in business development and sales. He started his career at Akzo Nobel.

Ruud Peerbooms holds the Dutch nationality and was born in 1969.

Mr. Marcel Wubbolts

Chief Science and Sustainability Officer / member Executive Committee

Marcel Wubbolts is Chief Science and Sustainability Officer and responsible for Corbion's global science and innovation portfolio; he is member of the Executive Committee since November 2016.

Before joining Corbion, Marcel Wubbolts served as Chief Technology Officer at DSM. Before that, he held several other positions at DSM. He started his career at the Institute of Biotechnology at the ETH in Zürich.

Marcel Wubbolts holds the Dutch nationality and was born in 1963.

Supervisory Board

Mr. Mathieu Vrijsen

Chairman Supervisory Board / Chairman Appointment and Governance Committee / member Science and Technology Committee

Mathieu Vrijsen was appointed at the annual General Meeting of Shareholders in May 2013. His current term of office runs from 2017 – 2021.

Mathieu Vrijsen served as Senior Vice President Global Operations and Engineering at DuPont. Prior to that, he held various positions at DuPont. Currently, he serves as Chairman of Broadview Holding, and the Philharmonic Chamber Orchestra of Belgium, and Board Member of the Antwerp Spring Festival.

Mathieu Vrijsen holds the Dutch nationality and was born in 1947.

Mr. Rudy Markham

Vice-Chairman Supervisory Board / Chairman Remuneration Committee / member Appointment and Governance Committee

Rudy Markham was appointed at the annual General Meeting of Shareholders in May 2010. His current term of office runs from 2020 – 2022.

Rudy Markham served as Executive Director and Chief Finance Officer at Unilever. Currently, he serves as Non-Executive Director of United Parcel Services, US, and Director of Leverhulme Trust, UK.

Rudy Markham holds the British nationality and was born in 1946.

Mrs. Liz Doherty

Member Supervisory Board / member Audit Committee

Liz Doherty was appointed at the annual General Meeting of Shareholders in May 2015. Her current term of office runs from 2019 – 2023.

Liz Doherty served as CFO and Executive Director at Reckit Benckiser, UK and prior to that as CFO and Executive Director at Brambles, Australia. Currently, she serves as Audit Committee Chair and Non-Executive Director of Novartis, Switzerland, and as Supervisory Board member of Royal Philips. She is also an advisor to Agrolimen, subsidiaries GB Foods and Affinity Petcare, Spain.

Liz Doherty holds the British and Irish nationality and was born in 1957.

Mrs. Ilona Haaijer

Member Supervisory Board / member Audit Committee / member Science and Technology Committee

Ilona Haaijer was appointed at the annual General Meeting of Shareholders in June 2020. Her current term of office runs from 2020 – 2024.

Ilona Haaijer served as President and CEO of DSM Food Specialties, President of DSM Personal Care by Royal DSM, CEO of Philips AVENT, Vice President Corporate Strategy of Royal Philips Electronics, and as Consultant of The Boston Consulting Group.

Ilona Haaijer holds the Dutch nationality and was born in 1969.

Mr. Jack de Kreij

Member Supervisory Board / Chairman Audit Committee

Jack de Kreij was appointed at the annual General Meeting of Shareholders in May 2011. His current term of office runs from 2019 – 2021.

Jack de Kreij served as Vice-Chairman of the Executive Board and Chief Financial Officer of Royal Vopak and prior to that in various management functions, as Senior Partner, and as Management Partner & Territory Leader of PricewaterhouseCoopers, Transaction Services Practice. Currently, he serves as Supervisory Board member and Chairman of the Audit Committee at TomTom and Wolters Kluwer N.V., and as Vice-Chairman of the Supervisory Board and Chairman of the Audit Committee of Royal Boskalis. Furthermore, he is a member of the Global Advisory Board of Metyis, Board member of Stichting Preferente Aandelen Philips N.V., and non-executive Board member at Oranje Fonds.

Jack de Kreij holds the Dutch nationality and was born in 1959.

Mr. Steen Riisgaard

Member Supervisory Board / Chairman Science and Technology Committee / member Remuneration Committee and Appointment and Governance Committee

Steen Riisgaard was appointed at the annual General Meeting of Shareholders in May 2014. His current term of office runs from 2018 – 2022.

Steen Riisgaard served as President and CEO of Novozymes. Currently, he serves as member of Århus University, Denmark, Chairman of Cowi Holding, Denmark, member of the Board of Novo Nordisk Foundation, Denmark, Vice-Chairman of Novo Holding, Denmark, Vice-Chairman of Villum Foundation, Denmark, and Chairman of Xellia, Denmark.

Steen Riisgaard holds the Danish nationality and was born in 1951.

Corporate governance

We have designed our corporate governance structure to best support our business, meet the needs of our stakeholders, and comply with laws and regulations. This section provides an overview of our corporate governance structure and includes information required under the Dutch Corporate Governance Code, as amended and published on 8 December 2016 (the "Code"), the Decree Additional Requirements for Management Reports, the Decree Article 10 EU Takeover Directive, and the Decree Disclosure Non-Financial Information.

Structure

Corbion nv (the "company" or "Corbion") is a Dutch public limited company with its registered office in Amsterdam. It acts as the (indirect) holding company for the Dutch and foreign operating companies of the company. The company's shares are listed on Euronext Amsterdam. Corbion is an international holding company as described by Section 153, Subsection 3 under b, of Book 2 of the Dutch Civil Code. The "large company" regime therefore does not apply to the company.

Corbion's corporate governance framework is based on the requirements of the Dutch Civil Code, the Code, the company's Articles of Association, applicable securities laws, and the rules and regulations of Euronext Amsterdam.

The company is organized in a so-called two-tier system, comprising a Board of Management, solely composed of executive directors, and a Supervisory Board, solely composed of non-executive directors. The Supervisory Board supervises the Board of Management and Executive Committee (which includes the Board of Management) and ensures that external experience and knowledge is embedded in the company's conduct. The two boards are independent of each other and are accountable to the general meeting of shareholders of the company (the "General Meeting of Shareholders").

Board of Management/Executive Committee

General

The Board of Management (composed of the Chief Executive Officer and the Chief Financial Officer) is entrusted with the management of the company. A number of key officers have been appointed to manage the company together with the Board of Management. The members of the Board of Management and these key officers together constitute the Executive Committee. For the purpose of this corporate governance section, where the Executive Committee is mentioned it also includes the Board of Management unless the context requires otherwise.

The Executive Committee has been operational since 1 January 2015. With the set-up of this leadership team, Corbion is well positioned to drive a common agenda across the business, to set clear priorities, and to enhance the execution of its strategy. Members of the Supervisory Board regularly met with the members of the Executive Committee during 2020. The Supervisory Board and the Executive Committee held several meetings in 2020 in relation to the strategy update that was announced in March 2020. Next to members of the Board of Management, other members of the Executive Committee were invited to give presentations on their area of responsibility to the Supervisory Board and its committees.

Under the chairmanship of the CEO, the members of the Executive Committee share responsibility for developing and executing the strategic plan for the company aimed at delivering long-term value creation, aligning and prioritizing (strategic) initiatives, determining the risk profile, and implementing strategic and operational policies. The Board of Management has ultimate responsibility for the company's management and the external reporting and is answerable to shareholders of the company at the annual General Meeting of Shareholders. In performing its duties, the Executive Committee is guided by the interests of the company and its affiliated enterprise, taking into consideration the interests of the company's stakeholders.

For a more detailed description of the responsibilities of the Board of Management and the Executive Committee, please refer to the Rules of the Board of Management/Executive Committee, which are available on Corbion's website.

Composition and appointment

The Board of Management consists of two or more members, which number is to be determined by the Supervisory Board. The CEO determines the number of members of the Executive Committee. The composition of the Executive Committee and brief resumes of its members are available under the sections *How we safeguard long-term value/Board of Management and Executive Committee* of the Annual Report.

The members of the Board of Management are appointed by the General Meeting of Shareholders on the basis of nominations by the Supervisory Board. The Corbion Articles of Association state that the General Meeting of Shareholders can overrule any such nomination by an absolute majority of the votes cast, provided the said majority represents at least one-third of the issued capital. No second meeting will be convened if there is no quorum, as a second meeting is not required by Dutch law.

The Supervisory Board is authorized at all times to suspend a member of the Board of Management. The General Meeting of Shareholders may decide to suspend or dismiss a member of the Board of Management by an absolute majority of the votes cast, provided the said majority represents at least one-third of the issued capital. This quorum requirement does not apply if the proposal for suspension or dismissal is submitted by the Supervisory Board. No second meeting will be convened if there is no quorum, as a second meeting is not required by Dutch law.

Each member of the Board of Management is appointed for a maximum period of four years with the possibility of re-appointment for consecutive four-year terms in accordance with the Code. The other members of the Executive Committee are appointed, suspended, and dismissed by the CEO, subject to consultation with the Supervisory Board.

Remuneration

The remuneration for the individual members of the Board of Management is determined by the Supervisory Board on the proposal of the Remuneration Committee of the Supervisory Board, and must be consistent with the policy thereon as adopted by the General Meeting of Shareholders. The current remuneration policy applicable to the Board of Management was adopted by the annual General Meeting of Shareholders in 2020, and is published on Corbion's website. A full and detailed description of the composition of the remuneration for the individual members of the Board of Management is included in the section *Remuneration report* of the Annual Report. The remuneration for the other individual members of the Executive Committee shall be determined by the CEO, subject to consultation with the Supervisory Board.

Conflict of interest

Members of the Executive Committee must report any (potential) conflict of interest to the Chairman of the Supervisory Board. The Supervisory Board shall decide whether a conflict of interest exists. The member of the Executive Committee who has a (potential) conflict of interest shall not participate in discussions and decision-making on a subject or transaction in relation to which the member has a conflict of interest with the company. Decisions to enter into transactions in which members of the Executive Committee have conflicts of interest that are of material significance to the company and/or to the relevant member(s) of the Executive Committee, require the approval of the Supervisory Board. In accordance with best-practice provision 2.7.4 of the Code, the company reports that in 2020 there were no transactions involving a conflict of interest with members of the Executive Committee that was of material significance and that required approval of the Supervisory Board.

Supervisory Board

General

The Supervisory Board, acting in the interests of the company and its affiliated enterprise and taking into account the relevant interests of the company's stakeholders, supervises and advises the Board of Management and Executive Committee in performing their management tasks. From among its members, the Supervisory Board has appointed an Audit Committee, an Appointment and Governance Committee, a Remuneration Committee, and a Science and Technology Committee.

Corbion's Articles of Association require the approval of the Supervisory Board for certain major resolutions proposed to be taken by the Board of Management, including issuance of shares, repurchase of shares, reduction of the issued share capital, amendment of the Articles of Association, and significant changes in the identity or nature of the company or its enterprise.

For a more detailed description of the responsibilities of the Supervisory Board and its committees, please refer to the Rules of the Supervisory Board and the Charters of its committees, which are available on Corbion's website.

Composition and appointment

The Supervisory Board consists of three or more members to be determined by the Supervisory Board. The composition of the Supervisory Board and brief resumes of its members are available under the section H*ow we safeguard long-term value/Supervisory Board* of the Annual Report.

The members of the Supervisory Board are appointed by the General Meeting of Shareholders on the basis of nominations by the Supervisory Board. The Corbion Articles of Association state that the General Meeting of Shareholders can overrule any such nomination by an absolute majority of the votes cast, provided the said majority represents at least one-third of the issued capital. No second meeting will be convened if there is no quorum, as a second meeting is not required by law.

The Supervisory Board is authorized at all times to suspend a member of the Supervisory Board. The General Meeting of Shareholders may decide to suspend or dismiss a member of the Supervisory Board by an absolute majority of the votes cast, provided the said majority represents at least one-third of the issued capital. This quorum requirement does not apply if the proposal for suspension or dismissal is submitted by the Supervisory Board. No second meeting will be convened if there is no quorum, as a second meeting is not required by law.

Each member of the Supervisory Board is appointed for a maximum period of four years with the possibility of re-appointment for consecutive terms in accordance with the Code. The members of the Supervisory Board retire periodically in accordance with a schedule of resignation, which is available on Corbion's website.

Conflict of interest

Members of the Supervisory Board must report any (potential) conflict of interest to the Chairman of the Supervisory Board (and the Chairman to the Vice-Chairman). The Supervisory Board shall decide whether a conflict of interest exists. The member of the Supervisory Board who has a (potential) conflict of interest shall not participate in discussions and decision-making on a subject or transaction in relation to which the member has a conflict of interest with the company. Decisions to enter into transactions in which members of the Supervisory Board have conflicts of interest that are of material significance to the company and/or to the relevant member(s) of the Supervisory Board, require the approval of the Supervisory Board. In accordance with best-practice provision 2.7.4 of the Code, the company reports that in 2019 there were no transactions in which there was a conflict of interest with members of the Supervisory Board that was of material significance and that required approval of the Supervisory Board.

In accordance with best-practice provision 2.7.5 of the Code, the company reports that no transactions between the company and legal or natural persons who hold at least 10% of the shares in the company occurred in 2019.

Diversity, values, and Code of Business Conduct

Diversity

Corbion adopted a diversity policy for the Supervisory Board and the Executive Committee in 2017. Given the business environment in which Corbion operates, this policy contains longer-term objectives for gender diversity and geographical diversity, the latter to reflect the majority of our business being in the Americas.

The gender diversity targets for the Supervisory Board are that at least one member should be female if the board consists of five members and that at least two members should be female if the board consists of six members. The second target applies as the current board has six members; Corbion complies with this target as Liz Doherty and Ilona Haaijer are members of the Supervisory Board.

The geographical diversity target for the Supervisory Board is that at least one member of the Supervisory Board has (had) relevant Americas experience and/or exposure. Corbion complies with this target as Mathieu Vrijsen qualifies as such.

The gender diversity target for the Executive Committee is that at least two members should be female if the committee consists of six or seven members. Corbion has one female member of the Executive Committee, Jacqueline van Lemmen, and does not comply with this target in 2020. In 2017, one position became vacant and that position has been filled by a female. In 2020 the Executive Committee has been expanded with two male members.

The geographical diversity target for the Executive Committee is that at least two members of the Executive Committee have (had) relevant Americas experience and/or exposure. Corbion complies with this target as Andy Muller and Marco Bootz qualify as such.

When positions in the Supervisory Board and the Executive Committee become vacant or new positions are added, the company's diversity policy will be applied when selecting persons for appointment as member of the Supervisory Board or the Executive Committee.

Values and Code of Business Conduct

The Corbion values Care, Courage, Collaboration, and Commitment were introduced in 2018 and implemented within Corbion in 2019, amongst others by means of values workshops that were held worldwide. In 2020, awareness was further maintained by various initiatives. Together with the related Corbion behaviors, the values guide and underpin the business strategy of Corbion. They are incorporated in the relevant engagement and performance management policies and form the basis of our global training and development initiatives.

Information about the effectiveness of, and compliance with, the Corbion Code of Business Conduct is available under the section *Risk management/Business conduct program* of the Annual Report.

Shares and shareholder rights

General Meetings of Shareholders

The annual General Meeting of Shareholders will be held within six months of the close of the financial year. Extraordinary General Meetings of Shareholders will be held as often as the Board of Management and Supervisory Board deem necessary. An extraordinary General Meeting of Shareholders will also be held if one or more shareholders who collectively represent at least ten percent of the issued capital submit a written request to this effect to the Board of Management or the Supervisory Board enclosing a detailed list of agenda items. If neither the Board of Management nor the Supervisory Board – which have equal powers in this matter – respond in such a way that this extraordinary General Meeting of Shareholders can be convened within six weeks of the request, the applicants are at liberty to convene the meeting themselves and appoint a chairman.

Meetings are convened by public notice or via Corbion's website and registered shareholders are notified by letter, at least forty-two days prior to the (extraordinary) General Meeting of Shareholders. If requests are received from shareholders who individually or collectively represent at least one percent of the issued capital to place items on the General Meeting of Shareholders agenda, these will be honored provided they are submitted to Corbion at least forty-five days prior to the date of the meeting.

Pursuant to Dutch law, the record date for the exercise of voting rights and rights relating to General Meetings of Shareholders is set as the 28th day prior to the day of the meeting. Shareholders registered on such date are entitled to attend the meeting and to exercise the other shareholder rights (in the meeting in question) notwithstanding subsequent sale of their shares thereafter. This date will be published in advance of every General Meeting of Shareholders.

Main powers of the General Meeting of Shareholders

The main powers of the General Meeting of Shareholders relate to:

- the appointment, suspension, and dismissal of members of the Board of Management and Supervisory Board;
- approval of the remuneration policy for the Board of Management;
- approval of the remuneration policy for the Supervisory Board;
- the adoption of the annual Financial Statements and approval of dividends;
- discharge from liability of the members of the Board of Management and Supervisory Board;
- issuance of shares or rights to shares, restriction or exclusion of pre-emptive rights of shareholders, and repurchase or cancellation of shares;
- the appointment of the external auditor;
- amendments to the Articles of Association;
- approval of decisions of the Board of Management that would entail a significant change in the identity or character of Corbion or its business.

Voting rights

Shareholders have voting rights in proportion to the number of shares held and there are no restrictions on the voting rights on the company's shares. Each share is entitled to one vote.

Subject to certain exceptions provided by Dutch law or the Corbion Articles of Association (as outlined below), decisions at the General Meeting of Shareholders will be taken by an absolute majority of the votes cast without a requirement for a quorum.

According to Dutch law and the company's Articles of Association, the following decisions of the General Meeting of Shareholders require a larger majority or a quorum:

- Unless proposed by all members of the Supervisory Board or Board of Management, any resolution to amend the Articles of Association or to wind up the company, shall require a majority of at least three-quarters of the votes cast provided at least two-thirds of the issued capital is represented.
- Any resolution to restrict or exclude the pre-emptive right in respect of ordinary shares or to designate the Board of Management, shall require a majority of at least two-thirds of the votes cast if less than half of the issued capital is represented at the meeting.
- Any resolution to make a binding nomination for the appointment of a member of the Supervisory Board or Board of Management non-binding, shall require an absolute majority of the votes cast, provided that majority represents more than one-third of the issued capital. If a nomination has been made non-binding, the General Meeting of Shareholders may only appoint a person other than the nominees by a resolution adopted by an absolute majority of the votes cast, provided that majority represents more than one-third of the issued capital.
- Any resolution to suspend or dismiss a member of the Supervisory Board or Board of Management, shall require an absolute majority of the votes cast, provided that majority represents more than one-third of the issued capital.
- Any resolution to approve (amendments to) the remuneration policy of the Board of Management, shall require a majority of at least three-quarters of the votes cast.
- Any resolution to approve (amendments to) the remuneration policy of the Supervisory Board, shall require a majority of at least three-quarters of the votes cast.

Amendment of the Articles of Association

Decisions to amend the Articles of Association of the company may only be taken at a General Meeting of Shareholders in which at least two-thirds of the issued capital is represented and by a majority of at least three-quarters of the votes cast, unless the proposal has been submitted by all members of the Board of Management in office with the collective approval of all members of the Supervisory Board in office, in which case the decision may be taken by an absolute majority of votes, regardless of the represented capital.

Issuance and repurchase of shares

At the 2020 annual General Meeting of Shareholders it was resolved to authorize the Board of Management, subject to the approval of the Supervisory Board, to issue shares or grant rights to acquire shares in the company as well as to restrict or exclude the pre-emptive right accruing to shareholders up to and including 29 December 2021. This authorization is limited to a maximum of 10% of the number of shares issued as at 29 June 2020. Furthermore, an authorization was granted for another 10% of the number of shares issued as at 29 June 2020 in the event of mergers, acquisitions, and/or strategic alliances.

Furthermore, at the 2020 annual General Meeting of Shareholders it was resolved to authorize the Board of Management, subject to the approval of the Supervisory Board, to acquire shares in the company within the limits of the Articles of Association and within a certain price range up to and including 29 December 2021. This authorization is limited to a maximum of 10% of the number of shares issued as at 29 June 2020.

External auditor

An independent audit firm is appointed by the General Meeting of Shareholders. The external auditor is responsible for auditing the Financial Statements of Corbion. On 13 May 2019, the General Meeting of Shareholders appointed KPMG Accountants N.V. as external auditor for the company for the financial year 2020.

Capital structure

As at 31 December 2020, 59,242,792 ordinary shares of € 0.25 each had been issued, including 371,121 ordinary shares held by Corbion. The ordinary shares are listed on Euronext Amsterdam. No restrictions apply to the transfer of shares.

Substantial shareholdings

Pursuant to the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*), the following notifications of capital interest in Corbion as at 31 December 2020 were reported:

		Capital interest	Voting interest
1	NN Group N.V.	13.03%	
2	Artemis Investment Management LLP	5.08%	
3	ASR Nederland N.V.	4.99%	
4	Blackrock Inc.	3.38%	3.44%
5	Kabouter Management LLC	3.20%	
6	Norges Bank	3.19%	
7	Paradice Investment Management PTY	3.07%	2.44%
8	Impax Asset Management Group PLC	2.99%	
9	J.O. Hambro Capital Management Limited	2.99%	
10	RWC European Focus Master Inc.	2.97%	
11	Lansdowne Partners Limited	2.89%	
12	T. Rowe Price Group Inc.	2.85%	
13	BNP Paribas Investment Partners SA/ BNP Paribas Asset Management Holding	2.82%	2.74%

Please note: As at 31 December 2020 Corbion had a capital interest of 0.63%.

Compliance with the Code

Corbion is committed to embedding the Code principles within the company, thereby abiding by the core concepts of good business practices, integrity, openness, and transparent and well-supervised management. Important changes in the corporate governance structure are presented to the General Meeting of Shareholders for discussion. With the exception of the deviations outlined in the paragraphs below, Corbion endorses and adheres to the principles and best practices of the Code.

With respect to best practice provision 3.1.2 vi of the Code, Corbion applies share ownership requirements instead of holding restrictions. The Supervisory Board believes that a mandatory share ownership leads to a more sustainable build-up and alignment of the interests of the members of the Board of Management and the shareholders. As long as a member of the Board of Management does not comply with the share ownership requirements, vested shares received under share plans will be kept in a restricted account and cannot be traded. Corbion departs furthermore with regard to the possible financing of income tax on vested shares under the share plan by allowing selling part of the vested shares in deviation from the share ownership requirements.

With respect to cancelling the binding nature of a nomination or dismissal (best-practice provision 4.3.3), Corbion deviates as follows. The members of the Supervisory Board and the Board of Management are appointed by the General Meeting of Shareholders on the basis of nominations by the Supervisory Board. The Corbion Articles of Association state that the General Meeting of Shareholders can overrule any such nomination by an absolute majority of the votes cast, provided the said majority represents at least one-third of the issued capital. In contrast with the Code, no second meeting will be convened if there is no quorum, as a second meeting is not required by Dutch law.

The General Meeting of Shareholders may decide to suspend or dismiss a member of the Board of Management or Supervisory Board by an absolute majority of the votes cast, provided the said majority represents at least one-third of the issued capital. This quorum requirement does not apply if the proposal for suspension or dismissal is submitted by the Supervisory Board. In contrast with the Code, no second meeting will be convened if there is no quorum, as a second meeting is not required by Dutch law.

The full text of the Code applicable to the company in 2020 can be viewed at: www.commissiecorporategovernance.nl.

Decree Additional Requirements for Management Reports/Corporate Governance Statement

Section 2a of the Decree Additional Requirements for Management Reports (*Vaststellingsbesluit nadere voorschriften inhoud bestuursverslag*) requires companies to publish a statement concerning their approach to corporate governance and compliance with the Code. The information required to be included in this corporate governance statement as described in Sections 3, 3a, and 3b of this decree is included in this Corporate governance section.

The information on the company's risk management and control frameworks relating to the financial reporting process, as required by Section 3a sub a of this decree, can be found in the Risk management section.

Decree Article 10 EU Takeover Directive

The information required by the Decree Article 10 EU Takeover Directive (*Besluit artikel 10 overnamerichtlijn*), to the extent applicable to the company, is included in this Corporate governance section and the notes referred to in this section, as well as the paragraph below.

The contractual conditions of most of the company's key financing agreements and notes issued (potentially) entitle the banks and noteholders respectively to claim early repayment of the amounts borrowed by the company in the event of a change of control over the company (as defined in the respective agreement). With respect to agreements entered into with members of the Board of Management that provide for payment upon termination of their employment following a public bid, please refer to the description of the remuneration policy on Corbion's website.

Decree Disclosure Non-Financial Information

Section 2 Subsection 1 of the Decree Disclosure Non-Financial Information (*Besluit bekendmaking niet-financiële informatie*) requires companies to publish a statement concerning non-financial information. The information required to be included in the management report as described in Section 3 of this decree, which is incorporated and repeated here by reference, can be found in the following sections of the Annual Report:

- A description of the business model of the company can be found in the section *Who we are and what we do/Our strategy Advance 2025.*

- A description of the company's non-financial key performance indicators relevant to the company's activities can be found in the sections *Who we are and what we do/Our strategy Advance 2025, Our performance/Sustainability performance,* and *Sustainability statements.*
- A description of the company's policy including the applied security measures regarding environmental matters as well as the main risks related thereto and how the company manages these risks can be found in the section *Our performance/Sustainability performance.*
- A description of the company's policy including the applied security measures regarding social and employee matters as well as the main risks related thereto and how the company manages these risks can be found in the section *Sustainability statements/Human capital.*
- A description of the company's policy including the applied security measures regarding respect for human rights as well as the main risks related thereto and how the company manages these risks can be found in the section *Sustainability statements/Human rights.*
- A description of the company's policy including the applied security measures regarding anti-corruption and anti-bribery matters as well as the main risks related thereto and how the company manages these risks can be found in the section *How we safeguard long-term value/Risk management/Anti-bribery and anti-corruption.*

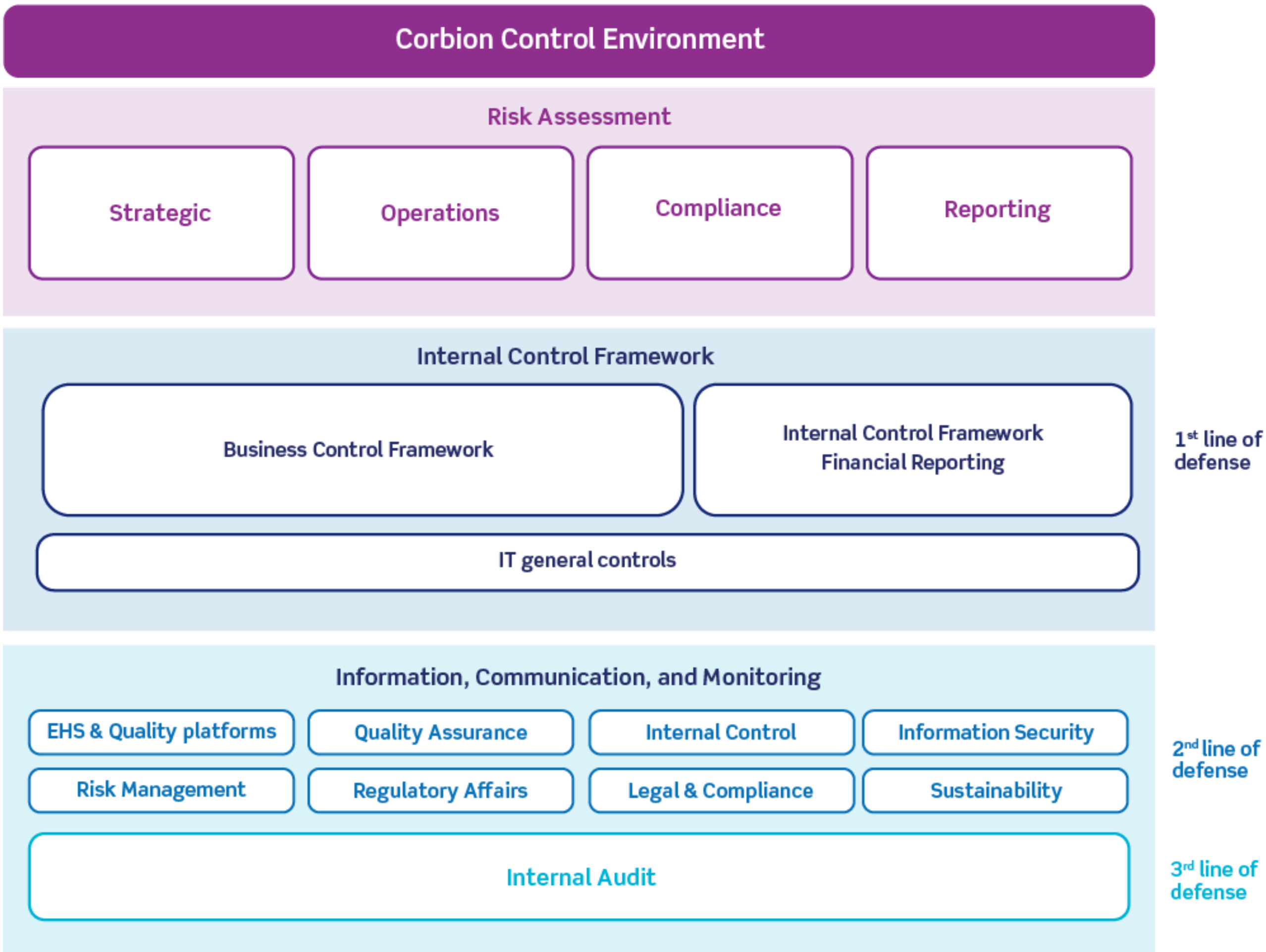
Risk management

Framework

Our approach to risk management

Given the complexity of worldwide operations in various markets and jurisdictions, Corbion needs to ensure timely identification and effective management of all significant risks inherent to the execution of its strategy to support the realization of its objectives. Corbion has an enterprise-wide risk management (ERM) program in place to preserve its reputation, assets, competitive edge, and profits. ERM is the process of systematically identifying, analyzing, evaluating, and addressing risks that may impact the achievement of Corbion's objectives.

Our approach to risk management aims to achieve a reasonable level of assurance to realize our objectives, in line with the Enterprise Risk Management framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Our approach aims to embed risk awareness and risk management at all levels of Corbion to ensure that decisions are taken with due consideration of the inherent risks in relation to the risk appetite. Risk management is an integral part of running the business and therefore owned by line management (first line of defense). Our risk management approach covers strategic, operations, compliance, and reporting risks, as illustrated below.



The implementation of the main COSO framework elements is explained below.

Control environment

The control environment is the set of standards, processes, culture, and structures that provide the basis for carrying out internal control across the organization. The Executive Committee sets the tone at the top regarding the importance of internal control including expected standards of conduct. An important principle of the control environment is the commitment of the Executive Committee to integrity and ethical values, which is demonstrated by the programs mentioned below.

Business conduct / compliance

Business Conduct Program
Corbion's Business Conduct Program combines the legal requirements of the countries where we operate and international standards, resulting in a framework that regulates how all Corbion employees interact with colleagues, business partners, governments, and communities. We translate these legal requirements and standards into our Code of Business Conduct, internal policies, and procedures to make it accessible to everyone. Often we go beyond what is required by local legislation to create a single global integrity approach within Corbion.

The Executive Committee has overall responsibility for the Business Conduct Program including underlying policies and oversees its execution. To this end they establish effective global business conduct governance while allocating appropriate resources for proper implementation and development of the Business Conduct Program.

Corbion's Legal & Compliance Department is responsible for Business Conduct as a second line of defense and as such has a coordinating role. The Legal & Compliance Department works closely together with other departments (e.g. Risk Management, Internal Audit, HR, Communications) and external stakeholders (e.g. law firms, compliance consultants, compliance software providers) to enable proper roll-out of the Business Conduct Program throughout the organization.

As a third line of defense, Internal Audit offers independent reviews. The business is in the front line and is responsible for day-to-day risk management/compliance.

Each year, Corbion's Compliance Officer reports to the Audit Committee of the Supervisory Board on the status of the Business Conduct Program as well as any major developments. In the event of significant incidents, the Audit Committee is immediately informed by the Executive Committee.

Code of Business Conduct and policies

At the heart of our Business Conduct Program is the Corbion Code of Business Conduct (which is available in six languages). Our Code states the values and principles that guide our work at Corbion, and sets out the expected standard of behavior for everyone working for Corbion. Our Code applies to all activities we perform on behalf of Corbion wherever they take place, and to everyone working for our company.

Guided by the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises, our Code of Business Conduct describes principles with respect to personal and business conduct, asset protection, employment standards, and our commitment to sustainability and sets out the expected standard of behavior for all Corbion employees. Our Code was revised in 2019 to include how Corbion's new values relate to our purpose, vision, and mission, and to extend our commitment to sustainability.

Our Code serves as an umbrella for underlying policies which cover in more detail areas such as competition law, anti-bribery, anti-corruption, conflict of interest, privacy, economic sanctions, and insider trading.

Corbion has a network of regional Business Conduct Coordinators who help embed the Code of Business Conduct and the underlying policies into local operations. Besides this, they function as a local point of contact for management and employees.

Speak Up channels

Under the Corbion Speak Up Policy, Corbion employees can report misconduct and (potential) violations of the Code of Business Conduct and underlying policies to their manager, their local HR contact, or the regional Business Conduct Coordinator. Next to that, the Corbion Speak Up Line, which is available 24/7 and operated by an independent service provider, allows employees to report issues directly to the Business Conduct Committee, which is composed of the Chief Human Resources Officer, the VP Legal & Compliance, and the Director Internal Audit. Any misconduct and (potential) violations can be reported anonymously. In 2019, Corbion launched its External Speak Up Helpline, a dedicated channel available to Corbion's external stakeholders (such as customers, suppliers, communities, distributors, and agents), which can be used to raise concerns about (suspected) violations of the Corbion Code of Business Conduct, Corbion's Supplier Code, Corbion's Cane Sugar Code, or any applicable laws. In 2020, 26 complaints with respect to the Code of Business Conduct were reported internally, of which 16 had merits. Appropriate measures have been taken by management. Corbion has not received any reports via the external Speak Up channels to date.

A breach of the Code of Business Conduct can lead to disciplinary actions, including termination of employment. The outcome of the investigations as well as any measures taken are documented accordingly and reported to the Executive Committee and Audit Committee bi-annually.

Business Conduct training
Every year, all Corbion employees need to follow a mandatory training on our Code of Business Conduct, which is available in six languages. Employees receive training through an online course or a classroom session. Course materials are updated yearly, based on the most relevant risks at the time of the release, and touching on the topics which were brought up in Speak Up reports in the previous year. Corbion has a strict policy on attendance to the Code of Business Conduct training, with a 100% completion rate.

In addition, selected groups of employees need to follow every two years mandatory e-learning trainings with respect to anti-corruption and competition law. In 2020, 476 employees (from the sales and procurement departments, and senior management) participated in the competition law e-learning, which had a 100% completion rate.

Compliance statement
Every year, at the time of the annual Code of Business Conduct training, employees confirm their compliance with the Code and underlying policies by signing a compliance statement.

In January of every year, the Supervisory Board and Executive Committee members as well as the direct reports of the Executive Committee, confirm their compliance with the Conflicts of Interest Policy by signing a compliance statement. They also fill out a questionnaire with respect to related party transactions.

In terms of our onboarding program, our standard employment contracts contain a clause with respect to the Code of Business Conduct. New hires receive the yearly Code of Business Conduct training as soon as they join Corbion.

Anti-bribery and anti-corruption
For Corbion as a listed company operating worldwide, compliance with anti-bribery and anti-corruption laws is key. Given the consequences of non-compliance herewith, compliance with our policy is overseen by the Executive Committee. Our policy with respect to anti-bribery and anti-corruption is laid down in our Gifts, Entertainment, and Third-Party Payments Policy (which is available in six languages). This policy covers (i) prohibition of offering, authorizing, or accepting bribes, (ii) rules for how to deal with giving and receiving gifts and entertainment, and (iii) rules for how to deal with third-party payments (agents and distributors, facilitation payments, sponsorships, political contributions).

At Corbion, we are committed to maintaining good relations with our customers, suppliers, and other business partners. In this context we acknowledge the business custom of exchanging small gifts and invitations to dinners or social activities in order to initiate, develop, or sustain good business relations. All Corbion colleagues should however ensure that the gifts and entertainment that we offer or receive are not, or could not be perceived as, a bribe. All Corbion colleagues as well as our agents, distributors, and other representatives are prohibited from offering, authorizing, or accepting bribes of any kind. Any gifts and entertainment must be for legitimate business purposes, of a reasonable value, and appropriate to the business relationship, and be given or accepted at an appropriate time. If the nominal value of a gift exceeds a certain threshold, prior approval of the employee's manager is required. Prior management approval is always required for entertainment (with the exception of business meals) and travel and overnight accommodation.

Corbion has a procedure in place for engaging with agents and distributors. This means that due-diligence questionnaires need to be filled out which are being assessed by the Legal & Compliance Department. Furthermore, higher management approval is required. The agent and distributor should sign an agency or distribution agreement and accept the Corbion anti-corruption/bribery clauses contained therein.

Economic sanctions
Corbion is committed to complying with economic sanctions laws and regulations. According to the Corbion Economic Sanctions Policy, we need to screen each prospective business partner before engaging with them to ensure compliance with economic sanctions laws and regulations.

Alongside our procedure for the screening of business partners prior to onboarding, Corbion has appropriate tools to ensure ongoing screening of all active business partners and to prevent shipment to embargoed countries and regions.

Privacy and data protection
In light of the European regulation on data protection (GDPR), Corbion has created a robust privacy program since 2018. Following its initial implementation, Corbion has further developed and localized its privacy program to reflect newly enacted privacy regulations in the countries where we operate, such as the CCPA in California, the LGPD in Brazil, and the PDPA in Thailand.

Enforcement actions
Corbion has not been the subject of any investigation into business conduct violations (e.g. competition, privacy, bribery, etc) by competent governmental authorities to date.

Risk appetite

Part of the control environment is the definition by the Executive Committee of the risk appetite of the company. Our risk appetite is the amount of risk we are willing to accept to achieve our strategic goals. This requires adequate understanding and awareness of potential risks and their magnitude within the company. The level of risk appetite is set by the Executive Committee. Our risk appetite can be summarized as follows.

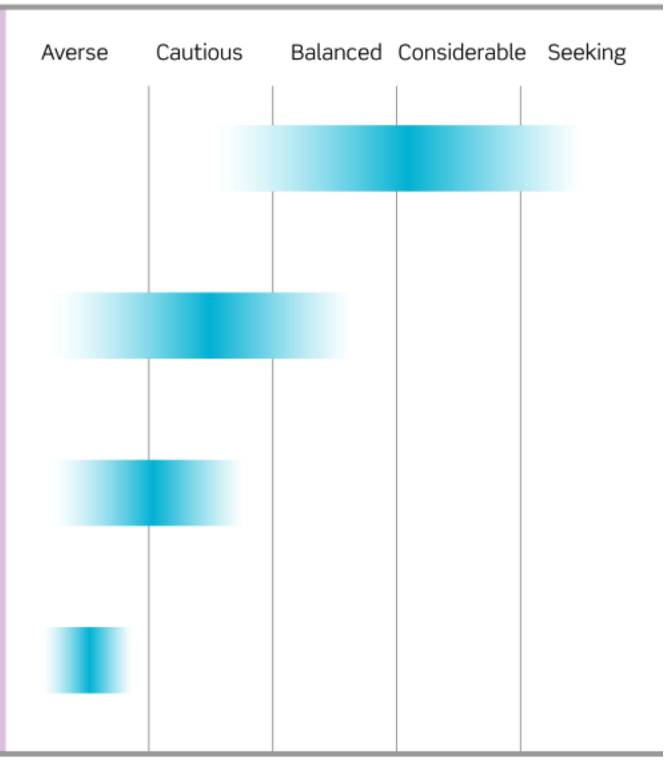
Risk appetite

Strategic
E.g. innovations, Incubator initiatives (algae, co-polymer platform), mergers and acquisitions, joint ventures etc.; balancing risk and rewards to achieve our strategic growth targets

Operations
E.g. business processes like sales, operations, procurement, finance, IT, HR; ensuring effective and efficient use of resources, with an averse appetite regarding safety risks

Reporting
E.g. reliability of reporting both internally and to external stakeholders

Compliance
E.g. compliance with applicable laws and regulations as well as internal Corbion requirements



A 1% change in net sales, costs, profit, and currency rates can have the following impact on EBITDA (in millions of euros).

	Change	Approx. EBITDA impact (millions of euros)
Net sales	+1% / -1%	+/- 4.8
Gross profit	+1% / -1%	+/- 3.2
Operating costs (= selling expenses + R&D costs + G&A expenses)	+1% / -1%	+/- 1.6
USD	+1% / -1%	+/- 1.5
JPY	+1% / -1%	+/- 0.2

Risk assessment

As an integral part of the strategy review, the Executive Committee annually performs an entity-wide risk assessment to assess the strategic risks, with a mid-year update for significant changes. Furthermore, risk assessment is an integral part of the project stage-gate methodology applied at Corbion for strategic initiatives and related investments.

Derived from the strategic risks, the Executive Committee selects a number of key management activities with an increased focus in 2021 on further strengthening our control framework. This is discussed with the Audit Committee and the Supervisory Board.

Operations, reporting, and compliance risks are considered throughout the organization, with ownership lying with the line organization (first line of defense). Risk committees have been established to monitor specific risks to stay within Corbion's risk appetite (Treasury Risk Committee, Commodity Pricing Risk Committee).

The financial reporting risks are assessed on a regular basis and the outcome of this assessment forms the input for the Corbion internal control framework over financial reporting (see section *Internal control systems*). For more information on financial risk management and financial instruments see Note 27 of the Financial statements.

Key risk areas

The table below summarizes the top risks that have the focused attention of the Executive Committee to support the realization of the strategic targets. For each risk the table lists the potential impact as well as a summary of mitigation measures taken to address them. There may be other risks currently unknown to Corbion, or currently believed not to be material, which could ultimately have a major impact on Corbion's business, objectives, revenues, income, assets, liquidity, or capital resources.

Corbion top risks

Risk event	Cause and potential impact	Mitigation actions
Strategic risks		
Capacity	Due to favorable developments of PLA and the lactic acid market, our lactic acid production facilities run at maximum capacity. Significant interruptions would immediately result in lost sales impacting the realization of the strategic goals.	The construction of a new lactic acid plant in Thailand has been announced. The plant will be operational mid-2023. Meanwhile, an extensive debottlenecking program is in place at existing lactic acid plants. In addition, we regularly expand our capacity incrementally in our derivatives plants. With sophisticated demand forecasting and sales & operations planning, Corbion is optimizing the allocation of products to ensure we can meet our customer needs. For measures to prevent business interruption, see the business interruption risk below.
COVID-19	Supply-chain disruption (inbound and outbound)	We are continuously managing our in- and outbound supply chain and taking appropriate action to mitigate risk. We have increased inventory levels of strategic raw materials and arranged for multi-sourced supply alternatives wherever possible.
	Cash flow issue Economic downturn Delayed customer payments	Our net debt/EBITDA ratio at the end of 2020 was 1.7x, well below the limits of our loan covenants. From a refinancing perspective our funding is secure. As a precautionary measure we have increased our cash balances by partially drawing on our revolving credit facility. Cash flow issues can occur when multiple customers do not pay or pay late; or when business is declining due to the economic downturn, or due to production disruption issues within Corbion (see below).
	Production disruption	Generally, the food and pharma businesses are relatively less sensitive to economic downturns, although the long-term consequences of the COVID-19 pandemic for future consumer behavior patterns are unknown. We increased our monitoring of business developments and payment behavior of customers to enable timely measures in case of worsening trends.
		Because of our position as a key supplier in the food and pharma supply chains, our plants in most countries are qualified as “essential,” enabling our people and contractors to come to the plant and continue their activities, and enabling us to serve our customers in the best possible way. We have taken all preventive measures to reduce contamination risk on the shop floor and ensured redundancy in our shift planning.
Competition	With lactic acid demand exceeding supply, the possibility of new market entrants increases.	By investing in R&D Corbion intends to keep its competitive edge. The gypsum-free lactic acid production technology is an example of the innovative strength of Corbion. In 2020 Corbion made the decision to build the first plant with gypsum-free technology, resulting in reduced production costs (operational mid-2023).

Algae Ingredients business development	Algae-based ingredients for food and feed offer a promising plant-based solution with a view to the increasing sustainability concerns and the potentially reduced availability of resources currently used. Algae-based solutions, however, are in an early stage of development. Significant efforts have to be made to reach the proper level of market adoption, especially because animal-based alternatives are still more economical.	Corbion's strategy is to develop new algae-based solutions with strong partners who have the power to increase market adoption. The performance of the algae business is closely monitored on executive level to enable timely action to support the realization of the strategic targets. For new algae-based solutions the same disciplined approach is followed as for business development in general as described below. Corbion managed to decrease production costs of AlgaePrima DHA to such a level as to price AlgaePrime DHA comparable to fish oil. Corbion anticipates this will further speed up the development of the algae-based omega-3 market.
Business development underperformance	Business development is one of the key drivers of Corbion's Creating Sustainable Growth strategy. Corbion is investing in new platforms of growth such as PLA, for which the pace of market adoption is inherently uncertain given the early development stage of these initiatives.	Corbion is following a disciplined investment approach to these major business development initiatives through actions like: - strict project management approach supported by a well-established stage-gate development methodology; - regular project status reviews with direct involvement at Executive Committee level; - alignment of investment pace with market development; - involvement of innovation / business partners to share business development risk and increase speed and likelihood of success.
Business interruption due to new ERP platform	Corbion embarked on a multi-year (2017 - 2022) project to replace the existing ERP systems by a new, global ERP platform (project CUBE, based on SAP S/4HANA). As this new system addresses nearly all of the core transactional processes, such transition if not prepared and/or managed well, could lead to major business interruptions.	Corbion considers project CUBE as one of the key initiatives for change management which will be implemented in the years to come. The project is staffed with dedicated experienced project management (resources from both internal and external system integrator), follows strict project governance procedures, and reports to an Executive Committee-led steering committee. After a careful preparation phase and rigorous testing phase, the new system is currently being implemented using a multi-year phased approach (region by region). The first implementation successfully took place in the second half of 2019 in Asia. COVID-19 caused a slight delay in the implementation schedule in 2020 thus extending the project into 2022.
Inability to find, develop, and retain skilled talent	To execute the Advance 2025 strategy, Corbion requires a pool of skilled talent. If Corbion in today's international labor market is not able to attract and retain skilled talent, the execution of the strategy may be delayed.	Corbion has robust compensation and performance management processes in place. Succession planning is embedded in Corbion to ensure a strong pool of talent for the key positions.
Raw material and energy price volatility and availability	Failure to manage the price volatility risk of raw materials, chemicals, and energy which cannot be directly passed on to customers due to market conditions or lack of contractual enforcement, may result in adversely impacted gross margins. Climate-change-related events may cause more volatility in respect of our key raw material components (sugar, corn).	The inclusion of price formulas in contracts, frequent monitoring of key materials and energy impact. Overall raw material risks are mitigated by actively taking longer-term contract positions where necessary, by sourcing from different locations/key raw materials, and in the longer run, by considering alternative or second-generation feedstocks. Our global procurement organization, with dedicated finance support, has developed adequate measures to secure contract positions and obtain financial instruments to minimize or delay exposure to cost fluctuations due to changing raw material prices that might impact our margins negatively. These measures include early warnings of possible impact on our organization and our customers. Furthermore, we have implemented a multiple-supplier sourcing policy for our most critical raw materials.
Changing customer behavior toward food and changing product regulations in all industries in which Corbion is active	Our industry is inherently subject to uncertainties including evolving diets, reflecting perceptions with respect to health and sustainability issues, and subsequent policy responses (regulations). The wide range of industries Corbion is serving add to the complexity.	Corbion works closely with its customers to identify trends and develop the right portfolio of solutions to address evolving trends. Corbion is well positioned having several biobased solutions for emerging trends and to address changing product regulations.

Operations risks		
Safety incidents	Inherent health and safety hazards in our operations and insufficient awareness of unsafe plant conditions can lead to injuries or casualties and, potentially, a temporary plant shutdown.	Safety is an integral part of new design and change in product formulations and production processes. A new policy focused on safety core beliefs, followed by participative workshops, and a program focused on life-changing safety rules, supported by e-learning and awareness campaigns have been rolled out. In 2020 Corbion continued the awareness campaigns, in addition to the roll-out of the ISO 45001 safety standards. Next to that, an external consultant assessed our safety culture and a roadmap was developed to further strengthen our safety performance. Corbion fosters an open and transparent culture by encouraging all employees to report, amongst others, all near misses and events in order to continuously improve our safety and environmental performance.
Food safety	Food safety is of utmost importance to Corbion. Customers need to fully trust the safety of our products. Any issue can have significant impact on the reputation of the company and can result in significant costs of resolving the issue (for example, in case of a major recall).	Corbion has comprehensive quality assurance and control processes in place to ensure food safety and to track and trace our products in case of any issue. Every site is certified for food safety. Where possible, liability caps are included in contracts. A product liability insurance is in place to cover part of the risk.
Business interruption	An external hazardous event (floods, riots, fires etc.) or internal disruption (e.g. availability of critical spare parts, global supply chain complexity etc.) may result in a significant period of plant shutdown or disruption and hence in delayed/non-delivery of our products to internal and/or external customers, ultimately leading to adverse financial and reputational consequences. Climate-change-related events may increase the risk of business or supply chain interruption.	Business continuity and crisis management plans including contingency sourcing are in place with ongoing evaluation, based amongst other things on highly credible incident identifications for each site. Furthermore, appropriate customer and supplier agreements are in place to limit exposure whilst leveraging supplies. Finally, residual risks are adequately insured including assets and business continuity risks.
Cybersecurity breach	A breach of our IT security might lead to loss of information.	We have implemented an IT governance structure including a dedicated corporate information security officer and an information security governance board. The IT general control framework has been updated including amended IT policies. On a frequent basis we perform penetration tests, helping us to identify and correct potential IT security weaknesses. The outcome of these tests helps us to further strengthen our IT security levels. In addition, we reduce our risk exposure by continuously raising IT security awareness with our people (e.g. through e-learning, communications). In 2020 we continued to have a strong IT control environment with our focus on timely application of patches, full implementation of multi-factor authentication, running a Security Operating Center, and segmentation of Corbion's IT network.
Confidential information leakage	Failure to protect sensitive information adequately due to limited physical protective measures, inadequate user behavior, or potential cyberattacks may result in loss of valuable or sensitive information such as trade secrets or intellectual property.	All mitigation actions mentioned above under *Cybersecurity breach* help keep our sensitive information confidential. As an additional manual control, non-disclosure agreements with third parties are in place.
Compliance risks		
Non-compliance with applicable tax laws	Failure to timely detect and anticipate changes in a wide variety of tax laws or in the application thereof could adversely affect our financial results.	An adequate quarterly reporting system is in place, we hold regular tax meetings, and review tax compliance of our operating companies. Our global tax control framework warrants compliance. Transfer pricing policy and documentation are in place as well. We seek the advice of external tax experts in compliance matters.
Non-compliance with legislative and regulatory environment	Failure to comply with (changing) laws and regulations in the markets we operate in. Lack of insight into and/or awareness of relevant laws and regulations and their requirements may result in suspension of activities, reputational damage, and exposure to criminal and financial lawsuits.	Global legal and regulatory compliance programs are in place, including related awareness trainings, and we monitor, review, and report on changes in laws and regulations. We seek the advice of external experts in compliance matters.

Reporting risks		
Volatility in currency exchange rates	Failure to manage volatility in the exchange rates of a number of currencies versus the euro, especially the US dollar, can have a significant impact on our financial results.	A hedging policy is in place to limit the impact of volatility in foreign exchange rates. Hedging the impact of the foreign currency translation risk is partly effectuated through matching with liabilities denominated in foreign currency. Our external debt is partly denominated in US dollars, which partly reduces the equity translation exposure we have against the US dollar. The exposure to transaction risks is partly hedged by offsetting the long/short foreign currency positions through a system of gradually selling and/or buying these currencies to mitigate the impact of sudden volatility in these currencies.
Non-compliance with International Financial Reporting Standards (IFRS)	Not informing our shareholders and other stakeholders in conformity with IFRS might lead to a lack of trust, reputational damage, a declining share price, and, possibly, legal claims.	Corporate accounting policies are maintained and made available via the Corbion intranet. Our global control framework includes financial reporting controls that warrant compliance with IFRS. For significant entities, the effectiveness is self-assessed every quarter. External best-in-class expert advice is used if/where necessary.

Internal control systems

Corbion applies the 3-lines-of-defense model for internal controls. The first line (line management) is responsible for the operational effectiveness of the internal control framework. The second line coordinates, advises, and monitors line management regarding their responsibilities for internal control. The third line is internal audit independently reviewing the control framework.

Our internal control framework is not limited to the elements outlined below as these are a summary of controls implemented at local and corporate levels. We apply several control elements of which the effectiveness is self-assessed or monitored by the second and third lines of defense.

Business control framework

Business controls cover a broad range of policies, procedures, systems, and other measures. They provide reasonable assurance on the effectiveness and efficiency of our operational processes and ensure the output is as expected to support the realization of the company strategy and objectives. On entity level, important elements of the framework are the business planning process and management review.

Business planning, budgeting, and management review
Based on Corbion's strategy and plans, targets are set for the annual budget. After determining these budgets, the 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 Executive Committee during quarterly business review meetings. The Executive Committee monitors business performance on a monthly and quarterly basis using a defined set of key performance indicators and reviews of actual results versus budgets, quarterly estimates, and the previous year.

Local entities are visited frequently. Operational management meets at least once a month to discuss their business activities and related risks, the actual performance versus budget, and other significant matters in their respective areas.

Legal and regulatory review
Local management is responsible for compliance with laws and regulations. The Legal and Compliance Department is consulted by local management on an ongoing basis. Every six months, local management reports the main open legal issues with a potential gross exposure of each exceeding € 100,000 to Corporate Legal and Corporate Finance.

Internal control framework over financial reporting

General
Corbion is committed to maintaining high-quality, reliable financial reporting, and a good control environment. All reporting entities assess the operational effectiveness of their financial closing and reporting processes, at mid-year and end-of-year, confirming compliance with the relevant guidelines and IFRS. This, together with the Letters of Representation, provides reasonable assurance on the integrity of our financial reporting. Self-assessment also includes tax governance and treasury internal controls.

During 2020, our main legal entities performed quarterly assessments of the design and implementation of their key financial process controls. Improvement recommendations based on audit and self-assessment findings are followed up by local management, the status of which is being monitored regularly by the Executive Committee.

Letters of Representation
Every six months, managing directors and finance directors of each reporting entity or, where applicable, other senior staff, provide a Letter of Representation to the Board of Management. This letter represents compliance with financial reporting and internal controls.

Tax principles
Corbion considers paying taxes an important part of our corporate social responsibility. Based on this and derived from our Code of Business Conduct as part of our corporate governance structure, we have adopted the following tax principles. These tax principles deal with all different types of taxes which we are obliged to report and pay in the jurisdictions in which we operate, including taxes on profits, value added taxes, wage taxes, duties, and various other taxes.

Tax strategy
Corbion's tax strategy follows from and is aligned with the Corbion business strategy and objectives and the Corbion values Care, Courage, Collaboration, and Commitment. The tax strategy is an integral part of the Corbion Tax Policy, which is updated annually and which is reviewed and approved by the Board of Management. Implementation and execution of the tax strategy is further monitored by the Audit Committee of the Supervisory Board and is discussed during regular meetings with the Audit Committee.

Business rationale and arm's length principle
We aim to pay the appropriate amount of tax depending on where value is created in each of the jurisdictions we operate in, following the normal course of commercial activity, and in accordance with domestic and international rules and standards. All our intercompany transfer pricing and policies are based on the "arm's length principle." Corbion abstains from setting up structures in countries on the EU list of non-cooperative tax jurisdictions or in countries which have been designated as uncooperative tax havens by the OECD Committee on Fiscal Affairs.

Relationship with tax authorities
We seek to develop mutually respectful relationships with the various national tax authorities based on trust and transparency. To accomplish this, we aim for an open and constructive dialogue with the various tax authorities on the basis of disclosure of all relevant facts and circumstances. Within this context, Corbion may negotiate advance tax rulings or advance pricing agreements on the tax treatment of specific transactions in order to obtain advance certainty on the relevant tax consequences. In the Netherlands we concluded a so-called tax covenant ("horizontal monitoring") with the Dutch tax authorities. Such covenant entails that the tax authorities can rely on Corbion to provide upfront disclosure of all relevant information, while it allows Corbion to get upfront confirmation of applicable tax treatment.

Tax governance
Within the governance framework, the conduct of the group's tax affairs and the management of tax risks are delegated to the group's tax department with support and assistance from the group and local finance departments. The group's tax affairs are carried out in line with the Corbion values, the Corbion Code of Business Conduct, and the Corbion Tax Policy. This also applies to potential ethical issues related to tax, which are covered by the Code of Business Conduct and the related annual training programs, and which can be addressed under the Corbion Speak Up Policy. The Audit Committee supervises the activities of the Board of Management with respect to the tax governance framework.

Compliance
We aim to act at all times in accordance with the letter and the spirit of all applicable tax laws in which we are guided by the relevant local and international standards. Compliance is monitored within a global tax control framework. Corbion complies with its statutory obligations and aims to file all required tax-relevant information with the appropriate tax authorities in a timely, transparent, and complete manner. Tax-related disclosures are made in accordance with the relevant domestic regulations, as well as applicable reporting requirements under IFRS.

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.

IT general control framework

An information technology general control (ITGC) framework is in place which ensures the proper management of IT governance in general, projects and programs, computer operations, and access management.

From an IT security perspective, the Information Security Board (including senior management) sets the IT security roadmap. Risk-reducing initiatives in the past years included amongst others a company-wide security awareness program, multi-factor authentication, penetration tests, yearly disaster recovery plan testing of selected systems, and implementation of a security policy and a Security Operating Center. In addition, Corbion continued to strengthen the network segmentation. In case of data security incidents, the Data Breach Committee is notified to ensure proper action and communication with authorities.

Audit

Internal audit
Internal audit supports the organization in accomplishing its objectives by providing a systematic, disciplined approach for the evaluation and improvement of the effectiveness of our internal control and governance processes. The Internal Audit Charter is approved by the Executive Committee, and the Audit Committee. The objective of internal audit is to provide a broad range of audit services designed to assist the Executive Committee in controlling the business operations. Internal audit evaluates risks and assesses that the controls in place are adequate to mitigate the risks identified by management, identifying best practices, and recommending improvement opportunities to management. The audit plan is prepared, discussed, and agreed with relevant stakeholders. The plan has a rolling character so changes in priorities may be applied and the audit plan is updated and discussed periodically at the Executive Committee and the Audit Committee. A summary of all audit reports and the follow-up of open internal audit items are reported to and discussed with the Executive Committee and Audit Committee on a regular basis.

External audit
Our external financial audit engagement ensures that our financial statements give a true and fair view of our financial position as at year-end and of our result and our cash flows for the year then ended. In 2020 the external auditor reviewed the sustainability indicators marked with "√ ". Contrary to the audit of our financial statements, this review is only aimed at obtaining a *limited* level of assurance.

Governance / risk management and responsibility statement

Corbion has defined a governance model that identifies clear reporting and accountability structures in line with the Dutch Corporate Governance Code. The Executive Committee is responsible for:

- identifying and analyzing the risks associated with Corbion's strategy and activities;
- establishing the risk appetite, as well as ensuring that mitigating measures are being put in place;
- the design, implementation, and operation of Corbion's internal risk management and control systems; and
- monitoring the operation of the internal risk management and control systems and assessing the design and effectiveness thereof.

The Board of Management discusses the effectiveness of the design and operation of the internal risk management and control systems with the Audit Committee and the Supervisory Board annually.

The Executive Committee carried out an assessment of the design and effectiveness of the internal risk management and control systems, covering strategic, operations, reporting, and compliance risks. Elements that were taken into account included reports from the internal audit function and the external auditor, findings reported under one of our control frameworks, matters reported by the Legal Department, and reports received under our Speak Up Policy. The outcome of this assessment was that no major failings in the internal risk management and control systems were observed in the reporting year, and that no significant changes have been made to these systems. Corbion is continuously strengthening its internal risk management and control systems by various improvement initiatives; no major improvements have been identified for 2021. In 2021, concurrently with the roll-out of the new ERP system (SAP), Corbion will assess the impact of the SAP implementation for Corbion’s control framework and implement improvements where possible by optimally using the application controls of SAP. The findings of the assessment have been discussed with the Audit Committee and the Supervisory Board.

Risk management statement

Corbion’s risk management and internal control systems are designed to identify in a timely manner the risks inherent to our strategic, operations, compliance, and reporting objectives and to determine appropriate risk responses as described above. Risk management and actions taken in the year under review were reported to and discussed by the Audit Committee and the Supervisory Board. Internal representations received from management, regular management reviews, evaluations of the design and implementation of our risk management and internal control systems, and business and Audit Committee reviews are an integral part of Corbion’s risk management approach.

It should be noted that the above does not imply that these systems and procedures provide absolute certainty as to the realization of strategic, operations, compliance, and reporting objectives, nor that they can prevent all misstatements, inaccuracies, errors, fraud, and non-compliance with laws and regulations.

On the basis thereof, and as explained in the section *Risk management* of the Annual Report, the Board of Management, with reference to best-practice provision 1.4.3 of the Dutch Corporate Governance Code, states that to the best of its knowledge:

- the Annual Report provides sufficient insight into material failings in the effectiveness of the internal risk management and control systems;
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- the Annual Report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the Annual Report.

Responsibility statement

With reference to Section 25c Subsection 2 sub c of Chapter 5 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*), the Board of Management states that to the best of its knowledge:

- the Financial Statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position, and earnings of Corbion and its group companies included in the Financial Statements; and
- the Annual Report gives a true and fair view of the position of Corbion as at the balance sheet date, the developments during the financial year of Corbion and its group companies included in the Financial Statements, and a description of principal risks that Corbion faces.

Amsterdam, the Netherlands, 4 March 2021

Board of Management
Olivier Rigaud, Chief Executive Officer
Eddy van Rhede van der Kloot, Chief Financial Officer

Corbion's response to COVID-19: Asia

Throughout the COVID-19 pandemic, we have seen our colleagues respond to challenges creatively, finding ways to gather safely, share experiences virtually, and support each other and our communities in difficult and stressful times. All of our work lives look different. Our cameras are switched on in online meetings. Employees in our plants and labs go beyond their usual duties to help colleagues. When someone recognizes a need, they take responsibility for seeing that need met, demonstrating courage, commitment, and caring.

The canteen at our Rayong site took steps to create safer conditions for our employees during COVID-19 by limiting service to employees only. But getting through a tough, planned two-week outage required the help of many contractors, so the canteen vendor prepared approximately 2,000 meal boxes and provided them free of charge each day to make sure our contractors were healthy, happy, and well-fed.

In view of alcohol shortages (and skyrocketing market prices), our labs in Rayong took the initiative to produce and supply hand gel for the entire site. Community Relations Officer K. Chalisa Pookang saw an opportunity to extend that support to people in local villages who were interested in making the gel themselves. K. Chananchida Khommuangpak, Senior Lab Analyst, prepared ingredients for locals weekly, and a training clip created by Corbion was uploaded to the community's Facebook page.

Sander van der Linden - Site Director - member Corona Crisis Team Rayong, Thailand

A lot is going on at the site, with our capacity expansion project, next to ramping up the plant to maximum capacity and embedding CUBE in our day-to-day life. During certain periods more than 1,000 construction workers were on site, and we had to prepare for an outbreak, taking every precaution to prevent it. Thailand closed its borders and therefore we had to build up new equipment ourselves; it was like building with Legos and reading instructions from the box. But we did it, even without flying in the equipment experts from our suppliers who would normally do the job.

It has been a true team effort from everyone at the site, and clearly, there have been extra-challenging circumstances for people in their private lives; home schooling creates stress if you also must do your work in the same house. Having kids at home because schools are closed, and still coming to the plant to get the work done... the commitment demonstrated by our workers has been really amazing, and people across Corbion have been very caring and appreciative.

Frank Goovaerts - VP regional sales APAC - member Corona Crisis Team Singapore

We had the advantage of having time to prepare well in Singapore; we were still in the office in March, when China, Korea, and Japan were in lockdown already. We were able, for example, to figure out solutions to make working from home successful, such as bringing printers to customer service colleagues at home. Our teams have really pulled together across the region; we had weekly calls to help us keep spirits high. Working from home has gone well, but has its good and bad sides. We do seem to work long hours, sometimes starting at 7 in the morning and staying behind the laptop until 8 p.m. On the other hand, we spend much more time with the family and less time traveling. That part is fantastic.

Report of the Supervisory Board

The Supervisory Board supervises and advises the Board of Management and Executive Committee in performing their management tasks and setting the direction of the business of Corbion. In performing its duties, the Supervisory Board is guided by the interests of the company and its stakeholders. The Rules of the Supervisory Board are available on Corbion's website.

Overview 2020

Due to the COVID-19 pandemic, 2020 has been an unprecedented and very challenging year. The pandemic had a huge impact on everybody's personal life and business situation. As from the start of the pandemic, the Supervisory Board has been in close and frequent contact with the Board of Management and Executive Committee to offer its support and to be kept informed. The Supervisory Board is impressed by how the Executive Committee and the rest of the organization dealt with this crises: protecting the health and safety of our people as our first priority, working very hard to achieve continuity in raw-material supply, production, and timely transportation to our customers.

In March 2020, Corbion presented its strategy for the period 2020-2025: Advance 2025. As our portfolio is well aligned with global market trends, the strategy builds on Corbion's fundamentals and strengths by bringing further focus to the business portfolio. This will be achieved by increased investments in key growth areas such as natural food preservation and lactic acid, while at the same time reducing the breadth of our business portfolio. Given our purpose "Championing preservation in all its forms: preserving food and food production, health, and the planet", sustainability will become even more important in all our decision-making processes.

With the updated strategy, the organizational structure was also updated introducing three business units. As a result, the Executive Committee was further strengthened with the appointment of two new members. Marco Bootz (former Senior Vice President Sales EMEA and SVP Biochemicals) was appointed as President Lactic Acid & Specialties, while Ruud Peerbooms (former Senior Vice President Food) was appointed as President Algae Ingredients. The Supervisory Board is pleased to welcome Marco and Ruud to the Executive Committee; they bring in-depth knowledge of the global Corbion business as well as the leadership qualities to successfully execute our growth agenda in the coming years.

To further strengthen our market and technology leadership position in an attractive growth market, Corbion announced to build a new lactic acid plant at the existing Corbion site in Rayong Province in Thailand. The new plant will be based on our innovative and proprietary gypsum-free technology. This new technology will further enhance our position as lowest-cost producer of lactic acid at the highest sustainability standards.

Furthermore, Corbion and Total announced their intention to build a new PLA bioplastics plant in France through their Total Corbion PLA joint venture, being the first world-scale PLA production facility in Europe.

Mrs. Ilona Haaijer was appointed by the General Meeting of Shareholders in June 2020 as member of the Supervisory Board. The Supervisory Board is pleased that Mrs. Haaijer further strengthens its expertise with her in-depth knowledge of the global food and ingredients industries, and her appointment also further enhances the diversity of the Board.

From a financial perspective, 2020 was an outstanding year. Organic net sales growth for the Core activities was 7%, which is at the top of the target range of 4-7%, and which was supported by the business units Sustainable Food Solutions, Lactic Acid & Specialties, and Incubator (AlgaPrime DHA). Adjusted EBITDA for Corbion increased by 8.8% to € 158.8 million.

Especially in such a challenging year, the Supervisory Board would like to thank the Executive Committee and all Corbion employees around the world for their care, commitment, resilience, and hard work in 2020.

Composition of the Supervisory Board

Members of the Supervisory Board are Mathieu Vrijsen (Chairman), Rudy Markham (Vice-Chairman), Liz Doherty, Ilona Haaijer, Jack de Kreij, and Steen Riisgaard. Brief resumes of the members of the Supervisory Board are available under the section *Corporate governance/Supervisory Board* of the Annual Report. The profile and diversity policy of the Supervisory Board are available on Corbion's website.

Rudy Markham was re-appointed as member of the Supervisory Board at the annual General Meeting of Shareholders on 29 June 2020. He was appointed for a new term of two years, as this is his fourth term. The reasons for the re-appointment of Rudy Markham were that during his previous terms, he has made an important contribution to the Supervisory Board's work, amongst others as chairman and vice-chairman of the Supervisory Board, chairman of the Remuneration Committee, and member of the Appointment and Governance Committee. The general and financial knowledge and the broad and international background of Rudy Markham in the context of a major listed internationally operating company are of great value to Corbion and contribute to a well-balanced composition of Corbion's Supervisory Board.

On 29 June 2020 Stefanie Schmitz and Ilona Haaijer were appointed by the General Meeting of Shareholders as Supervisory Board members. On 14 September 2020 it was announced that for unforeseen personal health reasons Stefanie Schmitz had decided to resign from the Supervisory Board with immediate effect. The Supervisory Board fully respects her decision and sincerely thanks Stefanie Schmitz for her contribution to Corbion.

At the annual General Meeting of Shareholders in 2020 it was announced that Mr. Jack de Kreij will step down from the Supervisory Board at the AGM on 19 May 2021 after 10 years of distinguished service to the company as Supervisory Board member and Chairman of the Audit Committee. The Supervisory Board has benefited immensely from his strategic thinking, deep financial experience and expertise coupled with his long experience as Executive Vice Chairman of a major Dutch international company. He has made a lasting impact on the successful development of Corbion. The Supervisory Board would like to sincerely thank Jack de Kreij for his contributions to Corbion during his 10 years of service and wishes him all the best in his future endeavors. Mrs. Liz Doherty will be succeeding Mr. De Kreij as Chair of the Audit Committee.

In the opinion of the Supervisory Board, the independence requirements referred to in best-practice provisions 2.1.7 to 2.1.9 of the Dutch Corporate Governance Code have been fulfilled.

Diversity and competence matrix for the Supervisory Board

	M. Vrijsen	R. Markham	L. Doherty	I. Haaijer	J. de Kreij	S. Riisgaard
Diversity						
Nationality	Dutch	British	British	Dutch	Dutch	Danish
Year of birth	1947	1946	1957	1969	1959	1951
Gender	M	M	F	F	M	M
Competences						
Company | Geographical						
Listed company experience	x	x	x	x	x	x
Worked in businesses comparable to Corbion: (food) ingredients and biochemicals	x	x		x		x
International experience	x	x	x	x	x	x
Lived in other geographical area	x	x	x	x		x
Functional management						
General management	x	x	x	x	x	x
Strategy development	x	x	x	x	x	x
Commercial experience				x		x
Finance/IT		x	x		x	
Internal audit			x		x	
Operations/Manufacturing	x			x		x
R&D/Innovation	x	x		x		x
Human resources	x			x		x
Sustainability	x	x		x		x
Governance/Compliance	x	x	x	x	x	x
Risk management	x	x	x	x	x	x

Meetings of the Supervisory Board

During the year under review the Supervisory Board held six regular meetings. Due to COVID-19 restrictions the Supervisory Board could not meet in person as from March and, as a consequence, five meetings were held online. Two physical meetings were held in relation to the updated long-term strategy, Advance 2025. Next to these, nine other conference-call meetings were held, most of which had (the impact of) COVID-19 as main subject. The Board of Management attended these meetings. The Supervisory Board also met regularly in the absence of the Board of Management to discuss, amongst others, developments in the financial results and the composition and functioning of the Supervisory Board and Board of Management. Members of the Supervisory Board regularly met with the members of the Executive Committee, business leaders, and members of corporate staff. The external auditor attended the meeting of 6 March 2020, at which the 2019 Annual Report and Financial Statements were recommended for adoption by the annual General Meeting of Shareholders.

The Chairman and Vice-Chairman of the Supervisory Board regularly met with the CEO and CFO either in person or by phone, for bilateral discussions about the progress of the company on a variety of matters.

Attendance at the in-person meetings held in 2020 was 100%. Attendance at the conference-call meetings was almost 100%; Steen Riisgaard was not able to attend one meeting. He provided his input beforehand to the Chairman of the Supervisory Board. As in previous years all members of the Supervisory Board were able to make themselves sufficiently available to give adequate attention to the needs of Corbion.

Activities of the Supervisory Board

The discussions at the Supervisory Board meetings covered frequently recurring topics, such as reports of its committees, strategy, developments in financial results, business developments, quarterly interim management statements, acquisitions and divestments, key investments, annual budget, internal risk management and control systems, succession planning of the Supervisory Board and Board of Management, remuneration for the members of the Board of Management, corporate governance, investor relations, culture and values, the Science Based Target, the Financial Statements, and the Annual Report. In addition, the Supervisory Board discussed (the impact of) COVID-19, the ERP migration project, the construction of a new lactic acid plant, and the construction of a second PLA plant for the joint venture with Total.

The Supervisory Board has been closely involved in the strategy review that was initiated by the CEO, and resulted in the presentation of the updated long-term strategy at the Capital Markets Day in March 2020. The draft strategy update and the principal risks associated with it have been discussed in several meetings. Constructive discussions were held with the Executive Committee and the Supervisory Board played an active role in challenging and testing the ideas of the Executive Committee, subsequently the Supervisory Board approved the updates strategy Advance 2025.

Due to COVID-19 restrictions the Supervisory Board and the Executive Committee did not visit any Corbion plants in 2020.

Evaluation

The Supervisory Board conducted a self-evaluation of its own functioning, the functioning of its committees, and that of its members. Included was also its relation to and with the Board of Management and its members. This was done by means of structured interviews with all members of the Supervisory Board. A report of the evaluation, including observations, recommendations, and the implementation of the agreed 2020 attention areas, was discussed by the Supervisory Board. General observations are in line with previous years indicating an open and constructive interaction between members of the Supervisory Board focused on the business at hand and taking timely decisions when required. The Supervisory Board feels sufficiently informed and involved by the Board of Management, and is positive about the interaction and dynamics while the committees function as expected with experienced Supervisory Board members. The self-evaluation underlined the importance of aligned priorities between the Supervisory Board and

Board of Management, especially in view of the updated strategy and the implementation thereof. The main topics for the 2021 agenda are geared toward safety, monitoring and evaluating the implementation of the updated strategy and the key strategic projects and initiatives, monitoring the business progress of Algae Ingredients, innovation portfolio, and prepare for the further succession planning of the Supervisory Board.

The Board of Management also conducted a self-evaluation of the functioning of the Board of Management and that of its members. Included was also its relation to and with the Supervisory Board and its members. This was done by means of in-depth structured interviews with all members of the Board of Management. General observations are that the members of the Board of Management are positive about their overall performance, that the size and composition of the Executive Committee are appropriate, and that there is a right balance between distance and involvement with the Supervisory Board. The main topics for the 2021 agenda are fully in line with the agenda of the Supervisory Board and geared at safety, executing the updated strategy Advance 2025, business progress of Algae Ingredients, development of the commercial and innovation pipeline, and the implementation of the new ERP system.

Committees of the Supervisory Board

The Supervisory Board has appointed from among its members an Audit Committee, a Remuneration Committee, an Appointment and Governance Committee, and a Science and Technology Committee. The committees' role is to prepare the decision-making of the Supervisory Board. The charters of the committees are available on Corbion's website.

Audit Committee

The members of the Audit Committee are Jack de Kreij (Chairman), Liz Doherty, and Ilona Haaijer. In 2020 the Audit Committee met six times in the presence of the external auditor, the CFO, the VP Group Finance, and the Senior Director Internal Audit. Other heads of departments (e.g. Treasury, Tax, Legal, and IT) were invited when the Audit Committee deemed it necessary and appropriate. The Audit Committee also held private individual meetings with respectively the CFO, the Senior Director Internal Audit, and the external auditor. The attendance rate at the meetings held in 2020 was 100%. Due to COVID-19 restrictions the Audit Committee could not meet in person as from March and, as a consequence, five meetings were held online.

The agenda at the Audit Committee meetings covered, amongst other subjects, annual and half-year figures, interim management statements, accounting matters, IFRS changes, sustainability reporting, internal risk management and control systems, tax matters (including tax control framework), financing, treasury and insurance, pensions, IT (including cybersecurity), the ERP migration project, status of legal claims and litigations, status of the Business Conduct program, notifications received under the whistleblower procedure, monitoring the business progress of Algae Ingredients, internal audit plan, the management letter, reports of the internal and external auditors, and (the impact of) COVID-19. Furthermore, several presentations by members of the Executive Committee and other representatives of the organization were held regarding business updates and certain key risks for Corbion.

The core task of the Audit Committee was to extensively review the financial reports and budget before consideration by the full Supervisory Board. Both Jack de Kreij and Liz Doherty continued to act as financial experts (as defined in Clause 2.6 of the Charter of the Audit Committee). The effectiveness of the Audit Committee was reviewed as part of the 2020 overall evaluation of the Supervisory Board confirming that the Audit Committee continues to function in line with the requirements in this respect.

The Audit Committee closely monitors the independence of the external auditor. It evaluates the performance of the external auditor on a yearly basis and where appropriate recommends to the Supervisory Board the replacement of the external auditor. Furthermore, the Audit Committee submits a proposal to the Supervisory Board with respect to the fees for all audit services to be performed by the external auditor as requested by the Board of Management.

Appointment and Governance Committee

The Appointment and Governance Committee consists of Mathieu Vrijsen (Chairman), Rudy Markham, and Steen Riisgaard. The Appointment and Governance Committee met five times in 2020 in the presence of the Chief Human Resources Officer and the Company Secretary. The CEO was invited to join certain parts of these meetings. The attendance rate at the meetings held in 2020 was 100%. Due to COVID-19 restrictions the Appointment and Governance Committee could not meet in person as from March and, as a consequence, four meetings were held online.

The Appointment and Governance Committee discussed, amongst other subjects, the size and composition of the Supervisory Board and the Board of Management, the succession plans for the Supervisory Board (including transition periods) and the members of the Board of Management and Executive Committee, the performance of the Board of Management and its members, talent management, succession planning for senior management, people strategy, culture and values, the profile of the Supervisory Board, and the diversity policy for the Supervisory Board and Executive Committee, as well as governance matters.

Remuneration Committee

The Remuneration Committee consists of Rudy Markham (Chairman), Mathieu Vrijsen, and Steen Riisgaard. The Remuneration Committee met five times in 2020 in the presence of the Chief Human Resources Officer and the Company Secretary. The CEO was invited to join certain parts of these meetings. The attendance rate at the meetings held in 2020 was 100%. Due to COVID-19 restrictions the Remuneration Committee could not meet in person as from March and, as a consequence, four meetings were held online.

The Remuneration Committee discussed, amongst other subjects, the remuneration report, the remuneration for the members of the Board of Management, the level of achievement of the 2019 Short-Term Incentive Plan (STIP) targets for the members of the Board of Management, the progress of the 2020 STIP targets and the targets of the running Long-Term Incentive Plan (LTIP) programs, and the target setting for the STIP 2021 and LTIP 2020-2023. The members of the Board of Management gave a view on their own remuneration and the remuneration levels of the Executive Committee were reviewed. The Remuneration Committee, having obtained the appropriate external advice, worked on proposals for a new remuneration policy both for the Board of Management and the Supervisory Board, which were adopted at the annual General Meeting of Shareholders in June 2020.

Science and Technology Committee

The Science and Technology Committee consists of Steen Riisgaard (Chairman), Ilona Haaijer, and Mathieu Vrijsen. The Science and Technology Committee met three times in 2020 in the presence of the Chief Science and Technology Officer, other members of the Executive Committee, and members of the R&D leadership team. The attendance rate at the meetings held in 2020 was 100%. Due to COVID-19 restrictions the Science and Technology Committee could not meet in person as from March and, as a consequence, two meetings were held online.

The agenda at these meetings covered, amongst other subjects, the Advance 2025 strategy and the pathways for innovation, the updated R&D organization, Lactic Acid & Specialties and its key R&D projects, Sustainable Food Solutions and its key R&D projects, Algae Ingredients and its key R&D projects, and external technology trends.

Financial Statements 2020

The Financial Statements prepared by the Board of Management for the financial year 2020 have been audited by KPMG Accountants N.V. The auditor's findings on the Financial Statements have been discussed with the Board of Management, the Audit Committee, and the Supervisory Board. The Supervisory Board has accepted the Financial Statements and recommends that they be adopted by the General Meeting of Shareholders. The members of the Supervisory Board have signed the Financial Statements pursuant to their statutory obligation under Section 101 Subsection 2 of Book 2 of the Dutch Civil Code.

Amsterdam, the Netherlands, 4 March 2021

Supervisory Board
Mathieu Vrijsen, Chairman
Rudy Markham, Vice-Chairman
Liz Doherty
Ilona Haaijer
Jack de Kreij
Steen Riisgaard

Remuneration report

Remuneration Board of Management

Remuneration policy and its implementation in 2020

To ensure Corbion's development as a successful sustainable ingredient solutions company, the objective of the remuneration policy for the Board of Management is to create internationally competitive remuneration packages and employment conditions, which align the interests of the Board of Management with the strategic direction and horizon of the company, with a strong emphasis on performance-related pay and long-term value creation. The policy is in place since 2020 following approval by the annual General Meeting of Shareholders in that same year. The full remuneration policy is available on our website. This section describes how the remuneration policy has been implemented in 2020.

The implementation of the remuneration policy contributes to long-term value creation, as the long-term incentive for the Board of Management is aimed at longer-term value creation in line with stakeholder interests, measured over a performance period of three calendar years. To ensure that short-term performance also leads to sustainable long-term value creation, the short-term and long-term incentive performance metrics are aligned (with the long-term incentive having two additional metrics). The reward for long-term performance is deliberately set higher than the short-term award to emphasize the priority of value creation and sustainability for the long term. In implementing the remuneration policy scenario analyses have been taken into consideration.

Remuneration reference levels

The total remuneration levels – base salary, benefits allowance, short-term incentive, and long-term incentive – are based on a combined international reference group of more than twenty companies, selected based on size, all within the international guidelines as set by leading shareholder advisors (ISS). Included are nine European biotechnology companies that are active in the same or comparable industries as the company. In addition, eleven Dutch general industry companies have been selected that operate within the same governance system and societal context. Every two years a reference check is performed to independently benchmark the total compensation levels against market levels.

Base salary

Members of the Board of Management are entitled to a base salary. Based on median market data the base salary for the CEO will be set between € 525,000 and € 625,000. For the CFO base pay is set between € 325,000 and € 425,000. The Supervisory Board will review these ranges every two years and adjust them if the median market data of the reference group justifies any such adjustment. The individual pay of the Board members will be determined by the Supervisory Board within the boundaries of the above ranges (from time to time), based on personal performance delivery. There are no automatic annual increases in the base salary levels.

As per 1 April 2020, the annual base salary for Olivier Rigaud (CEO) amounted to € 550,000 and that for Eddy van Rhede van der Kloot (CFO) amounted to € 400,000.

Benefits allowance

Corbion does not provide (social) benefits such as a company car, individual retirement, medical or life insurance to members of the Board of Management. Therefore, and in accordance with the management services agreements, each member of the Board of Management is provided with a benefits allowance. This is a fixed annual amount of € 200,000 for the CEO and € 150,000 for the CFO to cover the cost of these types of expenses.

Short-Term Incentive Plan (STIP)

Entitlements and performance measures
Members of the Board of Management are eligible for a short-term incentive. The STIP rewards operational execution and is aimed at strengthening and growing the Corbion business. The short-term incentive is paid out in cash. In case of additional overperformance the STIP part related to that is paid out in Corbion shares which are subject to a three-year lock-up period. The STIP pay-out at-target level is set at 60% of base salary for the CEO, and 50% for the CFO.

The performance measures are organic net sales growth, adjusted EBITDA (both as defined in the remuneration policy), and sustainability. Organic net sales growth and adjusted EBITDA each account for a weight of 40%. The remaining 20% is determined by sustainability targets which are in line with Corbion's focus areas, being safety performance and sustainability performance (verified responsibly sourced sugar, reduction of GHG emissions, % of products covered by sustainability assessment (Life Cycle Assessment), and Total Recordable Injury Rate).

Performance targets and pay-out levels
Annually, at the beginning of the year, the Supervisory Board sets a target level for each performance measure, based on previous-year performance, the annual budget, and the longer-term strategic plan. A threshold performance level is determined below which no pay-out is granted and a maximum performance level where maximum pay-out is reached.

The performance levels and performance bandwidths are as follows.

Metric	Performance level	Performance bandwidth*
Adjusted EBITDA	Threshold – maximum	Linear between 90% - 110% of at-target performance
	Overperformance	Linear between 110% - 120% of at-target performance
Organic net sales growth	Threshold – maximum	Linear with a range of 600 bps around at-target performance (equally divided below and above at-target)
	Overperformance	Linear up to 300 bps above maximum performance level
Sustainability	Threshold	1 out of the 4 targets is met
	Target	2 out of the 4 targets are met
	Maximum	3 out of the 4 targets are met
	Overperformance	All 4 targets are met

* *The Supervisory Board may determine narrower percentage ranges.*

Pay-out for STIP 2020
For 2020, the Supervisory Board applied the performance bandwidth as stated above. An actual pay-out level of 135% has been achieved for organic net sales growth, 169.2% for adjusted EBITDA, and 150% for sustainability. This has led to a total pay-out of 151.7% of the at-target STIP for both Olivier Rigaud and Eddy van Rhede van der Kloot. This resulted in (i) a payment in cash of € 475,200 for Olivier Rigaud and € 288,000 for Eddy van Rhede van der Kloot, and (ii) a payment in shares of 537 shares for Olivier Rigaud (representing a value of € 25,410 at the time of vesting (based on a vesting price of € 47.35) and 325 shares for Eddy van Rhede van der Kloot (representing a value of € 15,400 at the time of vesting (based on a vesting price of € 47.35).

Long-Term Incentive Plan (LTIP)

Entitlements and performance measures
Members of the Board of Management are eligible for a long-term incentive. The LTIP is aimed at long-term value creation in line with the interests of all Corbion's stakeholders, measured over a performance period of three calendar years. The long-term incentive is paid out in Corbion shares which are subject to a shareholding requirement. Each year members of the Board of Management are entitled to a conditional grant of shares. The value of the conditional grant is 120% of base salary for the CEO, and 100% for the CFO.

The performance measures are relative total shareholder return (TSR) (30%), organic net sales growth (25%), adjusted EBITDA (20%), sustainability (12.5%), and return on capital employed (ROCE) (12.5%).

Performance targets and pay-out levels
Prior to each conditional grant the Supervisory Board sets target levels for the performance measures TSR, organic net sales growth, adjusted EBITDA, ROCE, and sustainability (verified responsibly sourced sugar, reduction of GHG emissions, % of products covered by sustainability assessment (Life Cycle Assessment), and Total Recordable Injury Rate). A threshold performance level is determined below which no pay-out is granted and a maximum performance level where maximum pay-out is reached.

The performance levels and performance bandwidths are as follows.

Metric	Performance level	Performance bandwidth*
TSR	Threshold – maximum	See below
Adjusted EBITDA	Threshold – maximum	Linear between 75% - 125% of at-target performance
Organic net sales growth**	Threshold – maximum	Linear with a range of 600 bps around at-target performance (equally divided below and above at-target)
ROCE***	Threshold – maximum	Linear between 75% - 125% of at-target performance, whereby the threshold level will be set at the weighted average of the pre-tax WACC(s) as reported in the annual report
Sustainability	Threshold	1 out of the 4 targets is met
	Target	2 or 3 out of the 4 targets are met
	Maximum	All 4 targets are met

* *The Supervisory Board may determine narrower percentage ranges.*
** *The performance over a 3-year period will be calculated as the average of the annual organic net sales growth rates as reported in the respective annual reports for those 3 years.*
*** *The performance over a 3-year period will be calculated as the average of the annual ROCE results as reported in the respective annual reports for those 3 years.*

For relative TSR performance, threshold pay-out is set at meeting the eighth position in the peer group. Target pay-out is achieved at the fourth and fifth position in the peer group and maximum pay-out is achieved at reaching the first and second position in the peer group. The following table illustrates the ranking and the corresponding vesting percentage.

Ranking	1	2	3	4	5	6	7	8	9-16
Percentage of TSR-metric-linked performance shares vesting	150%	150%	125%	100%	100%	75%	50%	50%	0%

At the end of the three-year performance period, relative TSR performance of the company versus the TSR peer group will be independently assessed by a leading bank in the Netherlands.

Pay-out for the LTIP 2017-2020 series and granted shares for the LTIP 2020-2023 series
The number of conditionally granted but not yet vested shares as per 1 January 2020 for each of the members of the Board of Management is as follows.

Name, position	Specification of the plan	Shares awarded, not vested per 1 January 2020
O. Rigaud, CEO	LTIP 2017-2020	0
E. van Rhede van der Kloot, CFO		11,772
O. Rigaud, CEO	LTIP 2018-2021	0
E. van Rhede van der Kloot, CFO		12,259
O. Rigaud, CEO	LTIP 2019-2022	20,865
E. van Rhede van der Kloot, CFO		12,140

The LTIP 2017-2020 series was based on the following performance measures: EBITDA (60%), Earnings per Share (EPS) (20%), and TSR (20%). For the LTIP shares conditionally granted under this plan to Eddy van Rhede van der Kloot, an actual pay-out level of 83.3% has been achieved for the EBITDA target, 67.1% for EPS, and 75% for TSR as Corbion ranked 6th in the peer group. This has led to a total pay-out of 78.4% of the at-target LTIP for Eddy van Rhede van der Kloot. The number of vested shares received by Eddy van Rhede van der Kloot is 9,229 representing a value of € 318,409 at the time of vesting (based on a vesting price of € 34.50). Eddy van Rhede van der Kloot used the option of selling shares to finance the income tax due on the vested shares.

The number of performance shares conditionally granted to Olivier Rigaud in 2020 (possible vesting in 2023) is 22,260 representing a value of € 660,009 at the time of the grant (based on a grant price of € 29.65). The number of performance shares conditionally granted to Eddy van Rhede van der Kloot in 2020 (possible vesting in 2023) amounts to 13,491 representing a value of € 400,008 at the time of the grant (based on a grant price of € 29.65).

The overview below shows the number of conditionally granted but not yet vested shares as per 31 December 2020 for each of the members of the Board of Management, the grant price of the granted shares, and the remaining vesting period.

Name, position	Specification of the plan	Grant price	Shares awarded, not vested per 31 December 2020	Vesting date
O. Rigaud, CEO				
E. van Rhede van der Kloot, CFO	LTIP 2018-2021	25.45	12,259	May 2021
O. Rigaud, CEO			20,865	
E. van Rhede van der Kloot, CFO	LTIP 2019-2022	26.36	12,140	May 2022
O. Rigaud, CEO			22,260	
E. van Rhede van der Kloot, CFO	LTIP 2020-2023	29.65	13,491	May 2023

Overview remuneration

The total annual remuneration for the Board of Management in 2020 amounted to € 2.4 million including STIP over 2020 (2019: € 1.5 million excluding former CEO; € 3.7 million including former CEO). The table below shows the amounts the respective member of the Board of Management (i) received/was entitled to in 2020 (base salary, STIP, benefits allowance) and (ii) received/was entitled to in 2020 by way of vesting (LTIP).

Thousands of euros	Year	Base salary	STIP	LTIP	Benefits allowance	Other compensation	Relocation	Total
O. Rigaud*, CEO	2020	550	501		200			1,251
	2019	275	151		100		30	556
E. van Rhede van der Kloot, CFO	2020	400	303	318	150			1,171
	2019	398	160	283	150			991
Total	**2020**	**950**	**804**	**318**	**350**			**2,422**
Total	**2019**	**673**	**311**	**283**	**250**		**30**	**1,547**

* *Olivier Rigaud as of 1 July 2019*

The ratio between the fixed remuneration (base salary and benefits allowance) versus the variable remuneration (STIP, LTIP, and other compensation) is for Olivier Rigaud 60% versus 40% (based on the at-target amounts, it would have been 43% versus 57%), and for Eddy van Rhede van der Kloot 47% versus 53%.

The table below shows the remuneration costs based on the applicable IFRS standard and does not necessarily reflect the actual amounts paid.

	IAS 24.17 category	Short-term employee benefits		Share-based payments	Post-employment benefits	Other long-term benefits	Termination benefits	Total
Thousands of euros	2020	Base salary*	STIP	LTIP	Pension benefits	Other benefits	Termination benefits	
O. Rigaud		760	501	369				1,630
E. van Rhede van der Kloot		560	303	363				1,226
Total Board of Management		**1,320**	**804**	**732**				**2,856**
T. de Ruiter		323	171	279	13			786
Total former Board of Management		**323**	**171**	**279**	**13**			**786**

	IAS 24.17 category	Short-term employee benefits		Share-based payments	Post-employment benefits	Other long-term benefits	Termination benefits	Total
Thousands of euros	2019	Base salary*	STIP	LTIP	Pension benefits	Other benefits	Termination benefits	
O. Rigaud **		410	151	135				696
E. van Rhede van der Kloot		558	160	428				1,146
Total Board of Management		**968**	**311**	**563**				**1,842**
T. de Ruiter		811	784	875				2,470
Total former Board of Management		**811**	**784**	**875**				**2,470**

* *Base salary also includes social security contributions and compensation, mainly allowances for expenses*
** *Olivier Rigaud as of 1 July 2019*

The total remuneration for each (former) member of the Board of Management complies with the remuneration policy for the Board of Management, as it stays within the boundaries of this policy and no deviations from this policy have been applied. Members of the Board of Management are on the payroll of Corbion nv; they did not receive any remuneration from a subsidiary or other company whose financials are consolidated by Corbion nv. Corbion does not grant loans, advances, or guarantees to members of the Board of Management. Corbion did not revise or claw back any variable remuneration. No severance payment has been made to members of the Board of Management.

Internal pay ratios and five-year performance overview

In line with good corporate governance practices regarding remuneration policies, Corbion measures the internal pay ratios within the company on a yearly basis. More specifically, Corbion has calculated the pay ratio of the Board of Management relative to the average company employee. For the Board of Management, the total remuneration cost (based on IFRS) is used. The average remuneration of all Corbion employees is calculated as the total remuneration of all Corbion employees on IFRS basis (see Note 6 to the consolidated financial statements) divided by the average number of Corbion employees on an FTE basis. The average number of FTEs is calculated on a monthly basis. The average remuneration of all Corbion employees in 2020 amounted to € 87,415 (2019: € 81,934).

For the CEO, the pay ratio to the average employee is 18.6 (2019: 16.6 on an annualized basis as he started on 1 July 2019) and for the CFO it is 14.0 (2019: 14.0).

The overview below shows, for the last five financial years, the total remuneration (based on IFRS) of the former CEO (as the current CEO started in July 2019, information relating to the former CEO is used), the CFO, the average remuneration of all Corbion employees, the internal pay ratios, and the adjusted EBITDA and EPS of Corbion.

Name, position	2016	2017	2018	2019	2020
O. Rigaud, CEO (A)*					1,629 (20%***)
E. van Rhede van der Kloot, CFO (B)	896 (14%)	989 (10%)	788 (-20%)	1,146 (45%)	1,226 (7%)
T. de Ruiter, (former) CEO (C)**	2,280 (0%)	2,273 (0%)	1,805 (-21%)	2,470 (37%)	
Average salary employees (D)	85 (1%)	82 (-3%)	77 (-6%)	82 (6%)	87 (7%)
Internal pay ratio (A/D)				16.6***	18.6
Internal pay ratio (B/D)	10.6	12	10.2	14	14
Internal pay ratio (C/D)	26.9	27.6	23.4	30.1	
Adjusted EBITDA	170.1 (13%)	164.1 (-4%)	131.6 (-20%)	145.9 (11%)	158.8 (9%)
EPS	1.74 (35%)	1.46 (-16%)	0.93 (-36%)	0.44 (-53%)	1.24 (182%)

* *Olivier Rigaud as of 1 July 2019*
** *Tjerk de Ruiter until 8 August 2019*
*** *On an annualized basis as Olivier Rigaud started on 1 July 2019*

Shares in the capital of the company

As at 31 December 2020, Corbion had a capital interest of 0.63%, amounting to 371,121 shares. In 2020, Corbion has neither issued new shares nor repurchased shares for the LTIP programs for the Board of Management and (senior) management and there are no intentions to that effect in 2021.

Share plans for employees

Corbion has an LTIP program for (senior) management, composed of around 66 employees, and an LTIP program for the Executive Committee members (not being members of the Board of Management). The long-term incentive covers a performance period of three calendar years. The LTIP performance measures are the same as for the Board of Management: TSR (30%), organic net sales growth (25%), adjusted EBITDA (20%), sustainability (12.5%), and ROCE (12.5%). For (senior) management, 30% of the total LTIP is not performance related and is only restricted to continued employment for three years.

The total number of conditionally granted but not yet vested shares as per 1 January 2020 for (senior) management and Executive Committee members (not being members of the Board of Management) is as follows.

Specification of the plan	Shares awarded, not vested per 1 January 2020
LTIP 2017-2020	75,320
LTIP 2018-2021	78,272
LTIP 2019-2022	83,263

The LTIP 2017-2020 series was based on the following performance measures: EBITDA (60%), Earnings per Share (EPS) (20%), and TSR (20%). For the LTIP shares conditionally granted under this plan to the employees jointly, an actual pay-out level of 83.3% has been achieved for the EBITDA target, 67.1% for EPS, and 75% for TSR as Corbion ranked 6th in the peer group. This has led to a total pay-out of 78.4% of the at-target LTIP for the Executive Committee members (not being members of the Board of Management). As 30% of the total LTIP is not performance related and is only restricted to continued employment for three years, the actual pay-out for (senior) management is 84.9%. The total number of vested shares received by (senior) management and Executive Committee members (not being members of the Board of Management) is 57,654 representing a value of € 1,989,063 at the time of vesting (based on a vesting price of € 34.50).

The total number of performance shares conditionally granted to (senior) management and Executive Committee members (not being members of the Board of Management) in 2020 (possible vesting in 2023) is 90,037 representing a value of € 2,669,597 at the time of the grant (based on a grant price of € 29.65).

The table below shows the number of conditionally granted but not yet vested shares as at 31 December 2020 for (senior) management and Executive Committee members (not being members of the Board of Management) jointly, the grant price of the granted shares, and the remaining vesting period.

Specification of the plan	Grant price	Shares awarded, not vested per 31 December 2020	Vesting date
LTIP 2018-2021	25.45	72,877	May 2021
LTIP 2019-2022	26.36	74,978	May 2022
LTIP 2020-2023	29.65	85,136	May 2023

Remuneration for the Supervisory Board

Total remuneration for members of the Supervisory Board in 2020 amounted to € 0.4 million (2019: € 0.4 million).

Each member of the Supervisory Board receives an annual base fee of € 50,000; the Vice-Chairman receives € 60,000 and the Chairman € 70,000.

For membership of the Audit Committee an additional fee of € 10,000 applies and for the Chairman € 15,000. Members of the Appointment and Governance Committee, Remuneration Committee, or Science and Technology Committee receive an additional € 7,000 in fee; the fee for the Chairman of these committees amounts to € 9,000. In addition, members receive reimbursement of expenses.

Breakdown remuneration Supervisory Board

	IAS 24.17 category	Short-term employee benefits *)		Total
Thousands of euros	**Year**	**Base fee**	**Committee fee**	
M. Vrijsen, Chairman (Chairman Appointment and Governance Committee / member Remuneration Committee / member Science and Technology Committee)	2020	70	23	93
	2019	70	23	93
R. Markham, Vice-Chairman (Chairman Remuneration Committee / member Appointment and Governance Committee)	2020	60	16	76
	2019	60	16	76
L. Doherty (member Audit Committee)	2020	50	10	60
	2019	50	10	60
I. Haaijer (member Audit Committee/ member Science and Technology Committee) (started 29 June 2020)	2020	25	4	29
	2019			
S. Schmitz (member Audit Committee) (started 29 June 2020; stepped down as of 14 September 2020	2020	15	0	15
	2019			
J. de Kreij (Chairman Audit Committee)	2020	50	15	65
	2019	50	15	65
S. Riisgaard (Chairman Science and Technology Committee / member Remuneration Committee / member Appointment and Governance Committee)	2020	50	23	73
	2019	50	23	73
	Total 2020	**320**	**91**	**411**
	Total 2019	**280**	**87**	**367**

* *Excluding expenses*

Members of the Supervisory Board are neither entitled to variable remuneration nor to shares in the company or any option rights relating thereto. The total remuneration for each (former) member of the Supervisory Board complies with the remuneration policy for the Supervisory Board, as it stays within the boundaries of this policy and no deviations from this policy have been applied. Members of the Supervisory Board are on the payroll of Corbion nv; they did not receive remuneration from a subsidiary or another company whose financials are consolidated by Corbion nv. Corbion does not grant loans, advances, or guarantees to members of the Supervisory Board.

Remuneration former member of the Board of Management

Mr. Tjerk de Ruiter stepped down as CEO and Chairman of the Board of Management as at 8 August 2019. The contract of assignment with Mr. De Ruiter expired on 12 May 2020.

For the STIP, an actual pay-out level of 135% has been achieved for organic net sales growth, 169.2% for adjusted EBITDA, and 150% for sustainability. This has led to a total pay-out of 151.7% of the at-target STIP for Tjerk de Ruiter (pro-rata entitlement). This resulted in (i) a payment in cash of € 162,000 and a payment in shares of 183 shares (representing a value of € 8,663 at the time of vesting (based on a vesting price of € 47.35)

The LTIP 2017-2020 series was based on the following performance measures: EBITDA (60%), Earnings per Share (EPS) (20%), and TSR (20%). For the LTIP shares conditionally granted under this plan to Tjerk de Ruiter, an actual pay-out level of 83.3% has been achieved for the EBITDA target, 67.1% for EPS, and 75% for TSR as Corbion ranked 6th in the peer group. This has led to a total pay-out of 78.4% of the at-target LTIP for Tjerk de Ruiter. The number of vested shares received by Tjerk de Ruiter is 18,491. Tjerk de Ruiter used the option of selling shares to finance the income tax due on the vested shares.

The table below shows the amounts which Tjerk de Ruiter (i) received/was entitled to in 2020 (base salary, STIP, benefits allowance) and (ii) received/was entitled to in 2020 by way of vesting (LTIP).

Thousands of euros	Year	Base salary	STIP	LTIP	Benefits allowance	Special share award	Other compensation	Relocation	Total
T. de Ruiter (former CEO)	2020*	225	171	591	75			40	1,102
	2019	600	284	555	200		500		2,139

* *Until 12 May 2020*

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Consolidated income statement

Millions of euros	**Note**	**2020**	**2019**
Net sales	*4*	986.5	976.4
Costs of raw materials and consumables		-479.3	-484.7
Production costs		-168.8	-196.8
Warehousing and distribution costs		-68.6	-61.2
Cost of sales		**-716.7**	**-742.7**
Gross profit		**269.8**	**233.7**
Selling expenses		-62.7	-67.9
Research and development costs		-37.2	-48.1
General and administrative expenses		-79.9	-79.1
Other proceeds	*3*	14.1	22.7
Operating result		**104.1**	**61.3**
Financial income	*7*	3.0	3.8
Financial charges	*7*	-23.9	-18.4
Results from joint ventures and associates	*13*	4.5	-2.0
Result before taxes		**87.7**	**44.7**
Income tax expense	*8*	-14.6	-18.9
Result after taxes		**73.1**	**25.8**
Result attributable to non-controlling interests			
Result attributable to equity holders of Corbion nv		**73.1**	**25.8**
Per ordinary share in euros	*9*		
Basic earnings		1.24	0.44
Diluted earnings		1.23	0.43

Consolidated statement of comprehensive income

Millions of euros	Note	2020	2019
Result after taxes		**73.1**	**25.8**
Other comprehensive results to be recycled to the income statement			
Foreign operations – foreign currency translation differences	19	-70.6	17.2
Net investment hedge – net movement	19	17.1	-2.8
Hedge reserve	19	5.3	5.3
Taxes relating to other comprehensive results to be recycled to the income statement	19	-2.7	-0.6
Total other comprehensive results to be recycled to the income statement		**-50.9**	**19.1**
Other comprehensive results not to be recycled to the income statement			
Remeasurement defined benefit arrangements	21	-5.1	-6.2
Taxes relating to other comprehensive results not to be recycled to the income statement		0.1	
Total other comprehensive results not to be recycled to the income statement		**-5.0**	**-6.2**
Total other comprehensive results		**-55.9**	**12.9**
Total comprehensive result after taxes		**17.2**	**38.7**
Comprehensive result attributable to non-controlling interests			
Comprehensive result attributable to equity holders of Corbion nv		**17.2**	**38.7**

Consolidated statement of financial position

Before profit appropriation, millions of euros	Note	As at 31-12-2020	As at 31-12-2019
Assets			
Property, plant, and equipment	*10*	355.4	368.2
Right-of-use assets	*11*	51.1	64.8
Intangible fixed assets	*12*	165.7	172.9
Investments in joint ventures and associates	*13*	15.3	16.6
Long-term employee benefits	*21*	15.1	18.2
Other non-current financial assets	*14*	73.7	67.2
Deferred tax assets	*22*	13.1	10.7
Total non-current assets		**689.4**	**718.6**
Inventories	*15*	164.8	163.2
Trade receivables	*16*	123.7	124.2
Other receivables	*16*	31.4	37.3
Income tax receivables		1.8	2.1
Cash and cash equivalents	*17*	51.6	45.7
Assets held for sale	*18*	11.8	
Total current assets		**385.1**	**372.5**
Total assets		**1,074.5**	**1,091.1**
Equity and liabilities			
Equity	*19*	**516.0**	**529.1**
Borrowings	*23*	239.5	113.0
Lease liabilities	*11*	44.9	55.9
Long-term employee benefits	*21*	6.4	7.9
Deferred tax liabilities	*22*	15.3	13.4
Other non-current liabilities	*24*	18.5	24.1
Total non-current liabilities		**324.6**	**214.3**
Borrowings	*23*	42.4	169.8
Lease liabilities	*11*	9.0	10.3
Provisions	*20*	8.7	6.2
Income tax payables		9.1	4.3
Trade payables		99.4	94.3
Other current liabilities	*25*	64.2	62.8
Liabilities directly associated with assets held for sale	*18*	1.1	
Total current liabilities		**233.9**	**347.7**
Total liabilities		**558.5**	**562.0**
Total equity and liabilities		**1,074.5**	**1,091.1**

Consolidated statement of changes in equity

Before profit appropriation, millions of euros	Note	Share capital	Share premium reserve	Other reserves	Retained earnings	Total
As at 1 January 2019		14.8	55.2	71.0	379.2	520.2
Result after taxes 2019					25.8	25.8
Other comprehensive result after taxes 2019				19.1	-6.2	12.9
Total comprehensive result after taxes 2019				**19.1**	**19.6**	**38.7**
Cash dividend					-32.9	-32.9
Share-based remuneration transfers	*29*			-1.9	1.0	-0.9
Share-based remuneration charged to result	*29*			4.0		4.0
Transfers to/from Other reserves	*19*			-0.1	0.1	
Total transactions with shareholders				**2.0**	**-31.8**	**-29.8**
Total increase (decrease) in equity				**21.1**	**-12.2**	**8.9**
As at 31 December 2019		**14.8**	**55.2**	**92.1**	**367.0**	**529.1**
Result after taxes 2020					73.1	73.1
Other comprehensive result after taxes 2020				-50.9	-5.0	-55.9
Total comprehensive result after taxes 2020				**-50.9**	**68.1**	**17.2**
Cash dividend					-33.0	-33.0
Share-based remuneration transfers	*29*			-2.6	1.4	-1.2
Share-based remuneration charged to result	*29*			3.9		3.9
Transfers to/from Other reserves	*19*			-0.1	0.1	
Total transactions with shareholders				**1.2**	**-31.5**	**-30.3**
Total increase (decrease) in equity				**-49.7**	**36.6**	**-13.1**
As at 31 December 2020		**14.8**	**55.2**	**42.4**	**403.6**	**516.0**

Consolidated statement of cash flows

Millions of euros	Note	2020	2019
Cash flow from operating activities			
Operating result		**104.1**	**61.3**
Adjusted for:			
• Depreciation/amortization of (in)tangible fixed assets	*6*	60.3	61.5
• Impairment of fixed assets	*10/12*	1.3	41.5
• Result from divestments of fixed assets		0.1	0.2
• Result remeasurement of the sales price of the subsidiary Total Corbion PLA (Thailand) Limited to the joint venture Total Corbion PLA bv	*3*	-12.9	
• Result from past-service gain due to change in indexation CSM UK pension scheme	*21*		-8.0
• Reversal contingent liability	*3*		-14.8
• Share-based remuneration		3.9	4.0
Total adjustments to reconcile operating result with net cash generated by (used for) operating activities		**52.7**	**84.4**
Cash flow from operating activities before movements in working capital and provisions		**156.8**	**145.7**
Movement in provisions		-1.1	-8.5
Movements in operating working capital:			
• Trade receivables		-10.7	-2.6
• Inventories		-17.2	-3.5
• Trade payables		13.5	4.9
Movements in other working capital		-12.1	-8.1
Cash flow from business operations		**129.2**	**127.9**
Interest received		1.3	0.5
Interest paid		-10.8	-10.0
Tax paid on profit		-10.7	-4.0
Cash flow from operating activities		**109.0**	**114.4**
Cash flow from investment activities			
Acquisition of group companies	*26*		-28.5
Investment joint ventures and associates			-0.9
Dividends received from joint ventures and associates		4.4	1.3
Investment other financial assets		-0.1	-6.2
Repayment other financial assets		7.6	5.7
Capital expenditure on (in)tangible fixed assets		-88.9	-76.2
Divestment of (in)tangible fixed assets		0.1	
Cash flow from investment activities		**-76.9**	**-104.8**
Cash flow from financing activities			
Proceeds from interest-bearing debts		145.7	40.0
Repayment of interest-bearing debts		-125.9	-9.6
Payment of lease liabilities		-10.7	-9.5
Paid-out dividend		-33.0	-32.9
Cash flow from financing activities		**-23.9**	**-12.0**
Net cash flow		**8.2**	**-2.4**
Effects of exchange rate differences on cash and cash equivalents		-2.3	1.0
Increase/(decrease) cash and cash equivalents		**5.9**	**-1.4**
Cash and cash equivalents at start of financial year		45.7	47.1
Cash and cash equivalents at close of financial year	*17*	51.6	45.7

Notes to the consolidated financial statements

1. Accounting information

General

Corbion is the global market leader in lactic acid and lactic acid derivatives, and a leading company in emulsifiers, functional enzyme blends, minerals, vitamins, and algae ingredients.
The company delivers high-performance sustainable ingredient solutions made from renewable resources and applied in global markets such as food, home & personal care, animal nutrition, pharmaceuticals, medical devices, and bioplastics. Its products add differentiating functionality to a wide variety of consumer products worldwide.

Corbion is based in Amsterdam, the Netherlands and listed on Euronext Amsterdam.

These consolidated financial statements cover the year 2020, which ended at the balance sheet date of 31 December 2020. The consolidated financial statements drawn up by the Board of Management have been approved by the Supervisory Board on 4 March 2021. They will be presented to the annual General Meeting of Shareholders for adoption on 19 May 2021. The Supervisory Board will give a preliminary recommendation regarding the consolidated financial statements to the annual General Meeting of Shareholders.

Reported amounts

Unless stated otherwise all amounts in the financial statements are reported in millions of euros.

Exchange rates of main currencies in euros

	Average exchange rate 2020	Average exchange rate 2019	Exchange rate 31-12-2020	Exchange rate 31-12-2019
US dollar	1.14	1.12	1.23	1.12
Japanese yen	121.78	122.02	126.57	122.19
Brazilian real	5.88	4.42	6.36	4.51
Thai baht	35.68	34.76	36.77	33.47

2. Accounting principles

Basis of preparation

The consolidated financial statements of Corbion nv have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

New and amended standards adopted by the group

In 2020, Corbion applied all the new and amended standards and interpretations published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), if and insofar as these applied to Corbion and were effective as at 1 January 2020. Corbion did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by Corbion. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- IFRS 17 Insurance Contracts
- Amendments to IAS 1 Presentation of Financial Statements, IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements.

Consolidation

The consolidation includes the financial data of Corbion nv and its group companies (together “Corbion”). All inter-company receivables, debts, and transactions have been eliminated. Group companies are companies in which Corbion nv exercises control. The results of acquisitions and divestments are recognized from the moment that control is obtained or transferred.

Control is achieved when Corbion:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- is able to use its power to affect the investee’s returns.

Corbion reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When Corbion loses control over a group company, it derecognizes the assets and liabilities of the group company, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former group company is measured at fair value when control is lost.

Foreign currency

The consolidated financial statements are in euros. The euro is Corbion nv’s functional and presentation currency. The functional currency is the currency of the primary environment where the group company operates and may therefore differ from one company to another. Transactions in other than the functional currency are translated at the exchange rates that apply on the transaction date. Any monetary assets and liabilities resulting from such transactions are translated at the exchange rates as at the balance sheet date. Any exchange rate differences are recognized in the income statement, except when deferred in other comprehensive income (OCI) as qualifying cash flow hedges and net investment hedges.

The assets and liabilities of consolidated foreign group companies and the long-term foreign-currency loans, which have been taken out to finance these subsidiaries, are converted to euros as at the balance sheet date, taking taxes into account. The subsequent currency translation differences are incorporated in the translation reserve in equity. The results of the foreign group companies are translated to euros on the basis of average exchange rates. The difference between net profit on the basis of average exchange rates and net profit on the basis of the exchange rates as at the balance sheet date is incorporated in the translation reserve in equity. The same applies to exchange rate differences arising from borrowings and other financial instruments if they hedge the currency risk related to net investments. If a foreign operation is divested or scaled down the associated cumulative currency translation differences are recognized as result in the income statement.

Property, plant, and equipment

Land, buildings, machinery and equipment, and other operating assets are valued at the acquisition price or the cost of production, subject to straight-line depreciation calculated over the estimated economic life, the estimated residual value, and any accumulated impairment losses. The cost of production includes the cost of materials and direct labor and an attributable part of the indirect costs. Land and assets under construction are not depreciated. Grants are deducted from the acquisition price or the production costs of the assets to which the grant relates. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to Corbion. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

Leased assets and liabilities

At inception of a contract, the group assesses whether a contract conveys the right to control the use of an identified asset for a period in exchange for consideration, in which case it is classified as a lease.

The group recognizes a right-of-use asset (lease asset) and a lease liability at the lease commencement date. The asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received.

The lease asset is subsequently depreciated using the straight-line method from the commencement date to the end of the useful life of the right-of-use asset, considered to be indicated by the lease term. The lease asset is periodically adjusted for certain remeasurements of the lease liability and impairment losses (if any).

The lease liability is initially measured at the present value of outstanding lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, Corbion uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method and is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the group changes its assessment of whether it will exercise a purchase, extension, or termination option. A corresponding adjustment is made to the carrying amount of the right-of-use asset with any excess over the carrying amount of the asset being recognized in profit or loss.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss.

Intangible fixed assets

Goodwill
Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed. Goodwill is determined based on a comprehensive purchase price allocation analysis supported by subject matter expert calculations.

Goodwill is valued at cost less impairment. Goodwill is tested for impairment annually – or more often if there are indications for impairment. Impairment is the amount by which the book value of the goodwill of a cash-generating unit exceeds the recoverable amount, being the higher of (a) value in use and (b) fair value less cost to sell. The value in use is the present value of the cash flows which the unit is expected to generate. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. If impairment is incurred, the impairment is charged to the income statement. An impairment loss recognized for goodwill is not reversed in subsequent periods.

When an entity or activity is sold or closed down the goodwill allocated to the entity or activity is included in the calculations for the result of the sale.

Customer base
The customer base comprises the part of the paid acquisition sum which, upon acquisition, is allocated to the value of the acquired customer base. It is valued at fair value as at the acquisition date and amortized using a straight-line method over the estimated economic life. Amortization charges arising from the customer base are recognized in selling expenses.

Brands and licenses
Brands and licenses comprise the part of the paid acquisition sum which is allocated to the value of the acquired trademarks and product licenses. Brands and licenses are valued at fair value as at the acquisition date and subject to straight-line amortization calculated over the estimated economic life. Amortization charges arising from brands and licenses are recognized in selling expenses.

Research and development costs
Research and development costs comprise the part of the paid acquisition sum which is allocated to the value of the acquired research and development costs. These costs are valued at fair value as at the acquisition date. Own research costs are not capitalized, but charged to the income statement. Own development costs are capitalized if the appropriate criteria are met. Research and development costs are valued at cost and amortized using a straight-line method over the estimated economic life. Amortization charges arising from research and development costs are recognized in research and development costs.

Other intangible fixed assets
Other intangible fixed assets consist primarily of capitalized or acquired third-party software and licenses and directly attributable personnel costs.

Other intangible fixed assets are valued at historical cost if capitalized or at fair value if acquired and amortized on a straight-line basis over the estimated economic life. Software and licenses amortization charges are recognized in general and administrative expenses. Emission rights are not recognized in the statement of financial position as cost is zero.

Impairment of non-current assets other than goodwill

At each reporting date an assessment is made whether there is any indication that non-current assets may be impaired. If indicators of impairment exist, the recoverable amount of the asset is estimated.

If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which it belongs is estimated. Irrespective of whether there is any indication of impairment, Corbion also tests an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks inherent to the asset. An impairment loss is recognized in the income statement to the amount by which the asset's carrying amount exceeds its recoverable amount.

In subsequent years, an assessment is made whether indications exist that impairment losses previously recognized for non-current assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is recalculated and, if required, its carrying amount is increased to the revised recoverable amount. The increase is recognized in operating result as an impairment reversal. An impairment reversal is recognized only if it arises from a change in the assumptions that were used to calculate the recoverable amount. The increase in an asset's carrying amount due to an impairment reversal is limited to the depreciated amount that would have been recognized had the original impairment not occurred.

Investments in joint arrangements and associates

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. Joint operations arise where Corbion has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue, and expenses. Joint ventures arise where Corbion has rights to the net assets of the arrangement and therefore equity accounts for its interest.

Associates are entities over which Corbion has significant influence but not control, generally involving a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over those policies. Associates are accounted for using the equity method.

Under the equity method, investments in joint ventures and associates are measured initially at cost and subsequently adjusted for post-acquisition changes in Corbion's share of the net assets of the investment (net of any accumulated impairment in the value of individual investments). Where necessary, adjustments are made to the financial figures of joint ventures and associates for group reporting purposes to ensure consistency with the accounting policies of Corbion.

Unrealized gains on transactions between Corbion and its joint ventures and associates are eliminated to the extent of Corbion's stake in these investments. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

Deferred taxes

Deferred taxes relate to tax loss carry forward and liabilities and assets arising from temporary differences between the tax bases and their carrying amounts in the consolidated financial statements. Deferred taxes are determined using tax rates that have been enacted at the balance sheet date and are expected to apply when the related deferred income tax is realized or the deferred tax liability is settled. Deferred tax assets are recognized if and insofar that it is likely that future taxable profit will be available against which the temporary difference and tax loss carry forward can be utilized.

Tax assets and liabilities are netted when there is a legal right and the intention to offset. Deferred tax assets and liabilities with the same term and relating to the same fiscal unities and same tax authority are offset against each other.

Inventories

Inventories of raw materials, consumables, technical materials, and packaging are stated at the lower of cost (first in, first out) and net realizable value. Inventories of work in progress and finished products are stated at the lower of production cost and net realizable value. Total cost of production includes payroll costs and materials and an attributable part of the indirect production costs.

Financial instruments

Recognition and initial measurement
Trade receivables and debt securities issued are initially recognized upon origination. All other financial assets and financial liabilities are initially recognized when Corbion becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement of financial assets
On initial recognition, a financial asset is classified as measured at amortized cost, at fair value through other comprehensive income ("FVOCI") – debt investment, at FVOCI – equity investment, or at FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless Corbion changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, Corbion may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI (see above) are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and never reclassified to profit or loss.

Classification and subsequent measurement of financial liabilities
Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, if it is a derivative, or designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition
Financial assets
Corbion derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction through which substantially all of the risks and rewards of ownership of the financial asset are transferred or through which Corbion neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

If, however, Corbion enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities
Corbion derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired. Corbion also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting
Corbion holds derivative financial instruments to hedge its foreign currency and commodity risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

Corbion designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates, commodities, and certain non-derivative financial liabilities that hedge the foreign exchange risk associated with a net investment in a foreign operation.

At inception of designated hedging relationships, Corbion documents the risk management objective and strategy for undertaking the hedge. Corbion also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the hedge reserve in equity. The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedge reserve and the cost of the hedge reserve are included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedge reserve and the cost of the hedge reserve are reclassified to profit or loss for the period(s) in which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument expires, is sold, terminated, or exercised, hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedge reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss for the period(s) in which the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, the amounts that have been accumulated in the hedge reserve and the cost of the hedge reserve are immediately reclassified to profit or loss.

Net investment hedges
When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge for a net investment in a foreign operation, the effective portion, for a derivative, of changes in the fair value of the hedging instrument or, for a non-derivative, of foreign exchange gains and losses is recognized in other comprehensive income and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognized immediately in profit or loss. The amount recognized in other comprehensive income is reclassified to profit or loss as a reclassification adjustment upon disposal of the foreign operation.

Equity

Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as an equity deduction, net of tax. The price paid for repurchased shares (treasury shares) is deducted from equity until the shares are cancelled or reissued. Dividend to be distributed to the holders of ordinary shares is recognized as a liability upon approval of the profit appropriation by the annual General Meeting of Shareholders.

Corbion runs share plans for the Board of Management and Senior Management. The fair value of the right to shares on the date of allocation is recognized in the income statement as payroll costs over the vesting period of the awards with a corresponding increase in equity.

Pension and other post-employment benefits

Pension and early-retirement schemes
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate pension plan or insurance company and will have no legal or constructive obligation to pay further amounts. Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable), and the return on plan assets (excluding interest), are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income for the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past-service costs are recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current-service cost, past-service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurements

The first two components of defined benefit costs are presented in profit or loss. Curtailment gains and losses are accounted for as past-service costs.

The retirement benefit obligation in the consolidated statement of financial position represents the actual deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Corbion accounts for its multi-employer defined benefit plan as if it were a defined contribution plan for the following reasons:

- Corbion is affiliated to an industry-wide pension fund and uses the pension scheme in common with other participating companies.
- Under the regulations of the pension plan, the only obligation these participating companies have towards the pension fund is to pay the annual premium liability. Participating companies are under no obligation whatsoever to pay off any deficits the pension plan may incur. Nor have they any claim to any potential surpluses.

Other long-term employee benefit commitments
The other long-term employee commitments relate mainly to anniversary commitments, past-service commitments, conditional incentive plans, and health insurance. These provisions are recognized on the basis of estimates that are consistent with the estimates used for the defined benefit obligations. However, all actuarial gains and losses are recognized in the income statement immediately.

Provisions

Provisions relate to a legal or constructive obligation as a result of a past event, the amount of which is uncertain but can be estimated reliably and of which it is more likely than not that an outflow of resources is required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flow at a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the liability.
A provision for reorganization is recognized after Corbion has approved a detailed and formal restructuring plan and the restructuring has either commenced or been announced publicly.
A provision for a legal claim is recognized if a reliable estimate can be made of the expected

outcome of the claim, measuring the claim as a weighting of all possible outcomes against their probabilities. A provision for an onerous contract is recognized when the expected benefits to be derived from the contract are lower than the unavoidable costs of fulfilling its terms and conditions. Unless the possibility of an outflow of resources embodying economic benefits is remote, a contingent liability is disclosed at the balance sheet.

Liabilities

Interest-bearing liabilities are recognized initially at fair value and subsequently at amortized cost using the effective interest method. Upon sale or settlement of interest-bearing liabilities any profits or losses are directly recognized in the income statement.

Segment reporting

An operating segment is an entity that engages in business activities from which it earns revenues and incurs expenses. All operating segments are reviewed regularly by the Board of Management to make decisions about resources to be allocated to the segments and assess their performance for which discrete financial information is available.

Net sales

Net sales comprises the proceeds of goods delivered to third parties less discounts and value-added tax.

Revenue from the sale of goods in the normal course of business is recognized at a point in time when the performance obligation is met and based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of the consideration to which the company expects to be entitled in exchange for transferring the promised goods to the customer. The consideration expected by the company may include fixed and/or variable amounts which can be impacted by sales returns, trade discounts, and volume rebates. Revenue from the sale of goods is recognized when control of the asset is transferred to the buyer and only when it is highly probable that a significant reversal of revenue will not occur as uncertainties related to a variable consideration have been resolved.

Costs of raw materials and consumables

Costs of raw materials and consumables relate to the cost of consumption of raw materials, consumables, and packaging materials.

Costs of raw materials and consumables are recognized in the income statement when the risks and rewards of ownership of the goods sold have been transferred to a party outside the group. These costs include the purchase price of all raw materials, consumables, and all directly attributable costs.

Production costs

Production costs are the costs relating to production operations.

Warehousing and distribution costs

Warehousing and distribution costs relate to the costs of warehousing and transport, including transport insurance.

Selling expenses

Selling expenses relate to the costs of marketing and sales.

General and administrative expenses

General and administrative expenses relate to the costs of administration, management, and IT.

Financial income and charges

Financial income comprises interest income on cash and cash equivalents and interest income on loans to other parties. Interest income is recognized in the period to which it relates, using the effective interest method.

Financial charges comprise interest expenses and exchange differences on borrowings, leases, impairments of available-for-sale assets, and other financial expenses. All borrowing costs are recognized in the income statement using the effective interest method.

Income taxes

Tax on the result is calculated on the basis of the result before taxes, taking account of untaxed profit elements, non- and part-deductible costs, and fiscal facilities. The prevailing nominal tax rates are applied. Non-recoverable withholding taxes on foreign dividends are taken into account.

Taxes in the income statement for the year comprise current and deferred taxes. Taxes are recognized in the income statement unless they relate to items directly recognized in equity or other comprehensive income. Current tax is the expected tax rate payable on the taxable income for the year, using statutory tax rates at the balance sheet date, and any adjustment to tax payable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. Corbion measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Cash flow statement

The consolidated cash flow statement is drawn up using the indirect method. The items in the consolidated income statement and consolidated statement of the financial position have been adjusted for changes that do not impact cash inflow and outflow in the reporting year. Cash flows in foreign currencies are translated to the functional currency at the average foreign exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case cash flows are translated at the rate on the dates of the transactions.

Critical accounting estimates and judgments

Corbion makes use of accounting estimates and judgments. The inputs into our estimates and assumptions consider the economic implications of COVID-19 on our critical accounting estimates. Corbion believes that the critical accounting estimates and assumptions are appropriate in light of the increased uncertainties surrounding the severity and duration of the impact of COVID-19 and will continue to monitor the impacts of COVID-19 and incorporate them into accounting estimates. Described below are the estimates and judgments as at the balance sheet date that carry a substantial risk of a material adjustment to the book value of assets and liabilities in the next financial year.

Acquisitions
Corbion has a process in place to identify all assets and liabilities acquired, including intangible fixed assets. The judgments made in identifying all acquired assets, determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact the results of operations. Estimated fair values are based on information available around the acquisition date and on expectations and assumptions of anticipated discounted cash flows that have been assessed as reasonable by Corbion.

Goodwill impairment
Every year, Corbion tests the goodwill for impairment based on the higher of fair value less cost to sell and the value-in-use method. The value in use is calculated on the basis of estimates and judgments of the expected cash flows which are discounted on a WACC basis. For a description of the main estimates, valuation assumptions, and a sensitivity analysis of the applied assumptions see Note 12.

Valuation and impairment testing (in)tangible fixed assets
(In)tangible fixed assets are tested for sustained impairment if there is an indication of possible impairment. This applies to intangible assets with indefinite useful lives or assets not yet available for use. A key factor is the recoverable amount which is calculated on the basis of estimates and assumptions of anticipated discounted cash flows, on the one hand, and an estimate of the fair value less cost to sell, on the other.

Pension and early-retirement schemes
Actuarial calculations are used to determine provisions for group personnel arrangements and net receivables or obligations from group pension plans. These calculations use assumptions in respect of future developments in salary, mortality, staff turnover, return on investments et cetera. Changes to these estimates and assumptions can lead to actuarial gains and losses which are recognized in the consolidated statement of comprehensive income. For more information on the applied assumptions see Note 21.

Taxes
Corbion is subject to various tax systems across the world. Estimates and judgments are used to determine the tax items in the financial statements. Interpretation differences in tax liabilities are also taken into account. For more information on taxes see Note 22.

3. Consolidated income statement adjustments

The adjusted consolidated income statement for financial years 2020 and 2019 (non-IFRS financial measures) can be presented as follows.

	2020			2019		
	Adjusted figures	Adjustments	IFRS figures	Adjusted figures	Adjustments	IFRS figures
Net sales	986.5		986.5	976.4		976.4
Costs of raw materials and consumables	-475.2	-4.1	-479.3	-482.2	-2.5	-484.7
Production costs	-166.8	-2.0	-168.8	-160.7	-36.1	-196.8
Warehousing and distribution costs	-68.6		-68.6	-61.2		-61.2
Gross profit	**275.9**	**-6.1**	**269.8**	**272.3**	**-38.6**	**233.7**
Selling expenses	-62.0	-0.7	-62.7	-67.4	-0.5	-67.9
Research and development costs	-37.2		-37.2	-40.6	-7.5	-48.1
General and administrative expenses	-78.2	-1.7	-79.9	-79.3	0.2	-79.1
Other proceeds		14.1	14.1		22.7	22.7
Operating result	**98.5**	**5.6**	**104.1**	**85.0**	**-23.7**	**61.3**
Less: depreciation/amortization/impairment (in)tangible fixed assets	60.3	1.3	61.6	60.9	42.1	103.0
EBITDA	**158.8**	**6.9**	**165.7**	**145.9**	**18.4**	**164.3**
Depreciation/amortization/impairment (in)tangible fixed assets	-60.3	-1.3	-61.6	-60.9	-42.1	-103.0
Operating result	**98.5**	**5.6**	**104.1**	**85.0**	**-23.7**	**61.3**
Financial income	3.0		3.0	3.8		3.8
Financial charges	-22.2	-1.7	-23.9	-18.4		-18.4
Results from joint ventures and associates	10.5	-6.0	4.5	-2.0		-2.0
Result before taxes	**89.8**	**-2.1**	**87.7**	**68.4**	**-23.7**	**44.7**
Taxes	-12.9	-1.7	-14.6	-22.4	3.5	-18.9
Result after taxes	**76.9**	**-3.8**	**73.1**	**46.0**	**-20.2**	**25.8**

Adjustments relate to significant items in the income statement of such size, nature, or incidence that in view of management require disclosure to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. These items include amongst others write-down of inventories to net realizable value, reversals of write-downs, impairments, reversals of impairments, additions to and releases from provisions for restructuring and reorganization, results on assets sold, gains on the sale of subsidiaries, joint ventures and associates, and any other provision being formed or released. Restructuring costs are defined as the estimated costs of initiated reorganizations, which have been approved by the Executive Committee, and which generally involve the realignment of certain parts of the organization. The company only adjusts for items when the aggregate amount of the events per line item of the income statement exceeds a yearly threshold of € 0.5 million as well as adjustments, each above € 0.1 million, in relation to previously recognized adjustments.

In 2019, total adjustments of € 20.2 million were recorded, consisting of the following components:

1. Loss of € 41.4 million related to an impairment in our Algae Ingredients business.
2. Gain of € 14.7 million related to a remeasurement of the anticipated contingent purchase price of SB Renewable Oils.
3. Gain of € 7.9 million as a result of a past service gain due to change in indexation CSM UK pension scheme.
4. Gain of € 3.5 million as a result of valuation of tax assets related to the acquisition of Granotec do Brazil.
5. Loss of € 2.9 million related to restructuring costs.
6. Loss of € 2.6 million related to a write-down of inventory in the US.
7. Loss of € 0.7 million related to relocation and impairment costs as a result of the new warehouse in the US.
8. Loss of € 1.0 million related to one-off bonusses.
9. Loss of € 0.7 million as a result of acquisition costs of Granotec do Brazil.
10. Loss of € 0.5 million related to legal costs.
11. Tax effects on the above of € 3.5 million.

In 2020, total adjustments of € 3.8 million were recorded, consisting of the following components:

1. Gain of € 6.9 million related to the remeasurement of the sales price of the subsidiary Total Corbion PLA (Thailand) Limited to the joint venture Total Corbion PLA bv. The amount consists of a gain of € 12.9 million positive reported in Other proceeds, partly offset by a loss of € 6.0 million reported in Results from joint ventures and associates.
2. Loss of € 4.6 million related to a write-down of inventory in our Algae Ingredients business.
3. Loss of € 4.4 million as a result of a provision for a tax claim after a US tax audit.
4. Loss of € 1.3 million related to an impairment of assets for preparation of the new lactic acid plant in Thailand.
5. Loss of € 1.3 million related to restructuring costs.
6. Loss of € 0.9 million related to advice costs for US tax audit and to de-risk a defined benefit pension scheme.
7. Loss of € 0.3 million related to inventory write down in the US.
8. Tax effects on the above of € 2.1 million.

4. Segment information

Following the strategy update in March 2020, Corbion made an updated assessment of its reportable segments. In line with the revised management responsibilities and internal management reporting for its strategic decision-making process Corbion now distinguishes between the segments Sustainable Food Solutions, Lactid Acid & Specialties and Incubator (together "Core"), and Non-core. As a result of the strategy update, prior-year segmentation has been restated.

In Sustainable Food Solutions, Corbion has evolved increasingly from an ingredients business into a solutions business. We plan to expand on this solutions model with natural food preservation and functional systems as our core capabilities, enabling us to accelerate growth in close adjacencies.

In our Lactic Acid & Specialties business, we aim to capitalize on our market and technology leadership in lactic acid and lactic acid derivatives. Corbion leads the lactic acid market in technology, production capacity, geographic coverage, and breadth of portfolio.

In our Incubator, where we develop early-stage initiatives, we plan to bring omega-3 DHA to profitability in 2022, while staying committed to investing in initiatives with a longer time horizon. Our three main product categories are: algae-based omega-3 (starting with fish feed applications), algae proteins (in cooperation with Nestlé), and our new co-polymer platform. This platform is a lactic acid-based controlled-release co-polymer technology, expanding on our (medical) polymer expertise.

Non-core activities comprise emulsifiers which will have a declining strategic fit going forward and will be managed for value. Other non-core activities include co-packing blending and frozen dough which will be exited.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment information by business area

	Sustainable Food Solutions		Lactic Acid & Specialties		Incubator		Core [1]		Non-core		Corbion total operations	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Income statement information												
Net sales	545.8	529.4	275.8	263.8	13.4	13.3	835.0	806.5	151.5	169.9	986.5	976.4
Operating result	59.8	62.0	59.6	43.6	-24.3	-57.8	95.1	47.8	9.0	13.5	104.1	61.3
Adjustments to operating result	1.2	-0.4	-12.8	-0.2	1.0	23.3	-10.6	22.7	5.0	1.0	-5.6	23.7
Adjusted operating result	61.0	61.6	46.8	43.4	-23.3	-34.5	84.5	70.5	14.0	14.5	98.5	85.0
Alternative non-IFRS performance measures												
EBITDA	92.4	89.9	74.2	56.9	-19.4	-6.2	147.2	140.6	18.5	23.7	165.7	164.3
Adjustments to EBITDA	0.3	-0.8	-13.2	-0.2	1.0	-18.1	-11.9	-19.1	5.0	0.7	-6.9	-18.4
Adjusted EBITDA	92.7	89.1	61.0	56.7	-18.4	-24.3	135.3	121.5	23.5	24.4	158.8	145.9
Ratios alternative non-IFRS performance measures												
EBITDA margin %	16.9	17.0	26.9	21.6	-144.8	-46.6	17.6	17.4	12.2	13.9	16.8	16.8
Adjusted EBITDA margin %	17.0	16.8	22.1	21.5	-137.3	-182.7	16.2	15.1	15.5	14.4	16.1	14.9

1 *Includes Sustainable Food Solutions, Lactic Acid & Specialties, and Incubator*

Corbion generates almost all of its revenues from the sale of goods.

Information on the use of alternative non-IFRS performance measures

In the above table and elsewhere in the financial statements a number of non-IFRS performance measures are presented. Management is of the opinion that these so-called alternative performance measures might be useful for the readers of these financial statements. Corbion management uses these performance measures to make financial, operational, and strategic decisions and evaluate performance of the segments. The alternative performance measures can be calculated as follows:

- EBITDA is the operating result before depreciation, amortization, and impairment of (in)tangible fixed assets.
- EBITDA margin is EBITDA divided by net sales x 100.
- For a full overview of alternative performance measures used by Corbion, reference is made to the 'Other Information' section.

Segment information by geographical region

	Net sales	
	2020	**2019**
The Netherlands	22.0	21.5
Rest of EMEA	171.1	164.0
US	478.5	486.2
Rest of North America	67.4	60.6
Latin America	76.7	78.1
Asia	170.8	166.0
Corbion total operations	**986.5**	**976.4**

The above sales information is based on the location of the end customer. We are of the opinion that this provides the most relevant information for the readers of the financial statements. In previous years, the sales information was based on the location of the selling entities. Prior-year information has been restated.

	Non-current assets	
	2020	**2019**
The Netherlands	192.4	175.2
Rest of EMEA	23.4	23.1
US	218.5	248.1
Rest of North America	0.2	0.1
Brazil	67.8	91.3
Thailand	83.9	82.8
Rest of Asia	1.3	1.9
Corbion total operations	**587.5**	**622.5**

The above information is based on the geographical location of the assets. Non-current assets exclude those relating to financial instruments, deferred tax assets, and post-employment benefit assets.

5. Net sales disaggregation

	Net sales	
	2020	**2019**
Preservation	234.4	214.0
Functional systems	236.0	239.4
Single ingredients	75.4	76.0
Sustainable Food Solutions	**545.8**	**529.4**
Lactic acid	117.7	105.9
Lactate esters	53.7	50.4
Lactates	43.7	39.2
Biopolymers	32.2	35.3
Other	28.5	33.0
Lactic Acid & Specialties	**275.8**	**263.8**
Incubator	**13.4**	**13.3**
Non-core activities	**151.5**	**169.9**
Corbion total operations	**986.5**	**976.4**

6. Breakdown of expenses by nature

Payroll and social insurance

	2020	**2019**
Payroll	158.8	145.2
Pension expenses – defined benefit pension plans	0.6	-7.2
Pension expenses – defined contribution pension plans	12.2	9.9
Other social insurance	16.9	15.9
Share-based remuneration	3.9	4.0
Total	**192.4**	**167.8**

Depreciation/amortization/impairment of (in)tangible fixed assets

	2020	**2019**
Depreciation of property, plant, and equipment	50.1	53.3
Amortization of intangible fixed assets	10.2	8.2
Impairment of (in)tangible fixed assets	1.3	41.5
Total	**61.6**	**103.0**

7. Financial income and charges

	2020	2019
Interest income	-2.6	-3.4
Interest charges	10.1	8.7
Exchange rate differences	9.8	4.0
Interest expense on defined benefit pension plans - net	-0.3	-0.4
Unwinding of contingent consideration	1.2	4.1
Interest expense on lease liabilities	2.4	1.4
Other	0.3	0.2
Total	**20.9**	**14.6**

8. Taxes

	2020	2019
Current tax	18.5	14.3
Current tax (prior-year adjustments)	-1.9	-2.0
Deferred tax	-2.0	6.6
Tax charge (income)	**14.6**	**18.9**

Reconciliation of result before taxes and tax charge

	2020	2019
Result before taxes	**87.7**	**44.7**
Applicable tax charge at average statutory tax rate	20.7	6.3
Income not subject to tax	-7.8	-6.7
Expenses not deductible for tax purposes	2.2	3.1
Effect of the reversal of tax assets	1.5	15.2
Currency effects	-5.1	1.6
Additions to/releases from tax provision	3.6	
Changes in tax rates	0.3	
Other effects	-0.8	-0.6
Tax charge (income)	**14.6**	**18.9**
Average tax rate on operations	**16.6%**	**42.3%**

The average statutory tax rate is the average of the statutory tax rates in the countries where Corbion operates, weighted on the basis of the result before taxes in each of these countries. The difference between these rates for 2020 (23.6%) and 2019 (14.1%) is caused by the 2019 impairment related to Brazil as this is a high-tax country (34% corporate tax rate).

The remeasurement of the sales price of the subsidiary Total Corbion PLA (Thailand) Limited to the joint venture Total Corbion PLA bv as well as the positive result on the joint venture with Total resulted in income which is not subject to tax under the provisions of the participation exemption (impact € -4.7 million).

Expenses not deductible for tax purposes include negative results of participations which are non-deductible under the participation exemption (impact € 0.7 million) as well as the effect of non-deductible costs in multiple jurisdictions (impact € 0.8 million).

The impact of currency effects (€ -5.1 million) is caused by reporting entities which have a tax reporting currency which deviates from their functional currency.

The addition to the tax provision relates to an ongoing audit for which a provision has been recorded.

Other effects include adjustments in respect of current-year events and the impact of changes to relevant regulations, facts, or other factors compared to those used in establishing the current tax position or deferred tax balance in previous years (impact € -0.8 million).

The difference between the average tax rates 2020 (16.6%) and 2019 (42.3%) is mainly attributable to the impairment in Brazil in 2019, since no deferred tax asset was recognized for the resulting deductible temporary difference, resulting in a significant increase of the 2019 average tax rate.

The realization of deferred tax assets depends on the expected future profitability. Deferred tax assets are not recognized if it is not probable that a tax benefit can be realized.

Breakdown of the tax charge recognized in equity

	2020	2019
Tax liability due to loan-related exchange rate differences	1.3	-0.7
Tax liability due to hedge results of financial instruments	1.3	1.3
Tax charge (income) recognized in equity	**2.6**	**0.6**

9. Earnings per ordinary share

Earnings per ordinary share are calculated by dividing the profit available for holders of ordinary shares by the weighted average number of outstanding ordinary shares in Corbion nv.

Diluted earnings per ordinary share are calculated by dividing the profit available for holders of ordinary shares by the weighted average number of outstanding ordinary shares in Corbion nv adjusted for the effects of potential exercise of share rights by the Board of Management and Senior Management.

	2020	2019
Result after taxes	**73.1**	**25.8**
Profit available for holders of ordinary shares (A)	**73.1**	**25.8**
Weighted average number of outstanding ordinary shares (B)	**58.9**	**58.8**
Plus: ordinary shares related to share rights	0.6	0.6
Weighted average number of outstanding ordinary shares after dilution (C)	**59.5**	**59.4**
Per ordinary share in euros		
Basic earnings (A/B)	1.24	0.44
Diluted earnings (A/C)	1.23	0.43

10. Property, plant, and equipment

	Land	Buildings	Machinery and equipment	Other fixed assets	Under construction	Total
1 January 2019						
Acquisition prices	18.1	181.3	621.2	69.9	36.6	927.1
Cumulative depreciation/impairments		-72.2	-455.0	-31.0		-558.2
Book value	**18.1**	**109.1**	**166.2**	**38.9**	**36.6**	**368.9**
Movements						
Capital expenditure			1.2	0.8	65.2	67.2
Divestments					-0.2	-0.2
Exchange rate differences	1.1	3.6	2.1		1.6	8.4
Acquisition of group companies	1.0	5.4	1.9	0.1		8.4
Depreciation		-7.3	-27.3	-7.8		-42.4
Impairment			-35.4	-5.6		-41.0
Other	-0.2	2.8	35.9	4.8	-44.4	-1.1
Net movement in book value	**1.9**	**4.5**	**-21.6**	**-7.7**	**22.2**	**-0.7**
31 December 2019						
Acquisition prices	20.0	195.2	669.0	71.6	58.8	1,014.6
Cumulative depreciation/impairments		-81.6	-524.4	-40.4		-646.4
Book value	**20.0**	**113.6**	**144.6**	**31.2**	**58.8**	**368.2**
Movements						
Capital expenditure			0.9	0.5	71.9	73.3
Divestments				-0.1		-0.1
Exchange rate differences	-1.8	-13.8	-10.1	-5.2	-7.4	-38.3
Depreciation		-6.4	-26.9	-4.4		-37.7
Impairment		-1.3				-1.3
Assets classified as held for sale	-3.9	-1.9	-2.9			-8.7
Other		1.2	61.4	-3.5	-59.1	
Net movement in book value	**-5.7**	**-22.2**	**22.4**	**-12.7**	**5.4**	**-12.8**
31 December 2020						
Acquisition prices	14.3	178.6	653.3	65.9	64.2	976.3
Cumulative depreciation/impairments		-87.2	-486.3	-47.4		-620.9
Book value	**14.3**	**91.4**	**167.0**	**18.5**	**64.2**	**355.4**
Depreciation rates		2.5 - 4%	6.7-12.5%	20-50%		

In 2020 an impairment was recorded for assets related to the preparation of the new lactic acid plant in Thailand. For the Algae Ingredients business, management has identified triggers to reassess the valuation of tangible fixed assets because of developments in the WACC and the depreciation of the Brazilian real. In 2020 no additional impairment loss or a reversal of an impairment was recognized.

In 2019 the following impairment was recorded:
A partial impairment of € 41.0 million (recorded partly in the Machinery and equipment category and partly in the Other fixed assets category) related to our Algae Ingredients business (part of the Incubator segment) on our Brazil and US based tangible fixed assets based on a reassessment of volume development and timing due to slower than expected algae ingredients market. The impairment has been recorded on the income statement line items 'Production' (€ 35.0 million) and 'Research and development costs' (€ 6.0 million).
The pre-tax discount rate used for the Brazil based assets is 16.3% (post-tax 12.6%).
A terminal growth rate of 1.8% has been applied. The recoverable amount estimate (based on value in use) of the projected cash flows underlying the impairment calculation amounts to € 46.4 million and is sensitive to various assumptions, especially the volume and price development. The recoverable amount of the US based assets was valued on market data and fair value less cost of disposal reports from external valuators and amounts to € 9.0 million.

The Other line item relates to the transfer of leased assets from Property, plant, and equipment to right-of-use assets as a result of the implementation of IFRS 16 in 2019. It also relates to transfers from Under construction to other categories within Property, plant, and equipment.

11. Leases

Right-of-use assets

	Land	Buildings	Machinery and equipment	Other fixed assets	Total
Book value 31 December 2019	**0.2**	**58.3**	**0.6**	**5.7**	**64.8**
Additions		0.2	1.0	2.8	4.0
Modification to lease term		-0.4			-0.4
Exchange rate differences		-4.5		-0.4	-4.9
Depreciation		-8.9	-0.7	-2.8	-12.4
Book value 31 December 2020	**0.2**	**44.7**	**0.9**	**5.3**	**51.1**

Lease liabilities

The maturity of the lease liabilities is as follows.

	As at 31-12-2020	As at 31-12-2019
Current	9.0	10.3
Non-current	44.9	55.9
Total lease liabilities	**53.9**	**66.2**

Corbion's main leases are contracts for office locations, warehouses, and leased vehicles (the main category in other fixed assets). Some property leases contain extension options exercisable by Corbion. Corbion assesses at the lease commencement date whether it is reasonably certain that the extension options will be exercised. Corbion reassesses whether it is reasonably certain that the extension options will be exercised if there is a significant event or significant change in circumstances within its control. As at 31 December 2020, potential future cash outflows of € 64.9 million (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended. Lease payments are in substance fixed and the group had no leases with variable lease payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

12. Intangible fixed assets

	Goodwill	Customer base	Brands and licenses	Development costs	Other intangible fixed assets	Total
1 January 2019						
Acquisition prices	64.4	18.0	33.9	54.1	45.4	215.8
Cumulative amortization/ impairments	-3.1	-14.3	-8.2	-22.5	-28.5	-76.6
Book value	**61.3**	**3.7**	**25.7**	**31.6**	**16.9**	**139.2**
Movements						
Capital expenditure				2.4	12.9	15.3
Acquisition of group companies	18.4	8.0				26.4
Exchange rate differences	0.7	-0.2			0.1	0.6
Amortization		-2.7	-0.5	-2.1	-2.9	-8.2
Impairment				-0.4		-0.4
Net movement in book value	**19.1**	**5.1**	**-0.5**	**-0.1**	**10.1**	**33.7**
31 December 2019						
Acquisition prices	83.8	26.0	34.1	56.5	52.3	252.7
Cumulative amortization/ impairments	-3.4	-17.2	-8.9	-25.0	-25.3	-79.8
Book value	**80.4**	**8.8**	**25.2**	**31.5**	**27.0**	**172.9**
Movements						
Capital expenditure				2.6	13.7	16.3
Exchange rate differences	-10.3	-2.2	-0.2	-0.3	-0.3	-13.3
Amortization		-1.8	-0.5	-2.4	-5.5	-10.2
Net movement in book value	**-10.3**	**-4.0**	**-0.7**	**-0.1**	**7.9**	**-7.2**
31 December 2020						
Acquisition prices	73.2	22.6	33.2	41.6	64.9	235.5
Cumulative amortization/ impairments	-3.1	-17.8	-8.7	-10.2	-30.0	-69.8
Book value	**70.1**	**4.8**	**24.5**	**31.4**	**34.9**	**165.7**
Amortization rates		7 - 20%	5 - 10%	5 - 33.3%	33.3%	

Goodwill impairment test
Goodwill is allocated to Corbion's cash-generating units identified as the operating segments. The operating segments Sustainable Food Solutions and Lactic Acid & Specialties represent the levels to which company goodwill is allocated for the purposes of impairment testing. Incubator does not contain any goodwill.

Key reasons for this approach are:
- It represents a non-arbitrary, reasonable, and consistent basis for the allocation of goodwill.
- The allocation is in line with the expected synergies at the time of an acquisition with benefits for more than one entity.
- The allocation represents the lowest level where goodwill is monitored by the Board of Management, while not being larger than the operating segments.

Breakdown of the book value of the goodwill by segment

	As at 31-12-2020	As at 31-12-2019
Sustainable Food Solutions	67.9	78.2
Lactic Acid & Specialties	2.2	2.2
Total operations	**70.1**	**80.4**

The recoverable amount of both segments is determined using a value-in-use method. The main assumptions used are derived from the financial and business plans for 2021 which have been approved by the Board of Management. From 2022 onwards a stable growth of 1% is taken into account in combination with a relatively constant cost structure.

The future cash flows are discounted on the basis of the WACC before tax.

Overview of the WACC used

	As at 31-12-2020		As at 31-12-2019	
	pre-tax	post-tax	pre-tax	post-tax
Sustainable Food Solutions	8.2%	6.7%	8.2%	6.6%
Lactic Acid & Specialties	8.5%	6.7%	8.5%	6.9%

In addition, sensitivity analyses have been carried out in respect of the assumptions using:
- A terminal value growth of 0%.
- A discount rate of +1%.

Both assumptions applicable at the same time would not lead to any impairment.

Given the above assumptions and the outcome of analyses, the Board of Management has concluded that the value in use of both segments is not lower than the book value of the segments including goodwill.

The majority of the brands and licenses consist of assets not yet available for use.

13. Investments in joint ventures and associates

Set out below is the joint venture of the group as at 31 December 2020 which, in the opinion of management, is material to the group. The entity listed below has share capital consisting solely of ordinary shares, which are held directly by the group. The proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Country of incorporation	% of ownership interest	Nature of relationship	Measurement method	Carrying amount	
					2020	2019
Total Corbion PLA bv	The Netherlands	50%	Joint venture	Equity method	15.2	15.0

Total Corbion PLA is a global leader in marketing, sale, and production of Polylactic Acid (PLA). The principal places of business are the Netherlands for marketing and sales activities and Thailand for the main production activities.

As it is a private entity no quoted fair value price is available.

The tables below provide summarized financial information on the joint ventures and associates that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the respective associates and joint ventures, rather than Corbion's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarized balance sheet

Total Corbion PLA bv	2020	2019
Current assets		
Cash and cash equivalents	29.0	8.4
Other current assets	32.7	36.5
Total current assets	**61.7**	**44.8**
Non-current assets	**111.5**	**128.6**
Current liabilities		
Other current liabilities	23.1	12.3
Total current liabilities	**23.1**	**12.3**
Non-current liabilities	**119.8**	**131.2**
Net assets	**30.3**	**30.0**

Reconciliation to carrying amounts

Opening net assets	30.0	30.8
Comprehensive income for the period	16.2	-3.4
Capital contributions		1.8
Dividends paid	-13.1	
Exchange rate differences	-2.8	0.8
Closing net assets	**30.3**	**30.0**
Group's share	50%	50%
Carrying amount	15.2	15.0

Summarized statement of comprehensive income

Revenue	129.3	75.6
Operating result	42.0	3.3
Depreciation and amortization	-5.7	-4.8
Interest expense	-5.2	-7.1
Income tax expense	-8.5	0.3
Profit for the period	16.3	-3.4
Other comprehensive income	-0.1	
Total comprehensive income	16.2	-3.4
Dividends received by Corbion	4.4	

The agreement between shareholders stipulates an equal distribution of dividends between shareholders. For 2020 and 2021, the shareholders agreed to a uneven distribution, in such a way that the Shareholders will each receive an equal cumulative amount of (interim) dividend over those two years, but that amounts per shareholder in an individual year can differ.

The table below shows the balances for joint ventures that are not considered material to the group.

	2020	2019
	Joint ventures	Joint ventures
Carrying amount of interests	0.1	1.6
Share of total profit or loss	-1.6	-0.3

14. Other non-current financial assets

	As at 31-12-2020	As at 31-12-2019
Loans granted to joint venture Total Corbion PLA bv	56.0	62.1
Other	17.7	5.1
Total	**73.7**	**67.2**

The amounts reported in the other category in 2020 mainly relate to long term tax receivables. The book value of the long-term receivables does not significantly deviate from the fair value.

15. Inventories

	As at 31-12-2020	As at 31-12-2019
Raw materials, consumables, technical materials, and packaging	46.8	43.6
Work in progress	9.0	8.7
Finished product	113.6	119.5
Impairment provision	-4.6	-8.6
Total	**164.8**	**163.2**

16. Receivables

	As at 31-12-2020	As at 31-12-2019
Trade receivables	125.1	125.5
Impairment provision	-1.4	-1.3
Total trade receivables	**123.7**	**124.2**
Other receivables	18.3	28.7
Derivatives	6.6	1.5
Prepayments and accrued income	6.5	7.1
Total other receivables	**31.4**	**37.3**
Total receivables	**155.1**	**161.5**

The credit risk associated with trade receivables is managed by local finance managers. Periodically, each entity reports the expired credit terms and movements in the provisions for trade receivables to the Board of Management. The maximum credit risk in respect of trade receivables is € 125.1 million (2019: € 125.5 million).

Trade receivables are not interest-bearing and generally have an average term of credit of 30-90 days. The group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

Breakdown of expired credit terms (net off impairment provision)

	Total	< 30 days	30-60 days	60-90 days	> 90 days
Sustainable Food Solutions	13.1	10.7	1.4	0.4	0.6
Lactic Acid & Specialties	5.2	4.2	0.6	0.2	0.2
Incubator	0.2	0.2			
Total	**18.5**	**15.1**	**2.0**	**0.6**	**0.8**

Movements in trade receivables impairment provision

	2020	2019
As at 1 January	**-1.3**	**-1.5**
Additions/releases	-0.6	0.2
Use	0.4	
Exchange rate differences	0.1	
As at 31 December	**-1.4**	**-1.3**

The additions to/releases from the trade receivables impairment provision are recognized as selling expenses.

17. Cash and cash equivalents

	As at 31-12-2020	As at 31-12-2019
Cash and bank balances	51.6	45.7
Short-term deposits		
Total	**51.6**	**45.7**

18. Disposal group held for sale

	As at 31-12-2020
Property, plant, and equipment	8.7
Inventories	0.6
Trade and other receivables	2.5
Total assets held for sale	**11.8**
Trade and other payables	1.1
Liabilities held for sale	**1.1**

No impairment loss was recognized upon reclassification as held for sale as the fair value less costs to sell is higher than the carrying amount. The held for sale items relate to the Frozen Dough business and a parcel of land which have been sold in January 2021. Reference is made to Note 31.

19. Equity

Share capital

As at 31 December 2020, the authorized share capital totaled € 45.5 million, consisting of 182 million ordinary shares with a nominal value of € 0.25 each.

Movements in number of issued shares

	Ordinary shares
As at 1 January 2020	**59,242,792**
As at 31 December 2020	**59,242,792**

Movements in number of shares with dividend rights

	Ordinary shares
As at 1 January 2020	**58,819,590**
Share-based remuneration	52,081
As at 31 December 2020	**58,871,671**

Movements in treasury stock ordinary shares

	Number
As at 1 January 2020	**423,202**
Share-based remuneration	-52,081
As at 31 December 2020	**371,121**

As at 31 December 2020, Corbion had a treasury stock of 371,121 ordinary shares at its disposal with a nominal value of € 0.25 each (representing 0.63% of the total share capital issued). Treasury stock shares have no dividend rights.

Other reserves

	Movements in legal reserves				
	Translation reserve	Hedge reserve	Development costs	Share plan reserve	Total
As at 1 January 2019	**38.7**	**-2.5**	**31.6**	**3.2**	**71.0**
• Net investment hedge					
- Exchange rate differences foreign currency loan	-2.8				-2.8
- Tax effect	0.7				0.7
• Translation difference					
- Foreign group companies	17.2				17.2
- Tax effect					
• Cash flow hedge					
- Fluctuations in fair value derivatives		5.3			5.3
- Tax effect		-1.3			-1.3
• Share-based remuneration charged to result				4.0	4.0
• Share-based remuneration transfers				-1.9	-1.9
• Movement in capitalization of development costs			-0.1		-0.1
• Other transfers					
As at 31 December 2019	**53.8**	**1.5**	**31.5**	**5.3**	**92.1**
• Net investment hedge					
- Exchange rate differences foreign currency loan	17.1				17.1
- Tax effect	-4.3				-4.3
• Translation difference					
- Foreign group companies	-70.6				-70.6
- Tax effect	3.0				3.0
• Cash flow hedge					
- Fluctuations in fair value derivatives		5.3			5.3
- Tax effect		-1.4			-1.4
• Share-based remuneration charged to result				3.9	3.9
• Share-based remuneration transfers				-2.6	-2.6
• Movement in capitalization of development costs			-0.1		-0.1
• Other transfers					
As at 31 December 2020	**-1.0**	**5.4**	**31.4**	**6.6**	**42.4**

In specific circumstances legal reserves must be created in accordance with Part 9, Book 2 of the Dutch Civil Code. The legal reserves comprise the translation reserve, hedge reserve, and development cost reserve. Whenever a legal reserve has a negative value no payments can be made from the retained earnings up to the level of the negative value(s). The positive legal reserves as at 31 December 2020 amount to € 36.8 million.

A reserve for non-transferable profits is not applicable as Corbion has no restrictions to transfer profits from its operations in the different countries.

Nature and purpose of reserves

Translation reserve
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

Hedge reserve
The hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss.

Development cost reserve
The development cost reserve comprises a statutory reserve for capitalized development expenditure in accordance with the Dutch Civil Code.

Share plan reserve
The share plan reserve comprises all movements in equity-settled share-based remuneration plans.

20. Provisions

	As at 31-12-2020	As at 31-12-2019
Reorganization and restructuring	0.8	1.2
Other	7.9	5.0
Total	**8.7**	**6.2**

Movements in provisions

	Reorganization and restructuring	Other	Total
As at 1 January 2020	**1.2**	**5.0**	**6.2**
Addition charged to result	2.1	3.4	5.5
Release credited to result	-0.2	-0.2	-0.4
Withdrawal for intended purpose	-2.3	-0.1	-2.4
Exchange rate differences		-0.2	-0.2
As at 31 December 2020	**0.8**	**7.9**	**8.7**

Other
The other provisions relate mainly to loss-making contracts, legal disputes, and other litigation risks. The majority of the cash outflows are expected to occur within the next 2 years. An amount of € 7.4 million was recorded in other receivables related to expected reimbursement for insurance claims.

21. Long-term employee benefits

	As at 31-12-2020	As at 31-12-2019
Net defined benefit asset	-15.1	-18.2
Net defined benefit liability	5.2	6.3
Other long-term employee benefit commitments	1.2	1.6
Total	**-8.7**	**-10.3**

Net defined benefit assets and liabilities
Net defined benefit assets and liabilities relate to post-employment defined benefit arrangements.

Other long-term employee benefit commitments
Other long-term employee benefit commitments relate mainly to anniversary commitments, conditional incentive plans, and health insurance.

Main characteristics of the defined benefit plans
Corbion sponsors defined benefit pension plans in the US and the UK. Both plans are closed schemes and based on final pay. Further, Corbion sponsors a legal severance payment plan in Thailand. All plans have been established in accordance with the legal requirements of the countries involved. The defined benefit plans are administered by a separate fund that is legally separated from the entity. The board of the pension fund is composed of an equal number of representatives from both employers and (former) employees.
The plans typically expose the group to actuarial risks such as investment risk, interest rate risk, and longevity risk.

- **Investment risk** - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high-quality corporate bond yields; if the return on plan assets falls below this rate, it will create a plan deficit. Currently the plans have a relatively balanced investment in mainly equity securities and debt instruments.
- **Interest rate risk** - A decrease in the bond interest rate will increase the plan liability; however, this will be partly offset by an increase in the return on the plan's debt investments.
- **Longevity risk** - The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

The defined benefit obligation as per year-end consisted for the vast majority of the UK plan and is summarized below:

- The Normal Retirement Age (NRA) is 65; however, Section 1 members are able to take their benefits in respect of pre 1 October 2003 service unreduced from age 60.
- Pensions in deferment increase in line with statutory revaluation with the exception of pre 1 October 2003 benefits for Section 1 members, which have an underpin linked to the level of pension increases in payment (which are linked to Consumer Price Index (CPI)).
- Pensions in payment increase in line with CPI capped at 5% for benefits in respect of pre 1 January 2006 service and CPI capped at 2.5% for benefits in respect of post 31 December 2005 service.

For this scheme a recovery plan has been agreed under which Corbion will make lump sum funding payment of GBP 2.6 million in 2021.

The strategic investment policy of the scheme can be summarized as follows:

- A strategic asset mix with 9% in return-seeking assets and 91% in matching (bond-type) assets.
- The return-seeking asset portfolio comprises of a dynamic diversified growth fund.
- Interest rate and inflation risks are managed through the use of liability-driven investments and corporate bonds of an appropriate duration.

The average duration of the defined benefit obligation as at 31 December 2020 is 23 years.

Breakdown of the amounts recognized in respect of defined benefit pension plans in the income statement and statement of comprehensive income

	2020	2019
Current-service costs	0.6	0.5
Net interest income	-0.3	-0.4
Past-service costs		0.3
Past-service gain		-8.0
Total pension costs recognized in income statement	**0.3**	**-7.6**
Remeasurements net defined benefit asset		
- Return on plan assets (excluding amounts included in interest income)	-12.6	-8.2
- Actuarial (gains)/losses arising from changes in demographic assumptions	0.7	
- Actuarial (gains)/losses arising from changes in financial assumptions	17.9	15.3
- Actuarial (gains)/losses arising from experience adjustments	-0.9	-0.9
Total pension costs recognized in other comprehensive income	**5.1**	**6.2**
Total	**5.4**	**-1.4**

Breakdown of the amounts recognized in the statement of financial position

	As at 31-12-2020	As at 31-12-2019
Present value of defined benefit obligations	97.5	87.5
Fair value of plan assets	-107.4	-99.4
Funded status	**-9.9**	**-11.9**
Restrictions on assets recognized		
Net asset	**-9.9**	**-11.9**

Movements in defined benefit obligation

	2020	2019
As at 1 January	**87.5**	**78.6**
Current-service costs	0.6	0.5
Interest charges	1.7	2.2
Pension payments	-4.4	-4.2
Remeasurement (gains)/losses		
- Actuarial (gains)/losses arising from changes in demographic assumptions	0.7	
- Actuarial (gains)/losses arising from changes in financial assumptions	17.9	15.3
- Actuarial (gains)/losses arising from experience adjustments	-0.9	-0.9
Past-service gain		-8.0
Past-service costs		0.3
Exchange rate differences	-5.6	3.7
As at 31 December	**97.5**	**87.5**

Movements in fair value of plan assets

	2020	2019
As at 1 January	**99.4**	**77.3**
Interest income	2.0	2.6
Pension payments	-4.4	-4.2
Contributions from the employer	3.9	11.4
Remeasurement gains/(losses)		
- Return on plan assets (excluding amounts included in interest income)	12.6	8.2
Exchange rate differences	-6.1	4.1
As at 31 December	**107.4**	**99.4**

The actual return on plan assets was € 14.6 million in the year under review (2019: € 10.8 million).

The investment strategy is based on the composition of the obligations of the pension schemes. Based on Asset Liability Management models analyses have been performed on a regular basis to define the investment portfolio. At year-end the asset allocation was as follows.

Plan asset classes

	As at 31-12-2020	As at 31-12-2019
Bonds	93.7	80.2
Equities	5.8	5.9
Other securities	7.9	13.3
Total assets	**107.4**	**99.4**

The main weighted average actuarial assumptions

	2020	2019
Discount rate	1.6%	2.2%
Pension growth rate	2.1%	1.8%

Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	(9.5)	11.0
Pension growth rate	0.50%	7.0	(6.3)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. To calculate the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method is applied (calculation of the present value of the defined benefit obligation using the projected unit credit method at the end of the reporting period) which is also used to calculate the pension liability recognized within the consolidated statement of financial position.

The anticipated contributions to the defined benefit pension plans in the coming year will amount to € 3.5 million.

22. Deferred tax

Breakdown of deferred tax assets and liabilities

	2020	2019
Deferred tax liabilities	13.4	17.0
Deferred tax assets	-10.7	-22.6
As at 1 January	**2.7**	**-5.6**
Tax charge in income statement	-2.0	6.6
Translation differences foreign group companies	-1.1	1.1
Tax charge movements in equity	2.6	0.6
As at 31 December	**2.2**	**2.7**
Deferred tax liabilities	15.3	13.4
Deferred tax assets	-13.1	-10.7
As at 31 December	**2.2**	**2.7**

Breakdown of deferred tax assets and liabilities by type

	As at 31-12-2020		As at 31-12-2019	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Property, plant, and equipment	-6.4	21.7	-6.2	25.8
Intangible fixed assets	-1.3	11.7	-2.2	10.7
Current assets/liabilities	-17.9	0.5	-19.3	0.6
Tax loss carry forward	-4.4		-4.7	
Provisions	-2.8		-2.5	
Financial instruments		1.1		0.5
	-32.8	**35.0**	**-34.9**	**37.6**
Netting	19.7	-19.7	24.2	-24.2
Total	**-13.1**	**15.3**	**-10.7**	**13.4**

The short-term part of deferred tax assets, after write-down and netting with the short-term part of deferred tax liabilities, amounts to € 8.3 million (2019: € 2.6 million).

Breakdown of deferred taxes due to tax loss carry forward

	As at 31-12-2020	As at 31-12-2019
Total tax loss carry forward	**120.3**	**155.3**
Tax loss carry forward not qualified as deferred tax asset	-105.6	-139.0
Tax loss carry forward qualified as deferred tax asset	14.7	16.3
Average tax rate	29.6%	28.8%
Deferred tax asset	4.4	4.7

Expiry dates of tax losses carry forward not qualified as deferred tax asset

	As at 31-12-2020	As at 31-12-2019
Less than 1 year	0.2	0.1
Within 5 years		0.2
Between 5 and 10 years		1.7
10 years or longer		
No expiry date	105.4	137.0
Tax loss carry forward not qualified as deferred tax asset	**105.6**	**139.0**

Breakdown of the tax charge arising from deferred tax assets and liabilities in the income statement by type

	2020	2019
Property, plant, and equipment	-1.3	12.9
Intangible fixed assets	1.7	0.7
Current assets/liabilities	0.1	-17.2
Tax loss carry forward	0.3	9.8
Provisions	-1.1	0.5
Exchange rate differences loans	-1.3	0.7
Financial instruments	-0.7	-0.8
Rate changes	0.3	
Total	**-2.0**	**6.6**

23. Borrowings

Non-current borrowings

			Effective interest %		Average term in years	
	As at 31-12-2020	As at 31-12-2019	As at 31-12-2020	As at 31-12-2019	As at 31-12-2020	As at 31-12-2019
Private placement	239.5	111.5	2.88	4.17	6.4	6.0
Other debts		1.5		4.17		1.1
Total	**239.5**	**113.0**				
Weighted average			**2.88**	**4.17**	**6.4**	**5.9**

The weighted average term has been calculated on the basis of the remaining terms of the individual loans.

Repayments on the above amounts are due within five years (€ 101.8 million) and after five years (€ 137.7 million).

Fair value of the main long-term loans

	Balance sheet value as at 31-12-2020	Fair value as at 31-12-2020	Balance sheet value as at 31-12-2019	Fair value as at 31-12-2019
Private placement	239.5	249.5	111.5	114.9
Other debts			1.5	1.5

Current borrowings

			Effective interest %	
	As at 31-12-2020	As at 31-12-2019	As at 31-12-2020	As at 31-12-2019
Owed to credit institutions	42.4	147.2	0.73	0.93
Private placement		13.4		4.64
Other debts		9.2		4.17
Total	**42.4**	**169.8**		
Weighted average			**0.73**	**2.29**

24. Other non-current liabilities

	As at 31-12-2020	As at 31-12-2019
Contingent considerations	16.9	16.8
Deferred consideration related to the Granotec do Brazil acquisition	1.6	7.3
Total	**18.5**	**24.1**

25. Other current liabilities

	As at 31-12-2020	As at 31-12-2019
Accruals and deferred income	37.4	38.5
Taxation and social security	3.7	4.8
Pension liabilities	3.0	2.6
Derivates	3.0	
Other financial accruals	10.9	5.5
Other payables	6.2	11.4
Total	**64.2**	**62.8**

26. Acquisitions and disposals

In 2020 no acquisitions or disposals were made.

Acquisition 2019

On 25 April 2019, Corbion acquired 100% of the shares and voting interests in Granotec do Brazil, a leading specialist in functional blends for the Brazilian bakery industry, which consisted of two legal entities. The company is headquartered in Araucária, Paraná State, Brazil, employs around 120 staff, and operates a production facility and a development center.

Details of the purchase consideration, net assets acquired are as follows

Acquisition figures

	Granotec do Brazil
Property, plant, and equipment	8.5
Intangible fixed assets	8.0
Inventories	4.2
Receivables	4.7
Cash	1.4
Borrowings	-3.4
Trade creditors	-3.0
Other liabilities	-0.1
Identifiable assets minus liabilities	**20.3**
Cash	29.9
Holdback amounts	8.8
Total consideration	**38.7**
Goodwill arising on acquisition	**18.4**

Goodwill arose on the acquisition of Granotec do Brazil as the consideration paid effectively included amounts for the benefits of expected synergies, revenue growth, and future market development. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill is expected to be (partly) deductible for tax purposes.

The table below shows the pro-forma result of Corbion if the acquisition had been made as at 1 January 2019.

	Corbion	Pro-forma adjustment full-year effect	Pro forma Corbion
Net sales	976.4	6.3	982.7
Result after taxes	25.8	-0.1	25.7

For the eight-month period ended 31 December 2019, the acquisition contributed € 15.4 million in revenue and € 0.9 million in profit to Corbion's results.

27. Financial risk management and financial instruments

Risk management framework

Corbion's activities are exposed to a variety of financial risks including currency, interest rate, commodity, liquidity, capital, and credit risk. The treasury department identifies and manages these risks, except the commodity risk which is managed by procurement. Treasury operates within a framework of policies and procedures which have been approved by the Board of Management. The treasury policy may change on an annual basis due to market circumstances and market volatility. Corbion uses derivatives solely for the purpose of hedging exposure mainly to the commodity, currency, and interest rate risks arising from the company's sources of finance and business. Corbion has a Treasury and a Commodity Risk Management Committee meeting periodically to review treasury and commodity activities and compliance with both policies.

Currency risk
Corbion is active on the international market, which means that it is exposed to risks arising from currency fluctuations, particularly in the US dollar, Brazilian real, Japanese yen, and Thai baht. Foreign currency exchange risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

Translation risk
Corbion is subject to foreign exchange rate movements in connection with the translation of its foreign subsidiaries' income, assets, and liabilities into euros in the consolidated financial statements. To protect the value of future foreign cash flows, Corbion partially mitigates the foreign exchange exposure by applying natural hedging, meaning capital employed in foreign operations is financed using the country's currency in order to avoid fluctuations due to translation effects.

US dollar translation effects on the operating result are partially hedged by the interest paid on the US dollar loan. Currency fluctuations particularly in the US dollar can have a material effect on Corbion's income statement. Corbion has policies in place that monitor these risks and mitigation actions are discussed in the Treasury Committee.

Transaction risk
The currency transaction risk arises in the course of ordinary business activities. Corbion uses forward currency contracts and currency swaps in order to hedge risks arising from purchase and sales deals and/or commitments from current purchase and sales deals. Transactions that are highly probable are hedged and included in cash flow hedge accounting. Other reasonably probable transactions are partially hedged. For practical reasons a specific limit is defined for each currency.

Sensitivity analysis of financial instruments to exchange rate changes
A 10% weakening of the euro against the Japanese yen would decrease equity by € 1.1 million, while the net result would not be significantly impacted. A 10% weakening of the euro against the US dollar would decrease equity by € 0.5 million and will decrease the net result with € 0.5 million.

Interest rate risk
Corbion's interest rate risk arises primarily from its debt. Corbion has an interest rate policy aimed at reducing volatility in its interest expense. Currently Corbion's interest rate exposure has been fully fixed (2.88% on average) for all of Corbion's long-term debt (€ 239.5 million) for a period of on average 6.4 years.

Sensitivity analysis to changes in market interest rate
Assuming the same mix of variable and fixed interest rate instruments, an interest rate increase by 50 basis points versus the rates on 31 December 2020 with all other variables held constant, would not have a significant impact on the net result and no movement in equity.

Commodity risk
Corbion uses commodity derivative contracts to reduce the risk of price fluctuations in the main commodities used, being gas and sugar.

Corbion entered into commodity derivative contracts to hedge the variable price risk of the main commodities used. The fair value of these contracts amounted to an asset of € 4.5 million as at 31 December 2020 (31 December 2019: asset of € 1.2 million). Hedge accounting is applied for the major part of these commodity derivative contracts. Further analysis can be found in the section on hedge transactions.

The majority of the commodity derivative contracts expires within a year.

Sensitivity analysis of financial instruments to commodity price changes
If the purchase price of the involved commodities would increase by 10%, profit and loss would be impacted by € 0.1 million.

Liquidity risk
Liquidity risk is the risk of Corbion not being able to obtain sufficient financial means to meet its obligations in time. The company actively manages liquidity risk by maintaining sufficient cash and cash equivalents and the availability of committed borrowing capacity. Corbion manages cash flow based on cash-flow analysis for the next 12 months.

The committed credit facilities at Corbion's long-term disposal amounted to € 300 million as at 31 December 2020. Corbion also has a private placement of $295 million with American institutional investors.

To provide insight into the liquidity risk the table below shows the contractual terms of the financial obligations (converted at balance sheet date), including interest paid.

The table below analyzes Corbion's financial obligations which will be settled on a net basis, according to relevant expiration dates, based on the remaining period from the balance sheet date to the contractual expiration date. The amounts shown are contractual non-discounted cash flows.

	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31 December 2020				
Private placement	7.4	131.4	149.8	288.6
Owed to credit institutions	43.0			43.0
Lease liabilities	11.1	21.8	34.3	67.2
Contingent considerations	8.7	24.2	0.2	33.1
Trade payables	99.4			99.4
Other non-interest-bearing current liabilities	64.2			64.2
Total	**233.8**	**177.4**	**184.3**	**595.5**
As at 31 December 2019				
Private placement	18.7	18.6	116.3	153.6
Owed to credit institutions	148.3			148.3
Lease liabilities	12.2	36.2	34.5	82.9
Contingent considerations	5.0	17.4	7.2	29.6
Other debts	9.4	1.5		10.9
Trade payables	94.3			94.3
Other non-interest-bearing current liabilities	62.8			62.8
Total	**350.7**	**73.7**	**158.0**	**582.4**

Credit risk management
Credit risk refers to the losses that would be recognized if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. In respect of disbursed loans, other receivables, and cash and cash equivalents the maximum credit risk equals the book value. In respect of derivatives it equals the fair value.
Given the credit rating that it requires of its partners Corbion has no reason to assume that they will not honor their contractual obligations. Based on today's insights, the actual credit risk is limited.

Capital risk management

Corbion manages its capital to ensure that entities in the Corbion group will be able to continue as going concerns while maximizing return to stakeholders through the optimization of the debt and equity balance.

The capital structure of Corbion consists of net debt (borrowings as detailed in Note 23) offset by cash and cash equivalents (as detailed in Note 17).

	2020	2019
Private placement	239.5	124.9
Revolving credit facility	42.4	147.2
Lease commitments	53.9	66.2
Other debts		10.7
Total financial liabilities part of net debt	**335.8**	**349.0**
Cash and cash equivalents	-51.6	-45.7
Net debt	**284.2**	**303.3**

Reconciliation of liabilities arising from financing activities

	Private placement	Revolving credit facility	Leases	Other debts	Total
As at 1 January 2020	124.9	147.2	66.2	10.7	349.0
Financing cash flows	145.7				145.7
Repayments	-12.7	-105.0	-13.1	-8.2	-139.0
New lease commitments			4.0		4.0
Exchange rate differences	-17.9		-5.1	-2.5	-25.5
Other	-0.5	0.2	1.9		1.6
As at 31 December 2020	**239.5**	**42.4**	**53.9**		**335.8**

The Corbion Treasury Committee reviews the capital structure of Corbion on a quarterly basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The main covenants for the revolving credit facility and the US private placement are:
- The ratio of net debt position divided by Covenant EBITDA (Earnings Before Interest, Taxes, Depreciation, Amortization and impairment of (in)tangible fixed assets, excluding adjustments, increased by cash dividend of joint ventures received and annualization effect of newly acquired subsidiaries) may not exceed the factor 3.75.

- A minimum interest cover (Covenant EBITDA divided by net interest income and charges) of 3.5.

These external conditions were met in 2020 as well as in 2019. Corbion targets a net debt/ Covenant EBITDA ratio of 2.0x over the investment cycle.

Ratios at year-end

	2020	2019
Net debt position/Covenant EBITDA	1.7	2.0
Interest cover	16.5	22.2

Financial instruments

Valuation of financial instruments
Corbion measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements based on inputs other than Level 1 quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements based on valuation techniques that include inputs for the asset or liability that are based on observable market data (unobservable inputs).

Breakdown valuation of financial instruments

31 December 2020	Level 1	Level 2	Level 3	Total
Derivatives				
• Foreign exchange contracts		0.6		0.6
• Commodity swaps/collars		4.5		4.5
Total		**5.1**		**5.1**

Breakdown fair values of financial instruments

31 December 2020	Balance sheet value	Fair value
Financial fixed assets		
• Loans, receivables, and other	73.7	73.7
Receivables		
• Trade receivables	123.7	123.7
• Other receivables	18.3	18.3
• Prepayments and accrued income	6.5	6.5
Cash		
• Cash other	51.6	51.6
Interest-bearing liabilities		
• Private placement	-239.5	-249.5
• Owed to credit institutions	-42.4	-42.4
• Other debts		
Non-interest-bearing liabilities		
• Trade payables	-99.4	-99.4
• Other payables	-64.2	-64.2
Derivatives		
• Foreign exchange contracts	0.6	0.6
• Commodity swaps/collars	4.5	4.5
Total	**-166.6**	**-176.6**

Fair values are determined as follows:

- The fair value of financial fixed assets does not significantly deviate from the book value.
- The fair value of receivables equals the book value because of their short-term character.
- Cash and cash equivalents are measured at nominal value which, given the short-term and risk-free character, corresponds to the fair value.
- Market quotations are used to determine the fair value of debt owed to private parties, credit institutions, and other debts. As there are no market quotations for most of the loans the fair value of short- and long-term loans is determined by discounting the future cash flows at the yield curve applicable as at 31 December.
- Given the short-term character, the fair value of non-interest-bearing liabilities equals the book value.
- Currency and interest rate derivatives are measured on the basis of the present value of future cash flows over the remaining term of the contracts, using the bank interest rate (such as Euribor) as at the reporting date for the remaining term of the contracts. The present value in foreign currencies is converted using the exchange rate applicable as at the reporting date.
- Commodity derivatives are measured on the basis of the present value of future cash flows, using market quotations or own variable market price estimations of the involved commodity as at the reporting date.

Derivatives
Hedge transactions
The amount of € 5.4 million in hedge reserve (see Note 19) relates to the hedging of risks arising from future purchase and sales deals and/or commitments from current purchase and sales contracts amounting to € 39.8 million.

The amount of € 1.0 million in translation reserve (see Note 19) relates to currency fluctuations in respect of the net investments in foreign operations less the currency fluctuations of the corresponding net investment hedges. In case of divestment of a net investment in a foreign operation, the corresponding net impact of the currency fluctuations is moved from the translation reserve to the income statement.

In the past year no cash flow hedges were terminated due to changes to the expected future transaction. No ineffective parts were recorded in respect of the net investment hedge and cash flow hedge.

Breakdown of fair values, maturities, and qualification of derivative financial instruments for accounting purposes

	Short < 1 year		Long > 1 year	
	As at 31-12-2020	As at 31-12-2019	As at 31-12-2020	As at 31-12-2019
Derivatives receivables/(liabilities) used as hedge instrument in cash flow hedge relations:				
Foreign exchange contracts	0.6	0.3		
Commodity swaps	6.0	1.6	1.5	
Derivatives receivables/(liabilities) used as hedge instrument in fair value hedge relations:				
Commodity swaps	-3.0	-0.2		
Total derivatives in hedge relations	**3.6**	**1.7**	**1.5**	
Derivatives receivables/(liabilities) not used in a hedge relation with value change through income statement:				
Commodity swaps		-0.2		
Total derivatives through income statement		**-0.2**		
Total derivatives	**3.6**	**1.5**	**1.5**	

28. Related-party transactions

Remuneration policy Board of Management
For more information on the remuneration policy see the Remuneration report. For more information on share-based payments see Note 29.

Breakdown of the number of conditionally granted shares per member of the (former) Board of Management

	Granted in	At target number outstanding as at 31-12-2020	Maximum number outstanding as at 31-12-2020	Year of vesting
O. Rigaud	2019	20,865	31,298	2022
	2020	22,260	33,390	2023
	2020	537	537	2021
E. van Rhede van der Kloot	2018	12,259	18,389	2021
	2019	12,140	18,210	2022
	2020	13,491	20,237	2023
	2020	325	325	2021
T. de Ruiter	2018	17,027	25,541	2021
	2019	8,852	13,278	2022
	2020	183	183	2021
Total as at 31 December 2020		**107,939**	**161,388**	

Breakdown of the movements in the number of shares conditionally granted to members of the (former) Board of Management

	Maximum number outstanding as at 31-12-2019	Maximum number granted in 2020	Vested 2020	Expired 2020	Maximum number outstanding as at 31-12-2020
O. Rigaud	31,298	33,927			65,225
E. van Rhede van der Kloot	54,257	20,562	9,229	8,429	57,161
T. de Ruiter	74,197	183	18,491	16,887	39,002
Total	**159,752**	**54,672**	**27,720**	**25,316**	**161,388**

Breakdown remuneration (former) Board of Management

IAS 24.17 category	Short-term employee benefits		Share-based payments	Post-employment benefits	Other long-term benefits	Termination benefits	Total
Thousands of euros 2020	Base salary [1]	STIP	LTIP	Pension benefits	Other benefits	Termination benefits	
O. Rigaud	760	501	369				1,630
E. van Rhede van der Kloot	560	303	363				1,226
Total Board of Management	**1,320**	**804**	**732**				**2,856**
T. de Ruiter	336	171	279				786
Total former Board of Management	**336**	**171**	**279**				**786**
Total remuneration (former) Board of Management	**1,656**	**975**	**1,011**				**3,642**

IAS 24.17 category	Short-term employee benefits		Share-based payments	Post-employment benefits	Other long-term benefits	Termination benefits	Total
Thousands of euros 2019	Base salary [1]	STIP	LTIP	Pension benefits	Other benefits	Termination benefits	
O. Rigaud (as from 1 July 2019)	410	151	135				696
E. van Rhede van der Kloot	558	160	428				1,146
Total Board of Management	**968**	**311**	**563**				**1,842**
T. de Ruiter (CEO until 8 August 2019, thereafter Advisor to the Supervisory Board)	811	784	875				2,470
Total former Board of Management	**811**	**784**	**875**				**2,470**
Total remuneration (former) Board of Management	**1,779**	**1,095**	**1,438**				**4,312**

1 *Base salary also includes social security contributions and compensation, mainly allowances for expenses.*

The tables above show the costs based on the applicable IFRS standard and do not necessarily reflect the actual amounts paid.

Compensation of key management personnel
The table below specifies the remuneration of the Executive Committee (ExCo), comprising the Board of Management members as listed above and the additional ExCo members who are not part of the Board of Management.

Thousands of euros	2020	2019
Short-term employee benefits	5,857	5,705
Share-based payments	2,353	2,771
Post-employment benefits	117	92
Other long-term benefits		
Termination benefits [1]	1,554	

1 *Including excessive levy*

Breakdown remuneration Supervisory Board

	IAS 24.17 category	Short-term employee benefits [1]		Share-based payments	Post-employment benefits	Other long-term benefits	Termination benefits	Total
Thousands of euros	**Year**	**Base fee**	**Committee fee**	**LTIP**	**Pension benefits**	**Other benefits**	**Termination benefits**	
M. Vrijsen, Chairman (Chairman Appointment and Governance Committee / member Remuneration Committee / member Science and Technology Committee)	2020	70	23					93
	2019	70	23					93
R. Markham, Vice-Chairman (Chairman Remuneration Committee / member Appointment and Governance Committee)	2020	60	16					76
	2019	60	16					76
L. Doherty (member Audit Committee)	2020	50	10					60
	2019	50	10					60
I. Haaijer (member Audit Committee / member Science and Technology Committee, started 29 June 2020)	2020	25	4					29
S. Schmitz (member Audit Committee, started 29 June 2020; stepped down as per 14 September 2020)	2020	15						15
J. de Kreij (Chairman Audit Committee)	2020	50	15					65
	2019	50	15					65
S. Riisgaard (Chairman Science and Technology Committee / member Remuneration Committee / member Appointment and Governance Committee)	2020	50	23					73
	2019	50	23					73
	Total 2020	**320**	**91**					**411**
	Total 2019	**280**	**87**					**367**

1 *Excluding expenses*

No loans or advance payments or any guarantees to that effect have been made or issued to the members of the Supervisory Board. None of the members of the Supervisory Board have shares in the company or any option rights relating thereto.

Other related-party transactions

	Transaction values for the year ended		Balance outstanding at year-end	
	2020	2019	2020	2019
Sales				
Joint ventures	53.9	53.1	7.3	5.0
Purchases				
Joint ventures	6.4	6.6	0.3	0.6
Others				
Joint ventures				
- Sale of Total Corbion PLA (Thailand) Limited			5.7	0.7
- Loans			56.0	62.1

29. Share-based compensation

Share-based remuneration arrangements: Board of Management

A share plan is in place for the Board of Management. The (former) members of the Board of Management have a total of 161,388 unvested share rights in the company as at 31 December 2020 (2019: 159,752). The nominal amount of the shares which are claimable under unvested share rights equals € 40,347 per that date.

A new share grant program was introduced in 2020 as part of the new remuneration policy adopted by the annual General Meeting of Shareholders (AGM) on 29 June 2020, measuring performance over a period of three calendar years. Each year members of the Board of Management are entitled to a conditional grant of Corbion shares. There are two target levels for this incentive: one applies to the CEO and one to the CFO. The CEO is entitled to a conditional share grant value of 120% of base salary. The CFO is entitled to a conditional share grant value of 100% of base salary. The total number of conditionally granted shares is determined by dividing the “at target” amount applicable for the respective Board member (as a percentage of base salary) by the share price. The share price is defined as the average closing price of the Corbion share during the last full calendar quarter preceding the conditional grant of shares.
At the beginning of the three-year performance period, targets for the LTIP are set by the Supervisory Board as follows:

1. The Total Shareholders' Return (TSR) performance is benchmarked against the TSR performance of Corbion’s TSR peer group and the relative ranking determines the actual payout for 30% of the LTIP.
2. A target based on organic sales growth, a threshold (minimum) and a range around the performance target to determine the actual payout for 25% of the LTIP.
3. A target based on adjusted EBITDA, a threshold (minimum) and a range around the performance target to determine the actual payout for 20% of the LTIP.
4. A target based on return on capital employed (ROCE), a threshold (minimum) and a range around the performance target to determine the actual payout for 12.5% of the LTIP.
5. A target based on return on sustainability goals, a threshold (minimum) and a range around the performance target to determine the actual payout for 12.5% of the LTIP.

Prior to each conditional grant the Supervisory Board sets a target level for the performance measures, i.e. organic net sales growth, adjusted EBITDA, ROCE, and sustainability. A threshold performance level is determined below which no pay-out is granted and a maximum performance level where maximum pay-out is reached.

For share grants before 2020 a different program is in place. This program was introduced in 2015, as part of the remuneration policy adopted by the AGM on 22 May 2015, aimed at longer-term value creation in line with shareholders' interests, measuring performance over a period of three calendar years. The LTIP targets are the following: 60% is determined by EBITDA, 20% by Earnings Per Share (EPS), and 20% of the LTIP depends on relative TSR as compared to a specific TSR peer group.
There are two target levels for this incentive: one applies to the CEO and one to the CFO. The CEO is entitled to a conditional share grant value of 100% of base salary. The CFO is entitled to a conditional share grant value of 80% of base salary. The total number of conditionally granted shares is determined by dividing the "at target" amount applicable for the respective Board member (as a percentage of base salary) by the share price. The share price is defined as the average closing price of the Corbion share during the last full calendar quarter preceding the conditional grant of shares.
At the beginning of the three-year performance period, targets for the LTIP were set by the Supervisory Board as follows:

- A target based on EBITDA, a threshold (minimum) and a range around the performance target to determine the actual payout for 60% of the LTIP.
- A target based on EPS, a threshold (minimum) and a range around the performance target to determine the actual payout for 20% of the LTIP.
- The TSR performance is benchmarked against the TSR performance of Corbion's TSR peer group and the relative ranking determines the actual payout for another 20% of the LTIP.

Meeting the performance target(s) results in an LTIP payout at target level. A range of 50% around the performance target(s) (or lower as determined by the Supervisory Board) is set for the EBITDA and EPS performance to determine the actual payout. There is no payout below the low end of the range and no additional upside above the top end of the range. For the TSR performance, threshold payout is set at meeting the eighth position in the peer group. Target payout is achieved at the fourth and fifth position in the peer group and maximum payout is achieved at reaching the first and second position in the peer group.

Movements in number of unvested shares of the (former) Board of Management (at maximum)

Year of allocation	Total as at 31-12-2019	Allocated in 2020	Vested and expired in 2020	Total as at 31-12-2020
2017	53,036		53,036	
2018	43,930			43,930
2019	62,786			62,786
2020		54,672		54,672
Total	**159,752**	**54,672**	**53,036**	**161,388**

Valuation model and input variables
The fair value of the non-market-based components of the above-mentioned performance-related shares allocated in 2020 was € 32.00 per share (2019: € 28.22). The fair value of the market-based components of the above-mentioned performance-related shares allocated in 2020 was € 37.89 per share (2019: € 32.61). The fair value of the market-based components is estimated by using the Black & Scholes model and the assumptions set forth below.

	2020	2019
Risk-free interest rate	0.00%	0.00%
Expected dividend gains		
Expected volatility in share price	27%	23%
Term	3 years	3 years

Share-based remuneration arrangements: Senior management
An equity-settled plan similar to the program for the Board of Management is in place for senior management.

Movements in number of unvested shares of senior management

Year of allocation	Total as at 31-12-2019	Allocated in 2020	Vested and expired in 2020	Total as at 31-12-2020
2017	112,980		112,980	
2018	153,511		7,218	146,293
2019	130,882		12,804	118,078
2020		132,821		132,821
Total	**397,373**	**132,821**	**133,002**	**397,192**

Certain members of management receive a package of Corbion shares worth 9.5% of fixed salary (commitment award). The acquired shares shall be held in a separate blocked account until the end of their employment at Corbion.

Movements in number of blocked commitment award shares

	Total as at 31-12-2019	Allocated in 2020	Released in 2020	Total as at 31-12-2020
Total	**6,019**			**6,019**

30. Off-balance sheet commitments

Capital commitments
The capital expenditure commitments not yet incurred amounted to € 4.6 million for (in)tangible fixed assets as at 31 December 2020 (2019: € 11.3 million).

Contingent commitments
Guarantees
Third-party guarantees amounted to € 3.8 million as at 31 December 2020 (2019: € 3.7 million). No significant future losses are expected from these guarantees.

31. Events after balance sheet date

On 11 January 2021 Corbion announced it reached an agreement to sell its Frozen Dough business, classified as held for sale in the 2020 Consolidated Financial Statements, for an estimated sales price of $ 25 million (€ 20 million). The sales price is subject to adjustments, amongst others working capital adjustments, and the final sales price will be determined in the course of 2021. The expected result after tax on the transaction amounts to around $ 11 million (€ 9 million) to be recognized in the 2021 financial statements.

On 25 January 2021 Corbion signed an agreement with the municipality of Breda and the province Noord-Brabant to sell a plot of land, classified as held for sale in the 2020 financial statements. The agreed purchase price (to be paid in installments over the next 10 years) amounts to € 21.9 million, the expected result after tax amounts to around € 23 million to be recognized in the 2021 financial statements.

Company financial statements

Company statement of financial position

Before profit appropriation, millions of euros	Note	As at 31-12-2020	As at 31-12-2019
Assets			
Financial fixed assets	*32*	746.2	771.9
Deferred tax assets	*33*	1.8	1.1
Total non-current assets		**748.0**	**773.0**
Receivables	*34*	51.6	43.9
Tax assets		14.6	11.3
Cash and cash equivalents	*35*	11.0	2.2
Total current assets		**77.2**	**57.4**
Total assets		**825.2**	**830.4**
Equity and liabilities			
Ordinary share capital		14.8	14.8
Share premium reserve		55.2	55.2
Translation reserve		-1.0	53.8
Hedge reserve		5.4	1.5
Development costs reserve		31.4	31.5
Share plan reserve		6.6	5.3
Retained earnings		403.6	367.0
Equity	*36*	**516.0**	**529.1**
Non-current liabilities	*37*	240.9	111.5
Total non-current liabilities		**240.9**	**111.5**
Interest-bearing current liabilities	*38*	55.6	186.7
Non-interest-bearing current liabilities	*39*	12.7	3.1
Total current liabilities		**68.3**	**189.8**
Total equity and liabilities		**825.2**	**830.4**

Company income statement

Millions of euros	2020	2019
General and administrative expenses	-1.2	-3.4
Operating result	**-1.2**	**-3.4**
Financial income	5.3	6.2
Financial charges	-19.0	-9.7
Results from subsidiaries and associates	84.6	33.4
Result before taxes	**69.7**	**26.5**
Taxes	3.4	-0.7
Result after taxes	**73.1**	**25.8**

Social security included in the income statement is rounded to zero for 2020 as well as 2019.

Notes to the company financial statements

General

The separate financial statements of Corbion nv ("the company") are drawn up in accordance with the principles referred to in Part 9, Book 2 of the Dutch Civil Code.
A list has been filed at the Amsterdam Trade Register setting out the data on the group companies as required under Sections 2:379 and 2:414 of the Dutch Civil Code. Corbion is registered with the Dutch Commercial Register under number 33006580.

Name of reporting entity	**Corbion N.V.**
Domicile of entity	**Amsterdam**
Legal form of entity	**Public company**
Country of incorporation	**The Netherlands**
Address of entity's registered office	**Piet Heinkade 127, 1019 GM Amsterdam**
Principal place of business	**Amsterdam**

Basis of preparation

By using the option in Section 2:362 (8) of the Dutch Civil Code the same accounting principles (including the principles for recognizing financial instruments as equity or debt) have been applied in the separate financial statements and the consolidated financial statements.

Participating interests in group companies
Participating interests in group companies are accounted for in the company financial statements according to the equity method. Refer to the basis of consolidation accounting policy in the consolidated financial statements.

Result of participating interests
The share in the result of participating interests comprises the share of the company in the result of these participating interests. Results on transactions involving the transfer of assets and liabilities between the company and its participating interests, on the one hand, and between participating interests, on the other, are eliminated to the extent that they can be considered as not realized.

For an overview of any events after the balance sheet date, reference is made to Note 31 of the consolidated financial statements. For an overview of related-party transactions, reference is made to Note 28 of the consolidated financial statements.

32. Financial fixed assets

	As at 31-12-2020	As at 31-12-2019
Participations in group companies	706.4	721.6
Loans to group companies	38.4	50.3
Derivatives	1.4	
Total	**746.2**	**771.9**

The balance of participations in group companies and loans to group companies is positive in all participations of Corbion nv. Amounts owed to or by group companies are long-term.

	2020	2019
Movements in participations in group companies		
As at 1 January	721.6	487.5
Paid-in capital	78.9	329.1
Acquisition group company	36.9	22.7
Result group companies	84.6	33.4
Dividend group companies	-159.1	-162.3
Exchange rate differences	-57.6	10.4
Other	1.1	0.8
As at 31 December	**706.4**	**721.6**
Movements in loans to group companies		
As at 1 January	50.3	27.2
Exchange rate differences	-11.9	-0.3
Disbursements	3.0	28.0
Repayments	-3.0	-4.6
As at 31 December	**38.4**	**50.3**

33. Taxes

Reconciliation of result before taxes and tax charge

	2020	2019
Result before taxes	**69.7**	**26.5**
Applicable tax charge at average statutory tax rate	17.4	6.6
Income not subject to tax	-21.9	-8.3
Expenses not deductible for tax purposes	0.3	0.5
Effect of the reversal of tax assets	1.1	1.4
Other effects	-0.3	0.5
Tax charge (income)	**-3.4**	**0.7**
Average tax rate on operations	**-4.9%**	**2.6%**

The average statutory tax rate is Dutch corporate income tax rate of 25%.

The results of the participations of Corbion nv resulted in income which is not subject to tax under the provisions of the participation exemption.

Expenses not deductible for tax purposes include the effect of non-deductible costs related to employee share plans and the non-deductible part of business expenses.

The effect of the reversal of tax asset relates to the write-off of tax credits which cannot be effectively utilized.

Other effects include adjustments in respect of current-year events and the impact of changes to relevant regulations, facts, or other factors compared to those used in establishing the current tax position or deferred tax balance in previous years.

Deferred tax

	As at 31-12-2020		As at 31-12-2019	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Tax loss carry forward			1.0	
Provisions	0.2		0.1	
Current items	1.6			
Total	**1.8**		**1.1**	

34. Receivables

	As at 31-12-2020	As at 31-12-2019
Owed by group companies	41.9	42.4
Other receivables	9.7	1.5
Total	**51.6**	**43.9**

35. Cash and cash equivalents

The cash and cash equivalents were available and payable without notice in 2020.

36. Equity

See Consolidated statement of changes in equity and Note 19 to the consolidated financial statements. For an overview of the legal reserves see Note 19.

37. Other non-current liabilities

	As at 31-12-2020	As at 31-12-2019
Owed to credit institutions	239.5	111.5
Derivatives	1.4	
Total	**240.9**	**111.5**

See Notes 23 and 27 to the consolidated financial statements.

38. Interest-bearing current liabilities

	As at 31-12-2020	As at 31-12-2019
Owed to credit institutions	42.4	160.6
Owed to group companies	13.2	26.1
Total	**55.6**	**186.7**

39. Non-interest-bearing current liabilities

	As at 31-12-2020	As at 31-12-2019
Other debts and accruals and deferred income	12.7	3.1
Total	**12.7**	**3.1**

40. Off-balance sheet commitments

Contingent liabilities

Under Section 2:403 of the Dutch Civil Code the company accepts liability for the debts incurred by Dutch group companies. The relevant declarations have been filed for perusal at the office of the relevant trade register.

Fiscal unity

Corbion nv and a number of subsidiaries in the Netherlands are part of fiscal unities for purposes of corporate income tax and value added tax. The companies which are part of a fiscal unity are jointly and severally liable for their liabilities.

41. Personnel

On average, two employees were employed by Corbion nv working in the Netherlands during 2020 (2019: three employees). For information on remuneration see Note 28.

42. Audit fees

Total fees charged by the auditor can be specified as follows.

Thousands of euros	KPMG Accountants nv 2020	KPMG Other 2020	Total 2020	Total 2019
Audit of the financial statements	613	208	821	826
Audit-related services*	64		64	83
Non-audit services				
Total	**677**	**208**	**885**	**909**

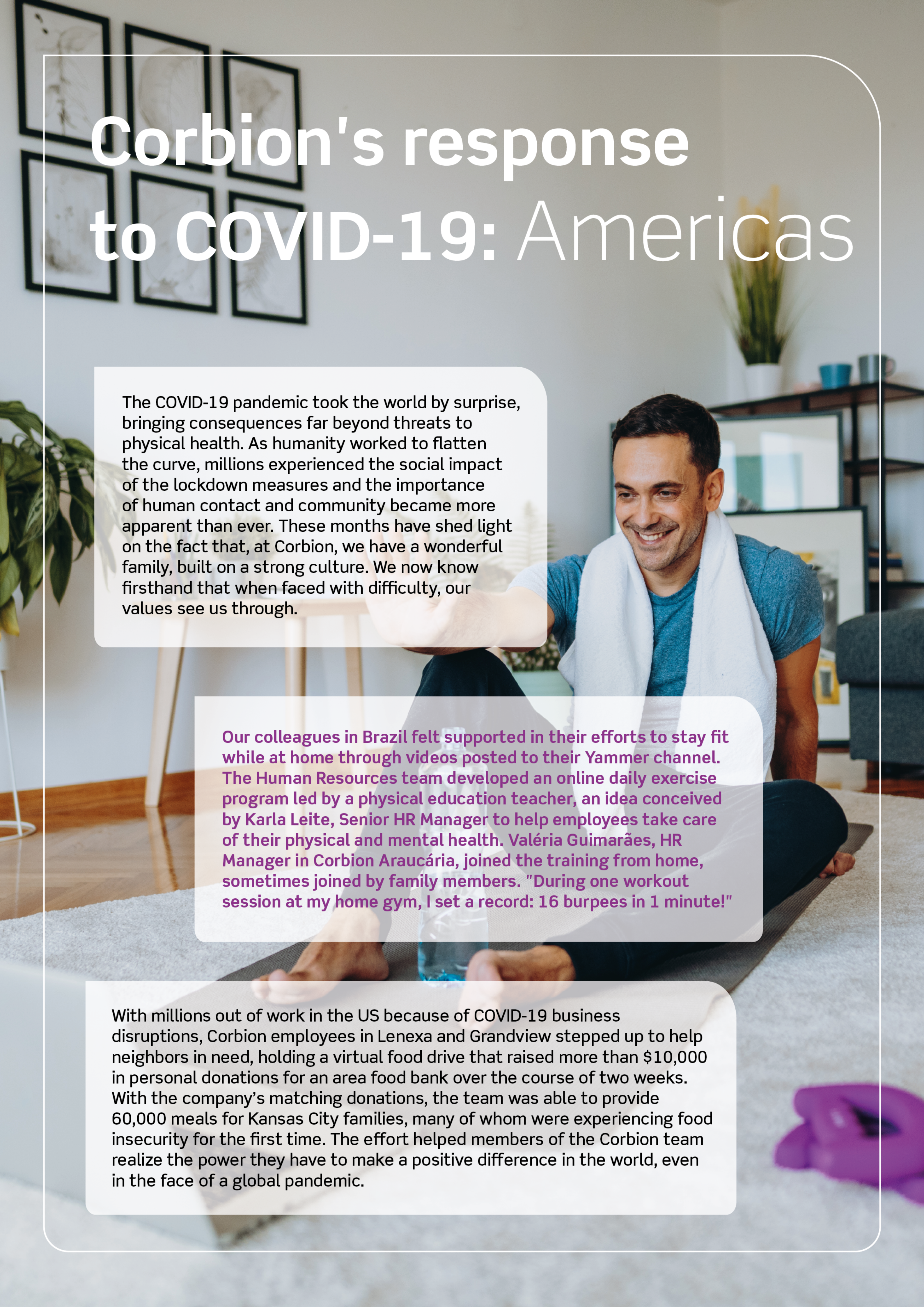
* Relates to assurance report on sustainability

Amsterdam, the Netherlands, 4 March 2021

Supervisory Board

Mathieu Vrijsen, Chairman
Rudy Markham, Vice-Chairman
Liz Doherty
Ilona Haaijer
Jack de Kreij
Steen Riisgaard

Board of Management
Olivier Rigaud, CEO
Eddy van Rhede van der Kloot, CFO



Corbion's response to COVID-19: Americas

The COVID-19 pandemic took the world by surprise, bringing consequences far beyond threats to physical health. As humanity worked to flatten the curve, millions experienced the social impact of the lockdown measures and the importance of human contact and community became more apparent than ever. These months have shed light on the fact that, at Corbion, we have a wonderful family, built on a strong culture. We now know firsthand that when faced with difficulty, our values see us through.

Our colleagues in Brazil felt supported in their efforts to stay fit while at home through videos posted to their Yammer channel. The Human Resources team developed an online daily exercise program led by a physical education teacher, an idea conceived by Karla Leite, Senior HR Manager to help employees take care of their physical and mental health. Valéria Guimarães, HR Manager in Corbion Araucária, joined the training from home, sometimes joined by family members. "During one workout session at my home gym, I set a record: 16 burpees in 1 minute!"

With millions out of work in the US because of COVID-19 business disruptions, Corbion employees in Lenexa and Grandview stepped up to help neighbors in need, holding a virtual food drive that raised more than $10,000 in personal donations for an area food bank over the course of two weeks. With the company's matching donations, the team was able to provide 60,000 meals for Kansas City families, many of whom were experiencing food insecurity for the first time. The effort helped members of the Corbion team realize the power they have to make a positive difference in the world, even in the face of a global pandemic.

Mark Hotze - VP Regional Sales - member Corona Crisis Team Lenexa

One of the highlights during the pandemic has been watching our operations team shine. We were crushed with orders for both meat and bakery back in March. Customers were doubling or tripling their regular quantities to try to keep up with panic buying by consumers; the push to stock pantries was unprecedented, but our response even more so. Our customers were also concerned for the future and wanted to stockpile our products themselves, and our plants demonstrated an awesome ability to deliver under pressure. Also, in supply chain and procurement, we were doing all the right things, and we really showed what we can do.

Maria Cecilia Londono - VP Regional Sales - member Corona Crisis Team São Paulo

Because the pandemic didn't originate in Latin America, we had time to prepare; we saw what was happening in China, then in Europe. We knew it was coming, so we were able to learn from the experience of our Corbion colleagues. We developed protocols for everything before the situation got worse, and gave colleagues the tools they needed to work from home effectively. IT did an excellent job, setting up all computers and cell phones in less than a week for all sites. Production in our plants continued and even reached record levels. The world is going through a difficult time, but the Corbion team has shown great responsiveness to the crisis. Collaboration has been outstanding, and we've come to know each other in a caring way; that helps so much.

Sustainability **statements**

Sustainability statements

Creating sustainable growth performance

This section describes Corbion's performance against its 2020 sustainability targets defined in the previous strategy Creating Sustainable Growth (2018 -2020).

Responsible sourcing

KPI	2020 Target [1]	2020	2019 [6]
% of raw materials assessed on security of supply (annually) √	100%	100%	100%
% of raw materials covered by generic supplier code √	> 90%	99%	100%
% of cane sugar responsibly sourced [2] √	100%	100%	100%
% of palm oil and primary oleochemicals responsibly sourced [3, 4] √	100%	100%	75%
% of corn-based dextrose responsibly sourced [5] √	95%	99%	98%
% of soy-bean oil and primary oleochemicals responsibly sourced [5] √	75%	38%	34%
% of wheat-based raw materials responsibly sourced [5] √	50%	86%	84%

1 % are defined by quantity.
2 Quantity covered by Corbion's cane sugar code or Bonsucro certification.
3 Primary oleochemicals as defined by RSPO, including glycerin.
4 RSPO certified, using the Mass Balance model.
5 Supplier meets Corbion's responsible sourcing requirements specified in our supplier code and our sustainable agriculture policy, evaluated by a self-assessment questionnaire. Target only includes tier-1 suppliers that source directly from farmers.
6 Our facility in Araucária (Granotec do Brazil) was not included in 2019.

√ = reviewed by external auditor

All 2020 targets were achieved, with the exception of our target related to the responsible sourcing of soy as one of our soy-bean oil suppliers declined to complete our self-assessment questionnaire. Through our engagement with soy suppliers in the past years, we have confirmed that all soy-bean oil used by Corbion is produced in the US, from soy beans grown in the US. Risks such as human rights and deforestation issues are therefore low. For the current strategic period 2020-2025 (Advance 2025), the following adjustments have been made:

Creating Sustainable Growth KPI	Advance 2025 KPI	Motivation for change
% of raw materials assessed on security of supply (annually)	% of high-risk raw materials / suppliers	To provide transparency on the outcome of the security-of-supply process.
	% of high-risk raw materials / suppliers with mitigation plan	
% of raw materials covered by generic supplier code	% of raw materials covered by generic supplier code	No change.
% of cane sugar responsibly sourced	% of cane sugar verified responsibly sourced; included in % of verified deforestation-free key agricultural raw materials and in reduction of Scope I, II, III emissions (SBTi-approved target)	Verification of the cane sugar code requirements through auditing is the next step in our responsible sourcing journey.
		In the Advance 2025 strategy we decided to focus on deforestation-free sourcing and reduction of GHG emissions.
% of palm oil and primary oleochemicals responsibly sourced	Included in % of verified deforestation-free key agricultural raw materials and in reduction of Scope I, II, III emissions (SBTi-approved target)	In the Advance 2025 strategy we decided to focus on deforestation-free sourcing and reduction of GHG emissions.
% of corn-based dextrose responsibly sourced	Included in % of verified deforestation-free key agricultural raw materials and in reduction of Scope I, II, III emissions (SBTi-approved target)	In the Advance 2025 strategy we decided to focus on deforestation-free sourcing and reduction of GHG emissions.
% of soy-bean oil and primary oleochemicals responsibly sourced	Included in % of verified deforestation-free key agricultural raw materials and in reduction of Scope I, II, III emissions (SBTi-approved target)	In the Advance 2025 strategy we decided to focus on deforestation-free sourcing and reduction of GHG emissions.
% of wheat-based raw materials responsibly sourced	Included in % of verified deforestation-free key agricultural raw materials	In the Advance 2025 strategy we decided to focus on deforestation-free sourcing.

Responsible operations

KPI	2020 Target	2020	2019 [3)]
Total Recordable Injury Rate	< 0.75	0.87	0.83
Renewable electricity √	50%	71%	58%
Landfill of by-products √	0	9.2 kT	4.6 kT
Landfill of waste √	-	1.8 kT	1.2 kT
Reduction of Scope I, II, III emissions (SBTi-approved target) [1,2)]	-	11%	12%

1 *We report our emissions in accordance with the Greenhouse Gas Protocol per metric ton of product. Our Science Based Target includes Scope I emissions from direct production (from natural gas), Scope II emissions from purchased energy (electricity and purchased steam, market-based), and Scope III emissions related to key raw materials and transport. Our full Scope III emissions and biogenic emissions are reported elsewhere in the Sustainability statements.*
2 *Compared to 2016 as base year.*
3 *Our facility in Araucária (Granotec do Brazil) was not included in 2019.*

√ = reviewed by external auditor

All 2020 targets were achieved, with the exception of our safety target and the target related to zero landfill of by-products. Our Total Recordable Injury Rate (TRIR) combined for Corbion and contractor employees was 0.87, which is slightly up from last year (0.83). The landfilling of by-products increased to 9.2 kT due to the increased production of lactic acid at our plant in Spain. At this site, we have not yet been able to find an outlet for all by-products, due to legislative barriers and increased quantities. In 2020 we have engaged external support to address this situation and recently we have obtained regulatory approval to apply the by-product as a soil conditioner.

We will continue to report on all KPIs in the current strategic period (2020-2025).

Sustainable solutions

KPI	2020 Target	2020	2019 [4)]
% of innovation projects assessed on sustainability √	100%	100%	100%
% biobased raw materials [1)] √	-	98%	98%
% of products sold covered by LCA [1,2)] √	50%	63%	44%
% of products sold covered by PSM [3)] assessment	-	0.4%	-

1 *By quantity; products manufactured at Corbion production sites.*
2 *LCA = Life Cycle Assessment.*
3 *PSM = Product Social Metrics.*
4 *Our facility in Araucária (Granotec do Brazil) was not included in 2019.*

√ = *reviewed by external auditor*

All 2020 targets were achieved. For the current strategic period, the following adjustments have been made.

Creating Sustainable Growth KPI	Advance 2025 KPI	Motivation for change
% of innovation projects assessed on sustainability	% of innovation projects contributing to preserving food and food production, health, and the planet	To provide transparency on the outcome of the security-of-supply process.
% biobased raw materials	% biobased raw materials	No change.
% of products sold covered by LCA	% of products sold contributing to preserving the planet covered by LCA	Definition adjusted to focus on products that require an LCA to provide transparency on environmental impact and to support claims.
% of products sold covered by PSM assessment	% of products sold contributing to preserving food covered by PSM; % of products sold contributing to preserving health covered by PSM	Definition adjusted to focus on products that require a PSM assessment to provide transparency on social impact and to support claims.

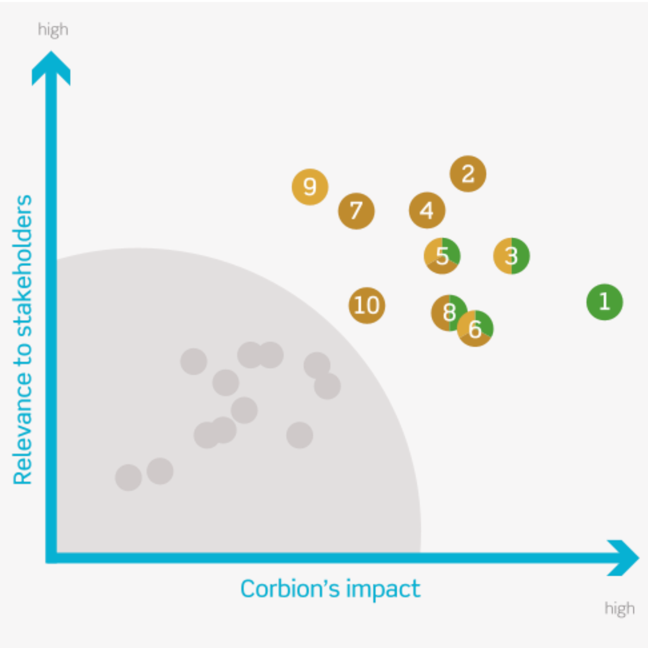
Materiality and stakeholder engagement

The foundation of our sustainability strategy is the materiality matrix, which we use to set priorities and ensure that we take a focused approach. A materiality analysis is about the identification of key issues that are important to our stakeholders and our strategy. The materiality matrix visualizes the results of this analysis, by plotting the relevant social, environmental, governance, and economic issues as a function of their importance to stakeholders (vertical axis) and the impact of Corbion's strategy and activities on the issues (horizontal axis).

In 2020, we updated the materiality matrix using an in-depth methodology (see Figures 1 and 2), resulting in the identification of ten material themes. These ten themes are considered important by the majority of our stakeholders and are impacted by Corbion's activities significantly. The materiality assessment is updated at least every three years, as input for our strategy updates. Compared to the materiality matrix determined in 2017, four new topics made it to the top 10: collaboration and partnerships, economic performance, sustainable and responsible agriculture, and responsible business.

The graph below shows the upper-right section of Corbion's materiality matrix, highlighting the ten material themes.

Materiality matrix



Material themes

		2	3	12
1	Safe and healthy working environment		✓	
2	Greenhouse gas emissions			✓
3	Innovation for safe, healthy, and sustainable food production	✓	✓	
4	Sustainable procurement			✓
5	Collaboration and partnerships	✓	✓	✓
6	Economic performance	✓	✓	✓
7	Innovation for circular economy			✓
8	Product quality and safety		✓	✓
9	Sustainable and responsible agriculture	✓		
10	Responsible business			✓

The materiality determination process (Fig. 1)

1.Theme identification

We compiled a long list of relevant sustainability themes based on international standards, media, peers, sector trends and risk analysis. This list was then consolidated to create a shorter list of 22 themes.

2. Stakeholder dialogues

The importance of each theme to our stakeholders was determined through a survey and interviews.

3. Determination of Corbion's impact

The degree to which Corbion impacts each theme was ranked by Corbion's senior management, Executive Committee, and Supervisory Board through a survey.

4. Materiality matrix calculation

The resulting internal and external scores were plotted in a matrix and discussed with the Sustainability Sounding Board and the Executive Committee to determine the material themes.

Key stakeholder groups (Fig. 2)

Our key stakeholders have been identified on the basis of two questions:

1. On which stakeholders does Corbion have a significant impact?

2. Which stakeholders have a significant impact on Corbion?

(Alphabetical order)

- **Business partners**
- **Customers**
- **Employees**
- **Governments**
- **Industry associations**
- **Knowledge institutes**
- **Multi-stakeholder initiatives**
- **NGOs**
- **Potential future employees**
- **Shareholders**
- **Supervisory Board**
- **Suppliers**

Material themes, definition, link to sustainability strategy

The table below lists the material themes, definitions, boundaries, management approach, and the link with Corbion's sustainability framework and strategy.

Material theme	Safe and healthy working environment
Definition	Provide a safe and healthy working environment for all employees, contractors and visitors, and promote a safety culture in the supply chain.
Management approach	• Record all incidents and implement corrective and preventive measures • OHSAS 18001 / ISO 45001 certification for all our manufacturing sites
Boundaries	Corbion's own operations
Link with Advance 2025 strategy	Preserving health
Linked SDG	SDG3
Material theme	**Greenhouse gas emissions**
Definition	The reduction of GHG emissions of Corbion and its partners in line with the Paris climate agreement, by increasing energy efficiency, use of renewable energy and supplier engagement.
Management approach	• Transition to renewable electricity • Energy-saving projects at manufacturing sites • Selection of the most energy-efficient technology available when equipment is replaced • R&D program to identify opportunities for heat integration, electrification, and recycling • Partner with suppliers to jointly reduce our carbon footprint • Review the financial impact of greenhouse gas emissions through internal carbon pricing in capital expenditure and long-term R&D projects
Boundaries	Corbion's value chain
Link with Advance 2025 strategy	Preserving the planet
Linked SDG	SDG13
Material theme	**Innovation for safe, healthy and sustainable food production**
Definition	Corbion's food ingredient solutions support the sustainable production of safe, healthy, and affordable food and the prevention of food waste along the value chain.
Management approach	• Sustainability assessment integrated in our innovation stage-gate process • Quantify the impacts on people and/or planet for products with a sustainability value proposition (Life Cycle Assessment) • Provide food safety solutions that enable our meat customers to produce safe food • Provide preservation solutions that help our customers deliver products with longer shelf lives, which in turn enables them to reduce food waste and deliver affordable products to markets in which consumer spending power is limited • Leverage our expertise in food spoilage and food safety to serve more segments of the food industry • Provide solutions for healthy food, such as ingredients for salt reduction and mineral fortification
Boundaries	Corbion's downstream value chain
Link with Advance 2025 strategy	Preserving food and food production, preserving health
Linked SDG	SDG2, SDG3
Material theme	**Sustainable procurement**
Definition	To ensure high-quality materials and security of supply, Corbion aims to manage social and environmental risks within our supply chain in a responsible and ethical way.
Management approach	• Assessment of raw materials on potential risks related to procurement, quality (including food safety), and sustainability in our security-of-supply assessment, which is updated annually • Development of mitigation plans for all high-risk raw materials and suppliers • Generic supplier code that states mandatory requirements on, amongst others, business ethics, human rights, labor conditions, the environment, and responsible procurement; based on the OECD Guidelines for Multinational Enterprises and the eight fundamental conventions defined by the ILO • Participate in relevant multi-stakeholder initiatives
Boundaries	Corbion's supply chain
Link with Advance 2025 strategy	Preserving the planet
Linked SDG	SDG12

Material theme	Collaboration and partnerships
Definition	Through collaboration with partners Corbion is able to provide better and innovative solutions for customers and society.
Management approach	• Engagement with suppliers of our key raw materials regarding responsible sourcing, sustainable agriculture, and reduction of GHG emissions • Engagement with agricultural services partners regarding sustainable agriculture • Joint innovation projects with customers • Engagement with customers regarding the Science Based Targets initiative • Participate in relevant multi-stakeholder initiatives and partnerships
Boundaries	Corbion's value chain
Link with Advance 2025 strategy	Preserving food and food production, preserving health, preserving the planet
Linked SDG	SDG17

Material theme	Economic performance
Definition	To ensure corporate longevity, and continuity in its solution offering, Corbion aims for healthy economic business returns.
Management approach	See Risk management chapter
Boundaries	Corbion's own operations
Link with Advance 2025 strategy	Preserving food and food production, preserving health, preserving the planet
Linked SDG	-

Material theme	Innovation for circular economy
Definition	Corbion's biobased chemicals and materials support the transition to a circular economy
Management approach	• Sustainability assessment integrated in our innovation stage-gate process • Quantify the impacts on people and/or planet for products with a sustainability value proposition (Life Cycle Assessment) • Application of Green Chemistry principles in innovation • Innovation portfolio Lactic Acid & Specialities • Innovation portfolio Incubator
Boundaries	Corbion's downstream value chain
Link with Advance 2025 strategy	Preserving the planet
Linked SDG	SDG12

Material theme	Product quality and safety
Definition	Corbion delivers products that are safe, consistently meet specifications, and deliver the expected performance.
Management approach	• Ensure certifications are in place to meet customer and industry-adopted standards and requirements • Internal audits by our global quality platform to ensure that we continue to improve our operational standards for quality and food safety • Customer audits predominantly from our international pharmaceutical customers and large food clients • No production of chemicals of concern
Boundaries	Corbion's own operations
Link with Advance 2025 strategy	Preserving health, preserving the planet
Linked SDG	SDG3, SDG12

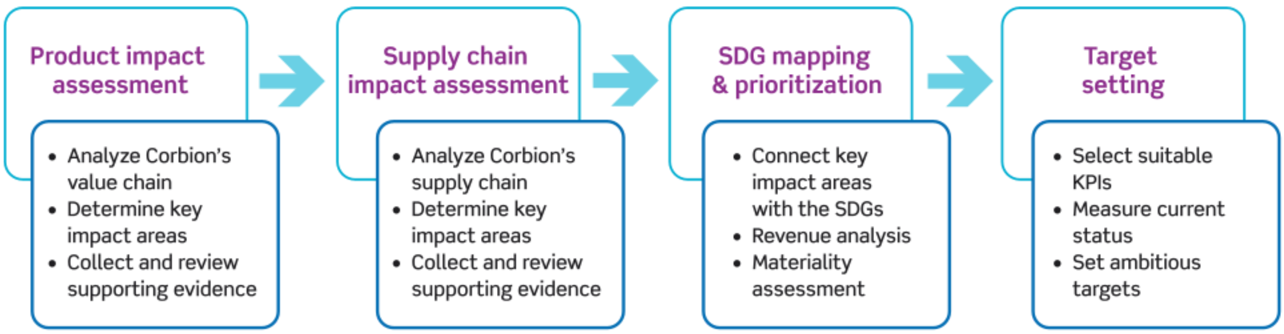
Material theme	Sustainable and responsible agriculture
Definition	Corbion aspires to create a sustainable and traceable agricultural supply chain by eliminating deforestation and by continuous improvement to reduce negative impacts on the environment while providing positive benefits such as carbon sequestration.
Management approach	• Generic supplier code that states mandatory requirements on, amongst others, business ethics, human rights, labor conditions, the environment, and responsible procurement • Sustainable agriculture policy • Specific policies for our key raw materials focusing on continuous improvement toward the implementation of the relevant sustainability standard for each of these raw materials • Engagement with suppliers and agricultural services partners regarding sustainable agriculture • Participate in relevant multi-stakeholder initiatives
Boundaries	Corbion's supply chain
Link with Advance 2025 strategy	Preserving food and food production
Linked SDG	SDG2, SDG15

Material theme	Responsible business
Definition	By conducting business in a responsible fashion, actively enforcing an ethical, anti-corruptive culture, Corbion is a trustworthy partner.
Management approach	See Business conduct/compliance chapter
Boundaries	Corbion's value chain
Link with Advance 2025 strategy	Preserving the planet
Linked SDG	SDG12

Corbion's impact on the Sustainable Development Goals

To determine our strategic focus, we performed an SDG impact assessment, consisting of the four steps summarized in the figure below. Based on this assessment, Corbion has chosen to focus on SDG 2 (Zero hunger), SDG 3 (Good health and well-being), and SDG 12 (Responsible consumption and production) as the goals on which it believes it can have the most significant positive impact. These SDGs have been linked to the three preservation themes of the Advance 2025 strategy, namely preserving food and food production (SDG 2), preserving health (SDG 3), and preserving the planet (SDG 12). See our Measuring what matters white paper that describes this assessment in detail.

SDG Assesments



To determine the Corbion revenue contribution to preserving food and food production, health, and the planet, the entire Corbion product portfolio was mapped against the identified impact areas which are linked to these three themes. A similar approach was followed to determine the contribution of Corbion's innovation portfolio to these three areas.

Impact category	Preserving food and food production	Preserving health	Preserving the planet
Animal health	2.4	3.3	
Reduced environmental impact	2.4		12.5, 13.1
Food safety	2.1	3.3	
Food waste	2.1		12.3
Health and health care		3.3, 3.4, 3.5, 3.7, 3.8	
Health and nutrition		3.4	
Marine biodiversity	2.4		14.2, 14.4
Biobased economy			12.2
Less hazardous chemicals		3.9	12.4

External recognition

CDP

CDP runs a global disclosure system that enables companies, cities, states, and regions to measure and manage their environmental impacts, with a focus on climate change, water security, and deforestation. A detailed and independent methodology is used to assess companies, allocating a score of A to D- based on the comprehensiveness of disclosure, awareness, and management of environmental risks and demonstration of best practices associated with environmental leadership, such as setting ambitious and meaningful targets. Those that do not disclose or provide insufficient information are marked with an F. The CDP questionnaire is aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Corbion has been participating in the CDP Climate Change and Supply Chain programs since 2016 to provide transparency on how we manage risks and opportunities related to climate change. In 2020, Corbion has been recognized for leadership in corporate sustainability by CDP, securing a place on its prestigious "A-list" for tackling climate change. Corbion was recognized for its actions to cut emissions, mitigate climate risks, and develop the low-carbon economy, based on the data reported through CDP's 2020 climate change questionnaire.

Corbion started participating in the Forests questionnaire in 2018 and in 2020, we participated in the Water questionnaire for the first time.

Program	Corbion score	Sector average	Global average
Climate change / General	A	B-	C
Climate change / Supplier engagement	A	B-	C
Forests / Palm oil	B	C	C
Forests / Soy	C	D	C
Water / General	B-	B	B

EcoVadis

EcoVadis sustainability ratings and scorecards assess the environmental and social performance of companies. The assessment framework covers 21 sustainability criteria (from CO_2 emissions to human rights and business ethics) aligned with GRI, Global Compact, and ISO 26000.

Corbion received the Platinum rating in the 2020 EcoVadis CSR assessment, which implies Corbion is in the top 1% of all suppliers in our sector, assessed worldwide. Our full EcoVadis sustainability profile is available on the Corbion website.

Sustainability governance

The Executive Committee has overall responsibility for sustainability and decides on the strategy and targets. We use a sustainability dashboard with qualitative and quantitative indicators, to monitor our progress on the strategic sustainability initiatives. The dashboard is reviewed by the Board of Management each quarter and is discussed with the Executive Committee at least twice a year. The Director of Sustainability reports to the CSSO and drives the implementation and reporting of the strategic initiatives. Accountability for managing sustainability initiatives and delivering against targets lies with the relevant businesses and functions. This responsibility is anchored in business targets and personal targets at various levels in the organization.

Corbion's sustainability sounding board, which includes representatives from all Corbion business units and functions, advises the Director of Sustainability and the CSSO on the sustainability strategy and specific initiatives.

Annual Report TCFD 2020

The Task Force on Climate-related Financial Disclosures (TCFD) was established to improve transparency of and for the financial sector and businesses on the risks and opportunities related to climate change. Corbion is committed to identifying and addressing both its own impact on the climate as well as the potential impact of climate-related developments on the company. The primary focus of climate-related disclosures is through the CDP questionnaires, which are aligned with the TCFD guidelines.

On top of this Corbion has, in collaboration with Utrecht University, initiated a pilot study for the application of scenario analysis feasible for small to medium enterprises subject to the non-financial reporting directive (NFRD). Below we provide a summary of the relevant information for the TCFD and the preliminary findings of our scenario analysis pilot.

Governance

Under the chairmanship of the Chief Executive Officer, the members of the Executive Committee have overall responsibility for sustainability and decide on the strategy and targets. The Executive Committee shares responsibility for developing objectives and the strategy, determining the risk profile, and implementing strategic and operational policies. The CEO is also head of the Climate Change Steering Committee. The CEO has been given these responsibilities because sustainability is key to Corbion's strategy and hence responsibilities are embedded in the highest management level.

Annually, there are two formal meetings with the full Executive Committee to discuss sustainability. All formal Executive Committee meetings cover climate-related topics. The Climate Change Steering Committe (CEO, CSSO, VP Procurement, VP Engineering, Maintenance, and Technology, Sustainability Director, R&D program lead, and Finance Director) meets quarterly. The Executive Committee members have informal meetings as well, covering whatever important matters arise, varying from sustainability and climate change to risks and profits.

To encourage our employees to address climate-related issues, both the Short-Term Incentive Plan (STIP) and Long-Term Incentive Plan (LTIP) include Sustainability targets. One of these targets is the progress towards achieving our Science Based Target. See Remuneration Board of Management for more information on these incentive plans; the STIP and LTIP targets that are agreed with the Board of Management also apply to all employees included in the STIP and LTIP.

Strategy

Corbion closely monitors the increasing risks associated with a warming climate. Although we have not identified any acute (<1 year) or significant medium-term (1-5 years) risks related to climate change, there are some risks that Corbion might be exposed to in the future. The currently most relevant physical climate risks for Corbion relate to the increased severity of extreme weather events and potential supply-chain disruptions if key suppliers are adversely impacted by climate change. Key transitional risks come from potential government regulation and shifts in consumer preferences. Corbion is committed to early action in anticipation of these risks to limit potential impacts.

Due to the nature of Corbion's businesses there are also opportunities related to climate change. For Corbion, sustainability and climate change are drivers for innovation. Opportunities present themselves most prominently in relation to the transition toward a low-carbon economy. Examples include PLA bioplastics (through our joint venture with Total) and our Algae Ingredients platform.

Scenario analysis

In order to identify and better understand the current implications of future events Corbion has explored the use of scenario analysis in collaboration with Utrecht University. In line with the TCFD recommendations we have assessed the potential impacts of both a transition risk (<2ºC warming by 2100) and physical risk (±4ºC warming by 2100) scenario on parts of our business.

Over the course of two workshops senior managers were challenged to guide Corbion through a series of relevant events. In the first workshop the focus was on potential transitional events that could have an impact on Corbion's business, whilst the second workshop focused mostly on physical risks. Providing the basis for the workshops were the scenarios developed by Ansari & Holz (2019) published in Energy Research & Social Science. [1] These scenarios were supplemented with reports from the IPCC (2014; 2019) and the McKinsey Global Institute (2020). On top of this various sources for specific (local and regional) developments were consulted. During the workshops the En-ROADS simulator was used.

- Key assumptions for the transition risk scenario included a carbon price ranging from €50 - €150/t CO_2equiv, either globally or locally implemented, stricter governmental regulations on different fronts, and increasing competition between natural and agricultural lands with the consequential competition between food and non-food crops.
- Key assumptions for the physical risk scenario included an increase in the number and/or intensity of extreme weather events, increased water stress in certain areas with corresponding yield reductions in agricultural areas, supply-chain disruptions, and a reduced demand for biobased solutions.

Running from 2020 to 2040 the key takeaway from the scenario workshops was the loading of transition risks in the upcoming decade transforming to mostly physical risks in the 2030s and beyond. As a pilot exercise the main outcomes were related to the creation of awareness in senior management of the potential impact and timing of climate-related risks and subsequent inclusion of climate-related risks in the enterprise-wide risk management.

1 *Ansari, D., & Holz, F. (2019). Anticipating global energy, climate and policy in 2055: Constructing qualitative and quantitative narratives. Energy Research & Social Science, 58, 101250.*

Risk management

Many of the identified short- and medium-term risks and opportunities were already part of day-to-day decision-making. The scenario analysis has given them a more explicit place in the company's risk management strategy in relation to climate change. In this section we will shortly argue why we think the identified risks are not yet material for Corbion.

An increase in the severity of extreme weather events can have significant consequences for Corbion's operations and ability to deliver. However, the projected timeframe of these changes together with the diversified global footprint of our operations and supply chain makes this more of a long-term risk. Also, Corbion uses a small amount of feedstock relative to the respective global markets, making the company less vulnerable to bad harvests and price fluctuations. This means that Corbion will monitor developments in this area regularly, but does not consider it a material risk at this moment.

Supply-chain disruptions can occur for many different reasons. The main difference is that climate-related disruptions can be systemic in nature and therefore have a much more significant impact. However, also for this type of physical risk the long-term timeframe makes the climate-specific part of this risk something that we monitor but not consider material at this moment.

Increased governmental regulations with regards to climate change are considered very likely in the near future. Due to our global footprint and presence in the European Union Corbion is subject to many different types of legislation and also some of the most stringent. To anticipate these regulations Corbion is constantly trying to find new ways to reduce its environmental impact, while participating actively in voluntary initiatives such as the Science Based Targets initiative and CDP.

Changing consumer preferences is not just a climate change related risk, as an ongoing trend this is already included in day-to-day management practices. Also, due to the nature of our business we see changing consumer preferences as more of an opportunity than a risk. As we continue to develop and apply scenario analysis we aim to identify potential climate-related risks at an early stage. Once risks and opportunities are identified and deemed (potentially) material in the short, medium, or long term they are included in the overall risk assessment process and assigned a risk owner for management and monitoring. For more details please refer to our CDP disclosure.

Metrics and targets

Corbion discloses its Scope I, II, and III emissions (see Sustainability statements/Natural capital/ Greenhouse gas emissions and CDP). For internal planning purposes Corbion uses a carbon price of €50/t CO_2equiv. In 2019, Corbion has committed to reduce its Scope I, II, and III GHG emissions by 33% per ton of product by 2030 (base year: 2016). This target has been approved by the Science Based Target initiative, confirming that our current emission reduction plans are in line with the Paris climate agreement to keep global warming well below 2ºC. Corbion also aspires to use 100% renewable electricity by 2030. The commitment to that ambition is made through the RE100 initiative. In 2020 our use of renewable electricity was 71%.

Reporting policy

We used the GRI Standards core option as a basis for our 2020 report. The selection of topics included in the report is based on a materiality assessment (see Materiality and stakeholder engagement). The environmental and social results for the material topics in this report cover all entities that belong to the scope of the consolidated financial statements. Our joint venture Total Corbion PLA is excluded. The scope of the environmental data includes Corbion's manufacturing sites. Offices and R&D laboratories are not included, except for our R&D laboratories and offices located at our Gorinchem, Totowa, and Araucária manufacturing sites.

Data is collected from various reporting systems. For each KPI, data reporters and data reviewers are defined, either at site level or at corporate level. The data reporter is responsible for the annual reporting of the data via the central reporting systems and for document retention and record-keeping related to this data. The data reviewer (from Finance) is responsible for the validation of the reported data. Site-specific data is consolidated and reviewed at corporate level by Finance and the Sustainability team. The review includes a comparison to data from previous years and a review of changes that could have impacted the results, such as improvement projects. In case of uncertainties, data estimation may be required, which is validated during review. We strive to continuously improve the data collection process and the reliability of the data. Significant changes that impact comparability including changes in measurement methods are explained in footnotes.

Non-financial KPIs marked by "√ " are reviewed by external auditor.

Natural capital

Our environmental policies and the principal environmental risks for our business operations and value chain are described in the Sustainability sections on *Responsible sourcing*, *Greenhouse gas emissions and renewable electricity* and *Water.* Our natural capital KPIs measure the performance of all our operations in terms of energy usage, water consumption, waste and by-product generation, and greenhouse gas (GHG) emissions.

Category		Unit	2020	2019 [6]
Production volume √		kT	524	499
Energy √	Electricity (renewable)	GJx10^3	548	397
	Electricity (non-renewable)	GJx10^3	229	285
	Natural gas, purchased steam (non-renewable)	GJx10^3	2,432	2,290
	Biogas, purchased steam (renewable)	GJx10^3	251	246
	Total	**GJx10^3**	**3,459**	**3,219**
Energy intensity √	Total, specific	GJ/T	6.60	6.45
GHG emissions √	Scope I	kT CO_2 equiv	114	101
	Scope II (market-based)	kT CO_2 equiv	59	68
	Scope II (location-based)	kT CO_2 equiv	98	96
	Scope III	kT CO_2 equiv	990	907
	Biogenic emissions [2]	kT CO_2 equiv	49.54	34.33
	Scope I, specific	T CO_2 equiv /T	0.22	0.20
	Scope II, specific (market-based)	T CO_2 equiv /T	0.11	0.14
	Scope II, specific (location-based)	T CO_2 equiv /T	0.19	0.19
	Scope III, specific	T CO_2 equiv /T	1.89	1.82
Water consumption [3]√	**Total**	**m3x10^3**	**4,793**	**4,318**
	Total, specific	**m3/T**	**9.14**	**8.64**
Waste (total [4]) √	Recycled	kT	23.59	21.13
	Incinerated	kT	2.45	2.03
	Landfilled	kT	1.84	1.20
	Total	**kT**	**27.87**	**24.35**
Waste (non-hazardous) √	Recycled	kT	22.72	20.48
	Incinerated	kT	2.40	1.94
	Landfilled	kT	1.75	1.15
	Total	**kT**	**26.88**	**23.57**
Waste (hazardous) √	Recycled	kT	0.86	0.65 [1]
	Incinerated	kT	0.05	0.09
	Landfilled	kT	0.08	0.04
	Total	**kT**	**0.99**	**0.78 [1]**
By-products [5] √	Recycled	kT	499	452
	Incinerated	kT	0	0
	Landfilled	kT	9.22	4.61
	Total	**kT**	**508**	**456**

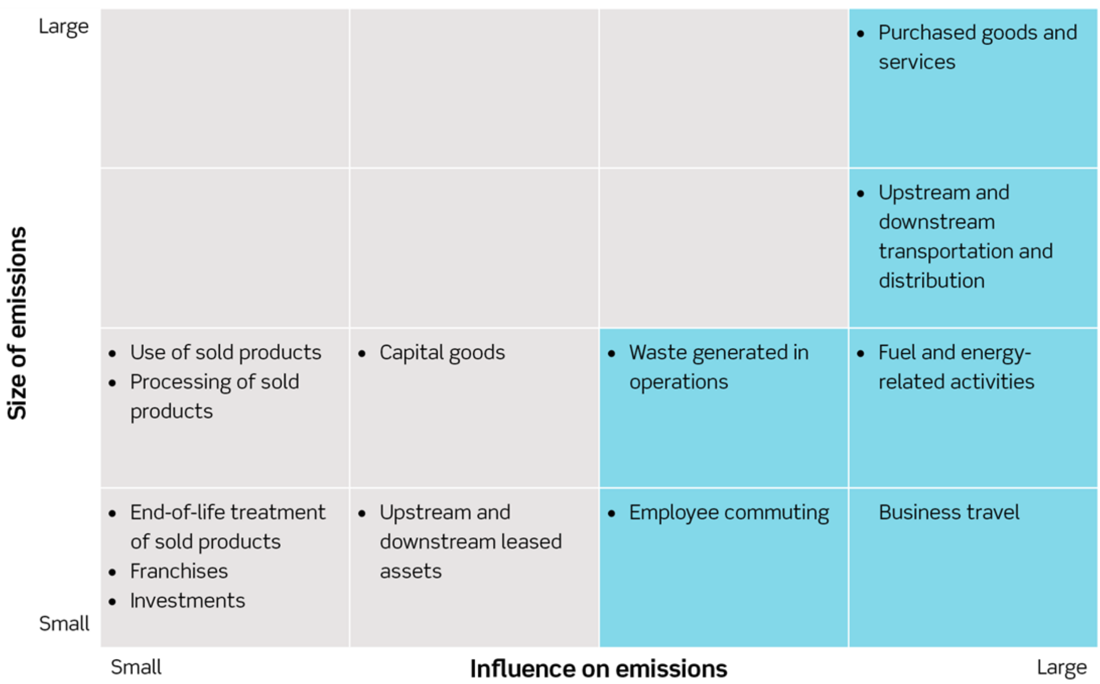
1 *Restated due to data-quality improvement.*
2 *Biogenic emissions are mainly related to indirect emissions from purchased renewable energy and direct emissions from algae fermentation, the consumption of biogas, and waste water treatment.*
3 *Sum of the water withdrawn from rivers, aquifers, rainwater reservoirs, municipal water supplies, including purchased steam.*
4 *Sum of hazardous and non-hazardous waste. Waste means any substance or object arising from our routine operations which we discard or intend to discard, or are required to discard.*
5 *Valuable by-products generated in the production of lactic acid.*
6 *Our facility in Araucária (Granotec do Brazil) was not included in 2019.*

√ *= reviewed by external auditor*

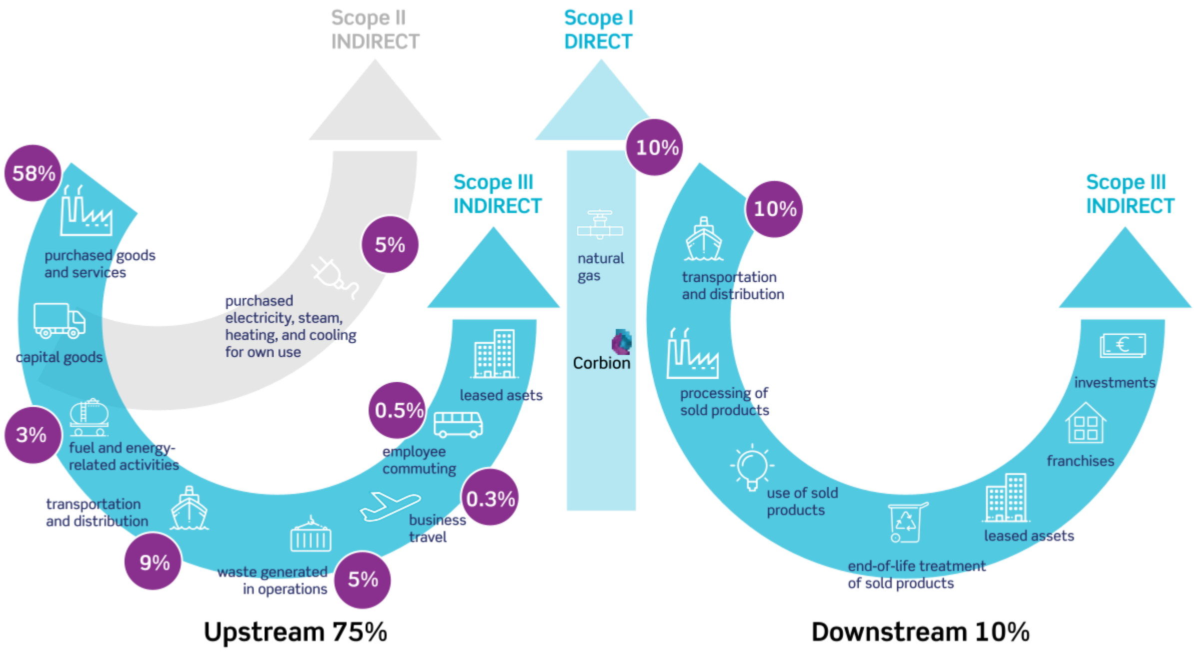
Greenhouse gas emissions
We report our emissions in carbon equivalents from cradle to gate in accordance with the Greenhouse Gas Protocol. This includes Scope I emissions from direct production (for natural gas), Scope II emissions from purchased energy (for electricity and purchased steam), and Scope III emissions related to purchased goods and services, fuel and energy-related activities, upstream and downstream transportation, waste generated in operations, business travel, and employee commuting.

The chart below shows which Scope III activities have the most significant GHG emissions, offer the greatest opportunities for reduction, and are the most relevant to our ambition to reduce our carbon footprint in line with the Paris climate agreement.

Compared to 2019, our total emissions increased due to an increase in the total production volume. Our specific Scope I emissions increased by 8% due to changes in product mix and efficiency-losses during start-up activities. For Scope II, our market-based specific emissions decreased by 13%, due to the increased use of renewable electricity. Eight out of thirteen Corbion sites are now 100% powered by renewable electricity, which increases our global coverage to 71%. Our specific Scope III emissions increased by 4% due to the changes in product and supplier mix. Emissions related to employee commuting and business travel significantly decreased due to the impact of the COVID-19 pandemic, but this does not materially impact our overall Scope III emissions. The biogenic emissions include the indirect biogenic emissions from the renewable energy used at our facility in Orindiúva. Our Orindiúva facility uses renewable electricity and steam generated from the incineration of bagasse at the neighboring sugar mill.



Greenhouse gas emissions in Corbion's value chain [1)]



1 *See the Sustainability statements for an explanation of concerning the relevance of the Scope II categories that are not reported.*

Human capital

Inclusion and employee engagement

Corbion is fully committed to including the opinions and insights of its employees and investing in their further development. At Corbion we strive to create an effective and high-performing organization with engaged, inclusive, and diverse teams where our employees can unleash their passion, pride, and talent to create sustainable growth now and well into the future. To underpin this further and provide a “compass” for all interactions of our employees within and outside our company, we have communicated and implemented the Corbion values Care, Commitment, Collaboration, and Courage worldwide – in addition to the Corbion behaviors.

To ensure we embed the above into Corbion and support our people in the best ways possible, the following principles are leading within Corbion:

- Attract, develop, and retain our employees based on diversity, competences, strengths, and leadership potential required for current and future positions.
- Offer challenging (new) career opportunities and encourage and support opportunities for further business and personal growth in the job, in projects, and with training.
- Reward delivery of performance based on an internationally competitive remuneration framework.
- Provide an inclusive work environment which leads to an increasingly engaged and involved workforce.

In 2020 we started the communication about our Inclusion & Diversity policy and set specific targets related to gender diversity in senior management positions. We developed inclusion and diversity awareness workshops which will be implemented in 2021. We also continued our global review and succession planning of our talent, with the aim of establishing a stronger succession pipeline by ensuring quality and timely succession of critical positions. In addition, we implemented a global standard for the onboarding of new employees to familiarize them quicker with their new environment and enable them to better understand our culture, values, and behaviors to successfully contribute within Corbion. In 2020 we redesigned our global leadership program, which will be implemented in 2021.

Achieving an optimal level of employee engagement and the creation of a culture focused on continuous performance and innovation are key success factors. In 2020 we had our fifth engagement survey with a response rate of 93%. The outcome of the survey shows, once again, a rise in our engagement levels also in comparison with external benchmarks.

The four key Corbion behaviors – set clear direction, make the difference, focus on customers, and deliver through teamwork – are now an integral part of our performance management system and leadership development programs to fully support the implementation and realization of our Advance 2025 strategy.

Human rights

We support the United Nations Universal Declaration of Human Rights, the key conventions of the International Labor Organization, the OECD guidelines, and we are a signatory to the United Nations Global Compact. We integrate these principles into our policies and our business activities. Our Code of Business Conduct covers amongst others child and forced labor, discrimination, and freedom of association. All of our sites are assessed through Sedex and audited regularly (4-Pillar Sedex Members Ethical Trade Audit). Through our supplier code and our cane sugar code, we expect our suppliers to respect human rights in their operations. See Responsible sourcing and Sustainable agriculture in the Sustainability performance chapter for more information on these codes and the governance thereof.

Workforce profile

	FTE of employees 2020	% of workforce 2020	FTE of employees 2019	% of workforce 2019
Total workforce	**2,267**		**2,138**	
By region				
Asia	227	10%	230	11%
EMEA	702	31%	642	30%
Latin America	909	40%	392	18%
North America	429	19%	874	41%
By unit				
Business units	1,060	47%	716	33%
Ingredient Solutions			490	68%
Innovation Platforms			226	32%
Sustainable Food Solutions	641	61%		
Lactic Acid & Specialties	193	18%		
Incubator	43	4%		
Non-core	183	17%		
R&D			81	4%
CSSO	71	3%		
Operations	889	39%	1,137	53%
Support functions	247	11%	204	10%
By gender	**Number of employees**		**Number of employees**	
Female	620	27%	562	26%
Male	1,676	73%	1,604	74%
By employment contract	**Number of employees**		**Number of employees**	
Full time	2,143	93%	2,016	93%
Part time	153	7%	150	7%

Because of the updated strategy part of the population has moved in reporting from 'Operations' to 'Business units'.

Labor practices

Collective bargaining agreements	# of employees	% of workforce
Total employees with agreements	1,039	45%

To ensure high-level employee-management interaction and responsible labor practices, we have joint management-worker health & safety committees on all production locations with formally elected employee representatives. In Thailand, the Election Welfare Committee has a formal quarterly meeting with employer representation by labor law to jointly review the welfare and working conditions. The members of the Election Welfare Committee are all employees representatives.

In addition, our Code of Business Conduct reflects our strong commitment to responsible labor practices. All Corbion employees are paid a living wage.

GRI Index

General standard disclosures

Indicator	Description	Location in report
102-1	Name of the organization	Cover of the annual report
102-2	Activities, brands, products, and services	Corbion at a glance
102-3	Location of the organization's headquarters	Other information
102-4	Number of countries operating	Corbion at a glance
102-5	Nature of ownership and legal form	Corbion at a glance,How we safeguard long-term value
102-6	Markets served	Corbion at a glance
102-7	Scale of the reporting organization	Corbion at a glance, Company highlights
102-8	Information on employees and other workers	Sustainability statements
102-9	Supply chain	Sustainability performance, Sustainability statements
102-10	Significant changes to the organization and its supply chain	Financial statements
102-11	Precautionary principle or approach	Risk management
102-12	External initiatives	UN Global Compact
102-13	Memberships of associations	www.corbion.com/about-corbion/sustainability
102-14	Statement from senior decision-maker	Sustainability statements
102-16	Values, principles, standards, and norms of behavior	How we safeguard long-term value
102-40	List of stakeholder groups	Sustainability statements, How we safeguard long-term value
102-41	Collective bargaining agreements	Sustainability statements
102-42	Identifying and selecting stakeholders	Sustainability statements
102-43	Approach to stakeholder engagement	Sustainability statements
102-44	Key topics and concerns raised	Sustainability statements
102-45	Entities included in the consolidated financial statements	Group structure
102-46	Defining report content and topic boundaries	Sustainability statements
102-47	List of material topics	Sustainability statements
102-48	Restatements of information	Sustainability statements
102-49	Changes in reporting	Sustainability statements
102-50	Reporting period	Cover of the annual report
102-51	Date of most recent report	Back of the annual report
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Contact information
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability statements
102-55	GRI content index	Sustainability statements
102-56	External assurance	Sustainability statements

Specific standard disclosures

Indicator	Description	Location in report
Material topic – Greenhouse gas emissions		
GRI 103: Management Approach 2016		Greenhouse gas emissions and renewable electricity Sustainability statements
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Sustainability statements
302-3	Energy intensity	Sustainability statements
GRI 305: Emissions 2016		
305-1	Direct GHG emissions (Scope I)	Sustainability statements
305-2	Energy indirect GHG emissions (Scope II)	Sustainability statements
305-3	Other indirect GHG emissions (Scope III)	Sustainability statements
305-4	GHG emissions intensity	Sustainability statements
Material topic – Innovation for circular economy		
GRI 103: Management Approach 2016		Innovation Sustainability statements
GRI 306: Effluents and waste		
306-2	Waste by type and disposal method	Sustainability statements
Material topic – Safe and healthy working environment		
GRI 103: Management Approach 2016		Environment, health, and safety Sustainability statements
GRI 403: Occupational health and safety		
403-9	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities	Environment, health and safety Sustainability statements
Material topic – Product quality and safety		
GRI 103: Management Approach 2016		Product quality and safety Sustainability statements
FP5	Percentage of production volume manufactured at sites certified by an independent third party according to internationally recognized food safety management system standards	Product quality and safety
Material topic – Economic performance		
GRI 103: Management Approach 2016		Strategy Sustainability statements
GRI 201: Economic performance		
201-1	Direct economic value generated and distributed	Financial statements
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability statements / TCFD / CDP 2020 submission

Material topics which Corbion reports according to own indicators		
Material topic – Sustainable procurement		
GRI 103: Management Approach 2016		Responsible sourcing Biobased raw materials Sustainability statements
Own indicators	• Raw materials covered by generic supplier code • Raw materials with high sourcing risk • Suppliers with high quality risk • Suppliers with high sustainability risk • High-risk raw materials and suppliers with mitigation plan • Biobased raw materials	Responsible sourcing Biobased raw materials
Material topic – Sustainable and responsible agriculture		
GRI 103: Management Approach 2016		Sustainable agriculture Sustainability statements
Own indicators	• Verified responsibly sourced cane sugar • Verified deforestation-free key agricultural raw materials	Sustainable agriculture
Material topic – Innovation for safe, healthy, and sustainable food production		
GRI 103: Management Approach 2016		Innovation Sustainability statements
Own indicators	• Innovation projects contributing to preserving food and food production	Innovation
Material topic – Collaboration and Partnerships		
GRI 103: Management Approach 2016		Sustainability performance Sustainability statements
Own indicators	Qualitatively reported	Sustainability performance Sustainability statements
Material topic – Responsible business		
GRI 103: Management Approach 2016		Corporate governance
Own indicators	Qualitatively reported	Corporate governance

UN Global Compact

"Corbion is a signatory to the United Nations Global Compact. We are committed to aligning our operations and strategies with these ten principles in the areas of human rights, labor, the environment, and anti-corruption. We will continue to support the principles and communicate our progress in terms of practical actions and outcomes." Olivier Rigaud, CEO, Corbion

United Nations Global Compact Reference List

Topic	Principle	Reference
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.	How we safeguard long-term value Sustainability performance Sustainability statements Corbion Code of Business Conduct Corbion Supplier Code Corbion Cane Sugar Code
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labor; Principle 5: the effective abolition of child labor; and Principle 6: the elimination of discrimination in respect of employment and occupation.	How we safeguard long-term value Sustainability performance Sustainability statements Corbion Code of Business Conduct Corbion Supplier Code Corbion Cane Sugar Code
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally-friendly technologies.	Our governance Sustainability performance Sustainability statements Corbion Code of Business Conduct Corbion Supplier Code Corbion Cane Sugar Code Who we are and what we do
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Our governance Corbion Code of Business Conduct Corbion Supplier Code Corbion Cane Sugar Code

Other information

Alternative performance measures (APM)

In this report, Corbion has included certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Corbion uses these measures to assess the performance of the business and believes that the information is useful to users of the financial information. The non-IFRS financial measures do not have a standardized meaning prescribed by the IASB, therefore may not be comparable to similar measures presented by other issuers.

The table below gives an overview of the alternative performance measures used and their definitions.

APM	Definition
EBITDA	The operating result before depreciation, amortization, and impairment of (in)tangible fixed assets.
Adjusted EBITDA	EBITDA as defined above after applying adjustments.
Adjusted EBITDA margin %	Adjusted EBITDA as defined above divided by net sales x 100.
Adjusted EBITDA excluding acquisitions and divestments, at constant currencies	Adjusted EBITDA as defined above excluding the impact of acquisitions and divestments, based on prior-year currency rates.
Covenant EBITDA	Adjusted EBITDA as defined above increased by cash dividend of joint ventures received and annualization effect of newly acquired subsidiaries.
Organic EBITDA growth	Adjusted EBITDA as defined above versus prior year excluding impact of acquisitions and divestments and excluding currency impact.
Organic sales growth	Sales versus prior year excluding impact of acquisitions and divestments and excluding currency impact.
Adjusted operating result	Operating result after adjustments.
Adjusted result after taxes	Result after taxes after adjustments.
Interest cover	Covenant EBITDA as defined above divided by net interest income and charges.
Net debt position	Interest-bearing debts and lease liabilities less cash and cash equivalents, including third-party guarantees which are required to be included under the debt covenants.
Capital employed	The sum of equity, non-current liabilities, interest-bearing current liabilities, and lease liabilities minus cash and cash equivalents.
Average capital employed	Average of the quarterly average capital employed in the reporting period.
Free cash flow	Cash flow from operating activities plus cash flow from investment activities.
Return on capital employed (ROCE)	Adjusted operating result as defined above, including results from joint ventures and associates, divided by the average capital employed x 100.
Adjustments	Adjustments relate to significant items in the income statement of such size, nature or incidence that in view of management require disclosure to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. These items include amongst others write-down of inventories to net realizable value, reversals of write-downs, impairments, reversals of impairments, additions to and releases from provisions for restructuring and reorganization, results on assets sold, gains on the sale of subsidiaries, joint ventures and associates, and any other provision being formed or released. Restructuring costs are defined as the estimated costs of initiated reorganizations, which have been approved by the Executive Committee, and which generally involve the realignment of certain parts of the organization. The company only adjusts for items when the aggregate amount of the events per line item of the income statement exceeds a yearly threshold of € 0.5 million as well as adjustments, each above € 0.1 million, in relation to previously recognized adjustments.

The table below gives a selection of the APMs used versus the most directly comparable IFRS measure.

€ million	2020	2019
Operating result	104.1	61.3
Depreciation, amortization, and impairments	61.6	103.0
EBITDA	**165.7**	**164.3**
Adjustments to EBITDA		
- Remeasurement of the purchase price of the subsidiary Total Corbion PLA (Thailand) Limited	-12.9	
- Insurance proceeds	-1.0	
- Past-service gain due to change in indexation CSM UK pension scheme		-7.9
- Incidental write-down of inventory	4.9	2.6
- Restructuring costs	1.3	2.9
- One-off bonuses		1.0
- Advice costs	0.8	0.5
- Acquisition costs		0.7
- Valuation of tax assets		-3.5
- Remeasurement contingent purchase price SB Renewable Oils		-14.7
Total adjustments to EBITDA	-6.9	-18.4
Adjusted EBITDA	**158.8**	**145.9**
Adjusted EBITDA	158.8	145.9
Cash dividend of joint ventures and associates	4.4	1.3
Annualization effect of newly acquired subsidiaries		1.4
Covenant EBITDA	**163.2**	**148.6**
Adjusted EBITDA (A)	158.8	145.9
Net sales (B)	986.5	976.4
Adjusted EBITDA margin (A/B)	**16.1%**	**14.9%**
Operating result	104.1	61.3
Adjustments to operating result		
- Adjustments to EBITDA	-6.9	-18.4
- Impairments	1.3	42.1
Total adjustments to operating result	-5.6	23.7
Adjusted operating result	**98.5**	**85.0**
Net result	73.1	25.8
Adjustments to result after taxes		
- Total adjustments to operating result	-5.6	23.7
- Remeasurement of the purchase price of the subsidiary Total Corbion PLA (Thailand) Limited in PLA JV	6.0	
- Provision for US tax claim	5.5	
- Tax effects on adjustments	-2.1	-3.5
Total adjustments to result after taxes	3.8	20.2
Adjusted result after taxes	**76.9**	**46.0**
Cash flow from operating activities	109.0	114.4
Cash flow from investment activities	-76.9	-104.8
Free cash flow	**32.1**	**9.6**
Equity	516.0	529.1
Borrowings	281.9	282.8

Lease liabilities	53.9	66.2
Other non-current liabilities	18.5	24.1
-/- Cash and cash equivalents	-51.6	-45.7
Capital employed 31/12	**818.7**	**856.5**
Capital employed end Q4 prior year (A)	856.5	750.5
Capital employed end Q1 (B)	855.4	807.7
Capital employed end Q2 (C)	826.7	859.7
Capital employed end Q3 (D)	847.3	895.8
Capital employed end Q4 current year (E)	818.7	856.5
Average capital employed for the year ((A+B)/2+(B+C)/2+(C+D)/2+(D+E)/2)/4)	**841.8**	**841.7**
Adjusted operating result	98.5	85.0
Adjusted result from joint ventures and associates	10.5	-2.0
Adjusted operating result basis for ROCE (A)	109.0	83.0
Average capital employed for the year (B)	841.8	841.7
Return on capital employed (A/B)	**12.9%**	**9.9%**
Borrowings	281.9	282.8
Lease liabilities	53.9	66.2
-/- Cash and cash equivalents	-51.6	-45.7
Net debt position	**284.2**	**303.3**
Net debt position (A)	284.2	303.3
Covenant EBITDA (B)	163.2	148.6
Net debt position/covenant EBITDA (A/B)	**1.7**	**2.0**
Interest income (Note 7 consolidated financial statements)	-2.6	-3.4
Interest expenses (Note 7 consolidated financial statements)	10.1	8.7
Interest expense on lease liabilities (Note 7 consolidated financial statements)	2.4	1.4
Net interest financial income and charges	**9.9**	**6.7**
Covenant EBITDA (A)	163.2	148.6
Net interest financial income and charges (B)	9.9	6.7
Interest cover (A/B)	**16.5**	**22.2**
Adjusted EBITDA	158.8	145.9
Impact acquisitions and divestments	1.3	3.2
Currency impact	5.4	-7.2
Adjusted EBITDA excluding acquisitions and divestments, at constant currencies	**165.5**	**141.9**
Adjusted EBITDA prior year (A)	145.9	131.6
Adjusted EBITDA excluding acquisitions and divestments, at constant currencies current year (B)	165.5	141.9
Organic EBITDA growth ((B-A)/A)*100%	**13.4%**	**7.8%**
Total Corbion PLA BV		
Operating result	42.0	3.3
Depreciation, amortization, and impairments	5.7	4.8
EBITDA	**47.7**	**8.1**

For organic sales growth reconciliation, reference is made to page 28.

Group structure

As at 31 December 2020

Name	Nature of business	Proportion of ordinary shares held by the group (%)
Principal subsidiaries		
Argentina		
Purac Argentina S.A.	Operating company	100
Brazil		
Corbion Produtos Renovaveis Ltda.	Operating company	100
China		
Corbion Trading (Shanghai) Co., Ltd.	Operating company	100
France		
Corbion France SAS	Operating company	100
India		
Corbion India PL	Operating company	100
Japan		
Corbion Japan K.K.	Operating company	100
Mexico		
Purac Mexico S. de R.L. de C.V.	Operating company	100
The Netherlands		
Corbion Group Holdings bv	Holding company	100
Corbion Group Netherlands bv	Holding company	100
Corbion PLA Holding bv	Holding company	100
Corbion SB Oils Holding bv	Holding company	100
Expalkan V bv	Holding company	100
Purac Biochem bv	Operating company	100
Poland		
Purac Polska Sp. z o.o.	Operating company	100

Singapore		
Purac Asia Pacific PTE Ltd.	Operating company	100
Spain		
Purac Bioquímica S.A.	Operating company	100
Thailand		
Purac (Thailand) Limited	Operating company	100
United Kingdom		
Expalkan II Closed Scheme Ltd. *	Pension funding company	100
United States		
Corbion America Holdings Inc.	Holding company	100
Corbion America Subholdings Inc.	Holding company	100
Caravan Ingredients Inc.	Operating company	100
Corbion Biotech Inc.	Operating company	100
Purac America Inc.	Operating company	100
Joint ventures		
The Netherlands		
CM Biomaterials bv, Gorinchem	Operating company	50
Total Corbion PLA bv, Gorinchem	Operating company	50
Bioprocess Pilot Facility bv, Delft	Operating company	31.1

* *Expalkan II Closed Scheme Ltd. (registration number 08559472) is exempt from the requirements of the Companies Act 2006 by virtue of Section 479A.*

Independent auditor's report

To: the General Meeting of Shareholders and the Supervisory Board of Corbion N.V.

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

In our opinion:

— the accompanying consolidated financial statements give a true and fair view of the financial position of Corbion N.V. as at 31 December 2020 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

— the accompanying company financial statements give a true and fair view of the financial position of Corbion N.V. as at 31 December 2020 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2020 of Corbion N.V. (''the Company'') based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1 the consolidated statement of financial position as at 31 December 2020;

2 the following consolidated statements for 2020: the income statement, the statements of comprehensive income, changes in equity and cash flows; and

3 the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1 the company statement of financial position as 31 December 2020;

2 the company income statement for 2020; and

3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Corbion N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

Audit approach

Summary

Materiality
— Materiality of EUR 5.5 million
— 4.9% of normalized result before tax

Group audit
— 93% of total assets
— 83% of revenue

Key audit matters
— Valuation of the Algae Ingredients business and the related contingent consideration
— Valuation capitalized licenses and related development costs not yet available for use

Opinion
Unqualified

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 5.5 million (2019: EUR 5.5 million), which represents 4.9% (2019: 4.6%) of the normalized result before tax. We consider normalized result before tax as the most appropriate benchmark, because Corbion N.V. is a profit-oriented entity, with a loss making Incubator segment where new business platforms are developed.

The 2020 normalized result before tax therefore excludes the effect of the loss-making activities in the Incubator segment and we have applied a lower materiality for these activities.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Audit committee of the Supervisory Board that misstatements in excess of EUR 275,000 (2019: EUR 275,000) which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Corbion N.V. is at the head of a group of components. The financial information of this group is included in the financial statements of Corbion N.V..

Our group audit mainly focused on significant components that are (i) of individual financial significance to the group based on revenues or assets, or (ii) that, due to their specific nature or circumstances, are likely to include significant risks of material misstatement for the group financial statements.

The Group operates through a number of legal entities. These entities form reporting components which are primarily based on geography (countries). Because we are ultimately responsible for the auditor's report, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for entities reporting for group audit purposes. Decisive were the size and/or the risk profile of the entities or operations.

On this basis, we selected 6 entities (2019: 9 entities) to perform audits for group reporting purposes on a complete set of financial information as well as 1 entity (2019: 1 entity) to perform audit procedures for group reporting purposes on specific items of financial information. The number of entities decreased due to the merger of the Brazilian legal entities.

We performed audit procedures ourselves at group level in respect of specific areas such as the intangible asset impairment tests, valuation of deferred tax assets for the entities in the Dutch fiscal unity, UK - defined benefit pension plan and treasury.

We provided detailed instructions to all component auditors, covering the significant audit areas, including the relevant risks of material misstatement, and set out the information required to be reported back to us.

In view of restrictions on the movement of people across borders, and also within significantly affected countries, due to COVID-19, we considered changes to the planned audit approach:

— The component auditor, who is based in the Netherlands, intended to visit the United States of America to perform the component audit locally. Due to the aforementioned restrictions, this was not practicable and the component auditor performed the audit of the component in the United States of America remotely. Due to the inability to arrange in-person meetings with the component, the component auditor increased the use of alternative communication methods. As planned, we performed a file review on the component auditors file.

— To evaluate the communications and the adequacy of the work of the component auditor in Brazil, we have requested the component auditor in Brazil to provide us access to their audit workpapers remotely to perform these evaluations. Due to the inability to arrange in-person meetings with the component auditor in Brazil, we have increased the use of alternative methods of communication with them, including through written instructions, exchange of emails and virtual meetings.

For the remaining entities not in scope, we performed amongst others analytical procedures at (business) group level to validate our assessment that there are no significant risks of material misstatement within these entities.

By performing the procedures mentioned above at group components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

Our procedures as described above can be summarized as follows:

Total assets

83%	10%	7%
Audit of the complete reporting package	Audit of specific items	Central procedures remaining entities

Revenue

83%	0%	17%
Audit of the complete reporting package	Audit of specific items	Central procedures remaining entities

Our focus on the risk of fraud and non-compliance with laws and regulations

Our objectives

The objectives of our audit with respect to fraud and non-compliance with laws and regulations are:

With respect to fraud:

— to identify and assess the risks of material misstatement of the financial statements due to fraud;

- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate audit responses; and
- to respond appropriately to fraud or suspected fraud identified during the audit.

With respect to non-compliance with laws and regulations:

- to identify and assess the risk of material misstatement of the financial statements due to non-compliance with laws and regulations; and
- to obtain a high (but not absolute) level of assurance that the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error when considering the applicable legal and regulatory framework.

The primary responsibility for the prevention and detection of fraud and non-compliance with laws and regulations lies with the Board of Management, with oversight by the Supervisory Board. We refer to chapter risk management of the Annual Report where the Board of Management included its risk assessment, and where the Supervisory Board reflects on this assessment.

Our risk assessment

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We, together with our forensics specialists, evaluated the fraud risk factors to consider whether those factors indicated a risk of material misstatement due to fraud.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the company and we inquired the Board of Management and the Supervisory Board as to whether the entity is in compliance with such laws and regulations and inspected correspondence, if any, with relevant regulatory authorities.

The potential effect of the identified laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements, including taxation and financial reporting. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items and therefore no additional audit response is necessary.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have an indirect material effect on amounts recognized or disclosures provided in the financial statements, or both, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an indirect effect:

- Health and safety regulation;
- Product law such as product safety and product claims;
- Environmental regulation;

— Anti-bribery and corruption laws and regulations;

— Trade sanctions and export controls laws and regulations;

— Data privacy legislation;

— Labour/ human rights laws.

In accordance with the auditing standard we evaluated the following fraud risks that are relevant to our audit, including the relevant presumed risks:

— revenue recognition at year-end (cut-off). Risk of fraud related to recognition of revenue (overstatement), especially as a result of (manual) journal entries at year-end; and

— management override of controls. Risk of fraud related to unpredictable way management override of controls may occur.

We communicated the identified risks of fraud throughout our team and remained alert to any indications of fraud and/or non-compliance throughout the audit. This included communication from the group to component audit teams of relevant risks of fraud identified at group level.

In our audits, we addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by management that may represent a risk of material misstatement due to fraud.

We communicated our risk assessment and audit response to the Board of Management and the Audit Committee of the Supervisory Board. Our audit procedures differ from a specific forensic fraud investigation, which investigation often has a more in-depth character.

Our response

We performed the following audit procedures (not limited) to respond to the assessed risks:

— We evaluated the design and the implementation of internal controls that mitigate fraud risks.

— We performed data analysis of high-risk journal entries and evaluated key estimates and judgements for bias by the company, including retrospective reviews of prior year's estimates. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk. These procedures also included testing of transactions back to source information.

— Assessment of matters reported under the company's Speak Up policy and results of management's investigation of such matters.

— With respect to the risk of fraud related to the recognition of revenue, we performed substantive audit procedures by performing test of details on sales transactions taking place before year-end and credit notes recognized after year-end related to sales transactions recognized in the fiscal year 2020 and assessed whether revenue was recognized in the appropriate period.

- With respect to the risk of bribery and corruption, we evaluated the company's internal policy's, controls and procedures such as the Corbion Gifts, Entertainment, and Third-Party Payments Policy.
- We considered the outcome of our other audit procedures and evaluated whether any findings or misstatements were indicative of fraud or non-compliance. If so, we re-evaluated our assessment of relevant risks and its resulting impact on our audit procedures.
- We obtained audit evidence regarding compliance with the provisions of those laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements.
- We considered the effect of actual, suspected or identified risk of non-compliance as part of our procedures on the related financial statement items.

We do note that our audit is based on the procedures described in line with applicable auditing standards. In addition to the requirements of the auditing standards we have performed the following additional procedures:

- We investigated publicly held information in relation to publicity related to Corbion.
- We evaluated as to whether integrity and the code of conduct is a topic on the agenda of the management board and those charged with governance.

Our procedures to address identified risks of fraud did not result in a key audit matter.

We do note that our audit is not primarily designed to detect fraud and non-compliance with laws and regulations and that management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud, including compliance with laws and regulations.

The more distant non-compliance with indirect laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Audit committee and the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Compared to last year the key audit matter with respect to Business combination – Acquisition of Granotec do Brazil is no longer included, as this specifically relates to the financial year 2019.

KPMG

Valuation of Algae Ingredients business and the related contingent consideration

Description

In 2019 an impairment loss of EUR 37.0 million was recognized related to the Algae Ingredients business, as result of slower than expected progress of the Algae Ingredients business.

Management has identified triggers to reassess the valuation of tangible fixed assets of the Algae Ingredients business as a result of developments in the WACC and the depreciation of the Brazilian real. In 2020 no additional impairment loss or a reversal of an impairment was recognized.

The valuation of the tangible assets within Algae Ingredient business and the related contingent consideration, are significant to our audit due to their size and judgement involved in the assessment of the valuation of these assets. In particular judgement was required in determining the key assumptions as described in our response.

Our response

We performed, amongst others, the following procedures:

— Evaluate the Company's policies and procedures and test the design of controls over the impairment analysis for the tangible fixed assets of Algae Ingredients business.

— Evaluate the presence of an impairment (or reversal of an impairment) by comparing the Value in Use (ViU) against the carrying amount of the underlying assets.

— Evaluate the key assumptions used by management and the robustness of forecasts, amongst others, through comparing to market developments, historical analysis and agreements with third parties.

— Critically assess the reasonability of the key inputs in the ViU-calculation, such as the weighted average cost of capital, the projected cash flows, the perpetual growth rate and market adoption rate of DHA.

— Involvement valuation specialists to analyze and evaluate the reasonability of the applied methodology, the mathematical accuracy of the ViU-calculation and the key assumptions used by the Company by performing sensitivity analyses and sanity checks.

— Evaluate whether adequate disclosure of impairment tests are made in accordance with IAS 36 Impairment of Assets.

Our observation

We consider management's key assumptions and estimates for the valuation of Algae Ingredients business and the related contingent consideration to be within an acceptable range and the disclosure (note 10) adequate.

Valuation of the capitalized licenses and related development costs which are not yet available for use

Description

The valuation of the capitalized licenses and related development costs which are not yet available for use, are significant to our audit due to their size and judgement involved in the assessment of the recoverability of those capitalized licenses and related development costs.

In particular judgement was required in determining the key assumptions as described in our response.

Our response

We performed, amongst others, the following procedures:

— Evaluate the Company's policies and procedures and test the design of controls over the impairment analysis.

— Evaluate the presence of an impairment by comparing the value in use (ViU) against the carrying amount of the underlying assets.

— Evaluate the key assumptions used by management and the robustness of forecasts, amongst others, through comparing to market developments, historical analysis and cooperation agreements with third parties.

— Critically assess the reasonability of the key inputs, such as the weighted average cost of capital and the projected cash flows.

— Involvement valuation specialist to analyze and evaluate the reasonability of the applied methodology, the mathematical accuracy of the valuation model and the key assumptions used by the Company by performing sensitivity analyses and sanity checks.

— Evaluate whether adequate disclosure of impairments is made in accordance with IAS 36 Impairment of Assets.

Our observation

We consider management's key assumptions and estimates for the valuation of capitalized licenses and related development costs to be within an acceptable range and the disclosure (note 12) adequate.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Management is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were re-engaged by the General Shareholders Meeting as auditor of Corbion N.V. on 13 May 2019, as of the audit for the year 2020 and have operated as statutory auditor since the financial year 2016.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

European Single Electronic Format (ESEF)

Corbion N.V. has prepared its annual report in ESEF. The requirements for this format are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (these requirements are hereinafter referred to as: the RTS on ESEF).

In our opinion, the annual report prepared in the XHTML format, including the partially tagged consolidated financial statements as included in the reporting package by Corbion N.V., has been prepared in all material respects in accordance with the RTS on ESEF.

The Board of Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components into a single reporting package. Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package, is in accordance with the RTS on ESEF.

Our procedures taking into consideration Alert 43 of NBA (the Netherlands Institute of Chartered Accountants), included amongst others:

— obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;

— obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;

— examining the information related to the consolidated financial statements in the reporting package to determine whether all required tagging's have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Management and the Supervisory Board for the financial statements

The Board of Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Management should prepare the financial statements using the going concern basis of accounting unless the Board of Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at: http://www.nba.nl/ENG_oob_01. This description forms part of our independent auditor's report.

Amstelveen, 4 March 2021

KPMG Accountants N.V.

J. te Nijenhuis RA

Assurance report of the independent auditor

To: the General Shareholders Meeting and the Supervisory Board of Corbion N.V.

Our conclusion

We have reviewed the sustainability indicators as included in the Annual Report 2020 (hereafter 'Annual Report') of Corbion N.V. (hereafter 'Corbion') based in Amsterdam, The Netherlands, for the year ended 31 December 2020 (hereafter 'the sustainability indicators'). A review is aimed at obtaining a limited level of assurance.

Based on the procedures performed nothing has come to our attention that causes us to believe that the sustainability indicators are not prepared, in all material respects, in accordance with the reporting criteria as described in the 'Reporting criteria' section of our report.

The sustainability indicators are marked with '√' and are included on pages 35, 164 to 166 and on page 177 of the Annual Report.

Basis for our conclusion

We performed our review in accordance with Dutch law, including Dutch Standard 3000A ('Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie'). Our responsibilities in this regard are further described in the 'Auditor's responsibilities' section of our report.

We are independent of Corbion in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting criteria

The sustainability indicators need to be read and understood together with the reporting criteria. Corbion is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the sustainability indicators are the applied internal reporting criteria as disclosed in the section 'Reporting policy' on page 176 of the Annual Report.

Materiality

Based on our professional judgement we determined materiality levels for each relevant part of the sustainability indicators. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and Corbion.

Scope of the group review

Corbion is the parent company of a group of entities. The sustainability indicators incorporate the consolidated indicators of this group of entities to the extent as specified in the section 'Reporting policy' on page 176 of the Annual Report.

Our group review procedures consisted of both review procedures at corporate (consolidated) level and at site level. Our selection of sites in scope of our review procedures is primarily based on the site's individual contribution to the consolidated indicators. Furthermore, our selection of sites considered relevant reporting risks and geographical spread.

By performing our review procedures at site level, together with additional review procedures at corporate level, we have been able to obtain sufficient and appropriate assurance evidence about the group's sustainability indicators to provide a conclusion about the sustainability indicators.

Limitations to the scope of our review

The sustainability indicators include prospective information such as ambitions, strategy, plans, expectations and estimates. Inherently the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the sustainability indicators.

References to external sources or websites relating to the sustainability indicators are not part of the sustainability indicators itself as reviewed by us. Therefore, we do not provide assurance on this information.

The Board of Management's and Supervisory Board's responsibilities

The Board of Management is responsible for the preparation of the sustainability indicators in accordance with the applicable criteria as described in the 'Reporting criteria' section of our report, including the identification of stakeholders and the definition of material matters.

Furthermore, the Board of Management is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability indicators is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the reporting process of Corbion.

Auditor's responsibilities

Our responsibility is to plan and perform our review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing, and are less in extent, compared to a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the 'Nadere Voorschriften Kwaliteitssystemen' (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our review included among others:

— Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the sustainability indicators;

— Obtaining an understanding of the reporting processes for the sustainability indicators, including obtaining a general understanding of internal control relevant to our review, but not for the purpose of expressing a conclusion on the effectiveness of Corbion's internal control;

— Identifying areas of the sustainability indicators where a material misstatement, whether due to fraud or error, are most likely to occur, designing and performing assurance procedures responsive to these areas, and obtaining assurance information that is sufficient and appropriate to provide a basis for our conclusion. These procedures included, amongst others:

  - Interviewing management and relevant staff at corporate level responsible for the strategy, policy and results;
  - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures over, and consolidating the data in the sustainability indicators;
  - Determining the nature and extent of the review procedures for the group components and locations. For this, the nature, extent and/or risk profile of these components are decisive. Based thereon we selected the components and locations to visit. The virtual visits to production sites in the USA and The Netherlands are aimed at, on a local level, validating source data and evaluating the design and implementation of internal controls and validation procedures;

- Obtaining assurance information that the sustainability indicators reconcile with underlying records of Corbion;
- Reviewing, on a limited test basis, relevant internal and external documentation;
- Performing an analytical review of the data and trends;

— Evaluating the consistency of the sustainability indicators with the information in the Annual Report which is not included in the scope of our review;

— Evaluating the presentation, structure and content of the sustainability indicators;

— Considering whether the sustainability indicators as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We have communicated with The Board of Management and the Supervisory Board regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Amstelveen, 4 March 2021

KPMG Accountants N.V.

J. te Nijenhuis RA

Five years in figures

Millions of euros	2020	2019	2018	2017	2016
Continuing operations*					
Net sales	987	976	897	892	911
Operating result	104	61	88	122	127
Adjusted EBITDA 1)	159	146	132	164	170
Result after taxes	73	26	54	85	104
Earnings per ordinary share in euros 2)	1.24	0.44	0.93	1.46	1.74
Diluted earnings per ordinary share in euros 2)	1.23	0.43	0.92	1.44	1.72
Cash flow from operating activities	109	114	100	118	123
Cash flow from operating activities per ordinary share, in euros 2**)	1.85	1.94	1.70	2.03	2.06
Depreciation/amortization (in)tangible fixed assets	60	62	42	45	50
Capital expenditure on (in)tangible fixed assets	90	83	58	49	51
Adjusted EBITDA margin % 3)	16.1	14.9	14.7	18.4	18.7
Result after taxes/net sales %	7.4	2.6	6.1	9.5	11.4
Total operations					
Statement of financial position					
Non-current assets	689	719	616	498	467
Current assets	334	327	303	295	316
Non-interest-bearing current liabilities	174	161	140	129	147
Net debt position 4)	284	303	203	162	98
Provisions	30	28	28	24	39
Equity	516	529	520	489	499
Key data per ordinary share					
Number of issued ordinary shares	59,242,792	59,242,792	59,242,792	59,242,792	57,862,037
Number of ordinary shares with dividend rights	58,871,671	58,819,590	58,764,635	58,620,564	57,365,098
Weighted average number of outstanding ordinary shares **	58,851,367	58,819,590	58,698,602	58,097,383	58,433,493
Price as at 31 December	46.15	28.12	24.46	27.00	25.43
Highest price in calendar year	46.70	29.96	29.74	29.39	25.65
Lowest price in calendar year	22.54	24.26	23.30	23.15	17.92
Market capitalization as at 31 December	2,717	1,654	1,437	1,583	1,459
Earnings in euros **	1.24	0.44	0.93	1.46	1.74
Diluted earnings in euros **	1.23	0.43	0.92	1.44	1.72
Other key data					
Cash flow from operating activities	109	114	100	118	123
Depreciation/amortization (in)tangible fixed assets	60	62	42	45	50
Capital expenditure on (in)tangible fixed assets	90	83	58	49	51
Number of employees at closing date (FTE)	2,267	2,138	2,040	1,794	1,684
Number of issued financing preference shares					2,279,781
Equity per share in euros 5)	8.76	9.00	8.85	8.35	8.36
Regular dividend in euros per ordinary share (reporting year)	0.56	0.56	0.56	0.56	0.56
Additional dividend in euros per ordinary share (reporting year)					0.44
Ratios					
Net debt position/ Covenent EBITDA 6)	1.7	2.0	1.6	1.0	0.6
Interest cover 7)	16.5	22.2	25.6	24.4	23.0
Balance sheet total : equity	1:0.5	1:0.5	1:0.5	1:0.6	1:0.6
Net debt position : equity	1:1.8	1:1.7	1:2.6	1:3	1:5.1
Current assets : current liabilities	1:0.6	1:0.9	1:0.7	1:0.6	1:0.5

* The previous years have not been restated for discontinued operations later on.

** Only the preceding year has been restated for stock dividend.

1 *Adjusted EBITDA is the operating result before depreciation, amortization, impairment of (in)tangible fixed assets and after adjustments.*
2 *Per ordinary share in euros after deduction of dividend on financing preference shares.*
3 *Adjusted EBITDA margin % is adjusted EBITDA as defined above divided by net sales x 100.*
4 *Net debt position comprises interest-bearing debts less cash and cash equivalents, including third-party guarantees which are required to be included under the debt covenants.*
5 *Equity per share is equity divided by the number of shares with dividend rights.*
6 *Covenant EBITDA is adjusted EBITDA as defined above, increased by cash dividend of joint ventures received and annualization effect of newly acquired subsidiaries.*
7 *Interest cover is covenant EBITDA as defined above divided by net interest income and charges.*

Investor Relations

According to the Corbion Articles of Association, the Board of Management shall decide subject to the approval of the Supervisory Board which part of the profit is to be reserved. The remaining profit shall be at the disposal of the General Meeting of Shareholders. The General Meeting of Shareholders may decide upon a proposal by the Board of Management with the approval of the Supervisory Board to pay dividends to shareholders from the distributable equity.

In terms of dividend policy, Corbion's ambition is to pay out annually a stable to gradually increasing absolute dividend amount per share (progressive regular dividend policy). For 2020, the dividend proposal is a regular dividend in cash of € 0.56 per ordinary share (2019: € 0.56).

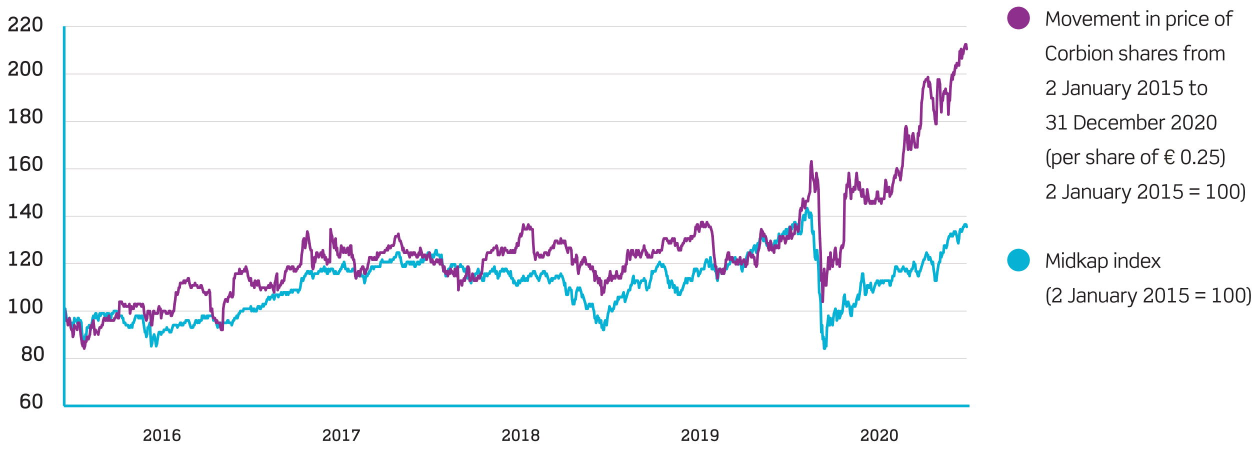
Proposed appropriation of profit

Millions of euros	2020	2019
Result after taxes	73.1	25.8
Proposed addition to the reserves	40.1	-7.1
Available for cash dividend to holders of ordinary shares	33.0	32.9
Regular cash dividend of € 0.56 (2019: € 0.56) per ordinary share with a nominal value of € 0.25	33.0	32.9

Share information

	2020	2019	2018	2017	2016
Number of ordinary shares with dividend rights					
x 1,000 as at 31 December	58,872	58,820	58,765	58,662	60,141
Market capitalization in millions of euros as at 31 December	2,717	1,654	1,437	1,583	1,459
Highest share price	46.70	29.96	29.74	29.39	25.65
Lowest share price	22.54	24.26	23.30	23.15	17.92
Share price as at 31 December	46.15	28.12	24.46	27.00	25.43
Average daily turnover of shares	90,628	44,500	86,888	170,440	142,677

Trends in share price



Financial calendar*

30 April 2021	Publication of the interim management statement first quarter 2021
19 May 2021	Annual General Meeting of Shareholders
21 May 2021	Ex date
24 May 2021	Record date
1 June 2021	Dividend payable for 2020
10 August 2021	Publication of half-year figures 2021
27 October 2021	Publication of the interim management statement third quarter 2021
18 May 2022	Annual General Meeting of Shareholders

* subject to change

Contact information

The Investor Relations and Media sections of the company website www.corbion.com contain up-to-date financial information about Corbion.

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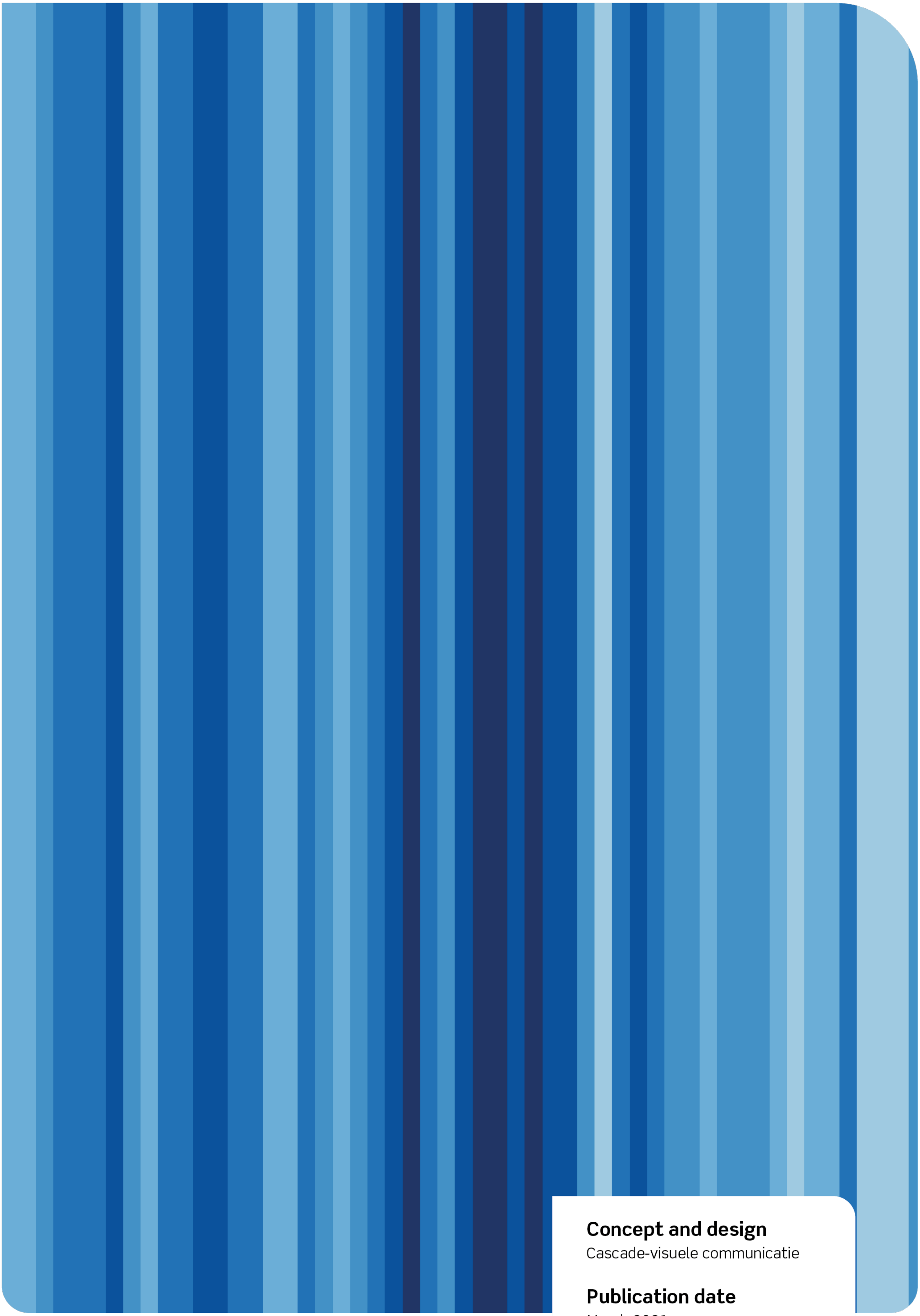

Concept and design
Cascade-visuele communicatie

Publication date
March 2021