Corbion

Corbion 2022 Annual Report

Preserving what matters

Contact

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

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This document is the PDF/printed version of the 2022 Annual Report of Corbion nv in the European single electronic reporting format (ESEF) and has been prepared for ease of use. The ESEF reporting package is available on the Corbion website. In any case of discrepancies between this PDF version and the ESEF reporting package, the latter prevails.

At a glance

At Corbion, we exist to preserve what matters. We are the global market leader in lactic acid and lactic acid derivatives, as well as a leading supplier of other ferments, functional enzyme blends, minerals, vitamins, and algae ingredients. We create sustainable ingredient solutions that preserve what matters in food and food production, health, and our planet. For over 100 years, Corbion has stood for an uncompromising 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 solutions work for them. Leveraging our advanced capabilities in fermentation and preservation technologies, we help differentiate products in diverse markets such as food, home & personal care, animal nutrition, pharmaceuticals, medical devices, and bioplastics.

In manufacturing, we have a long history of excellence, and an unsurpassed level of expertise, in developing and operating sustainable, resource-efficient production processes often rooted in natural mechanisms.

Our strategy and operations are driven by our commitment to advancing sustainability and maintaining the highest ethical standards. These priorities are reflected in the management of our global supply chain, the responsible procurement of raw materials, and our efforts to ensure the safety and well-being of our people.

In 2022, Corbion generated annual sales of € 1,457.9 million and had a workforce of 2,601 FTEs. Corbion is listed on Euronext Amsterdam.

Four lines of business

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

Sustainable Food Solutions

Our Sustainable Food Solutions unit is a global supplier of food ingredients – Preservation Solutions, Functional Systems, and Single Ingredients – to the world's leading food manufacturers. We excel at using natural mechanisms and processes to help our customers create food products that stay fresh, safe, and delicious longer.

We help preserve things that matter: a nutritious, high-quality eating experience consumers can enjoy sharing 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, culinary, beverage, confectionery, and dairy markets.

Lactic Acid & Specialties

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

We enable customers to commercialize safe and sustainable performance products. Our goal is to leverage our product functionalities, organizational capabilities, and innovation mindset to build long lasting collaborative relationships with key market leaders and innovative players.

The value to our customers comes from the inherent safety, sustainability, and performance of our products, delivered through the commitment of our teams to providing solutions that create new opportunities. Leveraging our rich heritage in fermentation and the application of lactic-acid-based technologies, we provide performance through functionalities offered with these product lines and technologies using renewable resources.

Our solutions offer benefits in biochemical applications spanning a wide array of industries, including home & personal care products, pharma-medical, animal health, chemicals, electronics, and polymers. We continuously explore and develop new ways to enhance the functionalities our products can bring to customers' applications.

Algae Ingredients
Algae Ingredients comprises algae-based ingredients providing nutritional benefits for human and animal diets, such as long-chain omega-3. We are a global omega-3 supplier for aquaculture, pet food, and other omega-3 applications.

We believe in unleashing the power of algae fermentation to provide nutritional ingredients while preserving the world's limited resources, like fish. We create value for our customers from the inherent safety, sustainability, and performance of our products. We deliver through the commitment of our teams and the collaboration along the value chain to promote sustainability advancement and continuous growth.

With a unique design, we apply disruptive technologies built on our vast experience in fermentation and industrial-scale manufacturing to deliver our solutions using renewable resources. What we do is critical to reducing pressure on marine resources positively impacting the carbon footprint to preserve nature, on the basis that omega-3 from AlgaPrime™ DHA has a lower carbon footprint than traditional fish oil, proven by an ISO-compliant LCA.

Incubator
Our Incubator, where we develop early-stage initiatives having a positive impact on the United Nations Sustainable Development Goals, comprises five platforms: *Algae portfolio extension, Biopolymers, Natural preservation, Circular raw materials,* and *Net zero.*

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

AT A GLANCE

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, Mexico, the Netherlands, and Spain. Our innovation centers are located across the globe and our headquarters is based in the Netherlands.

Message from the CEO

I find myself saying it once again, what a year it has been. In my 35 years in the industry, I have never seen anything like the market volatility we have been and are still experiencing. Despite this, 2022 was a record year for Corbion in terms of growth and profitability, and we made significant progress in delivering our Advance 2025 strategy.

We gained market share and raised organic sales growth substantially, grew adjusted EBITDA, invested in our organization and production capacity, achieved EBITDA break-even in our algae-based omega-3 business, and increased the ambition level of our carbon footprint reduction targets in line with 1.5°C. We adapted to unprecedented cost inflation and supply chain disruptions, implementing a disciplined combination of price increases, mix improvements, and improvements in operational efficiency. In our core business, product mix improvements more than offset the lower volumes, which attests to the strength of our differentiated portfolio.

In Sustainable Food Solutions, our adaptability and agility helped differentiate Corbion from the competition, as supply chain disruptions, raw material shortages, pricing volatility, and labor scarcity continued to burden businesses throughout the value chain. Our ability to develop new solutions and technologies helped alleviate the impact of these market dynamics on our customers. In bakery, we quickly helped customers reformulate when breakdowns occurred within their supply chains, due to logistical disruptions, global conflicts, or the impact of climate change on agricultural crops.

Today, Corbion's comprehensive approach to preservation goes beyond optimizing food safety and shelf life. Our preservation portfolio encompasses many other factors important to consumers and producers such as taste, texture, color, yield, waste reduction, and sustainability, not only in meat and poultry products, but also in the plant-based meat alternatives segment, which continues to grow and innovate at a steady pace. In 2022, we continued to strongly invest in our capabilities by expanding consumer insights, expanding our capacity for producing natural ferments at our Peoria, US plant, and extending our presence in Asia-Pacific with a newly-opened Customer Support and Innovation Center in Singapore.

This year, Corbion introduced the first-ever predictive modeling tool designed to accurately forecast the success rate of specific mold inhibition solutions in baked goods, allowing customers to save both time and money in product development, and improving their speed to market.

In Lactic Acid & Specialties, we continue to see strong, pandemic-fueled product development in hygiene and cleaning, in addition to product reformulation by brand owners favoring safer, more natural ingredients. Our solutions for the semiconductor industry maintained their upward trajectory as growth in data processing, connectivity, and Internet-of-Things continues to drive demand for chips and memory. In 2022, the agrochemicals market benefitted from high crop prices, which drives demand for measures that support crop yield and production, such as environmentally-friendly crop protection. In the orthopedic segment of the healthcare market, our business continued its recovery from the impact of COVID-19 as elective surgeries returned. CM Biomaterials, our joint venture with the French company MedinCell, focusing on a cost-effective new drug delivery methodology, continued to develop its pipeline, and the JV's lead partner is expecting to receive FDA approval and subsequently launch of their first product by mid-2023.

TotalEnergies and Corbion remain confident in the outlook for PLA and are committed to growing the PLA business, despite mid-term setbacks in 2022 caused by coronavirus-related lockdowns in China and the high-energy and transport costs felt by customers.

After achieving EBITDA break-even in our algae business in June 2022, we believed the time had come to carve out Algae Ingredients from the Incubator to establish a separate business unit. Our commercial milestone followed a major R&D breakthrough that improved our production yield, which led to significant customer adoption in aquaculture. We expanded into new markets in Europe, Asia, and Latin America, and beyond aquaculture into new categories such as pet nutrition. We have full confidence in the growth opportunity and profitability potential for this business unit, which will focus initially on our algae-based omega-3 offerings.

Given our core purpose to Preserve What Matters, sustainability continues to be an essential component in all our decision-making. Our sustainability ambitions begin with preserving the health and safety of our people and contractors. During 2022, Corbion continued its Safety Excellence Journey with the introduction of new behavior-based safety initiatives at five locations, giving greater focus to site leadership capabilities and routines, and increased employee involvement in driving risk reduction.

We believe it is imperative that we continue looking for ways to reduce the environmental impact of our businesses; the climate crisis poses a threat to virtually every aspect of civilization, our environment, and the global economy. We are ahead of schedule in pursuing our initial emission reduction targets, while still discovering more opportunities to do even better. When it comes to reducing the impact of climate change, there is no such thing as overachieving. We are actively pursuing more aggressive emission reduction targets which have been validated in 2022 by the Science Based Targets initiative (SBTi), which is driving ambitious climate action in the private sector. Our new reduction goals align with the ambition to limit average global temperature rise to 1.5°C.

Looking back on 2022, we can be proud of the way Corbion delivered on expectations despite challenging conditions, all the while standing by our purpose and our values, never compromising on safety, raising the bar on sustainability, creating value for our customers, and maintaining a high level of care for our employees. I look forward to continuing our Advance 2025 journey and strengthening our commitment to preserving what matters. On behalf of my colleagues, I want to express our gratitude to you – our employees, customers, suppliers, partners, and shareholders – for continuing to put your trust in Corbion.

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

Aurélie Dalbiez
Chief Human Resources Officer

Jacqueline van Lemmen
Chief Operations Officer

Jennifer Lindsey
Chief Marketing & Digital Officer

Andy Muller
President Sustainable Food Solutions

Ruud Peerbooms
President Algae Ingredients

Marcel Wubbolts
Chief Science & Sustainability Officer

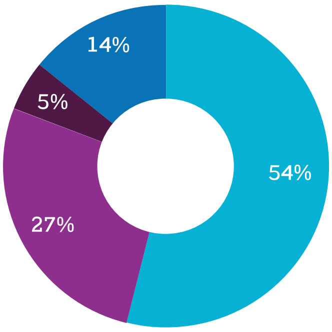
Company highlights

Net sales	Adjusted EBITDA *	Free cash flow *
Organic sales growth 24.6%	Increased organically by 17.9%	Decreased by € 63.1 million
€ 1,457.9 mln	**€ 184.4** mln	**€ -160.1** mln

Balance sheet ratios *	Earnings per share	Dividend per share
Covenant net debt / covenant EBITDA	Increased by 15%	€ 0.56 in 2021
3.0x EBITDA	**€ 1.53**	**€ 0.56**

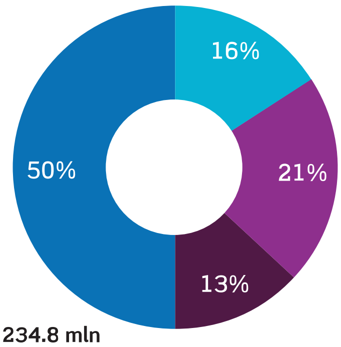
Net sales

By business unit in %



- Sustainable Food Solutions **€ 780.0 mln**
- Lactic Acid & Specialties **€ 400.1 mln**
- Algae Ingredients **€ 74.3 mln**
- Non-core activities **€ 203.5 mln**

By region in %

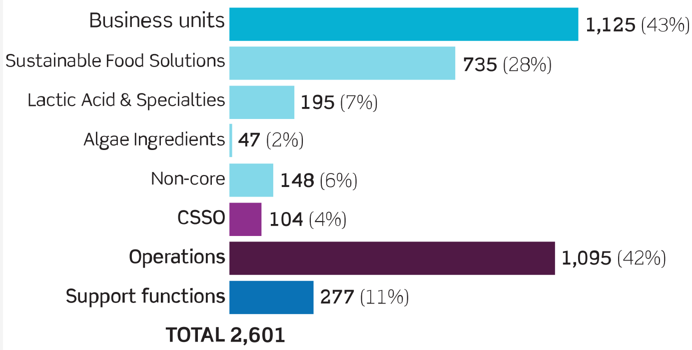


- Asia **€ 234.8 mln**
- EMEA **€ 310.6 mln**
- Latin America **€ 193.8 mln**
- North America **€ 718.7 mln**

Adjusted EBITDA by business unit

Sustainable Food Solutions	€ 95.9 million
Lactic Acid & Specialties	€ 66.7 million
Algae Ingredients	€ -3.3 million
Incubator	€ -9.2 million
Non-core activities	€ 34.3 million

Number of employees (FTE)



Preserving what matters

• % of net sales contributing to the SDGs (SDG 2, 3, 12, 13, 14)	65%

Preserving food and food production

• % of verified deforestation-free key agricultural raw materials	93%
• % of net sales preserving food and food production (SDG 2)	32%

Preserving health

• Total Recordable Injury Rate	0.68
• % of net sales preserving health (SDG 3)	37%

Preserving the planet

• 2022 reduction of absolute Scope I and II emissions compared to 2021	8%
• % of net sales preserving the planet (SDG 12, 13, 14)	53%

* *For definitions of non-IFRS performance measures see page 199.*

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 global megatrends, including population growth, food security and safety, and resource scarcity. We do this while also responding to evolving consumer needs and preferences, which are being shaped by shifting demographics, access to pervasive technologies, the desire for a sustainable future, and the pursuit of health and happiness. These dynamics guide our work and priorities, while fueling our growth as a company.

Today's global economy is being buffeted by far-reaching and intertwining forces: climate change, an aging population, the war in Ukraine and the resulting energy crisis, political instability, a global pandemic, and the influence of the digital revolution on the way we live and work. Each continues to impact market activity, inflation, practical business realities, technological innovation, and the perspectives and buying behaviors of consumers.

Globalization presents manufacturers with opportunities to expand their reach; it also steepens the challenge of delivering safety and quality, while navigating complicated, sometimes disrupted, value chains. Particularly in food, this heightens the importance of greater transparency and traceability. And although a growing middle class in the Asia-Pacific region is fueling new demand, recessionary impacts and rising labor and raw material costs are putting pressure on manufacturers to meet that demand while managing formulation costs more tightly.

Corbion grapples with value chain disruptions and escalating operating costs in our business, just as our customers do. Those challenges have inspired our experts to deliver solutions that help our customers reformulate successfully and maintain business continuity in the face of supply chain and inflationary pressures.

We continue to excel in helping customers bring to market more natural alternatives and antimicrobial solutions that align with the needs and expectations of an expanding middle class and an aging population focused on nutrition, food safety, and transparency.

We leverage 100+ years of experience, market knowledge, dedication to ongoing R&D, hands-on technical expertise, and commitment to sustainability to help our stakeholders address the impact of these trends and navigate a complex, often ambiguous future. Being the world's only global producer of lactic acid uniquely positions Corbion to bring real value to manufacturers confronted with raw material volatility and supply disruptions. Continuing to deliver that value will not only safeguard our commercial future but will also benefit society at large.

What sets Corbion apart goes beyond the innovative, customer-centric solutions we bring to the market; it is also that those solutions are designed with the future in mind by preserving food and food production, health, and the planet. That is how we create long-term, multidimensional success – or, in other words, true sustainability.

At Corbion we preserve what matters. We champion preservation in all its forms: Preserving food and food production, health, and the planet.

Our strategy: Advance 2025

Our Advance 2025 strategy builds on Corbion's fundamentals and strengths by bringing further focus to the business portfolio in alignment with global market trends. This will be achieved by increased investments in key growth areas such as natural food preservation, algae-based ingredients, lactic acid derivatives, and natural polymers. Given our purpose, "preserving what matters: 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 (UN 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.

After reaching EBITDA break-even in June 2022, algae-based omega-3 matured into the new Algae Ingredients business unit and was carved out from the Incubator. Our business and reporting structure now comprises four lines of business.

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

In Preservation Solutions, we brought to the bakery industry our third-party certified authentic natural mold inhibition technology, delivering customer value by extending product freshness, reducing food waste, and enhancing the consumer's sensory eating experience. We introduced the first ever predictive modeling tool that can be used to accurately predict the success rate of mold inhibition technology in baked goods, allowing customers to improve the quality of ingredient analysis to jump-start innovation and improve their speed to market. We continue to grow our preservation platform in the meat and savory food segments with natural preservation offerings that respond to market demands for safe food products with natural labeling. We expanded our sustainable preservation portfolio, introducing the Origin® range of plant-based extracts, mainly used as antioxidants including concentrates obtained from the acerola fruit grown in northeastern Brazil and the rosemary plant grown in the Atlas Mountains in Morocco. Solutions from our Origin line will bring exciting new value opportunities in a wide array of applications.

In Functional Systems, we leveraged our ability to rapidly adapt, combining applied science and technical support to provide customers with novel blends that help them mitigate cost volatility, functionality challenges, and raw material scarcity. Despite continued market disruptions over the past year, we stepped up our strategic focus on delivering bakery dough conditioning and extended shelf-life solutions through our Pristine® and Ultra Fresh® portfolios. In addition, we stepped into the dairy market, leveraging our blending proficiencies and sophisticated expertise in shelf life and stabilization technologies to develop Corbion SMART™ Solutions, a portfolio of functional blends to improve texture, stability, and consistency in dairy applications.

We also initiated the process of divesting our non-core emulsifier business.

Lactic Acid & Specialties
Lactic Acid & Specialties encompasses Biochemicals (lactic acid, salts, esters, and other specialties), Biomaterials (polymers for medical and pharmaceutical applications), and TotalEnergies Corbion (our joint venture with TotalEnergies 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, scale and breadth of portfolio, and geographic coverage. We fuel our customers' success by creating specialties for many markets and applications, through tuning the functionality of our products to specific customer requirements in their applications.

To further strengthen our position in attractive growth markets, we are building a new circular lactic plant at our existing site in Rayong Province, Thailand. The new plant is expected to be completed by the end of 2023 as anticipated, with a production capacity of 125,000 metric tons of lactic acid annually. It will be using state-of-the-art technology to the highest sustainability standards, and will be our most competitive plant, using circular technology to reduce cradle-to-gate CO_2 emissions per metric ton of lactic acid by 19% compared to conventional technology.

In Biomaterials, the Advance 2025 strategy enables us to expand and contribute to a sustainable and accessible healthcare system. We work with leading medical and pharmaceutical players on advancing technologies such as cardiovascular devices, orthopedic implants, tissue regeneration scaffolds, wound management, and novel drug delivery systems. Our strategy is focused on safe and resorbable polymers and aligns well with current trends in healthcare that point to continued opportunities in this sector.

TotalEnergies Corbion

TotalEnergies Corbion is our 50/50 joint venture with TotalEnergies for the production and marketing of Luminy® PLA. With this business, Corbion is able to capture further value from its leading lactic acid platform and secure a key role in the development of new, safe, and sustainable polymers for the materials market.

In 2020, Corbion and TotalEnergies announced their intention to build a new PLA bioplastics plant in France, as a further sign of their commitment to this market. In 2022, Corbion announced that together with our partner TotalEnergies, we are working on the Final Investment Decision, which is expected in the second half of 2023.

Algae Ingredients

Our Algae Ingredients business unit produces algae-based ingredients that deliver high levels of essential nutrients in human and animal diets, such as long-chain omega-3 fatty acids (omega-3).

With our omega-3 platform, we will keep expanding our sustainable nutrition offerings beyond aquaculture. Within aquaculture, we continue to bring omega-3 DHA, collaborating with producers and stakeholders to develop more sustainable feed for salmon, shrimp, and other species, helping de-bottleneck this essential nutrient supply as the oceans will not be able to provide sufficient omega-3 without adverse impacts. We expect significant development potential for omega-3.

We will further extend our AlgaPrime™ DHA portfolio to meet pet food manufacturers' needs advancing sustainability and health for companion animals and opening exciting opportunities to deliver value for the industry. In addition, for our AlgaVia™ offerings, our line of algae oils for human nutrition, we will keep looking into ways of expanding our impact on human diets.

Meanwhile, we stay committed to investing in initiatives with a longer time horizon. Internal efforts are underway to develop new algae-based solutions based on our innovation platform, applications, and industry knowledge.

Incubator
In our Incubator, where we develop early-stage initiatives, we work on five selected programs: *Algae portfolio extension, Biopolymers, Natural preservation, Circular raw materials,* and *Net zero*. These long-term platforms are all linked to one of the three business units and embedded in their innovation programs.

Developments in 2022 on our Advance 2025 strategy

	Core	Non-core	
	Manage for Growth	Manage for Value	Manage for Exit
Sustainable Food Solutions	• Preservation • Functional systems • Single ingredients		• Frozen dough • Co-packing blending • Emulsifiers
Lactic Acid & Specialties	• Lactic acid • Lactic acid derivatives • Biomaterials		
Algae Ingredients	• Omega-3		
Incubator	• Algae portfolio extension • Biopolymers • Natural preservation • Circular raw materials • Net zero		• Thrive • FDCA
TotalEnergies Corbion 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 have refocused in-house R&D to support accelerated execution of Advance 2025 and increasingly pursue new opportunities via innovation partnerships. Several opportunities for outside-in innovation have been identified in the six focus areas of Advance 2025.

Our strategy for 2020-2025 projects R&D spend at approximately 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 our differentiated position. Increased demand for lactic acid, mainly driven by its crucial role in PLA production, will lead us to invest in expansions of several of our existing lactic acid facilities and to construct a new lactic acid plant in Thailand that uses our new circular production technology. These investments also support the realization of our climate action plan. Next to that, together with TotalEnergies we have announced the intention to build a new 100,000 metric tons per annum PLA bioplastics plant in France through the TotalEnergies Corbion joint venture. In 2022, Corbion announced that together with our partner TotalEnergies, we are working on the Final Investment Decision, which is expected in the second half of 2023. Our Algae Ingredients business will also require further investment to cater to further growth as we continue to improve existing products and to develop new products. 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 supplied through partners who can make this available. We will strengthen our workforce capabilities to advance key strategic initiatives, such as continuing to develop and implement our solutions model in food in existing and adjacent markets and delivering on our medical biomaterials and biochemicals initiatives. The strategy period also encompasses a significant 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 what matters		
Net sales contributing to the SDGs (SDG 2, 3, 12, 13, 14) 2)	> 75%	> 85%
Preserving food and food production		
Verified responsibly sourced cane sugar 3)	100%	100%
Verified deforestation-free key agricultural raw materials 4)	100%	100%
Preserving health		
Total Recordable Injury Rate 5)	< 0.5	< 0.25
Preserving the planet		
Renewable electricity	100%	100%
Scope I & II emissions reduction (SBTi-approved target) 6)	n/a	38%
Scope III emissions reduction (SBTi-approved target) 6,7)	n/a	24%
Recycling of by-products 8)	100%	100%
Landfill of waste	n/a	0 kT
Measuring what matters		
Products covered by Social Value Assessment 9)	100%	100%
Products covered by Life Cycle Assessment 10)	100%	100%

1 *Targets based on current manufacturing footprint; to be reviewed in case of acquisitions/major changes.*
2 *Net sales of products for which there is evidence that the product contributes to the SDGs. See our Measuring what matters whitepaper for more details.*
3 *Bonsucro-certified or meeting the requirements of Corbion's cane sugar code verified by third-party audits, by quantity. See our Cane Sugar Policy for more information.*
4 *Key agricultural raw materials include cane sugar, dextrose derived from corn, palm oil and derivatives, soy-bean oil and derivatives, and wheat, by quantity. 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.*
5 *Based on OSHA guidelines. Including contractors.*
6 *Scope II emissions from purchased energy (electricity and purchased steam, market-based). Absolute reduction compared to 2021 as the base year.*
7 *Scope III emissions related to key raw materials, waste and transport, per ton of product. Progress is reported compared to 2021 as the base year.*
8 *By quantity.*
9 *The Social Value Assessment is done according to the methodology described in the Handbook for Product Social Impact Assessment, published by the Social Value Initiative and applies to products manufactured at Corbion sites (cradle-to-gate). Outsourcing is excluded. 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 (cradle-to-gate). Outsourcing is excluded. By quantity.*

Financial guidance

During our Capital Markets Day in December 2022, we presented an update of our financial targets.

Our Advance 2025 strategy aims to deliver organic net sales growth in the 2023-2025 growth period of between 5 and 8 percent annually for Corbion's core activities.

Financial targets		Capital Markets Day 2020	New (2023-2025)
Core	Organic net sales growth [1)]	4 - 7% p.a.	5 - 8% p.a.
Core	Organic adjusted EBITDA growth	-	15 - 20% p.a.
Underlying ambitions			
Sustainable Food Solutions	Organic sales growth [1)]	~3%	~5%
Lactic Acid & Specialties	Organic sales growth [1)]	~7%	~7%
Algae Ingredients	Organic sales growth [1)]	-	~25%
Incubator: Omega-3	Adjusted EBITDA	Break-even by 2022	-
Incubator: other	Adjusted EBITDA investment	0.5 - 1.5% of Corbion core sales	0.5 - 1.5% of Corbion core sales
Core	Adjusted EBITDA margin	>17% from 2025	>17% from 2025
Corbion	Capex	€ 115M - 125M avg. p.a.	€ 160M avg. p.a.
Corbion	Covenant net debt/covenant EBITDA	~2.0x; peak at 2.5x	1.5-2.5x
Corbion	ROCE	>WACC	> WACC

1 *Organic growth defined as volume growth + mix growth, **excluding** price impact*

Our value creation model

This scheme summarizes our value creation process and business model. It describes the resources we used in 2022 to carry out our business activities aimed at the production of innovative sustainable solutions that create value for our stakeholders.

Key material topics

Financial
- Circular and bioeconomy

Natural
- Circular and bioeconomy
- Climate change
- Sustainable agriculture & biodiversity
- Responsible sourcing

Human
- Talent attraction and people development
- Diversity, equity & inclusion
- Employee health & safety

Social and relationship
- Consumer health & food safety
- Responsible sourcing

Intellectual
- Circular and bioeconomy
- Climate change
- Consumer health & food safety

Manufactured
- Product safety & quality

Input capital

Financial
- Covenant net debt/ covenant EBITDA ratio: 3.0x
- Capital expenditure: € 230.9 mln

Natural
- 98% biobased raw materials
- 3,849 GJx10^3 energy of which 32% renewable
- 5,451 m3x10^3 water

Human
- 2,601 FTE
- 25% women in leadership position

Social and relationship
- 100% of raw material/ supplier combinations assessed on sustaina-bility risks

Intellectual
- R&D spend: 3.2% of net sales

Manufactured
- Property, plant, and equipment: € 661.1 mln

Business model

Purpose

We preserve what matters
- Preserving food and food production, health, and the planet

Values

- Care
- Courage
- Collaboration
- Commitment

Advance 2025 strategy

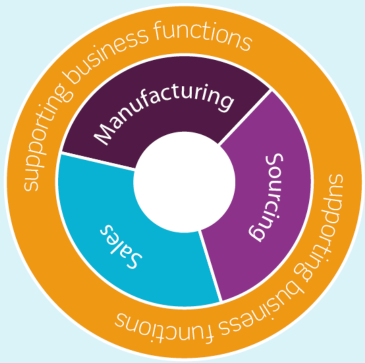
Sustainable Food Solutions
- Expand preservation
- Expand functional systems
- Protect the core

Lactic Acid & Specialties
- Strengthen lactic acid leadership through PLA sales
- Provide differentiated functionality through lactic acid and derivatives to biochemical markets
- Biomedical polymer focus on drug delivery and orthopedic markets

Algae Ingredients
- Omega-3

Incubator

Business activities



Output capital

Financial
- Net sales: € 1,457.9 mln
- Adjusted EBITDA: € 184.4 mln
- ROCE: 9.6%

Natural
- 93% of verified de-forestation-free key agricultural raw materials
- 8.61 kT landfilled by-products and waste
- 1,105 kT CO2 equiv emissions (Scope I, II, III)

Human
- Total Recordable Injury Rate: 0.68
- Absentee rate: 2.6%

Social and relationship
- 91% of verified responsibly sourced cane sugar
- 90% RSPO certification of palm oil and palm-derived oleochemicals
- 65% of net sales con-tributing to the SDGs

Intellectual
- 2,320 granted patents and 1,200 pending patents

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

Impact on Sustainable Development Goals

Focus SDGs

2 GEEN HONGER
3 GOEDE GEZONDHEID EN WELZIJN
12 VERANTWOORDE CONSUMPTIE EN PRODUCTIE

Linked SDGs

13 KLIMAATACTIE
14 LEVEN IN HET WATER
15 LEVEN OP HET LAND

#CorbionsToDoList

We preserve what matters

In 2015, 193 countries agreed on a world-changing plan. This ambitious plan could end poverty, fight inequality, and tackle the climate crisis, but only if we all work together. These are the Sustainable Development Goals. They are the world's to-do list. There are 17 goals. Corbion contributes to several of them, and we focus on the three where we can make the most impact, SDG 2, 3, and 12. At Corbion, we are preserving food and food production, health, and the planet. Together, we can get the world's to-do list done.

To do

Create a zero incident culture

#CorbionsToDoList

To do

Implement RSPO certification for all palm-derived raw materials

#CorbionsToDoList

To do

Increase sales of products positively contributing to the SDGs to 85%

#CorbionsToDoList

To do

Implement renewable electricity at all locations

#CorbionsToDoList

To do

Reduce our carbon footprint in line with 1.5°C

#CorbionsToDoList

To do

Eliminate deforestation in our supply chain

#CorbionsToDoList

To do

Eliminate waste disposal in landfills

#CorbionsToDoList

Creating a safe workplace is our priority

Why are we doing it?

"In a previous company I saw someone get seriously injured and I will never forget how I felt - and how that person's colleagues felt. I don't ever want to experience that feeling again."

Jason Chu – Senior Engineer for Global Operations

What are we doing?

What does creating a safe and healthy working environment really mean in practice? "I will say without hesitation that at Corbion we put safety over production," says Jason – who is currently leading a major expansion project. "I can take criticism for being late on a project, or for being over budget. But I can never, ever give a justifiable reason for someone getting hurt."

Jason recently won Corbion's quarterly Values Showcase award, which recognizes colleagues who have demonstrated the company values of Care, Courage, Collaboration, and Commitment. Having spotted a project supervisor, that has been previously coached on safety practices, acting in an unsafe manner, the project team decided to remove the individual from the site and project. "It was a tough decision, but it was the right decision – because it was made for the good of everyone on our site," says Jason. "This is the key point: safety is not about one individual. It's up to every one of us to protect the people we work with, care about and spend time with every day."

How are we doing?

Corbion is ultimately aiming for a zero-incident culture. Is it achievable? "Absolutely. It needs to be driven by culture and example – not just with Corbion colleagues but also the third-party contractor colleagues who help us every day," says Jason. "Bottom line: I would never ask a colleague to perform a task on-site that I would not be willing to perform myself."

Our performance

Business performance

Sustainable Food Solutions

Through our Sustainable Food Solutions business, Corbion provides value-adding natural ingredient solutions to 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 our customers what they need to achieve sustainable business success. In 2022, adaptability and agility once again proved to be keys to success, as supply chain disruptions, raw material shortages, pricing volatility, and labor scarcity continued to burden businesses throughout the value chain. Our team moved swiftly to create and deploy new solutions and technologies to help alleviate the impacts our customers were facing. We leveraged our core competencies in applied science and technical service to lower risk for our customers, helping them rapidly adopt and incorporate new technologies, often in record time, in their finished goods.

In the bakery segment, our solutions enabled customers to quickly and successfully reformulate their consumer products in response to breakdowns as they occurred at various points along the supply chain, whether caused by logistical disruptions, global conflicts, or the impact of climate change on agricultural crops. For instance, we expedited the development and commercialization of our Pristine® line, a functional blend that helped bakers maintain quality while reducing or eliminating gluten in formulations when gluten became scarce partially caused by the Ukraine/Russia conflict. Similarly, we also launched Vantage 2060, a functional blend that enabled bakers to reduce soy oil and/or emulsifiers in formulations when we experienced shortages in the soy oil market. In addition to helping customers mitigate risk, we provided solutions enabling them to respond to the trend toward products with familiar ingredient labels, as consumers increasingly associate these products with better health, a more resilient body, and stronger immunity.

Corbion's functional systems and preservation technologies continued their growth trajectory in this market environment. Uncertainty in the global economy is causing consumers to purchase at both ends of the food spectrum: they affordably indulge in premium food products while balancing their overall food spend with more cost-effective options. In the bakery space, Corbion helped develop premium, indulgent baked items while working with customers to cost-optimize formulations and mitigate rising raw material expenses. Drawing on our expertise in antimicrobials, spoilage organisms, and applications, we delivered innovative, natural mold inhibitors that further extend freshness and reduce product waste using ingredients that feel familiar and comfortable to consumers. In the dairy market we leveraged our blending proficiency and advanced knowledge of stabilization technologies to introduce Corbion SMART™ Solutions, a portfolio of convenient, customizable stabilizers. In addition, efforts are underway to develop new functional systems that further build on our applications, enzymes, and industry knowledge.

The consumer trend favoring products made with natural, familiar ingredients gained additional traction during the pandemic and triggered consumers to seek out safe, healthier options for themselves, their families, and the planet.

Accordingly, we continued to focus on natural preservation, expanding efforts beyond meat into additional applications, including dips, sauces, and chilled foods. Our early successes in this area include sales of natural mold inhibitors for culinary sauces and dressings, as well as ready-to-eat deli salads. Consumer shopping patterns shifted post-Covid, and while stocking up is no longer a strong trend, other behavior changes have become more persistent: fewer retail visits, more online purchasing, and food deliveries more frequently left on the doorstep. All create steep challenges for manufacturers as they work to ensure their products stay safe and fresh. Greater market demand for nature-based solutions contributed to global supply chain issues for all players in this market. Even so, our Verdad® Vinegars and Verdad® Avanta preservation solutions grew during this time as Corbion was able to meet the growing demand. Our diversified supplier base and global production footprint enabled us to move quickly and gain market share by keeping our customers' production running. Our ongoing commitment to R&D and natural preservation led us to introduce our Origin® line of naturally-derived antioxidant solutions, which offer benefits that include improved processing, better visual appeal, ingredient transparency, and sustainable sourcing. These solutions allow meat and savory food producers to better satisfy both their business needs and consumers' demands.

To support these growth trends, we invested to expand our capacity for producing natural ferments at our Peoria, US plant.

Lactic Acid & Specialties

In 2022, we saw substantial further increases in raw material costs of our products and continued supply chain challenges, requiring our utmost attention to adjusting our prices and managing the supply chain to avoid disruptions of supply to our customers.

Biochemicals

In the home and personal care market, we continue to see strong developments in hygiene and cleaning products. The Covid-19 pandemic has influenced the market, resulting in brand owners reformulating in favor of safe, natural preservative products over traditional preservatives that have come under regulatory pressure from a safety perspective. These trends were accelerated by the proven efficacy lactic acid has against all kinds of corona viruses and other microorganisms. We have seen that our PURAC® Sanilac solution helps brand owners meet the market's urgent need for effective sanitizing and preservation solutions.

In the electronics industry, the semiconductor business is driving growth in our PURASOLV® esters portfolio. This market continues to grow with the further rise in data processing, connectivity, Internet-of-Things, continuing to drive demand for chips and memory, pushing the trend toward ever-higher performance at nano scale. By focusing on leadership in product quality and consistency, Corbion's strategy aligns with the need for continuous improvement in the semiconductor material industry.

Pharmaceutical segments continue to grow due to the increasing number of patients suffering from kidney and other chronic diseases. Requirements for these markets are continuing to be ever more stringent, requiring a high level of attention. Our PURASAL® pharma lines are produced according to the strictest cGMP guidelines and comply with the highest quality standards. Corbion enables its customers to continue meeting increasingly rigorous standards by delivering proven, consistent product quality. In 2022, we continued to see growth in this market.

The agrochemicals market benefited in 2022 from high crop prices, driving demand for measures that support crop yield and production, such as environmentally friendly crop protection. Our PURASOLV® product line is included in various new crop protection formulations that supported business growth in 2022. In line with our strategy, we continue to focus on helping customers create environmentally-friendly crop protection products including biopesticides, using our PURASOLV® green solvents, which are well aligned with industry trends.

Biomaterials
In the orthopedic segment of the healthcare market, a continued recovery of the business has been observed bringing it back to pre-pandemic levels. Besides the recovery of the running business, development projects for customers have progressed resulting in increasing sales. New developments resulted in many enquiries for our resorbable polymers and our FiberLive® material throughout the year.

In the area of controlled drug delivery, we continue to see strong demand and further interest in our products, leading to a growing pipeline of projects. We keep working closely together 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. Several customers have shown progression in their innovation and are proceeding with registration and commercialization in their respective geographical markets.

CM Biomaterials, our joint venture with the French company MedinCell, focuses on new cost-effective long acting injectables for therapeutics to improve global health. MedinCell saw its pipeline progressing, clearly shown by the initiation of Phase-3 clinical studies for two of their projects. The JV's lead partner Teva Pharmaceuticals refiled their first product based on the MedinCell technology at the FDA, at the same time announcing a planned launch of this product in the US market in the course of the first half of 2023.

In addition, a range of applications based on major active pharmaceutical ingredients and our PURASORB® polymers are currently advancing through different phases of (clinical) testing, covering both the use of existing controlled-release technologies (e.g. long-acting injectables) and enabling innovative dosage forms, in different clinical indications and delivery routes, contributing to 2022 sales and projected to grow during the Advance 2025 strategy period.

TotalEnergies Corbion joint venture
The TotalEnergies Corbion joint venture saw lower than expected volumes sold in 2022. Market disruptions have led to lower demand from existing market players. This impacted sales and dampened the volume growth seen in previous years. From a business development perspective, we are continuing to expand our horizons and progress into new markets and applications and building a strong pipeline for future growth.

The design of the new PLA plant in France is in the development phase. Together with our partner TotalEnergies, Corbion is optimizing the design and preparing for the Final Investment Decision (FID). We expect to progress further towards an FID in the second half of 2023, when we expect also a normalization of the CapEx levels and engineering costs compared to the highly inflated cost levels experienced in 2022. The new PLA plant will be supplied initially from the current lactic acid plant network.

Algae Ingredients
In 2022, we experienced more than significant growth in the algae-based omega-3 business in aquaculture and continued the expansion into new categories, including pet food and other omega-3 applications. This further drove its mission to unleash the power of algae fermentation to provide nutritional ingredients while preserving the world's limited resources.

Aquaculture plays a prominent role in addressing food security while contributing to ocean protection and economic prosperity. Growing aquaculture and meeting the goals in the Ocean Action Agenda, a project to fast-track solutions to the most pressing challenges facing the oceans, will depend on the ability to reduce its impact on the ecosystem, and a key element will be the sustainability of feed.

Corbion partnered with Nofima, a leading food research institute in Norway, and other forward-thinking organizations across the value chain to form the Millennial Salmon project. The goal of this four-year project is to create the most sustainably farmed salmon using circular economy novel ingredients and with a low carbon footprint while addressing the initiative's "millennial principles of life" – living healthy, leading a purposeful life, trusting peers, and considering their societal and environmental impacts.

Building from our AlgaPrime™ DHA LCA (Life Cycle Assessment) study, peer-reviewed and published in 2021, we keep investing to evolve our portfolio, focusing on comparing AlgaPrime DHA solutions to traditional sources of fish oil on an omega-3 basis to keep the carbon footprint lower. Measuring what matters and the results of the low carbon footprint of AlgaPrime DHA are critical for customers working to meet carbon reduction goals for their operations and customers.

In June 2022, we reached EBITDA break-even by leveraging Corbion's unique expertise in large-scale industrial fermentation to supply algae with sustainable omega-3 at scale. Continuous investments in our production plant in Brazil increase our capacity and facilitate further growth in this business.

Incubator

After realizing EBITDA break-even in June 2022, the algae-based omega-3 DHA business has matured to such level as to allow it to be carved out from the Incubator as to be positioned as a business unit: Algae Ingredients. Other initiatives were added to the Incubator portfolio, which now comprises: *Algae portfolio extension*, *Biopolymers*, *Natural preservation*, *Circular raw materials*, and *Net zero*. *Algae portfolio extension* aims to further explore the algae platform for other products like lipids and proteins; *Biopolymers* builds on the co-polymer activities and (medical) polymer expertise to improve the performance and extend the application range of polylactic acid; *Natural preservation* aims to discover and develop novel antimicrobials with emphasis on natural mold inhibition; *Circular raw materials* explores feedstock flexibility options including non-food feedstocks; *Net zero* investigates new technologies with emphasis on renewable energies and electrification to meet our long-term sustainability targets.

Open Innovation

Innovation with outside parties providing technology or business opportunities, also known as open innovation, can accelerate growth by feeding the front-end of the innovation funnel and boosting the innovation hit rate. For Corbion, innovation includes open innovation, which is a business model that feeds the business units and Incubator with transformational innovation, converting breakthrough ideas into new products and business. It involves scouting and vetting selected external partners in focused domains of interest, chosen for their potential to grow the business in the long run, including beyond the Advance 2025 strategic period.

Innovation is critical to accelerate access to technical and application 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, innovation is essential in the transition toward a world in which our planet's natural boundaries are respected.

Our investments in and deal flow analysis of the European Circular Bioeconomy Fund (ECBF), the first venture fund exclusively focused on the circular bioeconomy in Europe, and Shift III, an impact investment fund targeting companies that can have an impact on climate change, circularity, biodiversity, waste reduction, or water with a disruptive technology, have both been instrumental to identifying some innovation leads that are being pursued.

OUR PERFORMANCE

Financial performance

Key figures

Millions of euros	2022	2021
Net sales	1,457.9	1,070.8
Operating result	110.8	82.0
Adjusted EBITDA [1)]	184.4	135.8
Result after taxes	90.0	78.3
Earnings per share in euros [2)]	1.53	1.33
Diluted earnings per share in euros [2)]	1.51	1.32
Number of issued ordinary shares	59,242,792	59,242,792
Number of ordinary shares with dividend rights	59,012,918	58,950,269
Weighted average number of outstanding ordinary shares	58,991,788	58,926,368
Price as at 31 December	31.84	41.44
Highest price in calendar year	42.00	53.60
Lowest price in calendar year	24.34	37.72
Market capitalization as at 31 December [3)]	1,879	2,443
Other key data		
Cash flow from operating activities	39.0	22.4
Cash flow from operating activities per ordinary share, in euros [2)]	0.66	0.38
Free cash flow [4)]	-160.1	-97.0
Depreciation/amortization (in)tangible fixed assets	76.4	64.1
Capital expenditure on (in)tangible fixed assets	230.9	165.0
Equity per share in euros [5)]	10.60	9.40
Regular dividend in euros per ordinary share (reporting year)	0.56	0.56
Ratios		
ROCE % [6)]	9.6	9.6
Adjusted EBITDA margin % [7)]	12.6	12.7
Result after taxes/net sales %	6.2	7.3
Number of employees at closing date (FTE)	2,601	2,493
Covenant net debt position/covenant EBITDA [8)]	3.0	2.6
Interest cover [9)]	14.2	14.6
Statement of financial position		
Non-current assets	1,051.1	836.6
Current assets excluding cash and cash equivalents	596.1	462.3
Non-interest-bearing current liabilities	260.8	227.5
Covenant net debt position [10)]	601.5	361.6
Total net debt position [11)]	701.0	461.0
Other non-current liabilities	15.8	16.9
Provisions	43.9	39.4
Equity	625.7	554.1
Capital employed [12)]	1,342.5	1,032.0
Average capital employed [12)]	1,234.7	935.8
Balance sheet total : equity	1:0.4	1:0.4
Net debt position : equity	1:0.9	1:1.2
Current assets : current liabilities	1:0.9	1:0.6

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 and/or divested subsidiaries.
9 Interest cover is covenant EBITDA as defined above divided by net interest income and charges.
10 Covenant net debt position comprises borrowings (excluding subordinated loans), and lease liabilities less cash and cash equivalents, including third-party guarantees which are required to be included under the debt covenants.
11 Total 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.
12 Capital employed and average capital employed are based on balance sheet book values.

Results

Financial guidance Advance 2025

Financial targets		Capital Markets Day 2020	New (2023-2025)	Results 2022
Core	Organic net sales growth [1]	4 - 7% p.a.	5 - 8% p.a.	24.3%
Core	Organic adjusted EBITDA growth	-	15 - 20% p.a.	10.8%
Underlying ambitions				
Sustainable Food Solutions	Organic sales growth [1]	~3%	~5%	21.5%
Lactic Acid & Specialties	Organic sales growth [1]	~7%	~7%	20.4%
Algae Ingredients	Organic sales growth [1]	-	~25%	115.3%
Incubator: Omega-3	Adjusted EBITDA	Break-even by 2022	-	Achieved
Incubator: other	Adjusted EBITDA investment	0.5 - 1.5% of Corbion core sales	0.5 - 1.5% of Corbion core sales	0.7%
Core	Adjusted EBITDA margin	>17% from 2025	>17% from 2025	12.0%
Corbion	Capex	€ 115M - 125M avg. p.a.	€ 160M avg. p.a.	219.8M
Corbion	Covenant net debt/ covenant EBITDA	~2.0x; peak at 2.5x	1.5-2.5x	3.0x
Corbion	ROCE	>WACC	> WACC	9.6%

1 *Organic growth defined as volume growth + mix growth, **excluding** price impact*

Net sales

In 2022, net sales rose 36.2% to € 1,457.9 million, compared to € 1,070.8 million in 2021, driven by an 24.6% organic increase and an 11.5% beneficial currency impact. The core business saw a volume/mix growth of 5.6%, while the 18.7% price increase was the result of successfully passing on additional input costs.

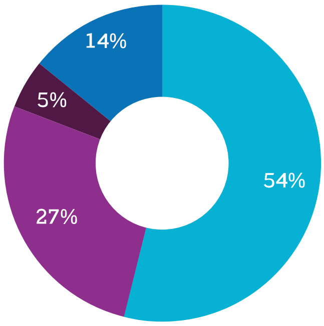
Full year 2022 compared to full year 2021

Net sales	Volume/Mix	Price	Organic	Currency	Acquisitions/ (Divestments)	Total growth
Core	5.6%	18.7%	**24.3%**	10.9%	0.1%	**35.3%**
- Sustainable Food Solutions	3.6%	17.9%	**21.5%**	11.8%	0.2%	**33.5%**
- Lactic Acid & Specialties	0.0%	20.4%	**20.4%**	7.7%	0.0%	**28.1%**
- Algae Ingredients	98.4%	16.9%	**115.3%**	26.7%	0.0%	**142.0%**
- Incubator						
Non-core	-2.9%	29.0%	**26.1%**	15.6%	0.0%	**41.7%**
Total	**4.5%**	**20.1%**	**24.6%**	**11.5%**	**0.1%**	**36.2%**

OUR PERFORMANCE

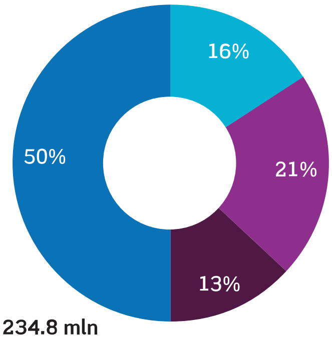
Net sales 2022

By business unit in %



- Sustainable Food Solutions **€ 780.0 mln**
- Lactic Acid & Specialties **€ 400.1 mln**
- Algae Ingredients **€ 74.3 mln**
- Non-core activities **€ 203.5 mln**

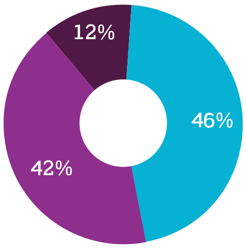
By region in %



- Asia **€ 234.8 mln**
- EMEA **€ 310.6 mln**
- Latin America **€ 193.8 mln**
- North America **€ 718.7 mln**

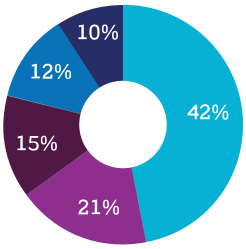
Source: Company data

Sustainable Food Solutions



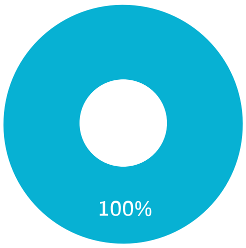
- Preservation
- Functional systems
- Single ingredients

Lactic Acid & Specialties



- Lactic acid
- Lactate esters
- Lactates
- Biopolymers
- Other

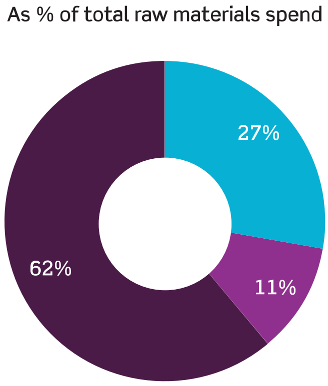
Algae Ingredients

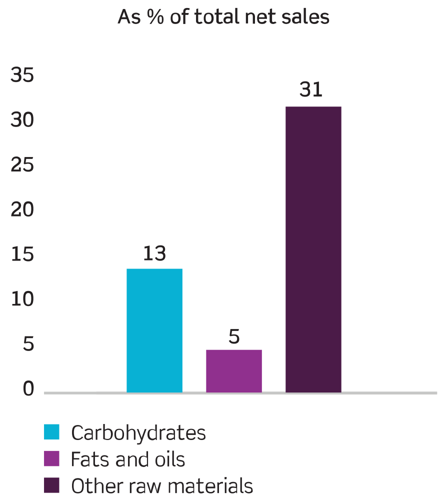


Raw materials

Carbohydrates, fats, oils, and others show minimal % spend changes versus sales. The other category shows a slight increase in energy and chemicals spend due to the war between Russia and Ukraine.

Raw materials break-down





Source: Company data

EBITDA

In 2022, adjusted EBITDA grew 35.8% to € 184.4 million, with an organic increase of 17.9%, a positive currency effect of +18.3%, and a net impact of acquisitions and divestments of -0.4%.

€ million	2022	2021
Net sales		
Core	**1,254.4**	**927.2**
- Sustainable Food Solutions	780.0	584.2
- Lactic Acid & Specialties	400.1	312.3
- Algae Ingredients	74.3	30.7
Non-core	**203.5**	**143.6**
Total net sales	**1,457.9**	**1,070.8**
Adjusted EBITDA*		
Core	**150.1**	**117.9**
- Sustainable Food Solutions	95.9	75.1
- Lactic Acid & Specialties	66.7	56.7
- Algae Ingredients	-3.3	-10.6
- Incubator	-9.2	-3.3
Non-core	**34.3**	**17.9**
Total adjusted EBITDA	**184.4**	**135.8**

* *Adjusted EBITDA (margin) has been restated due to reallocation of G&A costs over the business units following the carve out of Algae Ingredients.*

Sustainable Food Solutions

€ million	2022	2021
Net sales	780.0	584.2
Organic growth	21.5%	10.8%
Adjusted EBITDA*	95.9	75.1
Adjusted EBITDA margin*	12.3%	12.9%

* *Adjusted EBITDA (margin) has been restated due to reallocation of G&A costs over the business units following the carve out of Algae Ingredients.*

Net sales in the Sustainable Food Solutions business unit increased organically by 21.5% in 2022. The growth was driven by volume/mix growth of 3.6% and full year price increases of 17.9%.

Functional Systems maintained a favorable positive volume/mix momentum, driven by positive mix effects with volumes being flat. We have been increasingly supporting our customers with reformulations addressing their raw material availability and cost issues.

The growth in Preservation has been driven by both volume/mix and price increases. Volume growth was slightly negative in the second half of the year, after substantial market share gains over the past two years. Even though our largest end-market (US processed meat) was in decline in 2022, the trend to natural preservatives continues to gain ground.

Single Ingredients grew via price improvements, whilst volumes were substantially down due to the deliberate shedding of some of the lower margin beverage (acidification) business.

The adjusted EBITDA margin decreased from 12.9% to 12.3% due to the lagging effect (in the early part of the year) of implementing higher prices, the dilutive impact on margin from price increases, and increased fixed costs due to investment in organizational capabilities (Advance 2025 related).

Lactic Acid & Specialties

€ million	2022	2021
Net sales	400.1	312.3
Organic growth	20.4%	17.0%
Adjusted EBITDA*	66.7	56.7
Adjusted EBITDA margin*	16.7%	18.2%

* *Adjusted EBITDA (margin) has been restated due to reallocation of G&A costs over the business units following the carve out of Algae Ingredients.*

In 2022, Lactic Acid & Specialties net sales grew organically by 20.4%, driven by price with volume/mix being flat.

The flat volume/mix sales growth was due to a decline in deliveries to the TotalEnergies Corbion JV because of the PLA market weakness previously reported in the first half of 2022. Sales volumes of esters (solvents) increased on a full year basis due to higher demand from the semiconductor market. The medical biopolymers segment continued to grow strongly in line with expectations.

The adjusted EBITDA margin decreased from 18.2% to 16.7% due to the lagging effect (in the early part of the year) of implementing higher prices and the dilutive impact of price increases on margin as well as headcount increase related to lactic acid capacity expansion.

Algae Ingredients

€ million	2022	2021
Net sales	74.3	30.7
Organic growth	115.3%	147.8%
Adjusted EBITDA*	-3.3**	-10.6
Adjusted EBITDA margin*	-4.4%	-34.5%

* *Adjusted EBITDA (margin) has been restated due to reallocation of G&A costs over the business units following the carve out of Algae Ingredients.*

** *Adjusted EBITDA excluding new allocation of G&A costs amounts to: +€ 0.2 million*

Algae Ingredients delivered organic sales growth of 115.3% in 2022, driven by the strong growth of AlgaPrime™ DHA (algae-based omega-3). The adoption of AlgaPrime DHA grew significantly among multiple leading aquaculture feed companies, who are turning to algae-based omega-3 to reduce their dependency on wild fish stocks. Investments to enhance production capacity and flexibility at our Brazil plant are progressing well and as planned.

The adjusted EBITDA has been positive as of June 2022. The adjusted EBITDA in the newly reported segment 'Algae Ingredients' does include a fair share of allocated G&A costs of € 3.5 million in 2022. In 2021, a significant share of the algae related R&D efforts focused on algae-based omega-3 development, and consequently these costs have been allocated to the Algae Ingredients segment.

Incubator

€ million	2022	2021
Net sales		
Adjusted EBITDA*	-9.2	-3.3

* *Adjusted EBITDA (margin) has been restated due to reallocation of G&A costs over the business units following the carve out of Algae Ingredients.*

Currently, there are no sales within the Incubator segment following the carve out of Algae Ingredients into a separate reporting segment. The adjusted EBITDA reflects investments in various programs as outlined in the December 2022 Capital Markets Day. These programs include: *Algae portfolio expansion*, *Biopolymers*, *Natural preservation*, *Circular raw materials* and *Net zero.* The increasing costs are related to a step up in the overall program and managed in line with the ambition investment level between 0.5~1.5% of core net sales. The investment level reported in the Incubator in 2021 was relatively modest (compared to 2022) due to a significant share of R&D efforts being focused on the algae-based omega-3 development (and thus were allocated to the Algae Ingredients segment in that year).

Non-core activities

€ million	2022	2021
Net sales	203.5	143.6
Organic growth	26.1%	12.8%
Adjusted EBITDA*	34.3	17.9
Adjusted EBITDA margin*	16.9%	12.5%

* *Adjusted EBITDA (margin) has been restated due to reallocation of G&A costs over the business units following the carve out of Algae Ingredients.*

Non-core activities (Emulsifiers) saw organic sales growth of 26.1% in 2022. Sales growth was driven by a 29.0% increase in pricing, partly offset by volume/mix of -2.9% due to supply chain challenges. The adjusted EBITDA margin improved from 12.5% to 16.9% as the business recovered input costs through the year.

TotalEnergies Corbion joint venture

*€ million**	2022	2021
Net sales	165.8	159.8
EBITDA	42.8	54.6
EBITDA margin	25.8%	34.2%

* *Results on 100% basis. Corbion owns 50% of TotalEnergies Corbion joint venture*

Sales increased by 3.8% in 2022 (organic growth of -7.6%) due to Chinese lockdown measures and elevated freight rates from China to the US, which negatively impacted the PLA market and led to decreased volumes in the second half of the year. The EBITDA margin declined from 34.2% to 25.8% due to a number of factors, including increased input costs and deleveraging of fixed costs.

Depreciation, amortization, and impairment

Adjusted depreciation, amortization, and impairment of fixed assets reached € 76.4 million, up from € 64.1 million in 2021.

Operating result

The adjusted operating result increased by € 36.3 million to € 108.0 million in 2022 (2021: € 71.7 million), with total adjustments of € 1.3 million at post tax results level.

These adjustments consist of:

1. A gain of € 9.7 million related to the sale of the Totowa warehouse.
2. A negative fair value adjustment of € 2.3 million on the contingent consideration payable related to the Algae acquisition.
3. A loss of € 1.7 million related to incremental cost as a result of the production outage in our Blair facility in the fourth quarter of 2021.
4. A loss of € 1.3 million related to strategic portfolio optimization in the Algae Ingredients and Lactic Acid & Specialties businesses.
5. A loss of € 0.7 million related to write down of receivables as a result of the conflict in Ukraine.
6. A loss of € 0.7 million related to an earn-out payment related to the acquisition of certain assets of Granotec Mexico S.A. de C.V.
7. A loss of € 0.2 million related to an adjustment of the sales price for a plot of land in the Dutch municipality of Breda.
8. Tax effects on the above of € -1.5 million.

Financial income and charges

Net financial charges fell by € 8.9 million to € 5.3 million, primarily due to favorable exchange rate differences.

Taxes

In 2022, the tax charge on operations was € 26.4 million compared to € 8.2 million in 2021, resulting in an effective tax rate of 22.6%. The low rate of 9.5% in 2021 was mainly due to the recognition of a deferred tax asset from selling a plot of land in Breda, the Netherlands.

For 2023, Corbion projects an effective tax rate (excluding tax-exempt joint venture results) of approximately 25%, in line with the tax rates in its main operational areas.

Statement of financial position

Compared to year-end 2021, capital employed increased by € 310.5 million to € 1,342.5 million. The movements were:

€ million	
Capital expenditure on (in)tangible fixed assets	230.9
Lease contract movements	12.3
Disposal of fixed assets	-1.7
Depreciation / amortization / impairment of (in)tangible fixed assets	-76.4
Change in operating working capital	114.8
Change in provisions, other working capital and financial assets/ accruals	-23.0
Movements related to joint ventures and securities	4.2
Taxes	-2.3
Exchange rate differences	51.7

The major capital expenditure projects in 2022 are related to lactic acid capacity expansion in existing plants, and the new 125kt lactic acid plant in Thailand (scheduled to be completed by the end of 2023). Operating working capital rose by € 128.2 million, with € 114.8 million from non-currency effects and € 13.4 million from currency effects.

Shareholders' equity increased by € 71.6 million to € 625.7 million, due to:

- Positive result after taxes of € 90.0 million.
- A decrease of € 33.0 million for the 2021 cash dividend.
- Positive exchange rate differences of € 11.4 million from non-euro activity.
- A negative movement of € 7.0 million in hedge reserve.
- Positive remeasurement effect of € 1.2 million for defined benefit arrangements.
- Net share-based remuneration movement of € 3.3 million.
- Positive tax effects of € 5.7 million.

At year-end 2022, the ratio between balance sheet total and equity was 1:0.4 (2021 year-end: 1:0.4).

Cash flow/Financing

Cash flow from operating activities rose to € 39.0 million, a € 16.6 million increase over 2021. The increase was due to a higher operational cash flow before movements in working capital of € 37.7 million, offset by a negative impact from changes in working capital, provisions of € 23.9 million, and higher taxes and interest payments of € 2.8 million.

The cash flow required for investment activities rose to € 199.1 million in 2022, an increase of € 79.7 million from 2021. Capital expenditure (at € 235.8 million) was the main source of cash outflow, partly offset by dividends from TotalEnergies Corbion JV, proceeds from the sale of the Totowa warehouse, and payments received from the sale of a plot of land in Breda, the Netherlands.

The net debt position at the end of 2022 was € 701.0 million, a rise of € 240.0 million compared to the previous year, mainly due to capital expenditure, increased working capital and dividend payments, partially balanced by positive cash flow from operations. The covenant net debt (excluding the subordinated loan) was € 601.5 million at the end of 2022.

The covenant net debt to covenant EBITDA ratio was 3.0x at the end of 2022 (2.6x at the end of 2021). The interest cover was 14.2x in 2022 (14.6x in 2021), comfortably within the financing covenant limits.

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 covenant net debt/covenant EBITDA ratio development. This review will be based on multiple criteria such as major investments, timing of M&A, or divestment initiatives.

Dividend proposal

A proposal to distribute an unchanged, regular dividend in cash of € 0.56 per ordinary share (2021: € 0.56) will be submitted for approval to the annual General Meeting of Shareholders, to be held on 17 May 2023. This represents 37% of our 2022 adjusted result after taxes. The dividend will come from Corbion's reserves.

OUR PERFORMANCE

Sustainability performance

Sustainability performance indicators

Preserving what matters

KPI	2030 Target 1)	2025 Target 1)	2022	2021
Net sales contributing to the SDGs (SDG 2, 3, 12, 13,14) 2) √	> 85%	> 75%	65%	60%
Innovation projects contributing to preserving food and food production, health, and/or the planet 3) √	100%	100%	100%	100%
Raw materials covered by generic supplier code 4) √	> 90%	> 90%	99%	100%
Raw material/supplier combinations with high sustainability risk 5) √	< 10%	< 10%	4%	11%
High-risk raw material/supplier combinations with mitigation plan 5) √	> 90%	> 90%	100%	99%
Code of Business Conduct training completion rate	100%	100%	94% (2,061)	99% (1,781)
Anti-corruption training completion rate (% and number)	100%	100%	n/a	100% (479)
Competition law training completion rate (% and number)	100%	100%	100% (467)	n/a
Number of Speak Up/whistleblowing contacts - internal / external			25/1	20/0
Number of Speak Up/whistleblowing contacts with merit - internal / external			14/1	12/0

Preserving food and food production

KPI	2030 Target 1)	2025 Target 1)	2022	2021
Verified responsibly sourced cane sugar 6) √	100%	100%	91%	73%
Verified deforestation-free key agricultural raw materials 7) √	100%	100%	93%	82%
Net sales contributing to preserving food and food production (SDG 2) 2) √	-	-	32%	30%
Social Value Assessment coverage for products contributing to preserving food and food production (SDG 2) 8) √	100%	50%	40%	34%

Preserving health

KPI	2030 Target 1)	2025 Target 1)	2022	2021
Total Recordable Injury Rate 9) √	< 0.25	< 0.5	0.68	0.66
Sites certified according to internationally recognized food safety management system standards 10) √	100%	100%	100%	100%
SIN list 11) chemicals produced	0	0	0	0
EU REACH Candidate List chemicals produced	0	0	0	0
EU REACH Authorization List chemicals produced	0	0	0	0
Net sales contributing to preserving health (SDG 3) 2) √	-	-	37%	34%
Social Value Assessment coverage for products contributing to preserving health (SDG 3) 8) √	100%	50%	37%	35%

Preserving the planet

KPI	2030 Target 1)	2025 Target 1)	2022	2021
Biobased raw materials 12) √	> 95%	> 95%	98%	98%
Renewable electricity √	100%	100%	93%	79%
Scope I, II emissions reduction 13) √	-	-	54%	40%
Scope I, II, III emissions reduction (SBTi-approved target) 13) √	33%	20%	39%	27%
Recycling of by-products 4) √	100%	100%	97%	97%
Landfill of waste √	0	-	1.0 kT	1.8 kT
Net sales contributing to preserving the planet (SDG 12, 13, 14) 2) √	-	-	53%	49%
Life Cycle Assessment 15) coverage for products contributing to preserving the planet 3,4) √	100%	100%	94%	86%

1 Targets based on current manufacturing footprint; to be reviewed in case of acquisitions/major changes.
2 Net sales of products for which there is evidence that the product contributes to the SDGs. See our Measuring what matters whitepaper for more details.
3 Innovation projects targeting the development of products that contribute to the SDGs, by number of projects. Only adjacent and transformational innovations are included. Projects aimed at optimizing existing value propositions for existing customers are not included. See our Measuring what matters whitepaper for more details.
4 By quantity.
5 By number, based on Corbion's supplier sustainability risk assessment methodology. Not included in review by external auditor in 2021.
6 Bonsucro-certified or meeting the requirements of Corbion's cane sugar code verified by third-party audits, by quantity. See our Cane Sugar Policy for more information.
7 Key agricultural raw materials include cane sugar, dextrose derived from corn, palm oil and derivatives, soy-bean oil and derivatives, and wheat, by quantity. 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.
8 The Social Value 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 for which there is evidence that the product contributes to the specified SDGs. Outsourcing is excluded. By quantity. See our Measuring what matters whitepaper for more details.
9 Based on OSHA guidelines. Including contractors.
10 Applies to sites where food ingredients are produced, by number. Standards recognized by the Global Food Safety Initiative (GFSI): BRC, FSCC22000, SQF.
11 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 non-profit organization ChemSec.
12 Based on biobased carbon content relative to the total amount of carbon in the raw material, by quantity, excluding inorganic raw materials.
13 We report our emissions in accordance with the Greenhouse Gas Protocol per metric ton of product. This KPI refers to our 2019 Science Based Target which was aligned with 2°C. We have recently increased the ambition level of our target and will report on this starting next year. This KPI 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. Progress is reported against 2016 as the base year. Our full Scope III emissions and biogenic emissions are reported in the Sustainability statements.
14 The 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. This KPI applies to products manufactured at Corbion sites for which there is evidence that the product contributes to the specified SDGs. Outsourcing is excluded. By quantity. See our Measuring what matters whitepaper for more details.

√ = reviewed by external auditor. Some of the new KPIs that were included in our 2021 report for the first time have not yet been reviewed by the external auditor. We are preparing for assurance on all strategic KPIs.

Preserving what matters

Corbion's impact on the Sustainable Development Goals

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 we believe we can make the most significant positive impact, given our business activities. 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). We also recognize that our operations can (potentially) harm 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 (see Sustainability performance indicators) to minimize these adverse impacts. Our purpose is to preserve what matters by maximizing our positive impact and by minimizing any negative effects. See our Measuring what matters whitepaper to learn more about our SDG impact.

To monitor our impact, we track the overall contribution to the SDGs as a percentage of Corbion's total revenues. In 2022, 65% of Corbion's net sales contributed to preserving food and food production, health, and/or the planet, an increase of 5% compared to 2021. This increase is mainly driven by increased sales of omega-3 DHA. We aim to further increase this percentage to 75% by 2025, through divestment of non-SDG contributing activities, growth in food preservation, PLA bioplastics, and omega-3 DHA, and by innovating new SDG contributing solutions. All innovation projects are expected to contribute to preserving food and food production, health, and/or the planet, which is managed by a sustainability assessment as part of the innovation stage-gate process. Projects that do not contribute to the SDGs are adjusted or cancelled. At the end of 2022, 100% of our innovation projects contributed to preserving food and food production, health, and/or the planet.

Human rights and labor practices

Corbion is committed to respecting and upholding human rights and labor standards. We act in accordance with internationally declared human rights and adhere to applicable laws within the framework of our business activities. We have implemented procedures to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the key conventions of the International Labour Organisation and the International Bill of Human Rights, and we are a signatory to the United Nations Global Compact.

Our Code of Business Conduct covers amongst others health and safety; inclusion, diversity, and equal employment opportunity; harassment; child and forced labor; working hours and compensation; and freedom of association. All Corbion employees are paid a living wage.

Labor practices

Collective bargaining agreements	# of employees	% of workforce
Total employees with agreements	1,103	42%

To ensure frequent employee-management interactions and responsible labor practices, we have joint management-worker health & safety committees in place at all production sites 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 employee representatives.

Corbion utilizes the Supplier Ethical Data Exchange (SEDEX) platform and the SEDEX Members Ethical Trade Audit (SMETA) to monitor the social performance and compliance of its manufacturing sites. SMETA assesses each site on four pillars: labor, health and safety, environment, and business ethics. Audits are conducted by an external third-party auditor at least every three years. Findings are monitored by global and site coordinators, and corrective actions are implemented in case of non-compliance with our standards.

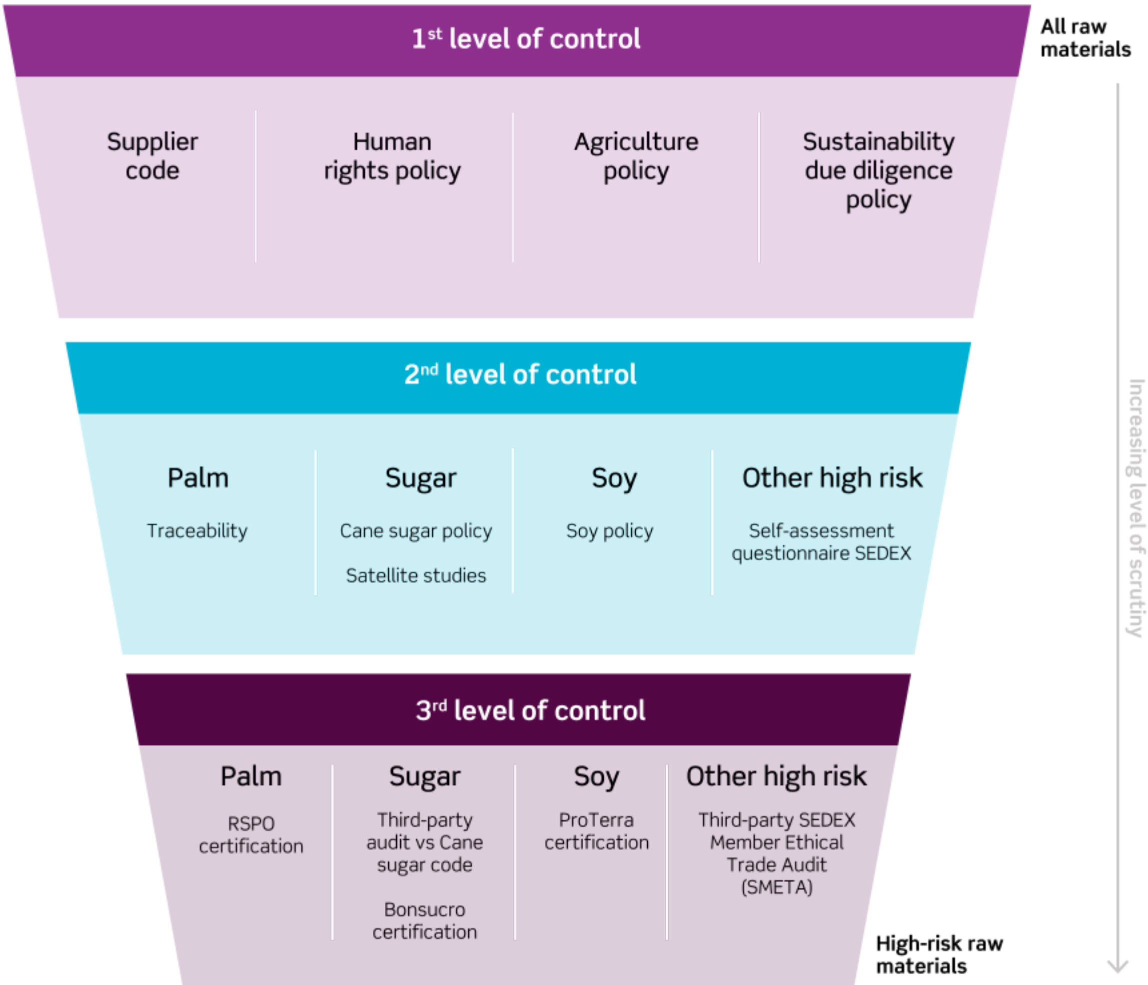
Through our supplier code and our cane sugar code, we expect our suppliers to respect human rights in their operations. See the sections on Responsible sourcing and Sustainable agriculture in this chapter for more information on these codes and the governance thereof.

To understand Corbion's impact on human rights in our own operations and our supply chain, we conduct Social Value Assessments. See the section on Social Value Assessment in this chapter for more information.

Responsible sourcing

A significant part of our value chain's environmental and social impact is upstream of our operations. To safeguard our sustainable solutions' overall positive environmental and social impact, we need to ensure our raw materials are sourced responsibly. Our supplier code defines Corbion's expectations in respect of our suppliers meeting our responsible sourcing commitment. The code covers 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.

We require all of our raw material suppliers to sign our Supplier Code to confirm adherence or demonstrate commitment to our code through their own company policies that embrace the standards included in our code.



We assess all of our raw materials and suppliers on potential risks related to human rights and environmental impacts. This risk assessment is based on RepRisk, a tool that systematically identifies material ESG risks by analyzing information from public sources and stakeholders. Next to this, specific risk elements such as the use of SIN-listed raw materials and potential conflict minerals are considered. The risk assessment results in a high, medium, or low score for each raw material/supplier combination. For all high-risk items, mitigation actions will be taken. The risk assessment is updated annually and also conducted for new raw materials or new suppliers.

In our 2022 assessment, 4% of the raw material/supplier combinations were classified as high risk, a reduction compared to 2021. This reduction is primarily the result of lower risks scores in RepRisk, in addition to our own mitigation actions. For 100% of the high-risk raw material/supplier combinations, mitigation plans have been drawn up. Mitigation actions include supplier engagement, additional traceability investigation, SEDEX registration, 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, although we also realize that it is not feasible to eliminate these risks entirely. Therefore, we update the assessment and mitigation plans annually to ensure constant attention and preparedness for potential issues.

Business ethics

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 this information accessible to everyone. Often, we go beyond what is required by local legislation to create a single global integrity approach within Corbion.

Every year, all Corbion employees follow mandatory training on our Code of Business Conduct, which is available in six languages. Employees receive training through an e-learning 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. In 2022, we extended the target group of employees for this training to include all interns and contingent workers. Corbion has a strict policy on attendance to the Code of Business Conduct training, with a 94% completion rate in 2022. Due to the increased target group for the training, the completion rate is reduced compared to 2021. In addition, selected groups of employees follow mandatory e-learning training every two years with respect to anti-corruption and competition law. In 2022, 467 employees (from the sales, procurement, logistics, and legal & compliance departments, as well as middle and senior management) participated in the competition law e-learning training, which had a 100% completion rate.

Under the Corbion Speak Up Policy, Corbion employees can report misconduct and (potential) violations of laws, the Corbion Code of Business Conduct, and underlying policies to their manager, their local HR contact, the regional Business Conduct Coordinator, or, anonymously to the Corbion Business Conduct Committee through the Corbion Speak Up platforms (phone and web). We also invite our external stakeholders (customers, suppliers, communities, distributors, and agents) 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 through our external Speak Up platform.

In 2022, 25 complaints with respect to the Code of Business Conduct were reported internally, of which 14 had merits. Appropriate measures have been taken by management. In 2022, Corbion received one report via the external Speak Up platform with merit.

See Risk management/Business conduct program for more details.

Talent attraction, retention, and people development
At Corbion, we consider all our people as talent we want to retain and develop, to unleash their potential and create a highly engaged and performing organization.

2022 has been a challenging year from a people perspective, with extremely competitive external market conditions and the looming "Great Resignation." Our turnover rates have gone up from 11.1% in 2021 to 13.2%. Despite this increase however, Corbion has a healthy retention rate and was able to hire and onboard an additional 432 new employees in 2022.

In 2022, we introduced a dedicated role, Head of Talent Management and Organizational Development, focused on the design and execution of an integrated strategy for the management and development of our talent (our people). We strengthened our talent review and succession planning processes with particular attention to the calibration of performance and potential. Our performance management cycle encourages managers to discuss objectives and give regular and timely feedback on performance to their teams (on the "what" and the "how"). This too, contributes to the continuous development and growth of our talent.

We continued the work we initiated during the pandemic on employee well-being, by reinforcing Corbion's values of Care, Commitment, Collaboration, and Courage through the quarterly Values Showcase program and our engagement initiatives.

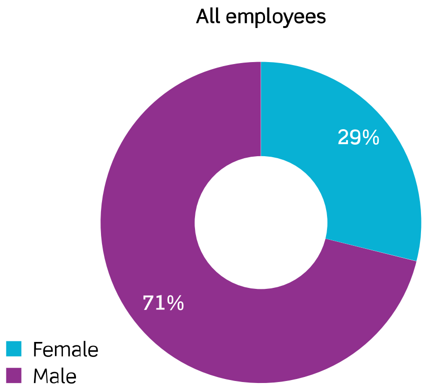
Throughout 2022, the global Hybrid Working framework we designed in 2021 continued to be rolled out and applied across the globe, tailored to the specific needs of our various locations but in alignment with our global principles of compliance with local regulations, flexibility, and sense of belonging.

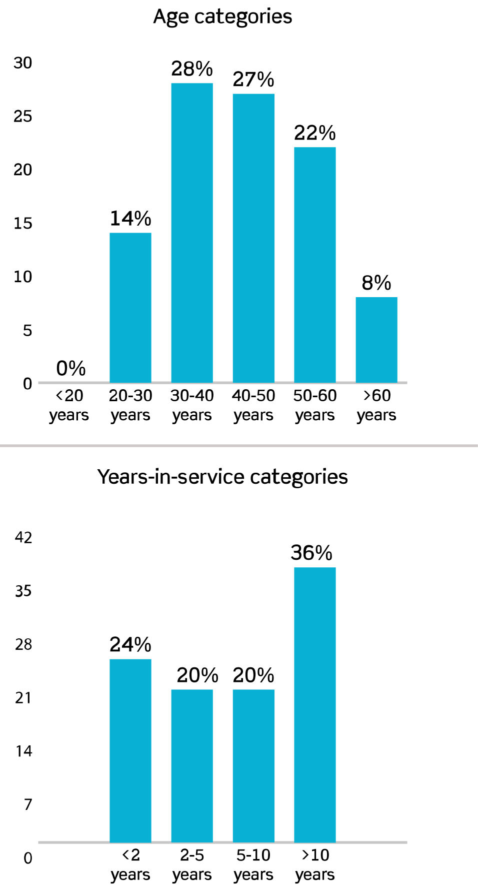
Training is an important part of employee development and like every year, we continued to offer different training programs (e.g. functional, technical, and safety), some virtual and some could be done in person again after two years of COVID restrictions. In 2022, 26 operators from Rayong, Thailand spent three months at Corbion's SWIFT pilot plant in Gorinchem, the Netherlands to learn about our gypsum-free technology. This new circular lactic acid manufacturing process will be used in new factory in Rayong, which is currently under construction and will be completed by the end of 2023.

Diversity, Equity, and Inclusion

At Corbion, we strongly believe in the power of diverse teams to drive innovation and growth, and we apply this throughout our employee life cycle. We strive to attract talent based on diverse competencies, backgrounds, and origins, to ensure that the diversity of our people reflects the societies in which we live and work. We promote internal consideration of the diversity of our teams.

We are continuously working on becoming a more diverse and inclusive organization and raising awareness around all the ways in which we are diverse already. We do that through leadership, more refined employee data, recruitment, and talent management. In 2022, we created a roadmap for a more comprehensive Diversity, Equity, and Inclusion (DEI) agenda, that will involve talent from across the organization to help us shape the next chapter of our DEI story.





Company culture

Our values – Care, Commitment, Collaboration, Courage – along with the key Corbion behaviors – set clear direction, make the difference, focus on customers, and deliver through teamwork – are now fully embedded in our programs and processes. They form the foundation of the Corbion culture.

To measure the health of our company culture, we run Engagement Surveys every 1.5 years. In March 2022, we ran our Corbion Engagement Survey – the previous edition was in 2020. The participation rate of 94% shows how much importance our people attach to speaking their mind and being heard. The 2022 Corbion engagement score rose to 79% from 76% in 2020 despite a pandemic. We are very proud of this high engagement and continuously looking into those areas that require attention and improvement. The introduction of “Stay Interviews” focuses primarily on our joiners with less than two years' experience with Corbion to gauge the robustness of our onboarding and integration processes.

Listening to our employees and their needs is a critical process to sustain our high engagement levels.

Advocacy and public affairs

We believe biotechnology and sustainable innovations can provide an essential contribution in tackling the challenges the world is facing. Our purpose-driven public affairs efforts are aimed at showing regulators and policymakers that it is possible to do sustainable business while making healthy profits. Together with like-minded organizations we advocate for regulatory conditions that support sustainable frontrunners.

In the past year, Corbion has been actively involved in several public affairs dossiers, demonstrating a strong commitment to sustainability and responsible corporate citizenship. These dossiers include the Chemicals Strategy for Sustainability, Delegated Acts for Sustainable Finance Taxonomy for Climate Change Mitigation and Adaptation, Regulation on Packaging and Packaging Waste, Carbon Removal Certification, Framework on Biobased Biodegradable Compostable Plastics, the Algae Initiative, and Sustainable Food Systems. Through its engagement with policymakers and contribution of feedback during consultations, Corbion has demonstrated its dedication to promoting sustainable business practices that align with the European Union's values and objectives. Corbion’s input on these dossiers is publicly available on the European Commission's website. Corbion's involvement in these critical dossiers underscores its commitment to sustainable business practices and its desire to make a positive impact on the environment and society.

Because of this, Corbion is increasingly recognized as the voice of sustainable frontrunners in Brussels. With regard to the chemicals industry, for example, this has resulted in obtaining a permanent seat at the High-Level Roundtable on the implementation of the Chemicals Strategy for Sustainability – the steering committee for the roll-out of new EU chemical legislation.

Preserving food and food production

Preserving food and food production (SDG 2 Zero hunger) is about creating a sustainable food system capable of feeding a growing population, given the boundaries of our planet. Corbion’s solutions for shelf-life extension, food safety, animal health, and aquaculture support this ambition. We also collaborate with our agriculture-derived raw material suppliers to promote sustainable agriculture. In 2022, 32% of our revenues contributed to preserving food and food production.

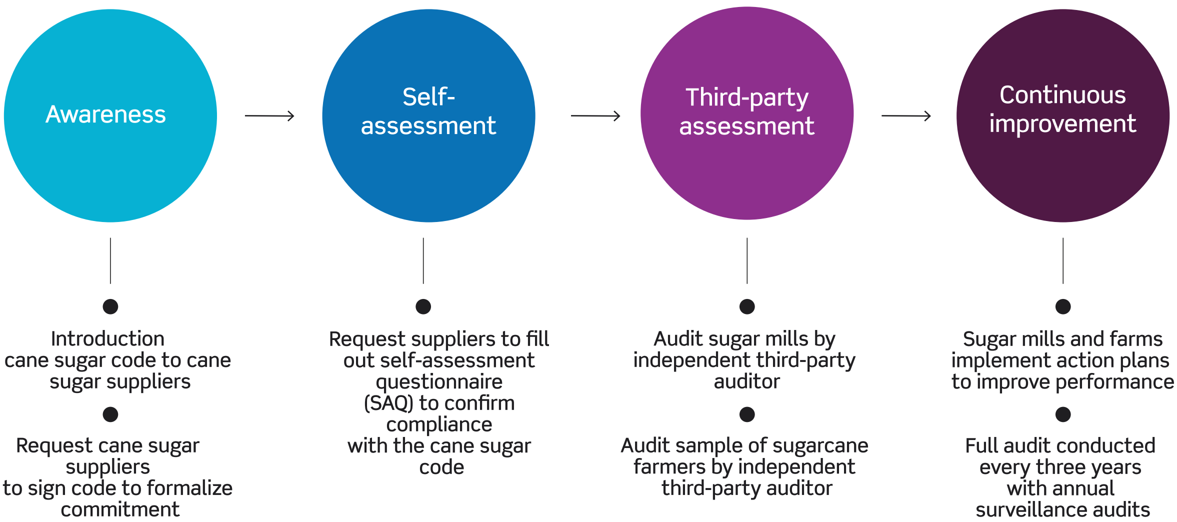
Sustainable agriculture

A sustainable agricultural supply chain is of material importance 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 an adverse impact on people and the environment. The agricultural sector is the second-largest source of greenhouse gas (GHG) emissions globally, and farming of sugarcane, palm oil, and soybean oil has been linked to forced and child labor issues. 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.

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, RSPO, and ProTerra. Our Sustainable Agriculture Policy describes our vision and fundamental principles, including respecting human rights, protecting biodiversity, eliminating deforestation, stewardship of the air, soil and water, and mitigating climate change.

Cane sugar

Our Cane Sugar Code defines the specific requirements for producing sustainable cane sugar, based on the definitions for sustainable sugarcane and derived products as set out by Bonsucro. Globally, some 6% of the sugarcane growing areas are Bonsucro-certified, and for our main sourcing area, Thailand, this is just over 2%. Consequently, we audit our cane sugar suppliers against the Corbion Cane Sugar Code if they are not yet able to supply Bonsucro-certified sugar. See our Cane Sugar Policy for more detail on our audit program. In 2022, we verified that 91% of our total cane sugar consumption met the requirements of our code compared to 73% in 2021. This includes around 21% Bonsucro-certified sugar.



Palm oil

Our Palm Oil Policy describes our requirements for responsible sourcing of palm oil, including no deforestation, no peat, and no exploitation. Since 2020, 100% of our palm oil and primary oleochemicals have been RSPO-certified. In 2022, we continued the implementation of RSPO for our secondary oleochemicals and achieved 90% RSPO certification for our total use of palm oil and derivatives.

Soybean oil

Our Soy Policy describes our requirements for responsible sourcing of soybean oil. We source the majority of our soybean oil from US suppliers. Soy production in the US is based on a national system of sustainability and conservation laws and regulations combined with careful implementation of best production practices by the nation's 303,191 soybean farms. The U.S. Soy Sustainability Assurance Protocol is an aggregate approach audited by third parties that verifies sustainable soy production at a national scale. Over 95% of US soybean producers participate in the FSA Farm Program. In 2022, we started sourcing soybean oil in South America, where we apply the ProTerra certification to meet our responsible sourcing commitments.

Corn dextrose

To support our science-based target, we collaborate with several partners to implement regenerative agriculture practices within Corbion's US corn supply sheds.

Corbion is among a number of companies signed up to promote long-term soil health through a Cargill program that works with corn growers near our Blair, Nebraska, plant to implement sustainable farming practices. These practices help increase resilience to climate change and improve farmer economics/yields, in part through the use of cover crops. The corn dextrose from these fields serves as a major raw material input for Corbion, which funded 10% of the cost of the cover crop program. The program, established by Cargill through a partnership with the Practical Farmers of Iowa, comprises three key elements: cost-sharing for growers who implement cover crops, a technical and peer support network, and monitoring and evaluation of outcomes and progress toward supply chain sustainability goals. By encouraging farmers to adopt better soil health practices, including no till, planting of cover crops, and nutrient management, the collaboration is designed 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.

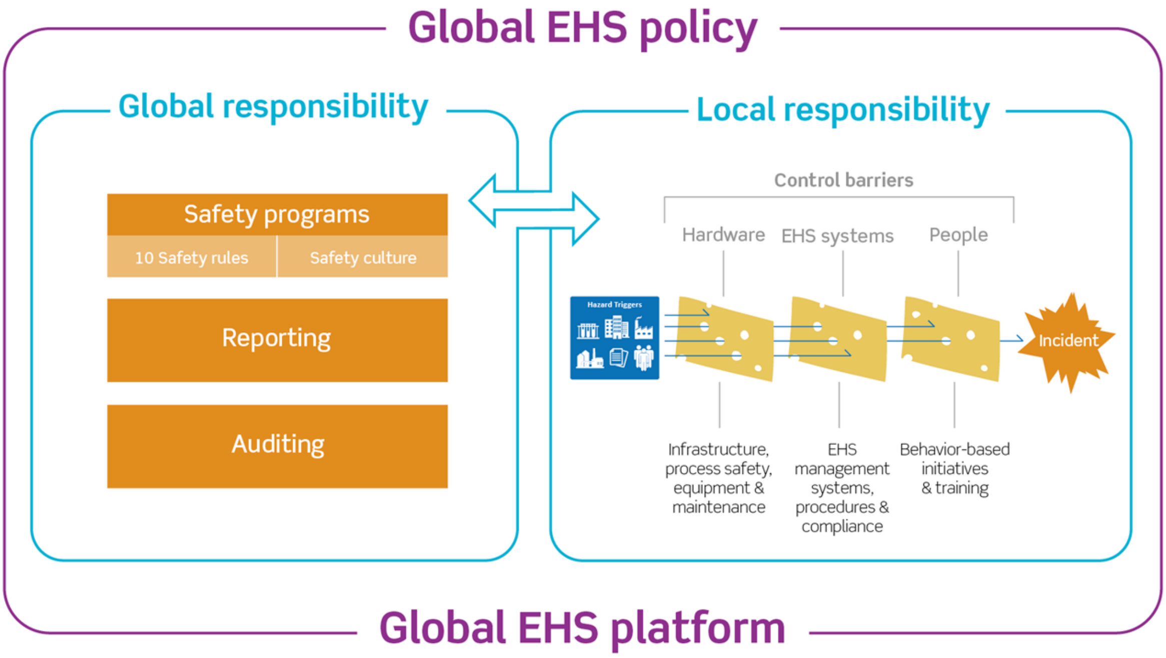
Assessment of the 2021 crop year data showed that cover crops planted in the program resulted in a 39% reduction in metric tons of CO_2-equivalent emissions compared to if no cover crops were planted and sequestration was included. Acreage under the program has seen a potential 17% reduction in the emission factor thanks to the use of cover crops, which also improved water quality by 33%.

Preserving health

Preserving health (SDG 3 Good health) is about supporting healthy lives and promoting well-being at all ages. Corbion's solutions for implantable technologies (such as orthopedic implants and drug delivery systems), pharma (such as parenteral and dialysis solutions), nutrition, and hygiene contribute to some of the underlying targets defined for SDG 3. We also care for the health and well-being of our own employees and supply chain partners. In 2022, 37% of our revenues contributed to preserving health.

Environment, health, and safety

Corbion aims to create a safe and healthy workspace with zero incidents because we believe no job is so important that it cannot be done safely and with minimal environmental impact. Therefore, we 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 ascertains that we comply with laws and regulations applicable to our operations and act in line 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 improve our safety and environmental performance continuously. Our Environmental, Health, and Safety (EHS) framework clarifies the specific responsibilities of the local sites versus the global EHS platform.



In 2022, we recorded 37 recordable incidents across all regions. As in previous years, no fatalities occurred in 2022. Our Total Recordable Injury Rate (TRIR) for both Corbion and contractor employees was 0.68, consolidating the reduction achieved in 2021, but above the target we had set ourselves. In response to the concerning injury trend that appeared during the third quarter of 2022, we conducted leadership discussions and we accelerated the roll-out of our Behavior-Based Safety program at three selected locations.

During 2022, Corbion continued on its safety excellence journey. Behavior-based safety initiatives are running at five locations, focusing on site leadership capabilities and routines, and employee involvement in driving risk reduction, through safety observations and participation in incident investigation. Over the coming years, we are going to expand our global EHS management system, that will provide standardization and clarity regarding minimum EHS requirements across all our locations. Process Safety Management at Corbion sees increased focus and capability, as shown by the introduction of a process safety incident classification system, process safety management workshops for leaders and training for experts, root cause analysis training, and the development of process-safety-related standards.

All workers at Corbion's manufacturing sites are covered by an occupational health and safety system, with the majority covered and verified through the ISO 45001 certification (10 sites, representing about 90% of Corbion 's production volume). Non-certified locations (Orindiúva, Grandview, and Querétaro) follow Corbion's system requirements such as the global EHS standards and Corbion's 10 Safety Rules, and they are integrated in all of our EHS processes. Five sites were ISO 14001-certified, representing about 79% of Corbion's production volume.

Overall, our employee absentee rate was 2.6% compared to 2.7% in 2021.

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, FSCC 22000, SQF), GMP+, GMP Pharma (ICHQ7), Halal, Kosher, non-GMO, Organic, and FSMA. For our Sustainable Food Solutions, food safety is a key priority in terms of production quality, spoilage, contamination, supply chain traceability, and allergy labeling. All Corbion manufacturing sites that produce food ingredients (11 out of 12*) are certified against a GFSI-recognized standard. Two of our manufacturing sites have a pharmaceutical registration. In addition, we host customer audits predominantly from our 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 2022, we maintained all certifications and continued harmonizing the quality management of the different Corbion sites based on the Global Quality Manual. This document underlines our drive for continuous quality improvement and food risk reduction. In 2022, one incident of non-compliance with regulations occurred.

Chemicals safety and stewardship
Chemicals safety and stewardship is a critical issue as the use of chemicals might potentially impact 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 use three 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. They cannot be launched on the market or used after a given date ("sunset date"), unless authorization for their specific use or exemption from authorization is granted.
- 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 the non-profit organization ChemSec, lists very hazardous chemicals that may be placed on the REACH Candidate List.

None of Corbion's products are included in any of the above lists. Our priority is to keep it this way, 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 developing new products (SVHC criteria) and adhere to the 12 principles of Green Chemistry. All Corbion products that are within the scope of REACH have been registered accordingly. See our statement on chemicals safety and stewardship for more information.

Preserving the planet
Preserving the planet (SDG 12 Responsible production and consumption) is about moving toward a circular economy. Biobased ingredients and materials from Corbion play an essential role in promoting SDG 12 and help to create a circular economy. SDG 12 also includes food waste reduction as a sub-target, and we contribute to this goal as well through our work to create zero waste, improve energy efficiency, reduce greenhouse gas emissions, and implement our new circular production technology in our manufacturing plants. In 2022, 53% of our revenues contributed to preserving the planet.

Biobased raw materials
In 2022, 98% of our raw materials were biobased, derived from renewable, agricultural sources such as sugarcane, corn, soy, wheat, and palm oil. The use of biobased raw materials instead of fossil-based resources to produce specialty chemicals supports the transition to a circular economy as biobased raw materials are renewable by nature, insofar as their production is sustainably managed. According to the Bioplastic Feedstock Alliance, a sustainable biobased feedstock is legally sourced, conforms to the Universal Declaration of Human Rights, 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 does not compete with food. Over the following decades, the world population will grow, and global demand for crops for food and industrial applications is expected to increase. Next-generation feedstocks such as

second-generation sugars from agricultural residues and C1 carbon sources can help address this concern. The new *Circular raw materials* program in our Incubator is dedicated to the development of new production processes that support the production of biochemicals and biobased plastics made from these alternative feedstocks. Corbion actively engages with external parties who have the potential to supply second-generation feedstocks to Corbion assets. Through open collaboration with technology providers and sugar suppliers, and the provision of feed and off-take options, we aim to stimulate the development of commercial-scale supply chains of alternative generation sugar feedstocks in the coming decades. However, at the moment the scale is still small and technology readiness is low.

Forests and biodiversity

Humans depend on healthy ecosystems as these stabilize the climate, provide food, clean water and air, and raw materials, and protect coastlines. Deforestation and biodiversity loss are threatening earth's capacity to maintain healthy ecosystems. Business activities can contribute to deforestation and biodiversity loss. As we source raw materials from sectors that are at risk of contributing to these issues, we are committed to doing as much as possible to limit our negative impacts and contribute to regenerative projects.

To provide more transparency on the risk of deforestation in our agriculture supply chains, we track the percentage of key agricultural raw materials purchased verified deforestation-free. About 50% of our key agricultural raw materials are sourced in North America, where deforestation is not an issue. According to the Agri-footprint database, which is based on FAO statistics, no land transformation from forest has occurred in the sourcing areas of Corbion's dextrose, soybean oil, and wheat suppliers in the US. For sugar, palm oil, and soybean oil sourced outside of North America, the absence of deforestation is verified through audits, satellite studies, and Bonsucro, RSPO or ProTerra certification. Combined, we verified that at least 93% of our key raw materials are deforestation-free globally, a step up compared to 2021 (82%).

To better understand the potential impact of Corbion's business activities on biodiversity and to demonstrate our commitment to addressing these, we joined the Science Based Targets Network (SBTN) corporate engagement program. Within this program, we work with other stakeholders to co-create methods and tools for integrated target setting, in line with the best available science.

Climate action

In October 2019, Corbion publicly committed to climate change action, making science-based targets part of our standard business practice and tying our incentives program to those goals. Our targets were approved after a thorough, independent validation process by the Science Based Targets initiative (SBTi). We were the second Dutch chemical company with a SBTi-approved target, providing a benchmark and inspiration for our peers and partners to transition to a low-carbon economy. We committed to reducing our Scope I, II, and III greenhouse gas (GHG) emissions related to energy, key raw materials, and transport by 33% per metric ton of product by 2030 (with 2016 as the base year).

In 2022, we already achieved our 2030 target by realizing a 39% reduction compared to our 2016 baseline. This reduction is primarily driven by the accelerated implementation of renewable electricity at our site in Rayong, Thailand and product mix effects. In the past years, we have been able to commercialize significant amounts of gypsum (a co-product of lactic acid production), which increases the production volume without adding emissions.

Building on this progress, we raised our climate ambition in 2022 to align with 1.5°C, the most ambitious goal of the Paris Agreement. This target is what the latest climate science has told us is needed to prevent the most damaging effects of climate change. We committed to reducing our absolute Scope I and II emissions by 38% and our Scope III emissions by 24% per metric ton of product by 2030, compared to 2021. Our new targets have been validated by the Science Based Targets initiative. In 2022, we have already made significant progress towards achieving these new targets by reducing our absolute Scope I and II emissions by 8% compared to 2021. Our Scope III emissions reduced by 17% per ton of product, equivalent to an absolute reduction of 2% compared to 2021. This reduction is caused by a combination of lower purchases of raw materials and the implementation of RSPO certification.

One of the key initiatives to achieve our target is the transition to renewable electricity. By now, 10 of our 12* manufacturing sites are fully powered by renewable electricity. Compared to 2021, we increased the use of renewable electricity at our site in Rayong, Thailand to 100%. As a member of RE100, a global initiative to accelerate change toward zero-carbon grids at scale, we are committed to achieving 100% renewable electricity by 2025.

In 2022, the implementation of a major energy savings project at our facility in Blair, US almost reached completion. This project is part of the 40% capacity expansion announced in 2021. Thanks to the investment in more efficient, sustainable technology, the 40% capacity expansion will come with no increase in the site's total energy-related CO_2 emissions. In fact, upon completion of the project, the cradle-to-gate carbon footprint per metric ton of lactic acid produced at the Blair plant will be reduced by 9%. Our capital expenditure plan for the next five years includes similar energy savings opportunities and the implementation of the new circular technology for lactic acid production in Rayong, Thailand. This circular technology will reduce cradle-to-gate CO_2 emissions per metric ton of lactic acid by 19% compared to conventional technology.

We also established a R&D program to identify new technologies to implement in our manufacturing facilities, including electrification, low-carbon energy sources, and recycling. As member of the Institute for Sustainable Process Technology, the ELECTRIFIED consortium, and VoltaChem, Corbion participates in various external research programs focused on developing low-carbon and energy-saving technologies. The R&D program is managed by the Sustainability Council, led by the CSSO, which includes representatives from Operations, R&D, and Finance. The council is responsible for the management of the stage-gate process and priority setting.

Partnerships with our key raw material suppliers are essential to achieve the targeted Scope III reductions. In 2022, we continued our engagement with key suppliers of cane sugar, dextrose, soybean oil, and chemicals. 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' manufacturing operations or captured by implementing sustainable agriculture practices on the farms our suppliers source from. The project developed in collaboration with Cargill (see Sustainable agriculture) resulted from these engagement activities. In addition to supplier engagement, another approach is to implement third-party sourcing certifications, such as RSPO certification and Bonsucro, where GHG emissions are reduced by complying with the certification's stringent environmental standards.

We use internal carbon pricing to manage and understand the financial impact of GHG emissions on our business. Considering the EU ETS forecast scenarios of € 90, € 125, and € 150 per metric ton by 2030, Corbion has introduced a global internal carbon price of € 100 per metric ton for Scope I and II emissions to be included in all investment decisions. In addition, this has been used as a sensitivity in the goodwill impairment test. Including the internal carbon price, the outcome would not lead to impairments.

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

In 2022, we updated the risk assessment for our manufacturing sites using Aqueduct. Aqueduct is a data platform run by the World Resources Institute, an environmental research organization. Aqueduct comprises 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 12* Corbion sites are located in a high or extremely high-water risk area. Regarding water stress, some 16% of our water withdrawals come from high-stress areas. Within the SBTN corporate engagement program, we will further investigate our impact on water as to prioritize locations for action.

Zero waste
Corbion is committed to managing the waste generated in our operations in a responsible way. Our waste program focuses on 1) the valorization of by-products, 2) waste reduction, re-use, and recycling, and 3) innovation.

In our lactic acid production process, we generate significant quantities of valuable by-products, such as gypsum. Per metric ton of lactic acid, almost two tons of by-products are produced. The majority of these by-products are valorized, but occasionally they do end up in a landfill. Since implementing 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 2022, we have explored three alternative valorization routes that have the potential to absorb the full by-product output. For one of these options (agricultural application), we have submitted a request for regulatory approval.

Our new circular lactic acid manufacturing process eliminates both the need for lime as input material and avoids the generation of gypsum as a by-product. Our new factory in Rayong, Thailand, that is currently under construction and will be completed by the end of 2023 will utilize this process, expanding our production with as little impact on our footprint as currently technologically feasible.

Landfill of generic waste was reduced by 44% compared to last year. Our site in Araucária achieved zero waste certification, and our site in Campos realized a new outlet for one of their waste streams.

Measuring what matters

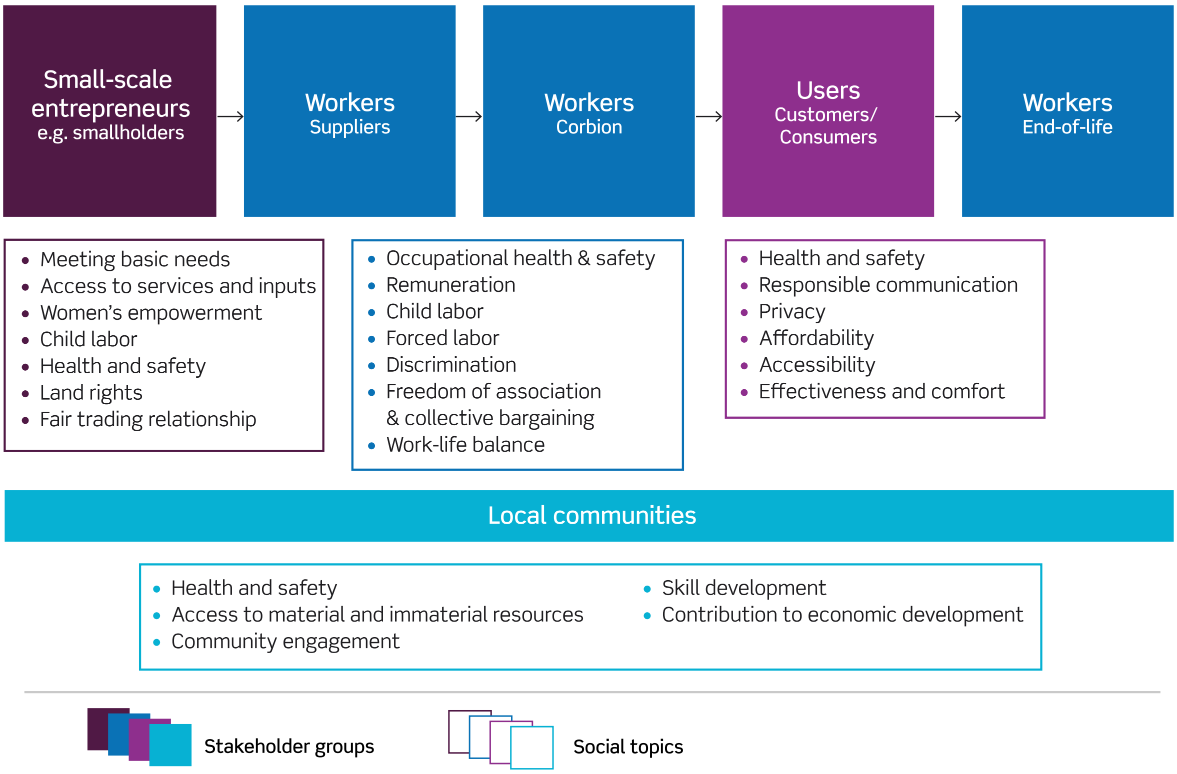
Life Cycle Assessment
Corbion uses Life Cycle Assessments (LCAs) as a tool to understand the environmental impact of a product from the extraction of resources to their use and end of life.

In 2022, we performed LCAs for the lactic acid and derivatives produced at our facility in Montmeló, Spain and we updated the LCAs for our facility in Rayong, Thailand. With these additional studies, we assessed 94% of our products that contribute to preserving the planet. As part of our 2022 strategy review, we raised our ambition and committed to conducting cradle-to-gate LCAs for all products by 2025. In 2022, 78% of our production volume was covered by an LCA.

Social Value Assessment

Corbion uses Social Value Assessment (SVA) to understand the social impact of our business activities on our stakeholders throughout our supply chain. In 2017, Corbion joined the Social Value Initiative (formerly the Partnership for Product Social Impact Assessment). Together with the other partners, we developed a methodology for measuring social impacts, 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 2021, we applied the methodology to our manufacturing facility in Blair, US and in 2022, we performed the assessment for our manufacturing facility in Rayong, Thailand. We assessed the impact of Corbion's own operations and our supply chain on employees and local communities. For our preserving food and food production and/or health products, we also assessed the impact of our solutions on the end-user. The results of these assessments can be found on our website.

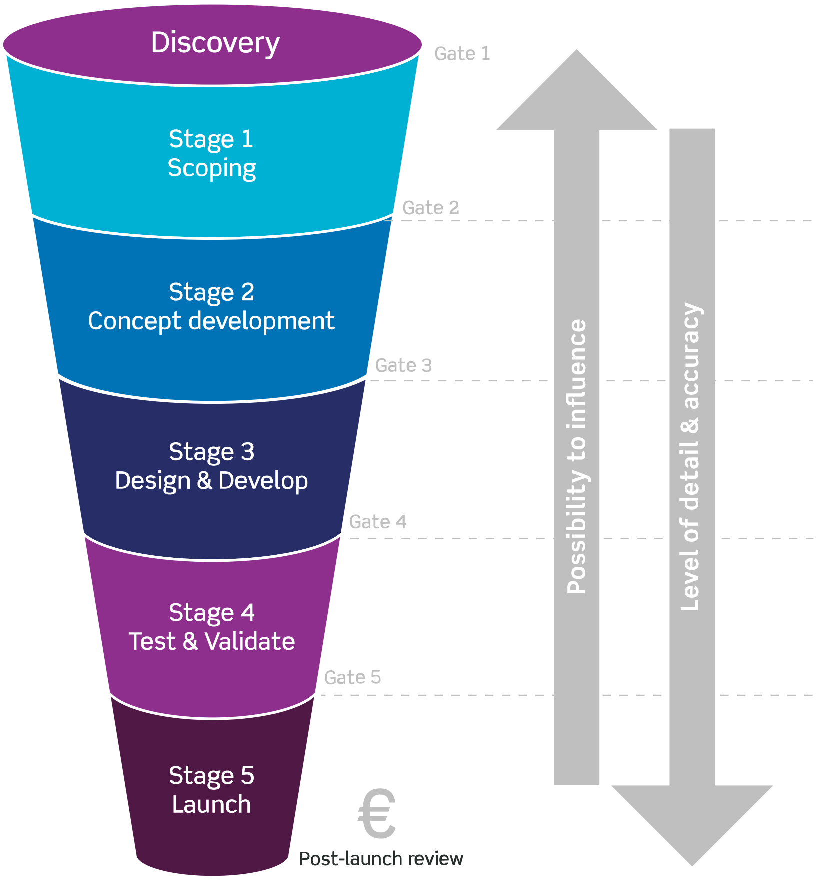
As part of our 2022 strategy review, we raised our ambition and committed to conducting cradle-to-gate SVAs for all products by 2025. In 2022, 54% of our production volume was covered by an SVA.



Sustainability assessment of innovation projects

To ensure the 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 and on their potential contribution to the Sustainable Development Goals (SDG 2, 3, 12, 13, 14). The assessment is integrated into our innovation stage-gate process and guides 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 early. The assessment includes an evaluation of resource and energy efficiency, chemicals safety, and the project's potential impact on Corbion's GHG emissions. If a significant negative impact is identified, the project team has to mitigate this within the project. If this is not feasible, R&D is requested to investigate alternative options to reduce the impact elsewhere.

Sustainability assessment at different stages of the innovation funnel



Topics assessed

- Sustainable Development Goals
- Climate impact
- Responsible sourcing
- Chemicals safety

At each stage, the assessment is updated and the progress on agreed actions is checked. These actions aim to improve sustainability of the project and include mitigation plans to reduce the impact on climate change, supporting documentation for SDG alignment and supplier risk assessments.

To do

Increase sales of products positively contributing to the SDGs to 85%

#CorbionsToDoList

Doing well by doing good in Morocco

Why are we doing it?

"This project isn't just about producing an abstract PowerPoint slide on sustainability. We are doing the meticulous, back-end work needed to contribute solutions to the big societal challenges related to climate change and global economic equity."

Amber Beckett – Sr Product Manager & Business Development Manager

What are we doing?

When it comes to societal benefit, it's hard to look past Corbion's portfolio of natural preservation solutions that reduce food waste (SDG 12) and increase food safety (SDG 3). Now, we're taking this contribution to the next level through a family of next-generation antioxidant solutions, including a rosemary-based ingredient.

"Rosemary is an ideal antioxidant because of the powerful natural mechanisms it has evolved to survive the harsh desert conditions where it grows in Morocco," says Amber. "We can harness these natural rosemary extracts to protect against flavour degradation in foods caused by oxidation of fats and oils, ensuring the final product stays fresh and delicious throughout its shelf life."

Frequently, Moroccan rosemary collectors have exported the plant's leaves to their customers globally for processing. The problem is that these leaves contain just 2-3% of the active antioxidant ingredient (carnosic acid). "Our solution was to identify and work with a supplier partner to produce and extract the carnosic acid locally," says Amber. "As a result, our new antioxidant solutions contain 15 times the standard amount of carnosic acid as exported rosemary leaves, decreasing the carbon footprint and reducing excess shipments."

How are we doing?

These new antioxidants are taking a bigger bite out of food waste by safeguarding products for longer; and there's also one further benefit, says Amber. "They help move the native growing region of Morocco further up the value chain, retaining more monetary value in the local economy. It's a true case of doing well by doing good as Corbion continues to increase the percentage of products that positively contribute to SDGs."

How we safeguard long-term value

Board of Management and Executive Committee

Mr. Olivier Rigaud
CEO / Chair 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
CFO / 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 2022 – 2026.

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

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

Before becoming President of Lactic Acid & Specialties, Marco Bootz was Regional Vice President Sales for EMEA, SVP Biochemicals, Head of the global chemical and pharma business, and Commercial Director for Latin America at Corbion. Prior to joining Corbion, he worked for Perfetti van Melle and Unilever in business development and sales.
Marco Bootz holds the Dutch nationality and was born in 1972.

Mrs. Aurélie Dalbiez
Chief Human Resources Officer / member Executive Committee

Aurélie Dalbiez is Chief Human Resources Officer and responsible for human resources; she has been a member of the Executive Committee since July 2021.

Before joining Corbion, Aurélie Dalbiez was Head of HR for the Capsules and Health Ingredients business at Lonza. Prior to that, she worked for 12 years in various HR roles at Novartis. She started her career at Deutsche Bank before working for Capital International, a global investment company.
Aurélie Dalbiez holds the French nationality and was born in 1977.

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 has been a 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.

Mrs. Jennifer Lindsey
Chief Marketing and Digital Officer / member Executive Committee

Jennifer Lindsey is Chief Marketing and Digital Officer and responsible for enhancing Corbion's brand relevance and accelerating its digital transformation; she has been a member of the Executive Committee since November 2022.

Before becoming Chief Marketing and Digital Officer, Jennifer Lindsey was VP of Global Marketing for Corbion. Prior to joining Corbion, Jennifer held leadership roles in marketing for Parnell Living Science and marketing leadership roles at DuPont Nutrition and Health, and Danisco Ingredients, global functional food ingredient companies.
Jennifer Lindsey holds the US nationality and was born in 1969.

Mr. Andy Muller
President Sustainable Food Solutions / member Executive Committee

Andy Muller is President of Sustainable Food Solutions and responsible for the business unit Sustainable Food Solutions; he has been a 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 within 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 of Algae Ingredients and responsible for the business unit Algae Ingredients; he has been a member of the Executive Committee since April 2020.

Before becoming President of 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 has been a 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
Chair Supervisory Board / Chair Appointment and Governance Committee / member Remuneration Committee and 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 2021 – 2023.

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 Chair of Broadview Holding, and the Philharmonic Chamber Orchestra of Belgium, and as Board member of the Antwerp Spring Festival.
Mathieu Vrijsen holds the Dutch nationality and was born in 1947.

Mrs. Ilona Haaijer
Vice-Chair Supervisory Board / Chair Remuneration Committee / member Appointment and Governance Committee, and 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 CEO of Bugaboo, President and CEO of DSM Food Specialties, President of DSM Personal Care, CEO of PhilipsAVENT, was consultant at the Boston Consulting Group, and she has had several other roles throughout her career. Currently, she serves as Non-Executive Director and Board member at Glanbia Plc and as Supervisory Board member at Muziekgebouw Frits Philips in Eindhoven.
Ilona Haaijer holds the Dutch nationality and was born in 1969.

Mrs. Liz Doherty
Member Supervisory Board / Chair Audit Committee / member Sustainability and Safety 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 NV. She is also an advisor to Agrolimen, subsidiaries GB Foods and Affinity Petcare, Spain.
Liz Doherty holds the British and Irish nationalities and was born in 1957.

Mr. William Lin
Member Supervisory Board / Chair Sustainability and Safety Committee / member Audit Committee

William Lin was appointed at the annual General Meeting of Shareholders in May 2022. His current term of office runs from 2022 – 2026.

William Lin served as Chief Operating Officer of BP's upstream segment, President of BP Asia Pacific, and held various other senior leadership positions with P&L accountabilities across the world at BP as well as management positions at Nestlé USA in California and at Consolidated Edison Inc. in New York. He currently serves as Executive Vice President for Regions, Corporates & Solutions and is a member of BP's Executive Committee. William Lin holds a Supervisory Directorship as Vice-Chair of Pan American Energy Group, Argentina.
William Lin holds the US nationality and was born in 1967.

Mr. Steen Riisgaard
Member Supervisory Board / Chair 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 2022 – 2024.

Steen Riisgaard served as President & CEO of Novozymes. Currently, he serves as member of the Board of Novo Nordisk Foundation, Denmark, Vice-Chair of Novo Holding A/S, Denmark, Vice-Chair of Villum Foundation, Denmark, and Chair of Xellia A/S, Denmark.
Steen Riisgaard holds the Danish nationality and was born in 1951.

Mrs. Dessi Temperley
Member Supervisory Board / member Audit Committee and Sustainability and Safety Committee

Dessi Temperley was appointed at the annual General Meeting of Shareholders in May 2021. Her current term of office runs from 2021 – 2025.

Dessi Temperley served as Group CFO of Beiersdorf, and before that, she was CFO of Nestle South East Europe, CFO of Nestle Purina EMENA, and Head of Investor Relations at Nestle. Prior to this, she held finance roles with Cable & Wireless. Currently, she serves as Supervisory Director of Coca Cola Europacific Partners, UK, Philip Morris International, Switzerland, and Cimpress, Ireland.
Dessi Temperley holds the Bulgarian and British nationalities and was born in 1973.

Corporate governance

Structure

Our corporate governance structure is designed 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.

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 in Section 153, Subsection 3 under b, of Book 2 of the Dutch Civil Code. Therefore, the “large company” regime 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 2022. The Supervisory Board and the Executive Committee held several meetings in 2022 in relation to the strategy update that was announced at the Capital Markets Day on 1 December 2022. Next to the 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 chair 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 in this 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 reappointment 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 Remuneration report in this 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 Chair 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 2022 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, a Science and Technology Committee, and a Sustainability and Safety 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 How we safeguard long-term value/Supervisory Board in this 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 Chair of the Supervisory Board (and the Chair to the Vice-Chair). 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 2022 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 2022.

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 has longer-term objectives for gender and geographical diversity, the latter to reflect the majority of our business being in the Americas.

The gender diversity targets for the Supervisory Board state 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 three members of the Supervisory Board are female (Liz Doherty, Ilona Haaijer, and Dessi Temperley). Corbion also complies with the statutory gender targets of at least 30% male and at least 30% female members of the Supervisory Board.

The geographical diversity target for the Supervisory Board states 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 and William Lin qualify as such.

The gender diversity target for the Executive Committee states that at least two members should be female if the committee consists of six or seven members. Corbion's Executive Committee has three female members, Jacqueline van Lemmen, Aurélie Dalbiez, and Jennifer Lindsey, and so complied with this target in 2022. In 2022, the position of Chief Marketing and Digital Officer was added to the Executive Committee and filled by a female.

The geographical diversity target for the Executive Committee states 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, Marco Bootz, and Jennifer Lindsey qualify as such.

In the case of vacant or new positions on the Supervisory Board or the Executive Committee, the company's diversity policy will be applied when selecting persons for appointment as member of the Supervisory Board or the Executive Committee.

Our senior management population (being the senior management layer below the Executive Committee) consists of 76 employees of which 25% women (status end of 2022), which is still below our objective of 32%. To further improve our diversity, we are continuously educating hiring managers on diversity in recruitment and internal promotions, ensuring selection includes a diverse slate of candidates for any given role. We are also offering flexibility wherever possible to meet the working pattern needs of employees, amongst other actions. In addition, we designed a roadmap for the roll-out of our Diversity, Equity, and Inclusion strategy in 2023 and beyond.

As the number of senior management is limited, a few female hires or leavers within the senior management population have a significant impact on the above percentage.

Values and Code of Business Conduct

The Corbion values of Care, Courage, Collaboration, and Commitment were introduced in 2018 and implemented globally in 2019 and 2020, through communication campaigns, Executive Committee-sponsored events, and workshops held across the world. In 2022, our values were further reinforced through various initiatives such as quarterly values showcases, complementary access to the mindfulness app Headspace for all our employees, and a Preserve What Matters platform to connect our people to initiatives around sustainability and community involvement. Along with the Corbion behaviors, the values guide and underpin the business strategy of Corbion. They form an integral part of our engagement and performance management programs and 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 in this 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 chair.

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 for 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 for 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 the votes cast, regardless of the represented capital.

Issuance and repurchase of shares

At the 2022 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 18 November 2023. This authorization is limited to a maximum of 10% of the number of shares issued as at 18 May 2022. Furthermore, an authorization to issue shares or grant rights to acquire shares in the company was granted for another 10% of the number of shares issued as at 18 May 2022 in the event of mergers, acquisitions, and/or strategic alliances.

In addition, at the 2022 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 18 November 2023. This authorization is limited to a maximum of 10% of the number of shares issued as at 18 May 2022.

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 19 May 2021, the General Meeting of Shareholders appointed KPMG Accountants N.V. as external auditor for the company for the financial year 2022.

Capital structure

As at 31 December 2022, 59,242,792 ordinary shares of € 0.25 each had been issued, including 229,874 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 2022 were reported:

	Capital interest	Voting interest
NN Group N.V.	15.24%	
Artemis Investment Management LLP	5.28%	
Inclusive Capital Interest LLC	5.05%	
ASR Nederland N.V.	4.99%	
Mirova	4.93%	
Paradice Investment Management PTY	3.07%	2.44%
Impax Asset Management Group PLC	3.00%	
J.O. Hambro Capital Management Limited	2.99%	
FMR LLC	2.97%	2.93%
RWC European Focus Master Inc.	2.97%	
Norges Bank	2.96%	
Kabouter International Opportunities Fund II LLC	2.92%	2.92%
Lansdowne Partners Limited	2.89%	
T. Rowe Price Group Inc.	2.85%	
BNP Paribas Investment Partners SA/ BNP Paribas Asset Management Holding	2.82%	2.74%
Blackrock Inc.	2.77%	2.88%
Kabouter Management LLC	0%	2.83%

Please note that as at 31 December 2022, Corbion had a capital interest of 0.39%.

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 2022 can be viewed at: Monitoring Commissie Corporate Governance (mccg.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 on 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 sections Our performance/Sustainability performance, How we safeguard long-term value/Risk management/Corbion top risks, and Sustainability statements.

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 sections Our performance/Sustainability performance and Sustainability performance/Human rights and labor practices.

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 sections Our performance/Sustainability performance and Sustainability performance/Human rights and labor practices.

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.

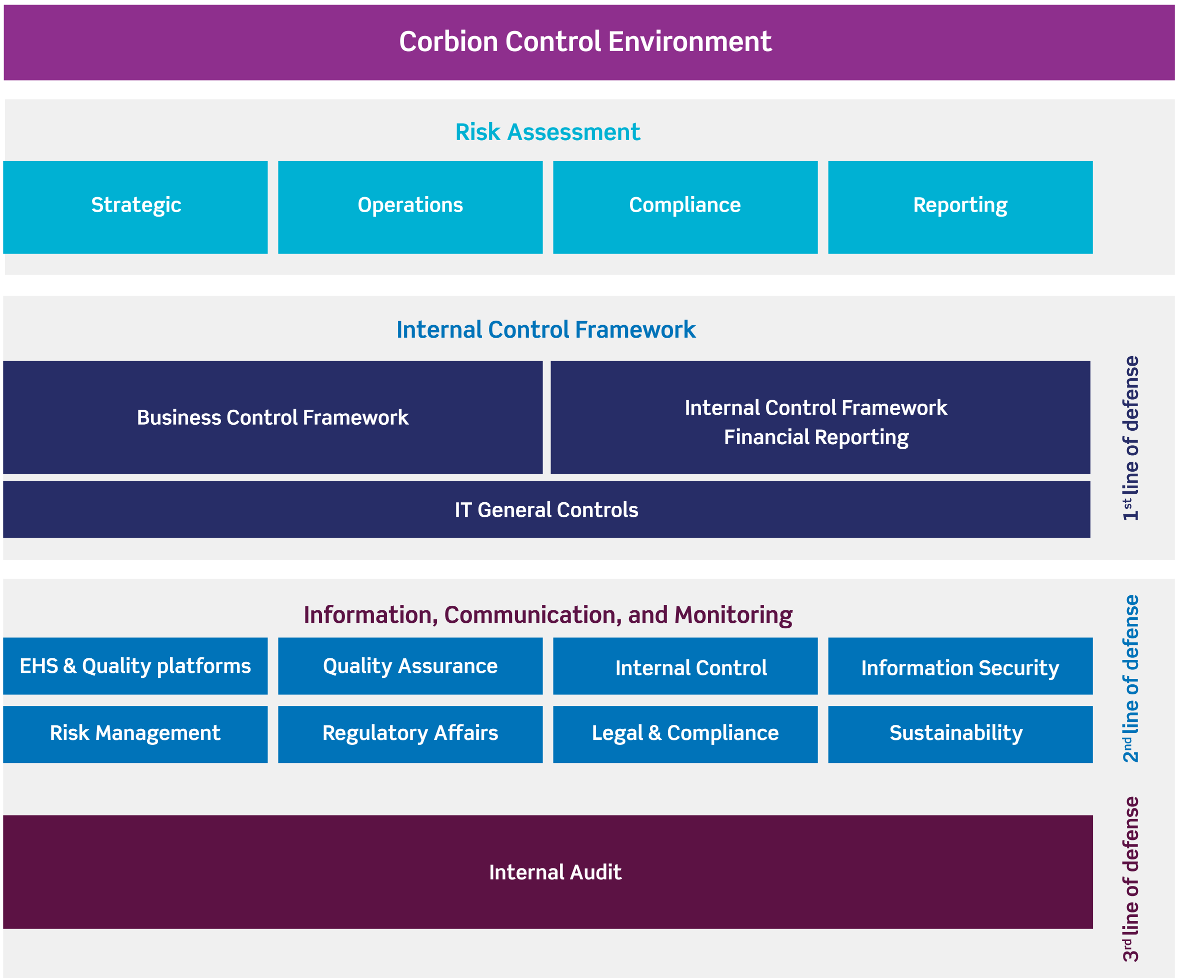
Risk management

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, including the impacts of climate change and other sustainability impacts. 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 combination 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 as to 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 them 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 and oversees its execution. To this end, they establish effective global business conduct governance and ensure allocation of appropriate resources for the upkeep and further development of the Business Conduct Program.

Corbion's Legal & Compliance Department supports the execution of the Business Conduct Program as a second line of defense and, as such, has a coordinating role. The Legal & Compliance Department works closely with other departments (e.g., Risk Management, Internal Audit, HR, Finance, Customer Service, Procurement, Communications) and external stakeholders (e.g., law firms, consultants, compliance software providers) to enable the 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 the day-to-day execution of the risk management strategy and Business Conduct Program.

Each year, Corbion's Compliance Officer reports to the Audit Committee of the Supervisory Board on the status of the Business Conduct Program. 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. 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.

Our Code is available in six languages and includes how Corbion's values relate to our purpose and 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, conflicts 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 are 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 laws, the Corbion 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 channels are available 24/7 to enable 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 Senior Director Internal Audit. Corbion Speak Up channels include a toll-free phone number and a global webservice which are operated by an independent service provider to ensure the confidentiality of the report.

Any misconduct and (potential) violations can be reported anonymously. In 2019, Corbion launched its external Speak Up platform, a dedicated channel available to Corbion's external stakeholders, including customers, suppliers, communities, distributors, and agents. The external Speak Up platform 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.

Breaches of the Code of Business Conduct may lead to disciplinary actions, including termination of employment. The outcome of the investigations as well as any disciplinary measures taken are documented accordingly and reported to the Executive Committee and Audit Committee twice a year.

Business Conduct training
Every year, all Corbion employees follow a mandatory training on our Code of Business Conduct. Employees receive training in their local language through an e-learning course or a classroom session. Course materials are updated yearly, based on the most relevant risks at the time of the release and 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.

In addition, selected groups of employees need to follow every two years mandatory e-learning trainings with respect to anti-corruption and competition law.

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 terms of our onboarding program, our standard employment contracts contain a clause with respect to adherence to the Code of Business Conduct. New hires, including interns and contingency workers, are introduced to our Code as soon as they join Corbion and are required to complete the Code of Business Conduct training in the first six weeks of employment.

Conflict of Interest Policy
The purpose of our Conflict of Interest Policy is to provide guidance in identifying and handling potential, perceived, and actual conflicts of interest within Corbion. Conflicts of interest arise when our personal activities or relationships influence or appear to influence our business decisions on behalf of Corbion. Conflicts of interest endanger the relationship Corbion has with its business partners and other stakeholders; they could harm the credibility of Corbion and ours, and even lead to loss of business and reputation.

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 Conflict of Interest Policy by signing a compliance statement. They also fill out a questionnaire with respect to related-party transactions.

Anti-bribery and anti-corruption
As a listed company operating worldwide, compliance with anti-bribery and anti-corruption laws is vital. Given its importance, 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. This policy is available in six languages and covers (i) the prohibition of offering, authorizing, or accepting bribes, (ii) rules on how to deal with giving and receiving gifts and entertainment, and (iii) rules on how to deal with third-party payments (agents and distributors, facilitation payments, sponsorships, political contributions).

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 reasonable value, 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 an anti-bribery and anti-corruption procedure in place to screen prospective agents and distributors, who are required to complete due-diligence questionnaires to be assessed by the Legal & Compliance Department and, in some cases, by an external party. Furthermore, higher-management approval is required prior to engagement. The agent or distributor is required to sign an agency or distribution agreement and accept the Corbion anti-corruption and anti-bribery clauses contained therein.

Economic sanctions
Corbion is committed to complying with economic sanctions laws and regulations. According to the Corbion Economic Sanctions Policy, prior to onboarding, each prospective business partner is subject to screening against applicable lists of restricted parties and sanctioned countries to ensure compliance with economic sanctions laws and regulations.

Alongside this pre-screening of business partners, Corbion has appropriate tools to ensure ongoing screening of all active business partners and to prevent shipment of our products to embargoed countries and regions. The list of embargoed countries and regions is reviewed every year and whenever a significant geopolitical event takes place.

Competition Law Policy
Corbion is committed to complying with competition laws. The Corbion Competition Law Policy provides an overview of the main competition rules and establishes procedures and guidelines which must be followed in dealings where competition laws may apply (e.g., contacts with competitors (either direct or through trade associations), the relationship with suppliers, distributors, and customers). The policy prohibits cartels, abuse of a dominant position, and the exchange of sensitive information with competitors. The policy is available in English.

Corbion has a procedure in place requiring sales colleagues to obtain prior approval from higher management and the Legal & Compliance Department for exclusivity/non-compete arrangements with customers and distributors.

Privacy and data protection
In light of the EU's General Data Protection Regulation on data protection (GDPR), Corbion has created a robust privacy program in 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/CPRA in California, the LGPD in Brazil, the PDPA in Thailand, and the PIPL in China.

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

Risk appetite

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

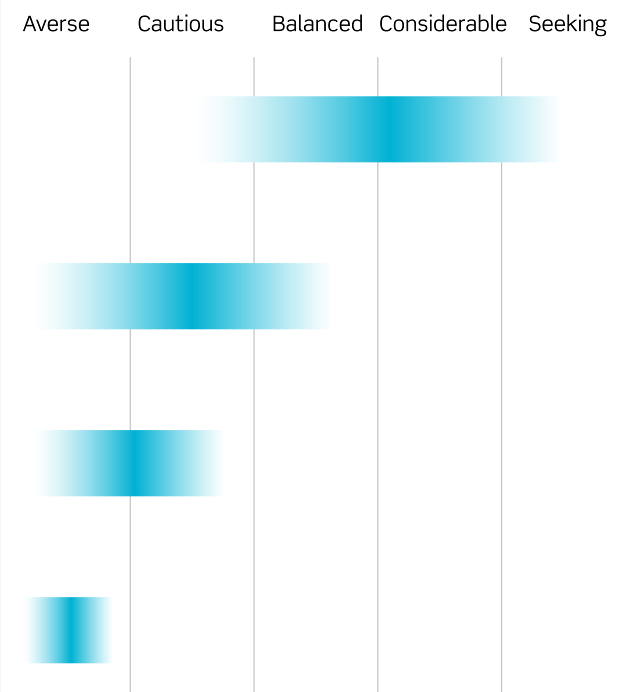
Risk appetite

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, or currency rates can have the following impact on EBITDA (in millions of euros).

xmillion EUR	Change	Approx. EBITDA impact
Net sales	+1%	5.8
Gross profit	+1%	3.8
Operating costs (= selling expenses + R&D costs + G&A expenses)	+1%	(1.9)
USD*	+1%	2.0
JPY*	+1%	0.3
THB*	+1%	(0.3)
BRL*	+1%	0.0

* *+1% meaning 1% appreciation of currency against Euro*

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.

Based on the strategic risks, the Executive Committee selects a number of key management activities with an increased focus 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 these assessments forms the input for the Corbion internal control framework for 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 that follows 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 minimize the risk. 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	Demand is inherently uncertain in specific markets Corbion is operating in, especially when in early stage of development. Adding production capacity is a lengthy and costly process. Mismatches between demand and supply could result in shortage or excess.	With sophisticated demand forecasting and sales & operations planning, Corbion optimizes the allocation of products to ensure we can meet our customer needs. Long-term sales and operations planning is used to support capacity decisions. Based on the Strategic Planning Process, an intensive investment program has been embarked on to support our business growth. The construction of a new lactic acid plant in Thailand is progressing well. The plant will be completed by the end of 2023. Meanwhile, a debottlenecking program is in place at existing lactic acid plants. In addition, we regularly expand our capacity incrementally in our other plants to support our business growth.
Climate change	Climate change could affect Corbion in all areas of business through transition and physical risks. Transition risks include, amongst others carbon pricing, changing consumer behavior, and changing regulations, while physical risks manifest through increased intensity and frequency of extreme weather events and chronic climate changes. Climate risk has an increasing impact on the likelihood of several other risks (e.g., business continuity, raw material availability and price volatility, regulations, customer behavior).	Transitional risks are addressed through our strategy development process, using scenario analysis and monitoring developments and emerging risks and opportunities. Physical risks are addressed through mitigating actions as mentioned in this table for the relevant risk affected by climate change.
Competition	With global imbalances of lactic acid demand versus supply, the likelihood of new market entrants (in case of undercapacity) or price competition (in case of overcapacity) exists.	By investing in R&D, Corbion intends to keep its competitive edge. The new circular lactic acid production technology underscores the innovative strength of Corbion. In 2020, Corbion made the decision to build the first industrial-scale plant with this new technology in Thailand, resulting in reduced production costs (completed by the end of 2023). Supported by R&D and Application development, we focus on delivering sustainable solutions to customers, and hence reducing the risk of competing on price only.
Business development underperformance	Business development is one of the key drivers of Corbion's Advance 2025 strategy. Corbion is investing in new platforms of growth such as PLA and Algae, 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 such as: - 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. In addition, these business development areas are being managed by dedicated and experienced management teams.

Business interruption due to new ERP platform	Corbion embarked on a multi-year (2017 - 2024) 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 is implemented over a multi-year period. 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). After implementation in Europe and Asia (without any business disruption), in 2022 the implementation in Mexico was completed. The remaining entities in the Americas will be completed in 2023-2024.
Inability to find, develop, and retain skilled talent	To execute the Advance 2025 strategy and investment program, 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 talent acquisition processes, promoting the company's values and sustainability strategy, which is attractive to potential candidates. Corbion offers competitive compensation packages and has comprehensive talent management processes in place including performance management and succession planning to ensure a strong pool of talent for key positions.
Raw material, energy, and carbon price volatility and availability	Failure to manage the price volatility risk of raw materials, chemicals, energy, and carbon which cannot be directly passed on to customers due to market conditions or lack of contractual enforcement, may result in adversely impacted profitability and gross margins. The volatility is increased by geopolitical tension and post-pandemic supply chain disruptions. Climate-change-related events may cause more volatility in respect of our key raw material components (e.g., sugar, corn) and carbon pricing, in addition to a potential impact on water supply used in our production processes.	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 profitability and margins negatively. These measures include early warnings of possible impact on our organization and our customers. Also, the trade in and availability of CO_2-emission rights are actively managed. To improve assurance on availability, we have implemented a multiple-supplier sourcing policy for our most critical raw materials. Overall raw material risks are mitigated by actively taking longer-term contract positions where necessary, by sourcing key raw materials from different locations, and in the longer run, by considering alternative or second-generation feedstocks. Various measures are applied to actively manage our profitability and margins (e.g., through the inclusion of price formulas in sales contracts and timing alignment between sourcing price exposure and sales contract duration).
Changing customer behavior toward food and changing product regulations in the 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 adds to the complexity. Furthermore, climate change potentially impacts customer behavior, for example through the promotion of plant-based diets, reduced demand for fossil-based plastics, and a switch to deforestation-free consumption.	Corbion works closely with its customers to identify trends and develop the right portfolio of solutions to address evolving trends. Having several biobased solutions, Corbion is well positioned to respond to emerging trends and address changing product regulations. Corbion monitors developments and includes changing consumer behavior explicitly in its scenario analysis as part of formulating the transition strategy.

Operations risks		
Safety incidents	Inherent health and safety hazards in our operations and insufficient awareness of unsafe operational conditions can lead to injuries or casualties and, potentially, a temporary plant shutdown.	Safety is an integral part of new design and changes in product formulations and production processes. 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. In 2022, the Safety Excellence Program continued to be rolled out to the sites, including a Process Safety Management System, a Behavior-Based Safety program and full implementation of ISO 45001 safety standard for all sites. The Safety Excellence Program is monitored monthly by the Safety Excellence Steering Committee, chaired by the COO and quarterly by the Executive EHS Committee, chaired by the CEO.
Food safety	Food safety is of utmost importance to Corbion. Customers need to fully trust the safety of our products. Any issue can have a 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. Product liability insurance is in place to cover part of the risk.
Business interruption	An external hazardous event (e.g., floods, riots, fires) or internal disruptions (e.g., availability of critical spare parts, global supply chain complexity) 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 others on incident identifications for each site. An integrated Business Continuity Management system is being set up including a business continuity/crisis training program for management. Climate change (e.g., extreme weather events) is considered in scenario analysis with the support of an external climate risk analysis tool. 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, business disruption, or unauthorized access to or corruption of our data and systems. From time to time our security infrastructure prevents cybersecurity attacks on our information technology systems, and the techniques used for such attacks are increasingly becoming more sophisticated.	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 to include 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 2022, our IT control environment remained strong, focusing on timely application of patches, system access through multi-factor authentication, running a Security Operating Center, implementing sophisticated EDR software, and segmentation of Corbion's IT network.

Compliance risks		
Non-compliance with legislative and regulatory environment	Failure to comply with (changing) laws and regulations in the markets we operate in and/or 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. Considering the increasing importance of regulatory affairs, Corbion decided to make additional investments in the Regulatory Affairs organization resulting in improved regulatory processes and systems.
Reporting risks		
Sustainability reporting	There is an increasing number of new, existing, and emerging regulations concerning climate change and other sustainability-related disclosures. These regulations or initiatives can be either voluntary or obligatory and can be aimed at investors or required by governing bodies. This includes, but is not limited to, the EU Taxonomy, CSRD, TCFD, TNFD, IFRS/ISSB prototype standards, science-based targets, and CDP. Failure to report sufficient information might potentially lead to a lack of trust, reputational damage, loss of customers, and legal claims.	Corbion aims to be a frontrunner in sustainable business practices. To communicate this effectively and reliably there is a need for adequate disclosures. We are therefore constantly monitoring developments in this field and try to anticipate upcoming regulation. Through timely integration of standards and collection of data we are able to keep up with the required disclosures and provide investors and other stakeholders with the information they need. In 2022, we initiated a new Sustainability Reporting Committee composed of cross-functional disciplines to actively address these developments.

Internal control systems

Corbion applies the three-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 represented by the Internal Audit Department which is independently reviewing the control framework.

Our internal control framework is not limited to the elements outlined below as these are a summary of the 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.

In addition, the business controls ensure the reliability of non-financial information. Providing non-financial information to our stakeholders is becoming increasingly important, most notably on sustainability. The control framework for non-financial information is still less mature than the financial reporting framework and therefore limited assurance is given by KPMG on the non-financial information. Corbion is closely monitoring developments in sustainability reporting standards and, in conjunction with these developments, is improving the control framework for sustainability reporting.

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 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 for financial reporting

General
Corbion is committed to maintaining high-quality, reliable financial reporting, and a good control environment. All reporting entities assess the operating effectiveness of their financial closing and reporting processes, at mid-year and end-of-year, confirming compliance with the relevant guidelines and IFRS.

During 2022, our main legal entities performed quarterly self-assessments of the design and implementation of their key financial process controls. Special attention was paid to entities that migrated to the new ERP system. For these entities, the control set was re-designed, including a detailed review of proper segregation of duties in the system and a shift from manual controls to automated controls where possible. Self-assessment also includes tax governance and treasury internal 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.

Together with the Letters of Representation, this provides reasonable assurance on the integrity of our financial reporting.

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 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 reviewed and approved by the Board of Management. Furthermore, implementation and execution of the tax strategy is monitored by the Audit Committee of the Supervisory Board and 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 that 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 apply for 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 aims to ensure 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 (composed of representatives from the Executive Committee and 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 for 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 to 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 including the Executive Committee and the Audit Committee. The audit plan is approved annually by the Board of Management and Supervisory Board. The plan has a rolling character so changes in priorities may be applied. Changes are discussed with 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 and assurance
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 2022, the external auditor reviewed the sustainability indicators marked with "√." Contrary to the audit of our financial statements, this sustainability 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 were observed in the internal risk management and control systems in the year under review, and that no significant changes have been made to these systems. The findings of the assessment have been discussed with the Audit Committee and the Supervisory Board. Corbion is continuously strengthening its internal risk management and control systems through various improvement initiatives – for 2022, no major improvements have been identified. Concurrently with the roll-out of the new SAP-based ERP system, Corbion will assess the impact of the SAP implementation on Corbion's control framework and, where possible, implement improvements by optimally using the application controls of SAP.

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 in this 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, 2 March 2023

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

Putting our energy into a renewable future

Why are we doing it?

"The temperature is rising every year and we're seeing more and more rain now in Thailand - even outside of our rainy season. Just last month, floods damaged the home of a few colleagues here."

Suvasa Chokdeepanich – Procurement Director

What are we doing?

As our manufacturing capacity grows in Rayong, Thailand, we aim to produce more bio-based products, like lactic acid, while demanding less of the planet in the process. Two years ago, Rayong began sourcing 25% of all its electricity used at the site from renewable sources. By 2022, that number had already doubled to 50%. In 2023? We will reach 100%.

"Making a change like this is a huge undertaking of course, but as we continue to see the effects of climate change in Thailand, everyone here is deeply committed to this," says Suvasa. After a long search and negotiating process, Suvasa and her team chose a local supplier that will deliver electricity to the site and have reserved 18 solar farms as renewable sources from January 2023.

But it doesn't end there. As part of the agreement, the new supplier will also efficiently provide steam for the Rayong boilers – further reducing on-site emissions. "We have also signed an agreement with our supplier, TotalEnergies Solar, to install solar panels on the roof of some buildings and car park – which will generate a further one megawatt of renewable electricity," adds Suvasa.

How are we doing?

Corbion's Rayong site now has an official certificate for renewable electricity provision that guarantees both the renewable source and the volume of electricity supplied, for the next 15 years. "We are proud to set the example as one of the first manufacturing facilities in Thailand to use 100% renewable electricity," says Suvasa, "and excited that by 2025, every Corbion site will join us in being 100% powered by renewable electricity."

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 2022

The General Meeting of Shareholders, which was held in May 2022, appointed William Lin as member of the Supervisory Board. With his extensive global business and operations experience, involvement in sustainability, and knowledge of Asian markets, William Lin further strengthens the Supervisory Board. His appointment also contributes to a well-balanced composition of the Supervisory Board.

Steen Riisgaard was reappointed by the Extraordinary General Meeting of Shareholders in July 2022 as member of the Supervisory Board for a term of 2 years.

In July, the Supervisory Board announced with great pleasure that Olivier Rigaud is willing to extend his contract of assignment with Corbion for a second four-year term (May 2023 - May 2027). Since 2019, Olivier Rigaud has been instrumental in the further development of Corbion into a leading innovative, sustainable solutions company, designing and successfully executing the Advance 2025 growth strategy, and strengthening Corbion's commitment to the Preserve What Matters purpose. With his reappointment we establish continuity in leadership to further drive the Advance 2025 strategy, and execute on our strategic investment programs to enhance value creation for our shareholders and our other stakeholders. The proposed reappointment is subject to shareholder approval at the Annual General Meeting of Shareholders, which will be held on 17 May 2023.

In July, a new Revolving Credit Facility (RCF) was signed providing liquidity for general corporate purposes and giving Corbion flexibility to fund further business growth. The interest rate on the RCF is linked to sustainability indicators, measuring the performance of Corbion on a year-on-year basis. The indicators are linked to Corbion's key sustainability objectives from its Advance 2025 strategy: preserving food and food production, health, and the planet.

At the Capital Markets Day in December, Corbion management presented an update on the progress of its Advance 2025 strategy and introduced updated targets for the 2023-2025 period. Also, the creation of Algae Ingredients as a new business unit, following commercial breakthrough, was announced. Furthermore, it was announced that the divestment process for the non-core emulsifier business has been initiated.

From a financial perspective, we have delivered in 2022 strong growth in both sales and EBITDA during a period of unprecedented cost inflation and supply chain disruptions. Our full-year organic sales growth amounted to 24.6% and the organic Adjusted EBITDA growth amounted to 17.9%, supported by the business units Sustainable Food Solutions, Lactic Acid & Specialties, and Algae Ingredients. We were able to successfully increase prices to compensate for additional input costs.

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 2022.

Composition of the Supervisory Board

The current members of the Supervisory Board are Mathieu Vrijsen (Chair), Ilona Haaijer (Vice-Chair), Liz Doherty, William Lin, Steen Riisgaard, and Dessi Temperley. Brief resumes of the members of the Supervisory Board are available under the section How we safeguard long-term value/Supervisory Board in this report. The profile and diversity policy of the Supervisory Board are available on Corbion's website.

Steen Riisgaard was reappointed as member of the Supervisory Board at the Extraordinary General Meeting of Shareholders on 5 July 2022. He was appointed for a new term of two years, as this is his third term. The reasons for the reappointment of Steen Riisgaard were that, during his first two terms, he has made an important contribution to the Supervisory Board's work, amongst others as Chair of the Science & Technology Committee, member of the Appointment and Governance Committee, and member of the Remuneration Committee. His broad knowledge of the (bio)chemical industry and his extensive experience as President and CEO of a major international company are of great value to Corbion and contribute to a well-balanced composition of Corbion's Supervisory Board.

On 18 May 2022, William Lin was appointed by the General Meeting of Shareholders as Supervisory Board member.

Rudy Markham stepped down from the Supervisory Board on 18 May 2022 after 11 years of distinguished service to the company as Vice-Chair of the Supervisory Board, Chair of the Remuneration Committee, and member of the Appointment and Governance 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

	Mathieu Vrijsen	Ilona Haaijer	Liz Doherty	William Lin	Steen Riisgaard	Dessi Temperley
Diversity						
Nationality	Dutch	Dutch	British	United States	Danish	Bulgarian and British
Year of birth	1947	1969	1957	1967	1951	1973
Gender	M	F	F	M	M	F
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	x	x
International experience	x	x	x	x	x	x
Lived in other geographical area	x	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		x	x	
Investor Relations	x	x	x	x	x	x
Finance/IT			x	x		x
Internal audit			x			x
Operations/Manufacturing	x	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 seven regular meetings. Next to these, one conference-call meeting was held. 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 Supervisory Board meeting of 24 February 2022, at which the 2021 Annual Report and Financial Statements were recommended for adoption by the annual General Meeting of Shareholders.

The Chair and Vice-Chair 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 2022 was 100%. Attendance at the conference-call meeting was also 100%.

Activities of the Supervisory Board

The discussions at the Supervisory Board meetings covered frequently recurring topics, such as safety, reports of its committees, the Advance 2025 strategy, developments in financial results, dividend proposal, financing, 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 targets, the Financial Statements, and the Annual Report. In addition, the Supervisory Board discussed the ERP migration project, the Capital Markets Day, and the establishment of the new Sustainability and Safety Committee.

The Supervisory Board and the Executive Committee held one physical meeting to review the progress of the long-term strategy, Advance 2025, and visited the plant in Totowa, US, where they met with local management and other colleagues.

Evaluation

The Supervisory Board conducted an evaluation of its performance, the performance of its committees, and that of its members, coordinated by an independent external specialist. Included was also its relation to and with the Board of Management and its members. A report of the evaluation, including observations and recommendations, was discussed by the Supervisory Board. General observations are in line with previous years, indicating a positive, 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. Committees with experienced Supervisory Board members perform well. The evaluation underlined the importance of aligned priorities between the Supervisory Board and Board of Management, especially in view of the implementation of the Advance 2025 strategy. The main topics for the 2023 agenda are geared toward safety, monitoring and evaluating the implementation of the revised Advance 2025 strategy, ESG reporting, and further building awareness of the stakeholder and market dynamics.

The Board of Management also conducted a self-evaluation of its performance and that of its members, supported by an independent external specialist. Included was also its relation to and with the Supervisory Board and its members. 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 2023 agenda are geared toward safety, executing the revised Advance 2025 strategy, the construction of our new lactic acid plant in Thailand, ESG reporting, and continued focus on employee development and wellbeing.

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, a Science and Technology Committee, and a Sustainability and Safety 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 Liz Doherty (Chair), Ilona Haaijer until 18 May 2022, Dessi Temperley, and William Lin as from 18 May 2022. In 2022, the Audit Committee met five times in the presence of the external auditor, the CFO, the VP Finance Control, the VP Business Control, and the Senior Director Internal Audit. Other heads of departments (e.g., Treasury, Tax, Legal & Compliance, and IT) were invited when the Audit Committee deemed it necessary and appropriate. The Audit Committee also held private individual meetings with the CFO, the Senior Director Internal Audit, and the external auditor, respectively. The attendance rate at the meetings held in 2022 was 100%.

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, the ERP migration project, status of legal claims and litigations, status of the Business Conduct program, notifications received under the whistleblower procedure, internal audit plan, the management letter, and reports of the internal and external auditors. Furthermore, several presentations were given by members of the Executive Committee and other representatives of the organization on business developments and key risks for Corbion.

The core task of the Audit Committee is to extensively review the financial reports and budget and evaluate the assessment by the Board of Management of the internal risk management and control systems before consideration by the full Supervisory Board. Both Liz Doherty and Dessi Temperley (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 2022 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 members of the Appointment and Governance Committee are Mathieu Vrijsen (Chair), Rudy Markham until 18 May 2022, Steen Riisgaard, and Ilona Haaijer as from 18 May 2022. The Appointment and Governance Committee met five times in 2022 in the presence of the Chief Human Resources Officer and the Company Secretary. The CEO was invited to join parts of these meetings. The attendance rate at the meetings held in 2022 was 100%.

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 members of the Remuneration Committee are Rudy Markham (Chair) until 18 May 2022, Ilona Haaijer (Chair) as from 18 May 2022, Mathieu Vrijsen, and Steen Riisgaard. The Remuneration Committee met seven times in 2022 in the presence of the Chief Human Resources Officer and the Company Secretary. The CEO was invited to join parts of these meetings. The attendance rate at the meetings held in 2022 was 100%.

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 2021 Short-Term Incentive Plan (STIP) targets for the members of the Board of Management, the target setting for the STIP 2022 and Long-Term Incentive Plan (LTIP) 2022-2024, the progress of the running STIP targets and the targets of the running LTIP programs, and the process planning for the review of the remuneration policy for the Board of Management and Supervisory Board, which policies are up for renewal in 2024 (the last update was in 2020). The members of the Board of Management gave a view on their own remuneration, and the remuneration levels of the Executive Committee were reviewed.

Science and Technology Committee

The members of the Science and Technology Committee are Steen Riisgaard (Chair), Ilona Haaijer, and Mathieu Vrijsen. The Science and Technology Committee met four times in 2022 in the presence of the Chief Science and Sustainability Officer, other members of the Executive Committee, and members of the R&D leadership team. The attendance rate at the meetings held in 2022 was 100%.

The agenda at these meetings covered, amongst other subjects, the innovation strategy, Open Innovation, Lactic Acid & Specialties and its key R&D projects, Sustainable Food Solutions and its key R&D projects, and Algae Ingredients and its key R&D projects.

Sustainability and Safety Committee

In 2022, the Sustainability and Safety Committee was installed. Its members are William Lin (Chair), Liz Doherty, and Dessi Temperley. The Sustainability and Safety Committee met three times in 2022 in the presence of the Chief Science and Sustainability Officer, the Chief Operations Officer, the VP EHS, and the Senior Director Sustainability. Members of the Sustainability, EHS, and Quality teams were invited when the Sustainability and Safety Committee deemed it necessary and appropriate. The attendance rate at the meetings held in 2022 was 100%.

The agenda of these meetings covered, amongst other subjects, safety (e.g., performance, key initiatives, process safety), sustainability (e.g., performance, key initiatives, materiality/stakeholder assessment), ESG reporting regulations and frameworks, education on sustainability and reporting developments, sustainability targets for STIP 2023 and LTIP 2023-2025, and product quality and food safety.

Financial Statements 2022

The Financial Statements prepared by the Board of Management for the financial year 2022 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, 2 March 2023

Supervisory Board
Mathieu Vrijsen, Chair
Ilona Haaijer, Vice-Chair
Liz Doherty
William Lin
Steen Riisgaard
Dessi Temperley

More sustainable oil is in the palm of our hands

Why are we doing it?

"Palm plantations are found in tropical peatlands that act as natural 'carbon sinks' for absorbing carbon dioxide. It's one of many reasons why we have a duty to preserve this precious environment."
Margaret E Walsh – Senior Scientist

What are we doing?
Versatile, trans-fat free, and efficient, palm trees can produce at least twice the amount of oil per hectare than other vegetable crops, hence palm oil has become an essential ingredient in some of the products that Corbion provides to customers. The challenge? Farming this product in a way that preserves the planet and respects people. Hence Corbion's work with the Roundtable on Sustainable Palm Oil (RSPO).

"Traditionally, palm oil was farmed in a way that was disruptive to animals, plants - and the peatlands themselves," explains Margaret. "But it is possible with more modern and efficient farming methods to prevent this."

Hence, Corbion now purchases 100% of its palm oil from RSPO-certified plantations in Indonesia and Malaysia that are regularly audited by independent, third-party auditors to ensure that their rich biodiversity is maintained. Apart from preserving the planet there's a real human aspect to this too, according to Margaret. "The certification also ensures that workers on these plantations receive a living wage and are treated with respect that all humans deserve."

How are we doing?
To achieve RSPO certification, Margaret and the Corbion team have established comprehensive internal systems that provide full traceability of palm oil: from the supplier, to the Corbion facility, to the customer. In fact, Sarah Haddox, Senior Account Manager, is already seeing the results with customers. "We are now using all this data to set new standards in palm oil traceability for one of the world's largest food brands," she says. "We both share the same sustainability ambitions – and we are now sharing the knowledge to jointly achieve them."

Remuneration report

Remuneration Board of Management

Remuneration policy and its implementation in 2022

To ensure Corbion's development as a successful sustainable ingredient solutions company, the objective of the remuneration policy 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 2022.

The implementation of the remuneration policy contributes to long-term value creation through alignment of the incentives for the Board of Management with 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.

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 twenty companies , selected based on size, all within the international guidelines as set by leading shareholder advisors. 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. These ranges are reviewed every two years and adjusted if the median market data of the reference group justifies any such adjustment. The Supervisory Board has, in line with the remuneration policy, reviewed the ranges during 2022, based on independent benchmark data and have decided to adjust the ranges considering that the median market data of the reference group justified such adjustment (taking into account the delisting of two peer group companies). The base salary for the CEO is currently set between € 650,000 and € 750,000. For the CFO base pay is currently set between € 425,000 and € 525,000. The individual base salary of the Board members is determined by the Supervisory Board within the boundaries of the above ranges, based on personal performance delivery. There are no automatic annual increases in the base salary levels.

As per 1 April 2022, the annual base salary for Olivier Rigaud (CEO) amounted to € 675,000 and that for Eddy van Rhede van der Kloot (CFO) amounted to € 425,000.

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. These focus areas are safety performance (Total Recordable Injury Rate) and sustainability performance (verified responsibly sourced cane sugar, reduction of Scope I and II emissions and Social Value Assessment for products contributing to preserving food and/or health).

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 2022
For 2022, the Supervisory Board applied the performance bandwidth as stated above. An actual pay-out level of 183% has been achieved for organic net sales growth, 60% for adjusted EBITDA, and 150% for sustainability. This has led to a total pay-out of 127.3% 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 € 461,700 for Olivier Rigaud and of € 242,250 for Eddy van Rhede van der Kloot, and (ii) a payment in shares of 1,487 shares for Olivier Rigaud (representing a value of € 53,865 at the time of vesting based on a vesting price of € 36.22) and 780 shares for Eddy van Rhede van der Kloot (representing a value of € 28,263 at the time of vesting based on a vesting price of € 36.22).

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 stakeholders of Corbion, 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 under the LTIP arrangement. 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. For the 2022-2024 series the sustainability and safety focus is: verified responsibly sourced cane sugar, reduction of Scope I, II, and III emissions, Social Value Assessment for products contributing to preserving food and/or health, 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 2019-2021 series and granted shares for the LTIP 2022-2024 series
The number of conditionally granted but not yet vested shares as per 1 January 2022 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 2022
O. Rigaud, CEO	LTIP 2019-2022	20,865
E. van Rhede van der Kloot, CFO		12,140
O. Rigaud, CEO	LTIP 2020-2023	22,260
E. van Rhede van der Kloot, CFO		13,491
O. Rigaud, CEO	LTIP 2021-2024	14,722
E. van Rhede van der Kloot, CFO		8,854

The LTIP 2019-2021 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 Olivier Rigaud and Eddy van Rhede van der Kloot, an actual pay-out level of 70.3% has been achieved for the EBITDA target, 141.8% for EPS, and 50% for TSR as Corbion ranked 7th in the peer group. This has led to a total pay-out of 80.5% of the at-target LTIP for both Olivier Rigaud and Eddy van Rhede van der Kloot. The number of vested shares received by Olivier Rigaud is 16,796 shares, representing a value of € 534,785 (based on a vesting price of € 31.84). The number of vested shares received by Eddy van Rhede van der Kloot is 9,773 representing a value of € 311,172 at the time of vesting (based on a vesting price of € 31.84). Both Olivier Rigaud and 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 2022 (possible vesting in 2025) is 23,323 representing a value of € 810,000 at the time of the grant (based on a grant price of € 34.73). The number of performance shares conditionally granted to Eddy van Rhede van der Kloot in 2022 (possible vesting in 2025) amounts to 12,237 representing a value of € 424,991 at the time of the grant (based on a grant price of € 34.73).

The overview below shows the number of conditionally granted but not yet vested shares as per 31 December 2022 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 2022	Vesting date
O. Rigaud, CEO	LTIP 2020-2023	29.65	22,260	May 2023
E. van Rhede van der Kloot, CFO			13,491	
O. Rigaud, CEO	LTIP 2021-2024	46.87	14,722	May 2024
E. van Rhede van der Kloot, CFO			8,854	
O. Rigaud, CEO	LTIP 2022-2025	34.73	23,323	May 2025
E. van Rhede van der Kloot, CFO			12,237	

Overview remuneration

The total annual remuneration for the Board of Management in 2022 amounted to € 3.1 million including STIP over 2022 (2021: € 2.8 million). The table below shows the amounts the respective member of the Board of Management (i) received/was entitled to in 2022 (base salary, STIP, benefits allowance) and (ii) received/was entitled to in 2022 by way of vesting (LTIP).

Thousands of euros	Year	Base salary	STIP	LTIP	Benefits allowance	Other compensation	Relocation	Total
O. Rigaud*, CEO	2022	650	516	535	200			1,901
	2021	569	496		200			1,265
E. van Rhede van der Kloot, CFO	2022	423	271	311	150			1,155
	2021	411	299	688	150			1,548
Total	**2022**	**1,073**	**787**	**846**	**350**			**3,056**
Total	**2021**	**980**	**795**	**688**	**350**			**2,813**

* *Olivier Rigaud as of 1 July 2019*

The ratio of the fixed remuneration (base salary and benefits allowance) versus the variable remuneration (STIP, LTIP, and other compensation) is for Olivier Rigaud 45% versus 55%, and for Eddy van Rhede van der Kloot 50% versus 50%.

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	2022	Base salary*	STIP	LTIP	Pension benefits	Other benefits	Termination benefits	
O. Rigaud		860	516	832				2,208
E. van Rhede van der Kloot		583	271	487				1,341
Total Board of Management		**1,443**	**787**	**1,319**				**3,549**

	IAS 24.17 category	Short-term employee benefits		Share-based payments	Post-employment benefits	Other long-term benefits	Termination benefits	Total
Thousands of euros	2021	Base salary*	STIP	LTIP	Pension benefits	Other benefits	Termination benefits	
O. Rigaud		779	496	542				1,817
E. van Rhede van der Kloot		572	299	391				1,262
Total Board of Management		**1,351**	**795**	**933**				**3,079**

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

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 is paid by 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 2022 amounted to € 92,548 (2021: € 85,981).

For the CEO, the pay ratio to the average employee is 23.9 (2021: 21.1) and for the CFO it is 14.5 (2021: 14.7).

REMUNERATION REPORT

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

Name, position	2018	2019	2020	2021	2022
O. Rigaud, CEO (A)*			1,629 (+20%***)	1,817 (+12%)	2208 (+22%)
E. van Rhede van der Kloot, CFO (B)	788	1,146 (+45%)	1,226 (+7%)	1,262 (+3%)	1341 (+6%)
T. de Ruiter, (former) CEO (C)**	1,805	2,470 (+37%)			
Average salary employees (D)	77	82 (+6%)	87 (+7%)	86 (-1%)	92.5 (+8%)
Internal pay ratio (A/D)		16.6***	18.6	21.1	23.9
Internal pay ratio (B/D)	10.2	14	14	14.7	14.5
Internal pay ratio (C/D)	23.4	30.1			
Adjusted EBITDA	131.6	145.9 (+11%)	158.8 (+9%)	135.8 (-14%)	184.4 (+36%)
EPS	0.93	0.44 (-53%)	1.24 (+182%)	1.33 (+7%)	1.53 (+15%)

* *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 2022, Corbion had a capital interest of 0.39%, amounting to 229,874 shares. In 2022, 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 2023.

Share plans for employees

Corbion has an LTIP program for (senior management, composed of around 83 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 certain categories of (senior) management, part of the 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 2022 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 2022
LTIP 2019-2022	67,454
LTIP 2020-2023	78,054
LTIP 2021-2024	67,570

The LTIP 2019-2021 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 70.3% has been achieved for the EBITDA target, 141.8% for EPS, and 50% for TSR as Corbion ranked 7th in the peer group. This has led to a total pay-out of 80.5% of the at-target LTIP for the Executive Committee members (not being members of the Board of Management). For (senior) management an actual pay-out level of 0% has been achieved for the EBITDA target, 141.8% for EPS, and 50% for TSR as Corbion ranked 7 th) in the peer group. As 30% of the total

LTIP for (senior) management is not performance related and is only restricted to continued employment for three years, the actual pay-out for (senior) management is 56.9%. The total number of vested shares received by (senior) management and Executive Committee members (not being members of the Board of Management) is 52,366 representing a value of € 1,667,333 at the time of vesting (based on a vesting price of € 31.84).

The total number of performance shares conditionally granted to (senior) management and Executive Committee members (not being members of the Board of Management) in 2022 (possible vesting in 2025) is 70,410 representing a value of € 3,347,291 at the time of the grant (based on a grant price of € 34.73).

The table below shows the number of conditionally granted but not yet vested shares as at 31 December 2022 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 2022	Vesting date
LTIP 2020-2023	29.65	75,695	May 2023
LTIP 2021-2024	47.54	64,246	May 2024
LTIP 2022-2025	34.73	109,591	May 2024

Remuneration for the Supervisory Board

Total remuneration for the members of the Supervisory Board in 2022 amounted to € 0.5 million (2021: € 0.4 million).

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

For membership of the Audit Committee an additional fee of € 10,000 applies and for the Chair € 15,000. Members of the Appointment and Governance Committee, Remuneration Committee, Science and Technology Committee, and Sustainability and Safety Committee receive an additional € 7,000 in fee; the fee for the Chair 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**	
Mathieu Vrijsen, Chair (Chair Appointment & Governance Committee / member Remuneration Committee / member Science and Technology Committee)	2022	70	23	93
	2021	70	23	93
Ilona Haaijer, Vice-Chair since 18 May 2022 (Chair Remuneration Committee since 18 May 2022 / member Appointment and Governance Committee since 18 May 2022 / member Audit Committee until 18 May 2022 / member Science and Technology Committee)	2022	56	21	77
	2021	50	17	67
Liz Doherty (Chair Audit Committee/ member Sustainability and Safety Committee)	2022	50	22	72
	2021	50	15	65
William Lin (Chair Sustainability and Safety Committee / member Audit Committee) since 18 May 2022	2022	31	12	43
	2021			
Rudy Markham, Vice-Chair (Chair Remuneration Committee / member Appointment and Governance Committee) until 18 May 2022	2022	23	6	29
	2021	60	16	76
Steen Riisgaard (Chair Science and Technology Committee / member Remuneration Committee / member Appointment and Governance Committee)	2022	50	23	73
	2021	50	23	73
Dessi Temperley (member Audit Committee / member Sustainability and Safety Committee)	2022	50	17	67
	2021	31	6	37
Jack de Kreij (Chair Audit Committee) until 19 May 2021	2022			
	2021	19	9	28
	Total 2022	**330**	**124**	**454**
	Total 2021	**330**	**106**	**436**

* *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 paid by 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 Chair of the Board of Management as at 8 August 2019. The contract of assignment with Mr. De Ruiter expired on 12 May 2020.

The LTIP 2019-2021 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 70.3% has been achieved for the EBITDA target, 141.8% for EPS, and 50% for TSR as Corbion ranked 7th in the peer group. This has led to a total pay-out of 80.5% of the at-target LTIP for Tjerk de Ruiter. The number of vested shares received by Tjerk de Ruiter is 7,126 (based on a pro-rata entitlement until 12 May 2020). 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 Tjerk de Ruiter (i) received/was entitled to in 2022 (base salary, STIP, benefits allowance) and (ii) received/was entitled to in 2022 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)	2022			227					227
	2021			956					956

To do

Eliminate deforestation in our supply chain

#CorbionsToDoList

Putting deforestation 'in the picture'

Why are we doing it?

"Where I grew up in southern Brazil, I saw the negative effects of agriculture expanding into the natural environment and the pre-harvest burning of sugar. Now I'm helping to stop it."
Cristine Kayser – Sustainability Specialist

What are we doing?
The Atlantic Forest runs across the eastern coast of Brazil. It's one of the richest natural areas on the planet but only 12% percent of the original forest remains according to the WWF[1]. Protecting this forest is especially important to Corbion because, sitting in its shadow in São Paulo State, lies our Orindiúva facility - which relies on local sugar cane as its major feedstock for AlgaPrime™ DHA, our sustainable algae-based omega-3 ingredient.

"The goal is to source 100% deforestation-free sugar and currently we are at 93% in Brazil," says Cristine.

"We are working closer than ever with local sugar mills to ensure that sugar cane is grown on existing arable land and/or farmed using more efficient, modern farming methods that enable sugar producers to get more from the same land."

To monitor deforestation in the region, Corbion works with an organization called Global Risk Assessment Services (GRAS) which uses high-definition satellite technology to monitor land-use changes in the area. "We are able to compare images year-on-year to see if any deforestation has happened," says Cristine. "The good news is that no deforestation has occurred in the land we source our raw materials from in Brazil since 2000."

How are we doing?
Through collaboration with organizations like GRAS, Corbion is well on target to reaching its goal of sourcing all key agricultural raw materials as verified deforestation-free by 2025. Says Cristine: "It has been wonderful to work on this project and help my home country in some small way."

1) What is the Atlantic Forest and why do we need to save it? | Stories | WWF (worldwildlife.org)

Financial Statements

Consolidated financial statements

Consolidated income statement

Millions of euros	Note	2022	2021
Net sales	4	1,457.9	1,070.8
Cost of sales		-1,133.6	-805.0
Gross profit		**324.3**	**265.8**
Selling expenses		-81.1	-67.5
Research and development costs		-47.2	-65.8
General and administrative expenses		-92.4	-85.5
Other gains and losses	6	7.2	35.0
Operating result		**110.8**	**82.0**
Financial income	7	14.1	2.4
Financial charges	7	-19.4	-16.6
Results from joint ventures and associates	13	10.9	18.7
Result before taxes		**116.4**	**86.5**
Income tax expense	8	-26.4	-8.2
Result after taxes		**90.0**	**78.3**
Result attributable to non-controlling interests			
Result attributable to equity holders of Corbion nv		**90.0**	**78.3**
Per ordinary share in euros	9		
Basic earnings		1.53	1.33
Diluted earnings		1.51	1.32

Consolidated statement of comprehensive income

Millions of euros	Note	2022	2021
Result after taxes		**90.0**	**78.3**
Other comprehensive results to be recycled to the income statement			
Foreign operations – foreign currency translation differences	19	28.2	25.4
Net investment hedge – net movement	19	-16.8	-20.1
Hedge reserve	19	-7.0	3.6
Taxes relating to other comprehensive results to be recycled to the income statement	19	5.7	3.6
Total other comprehensive results to be recycled to the income statement		**10.1**	**12.5**
Other comprehensive results not to be recycled to the income statement			
Remeasurement defined benefit arrangements	21	1.2	-20.1
Taxes relating to other comprehensive results not to be recycled to the income statement			
Total other comprehensive results not to be recycled to the income statement		**1.2**	**-20.1**
Total other comprehensive results		**11.3**	**-7.6**
Total comprehensive result after taxes		**101.3**	**70.7**
Comprehensive result attributable to non-controlling interests			
Comprehensive result attributable to equity holders of Corbion nv		**101.3**	**70.7**

Consolidated statement of financial position

Before profit appropriation, millions of euros	Note	As at 31-12-2022	As at 31-12-2021
Assets			
Property, plant, and equipment	10	661.1	466.8
Right-of-use assets	11	68.4	66.1
Intangible fixed assets	12	163.6	157.9
Investments in joint ventures and associates	13	27.9	23.2
Long-term employee benefits	21	0.1	0.5
Other non-current financial assets	14	99.4	94.8
Deferred tax assets	22	30.6	27.3
Total non-current assets		**1,051.1**	**836.6**
Inventories	15	331.2	230.0
Trade receivables	16	210.5	163.2
Other receivables	16	45.9	58.2
Income tax receivables		8.5	9.8
Cash and cash equivalents	17	58.2	42.2
Assets held for sale	18		1.1
Total current assets		**654.3**	**504.5**
Total assets		**1,705.4**	**1,341.1**
Equity and liabilities			
Equity	19	**625.7**	**554.1**
Borrowings	23	376.0	359.1
Lease liabilities	11	61.2	59.5
Long-term employee benefits	21	4.0	5.1
Deferred tax liabilities	22	30.0	25.4
Other non-current liabilities	24	15.8	16.9
Total non-current liabilities		**487.0**	**466.0**
Borrowings	23	309.7	74.7
Lease liabilities	11	12.3	9.9
Provisions	20	9.9	8.9
Income tax payables		2.1	1.7
Trade payables		148.3	128.0
Other current liabilities	25	110.4	97.8
Total current liabilities		**592.7**	**321.0**
Total liabilities		**1,079.7**	**787.0**
Total equity and liabilities		**1,705.4**	**1,341.1**

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 2021		**14.8**	**55.2**	**42.4**	**403.6**	**516.0**
Result after taxes 2021					78.3	78.3
Other comprehensive result after taxes 2021				12.5	-20.1	-7.6
Total comprehensive result after taxes 2021				**12.5**	**58.2**	**70.7**
Cash dividend					-33.0	-33.0
Share-based remuneration transfers	29			-3.8	0.7	-3.1
Share-based remuneration charged to result	29			3.5		3.5
Transfers to/from Other reserves	19			-0.7	0.7	
Total transactions with shareholders				**-1.0**	**-31.6**	**-32.6**
Total increase (decrease) in equity				**11.5**	**26.6**	**38.1**
As at 31 December 2021		**14.8**	**55.2**	**53.9**	**430.2**	**554.1**
Result after taxes 2022					90.0	90.0
Other comprehensive result after taxes 2022				10.1	1.2	11.3
Total comprehensive result after taxes 2022				**10.1**	**91.2**	**101.3**
Cash dividend					-33.0	-33.0
Share-based remuneration transfers	29			-3.8	2.3	-1.5
Share-based remuneration charged to result	29			4.8		4.8
Transfers to/from Other reserves	19			-3.1	3.1	
Total transactions with shareholders				**-2.1**	**-27.6**	**-29.7**
Total increase (decrease) in equity				**8.0**	**63.6**	**71.6**
As at 31 December 2022		**14.8**	**55.2**	**61.9**	**493.8**	**625.7**

Consolidated statement of cash flows

Millions of euros	Note	2022	2021
Cash flow from operating activities			
Operating result		**110.8**	**82.0**
Adjusted for:			
- Depreciation/amortization of (in)tangible fixed assets	6	76.4	64.1
- Impairment of fixed assets	10/12		25.3
- Result from divestments of fixed assets		-9.1	-17.9
- Other adjustments for which cash effects are investing or financing cash flow (2021: Sale Frozen Dough activities)	6		-11.8
- Share-based remuneration		4.8	3.5
Total adjustments to reconcile operating result with net cash generated by (used for) operating activities		**72.1**	**63.2**
Cash flow from operating activities before movements in working capital and provisions		**182.9**	**145.2**
Movement in provisions		0.9	-6.4
Movements in operating working capital:			
- Trade receivables		-39.0	-33.2
- Inventories		-90.4	-54.4
- Trade payables		14.6	25.7
Movements in other working capital		3.8	-17.9
Cash flow from business operations		**72.8**	**59.0**
Interest received		2.6	1.9
Interest paid		-18.1	-13.0
Tax paid on profit		-18.3	-25.5
Cash flow from operating activities		**39.0**	**22.4**
Cash flow from investment activities			
Acquisition of group companies	26		-9.3
Dividends received from joint ventures and associates		14.2	4.3
Investment other financial assets		-1.0	-0.7
Repayment other financial assets		12.7	6.2
Capital expenditure on (in)tangible fixed assets		-235.8	-148.7
Divestment of businesses			20.4
Divestment of (in)tangible fixed assets		10.8	8.4
Cash flow from investment activities		**-199.1**	**-119.4**
Cash flow from financing activities			
Proceeds from interest-bearing debts		236.0	132.0
Repayment of interest-bearing debts		-2.7	-2.9
Payment of lease liabilities		-11.5	-10.2
Settlement of derivatives		-14.9	
Paid-out dividend		-33.0	-33.0
Cash flow from financing activities		**173.9**	**85.9**
Net cash flow		**13.8**	**-11.1**
Effects of exchange rate differences on cash and cash equivalents		2.2	1.7
Increase/(decrease) cash and cash equivalents		**16.0**	**-9.4**
Cash and cash equivalents at start of financial year		42.2	51.6
Cash and cash equivalents at close of financial year	17	58.2	42.2

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 2022, which ended at the balance sheet date of 31 December 2022. The consolidated financial statements drawn up by the Board of Management have been approved by the Supervisory Board on 2 March 2023. They will be presented to the annual General Meeting of Shareholders for adoption on 17 May 2023. 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 2022	Average exchange rate 2021	Exchange rate 31-12-2022	Exchange rate 31-12-2021
US dollar	1.05	1.18	1.06	1.13
Japanese yen	137.99	129.85	142.24	130.44
Brazilian real	5.44	6.38	5.54	6.37
Thai baht	36.86	37.82	36.88	37.87

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 2022, 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 2022. 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

A number of new standards are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted; however, Corbion has not yet adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on Corbion's consolidated financial statements.

- IFRS 17 Insurance Contracts
- Amendments to IAS 1 Presentation of Financial Statements

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 is 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 costs of disposal. 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 income 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, then 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, then 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.

Cost of sales

Cost of sales contains the following components:

- Costs of raw materials and consumables which 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 which are the costs relating to production operations.
- Warehousing and distribution costs which 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 climate-related matters on our critical accounting estimates. Corbion believes there is considerable uncertainty over these assumptions and how they will impact the buinsess operations and the cash flow projections. The estimates and assumptions have been based on the available information and regulations in place as of 31 December 2022.

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. For more information on acquisitions see Note 26.

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. For more information on impairments see Notes 10 and 12.

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 2022 and 2021 (non-IFRS financial measures) can be presented as follows.

	2022			2021		
	Adjusted figures	Adjustments	IFRS figures	Adjusted figures	Adjustments	IFRS figures
Net sales	1,457.9		1,457.9	1,070.8		1,070.8
Cost of sales	-1,131.5	-2.1	-1,133.6	-801.8	-3.2	-805.0
Gross profit	**326.4**	**-2.1**	**324.3**	**269.0**	**-3.2**	**265.8**
Selling expenses	-78.9	-2.2	-81.1	-66.1	-1.4	-67.5
Research and development costs	-47.2		-47.2	-42.6	-23.2	-65.8
General and administrative expenses	-92.3	-0.1	-92.4	-88.6	3.1	-85.5
Other proceeds		7.2	7.2		35.0	35.0
Operating result	**108.0**	**2.8**	**110.8**	**71.7**	**10.3**	**82.0**
Less: depreciation/amortization/impairment (in)tangible fixed assets	76.4		76.4	64.1	25.3	89.4
EBITDA	**184.4**	**2.8**	**187.2**	**135.8**	**35.6**	**171.4**
Depreciation/amortization/impairment (in)tangible fixed assets	-76.4		-76.4	-64.1	-25.3	-89.4
Operating result	**108.0**	**2.8**	**110.8**	**71.7**	**10.3**	**82.0**
Financial income	14.1		14.1	1.9	0.5	2.4
Financial charges	-19.4		-19.4	-16.6		-16.6
Results from joint ventures and associates	10.9		10.9	18.5	0.2	18.7
Result before taxes	**113.6**	**2.8**	**116.4**	**75.5**	**11.0**	**86.5**
Taxes	-24.9	-1.5	-26.4	-15.8	7.6	-8.2
Result after taxes	**88.7**	**1.3**	**90.0**	**59.7**	**18.6**	**78.3**

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 2022, total adjustments of € 1.3 million were recorded, consisting of the following components:

1. Gain of € 9.7 million related to the sale of the Totowa warehouse.
2. Negative fair value adjustment of € 2.3 million on the contingent consideration payable related to the Algae acquisition.
3. Loss of € 1.7 million related to incremental cost as a result of the production outage in the fourth quarter of 2021 in our Blair facility.
4. Loss of € 1.3 million related to strategic portfolio optimization in the Algae and Lactic Acid & Specialties businesses.
5. Loss of € 0.7 million related to write down of receivables as a result of the conflict in Ukraine.
6. Loss of € 0.7 million related to an earn-out payment related to the acquisition of certain assets of Granotec Mexico S.A. de C.V.
7. Loss of € 0.2 million related to an adjustment of the sales price for a plot of land in the Dutch municipality of Breda.
8. Tax effects on the above of € -1.5 million.

In 2021, total adjustments of € 18.6 million were recorded, consisting of the following components:

1. Gain of € 18.4 million related to the sale of a plot of land in the Dutch municipality of Breda.
2. Gain of € 11.3 million related to the sale of the Frozen Dough activities.
3. Gain of € 6.1 million related to recognition of VAT receivable positions in Brazil.
4. Gain of € 2.9 million related to received insurance proceeds for inventory write-down in prior years.
5. Loss of € 16.6 million related to an impairment on the FiberLive development, partly compensated by a release of a contingent liability related to FiberLive.
6. Loss of € 3.7 million related to an impairment on the FDCA development.
7. Loss of € 2.9 million related to incremental cost as a result of the production outage in our Blair facility.
8. Loss of € 1.3 million related to settlement of a tax claim in the US and to de-risk a defined benefit pension scheme.
9. Loss of € 0.9 million related to the acquisition of Granotec Mexico.
10. Loss of € 0.8 million related to restructuring costs.
11. Loss of € 0.7 million as a result of litigation claims.
12. Loss of € 0.6 million related to demolition costs.
13. Fair value adjustment of € 0.2 million on the contingent consideration payable related to the Algae acquisition.
14. Tax effects on the above of € 7.6 million.

4. Segment information

In line with the management responsibilities and internal management reporting for its strategic decision-making process Corbion distinguishes between the segments Sustainable Food Solutions, Lactic Acid & Specialties, Algae Ingredients, and Incubator (together Core), and Non-core.

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.

Algae Ingredients is a new segment (being carved out from the Incubator into its own reporting segment) recognizing the growth potential of this business and as a result of reaching EBITDA break-even in algae-based omega-3 DHA in June 2022 (before reallocation of G&A costs). By leveraging expertise in large-scale industrial fermentation, we anticipate significant further growth and profitability as a global supplier of algae ingredients providing nutritional benefits for human and animal diets.

In our Incubator, where we develop early-stage initiatives, we work on five selected platforms: *Algae portfolio extension*, *Biopolymers*, *Natural preservation*, *Circular raw materials*, and *Net zero*. These long-term platforms are all linked to one of the three business units and embedded in their innovation programs.

Non-core activities comprise emulsifiers which have a declining strategic fit.

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		Algae Ingredients		Incubator		Core [1]		Non-core		Corbion total operations [2]	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Income statement information														
Net sales	780.0	584.2	400.1	312.3	74.3	30.7			1,254.4	927.2	203.5	143.6	1,457.9	1,070.8
Operating result	62.8	55.7	47.6	30.1	-13.4	-17.0	-10.0	-3.8	87.0	65.0	23.8	17.0	110.8	82.0
Adjustments to operating result	-6.8	-13.3	0.6	9.9	2.4	0.2	0.8	0.5	-3.0	-2.7	0.2	-7.6	-2.8	-10.3
Adjusted operating result	56.0	42.4	48.2	40.0	-11.0	-16.8	-9.2	-3.3	84.0	62.3	24.0	9.4	108.0	71.7
Alternative non-IFRS performance measures														
EBITDA	102.7	88.4	66.1	68.4	-5.7	-10.8	-10.0	-3.8	153.1	142.2	34.1	29.2	187.2	171.4
Adjustments to EBITDA	-6.8	-13.3	0.6	-11.7	2.4	0.2	0.8	0.5	-3.0	-24.3	0.2	-11.3	-2.8	-35.6
Adjusted EBITDA	95.9	75.1	66.7	56.7	-3.3	-10.6	-9.2	-3.3	150.1	117.9	34.3	17.9	184.4	135.8
Ratios alternative non-IFRS performance measures														
EBITDA margin %	13.2	15.1	16.5	21.9	-7.7	-35.2			12.2	15.3	16.8	20.3	12.8	16.0
Adjusted EBITDA margin %	12.3	12.9	16.7	18.2	-4.4	-34.5			12.0	12.7	16.9	12.5	12.6	12.7

1 *Includes Sustainable Food Solutions, Lactic Acid & Specialties, Algae Ingredients, and Incubator.*
2 *Comparative figures have been adjusted after the carve out of Algae from the Incubator segment.*

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.

Segment information by geographical region

	Net sales	
	2022	2021
The Netherlands	33.5	24.9
Rest of EMEA	277.1	191.8
US	674.2	499.2
Rest of North America	44.5	77.4
Latin America	193.8	83.7
Asia	234.8	193.8
Corbion total operations	**1,457.9**	**1,070.8**

The above sales information is based on the location of the customer.

	Non-current assets	
	2022	2021
The Netherlands	214.4	197.0
Rest of EMEA	30.7	27.2
US	304.9	259.0
Rest of North America	9.8	9.4
Brazil	103.7	73.4
Thailand	252.9	144.8
Rest of Asia	4.6	3.2
Corbion total operations	**921.0**	**714.0**

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.

At year end 2022, Corbion had a total number of employees (FTEs) of 2.601, of which 643 in the Netherlands, 200 in the rest of Europe, 897 in North America, 526 in Latin America and 335 in Asia. At year end 2021, Corbion had a total number of employees (FTEs) of 2.493, of which 628 in the Netherlands, 182 in the rest of Europe, 878 in North America, 496 in Latin America and 309 in Asia.

5. Net sales disaggregation

	Net sales	
	2022	**2021**
Preservation	357.1	248.2
Functional systems	330.6	256.4
Single ingredients	92.3	79.6
Sustainable Food Solutions	**780.0**	**584.2**
Lactic acid	169.1	147.4
Lactate esters	83.6	55.8
Lactates	59.7	44.0
Biopolymers	49.2	37.3
Other	38.5	27.8
Lactic Acid & Specialties	**400.1**	**312.3**
Algae Ingredients	**74.3**	**30.7**
Incubator	**0.0**	**0.0**
Non-core activities	**203.5**	**143.6**
Corbion total operations	**1,457.9**	**1,070.8**

Fulfillment of the performance obligations related to goods sold is measured using the commercial shipment terms as an indicator for the transfer of control. Fulfillment of the performance obligations for services rendered is identified according to the individual contract. The payment terms are determined per business segment on a customer basis. Corbion has neither specific obligations for returns or refunds, nor specific warranties or other related obligations.

6. Income and expenses

Other gains and losses

	2022	**2021**
Bookprofit sale Totowa warehouse	9.7	
Bookprofit on sale of a plot of land in the Dutch municipality of Breda	-0.2	18.4
Bookprofit on sale of the Frozen Dough activities		11.8
Release of milestone as a result of impairment on the FiberLive development		5.0
Remeasurement contingent purchase price SB Renewable Oils	-2.3	-0.2
Total	**7.2**	**35.0**

Payroll and social insurance

	2022	**2021**
Payroll	194.1	169.5
Pension expenses – defined benefit pension plans	0.5	0.5
Pension expenses – defined contribution pension plans	14.6	13.0
Other social insurance	20.5	18.1
Share-based remuneration	4.8	3.5
Total	**234.5**	**204.6**

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

	2022	2021
Depreciation of tangible fixed assets	60.7	51.0
Amortization of intangible fixed assets	15.7	13.1
Impairment of (in)tangible fixed assets		25.3
Total	**76.4**	**89.4**

7. Financial income and charges

	2022	2021
Interest income	-3.4	-1.9
Interest charges	14.8	9.3
Exchange rate differences	-9.1	2.9
Interest expense on defined benefit pension plans - net		-0.1
Capitalized borrowing costs	-1.6	
Unwinding of contingent consideration	1.2	2.2
Interest expense on lease liabilities	2.6	2.2
Other	0.8	-0.4
Total	**5.3**	**14.2**

8. Taxes

	2022	2021
Current tax	20.4	10.6
Current tax (prior-year adjustments)	-0.2	-0.6
Deferred tax	6.2	-1.8
Tax charge (income)	**26.4**	**8.2**

Reconciliation of result before taxes and tax charge

	2022	2021
Result before taxes	**116.4**	**86.5**
Applicable tax charge at average statutory tax rate	28.2	21.4
Income not subject to tax	-4.1	-7.6
Expenses not deductible for tax purposes	2.5	2.4
Effect of the reversal of tax assets	1.1	-8.1
Currency effects	-0.3	1.9
Additions to/releases from tax provision		-0.9
Changes in tax rates		-0.5
Other effects	-1.0	-0.4
Tax charge (income)	**26.4**	**8.2**
Average tax rate on operations	**22.7%**	**9.5%**

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 main impact of income not subject to tax is caused by the positive result recognized with respect to the joint venture with TotalEnergies which is not subject to tax under the provisions of the participation exemption (impact € -2.8 million). The impact of investment deductions and other non-taxable income amount to € -1.3 million.

Expenses not deductible for tax purposes include the effect of non-deductible costs in multiple jurisdictions (impact € 2.5 million).

The effect of the reversal of tax assets is caused by the recognition of a valuation allowance of tax assets related to tax loss carry forwards and temporary differences in certain jurisdictions (€ 2.2 million) as well as the recognition of previously unrecognized deferred tax assets related to tax loss carry forwards in certain jurisdictions (€ -1.1 million).

The impact of currency effects (€ -0.3 million) is caused by reporting entities which have a tax reporting currency which deviates from their functional currency.

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 € -1.0 million).

The difference between the average tax rates 2022 (22.7%) and 2021 (9.5%) is mainly attributable to the effect in 2021 of the recognition of the previously unrecognized deferred tax asset which materialized as a result of the sale of the plot of land in Breda.

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

Breakdown of the tax charge recognized in equity

	2022	2021
Tax liability due to loan-related exchange rate differences	-3.9	-4.5
Tax liability due to hedge results of financial instruments	-1.8	0.9
Tax charge (income) recognized in equity	**-5.7**	**-3.6**

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.

	2022	2021
Result after taxes	**90.0**	**78.3**
Profit available for holders of ordinary shares (A)	**90.0**	**78.3**
Weighted average number of outstanding ordinary shares (B)	**59.0**	**58.9**
Plus: ordinary shares related to share rights	0.5	0.5
Weighted average number of outstanding ordinary shares after dilution (C)	**59.5**	**59.4**
Per ordinary share in euros		
Basic earnings (A/B)	1.53	1.33
Diluted earnings (A/C)	1.51	1.32

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. Property, plant, and equipment

	Land	Buildings	Machinery and equipment	Other fixed assets	Under construction	Total
1 January 2021						
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**
Movements						
Capital expenditure		0.1	0.7	0.4	149.7	150.9
Divestments			-0.9	-0.1		-1.0
Exchange rate differences		1.6	4.0	0.2	1.9	7.7
Acquisition of group companies			0.3	0.2		0.5
Depreciation		-6.0	-30.1	-4.1		-40.2
Impairment			-2.0			-2.0
Assets classified as held for sale	-0.6	-0.5				-1.1
Other	0.6	11.2	45.9	0.7	-61.8	-3.4
Net movement in book value	**0.0**	**6.4**	**17.9**	**-2.7**	**89.8**	**111.4**
31 December 2021						
Acquisition prices	14.3	189.8	707.0	63.6	154.0	1,128.7
Cumulative depreciation/ impairments		-92.0	-522.1	-47.8		-661.9
Book value	**14.3**	**97.8**	**184.9**	**15.8**	**154.0**	**466.8**
Movements						
Capital expenditure			1.3	2.3	212.7	216.3
Divestments			-0.4	-0.1		-0.5
Exchange rate differences	0.8	6.9	9.0	1.3	6.9	24.9
Depreciation		-6.7	-35.6	-4.4		-46.7
Other		6.3	61.7	2.4	-70.1	0.3
Net movement in book value	**0.8**	**6.5**	**36.0**	**1.5**	**149.5**	**194.3**
31 December 2022						
Acquisition prices	15.1	207.8	794.5	71.4	303.5	1,392.3
Cumulative depreciation/ impairments		-103.5	-573.6	-54.1		-731.2
Book value	**15.1**	**104.3**	**220.9**	**17.3**	**303.5**	**661.1**
Depreciation rates		2.5 - 4%	6.7-12.5%	20-50%		

In 2022, no impairments were recorded.

For the Algae Ingredients business, management has identified triggers to reassess the valuation of tangible fixed assets because of improved business performance, offset by adverse developments in the WACC. The cash flow projections are derived from the financial and business plans for 2023 which have been approved by the Board of Management. The key assumptions in the cash flow projections are related to revenue projections, EBITDA developments, the rates used for discounting cash flows and the terminal growth rate. In 2022 no additional impairment loss or a reversal of an impairment was recognized.

In 2021, an impairment was recorded for assets related to the FiberLive project.

The Other line item relates to transfers from Under construction to other categories within Property, plant, and equipment and transfers to intangible fixed assets and inventories.

11. Leases

Right-of-use assets

	Land	Buildings	Machinery and equipment	Other fixed assets	Total
Book value 31 December 2021	**0.2**	**59.6**	**1.1**	**5.2**	**66.1**
Additions		3.2	0.8	7.3	11.3
Modification to lease term		0.1	0.1	0.7	0.9
Exchange rate differences		3.8		0.3	4.1
Depreciation		-9.1	-1.0	-3.9	-14.0
Book value 31 December 2022	**0.2**	**57.6**	**1.0**	**9.6**	**68.4**

Lease liabilities

The maturity of the lease liabilities is as follows.

	As at 31-12-2022	As at 31-12-2021
Current	12.3	9.9
Non-current	61.2	59.5
Total lease liabilities	**73.5**	**69.4**

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 2022, potential future undiscounted cash outflows of € 80.8 million (31 December 2021: € 67.8 million) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. Intangible fixed assets

	Goodwill	Customer base	Brands and licenses	Development costs	Other intangible fixed assets	Total
1 January 2021						
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**
Movements						
Capital expenditure				2.6	11.5	14.1
Exchange rate differences	4.5	0.1	0.2	0.5	0.2	5.5
Acquisition of group companies	3.1	2.0	0.1	2.9		8.1
Amortization		-0.8	-0.5	-3.3	-8.5	-13.1
Impairment			-19.9	-3.4		-23.3
Other					0.9	0.9
Net movement in book value	**7.6**	**1.3**	**-20.1**	**-0.7**	**4.1**	**-7.8**
31 December 2021						
Acquisition prices	81.0	25.6	34.1	47.9	75.5	264.1
Cumulative amortization/ impairments	-3.3	-19.5	-29.7	-17.2	-36.5	-106.2
Book value	**77.7**	**6.1**	**4.4**	**30.7**	**39.0**	**157.9**
Movements						
Capital expenditure				0.7	13.9	14.6
Exchange rate differences	5.8	0.7	0.2	0.2	0.2	7.1
Amortization		-1.0	-0.6	-3.7	-10.4	-15.7
Other				-0.3		-0.3
Net movement in book value	5.8	-0.3	-0.4	-3.1	3.7	5.7
31 December 2022						
Acquisition prices	87.0	27.2	34.8	49.2	90.1	288.3
Cumulative amortization/ impairments	-3.5	-21.4	-30.8	-21.6	-47.4	-124.7
Book value	**83.5**	**5.8**	**4.0**	**27.6**	**42.7**	**163.6**
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. The Algae Ingredients and Incubator segments do 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 31-12-2022	As at 31-12-2021
Sustainable Food Solutions	81.3	75.5
Lactic Acid & Specialties	2.2	2.2
Total operations	**83.5**	**77.7**

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 2023 which have been approved by the Board of Management. From 2024 onwards a stable growth of 1% (consistent with the goodwill impairment test in prior year) 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 31-12-2022		As at 31-12-2021	
	pre-tax	post-tax	pre-tax	post-tax
Sustainable Food Solutions	10.4%	8.4%	6.9%	5.8%
Lactic Acid & Specialties	11.9%	9.5%	7.2%	5.8%

In addition, sensitivity analyses have been carried out in respect of the assumptions using:
- 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.

Impairment testing other intangible fixed assets
In 2022, no impairments were recorded.

In 2021, the following impairments were recorded:

FiberLive
A partial impairment of € 19.6 million (recorded partly in the 'Brands and licenses' and partly in the 'Development costs' category) related to our FiberLive activities (part of the Lactic Acid & Specialties segment). This was based on a reassessment of volume development and timing due to slower than expected technological developments. The impairment on the intangible fixed assets has been recorded on the income statement line item 'Research and development costs'. Further, an impairment of € 2.0 million on Property, plant, and equipment has been recorded on the income statement line item 'Cost of sales'.
The recoverable amount (based on the value-in-use method) of the projected cash flows underlying the impairment calculation amounts to € 2.4 million and is sensitive to various assumptions, especially the volume, technological, and price development.

FDCA

A full impairment of € 3.8 million (recorded in the 'Brands and licenses' category) related to our FDCA business (part of the Incubator segment) based on a reassessment of volume development and timing due to slower than expected technological developments. The impairment has been recorded on the income statement line item 'Research and development costs'.

13. Investments in joint ventures and associates

Set out below are the associates and joint ventures of the group as at 31 December 2022 which, in the opinion of management, are 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	
					2022	2021
TotalEnergies Corbion bv	The Netherlands	50%	Joint venture	Equity method	27.9	23.2

TotalEnergies Corbion bv 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 joint ventures and associates, 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

TotalEnergies Corbion bv	2022	2021
Current assets		
Cash and cash equivalents	15.1	31.7
Other current assets	61.2	63.3
Total current assets	**76.3**	**95.0**
Non-current assets	**138.0**	**128.1**
Current liabilities		
Other current liabilities	17.7	44.5
Total current liabilities	**17.7**	**44.5**
Non-current liabilities	**137.0**	**129.2**
Net assets	**59.6**	**49.4**

Reconciliation to carrying amounts

Opening net assets	49.4	30.3
Comprehensive income for the period	21.4	32.8
Dividends declared	-14.2	-16.9
Exchange rate differences	3.0	3.2
Closing net assets	**59.6**	**49.4**
Group's share (50%)	29.8	24.7
Elimination of unrealized profit on downstream sales	-1.9	-1.5
Carrying amount	27.9	23.2

Summarized statement of comprehensive income

Revenue	165.8	159.8
Operating result	36.0	47.8
Depreciation and amortization	-6.8	-6.8
Interest expense	-6.7	-4.0
Income tax expense	-7.5	-10.9
Profit for the period	21.8	32.9
Other comprehensive income	-0.4	-0.1
Total comprehensive income	21.4	32.8
Dividends received by Corbion	14.3	4.2

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

In December 2021 a dividend of $ 15 million was declared (of which $ 7.5 million to be distributed to Corbion) which was received in 2022. Further, in 2022, a dividend of $ 15 million was declared (of which $ 7.5 million to be distributed to Corbion) which was also received in 2022.

14. Other non-current financial assets

	As at 31-12-2022	As at 31-12-2021
Loans granted to joint venture TotalEnergies Corbion bv	64.6	60.7
Long-term tax receivables	32.7	22.9
Other	2.1	11.2
Total	**99.4**	**94.8**

15. Inventories

	As at 31-12-2022	As at 31-12-2021
Raw materials, consumables, technical materials, and packaging	93.7	56.7
Work in progress	17.4	11.2
Finished product	226.8	167.0
Impairment provision	-6.7	-4.9
Total	**331.2**	**230.0**

This increase in inventories is a result of currency effects, higher raw material prices, higher safety stocks, and longer lead times in the supply chain.

16. Receivables

	As at 31-12-2022	As at 31-12-2021
Trade receivables	211.8	164.4
Impairment provision	-1.3	-1.2
Total trade receivables	**210.5**	**163.2**
Other receivables	30.2	39.4
Derivatives	3.7	10.1
Prepayments and accrued income	12.0	8.7
Total other receivables	**45.9**	**58.2**
Total receivables	**256.4**	**221.4**

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 trade receivables (net of impairment provision)

	Total	< 30 days	30-60 days	60-90 days	> 90 days
Sustainable Food Solutions	22.9	15.7	3.2	1.6	2.4
Lactic Acid & Specialties	9.3	6.4	1.3	0.6	1.0
Algae Ingredients	1.7	1.2	0.2	0.1	0.2
Incubator					
Total	**33.9**	**23.3**	**4.7**	**2.3**	**3.6**

Movements in trade receivables impairment provision

	2022	2021
As at 1 January	**-1.2**	**-1.4**
Additions/releases	-0.9	-0.5
Use	0.8	0.8
Exchange rate differences		-0.1
As at 31 December	**-1.3**	**-1.2**

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

17. Cash and cash equivalents

	As at 31-12-2022	As at 31-12-2021
Cash and bank balances	58.2	42.2
Short-term deposits		
Total	**58.2**	**42.2**

There are no significant cash and cash equivalent balances held by the entity that are not available for use by the group.

18. Disposal group held for sale

	As at 31-12-2022	As at 31-12-2021
Property, plant, and equipment		1.1
Total assets 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 item in 2021 relates to a warehouse in Totowa (US) which has been sold in January 2022.

19. Equity

Share capital

As at 31 December 2022, 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 2022	**59,242,792**
As at 31 December 2022	**59,242,792**

Movements in number of shares with dividend rights

	Ordinary shares
As at 1 January 2022	**58,950,269**
Share-based remuneration	62,649
As at 31 December 2022	**59,012,918**

Movements in treasury stock ordinary shares

	Number
As at 1 January 2022	**292,523**
Share-based remuneration	-62,649
As at 31 December 2022	**229,874**

As at 31 December 2022, Corbion had a treasury stock of 229,874 ordinary shares at its disposal with a nominal value of € 0.25 each (representing 0.39% of the total share capital issued). Treasury stock shares have no dividend rights.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Other reserves

	Movements in legal reserves				
	Translation reserve	Hedge reserve	Development costs	Share plan reserve	Total
As at 1 January 2021	**-1.0**	**5.4**	**31.4**	**6.6**	**42.4**
• Net investment hedge					
- Exchange rate differences foreign currency loan	-20.1				-20.1
- Tax effect	5.0				5.0
• Translation difference					
- Foreign group companies	25.4				25.4
- Tax effect	-0.5				-0.5
• Cash flow hedge					
- Fluctuations in fair value derivatives		3.6			3.6
- Tax effect		-0.9			-0.9
• Share-based remuneration charged to result				3.5	3.5
• Share-based remuneration transfers				-3.8	-3.8
• Movement in capitalization of development costs			-0.7		-0.7
As at 31 December 2021	**8.8**	**8.1**	**30.7**	**6.3**	**53.9**
• Net investment hedge					
- Exchange rate differences foreign currency loan	-16.8				-16.8
- Tax effect	4.3				4.3
• Translation difference					
- Foreign group companies	28.2				28.2
- Tax effect	-0.3				-0.3
• Cash flow hedge					
- Fluctuations in fair value derivatives		-7.0			-7.0
- Tax effect		1.7			1.7
• Share-based remuneration charged to result				4.8	4.8
• Share-based remuneration transfers				-3.8	-3.8
• Movement in capitalization of development costs			-3.1		-3.1
As at 31 December 2022	**24.2**	**2.8**	**27.6**	**7.3**	**61.9**

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 2022 amount to € 54.6 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.

Proposed dividend on ordinary shares
For the year 2022, a regular dividend in cash of € 0.56 per ordinary share (2021: € 0.56), in total € 33.0 million (2021: € 33.0 million) will be submitted for approval to the annual General Meeting of Shareholders, to be held on 17 May 2023. Proposed dividends on ordinary shares are subject to approval at the annual General Meeting of Shareholders and are not recognized as a liability as at 31 December.

20. Provisions

	As at 31-12-2022	As at 31-12-2021
Reorganization and restructuring	0.4	0.5
Other	9.5	8.4
Total	**9.9**	**8.9**

Movements in provisions

	Reorganization and restructuring	Other	Total
As at 1 January 2022	**0.5**	**8.4**	**8.9**
Addition charged to result	0.4	1.4	1.8
Release credited to result		-0.3	-0.3
Withdrawal for intended purpose	-0.5	-0.3	-0.8
Exchange rate differences		0.3	0.3
As at 31 December 2022	**0.4**	**9.5**	**9.9**

Other
The other provisions relate mainly to loss-making contracts, legal disputes, and other litigation risks. An amount of € 9.0 million was recorded in other receivables related to expected reimbursement for insurance claims.

21. Long-term employee benefits

	As at 31-12-2022	As at 31-12-2021
Net defined benefit asset	-0.1	-0.5
Net defined benefit liability	2.5	3.7
Other long-term employee benefit commitments	1.5	1.4
Total	**3.9**	**4.6**

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.
- 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 almost entirely 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 the 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.

In 2021, an insurance policy was acquired to fund all the employee benefits in the plan. Corbion retained the legal obligation to pay further amounts if the insurer does not pay the employee benefits specified in the insurance policy.

The average duration of the defined benefit obligation as at 31 December 2022 is 18 years.

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

	2022	2021
Current-service costs	0.5	0.5
Net interest income		-0.1
Total pension costs recognized in income statement	**0.5**	**0.4**
Remeasurements net defined benefit liability		
- Return on plan assets (excluding amounts included in interest income)	35.3	23.8
- Actuarial (gains)/losses arising from changes in demographic assumptions	-3.3	-0.2
- Actuarial (gains)/losses arising from changes in financial assumptions	-36.6	-4.5
- Actuarial (gains)/losses arising from experience adjustments	3.4	1.0
Total pension costs recognized in other comprehensive income	**-1.2**	**20.1**
Total	**-0.7**	**20.5**

Breakdown of the amounts recognized in the statement of financial position

	As at 31-12-2022	As at 31-12-2021
Present value of defined benefit obligations	54.1	92.9
Fair value of plan assets	-51.7	-89.7
Funded status	**2.4**	**3.2**
Restrictions on assets recognized		
Net liability/(asset)	**2.4**	**3.2**

Movements in defined benefit obligation

	2022	2021
As at 1 January	**92.9**	**97.5**
Current-service costs	0.5	0.5
Interest charges	1.7	1.5
Pension payments	-2.4	-10.0
Remeasurement (gains)/losses		
- Actuarial (gains)/losses arising from changes in demographic assumptions	-3.3	-0.2
- Actuarial (gains)/losses arising from changes in financial assumptions	-36.6	-4.5
- Actuarial (gains)/losses arising from experience adjustments	3.4	1.0
Exchange rate differences	-2.1	7.1
As at 31 December	**54.1**	**92.9**

Movements in fair value of plan assets

	2022	2021
As at 1 January	**89.7**	**107.4**
Interest income	1.7	1.6
Pension payments	-2.4	-10.0
Contributions from the employer	0.3	6.7
Remeasurement gains/(losses)		
- Return on plan assets (excluding amounts included in interest income)	-35.3	-23.8
Exchange rate differences	-2.3	7.8
As at 31 December	**51.7**	**89.7**

The return on plan assets (excluding amounts included in interest income) is significantly influenced by the acquired insurance policy in 2021 to fund all the employee benefits in the UK plan. The insurance policy is an exact match of the covered liabilities and is held by the scheme as an asset.

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 31-12-2022	As at 31-12-2021
Bonds	4.8	0.4
Equities	2.7	8.6
Other	44.2	80.7
Total assets	**51.7**	**89.7**

The main weighted average actuarial assumptions

	2022	2021
Discount rate	4.7%	2.0%
Pension growth rate		2.8%

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%	(3.4)	3.9
Pension growth rate	0.50%	-	-

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 € 0.2 million.

22. Deferred tax

Breakdown of deferred tax assets and liabilities

	2022	2021
Deferred tax liabilities	25.4	15.3
Deferred tax assets	-27.3	-13.1
As at 1 January	**-1.9**	**2.2**
Tax charge in income statement	6.2	-1.8
Translation differences foreign group companies	0.8	1.3
Tax charge movements in equity	-5.7	-3.6
As at 31 December	**-0.6**	**-1.9**
Deferred tax liabilities	30.0	25.4
Deferred tax assets	-30.6	-27.3
As at 31 December	**-0.6**	**-1.9**

Breakdown of deferred tax assets and liabilities by type

	As at 31-12-2022		As at 31-12-2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Property, plant, and equipment	-2.0	30.7	-1.3	26.6
Intangible fixed assets	-5.9	15.1	-5.8	13.4
Current assets/liabilities	-23.6	2.0	-19.2	2.2
Tax loss carry forward	-15.0		-17.7	
Provisions	-2.6	0.7	-2.8	
Financial instruments				2.7
	-49.1	**48.5**	**-46.8**	**44.9**
Netting	18.5	-18.5	19.5	-19.5
Total	**-30.6**	**30.0**	**-27.3**	**25.4**

The short-term part of deferred tax assets, after write-down and netting with the short-term part of deferred tax liabilities, amounts to € 5.9 million (2021: € 5.3 million).

Breakdown of deferred taxes due to tax loss carry forward

	As at 31-12-2022	As at 31-12-2021
Total tax loss carry forward	**167.5**	**168.2**
Tax loss carry forward not qualified as deferred tax asset	-113.3	-103.0
Tax loss carry forward qualified as deferred tax asset	**54.2**	**65.2**
Average tax rate	27.7%	27.1%
Deferred tax asset	**15.0**	**17.7**

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

	As at 31-12-2022	As at 31-12-2021
Less than 1 year		
Within 5 years		
Between 5 and 10 years		
10 years or longer		
No expiry date	113.3	103.0
Tax loss carry forward not qualified as deferred tax asset	**113.3**	**103.0**

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

	2022	2021
Property, plant, and equipment	1.7	8.0
Intangible fixed assets	1.0	-3.2
Current assets/liabilities	-3.8	1.7
Tax loss carry forward	3.3	-13.0
Provisions	1.0	0.1
Exchange rate differences loans	3.9	4.5
Financial instruments	-0.9	0.6
Rate changes		-0.5
Total	**6.2**	**-1.8**

23. Borrowings

Non-current borrowings

	Balance sheet value		Effective interest %		Average term in years	
	As at 31-12-2022	As at 31-12-2021	As at 31-12-2022	As at 31-12-2021	As at 31-12-2022	As at 31-12-2021
Private placement	276.5	259.7	2.79	2.84	4.4	5.4
Subordinated loan	99.5	99.4	1.98	1.89	5.6	6.6
Total	**376.0**	**359.1**				
Weighted average			**2.54**	**2.57**	**4.7**	**5.7**

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 (€ 213.2 million) and after five years (€ 162.8 million).

Fair value of the main long-term loans

	Balance sheet value as at 31-12-2022	Fair value as at 31-12-2022	Balance sheet value as at 31-12-2021	Fair value as at 31-12-2021
Private placement	276.5	245.2	259.7	259.1
Subordinated loan	99.5	84.7	99.4	99.8

Current borrowings

	Balance sheet value		Effective interest %	
	As at 31-12-2022	As at 31-12-2021	As at 31-12-2022	As at 31-12-2021
Owed to credit institutions	309.7	74.7	2.86	0.73
Total	**309.7**	**74.7**		

24. Other non-current liabilities

	As at 31-12-2022	As at 31-12-2021
Contingent considerations	14.2	15.0
Deferred considerations	1.6	1.9
Total	**15.8**	**16.9**

25. Other current liabilities

	As at 31-12-2022	As at 31-12-2021
Accruals and deferred income	53.8	43.8
Taxation and social security	9.3	6.6
Contingent considerations	3.5	
Pension liabilities	2.8	1.0
Derivatives		0.6
Other financial accruals	7.1	7.6
Other payables	33.9	38.2
Total	**110.4**	**97.8**

26. Acquisitions and disposals

Acquisition 2021

On 30 June 2021, Corbion acquired certain assets of Granotec Mexico S.A. de C.V., a key player in functional blends for the Mexican bakery and fortification industries. The company is based in Querétaro, Mexico, employs around 60 staff, and operates a production facility and an application and development center.

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

Acquisition figures

	Granotec Mexico
Property, plant, and equipment	0.7
Intangible fixed assets	5.0
Inventories	2.3
Identifiable assets minus liabilities	**8.0**
Cash	9.3
Holdback amounts	1.8
Total consideration	**11.1**
Goodwill arising on acquisition	**3.1**

Goodwill arose in the acquisition of Granotec Mexico as the consideration paid effectively included amounts in relation to the benefit 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 not expected to be deductible for tax purposes. No adjustments were recognized during 2022 for the business combination.

The table below shows the pro-forma result of Corbion if the acquisition had been made as at 1 January 2021.

	Corbion	Pro-forma adjustment full-year effect	Pro forma Corbion
Net sales	1,070.8	3.7	1,074.5
Result after taxes	78.3	0.1	78.4

For the six-month period ended 31 December 2021, the acquisition contributed € 3.8 million in revenue and € 1.3 million in loss to Corbion's results.

Disposal 2021

On 11 January 2021, Corbion reached an agreement to sell its Frozen Dough business, classified as held for sale in the 2020 consolidated financial statements.

	Frozen Dough business
Consideration transferred	
Payment in cash	20.4
Total consideration	**20.4**
Property, plant, and equipment	6.8
Inventories	0.5
Receivables	2.0
Total sold assets	**9.3**
Trade payables	0.7
Total sold liabilities	**0.7**
Gross result from divestment	**11.8**
Consideration received in cash and cash equivalents	20.4
Total consideration received	**20.4**

Acquisitions and disposals 2022

In 2022 no acquisitions or disposals were made.

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 and procurement operate within a framework of policies and procedures which have been approved by the Board of Management, which has overall responsibility for the Group's Risk Management Framework. The Audit Committee oversees the Group's Risk Management Framework. The treasury and commodity risk policies are reviewed at least on an annual basis to ensure the policies are up to date with respect to relevant risks and changing business environment. 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. The Treasury Committee and Commodity Risk Management Committee meet periodically to review treasury and commodity activities and compliance with both policies. The Treasury Committee resides within the finance discipline and is chaired by the CFO. In the Commodity Risk Management Committee, the procurement and finance disciplines are represented, with executive level involvement of the CEO, CFO, and COO.

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.

The USD-denominated US Private Placement is treated as a net investment hedge to partially mitigate the foreign exchange risk when translating the US net assets. 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 if required, mitigation actions are discussed in the Treasury Committee. Currently, no other translation effects than part of the US net asset values are being hedged.

Intercompany financing is denominated in the functional currency of the entity receiving the funding, hence the currency risk is at Corbion group level. According to our treasury policy, currency risks above the threshold are hedged using foreign exchange forward contracts. No hedge accounting is applied and both gains and losses on the derivatives and the foreign currency gains and losses on the intercompany financing positions are recognized as a net position in the income statement as financial income or financial charge.

Transaction risk

The currency transaction risk arises in the course of ordinary business activities when a company trades, borrows, or lends in a currency other than its functional currency. During the time interval between anticipation/commitment and actual payment, exchange rates will fluctuate and the company is exposed to a currency risk. 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. Committed transaction exposures and anticipated transaction exposures with high probability are hedged and included in cash flow hedge accounting. Anticipated transaction exposures with reasonable probability are partially hedged. For practical reasons a threshold is applied per currency and operating company. Group treasury is responsible for monitoring transaction risks and defining the appropriate hedging strategy, which is approved by the Treasury Committee.

Sensitivity analysis of financial instruments to exchange rate changes

The following sensitivity shows the impact of movements in exchange rates on the exchange rate hedging instruments in place as at 31 December 2022. A 10% weakening of the euro against the Japanese yen would decrease the hedge reserve (equity) by € 1.5 million, while the net result would not be impacted. A 10% weakening of the euro against the US dollar would decrease the hedge reserve (equity) by € 1.6 million, while the net result would not be impacted.

Interest rate risk

Interest rate risk is the risk that interest paid or received on loans and cash investments will vary over a period of time as a direct consequence of changes in the level of interest rates. With regard to interest rate risk, group treasury has the objective to reduce the sensitivity of financial income and charge in the income statement and resulting cash flows to interest rate fluctuations, by actively managing this risk. To reduce the sensitivity, Corbion prefers variable/ floating interest rates for short-term (< one year) financing instruments (including short-term drawings), while opting for fixed interest rates for long-term (> one year) financing instruments. As to cap the maximum potential P&L volatility at all times, a threshold is defined for the maximum floating exposure. Interest rate swaps and forward interest rate contracts may be used to adjust the nature of the interest rate and currency of long-term financing to fit the desired risk profile. Interest rate hedging by group treasury requires approval from the Treasury Committee.

Corbion's interest rate risk arises primarily from its debt. Corbion has an interest rate policy aimed at reducing volatility in its interest expense. As at 31 December 2022 long-term debt (€ 376.0 million) is financed at fixed rates (2.54% on average) for a period of on average 4.7 years. Drawings under the revolving credit facility have a floating interest rate for a period shorter than one year. Corbion has two interest rate options in place with a cap of 3% and nominal amount of € 205 million to limit the interest rate risk on the floating debt. The fair value of these options is zero.

Sensitivity analysis to changes in market interest rate
Assuming a constant mix of variable and fixed interest rate instruments, an interest rate increase by 50 basis points versus the rates on 31 December 2022 with all other variables held constant, would have a negative impact on the net result of € 1.6 million and no impact on the equity.

Commodity risk
Commodity risk is the risk of unfavorable changes in commodity prices that may lead to losses in Corbion's profit and loss statement and that can lead to fluctuations in the statement of cash flows. The Commodity Risk Committee establishes the overall risk tolerance framework for Corbion and ensures that the commodity price risk associated with Corbion's business margins is identified, considered, and managed. The main responsibilities of the Commodity Risk Committee are to monitor the price risk exposure of selected commodities (e.g. sugar, corn, wheat, soybean oil, and energy) and key chemicals, to define methodologies, procedures, and systems to control the risks, to select appropriate risk management tools, and to monitor execution of the commodity risk policy by procurement.

Corbion uses commodity derivative contracts to reduce the risk of price fluctuations in the main commodities used, including natural 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 € 3.2 million as at 31 December 2022 (31 December 2021: asset of € 11.2 million). Hedge accounting is applied for the major part of these commodity derivative contracts. More information can be found in the section on hedge transactions.

Sensitivity analysis of financial instruments to commodity price changes
If the market price of the involved commodities would increase by 10%, the related derivative contracts for which no hedge accounting is applied would impact the profit & loss by € 0.3 million.

Liquidity risk
Liquidity risk is the risk of Corbion not being able to obtain sufficient financial means to meet its obligations in time. Liquidity risk management is the most important pillar for the group treasury function of Corbion and therefore the treasury policy defines the active management of the liquidity risk as the primary objective of group treasury, so that at all times the company is able to meet its financial obligations of the whole group in the short and long term. Liquidity risk is managed by ensuring sufficient liquidity capacity through (incoming) cash and cash equivalents and the availability of committed borrowing capacity as well as a solid financial risk profile. Corbion manages liquidity risk by means of cash-flow projections for the short term (daily), medium term (quarterly review for running year) and long term (up to 5 years, bi-annual review).

In 2022, Corbion signed a new 5-year syndicated Revolving Credit Facility (RCF). The new RCF replaced the company's existing RCF, providing liquidity for general corporate purposes and giving Corbion flexibility to fund further business growth. The facility has a 5-year initial termination date extending the maturity to 2027, and provides two additional 1-year extension options. The interest margin grid remains unchanged compared to the previous RCF. The committed credit facilities at Corbion's long-term disposal amounted to € 450 million as at 31 December 2022.

Corbion also has a private placement of $ 295 million and a subordinated private placement of € 100 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 2022				
Private placement	8.5	221.5	85.7	315.7
Subordinated loan	2.0	23.6	84.8	110.4
Owed to credit institutions	313.2			313.2
Lease liabilities	17.4	41.1	29.9	88.4
Contingent considerations	4.3	24.7		29.0
Trade payables	148.3			148.3
Other non-interest-bearing current liabilities	106.9			106.9
Total	**600.6**	**310.9**	**200.4**	**1,111.9**
As at 31 December 2021				
Private placement	8.0	137.7	158.9	304.6
Subordinated loan	2.0	23.9	87.4	113.3
Owed to credit institutions	75.1			75.1
Lease liabilities	15.7	36.0	31.9	83.6
Contingent considerations	3.0	19.8		22.8
Trade payables	128.0			128.0
Other non-interest-bearing current liabilities	97.8			97.8
Total	**329.6**	**217.4**	**278.2**	**825.2**

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

Corporate finance, which is the process of optimizing the capital structure and capital allocation of the group, is an important pillar of the group treasury function within Corbion, as it is closely linked to the management of the liquidity risk. A prudent corporate finance policy and approach aims to maintain sufficient access to liquidity and supports a solid financial risk profile. Corbion's size, geographical presence in different financial markets, financial strength, consolidated cash flow generation, and public share listing gives access to multiple financing instruments. Group treasury is responsible for managing the optimized overall capital structure of the group, which is set by the Treasury Committee, using multiple financing sources (e.g. debt, mezzanine or equity instruments), both at a group level and at an operating company level. Group treasury is responsible for defining the funding requirements and funding strategy of the group, which is reviewed and approved annually by the Treasury Committee.

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).

	2022	2021
Private placement	276.5	259.7
Revolving credit facility	309.7	74.7
Subordinated loan	99.5	99.4
Lease commitments	73.5	69.4
Total financial liabilities part of net debt	**759.2**	**503.2**
Cash and cash equivalents	-58.2	-42.2
Net debt	**701.0**	**461.0**
-/- Subordinated loan	-99.5	-99.4
Covenant net debt for covenant ratio calculation	**601.5**	**361.6**

Reconciliation of liabilities arising from financing activities

	Private placement	Revolving credit facility	Subordinated loan	Leases	Total
As at 1 January 2022	**259.7**	**74.7**	**99.4**	**69.4**	**503.2**
Financing cash flows		236.0			236.0
Repayments				-14.1	-14.1
New lease commitments				14.0	14.0
Exchange rate differences	16.8			4.2	21.0
Other		-1.0	0.1		-0.9
As at 31 December 2022	**276.5**	**309.7**	**99.5**	**73.5**	**759.2**

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 covenant 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 and/or divested 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 2022 as well as in 2021. Corbion targets a Covenant net debt/EBITDA ratio below 2.9x in 2023 and between 1.5x and 2.5x from 2024 onwards.

Ratios at year-end

	2022	2021
Covenant net debt position/covenant EBITDA	3.0	2.6
Interest cover	14.2	14.6

Financial instruments

Corbion is using financial derivatives to control the risks related to fluctuations in foreign currencies, commodities, and interest rates. Only when there is an underlying exposure Corbion will enter into financial derivatives. Hedging instruments need to be approved by the Treasury Committee and hedge accounting is applied where appropriate.

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 2022	Level 1	Level 2	Level 3	Total
Derivatives				
• Foreign exchange contracts		0.5		0.5
• Commodity swaps/collars		3.2		3.2
Financial fixed assets				
• Loans, receivables, and other		96.3		96.3
Interest bearing liabilities				
• Private placement		-245.2		-245.2
• Subordinated loan		-84.7		-84.7
Other (non-)current liabilities				
• Contingent and deferred considerations			-19.3	-19.3
Total		**-229.9**	**-19.3**	**-249.2**

Breakdown fair values of financial instruments

31 December 2022	Balance sheet value	Fair value
Financial fixed assets		
• Loans, receivables, and other	99.4	96.3
Receivables		
• Trade receivables	210.5	210.5
• Other receivables	30.2	30.2
• Prepayments and accrued income	12.0	12.0
Cash		
• Cash other	58.2	58.2
Borrowings		
• Private placement	-276.5	-245.2
• Owed to credit institutions	-309.7	-309.7
• Subordinated loan	-99.5	-84.7
Other non-current liabilities		
• Contingent and deferred considerations	-15.8	-15.8
Non-interest-bearing liabilities		
• Trade payables	-148.3	-148.3
• Other payables	-106.9	-106.9
Other current liabilities		
• Contingent and deferred considerations	-3.5	-3.5
Derivatives		
• Foreign exchange contracts	0.5	0.5
• Commodity swaps/collars	3.2	3.2
Total	**-546.2**	**-503.2**

Fair values are determined as follows:

- As there is no market quotations for the financial fixed assets, the fair value is determined by discounting the future cash flows at the yield curve applicable as at 31 December.
- 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.
- Contingent and deferred considerations are measured on the basis of the present value of the current expected future cash flows.
- 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 € 2.8 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 € 55.5 million.

The amount of € 24.2 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 early 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 31-12-2022	As at 31-12-2021	As at 31-12-2022	As at 31-12-2021
Derivatives receivables/(liabilities) used as hedge instrument in cash flow hedge relations:				
Foreign exchange contracts	0.5	-0.8		
Commodity swaps	4.4	10.1		0.8
Derivatives receivables/(liabilities) used as hedge instrument in fair value hedge relations:				
Commodity swaps	-0.8	-0.2		
Total derivatives in hedge relations	**4.1**	**9.1**		**0.8**
Derivatives receivables/(liabilities) not used in a hedge relation with value change through income statement:				
Commodity swaps	-0.4	0.4		0.1
Total derivatives through income statement	**-0.4**	**0.4**		**0.1**
Total derivatives	**3.7**	**9.5**		**0.9**

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 31-12-2022	Maximum number outstanding as at 31-12-2022	Year of vesting
O. Rigaud	2020	22,260	33,390	2023
	2021	14,722	22,083	2024
	2022	23,323	34,985	2025
	2022	1,487	1,487	2023
E. van Rhede van der Kloot	2020	13,491	20,237	2023
	2021	8,854	13,281	2024
	2022	12,237	18,356	2025
	2022	780	780	2023
Total as at 31 December 2022		**97,154**	**144,599**	

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

	Maximum number outstanding as at 31-12-2021	Maximum number granted in 2022	Vested 2022	Expired 2022	Maximum number outstanding as at 31-12-2022
O. Rigaud	89,730	36,472	19,755	14,502	91,945
E. van Rhede van der Kloot	53,508	19,136	11,553	8,437	52,654
T. de Ruiter	13,277		7,126	6,151	
Total	**156,515**	**55,608**	**38,434**	**29,090**	**144,599**

Breakdown remuneration 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	2022	Base salary 1)	STIP	LTIP	Pension benefits	Other benefits	Termination benefits	
O. Rigaud		860	516	832				2,208
E. van Rhede van der Kloot		583	271	487				1,341
Total Board of Management		**1,443**	**787**	**1,319**				**3,549**

	IAS 24.17 category	Short-term employee benefits		Share-based payments	Post-employment benefits	Other long-term benefits	Termination benefits	Total
Thousands of euros	**2021**	**Base salary [1]**	**STIP**	**LTIP**	**Pension benefits**	**Other benefits**	**Termination benefits**	
O. Rigaud		779	496	542				1,817
E. van Rhede van der Kloot		572	299	391				1,262
Total Board of Management		**1,351**	**795**	**933**				**3,079**

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	**2022**	**2021**
Short-term employee benefits	5,810	5,402
Share-based payments	2,305	2,211
Post-employment benefits	19	15
Other long-term benefits		
Termination benefits [1]		

1 Including excessive levy

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	
Mathieu Vrijsen, Chair (Chair Appointment & Governance Committee / member Remuneration Committee / member Science and Technology Committee)	2022	70	23					93
	2021	70	23					93
Ilona Haaijer, Vice-Chair since 18 May 2022 (Chair Remuneration Committee since 18 May 2022 / member Appointment and Governance Committee since 18 May 2022 / member Audit Committee until 18 May 2022 / member Science and Technology Committee)	2022	56	21					77
	2021	50	17					67
Rudy Markham, Vice-Chair (Chair Remuneration Committee / member Appointment and Governance Committee) until 18 May 2022	2022	23	6					29
	2021	60	16					76
Liz Doherty (Chair Audit Committee / member Sustainability and Safety Committee)	2022	50	22					72
	2021	50	15					65
William Lin (Chair Sustainability and Safety Committee / member Audit Committee) since 18 May 2022	2022	31	12					43
Dessi Temperley (member Audit Committee / member Sustainability and Safety Committee)	2022	50	17					67
	2021	31	6					37
Steen Riisgaard (Chair Science and Technology Committee / member Remuneration Committee / member Appointment and Governance Committee)	2022	50	23					73
	2021	50	23					73
Jack de Kreij (Chair Audit Committee) until 19 May 2021	2021	19	6					25
	Total 2022	**330**	**124**					**454**
	Total 2021	**330**	**106**					**436**

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	
	2022	2021	2022	2021
Sales				
Joint ventures	77.7	85.3	8.4	13.7
Purchases				
Joint ventures	7.8	8.7	0.9	2.3
Others				
Joint ventures				
- Dividend				6.6
- Loans			64.6	60.7

Corbion has an outstanding loan granted to the joint venture TotalEnergies Corbion bv of € 64.6 million with an interest rate of 7.17% and a remaining term of 7 years.

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 144,599 unvested share rights in the company as at 31 December 2022 (2021: 156,515). The nominal amount of the shares which are claimable under unvested share rights equals € 36,150 per that date.

The 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 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.

Share grants before 2020
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, 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 31-12-2021	Allocated in 2022	Vested and expired in 2022	Total as at 31-12-2022
2019	62,786		62,786	
2020	53,627			53,627
2021	40,102		4,738	35,364
2022		55,608		55,608
Total	**156,515**	**55,608**	**67,524**	**144,599**

Valuation model and input variables
The fair value of the non-market-based components of the above-mentioned performance-related shares allocated in 2022 was € 31.84 per share (2021: € 47.54). The fair value of the market-based components of the above-mentioned performance-related shares allocated in 2022 was € 38.79 per share (2021: € 57.06). The fair value of the market-based components is estimated by using the Black & Scholes model and the assumptions set forth below.

	2022	2021
Risk-free interest rate	0.42%	0.00%
Expected dividend gains		
Expected volatility in share price	31%	29%
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 (at maximum)

Year of allocation	Total as at 31-12-2021	Allocated in 2022	Vested and expired in 2022	Total as at 31-12-2022
2019	108,247		108,247	
2020	123,185		4,399	118,786
2021	122,266		24,198	98,068
2022		171,082		171,082
Total	**353,698**	**171,082**	**136,844**	**387,936**

The CFO has 6,019 outstanding shares related to commitment awards. These shares were granted before he was appointed as CFO and are held in a separate blocked account until the end of his employment at Corbion.

30. Off-balance sheet commitments

Capital commitments
The capital expenditure commitments not yet incurred amounted to € 35.4 million for (in)tangible fixed assets as at 31 December 2022 (2021: € 50.7 million).

Contingent commitments

Guarantees
Third-party guarantees amounted to € 5.4 million as at 31 December 2022 (2021: € 3.5 million). No significant future losses are expected from these guarantees.

31. Events after balance sheet date

No significant events occurred between the end of the reporting period and the date that the financial statements were authorized for issue that would affect the ability of users to make proper evaluations and decisions.

Company financial statements

Company statement of financial position

Before profit appropriation, millions of euros	Note	As at 31-12-2022	As at 31-12-2021
Assets			
Financial fixed assets	32	1,249.6	901.1
Deferred tax assets	33	10.2	16.7
Total non-current assets		**1,259.8**	**917.8**
Receivables	34	35.2	85.1
Tax assets		12.3	0.9
Cash and cash equivalents	35	11.7	3.7
Total current assets		**59.2**	**89.7**
Total assets		**1,319.0**	**1,007.5**
Equity and liabilities			
Ordinary share capital		14.8	14.8
Share premium reserve		55.2	55.2
Translation reserve		24.2	8.8
Hedge reserve		2.8	8.1
Development costs reserve		27.6	30.7
Share plan reserve		7.3	6.3
Retained earnings		493.8	430.2
Equity	36	**625.7**	**554.1**
Non-current liabilities	37	376.0	359.1
Total non-current liabilities		**376.0**	**359.1**
Interest-bearing current liabilities	38	309.8	79.5
Non-interest-bearing current liabilities	39	7.5	14.8
Total current liabilities		**317.3**	**94.3**
Total equity and liabilities		**1,319.0**	**1,007.5**

Company income statement

Millions of euros	2022	2021
General and administrative expenses	-7.6	-7.7
Operating result	**-7.6**	**-7.7**
Financial income	44.6	9.4
Financial charges	-30.7	-13.1
Results from subsidiaries and associates	79.6	78.7
Result before taxes	**85.9**	**67.3**
Taxes	4.1	11.0
Result after taxes	**90.0**	**78.3**

Social security included in the income statement is rounded to zero for 2022 as well as 2021.

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. Corbion nv makes use of the option to eliminate intragroup expected credit losses against the book value of loans and receivables from Corbion nv to participating interests, instead of elimination against the equity value/ net asset value of the participating interests. 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.

32. Financial fixed assets

	As at 31-12-2022	As at 31-12-2021
Participations in group companies	1,065.5	776.0
Loans to group companies	117.6	62.6
Loans to related parties	64.6	60.7
Securities	1.9	0.9
Derivatives		0.9
Total	**1,249.6**	**901.1**

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.

	2022	2021
Movements in participations in group companies		
As at 1 January	776.0	706.4
Paid-in capital	209.1	120.8
Result group companies	79.6	78.7
Dividend group companies	-28.2	-135.0
Exchange rate differences	31.6	24.5
Other	-2.6	-19.4
As at 31 December	**1,065.5**	**776.0**

Movements in loans to group companies		
As at 1 January	**62.6**	**38.4**
Exchange rate differences	2.5	1.0
Disbursements	130.9	53.3
Repayments	-78.4	-30.1
As at 31 December	**117.6**	**62.6**

33. Taxes

Reconciliation of result before taxes and tax charge

	2022	2021
Result before taxes	**85.9**	**67.3**
Applicable tax charge at average statutory tax rate	22.1	16.8
Income not subject to tax	-20.5	-19.7
Expenses not deductible for tax purposes	0.9	0.6
Effect of the reversal of tax assets		-7.5
Changes in tax rates		-0.5
Other effects	-6.6	-0.7
Tax charge (income)	**-4.1**	**-11.0**
Average tax rate on operations	**-4.8%**	**-16.3%**

The average statutory tax rate is the Dutch corporate income tax rate of 25.8%.

The results of the participations of Corbion nv resulted in income which is not subject to tax under the provisions of the participation exemption (impact € -20.5 million).

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 (impact € 0.9 million).

The effect of the reversal of tax assets in 2021 was caused by the recognition of a previously unrecognized deferred tax asset which materialized as a result of the sale of a plot of land in the municipality of Breda (impact € -9.3 million), and by the write-off of tax credits which could not be effectively utilized (impact € 1.8 million).

The change in tax rates in 2021 is caused by the increase of the Dutch corporate income tax rate from 25% to 25.8% as per 1 January 2022.

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 € -0.7 million). It also includes a non-cash settlement of a tax payable with a Dutch group company included in the Dutch fiscal unity (impact € -5.9 million).

Deferred tax

	As at 31-12-2022		As at 31-12-2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Tax loss carry forward	8.2		11.9	
Provisions	0.3		0.4	
Current items	1.7		4.4	
Total	**10.2**		**16.7**	

34. Receivables

	As at 31-12-2022	As at 31-12-2021
Owed by group companies	30.1	75.1
Other receivables	5.1	10.0
Total	**35.2**	**85.1**

All other receivables have an estimated maturity shorter than one year. The carrying values of the recorded receivables are a reasonable approximation of their respective fair values, given the short maturities of the positions and the fact that allowances for doubtful debts have been recognized, if necessary.

35. Cash and cash equivalents

The cash and cash equivalents were available and payable without notice in 2022.

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. Non-current liabilities

	As at 31-12-2022	As at 31-12-2021
Owed to credit institutions	276.5	259.7
Subordinated loan	99.5	99.4
Total	**376.0**	**359.1**

See Note 23 and 27 to the consolidated financial statements.

38. Interest-bearing current liabilities

	As at 31-12-2022	As at 31-12-2021
Owed to credit institutions	309.8	74.7
Owed to group companies		4.8
Total	**309.8**	**79.5**

39. Non-interest-bearing current liabilities

	As at 31-12-2022	As at 31-12-2021
Other debts and accruals and deferred income	7.5	14.8
Total	**7.5**	**14.8**

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, six employees were employed by Corbion nv working in the Netherlands during 2022 (2021: six 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 2022	KPMG Other 2022	Total 2022	Total 2021
Audit of the financial statements	824	258	1,082	852
Audit-related services*	108	1	109	87
Non-audit services				
Total	**932**	**259**	**1,191**	**939**

* Mainly relates to assurance report on sustainability

Amsterdam, the Netherlands, 2 March 2023

Supervisory Board
Mathieu Vrijsen, Chair
Ilona Haaijer, Vice-Chair
Liz Doherty
William Lin
Steen Riisgaard
Dessi Temperley

Board of Management
Olivier Rigaud, CEO
Eddy van Rhede van der Kloot, CFO

Making haste to zero waste

Why are we doing it?

"At Araucária, everyone constantly thinks about how we can contribute to a better future. By reducing and reusing the waste we create, we can make a huge impact on our daily lives."
Flávio Ribeiro – ESH Manager

What are we doing?
Our Araucária facility in Brazil produces functional blends that deliver all kinds of benefits in dairy, bakery, and meat applications – especially by extending shelf life and preventing food waste. So, what a 'delicious' coincidence that in 2022, all our 142 colleagues in Araucária accepted the huge challenge of becoming the first Corbion site to achieve Zero Waste Certification "The goal was to find better ways of recycling and reusing our industrial waste instead of sending it to landfill. However, this was easier said than done – because it's around 400 tonnes annually," explains Flavio. "Raw materials, sanitary waste, wooden pallets, food waste, grease and oil…each of these waste streams requires its own license and needs to be tackled separately."

Furthermore, the team couldn't do this alone. For example, due to local regulations, Corbion isn't allowed to compost waste on its own site and therefore had to find reliable partners to help handle our waste streams.

How are we doing?
In 2020, Corbion Araucária sent 87% of its waste to landfill. Today, it reuses or recycles more than 90% of its waste, and this is managed by Corbion continuously and audited annually. Not only is Araucária the first Corbion site to achieve the Zero Waste Certification, it's also the first food company in the entire Paraná state of Brazil to do so. "Next, we want to reduce landfill waste even more to ultimately completely eliminate our waste disposal in landfills," says Flávio. Ultimately, this great achievement is proof that Araucária is not only fully aligned with the Zero Waste International Alliance Guidelines, but also with the wider commitment that Corbion has made to contribute to the UN sustainability goals.

Sustainability Statements

SUSTAINABILITY STATEMENTS

Sustainability statements

Materiality and stakeholder engagement

At Corbion the materiality assessment informs our sustainability strategy as well as the content of our annual report. The outcomes are used to focus our efforts in both areas. We update our materiality analysis at least every three years. The previous materiality assessment was performed in 2020. In 2022, we have updated our materiality assessment taking into account the double materiality approach that underpins the Corporate Sustainability Reporting Directive (CSRD). This means we looked at the topics that represent relevant impacts from our activities, products, and services on the economy, the environment and people and their human rights as well as at topics that have or could have financial effects on Corbion. At the same time, we incorporated the requirements of the new GRI 2021 standard.

Key stakeholder groups	
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 • Authorities • Industry associations	• Knowledge institutes • Multi-stakeholder initiatives • NGOs • Shareholders • Suppliers

An overview of the industry associations in which Corbion participates can be found on our website.

The materiality determination process

1. Identify

In this step, we created a shortlist of relevant topics. We defined a long list of topics based on international sustainability standards (GRI, SASB), 2022 WEF Risk report, benchmarks, impact assessments, and customer questionnaire results. We then validated the list and derived a short list through peer review, media, and internal expert interviews.

2. Assess

We organized a workshop with Corbion's Sustainability Sounding Board (CSSB) consisting of senior representatives from all of Corbion's business units and main business functions and representing all Corbion's key stakeholders. During the workshop the topics on the shortlist were categorized and ranked to understand financial and impact materiality.

3. Prioritize

The workshop results were reviewed and analyzed by Corporate Sustainability to determine a draft list of material topics from both perspectives. Compared to the previous materiality assessment, new topics have occurred, existing ones have been renamed and various were left out, see next paragraph.

This year's list was discussed with and validated by the Executive Committee, resulting in the following final list of material topics.

Topic	Materiality		SDGs
Circular and bioeconomy	●	●	12
Consumer health and food safety	●	●	3
Climate change	●	●	13
Talent attraction and people development	●	●	8
Sustainable agriculture and biodiversity	●	●	2, 15
Diversity, equity, and inclusion	●	●	5
Responsibility sourcing	●	●	8
Employee health and safety	●		8
Product safety and quality		●	3

● (purple) Material from an impact perspective
● (blue) Material from a financial perspective

Changes related to 2021
The topics of talent attraction and people development and diversity, equity, and inclusion scored higher in this year's assessment and are now part of the material topics. The topic responsible business scored lower and is no longer considered material. For consistency and comparability, the related KPIs are still included in the annual report.

Some topics have been left out of the assessment for different reasons. Economic performance is about Corbion's financial performance which is already accounted for in the financial statements. With this assessment we focused on outcomes rather than on enablers. That is why we left out collaboration and partnerships.

Some topics have been renamed. The below table gives and overview:

Old name (2021)	New name (2022)
Safe and healthy working environment	Employee health & safety
Sustainable and responsible agriculture	Sustainable agriculture & biodiversity
Responsible procurement	Responsible sourcing
Innovation for safe, healthy and sustainable food production	Consumer health & food safety
Innovation for circular economy	Circular and bioeconomy
Greenhouse gas emissions	Climate change

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.

Environmental topics

Material theme	Circular and bioeconomy
Definition	Corbion is at the core of the bioeconomy and can impact the development of this economic model. Circularity is key for the success of a sustainable bioeconomy. Corbion is in the position to capitalize on the opportunities that the circular bioeconomy provides. Potential future competition between food and non-food use of resources could become a risk to the business model.
Management Approach	Preserving the planet – Biobased raw materials; Preserving the planet – Zero waste
Boundaries	Corbion's value chain
Link with Advanced 2025 strategy	Preserving the planet
Material theme	**Climate change**
Definition	Corbion is committed to reduce its GHG emissions in line with 1.5°C to prevent increasingly dangerous and irreversible climate change impacts. Climate change could affect Corbion in all areas of business through transition and physical risks. As climate change is driving transformation in our society it also provides opportunities that Corbion could capitalize on.
Management Approach	Preserving the planet – Climate action
Boundaries	Corbion's value chain
Link with Advanced 2025 strategy	Preserving the planet
Material theme	**Sustainable agriculture & biodiversity**
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 like improved soil health and increased biodiversity. Sustainable agriculture can also help mitigate supply chain risks.
Management Approach	Preserving food and food production – Sustainable agriculture; Preserving the planet – Forests and biodiversity
Boundaries	Corbion's supply chain
Link with Advanced 2025 strategy	Preserving food and food production - Sustainable agriculture; Preserving the planet - Biodiversity

Social Topics

Material theme	Consumer health & food safety
Definition	Corbion's food ingredient solutions support the sustainable production of safe, healthy and affordable food and prevention of food waste along the value chain. Corbion's biomaterials offer a range of products that contribute to the health & safety of patients.
Management Approach	Preserving health – Product quality and safety
Boundaries	Corbion's downstream value chain
Link with Advanced 2025 strategy	Preserving health

Material theme	Talent attraction & people development
Definition	Being able to attract and retain skilled employees is crucial for the successful execution of the ambitions and strategy. To ensure attraction and retention of skilled and motivated employees, Corbion must remain attractive to prospective and current employees through excellent development opportunities and active engagement.
Management Approach	Preserving what matters – Talent attraction and people development
Boundaries	Corbion's own operations
Link with Advanced 2025 strategy	Preserving what matters

Material theme	Diversity, equity & inclusion
Definition	Innovation, creativity and quality results are driven by diverse perspectives. Corbion stimulates the creation of equal opportunities and promotes diversity and inclusion. Discrimination and harassment have no place within Corbion and no one should feel left behind.
Management Approach	Preserving what matters – Diversity, Equity, and Inclusion (DEI)
Boundaries	Corbion's supply chain and own operations
Link with Advanced 2025 strategy	Preserving what matters

Material theme	Employee health & safety
Definition	A healthy and safe working climate leads to healthy and motivated employees. Corbion's goal is to create a safe and healthy workplace. No job is so important that it cannot be done safely or without adverse environmental or communal impact. Our aim is to have zero incidents.
Management Approach	Preserving health – Environment, health, and safety
Boundaries	Corbion's own operations
Link with Advanced 2025 strategy	Preserving health

Material theme	Product safety & quality
Definition	Corbion commits to develop, manufacture, distribute and market safe, sustainable and effective products and solutions throughout the world. Potential product contamination, poor quality, or non-compliance to safety regulations can have a significant impact on reputation, loss of customers, loss of markets, regulatory sanctions or even litigation.
Management Approach	Preserving health – Product quality and safety
Boundaries	Corbion's downstream value chain
Link with Advanced 2025 strategy	Preserving health

EU Taxonomy

The EU taxonomy of sustainable economic activities is a tool to help investors understand whether an economic activity is environmentally sustainable and consistent with high-level policy commitments such as the Paris Agreement.

To classify an activity as 'environmentally sustainable', a distinction between Taxonomy-eligibility and Taxonomy-alignment is required. If an activity meets the description in the EU Taxonomy Delegated Regulations, it is considered Taxonomy-eligible. Activities can be considered 'environmentally sustainable' if the following certain criteria are met (Taxonomy-alignment):

1. Contribute substantially to at least one of six environmental objectives listed in the Taxonomy; and
2. Do no significant harm to any of the other objectives, while respecting basic human rights and labour standards.

The six environmental objectives of the Taxonomy are: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control, and (6) protection and restoration of biodiversity and ecosystems.

Technical screening criteria define the specific requirements and thresholds for an activity to be considered as significantly contributing to a sustainability objective.

A first delegated act on sustainable activities for climate change adaptation and mitigation objectives was published in 2021 and is applicable since January 2022 for disclosures regarding full year 2021. A second delegated act for the remaining objectives is still in development. At this stage, the EU Taxonomy does not yet cover all economic activities.

The tables on the next pages disclose the alignment of Corbion's business activities with the EU Taxonomy, which was determined in two steps. In step one, the economic activities defined in the Climate Delegated Act were screened for applicability to Corbion, to determine which of Corbion's business activities are eligible.

Corbion produces several ingredients that enable its customers to reduce their Scope III GHG emissions. These business activities are considered to be eligible for climate change mitigation because they can be classified as Activity number 3.6, Manufacture of other low carbon technologies. This activity includes technologies that are aimed at and demonstrate substantial life-cycle GHG emission savings compared to the best performing alternative solution available on the market.

The following activities are considered eligible for climate change mitigation:

1. Manufacture of AlgaPrime™ DHA, which is applied in feed for aquaculture, pet food, terrestrials, etc. as alternative for fish oil.
2. Manufacture of lactic acid for the production of PLA bioplastics, as alternative for fossil-based plastics such as polystyrene.

CapEx and OpEx related to Corbion's purchase of output from Taxonomy-eligible economic activities and individual measures enabling target activities to become low-carbon or to lead to greenhouse gas reductions is minimal, and we are currently not able to determine eligibility in this regard with a sufficient level of accuracy. None of Corbion's business activities are considered to be eligible for climate change adaptation.

In 2021, Corbion considered the manufacturing of monocarboxylic acids, carboxylic acids and their derivatives to be eligible because of their association with Activity number 3.14, manufacture of organic basic chemicals, which includes a number of specific chemicals and other chemicals that could be associated with NACE code C20.14 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006. The frequently asked questions (FAQs) document (2022/C 385/01) published on 6 October 2022 however states that the references to NACE codes are only indicative and that the specific activity description in the Climate Delegated Act sets out the exact scope of the activities included in the act. If a NACE code is broader than the activity description, the description prevails over the scope of the NACE code. Based on this clarification, activity 3.14 does not apply to Corbion and has therefore been removed from the 2022 EU taxonomy disclosure.

In step two, compliance with the substantial contribution criteria, the Do No Significant Harm (DNSH) criteria and the Minimum Safeguards was assessed to determine alignment. Alignment with the substantial contribution criteria for climate change mitigation requires demonstration of substantial life cycle GHG emission savings compared to the best performing alternative solution available on the market. In the context of the taxonomy, Corbion interprets life cycle GHG emissions as cradle-to-gate emissions. This choice reflects the activities of the sector manufacturing hence, the activities that Corbion operates and can influence. Corbion manufactures intermediate chemicals, ingredients and solutions with many potential downstream applications and disposal approaches, each with different GHG emissions. In many cases the use and end of life is not known. In this case, the choice of a cradle-to-gate approach is accepted by relevant LCA guidance and standards (WBCSD Chemicals, 2014; European commission, 2021).

For all eligible activities, substantial cradle-to-gate life-cycle GHG emission savings compared to the best performing alternative solution available on the market can be demonstrated based on peer-reviewed LCA studies for Corbion's manufacturing sites and on publicly available data for alternative solutions on the market.

Corbion has performed third party verified LCA for AlgaPrime™ DHA and we have published an article in a scientific peer reviewed journal comparing the GHG emissions for omega-3 DHA to fish oil. This study shows that omega-3 from AlgaPrime DHA have 30-40% lower GHG emissions than omega-3 produced from fish oil. Fish oil is the commercial source of omega-3 available for these applications, therefore considered the best performing alternative. Corbion sells AlgaPrime DHA to customers in the aquaculture feed, pet food, and terrestrial feed sectors as alternative for fish oils, therefore enabling these customers to substantially reduce the GHG emissions in their respective sectors.

Corbion has performed third party verified LCA for the production of PLA bioplastics from lactic acid, which was published in a scientific peer reviewed journal in 2019. Compared to the carbon footprint of fossil-based plastics,* which are the best performing alternatives available on the market, the carbon footprint of PLA based on Corbion's lactic acid is substantially lower (69-78%), which enables plastics users to substantially reduce their Scope 3 GHG emissions by replacing fossil-based plastics with PLA.

* *Polyethylene Terephthalate (PET) (Bottle Grade) CPME (2017). CPME PET manufacturers Europe*
General-Purpose Polystyrene (GPPS) and High-Impact Polystyrene (HIPS) (2012). Plastics Europe
High-density Polyethylene (HDPE), Low-density Polyethylene (LDPE), Linear Low-density Polyethylene (LLDPE) (2014, 2016 update). Plastics Europe

Alignment with the DNSH criteria for climate change adaptation is determined based on a screening for physical risks, a climate risk and vulnerability assessment for the identified risks and an assessment of adaptation solutions for the manufacturing sites of AlgaPrime DHA in Orindiúva, Brazil and of lactic acid for PLA in Rayong, Thailand. Based on the outcome of this analysis, we conclude that the manufacture of AlgaPrime DHA and the manufacture of lactic acid and derivatives meet the DNSH criteria for climate change adaptation.

Alignment with the DNSH criteria for Water, Circular economy, and Biodiversity is determined based on compliance with local laws, the environmental management systems, and ISO certification. Our lactic acid manufacturing site in Rayong, Thailand is ISO 14001 certified and our AlgaPrime DHA manufacturing site in Orindiúva, Brazil is preparing for ISO 14001 certification. Both sites comply with Corbion's waste policy, which aims for the elimination of landfill by 2030 through waste reduction and prioritization of recycling and reuse. AlgaPrime DHA and PLA are 100% biobased and produced from annually renewable agricultural raw materials. None of these manufacturing sites are located near biodiversity-sensitive areas. Based on this, we consider the manufacture of AlgaPrime DHA and of lactic acid for the production of PLA aligned with the DNSH criteria for Water, Circular economy, and Biodiversity.

Alignment with the DNHS criteria for Pollution is determined by assessing the (potential) presence of the hazardous products listed in Appendix C of the Climate Delegated Act. AlgaPrime DHA is produced by fermentation of sugar using algae, followed by minimal downstream processing and formulation steps. Due to the use of certain processing aids, AlgaPrime DHA contains low concentrations of a substance that meets some of the criteria set out in Article 57 of REACH and of a substance that may meet some of the criteria (under assessment authorities). The manufacture of AlgaPrime DHA therefore currently does not meet the DNSH criteria for Pollution. Research to eliminate these substances by the use of alternative processing aids is in progress.

Lactic acid is produced by fermentation of sugar using microbes, followed by downstream processing and product formulation steps to produce many different derivatives. None of the hazardous products listed in Appendix C of the Climate Delegated Act categories a-b-c-d-e-f-g is used as raw material or processing aids. Based on the manufacturing process and the fact that none of the listed substances is used, it is extremely unlikely that any of the substances will appear as impurity in lactic acid and its derivatives. Based on this, we consider the manufacture of lactic acid for the production of PLA aligned with the DNSH criteria for Pollution.

Corbion's global business conduct program, human rights, anti-corruption, taxation, and fair competition policies meet the Minimum Safeguards. See Risk management for details on our global business conduct program, anti-corruption, taxation and fair competition policies and Sustainability performance for more information on human rights & labor practices.

Under the current definitions of the EU Taxonomy, the majority of Corbion's business activities cannot be assessed for alignment, because they are not yet included in the taxonomy and therefore not considered eligible.

Compared to Corbion's SDG assessment, which determines the alignment of Corbion's activities with the UN Sustainable Development Goals, the EU Taxonomy excludes the contribution of biobased chemicals and of food waste reduction to climate change mitigation. In addition, the EU Taxonomy currently only considers environmental objectives. Corbion's SDG assessment also considers social objectives, specifically activities that contribute to SDG 2 Zero hunger, and to SDG 3 Good health and wellbeing.

Revenue taxonomy disclosure

				Sustantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities	code	absolute turnover (Meuro) [1]	Proportion of turnover (%)	climate change mitigation (%)	climate change adaptation (%)	water and marine resources (%)	circular economy (%)	pollution (%)	biodiversity and ecosystems (%)	climate change mitigation	climate change adaptation	water and marine resources	circular economy	pollution	biodiversity and ecosystems	minimum safeguards	taxonomy aligned proportion of turnover, 2022 (%)	taxonomy aligned proportion of turnover, 2021 (%)	Category (enabling activity)	Category (transitional activity)
A. Taxonomy eligible activities																				
A1 Taxonomy aligned																				
Manufacture of other low carbon technologies [2]	3.6	63.7	4.4%	4.4%	0%	n/a	n/a	n/a	n/a	n/a	Y	Y	Y	Y	Y	Y	4.4%	-	E	-
Turnover of taxonomy aligned		63.7	4.4%	4.4%	0%	n/a	n/a	n/a	n/a	n/a	Y	Y	Y	Y	Y	Y	4.4%	-	E	-
A2 taxonomy-eligible but not taxonomy-aligned activities																				
Manufacture of other low carbon technologies [3]	3.6	70.8	4.9%																	
Turnover of taxonomy-eligible but not taxonomy-aligned activities		70.8	4.9%																	
Total (A1+A2) [4]		**134.5**	**9.2%**																	
B. Taxonomy-non-eligible activities																				
Turnover of Taxonomy-non-eligible activities (B)		1,323.4	90.8%																	
Total (A+B)		**1,457.9**	**100.0%**																	

1 *Reported as 'Net sales' in the consolidated income statement*
2 *Net sales of lactic acid produced at Corbion Rayong to TotalEnergies Corbion*
3 *Net sales of AlgaPrime DHA*
4 *Net sales of AlgaPrime DHA and net sales of lactic acid produced at Corbion Rayong to TotalEnergies Corbion. No double counting because only climate mitigation is considered and the activities are geographically separated.*

CapEx taxonomy disclosure

				Sustantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities	code	absolute CapEx (Meuro) 1)	Proportion of CapEx (%)	climate change mitigation (%)	climate change adaptation (%)	water and marine resources (%)	circular economy (%)	pollution (%)	biodiversity and ecosystems (%)	climate change mitigation	climate change adaptation	water and marine resources	circular economy	pollution	biodiversity and ecosystems	minimum safeguards	taxonomy aligned proportion of CapEx, 2022 (%)	taxonomy aligned proportion of CapEx, 2021 (%)	Category (enabling activity)	Category (transitional activity)
A. Taxonomy eligible activities																				
A1 Taxonomy aligned																				
Manufacture of other low carbon technologies 2)	3.6	106.4	43.9%	43.9%	0%	n/a	n/a	n/a	n/a	n/a	Y	Y	Y	Y	Y	Y	43.9%	-	E	-
CapEx of taxonomy aligned		106.4	43.9%	43.9%	0%	n/a	n/a	n/a	n/a	n/a	Y	Y	Y	Y	Y	Y	43.9%	-	E	-
A2 taxonomy-eligible but not taxonomy-aligned activities																				
Manufacture of other low carbon technologies 3)	3.6	19.7	8.1%																	
CapEx of taxonomy-eligible but not taxonomy-aligned activities		19.7	8.1%																	
Total (A1+A2) 4)		126.1	52.0%																	
B. Taxonomy-non-eligible activities																				
CapEx of Taxonomy-non-eligible activities (B)		116.2	48.0%																	
Total (A+B)		**242.3**	**100.0%**																	

1 *Reported under the capital expenditure and acquisition of group companies sections of Property, plant, and equipment, Leases, and Intangible fixed assets in the year.*

2 *CapEx supporting lactic acid sales to TotalEnergies Corbion, consisting of: a) CapEx related to the existing site (Rayong) based on the share of net sales of lactic acid produced at Corbion Rayong to TotalEnergies Corbion and b) CapEx related to the construction of a new site for the expansion of manufacturing capacity of lactic acid for PLA (CapEx plan). The aligned CapEx (€ 106.4 million) is split in the following categories: property, plant and equipment (€ 105.8 million) and capitalized right-of-use assets (€ 0.6 million). Of the aligned property, plant and equipment, € 103.7 million is related to the CapEx Plan. The expected capital expense during the period of the CapEx plan is € 59.6 million and the expected completion is the first quarter of 2024.*

3 *CapEx supporting sales of AlgaPrime DHA. This includes all CapEx at our Orindiúva manufacturing facility.*

4 *CapEx supporting sales of AlgaPrime DHA and sales of lactic acid to TotalEnergies Corbion. No double counting because only climate mitigation is considered, and the activities are geographically separated.*

OpEx taxonomy disclosure

Economic activities	code	absolute OpEx [1)] (Meuro)	Proportion of OpEx (%)	Sustantial contribution criteria: climate change mitigation (%)	climate change adaptation (%)	water and marine resources (%)	circular economy (%)	pollution (%)	biodiversity and ecosystems (%)	DNSH criteria (Does Not Significantly Harm): climate change mitigation	climate change adaptation	water and marine resources	circular economy	pollution	biodiversity and ecosystems	minimum safeguards	taxonomy aligned proportion of OpEx, 2022 (%)	taxonomy aligned proportion of OpEx, 2021 (%)	Category (enabling activity)	Category (transitional activity)
A. Taxonomy eligible activities																				
A1 Taxonomy aligned																				
Manufacture of other low carbon technologies [2)]	3.6	1.72	1.8%	1.8%	0%	n/a	n/a	n/a	n/a	n/a	Y	Y	Y	Y	Y	Y	1.8%	-	E	-
OpEx of taxonomy aligned		1.72	1.8%	1.8%	0%	n/a	n/a	n/a	n/a	n/a	Y	Y	Y	Y	Y	Y	1.8%	-	E	-
A2 taxonomy-eligible but not taxonomy-aligned activities																				
Manufacture of other low carbon technologies [3)]	3.6	11.2	11.6%																	
OpEx of taxonomy-eligible but not taxonomy-aligned activities		11.2	11.6%																	
Total (A1+A2) [4)]		12.84	13.4%																	
B. Taxonomy-non-eligible activities																				
OpEx of Taxonomy-non-eligible activities (B)		82.7	86.6%																	
Total (A+B)		95.6	100%																	

1 *All maintenance costs, non-capitalized leases (excluding depreciation and impairment, including short-term leases), and R&D expenses (excluding amortization and impairment). These costs are part of the costs reported in the consolidated income statement lines Cost of sales, Research and development costs, and General and administrative expenses. Note that the definition given in Annex 1 of the Climate Delegated Act, article 1.1.3 of the regulation is not defined in the international financial reporting standards resulting in potential difficulties in the measurement of the denominator. Further, no reconciliation to the financial statements can be made. Therefore, OpEx related to building renovation measures are not included. Corbion seeks to align the definition to internal reporting to be able to provide transparent and consistent reporting.*

2 *OpEx supporting lactic acid sales to TotalEnergies Corbion based on the percentage of net sales of lactic acid produced at Corbion Rayong to TotalEnergies Corbion. The aligned OpEx (€ 1.7 million) is split in the following categories: Maintenance (€ 1.2 million), lease (€ 0.5 million), there is no OpEx related to the CapEx plan.*

3 *OpEx supporting sales of AlgaPrime DHA based on the percentage of revenues relating to DHA compared to total revenues produced at the Orindiúva site.*

4 *OpEx supporting sales of AlgaPrime DHA and sales of lactic acid to TotalEnergies Corbion. No double counting because only climate mitigation is considered and the activities are geographically separated.*

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. Entities that do not disclose or provide sufficient 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 2018, Corbion started participating in the Forests questionnaire and in 2020 we participated in the Water questionnaire for the first time. Our CDP disclosures on Climate Change and Water are publicly available.

Program	Corbion score	Sector average	Global average
Climate change / General	A-	C	C
Forests / Palm oil	B	C	C
Forests / Soy	B	C	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 2021 EcoVadis CSR assessment, which implies Corbion is in the top 1% of all suppliers in our sector, assessed worldwide. In 2022, Corbion underwent a new EcoVadis CSR assessment. The new rating will be announced in January 2023 and will be based on a revised scoring threshold raised higher by EcoVadis for 2023. Our full EcoVadis sustainability profile and current rating are on Corbion's website.

Sustainability governance

Under the chair 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. Annually, there are two formal meetings with the full Executive Committee to discuss sustainability. Sustainability is integrated into daily operations and decision-making on capital expenditure and innovation projects, mergers and acquisitions, and raw material sourcing, amongst others.

Regarding climate change, a dedicated Climate Change Steering Committee, chaired by the CEO with the CFO, COO, and CSSO as members, meets quarterly. This steering committee oversees Corbion's climate-related risks and opportunities, monitors progress versus targets, and determines whether Corbion's targets are still aligned with the latest science.

Corbion's CO_2-reduction R&D program is managed by the Sustainability Council, led by the CSSO, which includes representatives from Operations, R&D, and Finance. The council is responsible for the management of the stage-gate process and priority setting.

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.

In 2022, we initiated a new Sustainability Reporting Committee composed of cross-functional disciplines to actively address developments regarding existing and emerging regulations concerning climate change and other sustainability-related disclosures. This includes, but is not limited to, the EU Taxonomy, CSRD, TCFD, TNFD, IFRS/ISSB prototype standards, science-based targets, and CDP.

In 2022, the Supervisory Board installed a Sustainability and Safety Committee. Its members are William Lin (Chair), Liz Doherty, and Dessi Temperley. The Sustainability and Safety Committee met three times in 2022 (see the Report of the Supervisory Board for more information).

To reward our employees for their contribution to our sustainability initiative, both the Short-Term Incentive Plan (STIP) and Long-Term Incentive Plan (LTIP) include sustainability targets. One of these targets is the progress toward achieving our science-based target. See the section 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 participating in the STIP and LTIP.

Reporting policy

This annual report has been prepared with reference to the GRI Standards 2021 (see GRI content index). 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 TotalEnergies Corbion 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. Our site in Querétaro, Mexico, which was acquired in 2021, is not yet included in the reporting scope. In 2022, we have updated our policies regarding the inclusion of acquisitions in the reporting scope – starting this year, acquisitions are included after a full reporting year.

Data is collected from various reporting systems. For each KPI, data reporters and data reviewers are designated, 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 the external auditor.

Natural capital

Our environmental policies and the principal environmental risks for our business operations and value chains are described in the Sustainability performance chapter, specifically in the sections on Responsible sourcing, Sustainable agriculture, Forests and biodiversity, Climate action, Water stewardship, and Zero waste. 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*	2022	2021
Production volume √		kT	740	625
Energy √	Electricity (renewable)	GJx10^3	865	667
	Electricity (non-renewable)	GJx10^3	61	178
	Natural gas, purchased steam (non-renewable)	GJx10^3	2,546	2,493
	Biogas, purchased steam (renewable)	GJx10^3	377	359
	Total	**GJx10^3**	**3,849**	**3,697**
Energy intensity √	Total, specific	GJ/T	5.2	5.9
GHG emissions √	Scope I	kT CO_2 equiv	107	106
	Scope II (market-based)	kT CO_2 equiv	35	49
	Scope II (location-based)	kT CO_2 equiv	90	91
	Scope III	kT CO_2 equiv	962	989 [5)]
	Biogenic emissions [1)]	kT CO_2 equiv	91	71
	Scope I, specific	T CO_2 equiv /T	0.14	0.17
	Scope II, specific (market-based)	T CO_2 equiv /T	0.05	0.08
	Scope II, specific (location-based)	T CO_2 equiv /T	0.12	0.15
	Scope III, specific	T CO_2 equiv /T	1.30	1.58 [5)]
Water consumption [2)]√	**Total**	**m3x10^3**	**5,451**	**5,456**
	Total, specific	**m3/T**	**7.37**	**8.72**
Waste (total [3)]) √	Recycled	kT	31.50	22.52
	Incinerated	kT	1.96	1.64
	Landfilled	kT	0.97	1.84
	Total	**kT**	**34.4**	**26.0**
Waste (non-hazardous) √	Recycled	kT	30.41	21.48
	Incinerated	kT	1.83	1.54
	Landfilled	kT	0.96	1.81
	Total	**kT**	**33.20**	**24.83**
Waste (hazardous) √	Recycled	kT	1.09	1.04
	Incinerated	kT	0.14	0.10
	Landfilled	kT	0.01	0.03
	Total	**kT**	**1.24**	**1.17**
By-products [4)] √	Recycled	kT	259	436
	Incinerated	kT	0	0
	Landfilled	kT	7.64	11.59
	Total	**kT**	**267**	**448**

1 *Biogenic emissions mainly relate to indirect emissions from purchased renewable energy and direct emissions from algae fermentation, the consumption of biogas, and waste-water treatment.*
2 *Sum of the water withdrawn from rivers, aquifers, rainwater reservoirs, municipal water supplies, including purchased steam.*
3 *Sum of hazardous and non-hazardous waste. Waste means any substance or object arising from our routine operations that we discard or intend to discard, or are required to discard.*
4 *Valuable by-products generated in the production of lactic acid.*
5 *Restated for comparability to 2022. In 2021, the category Investments was not reported. The restated figure includes emissions from Investments. Not reviewed by external auditor.*

√ = reviewed by external auditor

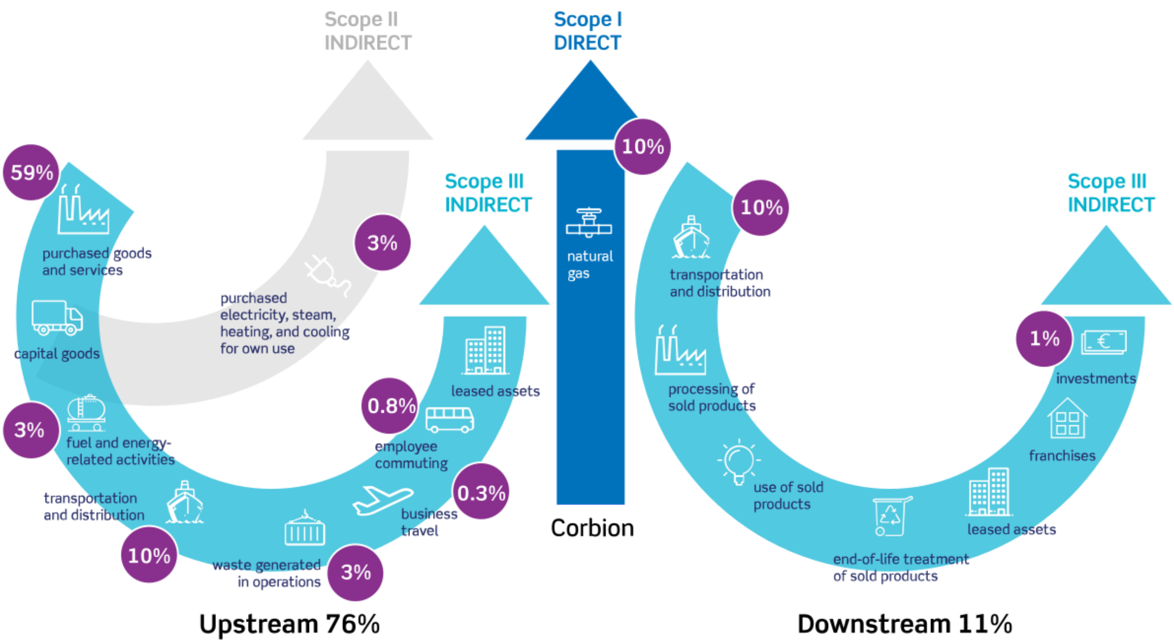
Greenhouse gas emissions

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.

Compared to 2021, our total absolute emissions decreased by 2% while our production volume increased by 18%. Our specific Scope I emissions decreased by 13%. For Scope II, specific emissions decreased by 43%. 10 out of 12* Corbion sites are now 100% powered by renewable electricity, which increases our global coverage to 93%. Our specific Scope III emissions decreased by 18%. Corbion's biogenic emissions are related to the production of algae ingredients at our facility Orindiúva. This includes both direct biogenic emissions during the fermentation process and indirect biogenic emissions related to the renewable energy used. The facility uses renewable electricity and steam generated from the incineration of bagasse at the neighboring sugar mill. These biogenic emissions increased due to the increased production of algae ingredients.

* *Querétaro, Mexico is not included in the 2022 reporting scope.*

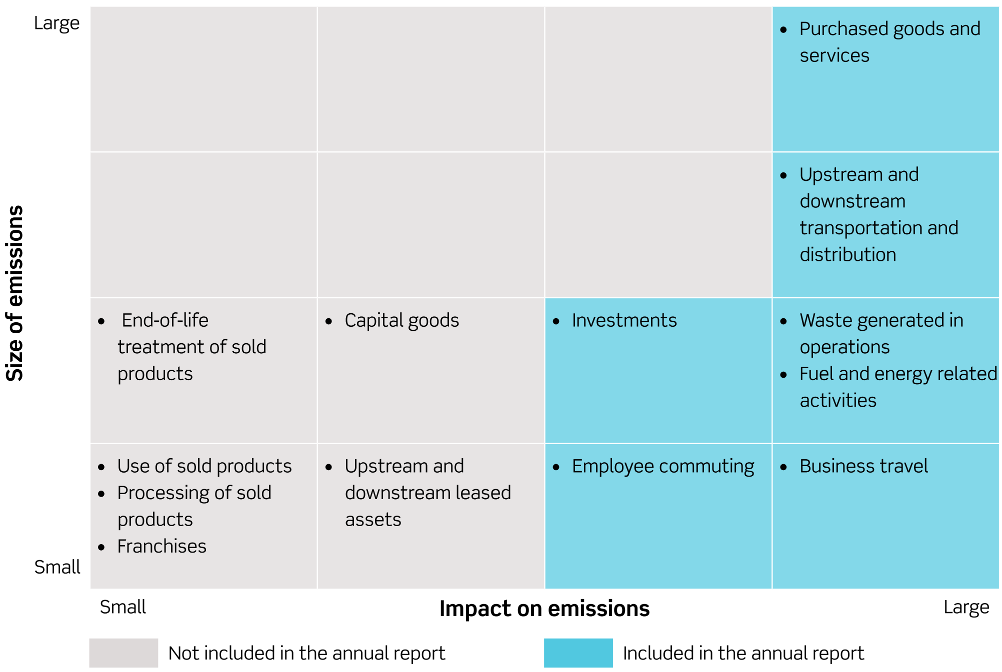
Greenhouse gas emissions in Corbion's value chain



See Materiality of Scope III categories below for an explanation of the relevance of the Scope III categories that are not reported.

Materiality of Scope III categories

The chart below shows which Scope III activities cause the most significant GHG emissions, offer the greatest opportunities for reduction, and are the most relevant to our ambition of reducing our carbon footprint in line with the Paris climate agreement.



Climate-related financial disclosures (TCFD)

The Task Force on Climate-related Financial Disclosures (TCFD) was established to improve transparency on the risks and opportunities related to climate change. TCFD distinguishes between two categories of climate-related risks: (1) risks related to the transition to a lower-carbon economy and (2) risks related to the physical impacts of climate change. Corbion supports the TCFD recommendations and is committed to identifying and addressing both its own impact on the climate and the potential impact of climate-related developments on the company. Climate-related risks are disclosed at three levels of detail. Top risks are addressed in the general risk assessment; more detail on these risks and the scenario analysis process is provided here, in line with the TCFD recommendations, while full detail and initial quantification of climate-related risks and opportunities are disclosed through the CDP questionnaire.

Governance

The governance of climate-related risks and opportunities is described in the section Sustainability governance in this chapter.

Strategy

Our Advance 2025 strategy builds on Corbion's fundamentals and strengths by bringing further focus to the business portfolio in alignment with global megatrends, including climate change. Corbion is very well positioned to support and leverage the transition to a low-carbon economy. Examples of how we will benefit from the associated opportunities are PLA bioplastics (through our joint venture with TotalEnergies) and our Algae Ingredients business unit. We are reducing our exposure to transition risks such as carbon pricing through several GHG reduction initiatives, which is described in more detail in the section Greenhouse gas emissions and renewable electricity in the Sustainability performance chapter. In 2022, we raised our climate ambition to align with 1.5°C. We committed to reducing our absolute Scope

I and II emissions by 38% and our Scope III emissions by 24% per metric ton of product, both compared to 2021. Our new targets have been validated by the Science Based Targets initiative. Corbion is also committed to reaching net zero emissions by no later than 2050. One of our strategies to mitigate the impact of physical risks is the diversification of our primary feedstocks and sourcing locations, amongst others through our *Circular raw materials* R&D program.

Scenario analysis

In 2019, Corbion joined hands with Utrecht University in the Netherlands to initiate a pilot study on the application of scenario analysis for small to medium-sized enterprises. This pilot has now been completed and is briefly summarized below. A full outline of the methodology used can be found in the joint publication in Wiley Business Strategy & the Environment.

In line with the TCFD recommendations we have assessed both transition and physical risks through the evaluation of a transition scenario and physical risk scenario. 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. We performed the scenario analyses for each of our three business units separately, using the same format but tailoring the scenarios to cover topics, events, and geographical regions relevant specifically to that business unit.

Key assumptions for the transition scenario included a carbon price ranging from € 50 - € 150/t CO_2 equivalent, either globally or locally, stricter governmental regulations on different fronts, increasing competition between natural and agricultural lands with, as a consequence, competition between food and non-food crops, and changing consumer preferences.

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 regions with corresponding yield reductions in agricultural areas, supply chain disruptions, and a reduced demand for biobased solutions.

The outcomes of the risk workshops were presented to the Executive Committee. As a follow-up it was decided to improve the quantification of the business continuity and supply chain risks. In order to be able to better quantify these risks we selected a vendor providing a climate-risk modelling tool. This will help us get insights into the specific climate hazards at our manufacturing sites in the different IPCC climate scenarios. These climate hazards include flooding, precipitation, and heat stress and the assessment includes a quantification of the impact of these hazards on specific crop yields. In 2023, we plan to integrate this into the business continuity assessments at site level and improve the quantification of the impact of these climate hazards.

Risk management

Corbion acknowledges climate change as a key strategic risk and, therefore, it is included in the overall risk management process. On top of this, specific risks are addressed on a case-by-case basis and climate change is considered a driver in several "regular" business risks. For more detail on individual risks please refer to our top risks and CDP response.

In assessing climate-related risks Corbion distinguishes between short-term (<1y), medium-term (1-5y), and long-term (5-15y) risks. The overall expectation is that transition risks are more likely to manifest in the short and medium term, while physical risks become more relevant in the long run. The only short-term risk with a potentially significant impact that has been identified is carbon pricing in the EU. In the medium term no direct risks have been identified, but we are monitoring several emerging risks closely. These include changing consumer behavior, carbon pricing initiatives outside of the EU, the EU carbon border adjustment mechanism, other regulatory developments (e.g., EU Taxonomy, the IFRS/ISSB prototype regulations), energy prices, and raw material pricing. Long-term trends we are monitoring include extreme weather events with the potential to severely disrupt direct operations, supply lines, and raw material availability, as well as chronic shifts in climate patterns that could cause a shift in local raw material availability and pricing.

Metrics and targets

Corbion discloses its Scope I, II, and III GHG emissions (see Sustainability statements/Natural capital/ Greenhouse gas emissions and CDP). In 2022, we committed to reducing our absolute Scope I and II emissions by 38% and our Scope III emissions by 24% per metric ton of product, by 2030, both compared to 2021. Our new targets have been validated by the Science Based Targets initiative. Corbion also aspires to use 100% renewable electricity by 2025, a commitment made through the RE100 initiative. Current use of renewable electricity is 93%. We use internal carbon pricing to manage and understand the financial impact of GHG emissions on our business. Considering the EU ETS forecast scenarios of € 90, € 125, and € 150 per metric ton by 2030, Corbion has introduced a global internal carbon price of € 100 per metric ton for Scope I and II emissions to be included in all investment decisions. In addition, this has been used as a sensitivity in the impairment test, the outcome does not lead to impairments. In conclusion, no material impact was identified for the preparation of the 2022 financial statements.

Human capital

Workforce profile

	FTE of employees 2022	% of workforce 2022	FTE of employees 2021	% of workforce 2021
Total workforce	**2,601**		**2,493**	
By region				
Asia	335	13%	309	12%
EMEA	843	32%	810	33%
Latin America	526	20%	496	20%
North America	897	35%	878	35%
By unit				
Business units	1,125	43%	1,100	44%
Sustainable Food Solutions	*735*	*65%*	*712*	*65%*
Lactic Acid & Specialties	*195*	*18%*	*205*	*19%*
Algae Ingredients	*47*	*4%*		
Incubator			*45*	*4%*
Non-core	*148*	*13%*	*138*	*12%*
CSSO	104	4%	101	4%
Operations	1095	42%	1027	41%
Support functions	277	11%	265	11%
By gender	Number of employees		Number of employees	
Female	768	29%	719	28%
Male	1,867	71%	1,807	72%
By employment contract	Number of employees		Number of employees	
Full time	2,443	93%	2,362	94%
Part time	192	7%	164	6%

GRI content index

Statement of use	Corbion NV has reported the information cited in this GRI content index for the period 1st Jan 2022 to 31st Dec 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location in report	Other locations
GRI 2: General Disclosures 2021	**The organization and its reporting practices**		
	2-1 Organizational details	Cover of the annual report; At a glance; Notes to the company financial statements / General	
	2-2 Entities included in the organization's sustainability reporting	Sustainability statements / Reporting policy	
	2-3 Reporting period, frequency, and contact point	Cover of the annual report; Back of the annual report / Contact information	
	2-4 Restatements of information	Our performance / Sustainability performance indicators; (if any) Sustainability statements / Natural capital (if any)	
	2-5 External assurance	Sustainability statements / Reporting policy	
	Activities and workers		
	2-6 Activities, value chain, and other business relationships	At a glance	
	2-7 Employees	Sustainability statements / Human capital / Workforce profile	
	Governance		
	2-9 Governance structure and composition	How we safeguard long-term value / Board of Management and Executive Committee; How we safeguard long-term value / Supervisory Board; How we safeguard long-term value / Corporate governance / Structure; Sustainability statements / Sustainability governance	
	2-10 Nomination and selection of the highest governance body	How we safeguard long-term value / Board of Management/ Executive Committee / Composition and appointment; How we safeguard long-term value / Supervisory Board / Composition and appointment; Report of the Supervisory Board / Composition of the Supervisory Board	
	2-11 Chair of the highest governance body	Report of the Supervisory Board / Composition of the Supervisory Board	
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability statements / Sustainability governance	
	2-13 Delegation of responsibility for managing impacts	Sustainability statements / Sustainability governance	
	2-14 Role of the highest governance body in sustainability reporting	Sustainability statements / Sustainability governance; Sustainability statements / Reporting policy	

GRI Standard	Disclosure	Location in report	Other locations
	2-15 Conflicts of interest	How we safeguard long-term value / Board of Management/ Executive Committee / Conflict of interest; How we safeguard long-term value / Supervisory Board / Conflict of interest	
	2-16 Communication of critical concerns	How we safeguard long-term value / Control environment / Business conduct/compliance / Speak Up channels	Website / Corbion Speak Up Helpline
	2-17 Collective knowledge of the highest governance body	Report of the Supervisory Board / Committees of the Supervisory Board / Sustainability and Safety Committee	
	2-18 Evaluation of the performance of the highest governance body	Remuneration report / Remuneration Board of Management / Short-Term Incentive Plan; Remuneration report / Remuneration Board of Management / Long-Term Incentive Plan	
	2-19 Remuneration policies	Remuneration report / Remuneration Board of Management / Remuneration policy and its implementation in 2022	
	2-20 Process to determine remuneration	Remuneration report / Remuneration Board of Management / Remuneration policy and its implementation in 2022	
	2-21 Annual total compensation ratio	Remuneration report / Internal pay ratios and five-year performance overview	
	Strategy, policies, and practices		
	2-22 Statement on sustainable development strategy	Who we are and what we do / Our Strategy: Advance 2025	
	2-23 Policy commitments	How we safeguard long-term value / Control environment / Code of Business Conduct and policies	
	2-24 Embedding policy commitments	How we safeguard long-term value / Control environment / Code of Business Conduct and policies; Our performance / Sustainability performance / Business ethics	
	2-25 Processes to remediate negative impacts	Our performance / Sustainability performance / Preserving what matters / Business ethics; How we safeguard long-term value / Control environment / Business conduct/compliance / Speak Up channels	Website / Corbion Speak Up Helpline
	2-26 Mechanisms for seeking advice and raising concerns	How we safeguard long-term value / Control environment / Business conduct/compliance / Speak Up channels	Website / Corbion Speak Up Helpline
	2-27 Compliance with laws and regulations	How we safeguard long-term value / Control environment / Business conduct/compliance	
	2-28 Membership associations	Sustainability statements / Materiality and stakeholder engagement	Website / Memberships of relevant associations and national or international advocacy organizations
	Stakeholder engagement		

GRI Standard	Disclosure	Location in report	Other locations
	2-29 Approach to stakeholder engagement	Sustainability statements / Materiality and stakeholder engagement	
	2-30 Collective bargaining agreements	Sustainability performance / Preserving what matters / Labor practices	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability statements / Materiality and stakeholder engagement	
	3-2 List of material topics	Sustainability statements / Materiality and stakeholder engagement / The materiality determination process	Website / Materiality and stakeholder engagement
Climate change			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our performance / Sustainability performance / Preserving the planet / Climate action	Website / CDP Climate change
GRI 201 - Economic Performance 2016	201-2 Economic performance - indirect economic impacts	Sustainability statements / Climate-related financial disclosures (TCFD)	Website / CDP Climate change
GRI 302 - Energy 2016	302-1 Energy consumption within the organization	Our Performance / Sustainability performance indicators / Preserving the planet; Sustainability statements / Natural capital	Website / CDP Climate change
	302-3 Energy intensity	Sustainability statements / Natural capital	Website / CDP Climate change
	302-4 Reduction of energy consumption	Sustainability statements / Natural capital	Website / CDP Climate change
GRI 305 - Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability statements / Natural capital	Website / CDP Climate change
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability statements / Natural capital	Website / CDP Climate change
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability statements / Natural capital	Website / CDP Climate change
	305-4 GHG emissions intensity	Sustainability statements / Natural capital	Website / CDP Climate change
	305-5 Reduction of GHG emissions	Our performance / Sustainability performance / Preserving the planet / Climate action	Website / CDP Climate change
Responsible Sourcing			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our performance / Sustainability performance / Preserving what matters / Responsible sourcing	Website / Supplier Code; Website / Responsible sourcing; Website / Code of Business Conduct
GRI 308 - Supplier environmental assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Our performance / Sustainability performance / Preserving what matters / Responsible sourcing	
GRI 414 - Supplier social assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	Our performance / Sustainability performance / Preserving what matters / Responsible sourcing	
Own Indicators	Raw materials covered by generic supplier code (%)	Our performance / Sustainability performance / Sustainability performance indicators / Preserving what matters	
	Raw material/supplier combinations with high sustainability risk (%)	Our performance / Sustainability performance / Sustainability performance indicators / Preserving what matters	
	High-risk raw material/ supplier combinations with mitigation plan (%)	Our performance / Sustainability performance / Sustainability performance indicators / Preserving what matters	

GRI Standard	Disclosure	Location in report	Other locations
Circular and bioeconomy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our performance / Sustainability performance / Preserving the planet / Biobased raw materials; Our performance / Sustainability performance / Preserving the planet / Zero waste	
GRI 306 - Effluents and waste	306-2 Waste by type and disposal method	Sustainability statements / Natural capital	
Own Indicators	Biobased raw materials (%)	Our performance / Sustainability performance / Sustainability performance indicators / Preserving the planet	
	Recycled by-products (%)	Our performance / Sustainability performance / Sustainability performance indicators / Preserving the planet	
	Landfill of waste	Our performance / Sustainability performance / Sustainability performance indicators / Preserving the planet	
	Net sales contributing to preserving the planet (SDG 12, 13, 14)	Our performance / Sustainability performance / Sustainability performance indicators / Preserving the planet	
Sustainable agriculture & biodiversity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our performance / Sustainability performance / Preserving food and food production / Sustainable agriculture; Our performance / Sustainability performance / Preserving the planet / Forests and biodiversity	Website / CDP Climate change - Biodiversity module
GRI 308 - Supplier environmental assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Our performance / Sustainability performance / Preserving what matters / Responsible sourcing	
Own Indicators	Verified responsibly sourced cane sugar (%)	Our performance / Sustainability performance / Sustainability performance indicators / Preserving food and food production	
	Verified deforestation-free key agricultural raw materials (%)	Our performance / Sustainability performance / Sustainability performance indicators / Preserving food and food production	
Employee health & safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our performance / Sustainability performance / Preserving health / Environment, health, and safety	Website / Code of Business Conduct - Health and Safety
GRI 401 - Employment 2016	401-1 New employee hires and employee turnover	Sustainability statements / Human capital / Workforce profile	
GRI 403 - Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Our performance / Sustainability performance / Preserving health / Environment, health, and safety	
	403-2 Hazard identification, risk assessment, and incident investigation	Our performance / Sustainability performance / Preserving health / Environment, health, and safety	
	403-5 Worker training on occupational health and safety	Our performance / Sustainability performance / Preserving health / Environment, health, and safety	
	403-8 Workers covered by an occupational health and safety management system	Our performance / Sustainability performance / Preserving health / Environment, health, and safety	

GRI Standard	Disclosure	Location in report	Other locations
	403-9 Work-related injuries	Our performance / Sustainability performance / Preserving health / Environment, health, and safety	
	403-10 Work-related ill health	Our performance / Sustainability performance / Preserving health / Environment, health, and safety	
Talent attraction & people development			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our performance / Sustainability performance / Preserving what matters / Talent attraction, retention, and people development	
GRI 401 - Employment 2016	401-1 New employee hires and employee turnover	Sustainability statements / Human capital / Workforce profile	
GRI 404 - Training and education 2016	404-2 Programs for upgrading employee skills and transition assistance	Our performance / Sustainability performance / Preserving what matters / Talent attraction, retention, and people development	
Diversity, equity & inclusion			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our performance / Sustainability performance / Preserving what matters / Diversity, Equity, and Inclusion	Website / Inclusion and Diversity Policy; Website / Code of Business Conduct - Inclusion, Diversity and Equal Employment Opportunity; Website / Supplier Code
GRI 405 - Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	Sustainability statements / Human capital / Workforce profile	
Consumer health & food safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our performance / Sustainability performance / Preserving health / Product quality and safety	Website / Global Quality Policy; Website / Supplier Code
GRI 416 - Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Our performance / Sustainability performance / Preserving health / Product quality and safety; Our performance / Sustainability performance / Measuring what matters / Social Value Assessment	Website / Measuring what matters white paper
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Our performance / Sustainability performance / Preserving health / Product quality and safety	
Own Indicators	Net sales contributing to preserving food and food production (SDG 2)	Our performance / Sustainability performance / Sustainability performance indicators / Preserving food and food production	
	Net sales contributing to preserving health (SDG 3)	Our performance / Sustainability performance / Sustainability performance indicators / Preserving health	
Product safety & quality			
GRI 3: Material Topics 2021	3-3 Management of material topics	Our performance / Sustainability performance / Preserving health / Product quality and safety;	Website / Global Quality Policy; Website / Supplier Code
GRI 416 - Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Our performance / Sustainability performance / Preserving health / Product quality and safety; Our performance / Sustainability performance / Measuring what matters / Social Value Assessment	

GRI Standard	Disclosure	Location in report	Other locations
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Our performance / Sustainability performance / Preserving health / Product quality and safety	
Own Indicators	Sites certified according to internationally recognized food safety management system standards	Our performance / Sustainability performance / Sustainability performance indicators / Preserving health	

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.	Corporate 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.	Corporate governance Corbion Code of Business Conduct Corbion Supplier Code Corbion Cane Sugar Code

Taking giant steps to minimize our carbon footprint

Why are we doing it?

“I am a project manager with a passion for sustainability, but also a mum with kids, and I live at sea level. I don’t want to lose our home – and I don’t want the children of the world to lose their home either due to various climate change issues.”

Suzanne Verhoef – Senior Project Manager, R&D

What are we doing?

Perhaps the greatest outcome of the Paris Agreement was providing future direction that we should limit global warming to below 1.5°C by 2030 to avoid the worst climate impacts. It’s an ambitious goal – and one that Corbion is now fully aligned with, having recently decided to raise our ambition level regarding our own emission reduction target. The Paris Agreement, however, has provided little guidance on how to get there. So, how will Corbion reach this goal?

“We have collected the relevant information on our production processes and the products we make,” says Suzanne. “This includes the energy usage and raw materials used – and the projected growth ambitions.” By doing so, we know our footprint of today, and more importantly, our projected emissions over the coming eight years.

To identify opportunities to reduce our carbon footprint, Corbion is conducting ‘deep dives’ at various facilities. For example, by reducing the use of steam in the manufacturing process – and then sharing that knowledge organization-wide. “Longer term, we are also heavily investing in improving our lactic acid production process to lower our footprint even further,” says Suzanne. Corbion is building a new circular lactic plant at our existing site in Rayong, Thailand. It will use state-of-the-art circular technology to reduce cradle-to-gate CO_2 emissions per metric ton of lactic acid by 19% compared to conventional technology. “And besides that, Corbion is working on low-carbon powder production processes and also more sustainable solvent manufacturing.”

How are we doing?

Achieving these ambitious targets won’t happen overnight, but another way of accelerating progress is to look beyond Corbion. “We’re also working even closer with our value chain partners to reduce their own emissions – which of course represent part of Corbion’s overall footprint,” says Suzanne. “Just one example is the soil health program, in which we team up with Cargill and other players across the food industry supply chain to promote adoption of regenerative agriculture practices that lower CO_2 emissions, preserve agricultural productivity, and enable long-term food security.

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 lists 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 and/ or divested 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.
Covenant net debt position	Borrowings (excluding subordinated loans) and lease liabilities less cash and cash equivalents, including third-party guarantees which are required to be included under the debt covenants.
Total net debt position	Borrowings 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, borrowings, lease liabilities, and other non-current 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	2022	2021
Operating result	110.8	82.0
Depreciation, amortization, and impairments	76.4	89.4
EBITDA	**187.2**	**171.4**
Adjustments to EBITDA		
- Sale of Totowa warehouse	-9.7	
- Remeasurement contingent purchase price SB Renewable Oils	2.3	0.2
- Incremental cost as a result of the production outage in our Blair facility	1.7	2.9
- Strategic portfolio optimization Algae and LAS business	1.3	
- Write down receivables as a result of the conflict in Ukraine	0.7	
- Acquisition costs	0.7	0.9
- Sale of a plot of land in the Dutch municipality of Breda	0.2	-18.4
- Recognition of VAT receivable positions in Brazil		-6.1
- Release of milestones as a result of impairment on the Fiberlive development		-5.0
- Insurance proceeds		-2.9
- Settlement tax claim US		1.3
- Restructuring costs		0.8
- Demolition costs		0.6
- Advice costs		0.5
- Sale of Frozen Dough activities		-11.3
- Litigation claims		0.9
Total adjustments to EBITDA	-2.8	-35.6
Adjusted EBITDA	**184.4**	**135.8**
Adjusted EBITDA	184.4	135.8
Cash dividend of joint ventures and associates	14.3	4.3
Annualization effect of newly acquired subsidiaries		0.3
Covenant EBITDA	**198.7**	**140.4**
Adjusted EBITDA (A)	184.4	135.8
Net sales (B)	1,457.9	1,070.8
Adjusted EBITDA margin (A/B)	**12.6%**	**12.7%**
Operating result	110.8	82.0
Adjustments to operating result		
- Adjustments to EBITDA	-2.8	-35.6
- Impairments		25.3
Total adjustments to operating result	-2.8	-10.3
Adjusted operating result	**108.0**	**71.7**
Net result	90.0	78.3
Adjustments to result after taxes		
- Total adjustments to operating result	-2.8	-10.3
- Litigation proceeds in joint ventures		-0.2
- Provision for US tax claim		-0.5
- Tax effects on adjustments	1.5	-7.6
Total adjustments to result after taxes	-1.3	-18.6
Adjusted result after taxes	**88.7**	**59.7**

OTHER INFORMATION

Cash flow from operating activities	39.0	22.4
Cash flow from investment activities	-199.1	-119.4
Free cash flow	**-160.1**	**-97.0**
Equity	625.7	554.1
Borrowings	685.7	433.8
Lease liabilities	73.5	69.4
Other non-current liabilities	15.8	16.9
-/- Cash and cash equivalents	-58.2	-42.2
Capital employed 31/12	**1,342.5**	**1,032.0**
Capital employed end Q4 prior year (A)	1,032.0	818.7
Capital employed end Q1 (B)	1,162.4	891.3
Capital employed end Q2 (C)	1,223.6	923.1
Capital employed end Q3 (D)	1,365.7	1,003.4
Capital employed end Q4 current year (E)	1,342.5	1,032.0
Average capital employed for the year ((A+B)/2+(B+C)/2+(C+D)/2+(D+E)/2)/4)	**1,234.7**	**935.8**
Adjusted operating result	108.0	71.7
Adjusted result from joint ventures and associates	10.9	18.5
Adjusted operating result basis for ROCE (A)	118.9	90.2
Average capital employed for the year (B)	1,234.7	935.8
Return on capital employed (A/B)	**9.6%**	**9.6%**
Borrowings	685.7	433.8
Lease liabilities	73.5	69.4
-/- Cash and cash equivalents	-58.2	-42.2
Total net debt position	**701.0**	**461.0**
Borrowings	685.7	433.8
Lease liabilities	73.5	69.4
-/- Subordinated loan	-99.5	-99.4
-/- Cash and cash equivalents	-58.2	-42.2
Covenant net debt position	**601.5**	**361.6**
Covenant net debt position (A)	601.5	361.6
Covenant EBITDA (B)	198.7	140.4
Covenant net debt position/covenant EBITDA (A/B)	**3.0**	**2.6**
Interest income (Note 7 consolidated financial statements)	-3.4	-1.9
Interest expenses (Note 7 consolidated financial statements)	14.8	9.3
Interest expense on lease liabilities (Note 7 consolidated financial statements)	2.6	2.2
Net interest financial income and charges	**14.0**	**9.6**
Covenant EBITDA (A)	198.7	140.4
Net interest financial income and charges (B)	14.0	9.6
Interest cover (A/B)	**14.2**	**14.6**
Adjusted EBITDA	184.4	135.8

Impact acquisitions and divestments	0.6	4.6
Currency impact	-24.8	6.3
Adjusted EBITDA excluding acquisitions and divestments, at constant currencies	**160.2**	**146.7**
Adjusted EBITDA prior year (A)	135.8	158.8
Adjusted EBITDA excluding acquisitions and divestments, at constant currencies current year (B)	160.2	146.7
Organic EBITDA growth ((B-A)/A)*100%	**18.0%**	**-7.6%**
TotalEnergies Corbion bv		
Operating result	36.0	47.8
Depreciation, amortization, and impairments	6.8	6.8
EBITDA	**42.8**	**54.6**

For organic sales growth reconciliation, reference is made to page 27.

Group structure

As at 31 December 2022

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 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.U.	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
TotalEnergies Corbion bv, Gorinchem	Operating company	50

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 2022 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 2022 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 2022 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 2022 of Corbion N.V. (the Company) based in Amsterdam, the Netherlands. 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 2022;
2. the following consolidated statements for 2022: the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information to the consolidated financial statements.

The company financial statements comprise:

1. the company statement of financial position as at 31 December 2022;
2. the company income statement for 2022; and
3. the notes comprising a summary of the accounting policies and other explanatory information to the company financial statements.

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 designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations, going concern, climate and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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

Information in support of our opinion

Summary

Materiality
• Materiality of EUR 5.8 million
• 5% of Result before taxes

Group audit
• Audit coverage of 98% of total assets
• Audit coverage of 91% of total net sales

Fraud/Noclar, Going concern and Climate related risks
• Fraud and Non-compliance with laws and regulations (Noclar) related risks: we identified management override of controls and revenue recognition, as laid down in the auditing standards, as the presumed fraud risks.
• Going concern related risks: no going concern risks identified.
• Climate related risks: no risk of material misstatement for the financial statements identified.

Key audit matter
• Valuation of the Algae Ingredients business and the related contingent consideration

Opinion
Unqualified

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 5.8 million (2021: EUR 4.75 million). The materiality is determined with reference to result before taxes, resulting in a percentage of 5% (2021: 5% of normalized result before taxes). We consider result before taxes as the most appropriate benchmark because Corbion N.V. is a profit-oriented entity. In certain circumstances it is more appropriate to normalize the result before taxes and therefore for 2021 we used the normalized result before tax as a benchmark, which excluded the effect of the loss-making activities in the Incubator segment.

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 identified during our audit in excess of EUR 275,000 (2021: 235,000) 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 (together the Group). 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 their net sales or total 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 reporting for group audit purposes. Decisive were the size and/or the risk profile of the entities.

On this basis we selected 7 entities (2021: 6 entities) to perform audits for group reporting purposes on a complete set of financial information as well as 2 entities (2021: 2 entities) to perform audit procedures for group reporting purposes on specific items of financial information.

We performed audit procedures ourselves at group level in respect of specific areas such as the annual goodwill 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.

For the residual population not in scope we performed analytical procedures in order to corroborate that our scoping remained appropriate throughout the audit.

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.

The audit coverage as stated in the section summary can be further specified as follows:

Total assets

87%	11%	2%
Audit of the complete reporting package	Audit of specific items	Analytical procedures on residual population

Net sales

83%	8%	9%
Audit of the complete reporting package	Audit of specific items	Analytical procedures on residual population

Audit response to the risk of fraud and non-compliance with laws and regulations

In the Risk Management chapter of the Annual Report, the Board of Management describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations and the Supervisory Board reflects on this.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with the Board of Management, the Supervisory Board and other relevant functions, such as Internal Audit and Legal Counsel.

As part of our audit procedures, we:

- evaluated as to whether integrity and the code of conduct is a topic on the agenda of the Board of Management and the Supervisory Board;
- evaluated the Company's internal policies, controls and procedures such as the Corbion Gifts, Entertainment, and Third-Party Payments Policy;
- assessed other positions held by Board of Management, Executive Committee members and Supervisory Board members and paid special attention to procedures and governance/compliance in view of possible conflicts of interest;
- evaluated investigation reports on indications of possible fraud and non-compliance;
- evaluated correspondence with regulators, if any, as well as legal confirmation letters.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and identified the following areas as those most likely to have a material effect on the financial statements:

- employment and human rights law;
- health and safety law;
- product law, including product safety and product liability claims;
- environmental law;
- anti-bribery and corruption laws and regulations;
- trade sanctions and export controls laws and regulations; and
- data privacy legislation.

We, together with our forensics specialists, evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Based on the above and on the auditing standards, we identified the following presumed fraud risks laid down in the auditing standards, and responded as follows:

- **Management override of controls (a presumed risk)**

Risk:

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- We evaluated the Company's policies and procedures and tested the design and implementation of internal controls that mitigate fraud and non-compliance risks, such as internal controls related to (manual) journal entries.
- We made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.
- We performed a data analysis of high-risk journal entries and evaluated key estimates and judgments for bias by the Company's management, such as Valuation of the Algae Ingredients business and the related contingent consideration, including retrospective reviews of prior year's estimates. Where we identified instances of high risk journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We assessed the post-close adjustments and the appropriateness of the accounting for significant transactions that are outside the component's normal course of business, or are otherwise unusual.
- We incorporated elements of unpredictability in our audit, including extending the cut-off period at year-end for revenue testing.

- **Revenue recognition (a presumed risk)**

Risk:

- Revenue recognition at year-end (cut-off) as revenue might be overstated due to fraud resulting from fraudulent (manual) journal entries at year-end (cut-off).

Responses:

- We tested the design and implementation of the controls set up by management surrounding the determination of the transfer of the control at year-end (cut-off procedures implemented by management) and identifying and testing relevant anti-fraud controls.
- We performed test of details on revenues at year-end (cut-off) by tracing revenues back to underlying details such as invoices, contracts, shipping documents and where and when relevant to debtor payments.
- We assessed credit notes recognized after year-end related to sales transactions recognized in financial year under audit to ensure that revenue was recognized in the appropriate period.
- We assessed the non-routine journal entries posted to revenue to identify unusual or irregular items.

Our evaluation of procedures performed related to fraud and non-compliance with laws and regulations did not result in a key audit matter.

We communicated our risk assessment, audit responses and results to the Board of Management and the Audit Committee of the Supervisory Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The Board of Management has performed its going concern assessment and has not identified any going concern risks. To assess the Board of Management's assessment, we have performed, inter alia, the following procedures:

- we considered whether the Board of Management's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit; and
- we analysed the Company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on the Board of Management's going concern assessment.

Audit response to climate-related risks

The Company has set out its ambitions and commitments relating to climate change in the chapter 'Climate Action' included in section 'Our performance' of the Annual Report. The Company has raised its climate ambition to align with the 1.5 °C increase of the global warming according to the Paris Agreement. As part of its ambition, the Company has committed to reduce its absolute Scope I and II emissions by 38% and the Scope III emissions by 24% per ton of product by 2030, compared to 2021. The Company is also committed to achieve 100% renewable electricity by 2025. On an overall basis, the Company expressed to be committed to reaching net-zero emissions by no later than 2050.

Against the background of the Company's business and operations, management has assessed in detail how climate-related risks, opportunities and the Company's own commitments could have a significant impact on its business or could impose the need to adapt its strategy and operations. Management has considered climate risks as one of their top risks, as described in the 'Risk Management' chapter, included in the 'How we safeguard long-term value' section and the 'Climate-related financial disclosures (TCFD)' chapter in the 'Sustainability Statements' of the Annual Report. More specifically this relates to the impact of physical- and transition risks on the financial statements, such as carbon pricing, changing consumer behaviour, changing regulations, increased intensity and frequency of extreme weather events and chronic climate change, and management concluded no material impact was identified for the preparation of the 2022 financial statements.

As part of our audit we performed a risk assessment of the impact of climate-related risk and the commitments and ambitions made by the Company in respect of climate change on the financial statements and our audit approach. In doing this we performed the following:

— To understand management's processes and assessment, against the background of the Company's business and operations, of the potential impact of climate-related risks and opportunities on the Company's financial statements, we:

- made inquiries with relevant functions, including management and the Sustainability Committee to understand management's risk assessment process as it relates to possible effects of climate change on the financial statements;
- inspected documents such as internal climate-related risk assessments (both on physical and transition risks);
- have inspected minutes of the Executive Committee, Audit Committee and Sustainability Committee relevant for assessing the climate-related risks in the audit; and
- performed an analysis of the external environment and obtained an understanding of relevant sustainability themes and issues, considering the operations and characteristics of the Company.

— We have considered and evaluated climate related fraud risk factors, such as climate related KPIs on reduction of scope 1 and 2 GHG emissions, being linked to board remuneration.

— Used KPMG climate risk experts to assist in the procedures mentioned above and in particular in our understanding of the Company's risk assessment as to how climate-related risks and opportunities may affect the company and its accounting in the current year's financial statements.

Based on the procedures performed we considered whether there is a risk of material misstatement. This was considered in particular for the valuation of non-current assets, amongst others by assessing and challenging management's sensitivity analysis as part of the annual goodwill impairment testing which included an internal carbon price. We concluded that climate related risks have no material impact on the financial statements 2022 and thus no further audit response is considered necessary under the applicable financial reporting framework.

Furthermore we have read the other information presented in the annual report supplementing the financial statements with respect to climate-related risks and considered whether such information contains material inconsistencies with the financial statements or our knowledge obtained through the audit.

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 of the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

Compared to last year the key audit matter with respect to the valuation of capitalized licenses and related development costs not yet available for use is not included, as this specifically relates to impairments that were recorded in the financial year 2021.

Valuation of Algae Ingredients business and the related contingent consideration

Description

In 2019 an impairment 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 identified a trigger to reassess the valuation of tangible fixed assets of the Algae Ingredients business as a result of improved performance of the business and adverse developments in the discount rate. Based on this trigger, management reassessed the recoverable amount of the assets and determined that no additional impairment or a reversal of an impairment was to be recognized in 2022.

The valuation of the tangible fixed assets of 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 and the related contingent consideration.

In particular, management's judgement was required in determining the key assumptions as described in our response.

Our response

We performed, amongst others, the following procedures:

- Evaluated the Company's policies and procedures and test the design and implementation of controls over the impairment analysis for the tangible fixed assets of Algae Ingredients business and the related contingent consideration.
- Evaluated the presence of an impairment (or reversal of an impairment) by comparing the recoverable amount (Value in Use) against the carrying amount of the underlying assets.
- Evaluated 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.
- Assessed the reasonability of the key inputs in the Value in Use calculation, such as the discount rate, the projected cash flows, the perpetual growth rate and market adoption rate of DHA.
- Involved valuation specialists to analyze and evaluate the reasonability of the applied methodology, the mathematical accuracy of the Value in Use calculation and the key assumptions used by the Company by performing sensitivity analyses and sanity checks.
- Evaluated 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.

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 for the Report of the Board of Management and other information.

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 engaged by the General Meeting of Shareholders as auditor of Corbion N.V. on 22 May 2015, as of the audit for the year 2016 and have operated as statutory auditor ever since that financial year.

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 are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in XHTML format, including the (partly) marked-up consolidated financial statements as included in the reporting package by Corbion N.V., complies in all material respects 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 the Board of Management combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF. We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting). Our examination included among others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
- 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 mark-ups 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 the Board of Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Board of Management, under supervision of the Supervisory Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

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 eng_oob_01.pdf (nba.nl) . This description forms part of our auditor's report.

Amstelveen, 2 March 2023

KPMG Accountants N.V.

J. te Nijenhuis RA

Assurance report of the independent auditor

To: the General Meeting of Shareholders and the Supervisory Board of Corbion N.V.

Our conclusion

We have reviewed the selected sustainability indicators as included in the Annual Report 2022 of Corbion N.V. (hereafter: Corbion N.V.) at Amsterdam for the year ended 31 December 2022 (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 reviewed are marked with '√' on pages 35, 36, and 185 of the Annual Report 2022.

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). This engagement is aimed to obtain limited assurance. Our responsibilities in this regard are further described in the 'Auditor's responsibilities' 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). 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 needs to be read and understood together with the reporting criteria. Corbion N.V. 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' included in the chapter 'Sustainability statements' of the Annual Report 2022.

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 N.V. is the parent company of a group of entities. The sustainability information incorporates the consolidated information of this group of entities to the extent as specified in 'Reporting Criteria' section in the 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 information.

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 information to provide a conclusion about the sustainability indicators.

Unaudited and unreviewed corresponding information

For selected sustainability indicators, including the footnote 'Not included in review by external auditor in 2021', no review has been performed on the comparative information for the period 2021. Consequently, these corresponding sustainability indicators and thereto related disclosures for the period 2021 are not part of our conclusion.

Limitations to the scope of our review

The sustainability indicators includes 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 in the sustainability indicators are not part of the sustainability indicators itself as reviewed by us. Therefore, we do not provide assurance on this information.

Our conclusion is not modified with respect to these matters

The Board of Management 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 that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is, amongst other things, responsible for overseeing the Corbion N.V. reporting process.

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 skepticism throughout the review, in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our review included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant societal themes and issues, and the characteristics of the company;
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the sustainability indicators. This includes the evaluation of the results of stakeholder dialogue and the reasonableness of estimates made by the the Board of Management;
- Obtaining an understanding of the reporting processes for the sustainability indicators, including obtaining a general understanding of internal control relevant to our review;
- 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 visits to production

sites in Spain and Thailand are aimed at, on a local level, validating source data end evaluating the design and implementation of internal controls and validation procedures;

- Obtaining assurance information that the sustainability indicators reconciles with underlying records of Corbion N.V.;
- 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 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 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, 2 March 2023

KPMG Accountants N.V.

J. te Nijenhuis RA

OTHER INFORMATION

Five years in figures

Millions of euros	2022	2021	2020	2019	2018
Net sales	1,458	1,071	987	976	897
Operating result	111	82	104	61	88
Adjusted EBITDA [1)]	184	136	159	146	132
Result after taxes	90	78	73	26	54
Earnings per share in euros [2)]	1.53	1.33	1.24	0.44	0.93
Diluted earnings per share in euros [2)]	1.51	1.32	1.23	0.43	0.92
Cash flow from operating activities	39	22	109	114	100
Cash flow from operating activities per ordinary share, in euros [2)]	0.66	0.38	1.85	1.94	1.70
Depreciation/amortization (in)tangible fixed assets	76	64	60	62	42
Capital expenditure on (in)tangible fixed assets	231	165	90	83	58
Adjusted EBITDA margin % [3)]	12.6	12.7	16.1	14.9	14.7
Result after taxes/net sales %	6.2	7.3	7.4	2.6	6.1
Statement of financial position					
Non-current assets	1,051	837	689	719	616
Current assets	596	462	334	327	303
Non-interest-bearing current liabilities	261	228	174	161	140
Covenant net debt position [4)]	602	362	284	303	203
Total net debt position [5)]	701	461	284	303	203
Provisions	44	39	30	28	28
Equity	626	554	516	529	520
Key data per ordinary share					
Number of issued ordinary shares	59,242,792	59,242,792	59,242,792	59,242,792	59,242,792
Number of ordinary shares with dividend rights	59,012,918	58,950,269	58,871,671	58,819,590	58,764,635
Weighted average number of outstanding ordinary shares	58,991,788	58,926,368	58,851,367	58,819,590	58,698,602
Price as at 31 December	31.84	41.44	46.15	28.12	24.46
Highest price in calendar year	42.00	53.60	46.70	29.96	29.74
Lowest price in calendar year	24.34	37.72	22.54	24.26	23.3
Market capitalization as at 31 December	1,879	2,443	2,717	1,654	1,437
Other key data					
Capital expenditure on (in)tangible fixed assets	231	165	90	83	58
Number of employees at closing date (FTE)	2,601	2,493	2,267	2,138	2,040
Equity per share in euros [6)]	10.60	9.40	8.76	9.00	8.85
Regular dividend in euros per ordinary share (reporting year)	0.56	0.56	0.56	0.56	0.56
Ratios					
Covenant net debt position/ Covenant EBITDA [7)]	3.0	2.6	1.7	2.0	1.6
Interest cover [8)]	14.2	14.6	16.5	22.2	25.6
Balance sheet total : equity	1:0.4	1:0.4	1:0.5	1:0.5	1:0.5
Net debt position : equity	1:0.9	1:1.2	1:1.8	1:1.7	1:2.6
Current assets : current liabilities	1:0.9	1:0.6	1:0.6	1:0.9	1:0.7

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 *Covenant net debt position comprises borrowings (excluding subordinated loans) less cash and cash equivalents, including third-party guarantees which are required to be included under the debt covenants.*
5 *Total 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.*

OTHER INFORMATION

6 Equity per share is equity divided by the number of shares with dividend rights.
7 Covenant EBITDA is adjusted EBITDA as defined above, increased by cash dividend of joint ventures received and annualization effect of newly acquired and/or divested subsidiaries.
8 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 absolute cash 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 2022, the dividend proposal is a regular dividend in cash of € 0.56 per ordinary share (2021: € 0.56).

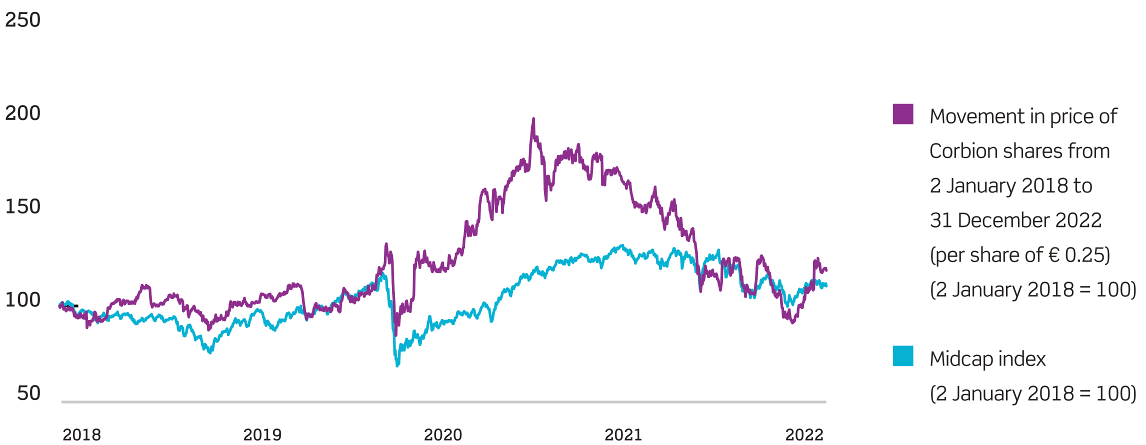
Proposed appropriation of profit

Millions of euros	2022	2021
Result after taxes	90.0	78.3
Proposed addition to the reserves	57.0	45.3
Available for cash dividend to holders of ordinary shares	33.0	33.0
Regular cash dividend of € 0.56 (2021: € 0.56) per ordinary share with a nominal value of € 0.25	33.0	33.0

Share information

	2022	2021	2020	2019	2018
Number of ordinary shares with dividend rights x 1,000 as at 31 December	59,013	58,950	58,872	58,820	58,765
Market capitalization in millions of euros as at 31 December	1,907	2,443	2,717	1,654	1,437
Highest share price	42.00	53.60	46.70	29.96	29.74
Lowest share price	24.34	37.72	22.54	24.26	23.30
Share price as at 31 December	31.84	41.44	46.15	28.12	24.46
Average daily turnover of shares	76,236	91,058	90,628	44,500	86,888

Trends in share price



Financial calendar*

26-Apr-23	Publication of the interim management statement first quarter 2023
17-May-23	Annual General Meeting of Shareholders
19-May-23	Ex date
23-May-23	Record date
30-May-23	Dividend payable for 2022
10-Aug-23	Publication of half-year figures 2023
26-Oct-23	Publication of the interim management statement third quarter 2023
15-May-24	Annual General Meeting of Shareholders

* *Subject to change*

For more information, please contact:

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The Investor Relations and Media sections of the company website contain up-to-date financial information about Corbion.

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Publication date
March 2023