ANNUAL REPORT

2017

Corbion

Keep creating

CONTACT

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

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AT A GLANCE

Corbion is a leading provider of sustainable ingredient solutions in food and biochemicals.

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. We develop sustainable ingredient solutions to improve the quality of life for people today and for future generations. For over 100 years, we have been committed to safety, quality, innovation, and performance. Drawing on our deep application and product knowledge, we work side by side with customers to make our cutting-edge technologies work for them. In manufacturing we have a long history of excellence in sustainable and resource-efficient production processes across four key areas: organic acids, polymers, emulsifiers, and powder technology.

At Corbion, we live our brand promise “Keep creating”, through our science, through a clear understanding of the markets we serve, and of course through our creative people.

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

In 2017, Corbion generated annual sales of € 891.7 million and had a workforce of 1,794 FTE. Corbion is listed on Euronext Amsterdam.

Two lines of business

At Corbion we distinguish between two lines of business, each with a different set of characteristics: Ingredient Solutions (formerly known as Biobased Ingredients) and Innovation Platforms (formerly known as Biobased Innovations). These business units are supported companywide by globally managed R&D, operations, and business support functions.

Ingredient Solutions

Our Ingredient Solutions business unit focuses on our core business: ingredients and solutions for Food and Biochemicals.

Food

We are a global food ingredient solutions supplier for leading food manufacturers. We strive to be the leader in keeping food tasty, fresh, and safe from date of production to day of consumption. With our proven food solutions we enable our customers to make conscious choices, we work side by side to empower them to grow and create affordable food (in the meat, beverage, bakery, confectionery, and dairy markets) that people love and can safely enjoy with their friends and family, just as we enjoy with ours.

Biochemicals

The inherent safety, sustainability, and performance of our products is what sets us apart in biochemicals supported by our continuous drive to find better solutions and new opportunities for our customers. We lead the way in sustainable practices through the use of renewable feedstocks and our rich heritage in lactic acid. This forms the foundation for our biochemical applications in everything from (agro)chemicals, to resin adhesives, electronic components, pharmaceuticals, home and personal care products, and animal health & nutrition. We are constantly exploring opportunities to bring the benefits of our products and solutions to our customers applications.

Innovation Platforms

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

Total Corbion PLA bv, our 50/50 joint venture with Total for the production and marketing of poly lactic acid polymers and lactide, is functionally part of this business unit. Innovation Platforms also comprises our Algae Ingredients business and the succinic acid joint venture with BASF (Succinity). Also included in this business unit are our longer-term development programs such as FDCA, a biobased building block with unique properties in (bio-) polymers and a potential replacement for purified terephthalic acid (PTA), our gypsum-free lactic acid process, and use of alternative feedstocks (lignocellulosic biomass, agricultural residues, waste) to make lactic acid.

EXECUTIVE COMMITTEE

Members of the Executive Committee

From left: to right *Marcel Wubbolts - CTO, Eddy van Rhede van der Kloot - CFO, Andy Muller - EVP Ingredient Solutions, Marc den Hartog - EVP Innovation Platforms, Jacqueline van Lemmen - EVP Operations, Johan van der Hel - EVP Human Resources, Tjerk de Ruiter - CEO*

MESSAGE FROM THE CEO

During this last year of our “Disciplined Value Creation” strategy we continued to work hard on improving our profitability.

We invested in our emulsifier and clean-label technologies, strengthened our salesforce through commercial excellence projects, and optimized our production footprint in the US, allowing us to maintain our market leadership. For our Bakery business, 2017 was a difficult year as our portfolio rationalization affected top-line performance adversely. Despite this headwind we created a strong, profitable company and we are well-positioned to enter the next phase of sales growth and continued value creation for our shareholders. Since 2014 we have made great strides in strengthening Corbion, building one coherent company, and creating value in a disciplined way. We can be proud of the progress we have made. Nevertheless, the one aspect where we have not been able to achieve our goals is top-line growth, which is a cornerstone of our “Creating Sustainable Growth” strategy we presented in November 2017. The aim of this strategy is to be the leading innovator for sustainable ingredient solutions by offering conscious choices to our customers, uniquely tailored to create customer value. We are able to do that from the strong foundation we have created in recent years.

The growing maturity of the projects in our Innovation Platforms business unit required a dedicated position at Executive Committee level, a role Marc den Hartog took on. As a consequence, in April, we further strengthened our Executive Committee with Jacqueline van Lemmen, to succeed Marc in the role of Executive Vice President Operations. Jacqueline’s long track record of successful operational leadership positions combined with her knowledge of biobased processes position her well to take our operations to the next level.

In March of this year, the joint venture Total Corbion PLA officially launched its operations to produce and market poly lactic acid (PLA) polymers. The start-up of operations marked an important milestone for Corbion and for PLA, one of the first renewable polymers able to compete with existing polymers. Total Corbion PLA produced the very first PLA resin in their pilot plant in Thailand just before the end of 2017. Their PLA polymerization plant is planned to become operational for the second half of 2018.

With the acquisition of the assets of TerraVia in September 2017, we welcomed a team of highly dedicated colleagues to the global Corbion family. TerraVia brings us a versatile microalgae-based platform which will enable us to expand into the field of producing through fermentation, specialty lipids and proteins, structured fats, and tailored oils. Its IP portfolio and R&D pipeline, as well as the partnerships with industry leaders, provide high-growth opportunities for many years to come. At the same time, we are of course aware of the challenge of bringing the business from promise to commercial success. Corbion’s more than 80 years of reliably and economically running industrial-scale fermentation plants and producing sustainable ingredient solutions will help us to create successful businesses with the Algae Ingredients platform in the coming years.

Sustainability continues to be a source of pride and purpose for everything we do. Our strategy is aimed at creating value for all stakeholders by growing our business in sustainable ingredient solutions. Having aligned our strategy to the United Nations Sustainable Development Goals (SDGs) we aim to maximize our contribution to Zero hunger (SDG2) and Responsible production and consumption (SDG12). In order to increase the clarity and trustworthiness of our sustainability information, and improve the robustness of the methods used to gather it, we have asked our external auditor to review a selection of sustainability indicators aimed at obtaining a limited level of assurance.

None of the above would be possible without the support of all our stakeholders. We are grateful to our employees for their commitment, energy, and passion and we want to thank our customers, suppliers, partners, and shareholders for their unwavering support.

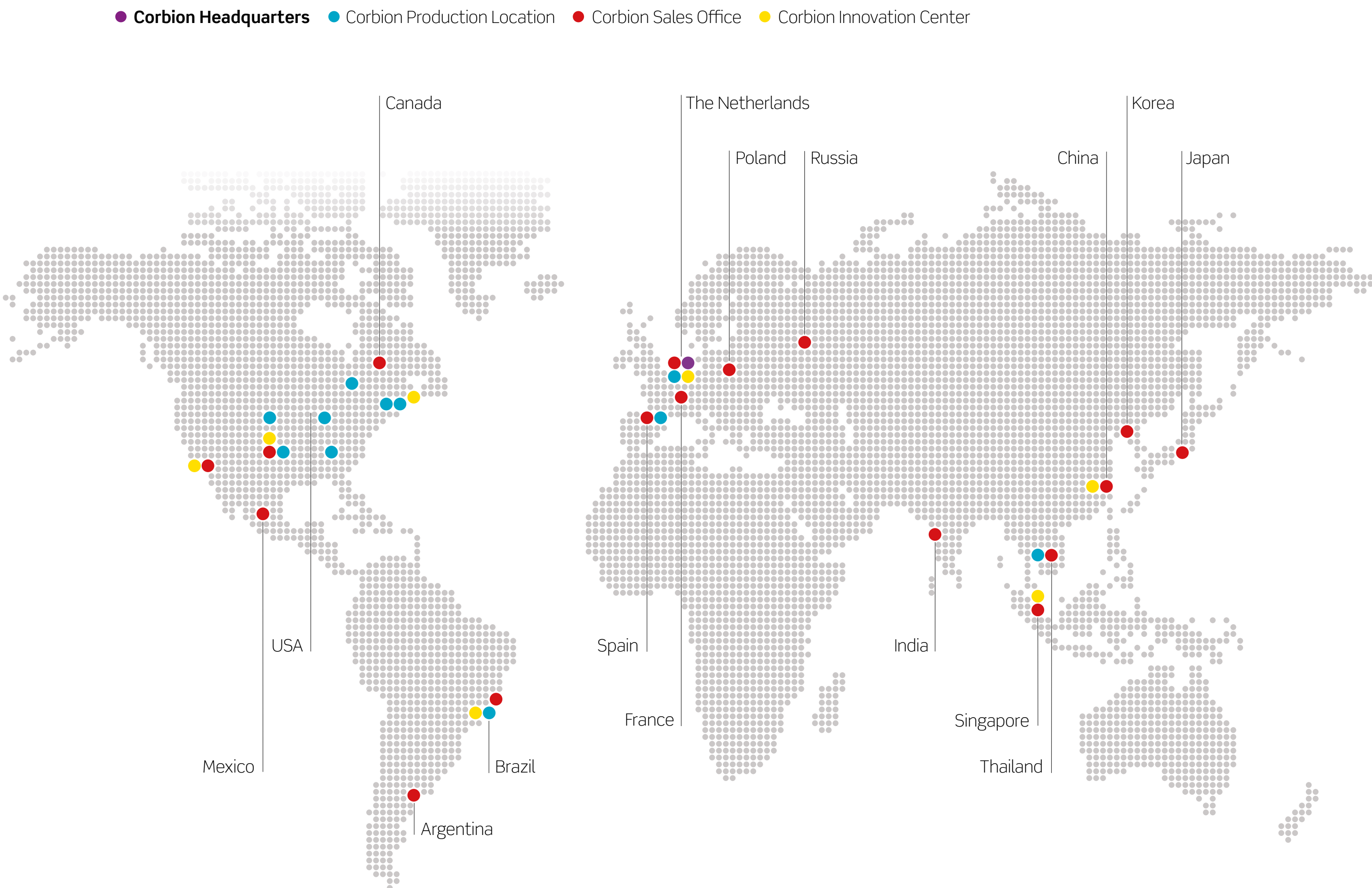
We create Corbion's success together!

On behalf of the Executive Committee

Tjerk de Ruiter

Our global presence

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



COMPANY HIGHLIGHTS

Net sales

Organic sales growth -0.4%

€ 891.7 mln

EBITDA excluding one-off items

Decreased organically by 2.3%

€ 164.1 mln

Free cash flow

Decreased by € 47.9 million

€ 24.2 mln

Balance sheet ratios

Net debt /EBITDA ratio

0.6x in 2016

1.0x EBITDA

Earnings per share

Decreased by 16.1%

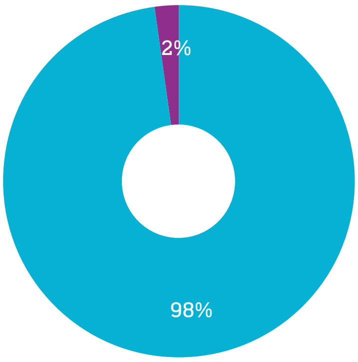
€ 1.46

ROCE excluding one-off items

20.6% in 2016

17.4%

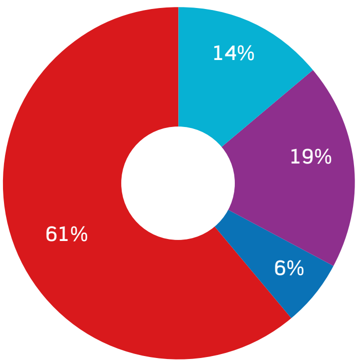
Net sales



By business unit

Ingredient Solutions
€ 870.2 million

Innovation Platforms
€ 21.5 million



By region

Asia
€ 124.9 million

EMEA
€ 169.4 million

Latin America
€ 53.5 million

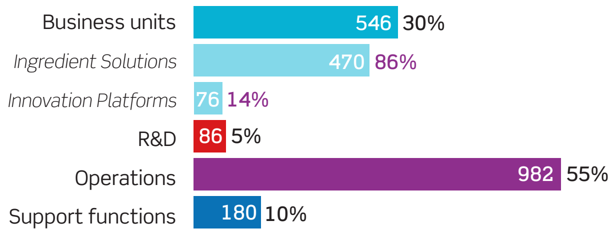
North America
€ 543.9 million

EBITDA excluding one-off items by business unit

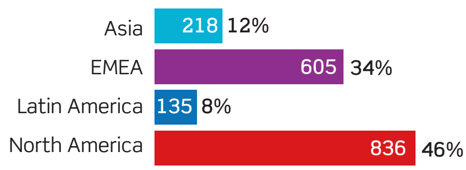
Ingredient Solutions	€ 172.9 million
Innovation Platforms	-€ 8.8 million

Number of employees (FTE)

By unit



By region



Total 1,794

Emissions

Scope I	92	kT CO_2 equiv
Scope II	86	kT CO_2 equiv
Scope III	691	kT CO_2 equiv

REPORT OF THE BOARD OF MANAGEMENT

Corbion
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OUR STRATEGY

Execution of our strategic direction 2015-2018: Disciplined Value Creation

Our “Disciplined Value Creation” strategy for the years 2015-2018 focused on strengthening our core business in ingredients for food and biochemicals (Ingredient Solutions, formerly known as Biobased Ingredients), while leveraging our technology to build new business platforms (Innovation Platforms, formerly known as Biobased Innovations). This has resulted in a strong foundation for the future. Over the past three years we have made strides in strengthening the core and increasing the coherence of our company, while developing into a healthy, profitable business which creates value in a disciplined way.

Over this strategic period we successfully completed our productivity improvement program Streamline, yielding significant savings and margin improvement. With selective investments and new product introductions, we have laid a new foundation for sustainable growth in our food business. For example, we made investments in our lactic acid derivatives technologies, expanded the MaxPro acid powder facility, extended our emulsifier product line with non-PHO solutions and PGME, and added clean-label vinegar products to our meat preservation portfolio. With the creation of the joint venture with Total we have partnered up with a global leader in polymers to accelerate market uptake and de-risked our PLA platform significantly, while securing our leading market position and growth potential in lactic acid for years to come.

Financial performance Disciplined Value Creation 2015-2018

In 2017 we continued to make good progress in executing our strategy, delivering on all our 2015-2018 targets, except for organic sales growth in Ingredient Solutions. This was mostly caused by the Bakery segment where sales growth was negative due to challenges in executing our channel strategy and product rationalization. Growth in the Meat and Biochemicals segments was encouraging. Despite input cost headwinds we maintained a strong EBITDA margin and ROCE. We accelerated our efforts in Innovation Platforms with the establishment of the Total Corbion PLA joint venture, and the acquisition of an algae ingredients platform.

		Target 2014 - 2018	2017
Ingredient Solutions	Organic sales growth	2-4%	0.9%*
	EBITDA margin improvement	>18% (by 2018)	19.9%
	Streamline savings	€ 20M	€ 20M
	ROCE	>15%	26.0%
Innovation Platforms* **	max. EBITDA loss p.a.	€ -14M	€-5.9M
Total company	Capex recurring p.a.	€ 55M	€ 54M**
	Improve FCF	€ -7M (2014)	€ 24.2M (2017)
	Increase gearing (Net debt/EBITDA)	-0.1x (2014)	1.0x (2017)

** CAGR 2014 - 2017*
*** Average 2014 - 2017*
**** Excluding TerraVia*

Strategy update 2018-2021: Creating Sustainable Growth

The world around us

Our updated strategy addresses the global megatrends of population growth, food security, changing values, climate change, and resource scarcity. With our more than 100 years of experience and knowledge in creating innovative solutions for our customers we are well positioned to help address the impact of these trends. This will not only safeguard our commercial future, it will also benefit society at large.

The demographic changes, including a growing middle class and an aging population, translate into a highly individualized and more demanding consumer population with increased awareness of food safety and transparency. Offering conscious consumer choices drives several of our innovation programs, such as clean-label alternatives and antimicrobial solutions. The increased awareness of climate change and resource depletion and the willingness to address those, create a need for our sustainable solutions.
To create a future with sufficient resources for a growing population, the world needs to adopt circular systems, where material flows are recovered and re-used. Corbion's biobased products are inherently circular and critical enablers of the circular economy, as they replenish resources that cannot be re-circulated sustainably.
A sustainable bioeconomy can only be realized if we consider the full value chain, from raw material sourcing to manufacturing, use, and end of life. Our biobased resources depend on agriculture, which is one of the largest contributors to both environmental and social impacts. Farming of sugarcane and oil palm has been linked to a number of serious issues including forced and child labor, hazardous labor conditions, conflict over land rights, loss of biodiversity, and deforestation. Implementation of sustainable agriculture is the only way to maintain economic performance while halting the damage to the environment and farming communities.
With this in mind we have updated our sustainability framework and goals to guide us in the development of new processes and products. The advancements in technology and, more specifically, biotechnology are key drivers for the development of our new platforms as well as new enablers in our continuous improvement programs in R&D and operations where big data and manufacturing intelligence contribute to more efficiency, better insight, and even improved safety performance. In executing our strategy we continue to be guided by our company compass which articulates our vision for the future and the role that Corbion envisions to play.

Strategic initiatives

Our ambition is to be the leading innovator in offering conscious choices for our customers through sustainable ingredient solutions uniquely tailored to create customer value. In order to reach our ambition Corbion has identified several initiatives to realize additional growth, on top of continuation of our current business.

Ingredient Solutions
In our Food business we see a trend of customers reducing their in-house R&D capabilities.
At the same time they are expected to meet swift changes in demand that require adaptation of product formulations and their innovation rates to go up. This creates opportunities for Corbion to enhance our value as a supplier and to partner beyond the mere supply of ingredients. We can thus become a provider of solutions and demonstrate our capabilities to our customers keeping them competitive in the markets they operate in (solutions model).

In Bakery, we will expand the market penetration of our already strong business in North America, by focusing on the fast growing segments of sweet goods, tortillas and foodservice. Additionally we will leverage our bakery knowledge and expertise and expand geographically this business first by going into Latin America.

In Meat, we aim to extend our current position as a leader in preservation to a wider range of solutions to increase our relevance to our customers in that industry. We will do this by gradually extending our toolbox with broader antimicrobial and antioxidant solutions and later focusing more on the overall taste and texture of the finished product. This will be done organically, potentially accelerated by acquisitions that enhance the product portfolio, formulation know how, and manufacturing assets with a first expansion in North America.

We will continue to selectively focus on other segments of the food industry where we have unique products and/or capabilities, such as acid sanding (confectionery), antimicrobial expertise (salad dressings), and fortification knowledge (beverages).

In Biochemicals, we will continue to support industries with our lactic acid and lactic acid derivatives, specifically when we clearly can bring unique products and functionalities to the finished products. We will continue to deliver growth with ongoing projects in Medical Biomaterials, including enforced materials through Fiberlive and controlled drug release through our Medincell joint venture, boosted by new innovations such as the resorbable polymer applications.

Innovation Platforms
Corbion's portfolio comprises various initiatives that are expected to make a meaningful contribution to our sales levels in the near future. Examples include PLA (through our joint venture with Total) and our Algae Ingredients platform that offers a range of oils and fats, of which an essential omega-3 oil is being commercialized under the name of AlgaPrime DHA in a joint venture with Bunge. In addition, our strategic innovation portfolio will continue to focus on programs to develop and commercialize biobased organic acids, such as FDCA and succinic acid, the development of gypsum-free lactic acid, and the use of alternative feedstocks in our processes.

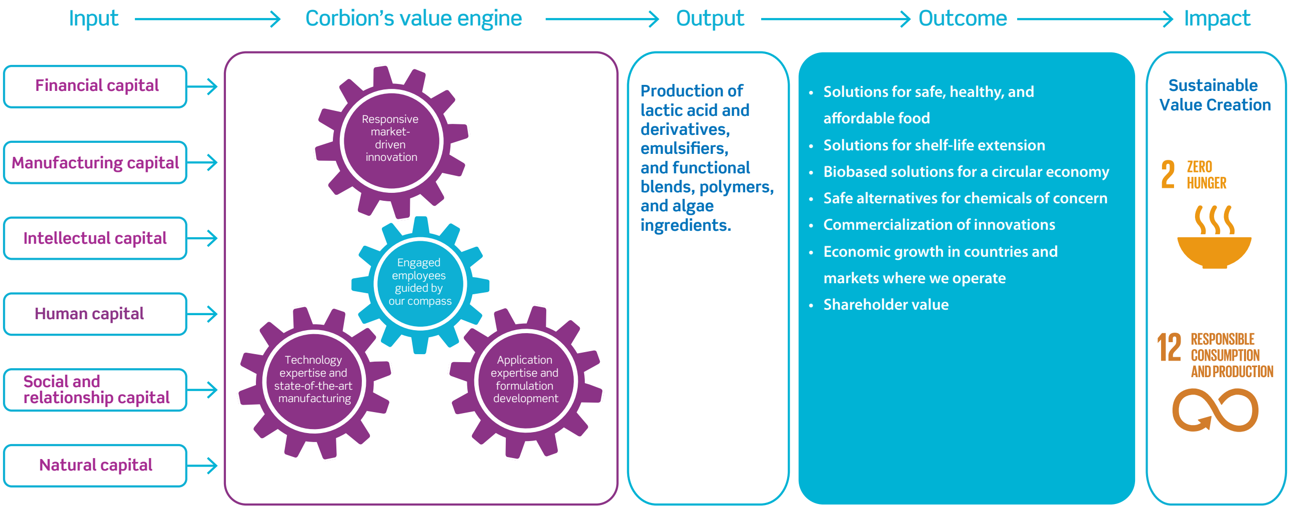
Research and development
In our strategy for 2018-2021 the projected R&D spend is at 4% of net sales (an increase from our current 3% level). Corbion's R&D will adapt to accommodate the solution model. Application development will be stepped up with an increased focus on market needs, co-development with customers, and sales support with the aim of bringing agility and speed to market launches of solutions. A Technology Transfer Group will be created, combining departments from R&D, Innovation Platforms, and Operations to improve technology transfer from R&D to Operations. The Algae Ingredients platform complements our technology, product, and manufacturing platforms and provides an exciting expansion in our innovation pipeline.

Investments over strategy period
With an established leading global position in lactic acid and lactic acid derivatives, it is key to keep our differentiating position. To secure this position, we will make continued investments in our (gypsum-free) lactic acid technology and in technologies to enhance our feedstock flexibility and to be ready for the future availability of next generations of feedstocks, such as second-generation sugars from agricultural residues. Next to that, the projects in Innovation Platforms such as PLA and Algae Ingredients will require further investments.
In Ingredient Solutions we will strengthen our workforce capabilities to enable strategic initiatives, such as the development of the solution model in Food, and continue to deliver on our Medical Biomaterials project in Biochemicals. The strategy period also includes a major investment in a new ERP platform. This investment, together with executing various Excellence Programs, is considered to be essential in increasing the success rate of achieving our strategic objectives.

How Corbion creates value

Our strategy is aimed at creating value for all stakeholders by growing our business in sustainable ingredient solutions and maximize our contribution to zero hunger and responsible production and consumption (SDG2 and 12). The scheme below summarizes Corbion's value creation process and business model. It describes how we create value from financial, manufacturing, intellectual, human, social and relationship, and natural capital, in line with the approach proposed by the International Integrated Reporting Council.

Value creation process



Financial capital

Corbion uses funds from shareholders and banks to create sustainable growth, delivering value for shareholders and economic growth in the countries and markets where we operate.

Manufacturing capital

We have a global supply chain with manufacturing facilities in the US, Thailand, Brazil, the Netherlands, and Spain. We have a global footprint in lactic acid and lactic acid derivatives and a strong presence in North America in emulsifiers and functional blends.

Intellectual capital

Corbion's innovation is driven by customer and industry insights. Using our scientific expertise, we apply these insights to create value by commercialization of our innovative solutions.

Human capital

Our value engine is powered by our employees, who are guided by our purpose, vision, mission, and values – as laid down in Corbion's compass. We are committed to providing a safe and healthy work environment, opportunities for personal growth, and an international-market-competitive remuneration framework. Our sustainable ingredient solutions aim to improve the quality of life for people today and for future generations.

Social and relationship capital

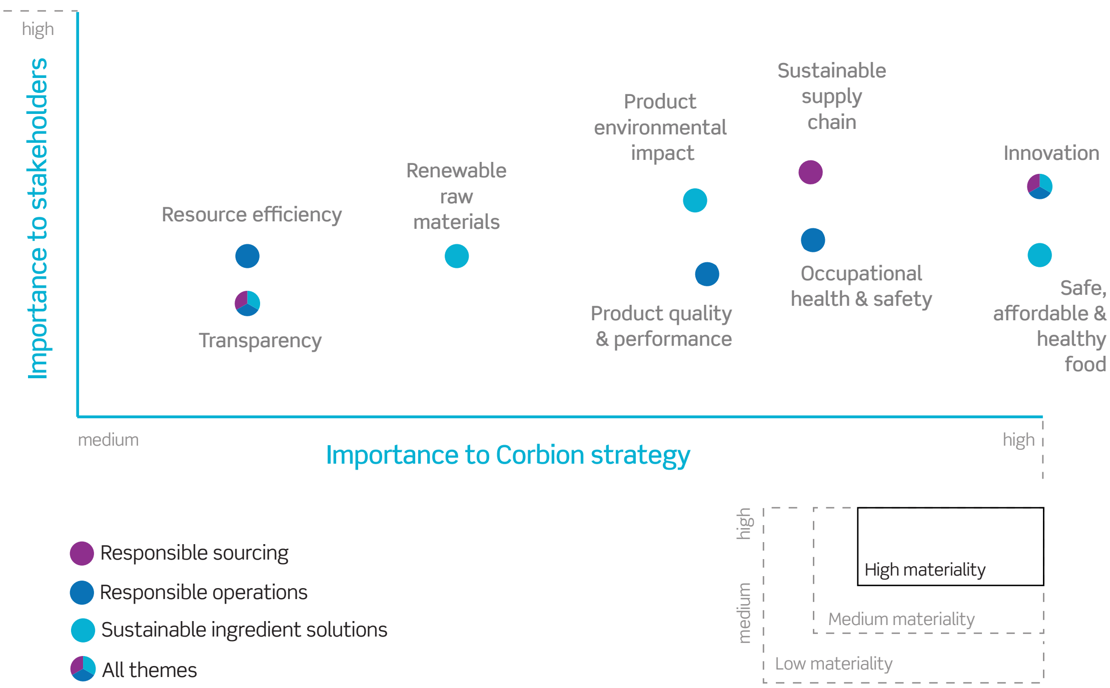
To maintain our social license to operate, good relations with stakeholders are essential, ranging from customers, suppliers, and investors to employees, local communities and authorities. We engage with our stakeholders to understand their expectations and to get feedback on our performance.

Natural capital
We use carbohydrates, fats and oils, other raw materials, and energy as inputs to our value engine. Our products enable the transition to a circular economy and help our customers reduce their environmental impact. To create an overall positive impact on natural capital, we focus on responsible sourcing of our key agricultural raw materials and we have committed to reduce our greenhouse gas emissions in line with climate science to limit global warming to no more than 2 degrees Celcius.

Stakeholder engagement

As part of our strategy update process, we have conducted a stakeholder survey including interviews, to identify topics of concern and set priorities (see Sustainability statements for more details). The materiality matrix visualizes the results of this assessment, by plotting the relevant social, environmental, governance, and economic issues as a function of their importance to stakeholders (vertical axis) and Corbion's strategy (horizontal axis).The picture below shows the upper-right section of Corbion's materiality matrix, highlighting the nine material themes which have a high impact on our strategy and are considered important by the majority of our stakeholders.

Materiality matrix



Sustainability framework

Based on these material themes we have updated our sustainability framework, including our key initiatives, ambitions, and targets. Our updated sustainability framework highlights that Corbion creates solutions to improve the lives of people and reduce the impact on our planet, and that we do this in a responsible way.

We aligned our strategy to the United Nations Sustainable Development Goals (SDGs) and aim to maximize our contribution to Zero hunger (SDG2) and Responsible production and consumption (SDG12). SDG2 or Zero hunger is about food security, improved nutrition, and sustainable agriculture. SDG12 or Responsible production and consumption is about the circular economy and also includes food waste reduction as sub-target.

Sustainability is about the long term health of the business and requires long term thinking. To drive change, breakthrough innovation is required and this can be stimulated by defining visionary goals. We have therefore added 2030 targets to drive this change and improve our positioning as sustainability leader.

Our key sustainability initiatives are responsible sourcing, responsible operations, and sustainable ingredient solutions. Innovation, transparency, and stakeholder engagement are critical enablers ensuring that we make visible progress on our key initiatives and that these initiatives continue to be aligned with stakeholder expectations. Last but not least, engaged employees are essential to make it happen.

Sustainability framework

Ambitions

Responsible sourcing

Create a sustainable supply chain for Corbion's agricultural raw materials.

Responsible operations

Create a zero incident and zero waste Corbion.

Sustainable ingredient solutions

Create solutions based on renewable resources to improve the quality of life for people today and for future generations.

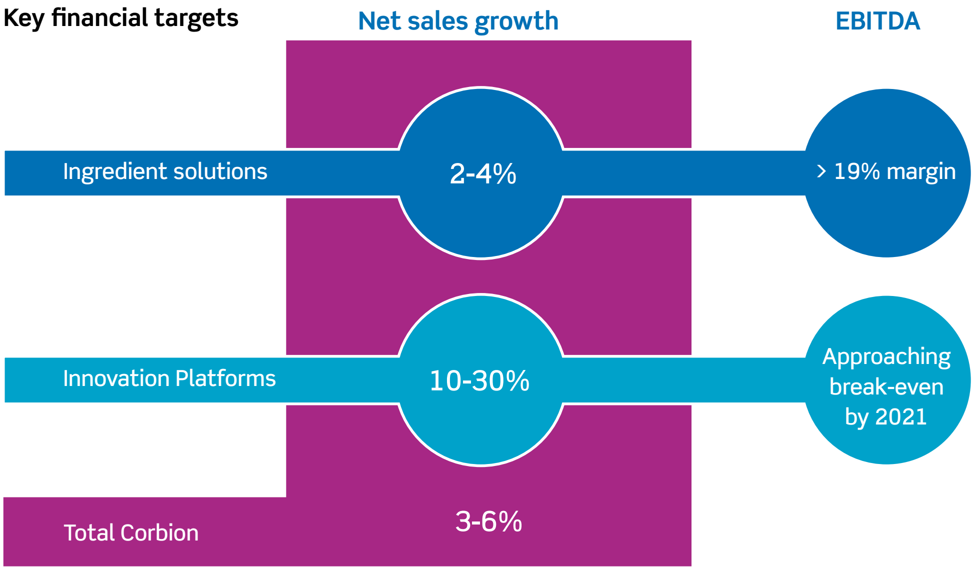
2030 Targets[1)]

Responsible sourcing
100% of key agricultural raw materials responsibly sourced [2) 3)]
Reduce carbon footprint of raw materials and transport in line with the Paris agreement [4)]
Responsible operations
Total Recordable Injury Rate < 0.25 [5)]
Zero waste to landfill
100% renewable electricity
Reduce carbon footprint for Corbion's operations in line with the Paris agreement [4)]
Sustainable ingredient solutions
100% of products with a sustainability value proposition covered by Life Cycle assesment (LCA) and/or social impact assessment

1) Targets based on current manufacturing footprint; to be reviewed in case of acquisitions / major changes
2) % are defined by quantity
3) Responsibly sourced = supplier committed to Corbion's responsible-sourcing code or certified to relevant crop scheme such as RSPO and Bonsucro
4) Corbion has joined the Science Based Targets initiative, and committed to setting carbon footprint targets for our supply chain and own operations aligned with climate science. We will disclose the actual 2030 targets after approval by the Science Based Targets initiative.
5) Total recordable injury rate includes contractors

Guidance for 2018-2021: Creating Sustainable Growth

The new strategy aims to deliver higher organic sales growth of between 3 and 6 percent annually.



- Ingredient Solutions: Net sales growth of 2-4% annually (1-3% in Food, 3-10% in Biochemicals), while maintaining EBITDA margin >19% and ROCE > 20% annually throughout the period. Recurring capital expenditure is expected to be on average € 40 million annually.
- Innovation Platforms: To better reflect the underlying performance, in addition to reporting IFRS figures, disclosure of proportionately consolidated joint venture figures will be provided for net sales and EBITDA. Net sales growth (including proportionately consolidated joint ventures) 10-30% annually. EBITDA (including proportionately consolidated joint ventures) approaching break-even in 2021, while the maximum loss is not expected to exceed € -35 million annually for the years 2018 and 2019. Recurring capital expenditure (including proportionate share in joint venture capex) of € 20-30 million annually.
- Corbion continues to target a net debt/EBITDA ratio of 1.5x over the investment cycle, well below our covenants limit of 3.5x in 2018.
- Progressive regular dividend policy: Ambition to pay out annually a stable to gradually increasing absolute dividend amount per share.
- We aim to create a positive impact by growing our business in sustainable ingredient solutions and maximize our contribution to zero hunger and responsible production and consumption (SDG2 and 12).

What are the Sustainable Development Goals?

The Sustainable Development Goals (SDGs) are a set of 17 global goals that define the 2030 development agenda of the United Nations. They are a global call to action to end poverty, protect the planet, and ensure all people enjoy peace and prosperity. The SDGs challenge companies to align their goals with the international community, which holds enormous potential for positive change.

During our strategy update we have assessed our impact on the SDGs to determine where to focus. Based on this, we selected SDG2 (Zero hunger) and SDG12 (Responsible production and consumption) as the ones where Corbion given its footprint, nature of its business, and environment we operate in, can create maximum impact.

Why are SDG2 and SDG12 relevant for Corbion?

SDG2 or Zero hunger is about food security, improved nutrition, and sustainable agriculture. We contribute to this goal with our food ingredient solutions for shelf-life extension, food safety, and healthier food. Sustainable agriculture is relevant because we rely on agriculture for the production of our renewable raw materials. Our solutions for Agrochemicals also contribute to SDG2.

SDG12 or Responsible production and consumption is about the circular economy and also includes food waste reduction as a sub-target. Our biobased chemicals and materials play a key role in the transition to a circular economy. Our focus on zero waste and energy efficiency in our manufacturing plants, and our gypsum-free technology also contribute to this goal.

- √ End hunger
- √ Food security
- √ Improved nutrition
- √ Sustainable agriculture

- √ Reduce, re-use, and recycle
- √ Circular economy
- √ Reduce food waste
- √ Minimize environmental impact of chemicals

SDG2 targets relevant to Corbion

- End hunger and ensure access by all people to safe, nutritious, and sufficient food all year round (2.1)
- End all forms of malnutrition (2.2)
- Double the agricultural productivity and incomes of small-scale food producers (2.3)
- Ensure sustainable food production systems and implement resilient agricultural practices (2.4)

SDG12 targets relevant to Corbion

- Achieve the sustainable management and efficient use of natural resources (12.2)
- Halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains (12.3)
- Achieve the environmentally sound management of chemicals, and significantly reduce their release to air, water, and soil (12.4)
- Substantially reduce waste generation through prevention, reduction, recycling, and reuse (12.5)

How Corbion contributes

- Extended shelf-life solutions
- Food safety solutions
- Solutions for healthier food
- Solutions for affordable food
- Responsible sourcing
- Solutions for sustainable crop protection
- Development alternative feedstock technology
- Algae-derived alternatives for palm and soy

How Corbion contributes

- Biobased solutions for a circular economy
- Solutions to reduce food waste
- Safe alternatives for chemicals of concern
- Responsible sourcing
- By-product valorization
- Development gypsum-free technology
- Development alternative feedstock technology
- Reduce carbon footprint in line with Paris agreement
- Solutions for aquaculture

We create new ingredients for consumers.

Teresa Chan, Mark Brooks, Janice Wee, Natasha Tia, Bill Creeks, and Jill Kauffman Johnson.

Corbion
Keep creating

At Corbion we're creating a better future together

A real game changer in the oil category... poised to become a staple within consumers' pantries

The team

- Teresa Chan, Regulatory
- Mark Brooks, Commercial Team Lead
- Janice Wee, Scientist
- Natasha Tia, Brand
- Bill Creeks, Logistics
- Jill Kauffman Johnson, Sustainability

The project

Our algae scientific platform allowed us to imagine – what if we could make a truly healthy oil for consumers? Consumer product companies are striving to reduce saturated fats in food formulations as consumers are learning more about the importance of "good" fats in our diets. So, our scientists worked with the algae so it would produce a higher ratio of mono unsaturated fat and less saturated fats. The scientists were successful in producing an oil that had the highest level of mono unsaturated fat of any oil on the market. When replacing saturated fats, mono unsaturated fats are the good fats that can help maintain heart health and healthy blood pressure, as well as helping to maintain healthy blood sugar levels.

The challenge

Algae oil was a new food ingredient to consumers, and brand managers were wary of incorporating a new ingredient in their consumer food products. We wanted to bring the algae oil to life – to put it on store shelves, in consumers' hands and let them see it (no it isn't green) and taste it. Our belief was that when brand managers saw the positive consumer response to algae oil, it would remove a key barrier for them and create an incentive to include algae oil in their products. So we had to change people's interpretation of what algae oil would be, and how it would taste. So far the response has been good, but there is still so much room to grow.

The outcome

Algae oil can now be used as a cooking oil or incorporated into food products to provide better taste, better fat profile, and better shelf life in some cases. We took the bold move to launch a consumer branded product, Thrive® Algae Oil, to help demonstrate to target customer brand managers that consumers will embrace algae oil in their food products. Since our launch in the fall of 2015, we have seen exceptional consumer response in the Western United States.

The experience

To make Thrive® Algae Oil, we start with algae one of nature's first foods and an original source of oils and good fats. Unlike algae typically found in the sea, our algae were originally sourced from the sap of a chestnut tree.

We then looked to nature for the best traits from oil producing plants, like safflower and olive. We add these plant traits to our algae to help make an even better oil that's higher in mono unsaturated and lower in saturated fat.

Our algae are grown in fermenters, just like the kind used for making wine and beer. The algae naturally convert renewable plant sugars to oil in just a few days.

Finally, using the same method as coconut and seed oils, we expeller press the algae to release the oil. The result is an oil with the highest level of good fats and low levels of saturated fats.

The future

Thrive® Algae Oil is a game changer in the oil category and is poised to become a staple within consumers' pantries. We know there is still a long way to go but we are confident that someday it will be in the home of almost everyone for everyday cooking. Since joining Corbion we see so many different opportunities in where we can grow and we're excited to be part of a business that already has over 100 years of experience in food ingredients. We're sure this will help grow our profile.

OUR PERFORMANCE

We want to improve the quality of life for people today and future generations. We do this by developing attractive and profitable solutions with our customers, and engaging with our stakeholders. We measure and report on our financial and sustainability performance.

Financial performance

Key figures

Millions of euros	2017	2016
Net sales	891.7	911.3
Operating result	122.3	126.9
EBITDA excluding one-off items	164.1	170.1
Result after taxes	84.6	103.6
Earnings per share in euros [1)]	1.46	1.74
Diluted earnings per share in euros [1)]	1.44	1.72
Key data per ordinary share		
Number of issued ordinary shares	59,242,792	57,862,037
Number of ordinary shares with dividend rights	58,620,564	57,365,098
Weighted average number of outstanding ordinary shares	58,097,383	58,433,493
Price as at 31 December	27.00	25.43
Highest price in calendar year	29.39	25.65
Lowest price in calendar year	23.15	17.92
Market capitalization as at 31 December [2)]	1,583	1,459
Other key data		
Cash flow from operating activities	117.7	122.6
Cash flow from operating activities per ordinary share, in euros [1)]	2.03	2.06
Free cash flow [3)]	24.2	72.1
Depreciation/amortization fixed assets	45.2	49.5
Capital expenditure on (in)tangible fixed assets	49.4	51.0
Number of issued financing preference shares		2,279,781
Equity per share in euros [4)]	8.35	8.36
Regular dividend in euro per ordinary share (reporting year)	0.56	0.56
Additional dividend in euro per ordinary share (reporting year)		0.44
Ratios		
ROCE % [5)]	17.4	20.6
EBITDA margin % [6)]	18.4	18.7
Result after taxes/net sales %	9.5	11.4
Number of employees at closing date (FTE)	1,794	1,684
Net debt position/EBITDA [7)]	1.0	0.6
Interest cover [8)]	24.4	23.0

Millions of euros	2017	2016
Statement of financial position		
Non-current assets	498.1	466.6
Current assets excluding cash and cash equivalents	294.6	315.6
Non-interest-bearing current liabilities	129.4	147.1
Net debt position [9]	162.2	98.0
Provisions	23.5	38.6
Equity	489.3	498.5
Capital employed [10]	635.0	596.5
Average capital employed [10]	617.1	576.8
Balance sheet total : equity	1:0.6	1:0.6
Net debt position : equity	1:3	1:5.1
Current assets : current liabilities	1:0.6	1:0.5

1) *Per ordinary share in euros after deduction of dividend on financing preference shares.*
2) *Market capitalization is calculated as number of ordinary shares with dividend rights x share price at 31 December.*
3) *Free cash flow comprises cash flow from operating activities and cash flow from investment activities.*
4) *Equity per share is equity divided by the number of shares with dividend rights.*
5) *Return on capital employed (ROCE) is defined by Corbion as continued EBIT excluding one-off items, including results from joint ventures and associates, divided by the average capital employed x 100.*
6) *EBITDA margin % is EBITDA excluding one-off items divided by net sales x 100.*
7) *EBITDA is Earnings Before Interest, Taxes, Depreciation, Amortization and impairment of (in)tangible fixed assets, excluding one-off items,increased by cash dividend of joint ventures received and annualization effect of newly acquired subsidaries*
8) *Interest cover is EBITDA as defined in Note 7 divided by net interest income and charges.*
9) *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.*
10) *Capital employed and average capital employed are based on balance sheet book values.*

Results

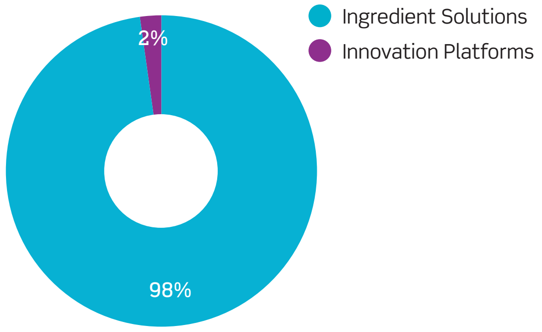
Net sales

Net sales in 2017 decreased by 2.2% to € 891.7 million (2016: € 911.3 million) mostly due to a volume decrease (-1.9%) and a negative currency impact (-1.3%), partly compensated by positive price/mix effect (1.5%). Furthermore, there was a small negative impact related to the divestment of the Breddo-Likwifier activities, effective as of 9 December 2016.

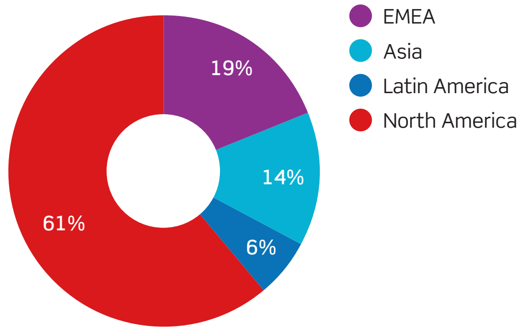
Organic sales growth of -0.2% in the Ingredient Solutions business unit was mostly driven by a weak volume performance in Bakery, which was partly offset by growth in Meat and Biochemicals. Organic sales growth for the Biochemicals business segment was 5.8%, due to organic growth in all markets except for Animal Health.

The increase in Innovation Platforms volumes mostly reflects higher lactic acid volumes sold to the Total Corbion PLA joint venture. The negative price/mix is largely the result of the inception of the Total Corbion PLA joint venture, effective 2 March 2017. From that date, lactic acid sales rather than lactide/PLA sales are reported under Innovation Platforms. The acquisition effect in Innovation Platforms is due to the acquisition of the TerraVia assets on 29 September 2017.

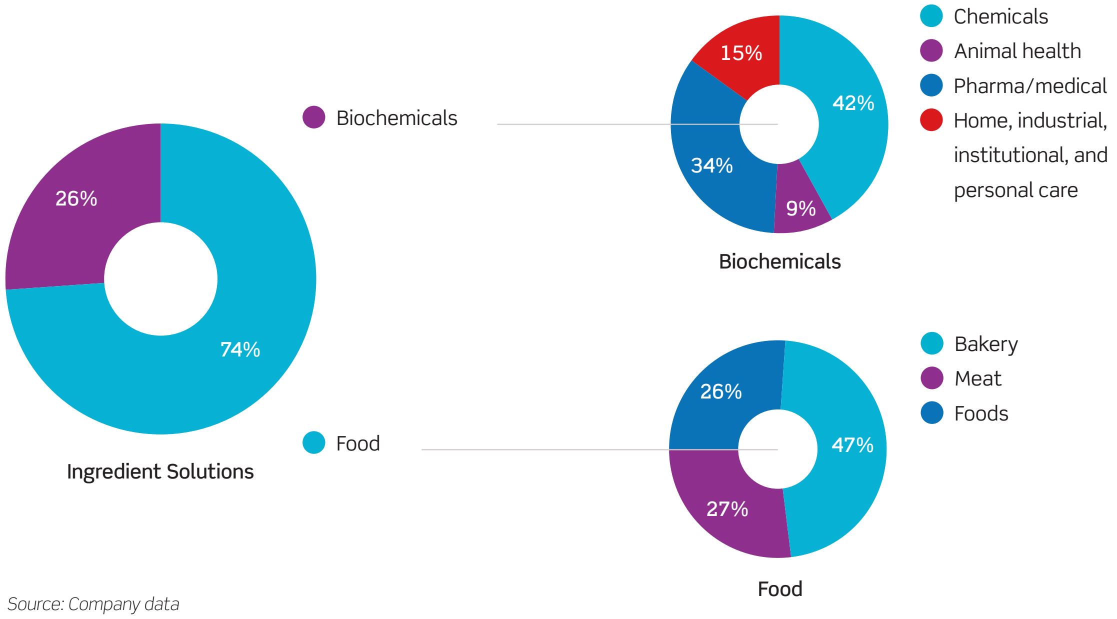
Net sales 2017



By business unit



By region



Source: Company data

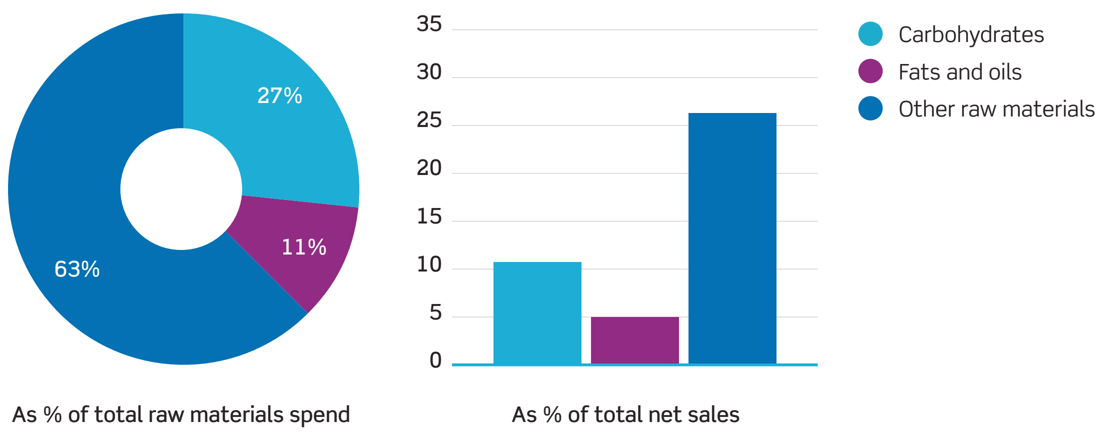
Full year 2017 compared to full year 2016

	Total growth	Currency	Total growth at constant currency	Acqui-sitions/ (Divest-ments)	Organic	Price/Mix	Volume
Ingredient Solutions	-2.2%	-1.3%	-0.9%	-0.7%	-0.2%	1.7%	-1.9%
• Food	-4.3%	-1.3%	-3.0%	-1.0%	-2.0%	1.7%	-3.7%
• Biochemicals	4.5%	-1.3%	5.8%	0.0%	5.8%	1.1%	4.7%
Innovation Platforms	-0.9%	0.8%	-1.7%	8.8%	-10.5%	-4.2%	3.6%
Total	**-2.2%**	**-1.3%**	**-0.9%**	**-0.5%**	**-0.4%**	**1.5%**	**-1.9%**

Raw materials

Compared to 2016, carbohydrates made up a bigger percentage of our overall raw material spend 2017 due to increased sugar prices. The price of soy bean oil was more or less flat versus 2016. The decrease in percentage in other raw materials is mainly caused by lower vitamin and enzyme prices.

Raw materials breakdown



Source: Company data

EBITDA

EBITDA for the full year 2017 excluding one-off items decreased by 3.5% to € 164.1 million, mostly due to negative volume growth and the acquisition of the TerraVia assets. Currencies positively impacted EBITDA by € 0.9 million. Ingredient Solutions EBITDA excluding one-off items decreased by 2.0% driven by lower volumes and higher raw material costs offset by positive price/mix effects. The EBITDA loss in Innovation Platforms increased to € -/- 8.8 million (2016: € -/- 6.4 million). The € 2.4 million higher loss was mostly due to the acquisition of the TerraVia assets.

EBITDA

€ million	2017	2016
EBITDA excluding one-off items		
Ingredient Solutions	172.9	176.5
• Food	121.3	127.8
• Biochemicals	51.6	48.7
Innovation Platforms	(8.8)	(6.4)
Total EBITDA excluding one-off items	**164.1**	**170.1**
One-off items	6.4	(3.2)
Total EBITDA	**170.5**	**166.9**
Depreciation/amortization/ (reversal of) impairment (in)tangibles	(48.2)	(40.0)
Total operating result	**122.3**	**126.9**
EBITDA margin excluding one-off items		
Ingredient Solutions	*19.9%*	*19.8%*
• Food	*18.7%*	*18.9%*
• Biochemicals	*23.2%*	*22.9%*
Innovation Platforms	*-40.9%*	*-29.5%*
Total EBITDA margin excluding one-off items	***18.4%***	***18.7%***
Total EBITDA excluding one-off items and acquisitions, at constant currencies	**166.1**	**170.1**

Ingredient Solutions

€ million	2017	2016
Net sales	870.2	889.6
Organic growth	-0.2%	-1.1%
EBITDA	170.6	173.3
EBITDA excluding one-off items	172.9	176.5
EBITDA margin excluding one-off items	19.9%	19.8%
ROCE	26.0%	28.2%
Average capital employed	522.9	487.0

Net sales in Ingredient Solutions, which encompasses Food and Biochemicals, decreased organically by 0.2% in 2017, mostly driven by lower volumes in the Food business segment. This was below the guidance range. The EBITDA margin excluding one-off items in 2017 increased slightly from 19.8% to 19.9%. Even though both Food and Biochemicals saw margins negatively affected by higher input costs, this was more than offset through portfolio mix improvements in both segments.

Business segment Food

€ million	2017	2016
Net sales	647.7	676.6
Organic growth	-2.0%	-1.9%
EBITDA	119.5	125.1
EBITDA excluding one-off items	121.3	127.8
EBITDA margin excluding one-off items	18.7%	18.9%

Net sales in business segment Food decreased organically by 2.0% in 2017, which was below the guidance range. In 2017 we saw Bakery sales decline as we experienced challenges in executing our Bakery channel strategy, and losses in frozen dough. We accelerated the overhaul of the commercial organization in Bakery and we have taken measures to improve customer service levels. As a consequence, volume losses in Bakery were less pronounced in the second half of the year than in the first. Furthermore, several growth initiatives are gaining traction, such as PGME emulsifiers for the sweet goods market, and Ultra Fresh extended freshness solutions.

The performance in Meat was strong. In the US, the portfolio mix shift towards natural preservation solutions continues to support top-line growth and margin improvements. Meat sales growth outside the US was mainly driven by Latin America.

In other markets (Beverages, Confectionery, Dairy), overall sales decreased slightly, mostly because of some losses in lower value added lactic acid contracts.

The EBITDA margin decreased slightly from 18.9% to 18.7% as a balance of mix improvements and higher input costs.

Business segment Biochemicals

€ million	2017	2016
Net sales	222.5	213.0
Organic growth	5.8%	1.8%
EBITDA	51.1	48.2
EBITDA excluding one-off items	51.6	48.7
EBITDA margin excluding one-off items	23.2%	22.9%

Net sales in the Biochemicals business segment increased organically by 5.8% in 2017, which was in the guidance range. Sales growth was seen in all markets during 2017, except for Animal Health. The strongest performing markets were Pharma/Medical, Electronics, and Agrochemicals.

The Biochemicals EBITDA margin for 2017 increased from 22.9% to 23.2%, mainly due to a higher-margin portfolio mix, more than compensating for higher input costs.

Central costs

Central costs have been redistributed between business segments Food and Biochemicals from the fourth quarter of 2017 onwards, and will no longer be reported as a separate cost item. Historical data has been adjusted to reflect this change.

Innovation Platforms

€ million	2017	2016
Net sales	21.5	21.7
Organic growth	-10.5%	-3.2%
EBITDA	(0.1)	(6.4)
EBITDA excluding one-off items	(8.8)	(6.4)
EBITDA margin excluding one-off items	-40.9%	-29.5%
Average capital employed	94.2	89.8

The slight decrease in Innovation Platforms sales mostly reflects higher volumes sold to the Total Corbion PLA joint venture and a negative price/mix, largely the result of the inception of the Total Corbion PLA joint venture, effective 2 March 2017. From that date, lactic acid sales rather than lactide/PLA sales are reported under Innovation Platforms. A one-off gain of € 4.7 million is related to the sale of the subsidiary Total Corbion PLA (Thailand) Limited to the joint venture Total Corbion PLA bv.

The TerraVia acquisition has been included from the start of the fourth quarter. The fourth quarter loss on EBITDA excluding one-off items was € 2.9 million (excluding SB Oils joint venture losses). The integration of the TerraVia assets and staff has been progressing very well. Going forward, the TerraVia brand name will be replaced by Corbion Algae Ingredients. The Peoria plant has been reopened in February 2018. This will allow us to scale up promising products such as Thrive® (high oleic cooking oil), and AlgaVia® protein and lipids, but will also significantly add to the fixed costs of Innovation Platforms. A one-off gain of € 4.0 million was related to the acquisition of the TerraVia assets.

Depreciation, amortization, and impairment

Depreciation, amortization, and impairment of fixed assets excluding one-off items amounted to € 45.2 million compared to € 49.8 million in 2016.

Operating result

Operating result decreased by 3.6% to € 122.3 million in 2017 (2016: € 126.9 million).

One-off items

In 2017, a positive total of € 5.3 million in one-off items was recorded on result-after-tax level, consisting of the following components:

- One-off gain of € 4.7 million related to the sale of the subsidiary Total Corbion PLA (Thailand) Limited to the joint venture Total Corbion PLA bv
- One-off gain of € 4.0 million related to the acquisition of TerraVia
- One-off loss of € 2.4 million related to our succinic acid development
- One-off loss of € 2.0 million due to (restructuring) provisions made because of the strategy update
- One-off loss of € 0.9 million related to the closure of our former Kansas Avenue blending plant
- Positive tax effects on the above of € 1.9 million

Financial income and charges

Net financial charges increased by € 5.8 million to € 13.2 million, mainly caused by increased loan levels, foreign exchange rate effects on long-term loans, and a one-off gain in the first half of 2016 related to a partial reversal of an impairment of a loan for beet growers following the divestment of CSM Sugar in 2007.

Taxes

The tax charge on our operations in 2017 amounted to € 13.1 million compared to a charge of € 14.3 million in 2016. In 2017, the relatively low effective tax rate is mainly caused by the US Tax Reform; the net deferred tax liability position in the US decreased because of the reduction of the federal income tax rate from 35% to 21% as per 1 January 2018. Excluding one-off items and excluding the effect of the US Tax Reform the normalized effective tax rate would have been 23.1%. Going forward, a normalized effective tax of approximately 25% is expected.

Statement of financial position

Capital employed increased, compared to year-end 2016, by € 38.5 million to € 635.0 million. The movements were:

€ million	
Capital expenditure on (in)tangible fixed assets	49.4
Depreciation / amortization / impairment of (in)tangible fixed assets	-48.2
Change in operating working capital	12.3
Change in provisions, other working capital and financial assets/ accruals	21.9
Movements related to joint ventures and acquisition of TerraVia assets	44.7
Taxes	7.6
Exchange rate differences	-47.8
Other	-1.4

Major capital expenditure projects in 2017 are investments in our US PGME emulsifiers plant, expansion of vinegar powder production, and investments in the PLA plant.

Operating working capital increased by € 12.0 million. This increase is the balance of an operational increase of € 12.3 million and currency effects of € -0.3 million.

Shareholders' equity decreased by € 9.2 million to € 489.3 million. The movements were:

- The positive result after taxes of € 84.6 million.
- A decrease of € 60.5 million related to the dividend for financial year 2016
- A decrease of € 25.0 million related to the share buyback program
- Negative exchange rate differences of € 24.9 million due to the translation of equity denominated in currencies other than the euro
- Negative movement of € 2.3 million in the hedge reserve
- Positive movement of € 13.0 million due to re-measurement of defined benefit arrangements
- Net share based remuneration costs of € 3.2 million charged to result
- Positive tax effects € 2.7 million

At the year-end 2017 the ratio between balance sheet total and equity was 1:0.6 (2016 year-end: 1:0.6).

Cash flow/Financing

Cash flow from operating activities decreased compared to year-end 2016 by € 4.9 million to € 117.7 million. This is the balance of the lower operational cash flow before movements in working capital of € 4.4 million, a negative impact of the movement in working capital and provisions of € 6.2 million, and lower taxes and interest paid of € 5.7 million.

The cash flow required for investment activities increased by € 43.0 million to € 93.5 million compared to 2016. Main cash outflows are related to capital expenditures (€ 45.5 million), loans provided to our joint ventures (€ 38.2 million), and the acquisition of the Terravia assets (€ 17.6 million).

The net debt position at year-end 2017 was € 162.2 million, an increase of € 64.2 million compared to year-end 2016, mainly due to dividend payment, the share buyback program, capital expenditures, loans/guarantees provided to our joint ventures, the acquisition of the TerraVia assets, and the increase in working capital compared to year-end 2016, partly compensated by the positive cash flow from operating activities before working capital and provisions.

At the year-end 2017, the ratio of net debt to EBITDA was 1.0x (year-end 2016: 0.6x). The interest cover for 2017 was 24.4x (2016: 23.0x). We continue to stay well within the limits of our financing covenants.

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 current dividend policy is the ambition to pay out annually a stable to gradually increasing absolute dividend amount per share (progressive regular dividend policy). Periodically Corbion will review its net debt position in relation to the investment plans, and decide upon potential additional distributions.

Dividend proposal

A proposal to distribute a regular dividend in cash of € 0.56 per ordinary share (2016: € 0.56) will be submitted for approval to the annual General Meeting of Shareholders to be held on 25 May 2018. This represents 41% of our net profit excluding one-off items. The dividend will be charged to the Corbion reserves.

Outlook 2018

Does not incorporate impact potential acquisition remaining 49.9% in SB Oils joint venture.

Ingredient Solutions

For 2018 we confirm our Capital Markets Day guidance for Food and Biochemicals for both sales growth and margins. Food is expected to return to the guidance range as some of last year's Bakery customer losses should start to fade as the year progresses.

Innovation Platforms

The second half of 2018 should see the start-up of the Total Corbion PLA plant in Thailand. The Peoria pilot plant, part of the acquired TerraVia assets, has recently resumed operations, which will significantly raise the fixed cost level for Innovation Platforms. The EBITDA loss including proportionately consolidated joint ventures is not expected to exceed € -35 million in the year, but is subject to uncertainty regarding sales ramp-up.

Input costs

Last year's decrease in sugar prices should start to positively impact our results towards the latter part of the first half of 2018. However, prices of several auxiliary chemicals and vitamins have been on the rise, negating the sugar benefits.

Sustainability performance

Responsible sourcing

Ambition

Create a sustainable supply chain for Corbion's key agricultural raw materials (sugarcane, corn, soy, wheat, palm oil)

Achievements in 2017

- Continued implementation of our security-of-supply assessment and mitigation plans for all high-risk raw materials
- Continued implementation of our supplier code and cane sugar code
- Developed tools to verify adherence to the cane sugar code
- Publication of a white paper on the sustainability of the Thai sugarcane sector
- Bonsucro certification of our lactic acid plants in Thailand and Brazil
- Launch of the Bonsucro Buyer Accelerator Group, a joint initiative by buyer members of Bonsucro who are seeking to accelerate the pace and impact of improvement in sustainable sugarcane production and supply
- Defined 2020 roadmap for RSPO certification of palm oil and primary oleochemicals derived from palm oil
- Supplier visits to evaluate progress on sustainability at Corbion's main suppliers of soy- and corn-derived raw materials in the US

KPI	2020 Target[1]	2017	2016
% of raw materials assessed on security of supply[2] ✓	100%	100%	100%
% of raw materials covered by generic supplier code[2] ✓	>90%	99%	98%
% of cane sugar responsibly sourced[2] [3] ✓	100%	96%	80%
% of palm oil and primary oleochemicals responsibly sourced[2] [3] [4]	100%	24%	
% of corn-based dextrose responsibly sourced[2][3]	95%		
% of soy bean oil and primary oleochemicals responsibly sourced[2] [3]	75%		
% of wheat-based raw materials responsibly sourced[2] [3]	50%		

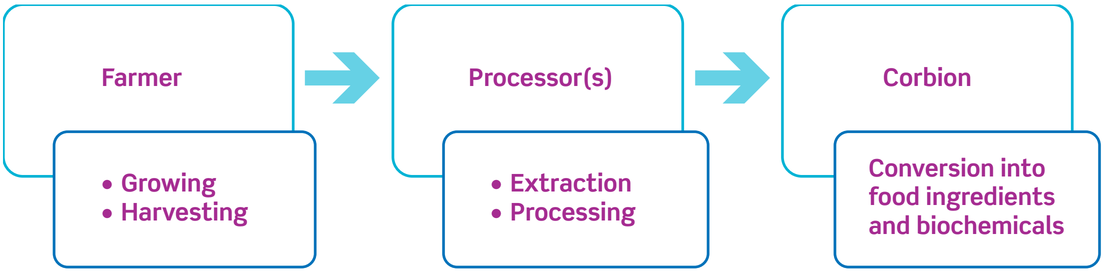
1) Targets based on current manufacturing footprint; to be reviewed in case of acquisitions / major changes.
2) % are defined by quantity.
3) Responsibly sourced = supplier committed to Corbion's responsible-sourcing code or certified to relevant crop scheme such as RSPO and Bonsucro.
4) Primary oleochemicals as defined by RSPO, including glycerin.
✓ Reviewed by external auditor.

A significant part of the environmental and social impact in our value chain is upstream of our own operations. To safeguard an overall positive environmental and social impact of our sustainable ingredient solutions, we need to ensure our raw materials are sourced responsibly. Our responsible sourcing strategy focuses on our agricultural raw materials. A sustainable agricultural supply chain is essential for the communities in which we operate, as well as for our business. We focus on sugarcane, soy, corn, wheat, and palm oil, which represent some 90% of our agricultural-derived raw materials by quantity. Farming of sugarcane and oil palm has been linked to a number of serious social and environmental sustainability risks. These include forced and child labor, hazardous labor conditions, conflict over land rights, loss of biodiversity, and deforestation. Implementation of sustainable agriculture is the only way to maintain economic performance while halting the damage to the environment and farming communities. For soy, corn, and wheat, which we source from the US, the main areas of improvement are related to land use (biodiversity and soil health), water, greenhouse gas emissions, and farmer livelihoods.

Corbion is not directly involved in the growing, harvesting ,and processing of these crops. We therefore focus our efforts on our tier-1 suppliers that source directly from farmers, requiring them to take responsibility for addressing social and environmental issues at farm level. Our approach focuses on continuous improvement towards the implementation of the relevant sustainability standard for each of these raw materials.

We use a combination of tools including crop schemes such as Bonsucro and RSPO, Field to Market, Sedex, self-assessments, and third-party verification against Corbion's requirements where a relevant verification system is not available or in case of high sustainability risks.

Our responsible sourcing commitment also includes the commitment to set a carbon footprint target for raw-material-related emissions. Reducing agriculture's carbon footprint is central to limiting climate change, as the global food system, from fertilizer manufacture to food storage and packaging, is responsible for up to one-third of all human-caused greenhouse-gas emissions. At the same time, climate change is expected to have a negative impact on agricultural productivity due to increases in extreme weather events – including extreme heat and drought as well as more variable rainfall patterns.



Security of supply
Our security-of-supply assessment evaluates raw materials on three pillars: procurement, quality and food safety, and sustainability. For each pillar, several criteria are rated to estimate the risk of supply issues. The business impact of a supply issue is taken into account to determine the overall score. The risk assessment results in a high, medium, or low score for each pillar per raw material.

In 2017, we have updated the assessment. This involved a review and update of the underlying data where necessary and the inclusion of new raw materials. For new high-risk raw materials, mitigation plans have been developed and are being implemented. For all of the high-risk raw materials identified in 2016, actions have been taken to mitigate the risk.
Mitigation actions range from the recruitment of new suppliers to supplier visits to perform a more detailed risk assessment.

Supplier code

Our supplier code defines Corbion's expectations in respect of our suppliers meeting our responsible sourcing commitment. The code includes principles and criteria for business ethics, human rights and labor conditions, and environmental practices. The code includes core principles from 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 our suppliers to sign our supplier code for confirmation.
Possible non-compliances with the codes will be investigated and discussed with the supplier. If deemed necessary, the supplier is expected to implement a corrective action plan to effectively and promptly resolve the issue, with an agreed timeline. If the issue persists, Corbion may ultimately decide to terminate the relationship with the supplier in question.
In 2018, we will review and update our supplier code to ensure that it continues to be aligned with stakeholder expectations.

Cane sugar

Our cane sugar code is an extension of our supplier code with additional principles and criteria in respect of land rights, good agricultural practices, and biodiversity. It is based on the definitions for sustainable sugarcane and derived products as set out by Bonsucro. In 2017 we continued to implement this code and the majority of our cane sugar suppliers have now committed to Corbion's cane sugar sourcing requirements. We are implementing verification procedures to verify that our suppliers meet these requirements. For this we use a combination of tools, such as self-assessments, third-party verification, and Bonsucro certification.
To promote sustainable development for the Thai sugarcane industry, we have supported a white paper on the sustainability of the Thai sugarcane sector to identify key opportunities for driving the sustainability agenda forward using the Bonsucro standard as a reference framework. This study is now used to define next steps on the ground.

Responsible operations

Ambition
Create a zero incident and zero waste Corbion

Achievements in 2017
- Prepared Property Risk Manual
- Renewed focus on hazard and operability studies (HAZOPs) resulting in updates in all sites
- Developed 10 Corbion Safety Rules based on main Corbion risks and prepared roll-out process for 2018
- Increase of capital expenditure related to safety
- Implemented new valorization option for gypsum at our lactic acid plant in the US, resulting in a significant reduction of the quantity of landfilled by-products compared to 2016
- Corbion joined RE100 to demonstrate our commitment to renewable electricity
- Started implementation of our renewable electricity roadmap by purchasing renewable electricity in Gorinchem (50%), Totowa (75%), and Tucker (75%)
- Installation of solar panels at our site in Gorinchem, the Netherlands
- Corbion joined the Science Based Targets initiative to develop emission reduction targets in line with climate science
- Extended recycling programs at various Corbion sites. At our site in Blair, the increased focus on recycling resulted in a tripling of the amount of recycled waste
- >50% reduction in water consumption at our Totowa site due to optimized scheduling, resulting in a reduced use of water for cleaning
- Corbion Thailand received the “CSR-DIW (Continuous) 2017” award from the Department of Industrial Works, Ministry of Industry in Thailand
- Community and employee engagement activities across the Corbion sites, ranging from World Environment Day celebrations to educational events at schools and volunteering

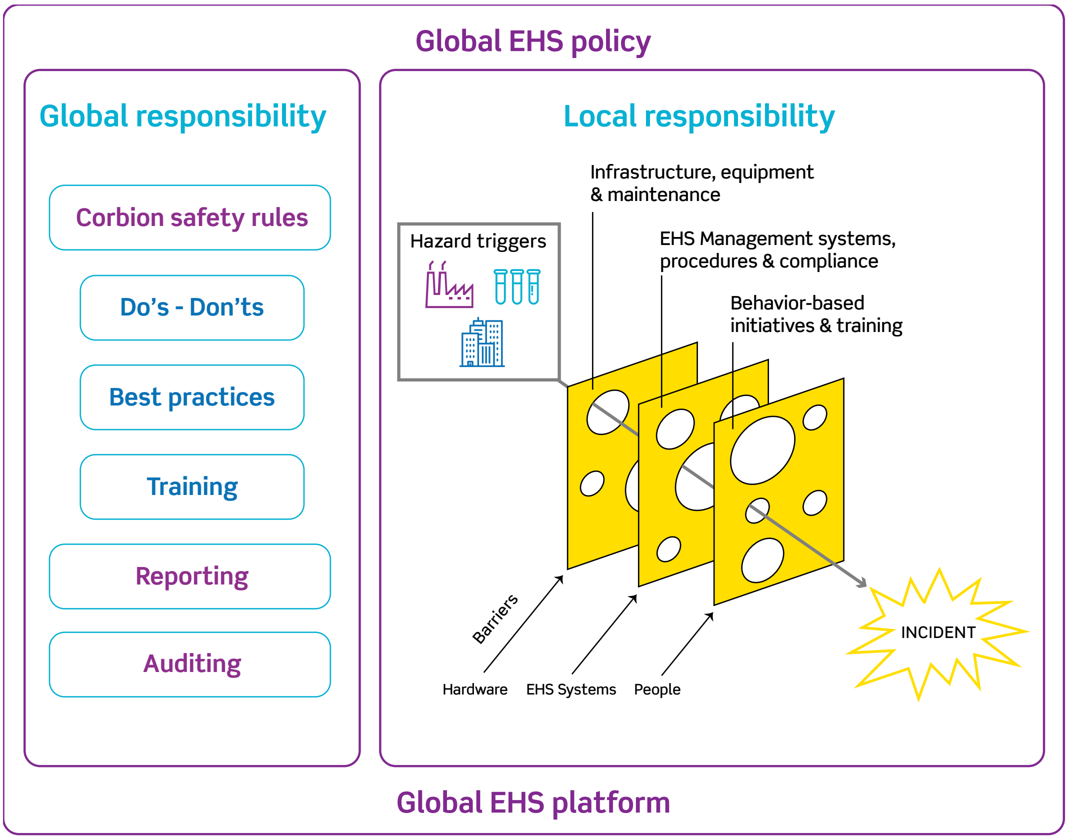
KPI	2020 Target[1)]	2017	2016
Total Recordable Injury Rate	< 0.55	0.9	1.3
Renewable electricity ✓	50%	30%	20%[2)]
Landfill of by-products ✓	0	0.85 kT	31 kT
GHG emissions[3)]			
Scope I (total/specific) ✓		92 kT CO_2 equiv 0.20 T CO_2 equiv/T	94 kT CO_2 equiv 0.21 T CO_2 equiv/T[2)]
Scope II (total/specific)[4)] ✓		86 kT CO_2 equiv 0.19 T CO_2 equiv/T	93 kT CO_2 equiv 0.21 T $CO2_2$ equiv/T
Scope III (total) ✓		691 kT CO_2 equiv	711 kT CO_2 equiv[2)]

1) Targets based on current manufacturing footprint; to be reviewed in case of acquisitions / major changes.
2) 2016 data restated due to data quality improvements.
3) We report our emissions in carbon equivalents from cradle to gate in accordance with the Green House 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 transportation, business travel, and employee commuting. Biogenic emissions (mainly related to the consumption of biogas and to waste water treatment) are reported in the Sustainability statements.
4) In 2017, we report our scope II emissions using the market-based method for the first time. For comparability, the scope II emissions for 2016 have been re-calculated according this method.
✓ *Reviewed by external auditor.*

Environment, Health, and Safety
Corbion aims to create a safe and healthy workspace with the goal of having zero incidents because we believe no job is so important that it cannot be done safely and without adverse environmental impact. We therefore operate with the greatest care for safety, health, and the environment for our employees and the communities we engage with. Our activities are supported by a management system that includes policies, procedures, training, and feedback, which ascertain that we comply with laws and regulations applicable to our operations and act in accordance with our own corporate standards and codes. Corbion leadership and employees are committed to achieving a "zero incident culture." Corbion fosters an open and transparent culture by encouraging all employees to report all near misses, events et cetera in order to continuously improve our safety and environmental performance.

In 2017 we established an EHS framework which clarifies the specific responsibilities of the local sites versus the global EHS platform. We helped the local sites to prioritize improvement efforts based on risk.

EHS framework



We deploy Environmental, Health, and Safety (EHS) management systems, such as ISO 14001 and OHSAS 18001 at all our sites. All sites also have behavior based safety programs in place. In 2017, no fatalities occurred, as in previous years. Despite our efforts, we recorded 3 LTI (Lost Time Incidents, including contractors). Our TRIR (Total Recordable Injury Rate) is 0.9 for the full year of 2017. Our employee absentee rate was 1.8% overall compared to 2.0% in 2016.

Zero waste
Our "zero waste" ambition focuses on the reduction of waste by valorizing all our by-products by 2020 and eliminating landfill completely by 2030. In this way, we maximize the value that we generate from the resources we consume. This ambition contributes to the shift from a linear economy, based on a "take-make-dispose" system to a circular economy that is waste-free and regenerative by design. In our lactic acid production process we generate significant quantities

of valuable by-products, such as gypsum. Per ton of lactic acid, almost 2 tons of by-product are produced. The majority of these by-products are valorized, but occasionally they do end up in landfill. We try to avoid this by developing new outlets and by implementing our gypsum-free production process in future lactic acid plants. In 2017 we achieved a major milestone by implementing a new valorization option for gypsum at our lactic acid plant in the US. A customer in the cement industry started using our gypsum instead of mined, virgin gypsum. This gives us an additional outlet for this by-product next to its use in agriculture as soil conditioner and resulted in a significant reduction of the quantity of landfilled by-products compared to 2016.

Renewable electricity

To demonstrate our commitment to renewables and to support the transition to renewable electricity, Corbion joined RE100. RE100 is a collaborative, global initiative uniting more than 100 influential businesses committed to 100% renewable electricity, working to massively increase demand for - and delivery of - renewable energy. In 2017 we increased our coverage by purchasing renewable electricity for our manufacturing sites in Gorinchem (50%), Totowa (75%), and Tucker (75%). Our sites in Brazil and Spain are already fully powered by renewable electricity.

Greenhouse gas emissions

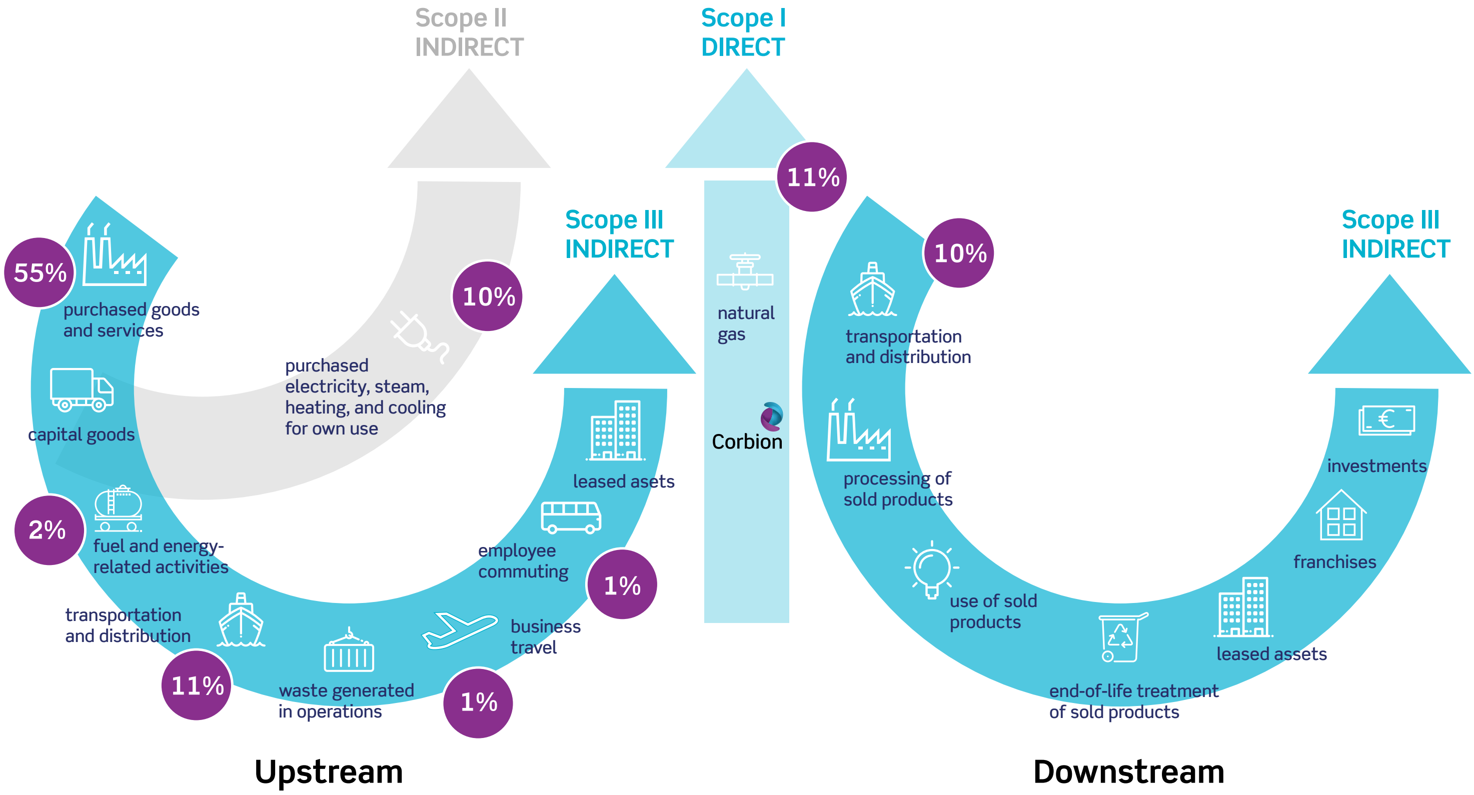
Responsible operations also implies doing our part to prevent dangerous climate change by limiting global warming to well below 2 degrees Celsius, as specified in the Paris agreement. We have therefore joined the Science Based Targets initiative, and committed to setting carbon footprint targets for our own operations aligned with climate science. This will provide a clearly defined roadmap to future-proof and responsible growth. We firmly believe that taking our responsibility will be good for the environment and good for our business. Energy conservation and increasing renewable energy will not only drive emission reductions, it will also decrease costs and help create innovative solutions that allow our customers to reduce their emissions as well. The first part of this journey is already clear: we have developed a roadmap to transition to 50% renewable electricity by 2020 and we aim to be fully powered by renewable electricity in 2030. In 2018, we will work on the development of the targets and a reduction roadmap to achieve them, involving specialists across Corbion.

To encourage development of low-carbon technologies, we started reviewing the financial impact of GHG emissions through internal carbon pricing in our long-term R&D projects.

Our scope I and II emissions include the direct and indirect GHG emissions resulting from the energy consumption at Corbion's sites. In 2017, our scope I emissions decreased by 2.3% compared to 2016, due to improvements in energy efficiency. Our scope II emissions decreased by 5.3%, due to the increased use of renewable electricity.

Our scope III emissions include indirect emissions occurring in our value chain that are not included in scope II (emissions from purchased goods and services, transport, fuel and energy related activities, business travel, and employee commuting). The majority of our scope III emissions are related to purchased goods. In 2017, Corbion's scope III emissions decreased by 3% compared to 2016, mainly due to an increased material efficiency.

Greenhouse gas emissions in Corbion's value chain



Sustainable ingredient solutions

Ambition

Create solutions based on renewable resources to improve the quality of life for people today and for future generations.

Achievements in 2017

- Continued assessment of our innovation projects on material sustainability themes throughout the innovation funnel
- Finalized peer-reviewed Life Cycle Assessment - update for the PLA production process in Thailand
- All products manufactured in Thailand covered by LCA
- Participated in the RIVM[1] research project Safe and Sustainable Bioeconomy with a case study on Sanilac, a lactic-acid-based product for home care; the results of this research will be published in 2018
- Life Cycle Assessment Research of the end-of-life options for different applications of bioplastics packaging
- Assessed Corbion product portfolio against relevant sub-targets for SDG2 and 12
- Joined The Roundtable for Product Social Metrics, the leading, cross-sector initiative to give guidance on how to measure social impacts of products and services, in a way that is recognized for its high quality, credibility, and business viability

1) Netherlands National Institute for Public Health and the Environment.

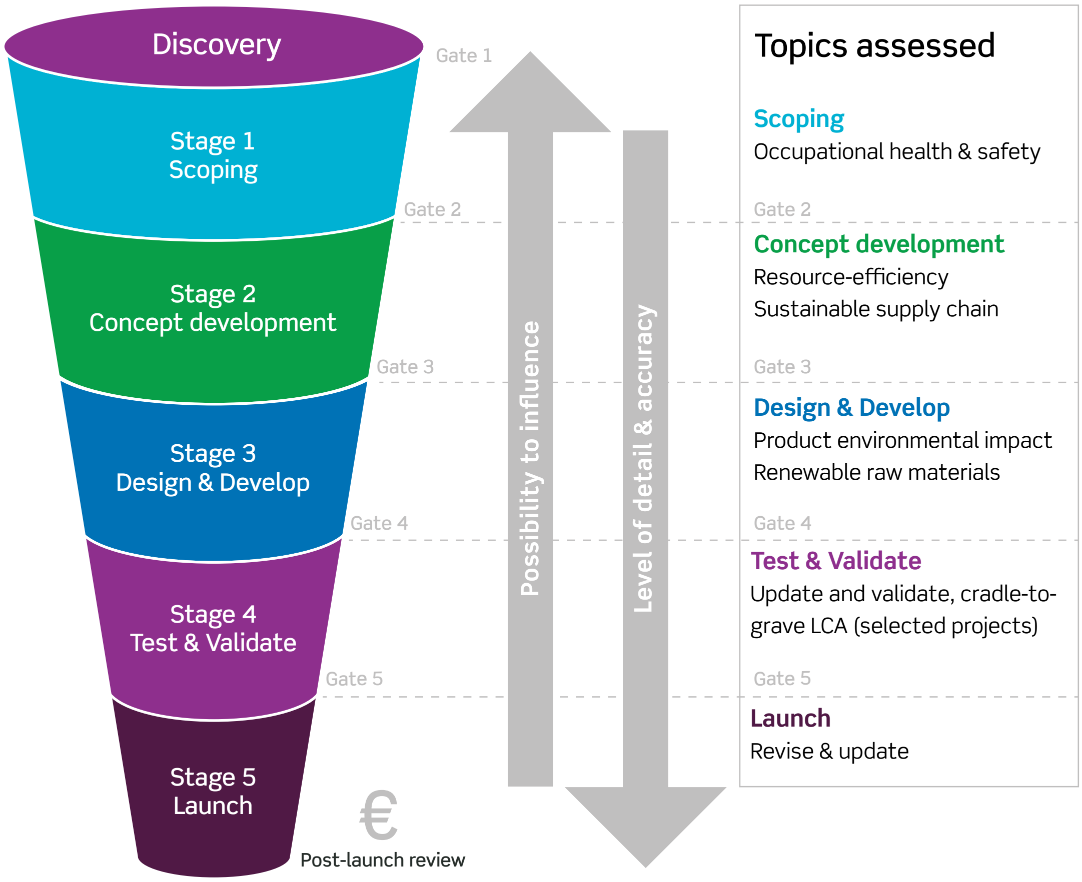
KPI	2020 Target[1)]	2017	2016
% innovation projects assessed on sustainability ✓	100%	84%	67%
% biobased raw materials [2)] ✓		98%	97%
% of products sold covered by LCA[2)]	50%	14%	

1) Targets based on current manufacturing footprint; to be reviewed in case of acquisitions / major changes.
2) By quantity, products manufactured at Corbion production sites.
✓ *Reviewed by external auditor.*

We aim to maximize our contribution to Zero hunger (SDG2) and Responsible production and consumption (SDG12) by growing our business in sustainable ingredient solutions. Our food ingredients help keeping food fresh and safe from production until consumption, which reduces food waste and helps to make food accessible and affordable. We also offer solutions for healthier food, such as our non-PHO emulsifier portfolio and our algae oils.
Our biochemicals and bioplastics support the transition to a circular economy by offering an alternative for fossil-based resources, with reduced greenhouse gas emissions, toxicity, and waste generation. Plastic packaging currently is an iconic example of the linear economy, with 80-120 billion US dollar in material value loss annually, after a short first use. Increased recycling, combined with the use of biobased plastics to decouple plastics from fossil feedstocks, is critical to achieve the new plastics economy proposed by the Ellen MacArthur Foundation.

Sustainability assessment of innovation projects
To ensure alignment of our innovation projects with our sustainability ambitions, we assess new product and process development projects against the relevant material themes in our sustainability strategy. The assessment is integrated in our innovation stage gate process and provides guidance to the project team on sustainability-related matters. This warrants that sustainability is an integrated part of the product and process design and that potential issues can be tackled at an early stage. The assessment is also used to identify sustainability benefits that can be included in the value proposition of the new product.

Sustainability assessment at different stages of the innovation funnel



Life Cycle Assessment

Corbion uses Life Cycle Assessments (LCA) as a tool to understand the environmental impacts of a product from the extraction of resources to their use and end of life. To enable our customers to make conscious choices, we will perform cradle-to-gate LCAs for 50% of our products by 2020. Using this data, we can work side by side with customers to support them on the improvement of their environmental footprint and on the substantiation of their sustainability claims.
In 2017 we finalized the LCA for our lactic acid production process in Thailand and the subsequent conversion of this lactic acid into PLA by Total Corbion PLA*. This LCA has been peer reviewed according to ISO 1404/44 standards. We are currently writing a paper describing the learnings from this study, for publication. Based on this study, we have derived LCAs for all products produced in Thailand.

Quality

We are committed to delivering high-quality solutions that safely meet our customer expectations and fulfilling our customer promise through quality and manufacturing systems and processes.
On a local level we operate in compliance with local regulations and legislation, while ensuring certifications are in place to meet customer and industry-adopted standards and requirements, such as ISO 9001, GFSI (BRC, FSCC22000), GMP+, GMP Pharma, FDA Pharma, Halal, Kosher, non-GMO, Organic, and most recently FSMA. In addition we host customer audits predominantly from our international pharmaceutical customers and large food clients. These, and our self-assessment audits performed by our global Quality platform, ensure that we continue to improve our operational standards for quality and food safety. In 2017 we maintained all certifications, continued our implementation of EQMS on the sites, and focused on customer complaint reduction.

* *Environmental footprint of lactic acid and lactide from Thailand, Corbion 2017*
LCA approach for Corbion's product portfolio: lactic acid derivative plants, Corbion 2017

We create a first-time-right culture!

Warehouse team
Corbion North America.

Corbion
Keep creating

At Corbion we're creating a better future together

Our warehouse team at Totowa is now truly in the mix...

The team

- Rudy Nandkumar, Material Handler
- Walter Klus, Pre-scaler
- Martin Marcelo, Kitter
- Steve Brady, Warehouse Team Lead

The task

Our role here in the warehouse is to make and supply sets of food ingredients ready to be blended into a pre-mix by the production team. This in turn becomes a key ingredient for our bakery customers in making delicious food! Of course, it isn't quite that simple. It's an extremely fast-moving, 24-hour operation. In fact you could call what we do "Advanced Warehousing." Every day we receive a work schedule calling for around 160 sets of ingredients. So, we get our "game face" on, and we attack it! Our colleagues in production area rely on us, and of course so too do our customers.

The challenge

To serve the internal customer (production), we store 650-plus different ingredients in our warehouse, controlling food allergens to assure food safety at all times. While this is going on, we "kit" 950-plus different sets of ingredients on a yearly basis. Each one is tailored to a different type of finished goods. We start by picking and stacking full packs of ingredients into a "kit" in a pre-defined order; and this is then followed by pre-scaled ingredients that require less than a full pack. It's a very precise and labor-intensive job. During all these steps we keep track of where each ingredient is located so we can trace it back at any given moment.

The outcome

From here we're then responsible for distributing or "staging" these kits of ingredients just-in-time to one of the over 20 work centers that blend the pre-mix from them. In every case our operators go through a checklist: Are all ingredients in the kit? Are the quantities right? Only when they are totally happy is the kit sent onto its next destination.

The experience

It's generally a hive of activity; we're on our feet all day and we spend a lot of time interacting with one another so we're a close team. We learn from each other, but also from customers. They often visit the facility to conduct audits and we take great pride in showing them around, answering their questions, and demonstrating the various procedures and processes we follow in order to produce the ingredients for their products.

The future

Recently, we improved our process to make it both safer and more efficient, by creating sets of ingredients with greater value for the production team. We are now ready for the future. We're an ambitious team, we want to grow and get better every day, and we welcome the responsibility and challenges that come our way. There is a fantastic energy here right now at Totowa. Bring it on!

OUR GOVERNANCE

Board of Management and Executive Committee

Mr. Tjerk de Ruiter

CEO / Chairman Board of Management and Executive Committee

Tjerk de Ruiter was appointed Chief Executive Officer at the annual General Meeting of Shareholders in May 2014. His current term of office runs from 2014 – 2018. At the annual General Meeting of Shareholders in May 2017, he was re-appointed for two years as of May 2018.

Before joining Corbion, Tjerk de Ruiter was CEO and President of LS9, Inc, CEO of the Genencor division of Danisco and a member of the Danisco Executive Committee, and COO Cultures, Specialities and Flavours at Danisco. Prior to that, he held several management positions at Quest International.

He is Non-Executive Director at Nu-Tek Food Science, US.

Tjerk de Ruiter holds both the Dutch and US nationality and was born in 1959.

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 2014 – 2018. The re-appointment for a second term of office for four years is on the agenda of the annual General Meeting of Shareholders in May 2018.

Before becoming CFO, Eddy van Rhede van der Kloot was SVP Finance at Corbion and he 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.

Mrs. Jacqueline van Lemmen

EVP Operations / Member Executive Committee

Jacqueline van Lemmen is Executive Vice President Operations since April 2017 and responsible for Corbion's global operations.

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 1963.

Mr. Marc den Hartog

EVP Innovation Platforms / Member Executive Committee

Marc den Hartog is Executive Vice President Innovation Platforms since April 2017 and responsible for the business unit Innovation Platforms.

From January 2015 until May 2017, Marc den Hartog was EVP Operations at Corbion. Before that, he was SVP Strategic Portfolio Management at Corbion and VP Asia Pacific within CSM's Bakery division. Prior to that, he held several positions in sales, marketing, and supply chain at Unilever and IOI Group Oils & Fats division Loders Croklaan.

Marc den Hartog holds the Dutch nationality and was born in 1972.

Mr. Johan van der Hel

EVP Human Resources / Member Executive Committee

Johan van der Hel is Executive Vice President Human Resources since January 2015 and globally responsible for Human Resources.

Before joining Corbion, Johan van der Hel served as Group Director HR at VION Food Group. Before that, he held several international HR leadership positions at DSM.

Johan van der Hel holds the Dutch nationality and was born in 1964.

Mr. Andy Muller

EVP Ingredient Solutions / Member Executive Committee

Andy Muller is Executive Vice President Ingredient Solutions since January 2015 and responsible for the business unit Ingredient Solutions.

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. Marcel Wubbolts

CTO / Member Executive Committee

Marcel Wubbolts is Chief Technology Officer since November 2016 and responsible for Corbion's global science and innovation portfolio.

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

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

Supervisory Board

Mr. Mathieu Vrijsen

Chairman / Chairman Appointment and Governance Committee

Mathieu Vrijsen was appointed at the annual General Meeting of Shareholders in May 2013. His current term of office runs from 2017 – 2021. He is a member of the Remuneration Committee and the Science and Technology Committee.

Mathieu Vrijsen served as Senior Vice President Global Operations and Engineering at DuPont. Prior to that, he held various positions at DuPont. Currently, he serves as Chairman of Broadview Holding and as Chairman of Casco Phil, Belgium.

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

Mr. Rudy Markham

Vice-Chairman / Chairman Remuneration Committee

Rudy Markham was appointed at the annual General Meeting of Shareholders in May 2010. His current term of office runs from 2014 – 2018. He is a member of the Appointment and Governance Committee.

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

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

Mrs. Liz Doherty

Member Supervisory Board

Liz Doherty was appointed at the annual General Meeting of Shareholders in May 2015. Her current term of office runs from 2015 – 2019. She is a member of the Audit Committee.

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 Non-Executive Director of Dunelm, UK, as Non-Executive Director of Novartis, Switzerland, and as Non-Executive Director and Audit Chair for the UK Ministry of Justice. Furthermore, she is an Advisory Director to Agrolimen SA, subsidiaries GB Foods and Affinity Petcare, UK.

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

Mr. Jack de Kreij

Member Supervisory Board / Chairman Audit Committee

Jack de Kreij was appointed at the annual General Meeting of Shareholders in May 2011. His current term of office runs from 2015 – 2019.

Jack de Kreij serves as Vice-Chairman Executive Board and Chief Financial Officer of Royal Vopak (until 1 February 2018). Currently, he serves as Supervisory Board member of TomTom.

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

Mr. Steen Riisgaard

Chairman / Chairman Science and Technology Committee

Steen Riisgaard was appointed at the annual General Meeting of Shareholders in May 2014. His current term of office runs from 2014 – 2018. He is a member of the Remuneration Committee and the Appointment and Governance Committee.

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

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

Corporate governance

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

Structure

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

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

The company is organized in a so-called two-tier system, comprising a Board of Management, solely composed of executive directors, and a Supervisory Board, solely comprised 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 (Chief Executive Officer and Chief Financial Officer) is entrusted with the management of the company. Certain 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 this 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 enhanced 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 2017. The Supervisory Board and the Executive Committee held a full-day strategy session in 2017. Members of the Executive Committee (not being members of the Board of Management) were invited to give presentations on their area of responsibility to the Supervisory Board and its committees.

Under the chairmanship of the CEO, the members of the Executive Committee share responsibility for developing 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 section Corporate governance/Board of Management/Executive Committee of the Annual Report.

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

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

Remuneration

The remuneration for the individual members of the Board of Management is determined by the Supervisory Board on the proposal of the Remuneration Committee of the Supervisory Board, and must be consistent with the policy thereon as adopted by the General Meeting of Shareholders. The current remuneration policy applicable to the Board of Management was adopted by the annual General Meeting of Shareholders in 2015, and is published on Corbion's website. A full and detailed description of the composition of the remuneration for the individual members of the Board of Management is included in the section Remuneration report of the Annual Report. The amount for the remuneration of other individual members of the Executive Committee shall be determined by the CEO, subject to consultation with the Supervisory Board.

Conflict of interest

Members of the Executive Committee must report any (potential) conflict of interest to the Chairman of the Supervisory Board. The Supervisory Board shall decide whether a conflict of interest exists. The member of the Executive Committee who has a (potential) conflict of interest shall not participate in discussions and decision-making on a subject or transaction in relation to which the member has a conflict of interest with the company. Decisions to enter into transactions under 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 2017 there were no transactions in which there was a conflict of interest with members of the Executive Committee that are 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 interest of the company's stakeholders, supervises and advises the Board of Management and Executive Committee in performing their management tasks. From among its members, the Supervisory Board has appointed an Audit Committee, an Appointment and Governance Committee, a Remuneration Committee, and a Science and Technology Committee.

Corbion's Articles of Association require the approval of the Supervisory Board for certain major resolutions proposed to be taken by the Board of Management, including: issuance of shares, repurchase of shares, reduction of the issued share capital, amendment of the Articles of Association, and significant changes in the identity or the 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 Corporate governance/Supervisory Board of the Annual Report.

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

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

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

Conflict of interest

Members of the Supervisory Board must report any (potential) conflict of interest to the Chairman of the Supervisory Board (and the Chairman to the Vice-Chairman). The Supervisory Board shall decide whether a conflict of interest exists. The member of the Supervisory Board who has a (potential) conflict of interest shall not participate in discussions and decision-making on a subject or transaction in relation to which the member has a conflict of interest with the company. Decisions to enter into transactions under 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 2017 there were no transactions in which there was a conflict of interest with members of the Supervisory Board that are 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 2017.

Diversity / Values and Code of Business Conduct

Diversity

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

The gender diversity targets for the Supervisory Board are that at least one member should be female if the board consists of five members and that at least two members should be female if the board consists of six members. The first target applies as the current board has five members; Corbion complies with this target as Liz Doherty is a member of the Supervisory Board. The geographical diversity target for the Supervisory Board is that at least one member of the Supervisory Board has (had) relevant Americas experience and/or exposure. Corbion complies with this target as Mathieu Vrijsen qualifies as such.

The gender diversity target for the Executive Committee is that at least two members should be female if the committee consists of six or seven members. Corbion has one female member of the Executive Committee, Jacqueline van Lemmen, and does not comply yet with this target. In 2017, one position became vacant and that position has been filled by a female person. The geographical diversity target for the Executive Committee is that at least two members of the Executive Committee have (had) relevant Americas experience and/or exposure. Corbion complies with this target as Tjerk de Ruiter and Andy Muller qualify as such.

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

Values and Code of Business Conduct

The Corbion values Passion, Performance, and Partnership together with the related Corbion behaviors guide and underpin the business strategy of Corbion. They are incorporated in the relevant engagement and performance management policies and form the basis of our global training and development initiatives.

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

Shares and shareholders rights

General Meetings of Shareholders

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

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

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

Main powers of the General Meeting of Shareholders

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

- the appointment, suspension, and dismissal of members of the Board of Management and Supervisory Board;
- approval of the remuneration policy for the Board of Management;
- approval of the remuneration 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 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-emption 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, if 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, if 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, if that majority represents more than one-third of the issued capital.
- 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.

Amendment of the Articles of Association

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

Issuance and repurchase of shares

At the 2017 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-emption right accruing to shareholders up to and including 15 November 2018. This authorization is limited to a maximum of 10% of the number of shares issued as of 15 May 2017 plus 10% of the number of shares issued as of 15 May 2017 in the event of mergers, acquisitions, and/or strategic alliances.

Furthermore, at the 2017 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 15 November 2018. This authorization is limited to a maximum of 10% of the number of shares issued as of 15 May 2017.

The € 25 million share buyback program that commenced on 18 April 2017 was completed on 15 September 2017. Under this program a total of 993,670 ordinary shares have been repurchased at a volume-weighted average price of € 26.77 per share, for a total consideration of € 25,000,568. 646,262 of the repurchased shares have been cancelled before the end of 2017, the remainder will be kept as treasury shares to cater to future LTIP vesting.

External auditor

An independent audit firm is appointed by the General Meeting of Shareholders. The auditor is responsible for auditing the Financial Statements of Corbion. On 12 May 2016, the General Meeting of Shareholders appointed KPMG Accountants N.V. as external auditor for the company for the financial year 2017.

Capital structure

As at 31 December 2017 59,242,792 ordinary shares of € 0.25 each had been issued, including 622,228 ordinary shares held by Corbion. The ordinary shares are listed on Euronext Amsterdam. No restrictions apply to the transfer of shares.

Corbion's financing preference shareholder has elected to convert all of its financing preference shares into ordinary shares per 26 June 2017. After this conversion, there are no more financing preference shares outstanding.

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 2017 were reported:

		Capital interest	Voting interest
1.	NN Group N.V.	14.99%	
2.	ASR Nederland N.V.	5.27%	
3.	J.O. Hambro Capital Management Limited	5.03%	
4.	RWC European Focus Master Inc.	5.01%	
5.	Norges Bank	4.78%	
6.	Lansdowne Partners Limited	3.12%	
7.	PrimeStone Capital LLP	3.03%	
8.	BNP Paribas Investment Partners SA	3.03%	3.22%
9.	Kabouter Management LLC	3.02%	
10.	T. Row Price Associates Inc.	3.02%	

NB: As at 31 December 2017 Corbion nv had a capital interest of 1.05%.

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 of 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 law.

The General Meeting of Shareholders may decide to suspend or dismiss a member of the Board of Management or 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. In contrast with the Code, no second meeting will be convened if there is no quorum, as a second meeting is not required by law.

Decree Additional Requirements for Management Reports/Corporate Governance Statement

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

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

The full text of the Code applicable to the company in 2017 can be viewed at: www.mccg.nl.

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 important 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 situation 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 *Corbion at a glance.*
- A description of the company's non-financial key performance indicators relevant to the company's activities can be found in the sections *Our strategy/Sustainability framework, 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 mains risks related thereto and how the company manages these risks can be found in the section *Our performance/Sustainability performance.*
- A description of the company's policy including the applied security measures regarding social and employee matters as well as the mains risks related thereto and how the company manages these risks can be found in the section Sustainability statements/Human capital.
- A description of the company's policy including the applied security measures regarding respect to human rights as well as the mains risks related thereto and how the company manages these risks can be found in the section Sustainability statements/Human rights.
- A description of the company's policy including the applied security measures regarding anti-corruption and anti-bribery matters as well as the main risks related thereto and how the company manages these risks can be found in the section Risk management/Anti-bribery and anti-corruption.

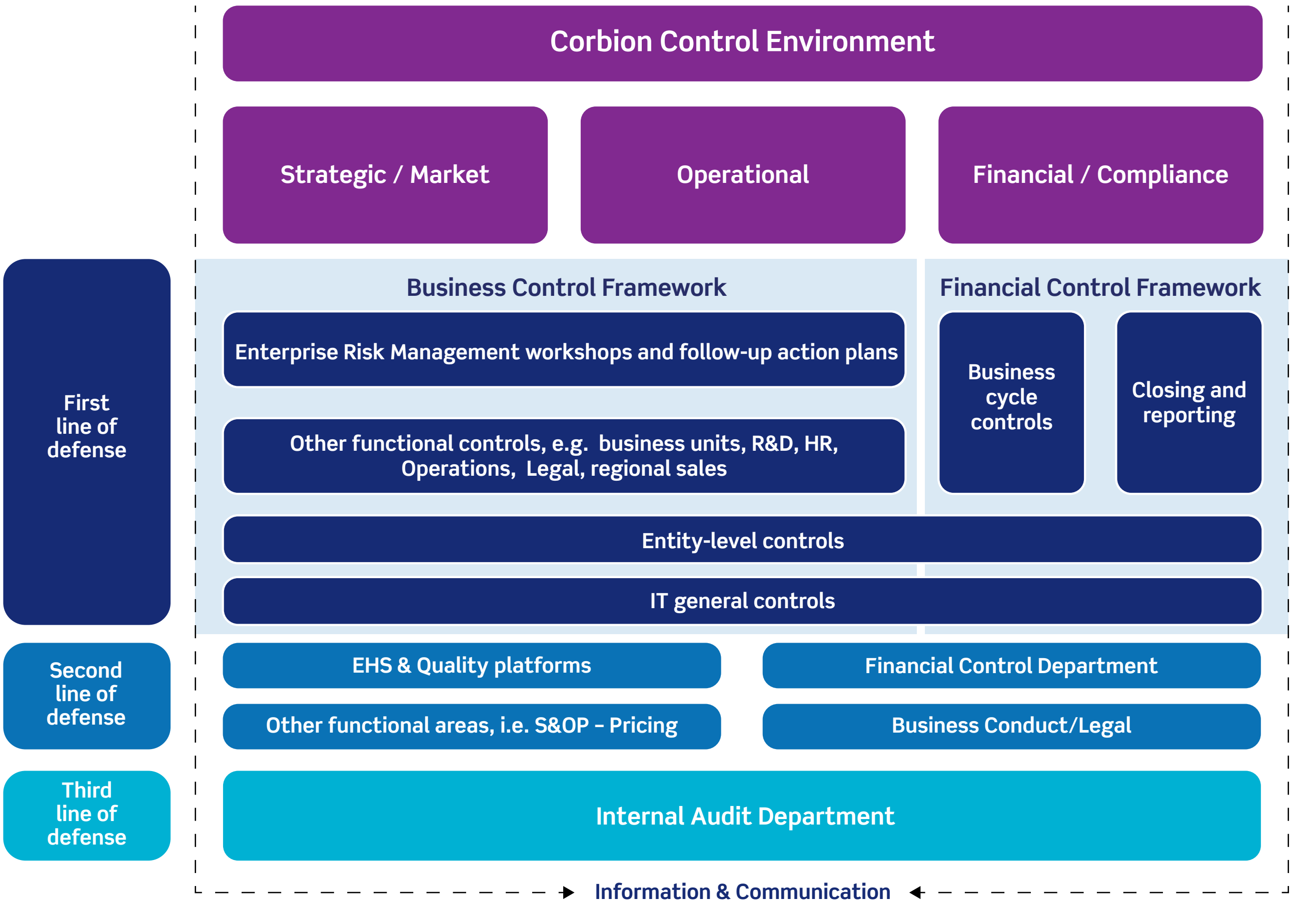
Risk management

Framework

Our approach to risk management

With 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 and realization of its objectives. Corbion has an enterprise-wide risk management program (ERM) in place to preserve its reputation, assets, competitive edge, and profits. ERM is the process of systematically identifying, analyzing, evaluating, and addressing risks that may impact the achievement of a company's objectives.

Our approach to risk management aims to achieve a reasonable level of assurance, in line with the Enterprise Risk Management framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO – ERM). Our approach aims to embed risk awareness and risk management at all levels of Corbion to ensure that risk decisions are taken and evaluated consciously and properly. Our risk management approach covers strategic/market, operational, and financial/compliance risks, which can be illustrated as follows.



Governance

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.

Identifying risks

We identify risks by combining a top-down and bottom-up approach. As an integral part of the strategy review, the Executive Committee annually assesses the strategic/market risks. A control framework is used where key management activities, covering operational and financial/compliance risks, per area of responsibility are identified via a bottom-up approach. Derived from this control framework, several key management activities are selected by the Executive Committee as to where increased focus will be applied in 2018 to further strengthen our risk management framework. This is discussed with the Audit Committee and the Supervisory Board.

Internal risk management and control systems

Our internal risk management and control systems framework is not limited to the elements outlined below as these are a summary of controls implemented at local and corporate levels. We apply entity-wide controls, a business control framework, a financial control framework, and audits.

Entity-wide controls

General

Our entity-wide controls include different departmental control frameworks, several risk mitigating committees, policies that address significant business control and risk management practices, controls to monitor results of operations, self-assessment programs, our Code of Business Conduct, our whistleblower hotline, activities of the internal audit function, oversight by the Executive Committee, and reporting to and discussions with the Audit Committee. A thorough assessment of selected risks is performed at several Executive Committee and Audit Committee meetings during the year.

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.

Middle and senior management are required to give annually a statement that in the past year they have conducted business in accordance with Corbion's Code of Business Conduct and underlying Corbion policies.

Business control framework

Business planning, budgeting, and management review

Based on Corbion's strategy and plans, targets are set for the annual budget. After determining these budgets, the targets are rolled out to the responsibility areas (business units, operations, etc.) within Corbion. Quarterly updated estimates are made based on a forecast until the end of the year. Forecasts are specifically discussed between responsibility area leaders and the Executive Committee during quarterly business review meetings. The Executive Committee monitors business performance on a monthly and quarterly basis using a defined set of key performance indicators and reviews of actual results versus budgets, quarterly estimates, and the previous year.

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

Business Conduct program

Guided by the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises, our Code of Business Conduct (which is available in seven languages) describes principles with respect to personal and business conduct, asset protection, employment standards, and environmental protection and sets out the expected standard of behavior of all Corbion employees. This Code serves as an umbrella for underlying policies which cover in more detail areas such as competition law, anti-bribery, anti-corruption, economic sanctions, and insider trading. Corbion has a network of regional Business Conduct Coordinators who support embedding of the Code of Business Conduct and the underlying policies in the local operations. Besides this, they function as a local point of contact for management and staff.
All Corbion employees need to follow annually a mandatory training (either through e-learning or class room training) with respect to the Code of Business Conduct. In addition, selected groups of employees need to follow every two years mandatory e-learning trainings with respect to anti-corruption and competition law. A breach of the Code of Business Conduct can lead to disciplinary actions, including termination of employment.

Under the Corbion Speak Up Policy, Corbion employees are able to report (potential) violations of the Code of Business Conduct to their manager or a Business Conduct Coordinator. Next to that, the Corbion Speak Up Line, which is available 24/7 and operated by an independent service provider, allows employees to report issues anonymously. In 2017, 7 complaints with respect to the Code of Business Conduct were reported. Appropriate measures have been taken by management.

Anti-bribery and anti-corruption

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

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

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

In 2017 we have initiated a corruption compliance risk assessment in the countries that score high on the Corruption Perception Index and where Corbion has a presence, being Russia, Mexico, and China. As part of that assessment, we are reviewing the relationship with the local authorities and screening the agents and distributors that we use in these countries as well as the parties that help us communicatie with the local authorities (if any).

The outcome of the policies and procedures described above was that no material findings were observed.

Legal and regulatory review

Local management is responsible for compliance with laws and regulations. The Legal 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.

Information technology governance

An information technology general control (ITGC) framework is in place which ensures the proper management of IT governance in general, projects and programs, computer operations, and access management. We have professionalized the management of projects and strengthened the IT Project Management Office. From an IT security perspective, the Information Security Board (including senior management) sets the IT security roadmap. Risk-reducing initiatives in the past year included amongst others a company-wide security awareness program, multi-factor authentication, penetration tests, yearly disaster recovery plan testing of selected systems, and implementation of a security policy. Furthermore, we are implementing a Security Operating Center and strengthening the network segregation. In case of data security incidents, the data breach committee is notified to ensure proper action and communication with authorities.

Financial control framework

General

As Corbion operates worldwide, it is committed to maintaining high-quality, reliable financial reporting, and a good control environment. All reporting entities assess operational effectiveness of their financial closing and reporting processes, at mid-year and end-of-year, confirming compliance with the relevant guidelines and IFRS. Together with the Letters of Representation, this ensures the integrity of our financial reporting. During 2017 self-testing was expanded to also include tax governance and treasury internal controls.

During 2017 our main legal entities performed quarterly assessments of the effectiveness of their key financial process controls. Improvement recommendations based on audit findings are followed up by local management, the status of which is being monitored regularly by the Executive Committee.

Tax principles

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

Business rationale/transfer pricing
Corbion's tax strategy follows from and is aligned with the business strategy and objectives. Consequently, 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."

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 dialog with the various tax authorities on the basis of disclosure of all relevant facts and circumstances. 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 Audit Committee supervises the activities of the Board of Management with respect to the tax governance framework.

Compliance
We aim to act in accordance with all applicable laws at all times 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.

Audit

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

External audit
Our external financial audit engagement ensures that our financial statements give a true and fair view of our financial position as at 31 December 2017 and of our result and our cash flows for the year then ended. In 2017 the external auditor reviewed the sustainability indicators marked with "✓". A review is aimed at obtaining a limited level of assurance.

Risk assessment and key risk areas

Risk assessment
The Executive Committee has carried out an assessment of the design and effectiveness of the internal risk management and control systems, covering strategic/market, operational, and financial/compliance risks. Elements that were taken into account were amongst others reports from the internal audit function and the external auditor, findings reported under our entity-wide controls, business control framework, and financial control framework, matters reported by the Legal Department, and reports received under our Speak Up Policy. The outcome of this assessment was that no major failings in the internal risk management and control systems were observed in the reporting year, and that no significant changes have been made to these systems. Corbion is continuously strengthening its internal risk management and control systems by various improvement initiatives; no major improvements have been identified for 2018. This has been discussed with the Audit Committee and the Supervisory Board.

Risk appetite
Our risk appetite is the amount of risk we are willing to accept to achieve our strategic goals. This requires adequate understanding and awareness of potential risks and their magnitude within the company. The level of risk appetite is set by the Executive Committee, but for areas that are close to or exceeding our risk appetite, involvement of both senior management and the Executive Committee is required. Our risk appetite can be summarized as follows.

Risk category	Risk appetite
Strategic/market risk	Moderate to high: balancing risks and rewards to achieve our growth, innovation, and sustainability objectives
Operational risk	Low: safety-related issues Moderate: other areas with a focus on improving operational and functional excellence
Financial/compliance risk	Low: full compliance with legal and regulatory reporting (including financial reporting)

The impact on EBITDA in millions of euros of a 1% change in net sales, costs, profit, and currency changes is reflected as follows.

	Change	Approx. EBITDA impact (millions of euros)
Net sales	+1% / -1%	+/- 4.4
Gross profit	+1% / -1%	+/- 3.1
Operating costs (= selling expenses + R&D costs + G&A expenses)	+1% / -1%	+/- 1.4
USD	+1% / -1%	+/- 1.3
YEN	+1% / -1%	+/- 0.2

Key risk areas

Below a summary is provided of the main risks that may exceed the levels of risk appetite defined. For each risk the potential impact as well as a summary of mitigation measures taken to address them are highlighted. 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 specific risks

Risk event	Cause and potential impact	Mitigation actions
Strategic/market risks		
Underperforming joint ventures in Innovation Platforms	A number of our key initiatives in Innovation Platforms are executed via jointly controlled entities with different joint venture partners. JV partners may not always be fully aligned in their strategic interest and/or priorities in operating these JVs, potentially leading to suboptimal compromises.	Dedicated management made available to manage the JV partnerships at JV management board level. Close interaction with JV partners (e.g.Total, Bunge, BASF) to align interests of JV partners as much as possible and to provide clear and shared guidance/priority setting for the JV management. Adjust investment pace to be aligned with commercial development/potential.
Raw material and energy price volatility and availability	Failure to manage the price volatility risk of raw materials, chemicals, and energy that cannot be passed on to customers due to inadequate commodity positioning or lack of contractual enforcement. This may result in adversely impacted gross margins.	The inclusion of price formulas in contracts, frequent monitoring of key materials and energy impact. Overall raw material risks are mitigated by actively taking longer-term contract positions where necessary, by sourcing from different locations/key raw materials, and in the longer run, by considering alternative or second-generation feedstocks. Our global procurement organization, with dedicated finance support, has developed adequate measures to secure contractpositions and obtain financial instruments to minimize or delay exposure to cost fluctuations due to changing raw material prices that might impact our margins negatively. These measures include early warnings of possible impact on our organization and our customers. Furthermore, we have implemented a multiple-supplier sourcing policy for our most critical raw materials.
Loss of large customers	The loss of a large customer could have a disproportionate impact on the profitability of the company. We have a large and diversified customer base in which the five largest customers account for approximately 14% of our sales.	Intimate customer relationships based on a profound knowledge of our customers' needs and those of their end consumers; continuous new product development, where possible jointly with our customers; and excellent service and cost levels should limit the risk of large customers leaving. Our strategy is very much focused on improving these fundamental customer relationship aspects, including required substantial investments.

Operational risks		
Safety incidents	Inherent health and safety hazards in our operations and insufficient awareness of unsafe plant conditions can lead to injuries or casualties and a potentially, temporary plant shutdown.	Safety is an integral part of new design and change in product formulations and production processes. A new policy focused on safety core beliefs followed by participative workshops has been rolled out and a program focused on life changing safety rules, supported by e-learning and awareness campaigns will be rolled out in 2018. 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.
Business interruption	An external hazardous event (floods, riots, fires etc.) or internal disruption (e.g. availability of critical spare parts, global supply chain complexity etc.) may result in a significant period of plant shutdown or disruption and hence in non-(timely)-delivery of our products to internal and/or external customers, ultimately leading to adverse financial and reputational consequences.	Business continuity and crisis management plans including contingency sourcing are in place with ongoing evaluation, based amongst other things on high credible incident identifications for each site. Furthermore, appropriate customer and supplier agreements are in place to limit exposure whilst leveraging supplies. Finally, residual risks are adequately insured including assets and business continuity risks.
Confidential information	Failure to protect sensitive information adequately due to limited physical protective measures, inadequate user behavior, or potential cyber-attacks may result in loss of valuable or sensitive information such as trade secrets or intellectual property.	Controls are continuously improved and penetration tests (to check quality improvement) are performed frequently. Non-disclosure agreements with third parties are in place.
Financial/compliance risks		
Liability claim for poor product quality	Deficiencies in the operating effectiveness of the quality assurance measurements may lead to a severe liability claim.	Liabilities to customers are contractually capped as much as possible in line with Corbion policy whilst residual risk is partially covered through liability insurance. A strong Product Quality Assurance program (including audits by customers) is in place.

Generic risks

Risk event	Cause and potential impact	Mitigation actions
Volatility in currency exchange rates	Failure to manage volatility in the exchange rates of a number of currencies versus the euro, especially the US dollar, can have a significant impact on our financial results.	Hedging policy to limit the impact of volatility in foreign exchange rates is in place. Hedging the impact of the foreign currency translation risk is partly and indirectly effectuated through matching with liabilities denominated in foreign currency. Our external debt is partly denominated in US dollars, which partly offsets the equity translation exposure we have against the US dollar. The exposure to transaction risks is partly hedged by offsetting the long/short foreign currency positions through a system of gradually selling and/or buying these currencies to mitigate the impact of sudden volatility in these currencies.
Cybersecurity	A breach of our IT security might lead to possible loss of information.	We have implemented an IT governance structure including a dedicated corporate information security officer (CISO) and an information security governance board (ISB). The IT general control (ITGC) framework has been updated including amended IT policies. On a frequent basis we perform penetration tests, helping us to identify and correct potential IT security weaknesses. The outcome of these tests supports 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). Also, we are reinforcing the security framework by increased focus on and more frequent application of patching, by multi-factor authentication, and by implementing a Security Operating Center
Non-compliance with applicable tax laws	Failure to timely detect and anticipate changes in a wide variety of tax laws or in the application thereof could adversely affect our financial results.	An adequate quarterly reporting system is in place, we hold regular tax meetings, and review tax compliance of our operating companies. Our global tax control framework warrants compliance. Transfer pricing policy and documentation are in place as well. We seek the advice of external tax experts in compliance matters.
Legislative and regulatory environment	Failure to comply with (changing) laws and regulations in the markets we operate in. Lack of insight into and/or awareness of relevant laws and regulations and their requirements may result in suspension of activities, reputational damage, and exposure to criminal and financial lawsuits.	Global legal and regulatory compliance programs are in place, including related awareness trainings, and we monitor, review, and report on changes in laws and regulations. We seek the advice of external experts in compliance matters.
Non-compliance with International Financial Reporting Standards (IFRS)	Not informing our shareholders and other stakeholders in conformity with IFRS might lead to a lack of trust, reputation damage, a declining share price, and, possibly, legal claims.	Corporate accounting policies are maintained and made available via the Corbion intranet. Our global control framework includes financial reporting controls that warrant compliance with IFRS. External best-in-class expert advice is used if/where necessary.

Risk management and responsibility statement

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, operational, reporting and compliance 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, operational, reporting, and compliance objectives, nor that they can prevent all misstatements, inaccuracies, errors, fraud, and non-compliance with laws and regulations.

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

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

Responsibility statement

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

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

Amsterdam, the Netherlands, 6 March 2018

Board of Management
Tjerk de Ruiter, Chief Executive Officer
Eddy van Rhede van der Kloot, Chief Financial Officer


We create safer working conditions.
STOP team
Corbion Spain
Corbion
Keep creating
At Corbion we're creating a safe, healthy and environmentally friendly workplace

The STOP program at Montmeló is changing safety behavior

The team

- Ester Esgueva - EHS Manager
- Jordi Herrando - Filling Operator
- Bartolo López - Maintenance Operator
- Pedro Moreno - Lactic Operator
- Guzman Nachon - Plant Technologist
- Jesús Valor - Derivatives Operator

The project

For over a year and a half, we've been running a behavior-based safety program with a difference - called STOP. The big "difference" is that the representatives, running and implementing this program on the factory floor are not managers or safety professionals...but people working in the plant every day in a hands-on and highly visible way. Their job is to work with colleagues to provide a "two-way street" where operators feel comfortable raising questions and issues that could improve safety. All STOP successes are then shared with the team.

The challenge

Even though our plant safety record has improved year-on-year, we got to a point two years ago where simply "following the rules" wasn't enough. Instead of telling people what to do we wanted to create an environment where our people felt comfortable and motivated to take more ownership of their own safety. We wanted to create a mindset where, when our colleagues look at themselves in the mirror every morning, they see the person who is most responsible for being safe at work for them and their colleagues.

The outcome

A good example of the changes we've made comes in how we handle hot and corrosive liquids. Our STOP team met to discuss this, and then asked the opinion of the operators who actually handle the operations, lock the valves and pumps, and handle the risk. The result is that now we have a safer process that everyone is more comfortable with. Another big issue we've addressed is what happens when visitors come to the facility? Our STOP representatives take the initiative to talk to them, explain our approach, and ensure that they feel comfortable when inside the plant.

The experience

In the past we told people about safety. Now they tell us! The STOP program has tapped into the most basic human need – which is to care for each other and make a difference. After a while, safety becomes automatically ingrained in the way everyone behaves. You would never get into your car and start driving without fastening the seatbelt - and that principle now applies to how we think about safety in the plant. Of course this program has also helped strengthen the bond between operators, supervisors, and managers in the facility. We all understand each other far better these days.

The future

How do we keep this momentum going? Well, we are Mediterranean people of course, so we believe in making work (and safety) an enjoyable experience. For example, every year we celebrate International Safety Day with various fun activities, but with a very serious underlying message: We must remain vigilant because there is always something we can do to protect ourselves and our colleagues better!

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 2017

During the Capital Markets Day held on 9 November 2017, Corbion announced its updated strategy, "Creating Sustainable Growth." Since 2014 we have made great strides in strengthening Corbion, building one coherent company, and creating value in a disciplined way. We are now ready for the next phase of increased organic top-line growth and continued value creation for our stakeholders. We aim to be the leading innovator for sustainable ingredient solutions by offering conscious choices to our customers, uniquely tailored to create customer value.

On 29 September 2017 Corbion announced the completion of the acquisition of substantially all of the assets of TerraVia Holdings. As a result, its broad and diverse platform centered on fermentation-based innovative food and specialty ingredients derived from microalgae, has become part of Corbion and this acquisition is expected to bring high value creation potential.

Tjerk de Ruiter, CEO, has been reappointed by the General Meeting of Shareholders in 2017 for an additional period of two years (May 2018 - May 2020). Eddy van Rhede van der Kloot, CFO, has been nominated by the Supervisory Board for reappointment by the General Meeting of Shareholders in 2018 for a new term (May 2018 - May 2022). The Supervisory Board is pleased that it was able to secure continuity of leadership that will guide the company through the next stages of development to further capture the full potential of Corbion's strategy. The Supervisory Board is furthermore pleased that Jacqueline van Lemmen joined Corbion as EVP Operations as per 1 April 2017. In this capacity, she is a member of Corbion's Executive Committee and responsible for Corbion's global operations organization.

From a financial perspective, 2017 was a satisfactory year, where management handled adverse input cost market conditions, whilst at the same time executing our Disciplined Value Creation, with delivery of strong EBITDA, EBITDA margin and ROCE. On 15 September 2017 Corbion successfully completed its € 25 million share buyback program that commenced on 18 April 2017.

The Supervisory Board would like to thank the Executive Committee and all Corbion employees around the world for their dedication, loyalty, and hard work in 2017.

Composition of the Supervisory Board

Members of the Supervisory Board are: Mathieu Vrijsen (Chairman), Rudy Markham (Vice-Chairman), Liz Doherty, Jack de Kreij, and Steen Riisgaard. Brief resumes of the members of the

Supervisory Board are available under the section Corporate Governance/Supervisory Board of the Annual Report. The profile and diversity policy of the Supervisory Board are available on Corbion's website.
Mathieu Vrijsen was re-appointed as member and Chairman of the Supervisory Board at the annual General Meeting of Shareholders on 15 May 2017.

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

Meetings of the Supervisory Board

During the reporting year the Supervisory Board held six regular meetings and two conference-call meetings. The Board of Management attended these meetings. One of the meetings was a full-day strategy session with the Supervisory Board and the Executive Committee. The Supervisory Board also met regularly in the absence of the Board of Management to discuss, amongst others, developments in the financial results, and the composition and functioning of the Supervisory Board and Board of Management. Members of the Supervisory Board regularly met with the members of the Executive Committee, business leaders, and members of corporate staff. The external auditor attended the meeting of 3 March 2017, at which the 2016 Annual Report and Financial Statements were recommended for adoption by the annual General Meeting of Shareholders.

The Chairman and Vice-Chairman of the Supervisory Board regularly met with the CEO 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 2017 was almost 100%; Rudy Markham attended one meeting partly by phone. Attendance at the conference-call meetings was almost 100%; in one instance Jack de Kreij and Rudy Markham were not able to attend and they spoke separately to members of the Board of Management. Also in this intensive and important year for Corbion, all members of the Supervisory Board were able to make themselves sufficiently available to give adequate attention to the needs of Corbion.

Activities of the Supervisory Board

The discussions at the Supervisory Board meetings covered frequently recurring topics, such as reports of its committees, strategy, developments in financial results, business developments, quarterly interim management statements, acquisitions and divestments, key investments, annual budget, internal risk management and control systems, succession planning of the Supervisory Board and Board of Management, remuneration for the members of the Board of Management, corporate governance, investor relations, culture and values, the Financial Statements, and the Annual Report. In addition, the Supervisory Board discussed the acquisition of the assets of TerraVia, the implementation of the revised Dutch Corporate Governance Code, the re-appointment of Tjerk de Ruiter as CEO and the proposed re-appointment of Eddy van Rhede van der Kloot as CFO.

The Supervisory Board has been closely involved in the updated long-term strategy presented at the Capital Markets Day in November 2017. The draft strategy update and the principal risks associated with it have been discussed in several meetings and during a full-day strategy session with the Executive Committee. Constructive discussions were held with the Executive

Committee and the Supervisory Board played an active role in challenging and testing the ideas of the Executive Committee.

The Supervisory Board and the Executive Committee visited Corbion's plant in Thailand and met with local management and other colleagues. They also had a meeting with representatives of the joint venture Total Corbion PLA who updated them on the progress of the construction of the new PLA plant.

Evaluation

The Supervisory Board conducted a self-evaluation of the functioning of the Supervisory Board, its committees, and that of its members, as well as an evaluation of the functioning of the Board of Management and its members, supported by an independent external specialist. This was done by means of in-depth structured interviews with all members of the Supervisory Board and the Board of Management. A report of the evaluation, including observations and recommendations, was discussed by the Supervisory Board. General observations are in line with previous years indicating an open and constructive interaction between members of the Supervisory Board focused on the business at hand. The Supervisory Board feels sufficiently involved by the Board of Management, and is positive about the interaction and dynamics while the committees function as expected. Topics for the 2018 agenda are geared at initiating the planning process for succession of the CEO in 2020, defining the adequate level of involvement in and supervision of the joint venture Total Corbion PLA, the post-acquisition and integration of TerraVia (Algae Ingredients), and monitoring the top-line growth improvement and strategic options for the company. The Board of Management also conducted a self-evaluation of the functioning of the Board of Management and that of its members, supported by an independent external specialist. This was done by means of in-depth structured interviews with all members of the Board of Management. General observations are that the members of the Board of Management are positive about their overall performance, that the size and composition of the Executive Committee are appropriate, and that there is a right balance between distance and involvement with the Supervisory Board. The process of re-appointment of both the CEO and CFO is perceived to be effective. Topics for the 2018 agenda are fully in line with the agenda of the Supervisory Board and geared at executing the new strategy "Creating Sustainable Growth," supporting the succession process of the CEO in 2020, the further integration and commercialization of the TerraVia acquisition, forging ahead with the joint venture Total Corbion PLA, and the implementation of the new ERP system.

Committees of the Supervisory Board

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

Audit Committee

The members of the Audit Committee are Jack de Kreij (Chairman) and Liz Doherty. In 2017 the Audit Committee met five times in the presence of the external auditor, the CFO, the VP Group Finance, and the Senior Director Internal Audit. Other heads of departments (e.g. Treasury, Tax, Legal, and IT) were invited when the Audit Committee deemed it necessary and appropriate.

The Audit Committee also held private individual meetings with respectively the CFO, the Senior Director Internal Audit, and the external auditor. The attendance rate at the meetings held in 2017 was 100%.
The agenda at the Audit Committee meetings covered, amongst other subjects, annual and halfyear figures, interim management statements, accounting matters, IFRS changes, sustainability reporting, internal risk management and control systems, tax matters (including tax control framework), financing, treasury and insurance, pensions, IT (including cybersecurity), 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.
The Audit Committee closely monitors the independence of the external auditor. It evaluates the performance of the external auditor on a yearly basis and where appropriate recommends to the Supervisory Board the replacement of the external auditor. Furthermore, the Audit Committee submits a proposal to the Supervisory Board with respect to the fees for all audit services to be performed by the external auditor as requested by the Board of Management.

Appointment and Governance Committee

The Appointment and Governance Committee (previously the Nomination Committee) consists of Mathieu Vrijsen (Chairman), Rudy Markham, and Steen Riisgaard. The Appointment and Governance Committee met five times in 2017 in the presence of the EVP Human Resources and the Company Secretary. The CEO was invited to join certain parts of these meetings. The attendance rate at the meetings held in 2017 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 plan for the Supervisory Board and members of the Board of Management and the 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. Furthermore, the reappointment of the CEO and the nomination for reappointment of the CFO were extensively discussed as well as the implementation of the revised Dutch Corporate Governance Code.

Remuneration Committee

The Remuneration Committee consists of Rudy Markham (Chairman), Mathieu Vrijsen, and Steen Riisgaard. The Remuneration Committee met five times in 2017 in the presence of the EVP Human Resources and the Company Secretary. The CEO was invited to join certain parts of these meetings. The attendance rate at the meetings held in 2017 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 2016 Short-Term Incentive Plan (STIP) targets for the members of the Board of Management, the progress of the STIP 2017 targets and the targets of the running Long-Term Incentive Plan (LTIP) programs, and the target setting for the STIP 2018 and the LTIP 2017-2020. A benchmark study was conducted to assess the current pay-levels of the Board of Management and Executive Committee. Furthermore, 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 Science and Technology Committee consists of Steen Riisgaard (Chairman) and Mathieu Vrijsen. The Science and Technology Committee met four times in 2017 in the presence of the CTO, other members of the Executive Committee and members of the R&D leadership team. The attendance rate at the meetings held in 2017 was 100%. The agenda at these meetings covered, amongst other subjects, new technologies, food and biochemical applications, medical biomaterials, and external technology trends.

Financial Statements 2017

The Financial Statements prepared by the Board of Management for the financial year 2017 have been audited by KPMG Accountants N.V. The auditor's findings on the Financial Statements have been discussed with 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, 6 March 2018

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

REMUNERATION REPORT

Remuneration policy and its implementation in 2017

To ensure Corbion's development as a successful sustainable ingredient solutions company, the objective of the remuneration policy for the Board of Management is to create international 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 2015 and was approved by the annual General Meeting of Shareholders in that same year. The full remuneration policy is available on Corbion's website. This section describes how the remuneration policy has been implemented in 2017.

General

The implementation of the remuneration policy contributes to long-term value creation, because the long-term incentive for the Board of Management is aimed at longer-term value creation in line with stakeholder interests, measured over a performance period of three calendar years. To ensure that short-term performance also leads to sustainable long-term value creation, the short-term and long-term incentive performance metrics are aligned.

Remuneration reference levels

The total compensation levels (base salary, short-term incentive, long-term incentive) and pay mix are based on a combined reference group of comparable European biotechnology companies and Dutch general industry companies (AMX and smaller AEX). Every two years a reference check is performed to independently benchmark the total compensation levels with market levels; this was done for the first time in 2017. The reference check took into account the current trends in the executive remuneration practice, the internal (offsetting Board of Management salaries against extrapolated company salary grades) and external relativities against the company reference group. Based on this benchmark no major changes in remuneration levels and policies (pay mix, incentive design) are proposed. Some outcomes of the benchmark are:

- CEO: base salary and total compensation are aligned with the salary scales of Corbion in the US and total compensation is aligned with the European reference market. The special incentive brings the overall compensation for the CEO in line with US CEO market levels.
- CFO: base salary and total compensation are aligned with the salary scales of Corbion in the Netherlands, albeit slightly below the European reference market. The latter is due to the lower benefits allowance not yet aligned with the higher pension premiums needed to compensate for the lower returns on pension capital.
- Sustainability as a performance metric is becoming more common for larger listed companies as one of the metrics in short-term incentive programs.

Internal pay ratios

In the implementation of the remuneration policy, scenario analyses have been taken into consideration. In terms of the pay ratios within the company, Corbion has calculated the pay ratio of the Board of Management to the average Corbion employee. For reasons of transparency, the company took all disclosed and paid compensation, including base salary, short-term incentive, long-term incentive, benefits, and for the CEO the special share award. For the CEO, the ratio to the average employee is 42.4, for the CFO it is 14.9. While these numbers are relatively modest in comparison to industry peers, (considering the impact of the special share award of the CEO), the Supervisory Board felt that additional consideration of the internal compensation structure was required. An external expert validated the relativities between each reporting layer of Corbion, including the Board of Management, Executive Committee, senior management, and other employees per grade. This analysis showed a consistent and structured build-up of salary levels across the organization, confirming the relatively modest ratio as disclosed.

Base salary

Members of the Board of Management are entitled to a base salary. Based on median market data the base salary for the CEO will be set between € 500,000 and € 600,000. For the CFO base pay is set between € 300,000 and € 400,000. The individual pay of the Board members will be determined by the Supervisory Board within the boundaries of the aforementioned ranges (from time to time). There are no automatic annual increases in the base salary levels.

As per 1 April 2017, the annual base salary for Tjerk de Ruiter (CEO) amounts to € 575,000 and for Eddy van Rhede van der Kloot (CFO) € 358,750.

Short-Term Incentive Plan (STIP)

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. It is determined by two financial targets: EBITDA and earnings per share (EPS) (both as defined in the policy). EBITDA will account for 70% of the total STIP; the remaining 30% will be determined by EPS. A range of 30% around each performance target (or such lower percentage as determined by the Supervisory Board) is set annually to determine the actual payout. The STIP payout at target level is set at 50% of base salary for the CEO, and 40% for the CFO. For 2017, the Supervisory Board applied the range of 30% for actual payout as follows: the threshold level was set at 85% and the maximum level at 115% for each target.

An actual payout level of 88.6% has been achieved for the EBITDA target and 119.3% for EPS in the reporting year. This has led to a total payout of 97.8% of the at-target STIP for both Tjerk de Ruiter and Eddy van Rhede van der Kloot.

The Supervisory Board has decided to use its discretionary authority in accordance with the remuneration policy to grant an additional 5% cash pay-out over 2017 based on the successful acquisition of the TerraVia (Algae Ingredients) business and the establishment of the PLA joint venture with Total.

Long-Term Incentive Plan (LTIP)

The long-term incentive for the Board of Management is aimed at longer-term value creation in line with stakeholder interests, measured over a performance period of three calendar years. To ensure that short-term performance also leads to sustainable long-term value creation, the LTIP measurement is fully aligned with the STIP: EBITDA and EPS account for 60% respectively 20% of the LTIP. In addition, 20% of the LTIP is determined by relative Total Shareholder Return (TSR) as compared to a specific TSR peer group.

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.
Meeting the performance target(s) will result in an LTIP payout at target level. A range of 50% around the performance target(s) (or such lower percentage as determined by the Supervisory Board) is set for the EBITDA and EPS performance to determine the actual payout. For TSR performance, threshold payout is set at meeting the eighth position in the peer group. Based on independent analysis by a leading bank in the Netherlands the TSR performance of Corbion versus the TSR peer group will be assessed after the three-year performance period.

The LTIP shares conditionally granted in 2014 to Tjerk de Ruiter and Eddy van Rhede van der Kloot have vested in 2017, as Corbion ranked second in the peer group (the TSR performance for the 2014 LTIP series was based on the previous peer group). As a result, 175% of the conditionally granted shares have vested in accordance with the then applicable LTIP criteria. The number of vested shares received by Tjerk de Ruiter is 33,430 representing a value of € 917,326 at the time of vesting. The number of vested shares received by Eddy van Rhede van der Kloot is 17,247 representing a value of € 473,237 at the time of vesting. The Board members did use the option of selling shares to finance the income tax due on the vested shares.

The number of performance shares conditionally granted to Tjerk de Ruiter in 2017 (possible vesting in 2020) is 23,585 representing a value of € 575,000 at the time of the grant. The number of performance shares conditionally granted to Eddy van Rhede van der Kloot in 2017 (possible vesting in 2020) amounts to 11,772 representing a value of € 287,000 at the time of the grant.

Benefits allowance

As a consequence of the use of executive assignment agreements, the company does not provide benefits such as pension (individual retirement), medical or life insurance, or a company car to Board members. That is why each Board member is provided with a benefits allowance. This is a fixed annual amount of € 200,000 for a CEO with an international background and € 100,000 for the CFO, to cover the cost of these expenses.

Corbion does not grant loans to members of the Board of Management.

Other compensation

Tjerk de Ruiter is entitled to a one-off time-restricted performance share award equivalent to a target value of € 2 million in Corbion shares to vest over three years, as of 1 January 2015 (this award was granted in 2014 and amended in 2015 by the General Meeting of Shareholders). The award bridges part of the compensation gap between the United States and the Netherlands. The award encourages delivering a growing, increasingly profitable, and sustainable business portfolio. The award will vest only if a minimum target (EBITDA growth, as defined in the share award) is achieved each year. If performance falls below target, no shares will vest. For at-target or above-target performance, the target number of shares (representing a value of one-third of the aggregate amount of € 2 million) will vest. The Supervisory Board has set long-term innovation milestones which allow for an additional vesting of up to 25% of the total number of shares. The award is subject to the general share-ownership requirement of two times the annual base salary; as long as Tjerk de Ruiter does not comply with this share-ownership requirement, vested shares under this share award will be kept in a restricted account and cannot be traded.

For 2017, the minimum annual target was achieved leading to the vesting of 39,897 shares to Tjerk de Ruiter in 2018. As the three-year performance period has lapsed, the Supervisory Board has agreed to an additional vesting of 23,938 shares to Tjerk de Ruiter in 2018 on the basis of the long-term innovation milestones.

Remuneration for the Board of Management

The total annual remuneration for the Board of Management in 2017 amounted to € 4.2 million including STIP over 2017 (2016: € 2.6 million). The table below shows the amounts which the respective Board member (i) received/was entitled to in 2017 (base salary, STIP, benefits allowance, relocation costs) and (ii) received/was entitled to in 2017 by way of vesting (LTIP, special share award).

Thousands of euros	Year	Base salary	STIP	LTIP	Benefits allowance	Special share award	Re-location costs	Total
T. de Ruiter	2017	569	310	917	200	1,095		3,091
	2016	544	344		200	889		1,977
E.E. van Rhede van der Kloot	2017	357	158	473	100			1,088
	2016	350	175		100			625
Total	**2017**	**926**	**468**	**1,390**	**300**	**1,095**		**4,179**
	2016	**894**	**519**		**300**	**889**		**2,602**

Remuneration for the Supervisory Board

Total remuneration for members of the Supervisory Board in 2017 amounted to € 0.3 million (2016: € 0.3 million).

Every member of the Supervisory Board receives an annual base fee of € 45,000; the Vice-Chairman receives € 50,000 and the Chairman € 60,000.

For membership of the Audit Committee an additional fee of € 10,000 applies, and for the Chairman € 15,000. Members of the Appointment and Governance Committee, Remuneration Committee, or Science and Technology Committee receive an additional € 5,000 in fee; the fee for the Chairman of these committees amounts to € 7,500. In addition, members received reimbursement of expenses.

Breakdown remuneration Supervisory Board

	IAS 24.17 category	Short-term employee benefits*		Total
	Year	Base fee	Commitee fee	
M.F.J.P Vrijsen, Chairman (Chairman Appointment and Governance Committee / member Remuneration Committee / member Science and Technology Committee)	2017	60	18	78
	2016	60	18	78
R.H.P. Markham, Vice-Chairman (Chairman Remuneration Committee / member Appointment and Governance Committee)	2017	50	13	63
	2016	50	13	63
M.E. Doherty (member Audit Committee)	2017	45	10	55
	2016	45	10	55
J.P. de Kreij (Chairman Audit Committee, member until May 2016)	2017	45	15	60
	2016	45	15	60
R. Pieterse (Chairman Audit Committee, resigned per May 2016)	2017			
	2016	17	4	21
S. Riisgaard (Chairman Science and Technology Committee, member Remuneration Committee / member Appointment and Governance Committee	2017	45	18	63
	2016	45	18	63
Total*	**2017**	**245**	**74**	**319**
Total*	**2016**	**262**	**78**	**340**

** Excluding expenses company*

Corbion does not grant loans to the members of the Supervisory Board. None of the members of the Supervisory Board has shares in the company or any option rights relating thereto (as at 6 March 2018).

Remuneration for former members of the Board of Management

Gerard Hoetmer (CEO) and Koos Kramer (CFO) stepped down as members of the Board of Management on 12 May 2014. The LTIP shares conditionally granted in 2014 to Gerard Hoetmer and Koos Kramer have vested in 2017, as Corbion ranked second in the peer group (the TSR performance for the 2014 LTIP series was based on the previous peer group). As a result, 175% of the conditionally granted shares have vested in accordance with the then applicable LTIP-criteria. The number of vested shares received by Gerard Hoetmer is 40,504 representing a value of € 1,111,422 at the time of vesting. The number of vested shares received by Koos Kramer is 25,487 representing a value of € 699,363 at the time of vesting. The former Board members did not use the option of selling any shares to finance the income tax due on the vested shares.

Breakdown remuneration former members of the Board of Management

The table below shows the amounts which the respective former Board member (i) received/was entitled to over 2017 (base salary, STIP, pension benefits, relocation costs, notice period) and (ii) received/was entitled to in 2017 by way of vesting (LTIP, commitment award), or received in 2017 by way of contractual severance (other termination benefits).

Thousands of euros	Year	Base salary	STIP	LTIP	Benefits allowance	Pension benefits	Re-location costs	Notice period	Other termi-nation benefits	Other	Total
G.H. Hoetmer	2017			1,111							1,111
N.J.M. Kramer	2017			699							699
Total	**2017**			**1,810**							**1,810**

We create zero waste through awareness of sustainability.

Volenteer Environmental Team
Corbion Spain

Corbion
Keep creating

At Corbion we're creating a future where nothing is wasted

Ramping up recycling at Montmeló

The team

- Mayte Agudo, Management Assistant
- Marti Corominas, Maintenance Department
- Ester Esgueva, EHS Manager
- Montserrat Fernández, ESH Officer
- Xabi García, Plant Utilities & Project Engineer
- Marçal Gotanegra, Maintenance Manager
- Sandra Lopez, Human Resources Manager
- Elisabet Ramos, Financial Controller
- Josep Sevilla, IT Regional Support Technical Engineer

The project

For the past 18 months we've been running a zero waste program at our Montmeló plant. This program is not solely focused on how we tackle this issue inside the factory, but we have also given our people the resources and tools to reduce waste and adopt recycling in their own homes and villages! We created a Volunteers Environmental Team managed by nine people from completely different functions and job roles. This in turn has given us a fantastic new perspective on how to change our behavior and also ensure that everyone feels able to contribute to reducing waste, no matter what their job title!

The challenge

Corbion Montmeló has been especially engaged with the local community activities such as cleaning up the local river (collecting plastic etc.). We wanted to strengthen this further and bring this topic to everyday sustainability of all our employees at work and at home. It began almost by accident when we were discussing the topic over lunch. What could we do to really help our colleagues change their behavior on waste? Our answer was to give every employee – and importantly, our contractors, too – three different colored recycling boxes to take home with them and use. To publicize the initiative we set up a Zero Waste Corner where colleagues can come and discuss the project, read literature, receive a little training, and generally get involved. Very importantly, we situated it in a place that no-one could ignore – directly outside our staff canteen!

The outcome

Our people have taken these recycling boxes home and used them. This has now started to become a habit, where we no longer even think about it. From here we start to see this great behavior crossing into the working environment. Suddenly, we are wasting less plastic and paper in the day-to-day running of the office; we are more conscious of the water that we use; and of course we are recycling various materials whenever we can! It's a little difficult to provide hard statistics but there is no doubt that as a community at Montmeló we are now being less wasteful.

The experience

Asking people to change their behavior overnight can be difficult – especially for those who have lived and worked in a particular way for a long time. The emphasis on our zero waste initiative has been, "let's tackle the small things, one by one" – because they all add up to make a big difference. What is most pleasing is that many different people are having their voices heard and really enjoying this program. The communication is two-way, and we've already had several great suggestions from our people – and that is the best way to ensure it really sticks.

The future

The bottom line for our team here is that acting responsibly and preserving our resources gives us a huge advantage in terms of increasing our efficiency in the future, for example by reducing the amount of energy the plant uses. At Corbion we are, after all, very proud to be a biobased company and it's important that sustainability should be part of our daily lives, not just part of our daily jobs. Ultimately we are all working towards a circular economy culture!

SUSTAINABILITY STATEMENTS

Materiality and stakeholder engagement

The foundation of our updated sustainability strategy is the materiality matrix, which we use to set priorities and ensure that we take a focused approach. A materiality analysis is about the identification of key issues that are important to our stakeholders and our strategy.
The materiality matrix visualizes the results of this analysis, by plotting the relevant social, environmental, governance, and economic issues as a function of their importance to stakeholders (vertical axis) and Corbion's strategy (horizontal axis).

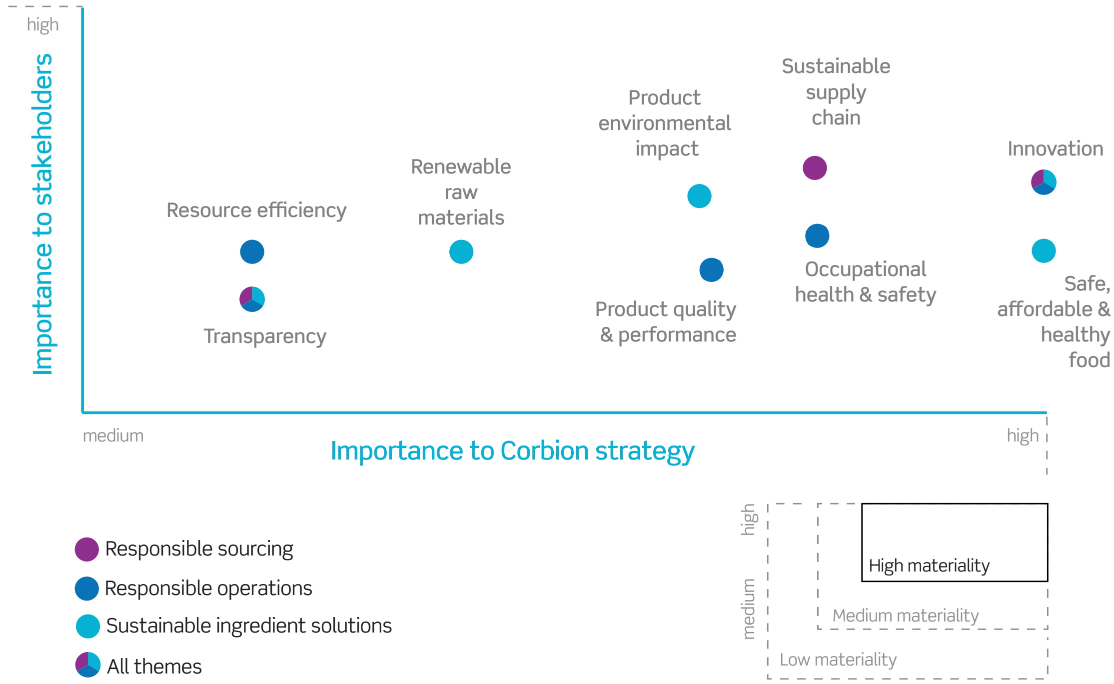
In 2017 we updated our materiality matrix using an in-depth methodology (see Figure 1). We updated the issues in the evaluation based on stakeholder feedback, benchmarking within our industry, and a media search. To determine the relevance of these issues to our stakeholders, we conducted a quantitative survey combined with qualitative interviews with representatives of each stakeholder group (see Figure 2) to understand their expectations. Generally, our stakeholders really appreciated this opportunity to share their views and recommendations. We will continue this dialog to keep our assessment up to date and to signal emerging issues in time.

Combined with our internal assessment of the importance of the issues to our strategy and the impact of Corbion's activities on the issue, this resulted in the identification of nine material themes. These nine themes have a high impact on our strategy and are considered important by the majority of our stakeholders. Compared to our previous materiality assessment, three additional material themes are identified:
1. Safe, affordable, and healthy food
2. Occupational health and safety
3. Product quality and performance

These themes have been included in our updated Sustainability framework and we have used the input from stakeholders to update our ambitions and targets for our sustainability initiatives.

Materiality matrix

The image below shows the upper-right section of Corbion's materiality matrix, highlighting the nine material themes.



The materiality determination process (Fig.1)

1 **Long and short list of themes**: we have compiled a long list of relevant sustainability themes based on GRI indicators, benchmarking, and stakeholder input. This list was consolidated into a short list of 28 themes.
2 **Determining importance to the Corbion strategy**: the importance of each theme to the Corbion strategy was determined through discussions with the Executive Committee.
3 **Stakeholder dialogs**: the importance of each theme to our stakeholders was determined on the basis of a stakeholder suvery and interviews.
4 **Stakeholder weighting**: the stakeholder input was weighted according to the impact that Corbion has on each stakeholder group and the impact that each stakeholder group has on Corbion.
5 **Calculating materiality matrix**: the resulting internal and external scores were plotted in a matrix and discussed with the Executive Committee to select the material themes.

Key stakeholder groups (Fig. 2)

Our key stakeholders have been identified on the basis of two questions:
1. On which stakeholders does Corbion have a significant impact?
2. Which stakeholders have a significant impact on Corbion?

(Alphabetical order)

- **Business partners**
- **Customers**
- **Employees**
- **Governments**
- **Industry associations**
- **Knowledge institutes**
- **Multi-stakeholder initiatives**
- **NGOs**
- **Potential future employees**
- **Shareholders**
- **Supervisory Board**
- **Suppliers**

Overview of the priority themes per stakeholder group (Fig. 3)

Each of the material themes is considered a priority by at least two stakeholders.
Some stakeholders also indicated some specific topics that are relevant to them, but not considered material overall.

	Business partner	Customer	Employees	Future employees	Government	Industry association	Knowledge institute	Multi-stakeholder Initiative	NGO	Shareholder	Supervisory Board	Supplier
Sustainable supply chain	•	•	•	•	•	•	•	•	•	•		•
Renewable raw materials				•	•		•	•	•			•
Resource efficiency				•	•	•	•	•	•			
Innovation	•		•	•			•				•	•
Product environmental impact		•			•	•			•	•		•
Safe, affordable, and healthy food; prevent food waste		•	•							•	•	
Transparency	•	•									•	•
Occupational health and safety			•	•						•		
Product quality and performance	•		•									
Alternatives for chemicals of concern	•	•				•						
Next generation feedstocks					•	•	•					
Human rights										•		
Talent attraction, development, and retention											•	
Economic performance											•	
Renewable energy									•			
Partnerships								•				
Community engagement								•				

Material themes, definition, link tot sustainability strategy

Overview of the material themes, definitions, the link with Corbion's sustainability framework and strategy, and the location in the report where more information can be found.

Material theme	Definition	Boundaries	Link with sustainability framework	Location in report
Sustainable supply chain	Responsible sourcing of raw materials, taking into account business ethics, human rights, labor conditions, the environment, agricultural practices, land rights, land use, and biodiversity.	Corbion's supply chain	Responsible sourcing	Responsible sourcing Sustainability statements
Occupational health and safety	Provide a safe and healthy working environment for all employees, contractors, and visitors.	Corbion's own operations	Responsible operations	Responsible operations Sustainability statements
Resource efficiency	Efficient use of raw materials, energy, and water in Corbion's facilities. Reduce, re-use, and recycle waste. Reduce Corbion's own carbon footprint.	Corbion's own operations	Responsible operations	Responsible operations Sustainability statements
Product environmental impact	Impact of Corbion's products on the ecological footprint for end users.	Corbion's own operations and supply chain (cradle to gate)	Sustainable ingredient solutions	Sustainable ingredient solutions Sustainability statements
Renewable resources	The use of renewable raw materials instead of finite fossil resources. Corbion's contribution to the transition to a circular economy with a reduced dependency on fossil fuels.	Corbion's supply chain	Sustainable ingredient solutions	Sustainable ingredient solutions Sustainability statements
Safe, affordable, and healthy food; prevent food waste	Contribution of Corbion's food ingredients to safe, affordable and healthy food and to the prevention of food waste.	Corbion's value chain	Sustainable ingredient solutions	Sustainable ingredient solutions Sustainability statements
Product quality and performance	Deliver products that consistently meet specifications and deliver the expected performance.	Corbion's value chain	Sustainable ingredient solutions	Sustainable ingredient solutions Sustainability statements
Transparency	Transparency on raw material sourcing, product environmental impact, sustainability performance, and clear labeling of food ingredients.	Corbion's value chain	Transparency	Sustainability statements (qualitatively reported)
Innovation	Development and commercialization of new products, product applications, and processes.	Corbion's value chain	Innovation	Strategy section Sustainability statements (qualitatively reported)

Our ambitions and what we achieved in 2017

Ambition	Critical success factors	Achievements in 2017
Responsible sourcing Create a sustainable supply chain for Corbion's main agricultural raw materials (sugarcane, corn, soy, wheat, palm oil)	• Sustainability criteria embedded in our security-of-supply assessment • Generic supplier code that states mandatory requirements on, amongst others, business ethics, human rights, labor conditions, and the environment • Specific policies for our priority raw materials focusing on continuous improvement towards the implementation of the relevant sustainability standard for each of these raw materials • Participate in relevant multi-stakeholder initiatives • Collaborate with strategic suppliers to reduce our scope III carbon footprint	• Continued implementation of our security-of-supply assessment and mitigation plans for all raw materials categorized as high risk • Continued implementation of our supplier code and cane sugar code • Developed tools to verify adherence to the cane sugar code • Publication of a white paper on the sustainability of the Thai sugarcane sector • Bonsucro certification for our lactic acid plants in Thailand and Brazil • Launch of the Bonsucro Buyer Accelerator Group, a joint initiative by buyer members of Bonsucro who are seeking to accelerate the pace and impact of improvement in sustainable sugarcane production and supply • Defined 2020 roadmap for RSPO certification of palm oil and primary oleochemicals derived from palm oil • Supplier visits to evaluate progress on sustainability at Corbion's main suppliers of soy- and corn-derived raw materials in the US
Responsible operations Create a zero incident and zero waste Corbion	• Record all incidents and implement corrective and preventive measures • OHSAS 18001 certification of all our manufacturing sites • Valorize by-products • Waste reduction programs • Design out waste for new manufacturing processes • Continue to reduce our energy and water consumption • Transition to renewable electricity • Reduce our carbon footprint in line with Paris agreement	• Reduced Total Recordable Injury Rate for all employees (including contractors) from 1.3 to 0.9 (reduction of >30%) • Prepared Property Risk Manual • Renewed focus on hazardous operations resulting in updates at all sites • Developed 10 Corbion Safety Rules based on main Corbion risks and prepared roll-out process for 2018 • Increase of capital expenditure related to safety • Implemented new valorization option for gypsum at our lactic acid plant in the US, resulting in a significant reduction of the quantity of landfilled by-products compared to 2016 • Joined RE100 to demonstrate our commitment to renewable electricity • Started implementation of our renewable electricity roadmap by purchasing renewable electricity in Gorinchem (50%), Totowa (75%) and Tucker (75%) • Installation of solar panels at our site in Gorinchem, the Netherlands • Joined the Science Based Targets initiative to develop emissions reduction targets in line with climate science • Extended recycling programs at various Corbion sites. At our site in Blair, the increased focus on recycling resulted in a tripling of the amount of recycled waste • >50% reduction in water consumption at our Totowa site due to optimized scheduling, resulting in a reduced use of water for cleaning.

Ambition	Critical success factors	Achievements in 2017
Responsible operations		• Corbion Thailand received the “CSR-DIW (Continuous) 2017” award from the Department of Industrial Works, Ministry of Industry in Thailand • Community and employee engagement activities across the Corbion sites, ranging from World Environment Day celebrations to educational events at schools and volunteering
Sustainable ingredient solutions Create solutions based on renewable resources to improve the quality of life for people today and for future generations	• Sustainability assessment integrated in our innovation stage-gate process • Quantify the impacts on people and/or planet for products with a sustainability value proposition (Life Cycle Assessment/ social impact assessment) • Be transparent about the people and/or planet impact of products with a sustainability value proposition • Insight to customers on SDG2+12 impact of our products	• Continued assessment of our innovation projects on sustainability throughout the innovation funnel • Finalized peer-reviewed LCA-update for the PLA production process in Thailand • All products manufactured in Thailand covered by LCA • Participated in the RIVM research project Safe and Sustainable Bioeconomy with a case study on Sanilac, a lactic-acid-based product for home care; the results of this research will be published in 2018 • LCA for end-of-life options for different applications of bioplastics packaging • Assessed Corbion product portfolio against relevant sub-targets for SDG2 and 12 • Joined The Roundtable for Product Social Metrics, the leading cross-sector initiative to give guidance on how to measure social impacts of products and services, in a way that is recognized for its high quality, credibility, and business viability

Ambition	Critical success factors	Achievements in 2017
Transparency Provide our stakeholders with enhanced transparency in our sustainability performance	• Global policies on quality, safety, the environment, and social aspects • Supplier code and specific raw material codes provide transparency on the criteria that Corbion applies for the sourcing of raw materials • Participation in CDP, Ecovadis, and other relevant stakeholder questionnaires and reporting initiatives • Reporting and assurance of sustainability KPIs in Annual Report • Life cycle and/or social assessment for products with a sustainability value proposition • Insight to stakeholders on SDG2+12 impact of our products	• Continued participation in CDP Climate change and Supply chain questionnaire - we scored a C in both assessments, implying recognition of "Knowledge of impacts on, and of, climate change issues," which is the average compared to our sector • Continued participation in the Ecovadis sustainability assessment - we were again granted a Silver Recognition Level by Ecovadis • Continued participation in Sedex for all manufacturing sites • Continued participation in the Transparency Benchmark - we ranked #72 with a 159 score, a significant improvement versus our 146 score achieved in 2016 • Continued participation in the Sustainability charter of the American Cleaning Institute • Continued participation in the Responsible Care program in the Netherlands • Annual Communication of Progress to RSPO • First year with external verification of sustainability KPIs
Innovation Innovate to strengthen and grow our position in Food and Biochemicals, and to leverage our lactic acid molecule and technology into new business platforms	• Commercial excellence program to further professionalize the way we engage with customers • Operational excellence program to drive continuous improvement across Corbion • R&D excellence program to continuously improve the effectiveness and efficiency of our science and to stay on top of emerging technologies to identify risks and opportunities	• Implemented robust pipeline management (via CRM, monthly reviews, and discussions in Industry teams) • Implemented new global pricing organization and tools, new pricing monitoring and reviewing • Ongoing sales training and skills effort; implementation of web-support-portal • Improved focus on insights and value propositions to drive our innovation efforts • Further improvement of demand forecasting, S&OP, and account management • Launched the Corbion Integrated Continuous Improvement (CiCi) program based on the TRACC system with specific focus on getting sustainable results from for instance Stable OPS and Braincube (big data analysis tool) • Launched a Science and Technology Council composed of twelve senior R&D experts from various areas and disciplines to advice running projects all across the company • Digital science project in R&D to implement electronic notebooks and to enable the use of big data to accelerate our R&D pathway

Sustainability governance

The Executive Committee has overall responsibility for sustainability and decides on the strategy and targets. We have developed a sustainability dashboard with qualitative and quantitative indicators, which is used to monitor our progress in the strategic sustainability initiatives. The dashboard is reviewed in the Quarterly Business Review Operations and is discussed with the Executive Committee at least twice a year. The Corporate Director of Sustainability reports to the CTO and chairs a team of representatives from different business functions and technical experts focusing on sustainability and Life Cycle Assessment. Accountability for managing sustainability initiatives and delivering against targets lies with the relevant businesses and functions. This responsibility is anchored in business targets and personal targets at various levels in the organization.

Reporting policy

Our sustainability reporting is prepared in accordance with the core option of the GRI G4 Guidelines. As required by these guidelines, the selection of topics is based on a materiality assessment (see Materiality and stakeholder engagement).

The environmental and social results for the material topics in this report include all entities that belong to the scope of the Consolidated financial statements. 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 and Totowa manufacturing sites and our US headquarters in Lenexa. Our joint ventures Total Corbion PLA and Succinity are also excluded. Please refer for our reporting approach to acquisitions and divestments to the section Accounting principles in the notes to the Consolidated financial statements. The sustainability reporting follows the same principles.

Data is collected from various reporting systems. For each KPI, data reporters and data reviewers are defined, either at site level or at corporate level. The data reporter is responsible for the annual reporting of the data via the central reporting systems and for document retention and record-keeping related to this data. The data reviewer (from Finance) is responsible for the validation of the reported data. Site-specific data is consolidated and reviewed at corporate level by Finance and the Sustainability team. The review includes a comparison to data from previous years and a review of changes that could have impacted the results, such as improvement projects. In case of uncertainties, data estimation may be required, which is validated during review. We strive to continuously improve the data collection process and the reliability of the data. Significant changes that impact comparability including changes in measurement methods are explained in footnotes. Due to the strategy update in 2017, our sustainability policy has been updated and several additional KPIs have been defined.

The KPIs related to responsible sourcing, responsible operations, and sustainable ingredient solutions have been reviewed by external auditors (marked by "✓"). Note that the new KPIs defined as a result of Corbion's strategy update have not been reviewed.

Natural capital

Our environmental policies and the principal environmental risks for our business operations and value chain are described in the sections on Responsible sourcing and Responsible operations. Our resource-efficiency KPIs measure the performance of all of our operations on energy usage, water consumption, waste and by-product generation, and greenhouse gas (GHG) emissions.

Category		Unit	2017	2016
Production volume ✓		kT	456	444[1]
Energy ✓	Electricity (renewable)	GJx10^3	150	102
	Electricity (non-renewable)	GJx10^3	349	408
	Natural gas and purchased steam (non-renewable and renewable)	GJx10^3	2,132	2,094
	Biogas (renewable)	GJx10^3	20	69
	Total	**GJx10^3**	**2,650**	**2,672[1]**
Energy intensity ✓	**Total, specific**	**GJ/T**	**5.81**	**6.02[1]**
GHG emissions[2] ✓	Scope I	kT CO_2 equiv	92	94
	Scope II (market based)[3]	kT CO_2 equiv	86	93
	Scope II (location based)	kT CO_2 equiv	92	90
	Scope III	kT CO_2 equiv	691	711[1]
	Biogenic emissions[4]	kT CO_2 equiv	4.7	
	Scope I, specific	T CO_2 equiv /T	0.20	0.21[1]
	Scope II, specific (market based)[3]	T CO_2 equiv /T	0.19	0.21
	Scope II, specific (location based)	T CO_2 equiv /T	0.20	0.20[1]
	Scope III, specific	T CO_2 equiv /T	1.5	1.6
Water consumption[5] ✓	**Total**	**m3x10^3**	**3,455**	**3,164**
	Total, specific	**m3/T**	**7.58**	**7.12[1]**
Waste (total[6]) ✓	Recycled	kT	19.2	18.5[1]
	Incinerated	kT	0.25	0.32[1]
	Landfilled	kT	1.3	2.0
	Total	**kT**	**20.7**	**20.8**
Waste (hazardous) ✓	Recycled	kT	0.40	0.48[1]
	Incinerated	kT	0.08	0.19
	Landfilled	kT	0.09	0.05[1]
	Total	**kT**	**0.57**	**0.71[1]**
By-products[7] ✓	Recycled	kT	373	357[1]
	Incinerated	kT	3.2	2.9
	Landfilled	kT	0.85	31
	Total	**kT**	**377**	**391[1]**

1) *Restated due to data quality improvement.*
2) *We report our emissions in carbon equivalents from cradle to gate in accordance with the Green House 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, business travel, and employee commuting.*
3) *In 2017, we report our scope II emissions using the market-based method for the first time. For comparability, the scope II emissions for 2016 have been re-calculated according this method.*
4) *Biogenic emissions are mainly related to the consumption of biogas and to waste water treatment.*
5) *Sum of the water withdrawn from rivers, aquifers, rainwater reservoirs, municipal water supplies, including purchased steam.*
6) *Sum of hazardous and non-hazardous waste. Waste means any substance or object arising from our routine operations which we discard or intend to discard, or we are required to discard.*
7) *Valuable by-products generated in the production of lactic acid.*

✓ *Reviewed by external auditor*

Human capital

Employee engagement

Corbion is fully committed to investing in its employees. At Corbion we strive to create an effective organization with engaged, diverse, and inclusive teams where our employees can unleash their passion, pride, and talent to create sustainable growth today and well into the future.

We do this by supporting our people in the best ways possible guided by the following principles, and underpinned by our Corbion behaviors:

- Attract, develop, and retain our employees based on the talent and leadership required for current and future positions
- Encourage and support opportunities for further business and personal growth, and offer challenging career opportunities
- Reward performance based on an international-market-competitive remuneration framework
- Provide an inclusive environment and culture which leads to an increasingly engaged and diverse workforce

In 2017, the Corbion HR Information System (CHRIS) for personnel data, performance management, and reward was introduced. We continued our global review and succession planning of our talent, with the aim of establishing a stronger succession pipeline by ensuring quality and timely succession of critical positions. In addition we rolled out several global training initiatives in the areas of sales (Sales Effectiveness Training) and leadership (Corbion Leadership Development Programs).

The four key Corbion behaviors (set clear direction, make the difference, focus on customers, and deliver through teamwork) have been integrated in our performance management system and leadership development programs to fully support the implementation and realization of our "Creating Sustainable Growth" strategy.

Achieving an optimal level of engagement of all employees and the creation of a culture focused on continuous performance and innovation are key success factors. An annual cycle has been launched comprising an engagement survey (response rate of 96%), communication of results, and impact planning to enhance the implementation of the improvement areas.

We also embarked on a diversity and inclusion (D&I) initiative, by establishing the Corbion D&I Policy as well as longer-term objectives and insights to guide us in achieving our desired culture of engagement and inclusion.

Human rights

We support the United Nations Universal Declaration of Human Rights, the key conventions of the International Labor Organization, the OECD guidelines, and we are a signatory of the United Nations Global Compact. We integrate these principles into our policies and our business activities. Our Code of Business Conduct covers amongst others child and forced labor, discrimination, and freedom of association. All of our sites are assessed through Sedex and regularly audited (4-Pillar Sedex Members Ethical Trade Audit). Through our supplier code and our cane sugar code, we expect our suppliers to respect human rights in their operations. See Responsible sourcing for more information on these codes and on their governance.

Workforce profile

	FTE of employees 2017	% of workforce 2017	FTE of employees 2016	% of workforce 2016
Total workforce	**1,794**		**1,684**	
By region				
Asia	218	12%	231	14%
EMEA	605	34%	600	36%
Latin America	135	8%	124	7%
North America	836	46%	729	43%
By unit				
Business units	546	30%	501	30%
Ingredients Solutions	470	86%	462	92%
Innovation Platforms	76	14%	39	8%
R&D	86	5%	81	5%
Operations	982	55%	934	55%
Support functions	180	10%	168	10%
By gender	Number of employees			
Female	472	26%	444	26%
Male	1,348	74%	1,298	74%
By employment contract	Number of employees			
Full time	1,680	92%	1,580	93%
Part time	140	8%	128	7%

We expect the number of FTEs to slightly grow in 2018, mainly due to the resources we need to support the full implementation of our Creating Sustainable Growth strategy and the further build-up of our Algae Ingredients business.

Labor practices

Collective bargaining agreements	# of employees	% of workforce
Total employees with agreements	722	40

The majority of our workforce have no collective bargaining agreements. There are various alternatives to encourage employee involvement across our global company, from employee bodies in Thailand to works' councils in Europe, ensuring high-level employee-management interaction and responsible labor practices. In addition, our Code of Business Conduct reflects our strong commitment to responsible labor practices. All Corbion employees are paid a living wage.

GRI Index

General standard disclosures

Indicator	Description	Location in report
G4-1	CEO statement on sustainability	Sustainability statements
G4-3	Name	Corbion
G4-4	Brands, products, services	Corbion at a glance
G4-5	Location of HQ	Amsterdam
G4-6	Countries	Corbion at a glance
G4-7	Ownership	Corbion at a glance, Our governance
G4-8	Markets served	Corbion at a glance
G4-9	Employees, operations, sales	Corbion at a glance, Company highlights
G4-10	Employee breakdown	Sustainability statements
G4-11	Collective bargaining	Sustainability statements
G4-12	Describe supply chain	Responsible sourcing
G4-13	Changes in reporting period	Financial statements
G4-14	Precautionary approach	Risk management
G4-15	Charters and principles	UN Global Compact
G4-16	Membership organizations	www.corbion.com/about-corbion/sustainability
G4-17	Entities	Group structure
G4-18	Process on defining content and aspects	Sustainability statements
G4-19	List of aspects	Sustainability statements
G4-20	Boundary per aspect within company	Sustainability statements
G4-21	Boundary per aspect outside of company	Sustainability statements
G4-22	Restatements	Sustainability statements
G4-23	Significant changes in boundary	Sustainability statements
G4-24	List of stakeholder groups	Sustainability statements
G4-25	Basis for identification of stakeholders	Sustainability statements
G4-26	Approach to stakeholder engagement	Sustainability statements
G4-27	Topics and concerns raised through stakeholder engagement	Sustainability statements
G4-28	Reporting period	Jan 1st - Dec 31st 2017
G4-29	Date of last report	20 March 2018
G4-30	Reporting cycle	Annual
G4-31	Point of contact	communications@corbion.com
G4-32	GRI content index	Sustainability statements
G4-33	Policy on external assurance	Sustainability statements
G4-34	Governance structure	Sustainability statements, Our governance
G4-56	Values, principles, and standards	Our governance

Specific standard disclosures

Indicator	Description	Location in report
Material topic – Resource efficiency		
DMA		Responsible operations Sustainability statements
Energy		
G4-EN3	Energy consumption within the organization	Sustainability statements
G4-EN5	Energy intensity	Sustainability statements
Emissions		
G4-EN15	Direct GHG emissions (scope I)	Sustainability statements
G4-EN16	Energy indirect GHG emissions (scope II)	Sustainability statements
G4-EN17	Other indirect GHG emissions (scope III)	Sustainability statements
G4-EN18	GHG emissions intensity	Sustainability statements
Waste		
G4-EN23	Total weight of waste by type and disposal	Sustainability statements
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention I, II, III and VIII and percentage of transported waste shipped internationally	Sustainability statements
Material topic - Occupational health and safety		
DMA		Responsible operations Sustainability statements
Labor practices and decent work		
G4-LA6	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities, by region and gender	Responsible operations
Material topic - Product quality and performance		
DMA		Responsible operations Sustainable ingredient solutions
Customer health and safety		
G4-PR2	Incidents of non-compliance concerning the health and safety impacts of products and services	There were no incidents of non-compliance in 2017
Material topics which Corbion reports according to own indicators		
Material topic - Sustainable supply chain		
DMA		Responsible sourcing
Own indicators	• Raw materials assessed on security of supply • Raw materials covered by generic supplier code • Responsibly sourced cane sugar • Responsibly sourced palm oil and primary oleochemicals • Responsibly sourced corn-based dextrose • Responsibly sourced soy bean oil and primary oleochemicals • Responsibly sourced wheat-based raw materials	Responsible sourcing
Material topic - Resource efficiency		
DMA		Responsible operations
Own indicators	• Renewable electricity • Total weight of by-products of lactic acid production • Total weight of by-products disposed, by disposal method • Water consumption	Responsible operations Sustainability statements

Indicator	Description	Location in report
Material topic - Product environmental impact		
DMA		Responsible operations
Own indicators	• Innovation projects assessed on sustainability • Products covered by Life Cycle Assessment	Sustainable ingredient solutions
Material topic – Innovation		
DMA		Sustainability statements
Own indicators	Qualitative description only	Sustainability statements
Material topic – Safe, affordable, and healthy food		
DMA		Sustainability statements
Own indicators	Qualitative description only	Sustainability statements
Material topic – Transparency		
DMA		Sustainability statements
Own indicators	Qualitative description only	Sustainability statements
Material topic – Renewable raw materials		
DMA		Sustainable ingredient solutions
Own indicators	Biobased raw materials	Sustainable ingredient solutions
Compliance		
DMA		Responsible operations Sustainable ingredient solutions Our governance
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	We received a $4,500 fine from the NJ Department of Environmental Protection stemming from a violation on hazardous waste labelling.
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	We received a $5,400 fine from OSHA from an incident in Grandview in 2016 resulting in a severe injury.
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	There were no fines for non-compliance with laws and regulations concerning the provision and use of products and services in 2017.

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.” Tjerk de Ruiter, CEO, Corbion.

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.	Our governance Responsible sourcing Responsible operations 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.	Our governance Responsible sourcing Responsible operations Sustainability statements Corbion Code of Business Conduct Corbion Supplier Code Corbion Cane Sugar Code
Environment	*Principle 7*: Businesses should support a precautionary approach to environmental challenges; *Principle 8*: Undertake initiatives to promote greater environmental responsibility; and *Principle 9*: Encourage the development and diffusion of environmentally-friendly technologies.	Our governance Responsible sourcing Responsible operations Sustainability statements Corbion Code of Business Conduct Corbion Supplier Code Corbion Cane Sugar Code, Our strategy
Anti-corruption	*Principle 10*: Businesses should work against corruption in all its forms, including extortion and bribery.	Our governance, Corbion Code of Business Conduct Corbion Supplier Code Corbion Cane Sugar Code


We create an organized office.
Karen Meijer, Kirsten Schellhorn, Ellen Sterk, Marion Paans, and Rosemarie den Dekker.
Corbion
Keep creating
At Corbion we're creating a better future together

There's a lot more to Office Management than meets the eye...

The team

- Rosemarie den Dekker, Management Assistant, R&D
- Karen Meijer, Management Assistant, Biochemicals & Strategic Marketing
- Kirsten Schellhorn, Management Assistant, Food & HR
- Ellen Sterk, Management Assistant, Site/Plant Management & Operations Gorinchem/Worldwide
- Marion Paans, Management Assistant, Total Corbion PLA

The task

When it comes to keeping our office in Gorinchem running smoothly there's never a dull moment. We manage calendars for our executives, we organize meeting rooms, lunches, travel, stationery, business gifts, cards, time registration, event planning...We're a very close-knit team and we have to be, because if one of us isn't around, we rely on the others to step up, take over, and get the job done.

The challenge

The fun part of this job is also its greatest challenge: multi-tasking and juggling many things at once. When all is going well (which it usually is!) our team is like a family of ducks, swimming calmly along the surface, yet paddling like crazy under the water! Working in Office Management you really have to be very service-focused and detail oriented. And of course you need to be well organized with a good working knowledge of the company and its people. Perhaps most importantly you need to understand people. We are one Corbion; but dealing with scientists can be quite different from dealing with engineers, or sales and marketing professionals, or indeed visitors from different companies and countries. Whoever it may be, we always try and do the job with a smile on our face.
It really does make a difference.

The outcome

Naturally, we take great pleasure in a job well done. For example, there was recently a big event at Gorinchem that included 50 food customers. The day before the meeting our entire team was filling goodie bags, and on the day itself we were running around organizing everything from safety materials and parking spots to a nice venue for drinks afterwards. When you see events go very well, and our colleagues being so appreciative, well it makes it all worthwhile. At the end of the day we are one big team.

The experience

We learn a lot from each other's experiences. We can also flag potential obstacles and problems to each other. There's no doubt that the experience of physically working together in the same room is a huge plus – because our teammates then become our friends. But it also makes us more efficient in the service we provide: When you've been doing this job a while you tend to develop an intuition for people and situations, which often comes in handy.

The future

As a group we've only been physically together for three months now, so you could say we're still in takeoff mode! If anyone in our business has a message, question, or request, they can always come to our department. Even if we don't know the right answer ourselves you can be sure we'll know a person who does... or at least try to figure it out!

FINANCIAL STATEMENTS

Corbion

Keep creating

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CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

Millions of euros	*Note*	2017	2016
Net sales	*4*	891.7	911.3
Costs of raw materials and consumables		-428.0	-446.4
Production costs		-139.4	-132.4
Warehousing and distribution costs		-48.9	-47.4
Cost of sales		**-616.3**	**-626.2**
Gross profit		**275.4**	**285.1**
Selling expenses		-60.7	-63.1
Research and development costs		-35.3	-34.3
General and administrative expenses		-67.7	-63.3
Other proceeds		10.6	2.5
Operating result		**122.3**	**126.9**
Financial income	*7*	4.6	1.1
Financial charges	*7*	-17.8	-8.5
Results from joint ventures and associates	*12*	-11.4	-1.6
Result before taxes		**97.7**	**117.9**
Income tax expense	*8*	-13.1	-14.3
Result after taxes		**84.6**	**103.6**
Result attributable to non-controlling interests			
Result attributable to equity holders of Corbion nv		**84.6**	**103.6**
Per ordinary share in euros	*9*		
Basic earnings		1.46	1.74
Diluted earnings		1.44	1.72

Consolidated statement of comprehensive income

Millions of euros	*Note*	2017	2016
Result after taxes		**84.6**	**103.6**
Other comprehensive results to be recycled to the income statement			
Foreign operations – foreign currency translation differences	*18*	-43.2	20.6
Net investment hedge – net movement	*18*	18.3	-5.0
Hedge reserve	*18*	-2.3	-2.4
Taxes relating to other comprehensive results to be recycled to the income statement	*18*	3.2	3.1
Total other comprehensive results to be recycled to the income statement		**-24.0**	**16.3**
Other comprehensive results not to be recycled to the income statement			
Remeasurement defined benefit arrangements	*20*	13.0	-9.8
Taxes relating to other comprehensive results not to be recycled to the income statement		-0.5	0.9
Total other comprehensive results not to be recycled to the income statement		**12.5**	**-8.9**
Total comprehensive result after taxes		**73.1**	**111.0**
Comprehensive result attributable to non-controlling interests			
Comprehensive result attributable to equity holders of Corbion nv		**73.1**	**111.0**

Consolidated statement of financial position

Before profit appropriation, millions of euros	*Note*	As at 31-12-2017	As at 31-12-2016
Assets			
Property, plant, and equipment	*10*	280.0	297.2
Intangible fixed assets	*11*	130.3	138.2
Investments in joint ventures and associates	*12*	26.2	5.0
Long-term employee benefits	*20*	2.5	
Other non-current financial assets	*13*	36.4	0.8
Deferred tax assets	*21*	22.7	25.4
Total non-current assets		**498.1**	**466.6**
Inventories	*14*	128.3	137.7
Trade receivables	*15*	109.5	111.7
Other receivables	*15*	46.1	12.1
Income tax receivables		10.7	6.2
Cash and cash equivalents	*16*	38.1	60.8
Assets held for sale	*17*		47.9
Total current assets		**332.7**	**376.4**
Total assets		**830.8**	**843.0**
Equity and liabilities			
Equity	*18*	489.3	**498.5**
Long-term employee benefits	*20*	7.7	21.1
Deferred tax liabilities	*21*	12.1	13.7
Non-current liabilities	*22*	121.8	133.1
Total non-current liabilities		**141.6**	**167.9**
Interest-bearing current liabilities	*23*	66.8	25.7
Trade payables		76.6	76.2
Other non-interest-bearing current liabilities		49.5	62.1
Provisions	*19*	3.7	3.8
Income tax payables		3.3	7.1
Liabilities directly associated with assets held for sale	*17*		1.7
Total current liabilities		**199.9**	**176.6**
Total equity and liabilities		**830.8**	**843.0**

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 2016		**15.6**	**58.7**	**68.0**	**345.5**	**487.8**
Result after taxes 2016					103.6	103.6
Other comprehensive result after taxes 2016				16.3	-8.9	7.4
Total comprehensive result after taxes 2016				**16.3**	**94.7**	**111.0**
Cash dividend	*18*				-52.5	-52.5
Acquired company shares	*18*				-50.0	-50.0
Share-based remuneration transfers	*27*			-1.4	1.4	
Share-based remuneration charged to result	*27*			2.2		2.2
Withdrawal shares	*18*	-0.6	-2.9		3.5	
Transfers to/from Other reserves	*18*			1.5	-1.5	
Total transactions with shareholders		**-0.6**	**-2.9**	**2.3**	**-99.1**	**-100.3**
As at 31 December 2016		**15.0**	**55.8**	**86.6**	**341.1**	**498.5**
Result after taxes 2017					84.6	84.6
Other comprehensive result after taxes 2017				-24.0	12.5	-11.5
Total comprehensive result after taxes 2017				**-24.0**	**97.1**	**73.1**
Cash dividend	*18*				-60.5	-60.5
Acquired company shares	*18*				-25.0	-25.0
Share-based remuneration transfers	*27*			-2.0	2.0	
Share-based remuneration charged to result	*27*			3.2		3.2
Withdrawal shares	*18*	-0.2	-0.6		0.8	
Transfers to/from Other reserves	*18*			0.5	-0.5	
Total transactions with shareholders		**-0.2**	**-0.6**	**1.7**	**-83.2**	**-82.3**
As at 31 December 2017		**14.8**	**55.2**	**64.3**	**355.0**	**489.3**

Consolidated statement of cash flows

Millions of euros	*Note*	2017	2016
Cash flow from operating activities			
Result after taxes		84.6	103.6
Adjusted for:			
• Depreciation/amortization of fixed assets	6	45.2	49.5
• Reversal of impairment on property, plant, and equipment	10		-13.4
• Impairment of fixed assets	10/11	3.0	3.9
• Result from divestments of fixed assets		0.7	1.6
• Result from purchase/sale of group companies and activities		-10.6	-2.5
• Share-based remuneration		3.2	2.2
• Interest income	7	-0.7	
• Interest expense	7	7.1	7.4
• Exchange rate differences	7	8.6	0.1
• Recycling of exchange rate differences from translation reserve	7	-1.2	
• Fluctuations in fair value of derivatives	7	-2.7	
• Interest (income) expense on defined benefit pension plans - net	7	1.4	0.3
• Reversal of impairment of financial asset	7		-1.1
• Other financial income and charges	7	0.7	0.7
• Results from joint ventures and associates	12	11.4	1.6
• Taxes	8	13.1	14.3
Cash flow from operating activities before movements in working capital and provisions		**163.8**	**168.2**
Movement in provisions		-1.6	-3.7
Movements in operating working capital:			
• Trade receivables		-8.3	-10.8
• Inventories		-8.1	-5.7
• Trade payables		4.1	5.7
Movements in other working capital		-7.8	-1.0
Cash flow from business operations		**142.1**	**152.7**
Interest paid		-7.2	-7.3
Tax paid on profit		-17.2	-22.8
Cash flow from operating activities		**117.7**	**122.6**
Cash flow from investment activities			
Acquisition of group companies	24	-17.6	
Sale of group companies	24	2.6	5.1
Investment joint ventures and associates	12	-5.2	-0.2
Dividends received from joint ventures and associates		0.7	
Investment other financial assets		-38.2	
Repayment other financial assets		9.7	
Capital expenditure on (in)tangible fixed assets		-45.5	-55.5
Divestment of (in)tangible fixed assets			0.1
Cash flow from investment activities		**-93.5**	**-50.5**
Cash flow from financing activities			
Proceeds from interest-bearing debts		67.0	
Repayment of interest-bearing debts		-23.6	-0.2
Acquisition of company shares	18	-25.0	-50.0
Paid-out dividend		-60.5	-52.5
Cash flow from financing activities		**-42.1**	**-102.7**
Net cash flow		**-17.9**	**-30.6**
Effects of exchange rate differences on cash and cash equivalents		-5.5	
Decrease cash and cash equivalents		**-23.4**	**-30.6**
Cash and cash equivalents at start of financial year		61.5	92.1
Cash and cash equivalents at close of financial year	16	38.1	61.5

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.

The consolidated financial statements drawn up by the Board of Management have been approved by the Supervisory Board on 6 March 2018. They will be presented to the annual General Meeting of Shareholders for adoption on 25 May 2018. 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 2017	Average exchange rate 2016	Exchange rate 31-12-2017	Exchange rate 31-12-2016
US dollar	1.13	1.11	1.20	1.05
Japanese yen	126.72	120.18	135.01	123.40
Brazilian real	3.61	3.86	3.97	3.43
Thai baht	38.29	39.04	39.12	37.73

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 2017, 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 2017.

The main effective changes applied by Corbion at 1 January 2017 are:

- Annual improvements to IFRSs 2014-2016 Cycle
Corbion applied the amendments to IFRSs included in the Annual improvements to IFRSs 2014-2016 Cycle for the first time in the reporting year. The application of the amendments had no impact on the disclosures or amounts recognized in the consolidated financial statements.

- Amendments to IAS 7 Disclosure Initiative
Corbion has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. A reconciliation between the opening and closing balances of liabilities arising from financing activities is provided in Note 25. Consistent with the transition provisions of the amendments, Corbion has not disclosed comparative information for the prior period.

Accounting standards and interpretations not yet adopted

None of the new and amended IFRS and IFRIC interpretations not yet effective, have been applied by Corbion.

The main effective changes after 1 January 2018 are:

- IFRS 9 Financial instruments
IFRS 9, issued in July 2015, replaces most of the guidance in IAS 39. IFRS 9 will be effective for annual reporting periods beginning on or after 1 January 2018. Corbion assessed the impact of this standard on its consolidated financial statements and concluded that the standard will not have significant impact.

- IFRS 15 Revenue from contracts with customers
IFRS 15 establishes a comprehensive framework for determining whether, how much, and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts, and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018. Corbion assessed the impact of this standard on its consolidated financial statements and concluded that the standard will not have significant impact.

- IFRS 16 Leases
IFRS 16, published in January 2016, establishes a revised framework for determining whether a lease is recognized on the (consolidated) statement of financial position. It replaces existing guidance on leases, including IAS 17. IFRS 16 is effective on or after 1 January 2019. Corbion is currently assessing the impact on its consolidated financial statements resulting from the application of IFRS 16.

Corbion anticipates that the application of all other new and amended IFRS and IFRIC interpretations currently known for future periods will have no significant impact on its 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
- has the ability to use its power to affect its 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 before. 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 on the balance sheet date. Any exchange rate differences are recognized in the income statement, except when deferred in other comprehensive income 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 into euros on 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 into 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 and the estimated residual value. 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.

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

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

Brands and licenses
Brands and licenses comprise the part of the paid acquisition sum which is allocated to the value of the acquired trademarks and product licenses. Brands and licenses are valued at fair value as at the acquisition date and are 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. 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.

The recoverable amount is the higher of an asset's fair value less cost to sell 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 specific 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 concern 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 of (in-)tangible fixed assets, inventories, and provisions. 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 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

Financial assets and liabilities

Financial assets and liabilities are recognized when Corbion becomes a party to the contractual provisions of a financial instrument. Financial assets are derecognized when the rights to receive cash flows from the financial assets expire, or if the company transfers the financial asset to another party and does not retain control of substantially all risks and rewards of the asset. Financial liabilities are derecognized when Corbion's obligations specified in the contract expire or are discharged or canceled.

At initial recognition, management classifies the company's financial assets as either (i) at fair value through profit or loss, (ii) loans and receivables, (iii) held to maturity, or (iv) available for sale, depending on the underlying purpose of the acquired financial assets. Financial assets are initially recognized at fair value. For instruments not classified as at fair value through profit or loss, any directly attributable transaction costs are initially recognized as part of the asset value. Directly attributable transaction costs related to financial assets at fair value through profit or loss are expensed when incurred.

The fair value of quoted investments is based on current bid prices. If the market for a financial asset is not active, or if the financial asset represents an unlisted security, Corbion establishes fair value using valuation techniques. These include the use of recent arm's-length transactions, reference to other instruments that are substantially the same, and discounted cash flow analysis, making maximum use of market inputs. Subsequent to initial recognition, financial assets are measured as described below. At each balance sheet date, Corbion assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Investments at fair value through profit or loss
Investments at fair value through profit or loss are investments held for trading or designated as such by Corbion. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling it in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Financial instruments held for trading are measured at fair value and changes therein are recognized in the income statement.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method, less any impairment losses. They are included in current assets, except for loans and receivables with maturities greater than 12 months after the balance sheet date.

Held-to-maturity financial assets
Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the company intends to hold to maturity. They are carried at amortized cost using the effective interest method, less any impairment losses. They are included in current assets, except for held-to-maturity financial assets with maturities greater than 12 months after the balance sheet date.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either designated in this category of financial assets or not classified in any of the other categories. They are measured at fair value based on quoted market prices with changes therein recognized directly in equity until the investment is derecognized or determined to be impaired, at which time the cumulative gain or loss previously recorded in equity is transferred to the income statement. Investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured are carried at cost. Available-for-sale financial assets are included in non-current assets unless management intends to dispose of the investment within 12 months after the balance sheet date.

Derivative financial instruments and hedge activities
Derivative financial instruments are used to manage exposure to foreign exchange risk, interest rate risk, and commodity price risk. Derivative financial instruments are recognized at fair value. The gain or loss on the remeasurement to fair value is immediately recognized in the income statement. However, where derivative financial instruments qualify for hedge accounting, recognition depends on the nature of the item being hedged.

Fair value hedge
Fair value hedges hedge the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment. Changes in the fair value of a hedging derivative are recognized in the income statement. Changes in the fair value of the hedged item attributable to the risk hedged are recorded as part of the carrying value of the hedged item and are also recognized in the income statement.

Cash flow hedge
Cash flow hedges hedge possible fluctuations in cash flows which can be attributed to a certain currency, interest rate, or commodity price risk associated with a recognized asset or liability, or a highly probable expected future transaction. The effective part of changes in the fair value of derivative financial instruments which are designated and classified as cash flow hedge is recognized in equity. Gains or losses from the non-effective part are directly recognized in the income statement. If a hedging instrument expires, is sold, or if the instrument can no longer be qualified as a hedging instrument, the cumulative gains and losses remain in equity until the expected future transaction is recognized in the income statement. If the expected future transaction is no longer probable the cumulative result is transferred immediately from equity to the income statement.

Net investment hedge
Hedges for net investments in foreign operations are handled in a similar way as cash flow hedges. Gains or losses from the hedging instrument which can be attributed to the effective part of the hedge are recognized in equity; any gains or losses which cannot be attributed to the effective part are directly recognized as financial income and charges in the income statement.

Cumulative gains and losses in equity are recognized in the income statement as soon as the foreign operation is partly divested or sold.

Upon entering into a transaction the relationship between the hedging instrument and the hedged position, the risk management aims, and the starting points for entering into various hedging transactions are documented. Corbion also documents its estimate as to whether the derivative financial instrument offsets the movements in the fair values or cash flows of the hedged positions effectively. The documentation process starts at the time of entering into such a contract and is updated continuously.

Receivables
Receivables are valued on the basis of the amortized cost using the effective interest rate method less provisions deemed necessary for non-collectability.

Cash and cash equivalents
Cash and cash equivalents comprise cash in bank, cash in hand, current deposits, money market funds, and highly liquid treasury bonds with original maturities of no more than three months. Bank overdrafts are presented as current interest-bearing liabilities.

Equity
Ordinary shares and financing preference shares are classified as equity. Financing preference shares are classified as equity since distributions to holders are at the discretion of Corbion. 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 in 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 industrywide 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.

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.

Leases

Lease agreements in which the lessor transfers substantially all the risks and rewards of the ownership of an asset to the lessee are classified as financial leases. All assets and liabilities of a financial lease are capitalized at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease agreements that do not qualify as a financial lease are classified as operational leases. Payments made are charged to income on a straight-line basis over the period of the lease.

Segment reporting

An operating segment is a component 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 its 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. Net sale of goods is recognized when Corbion has transferred the actual risks and rewards of ownership of the goods to the buyer, when the amount of the proceeds can be reliably measured, and when it is likely that the economic benefits of the sale will flow to Corbion.

Costs of raw materials and consumables

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

Production costs

Production costs are the costs relating to production operations.

Warehousing and distribution costs

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

Selling expenses
Selling expenses relate to the costs of marketing and sales.

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

Financial income and charges
Financial income comprises interest income on cash and cash equivalents and interest income on loans to other parties. Interest income is recognized in the period to which it relates, using the effective interest method.
Financial charges comprise interest expenses and exchange differences on borrowings, finance lease expenses, impairments of available-for-sale assets, and other financial expenses. All borrowing costs are recognized in the income statement using the effective interest method.

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. 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.

Discontinued operations and non-current assets held for sale
Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition and the sale must be highly probable. A discontinued operation is a component that either has been disposed of, or that is classified as held for sale, and: (i) represents a separate major line of business or geographical area of operations, or (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.
Discontinued operations are stated on the basis of the lower of carrying amount and fair value less cost to sell. Discontinued operations are presented separately in the income statement and cash flow statement.
Fixed assets related to discontinued operations will no longer be depreciated and amortized after the classification as held for sale.

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. Working capital consists of inventories and receivables minus non-interest-bearing current liabilities, excluding payable dividend, interest, and income tax. The interest-bearing debts consist of non-current and current liabilities.

Critical accounting estimates and judgments
Corbion makes use of accounting estimates and judgments. Described below are the estimates and judgments as at the balance sheet date that carry a substantial risk of a material adjustment to the book value of assets and liabilities in the next financial year.

Acquisitions

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

Goodwill impairment

Every year, Corbion tests the goodwill based on the higher of fair value less costs 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 11.

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. A key factor is the recoverable amount which is calculated on the basis of estimates and assumptions of anticipated discounted cash flows, on the one hand, and an estimate of the fair value less cost to sell, on the other.

Pension and early-retirement schemes

Actuarial calculations are used to determine provisions for group personnel arrangements and net receivables or obligations from group pension plans. These calculations use assumptions in respect of future developments in salary, mortality, staff turnover, return on investments et cetera. Changes to these estimates and assumptions can lead to actuarial gains and losses which are recognized in the consolidated statement of comprehensive income. For more information on the applied assumptions see Note 20.

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 21.

3. Consolidated income statement before one-off items

The consolidated income statement for financial years 2017 and 2016 before one-off items (non-IFRS financial measures) can be presented as follows.

	2017			2016		
	Before one-off items	One-off items	Total	Before one-off items	One-off items	Total
Net sales	891.7		891.7	911.3		911.3
Costs of raw materials and consumables	-428.0		-428.0	-444.1	-2.3	-446.4
Production costs	-138.5	-0.9	-139.4	-142.4	10.0	-132.4
Warehousing and distribution costs	-48.9		-48.9	-47.4		-47.4
Gross profit	**276.3**	**-0.9**	**275.4**	**277.4**	**7.7**	**285.1**
Selling expenses	-60.3	-0.4	-60.7	-63.1		-63.1
Research and development costs	-32.7	-2.6	-35.3	-31.3	-3.0	-34.3
General and administrative expenses	-64.4	-3.3	-67.7	-62.7	-0.6	-63.3
Other proceeds		10.6	10.6		2.5	2.5
Operating result	**118.9**	**3.4**	**122.3**	**120.3**	**6.6**	**126.9**
Less: depreciation/amortization/impairment (in)tangible fixed assets	45.2	3.0	48.2	49.8	-9.8	40.0
EBITDA	**164.1**	**6.4**	**170.5**	**170.1**	**-3.2**	**166.9**
Depreciation/amortization/impairment (in)tangible fixed assets	-45.2	-3.0	-48.2	-49.8	9.8	-40.0
Operating result	**118.9**	**3.4**	**122.3**	**120.3**	**6.6**	**126.9**
Financial income	4.6		4.6		1.1	1.1
Financial charges	-17.8		-17.8	-8.5		-8.5
Results from joint ventures and associates	-11.4		-11.4	-1.6		-1.6
Result before taxes	**94.3**	**3.4**	**97.7**	**110.2**	**7.7**	**117.9**
Taxes	-15.0	1.9	-13.1	-16.0	1.7	-14.3
Result after taxes	**79.3**	**5.3**	**84.6**	**94.2**	**9.4**	**103.6**

One-off items relate to material non-recurring items in the income statement that are exceptional by nature and are not related to the normal course of business. These exceptional 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. The company considers events exceptional (one-off) when the aggregate amount of the events per line item of the income statement exceeds a threshold of € 0.5 million. One-off items may occur up to and including result after taxes.

In 2016, a total of € 9.4 million in one-off items was recorded:
1. Reversal of a previously recorded impairment of € 13.4 million for the lactide plant in Thailand as a result of the intended sale to the joint venture Total Corbion PLA bv.
2. One-off costs of € 4.9 million incurred related to the closure of the Kansas Avenue powder blending plant.
3. An impairment of € 3.0 million related to our Succinic acid development as a result of an envisaged change in the production process.
4. One-off net gains of € 2.2 million related to the sale of our Breddo-Likwifier business.
5. One-off costs of € 0.6 million incurred related to a restructuring at our Spanish plant.
6. An impairment of € 0.6 million related to basic engineering for the lactide plant in Thailand.
7. Net one-off costs of € 0.4 million related to an increase of the excessive levy provision for a former board member.
8. One-off insurance gains of € 0.5 million related to the Grandview incident in March 2015.

9. A one-off gain of € 1.1 million related to a partial reversal of impairment of a loan for beet growers following the sale of CSM Sugar in 2007.
10. Positive tax effects on the above items of € 1.7 million.

In 2017, a total of € 5.3 million in one-off items was recorded:
1. One-off gain of € 4.7 million related the sale of the subsidiary Total Corbion PLA (Thailand) Limited to the joint venture Total Corbion PLA bv.
2. Net one-off gain of € 4.0 million related to the acquisition of TerraVia.
3. One-off loss of € 2.4 million related to our succinic acid development.
4. One-off loss of € 2.0 million due to (restructuring) provisions made because of the strategy update
5. One-off loss of € 0.9 million related to the closure of our former Kansas Avenue powder blending plant.
6. Positive tax effects on the above of € 1.9 million.

4. Segment information

For its strategic decision-making process Corbion distinguishes between Ingredient Solutions and Innovation Platforms. For IFRS segmentation purposes Ingredient Solutions has been segmented into two further businesses, Food and Biochemicals.

In the Food segment, we are a global food solutions supplier for leading food manufacturers. We strive to be the leader in keeping food tasty, fresh, and safe from date of production to day of consumption. With our proven food solutions we enable our customers to make conscious choices, we work side by side to empower them to grow and create affordable food (in the meat, beverage, bakery, confectionery, and dairy markets) that people love and can safely enjoy with their friends and family, just as we enjoy with ours.

In the Biochemicals segment, the inherent safety, sustainability, and performance of our products is what sets us aparts supported by our continuous drive to find better solutions and new opportunities for our customers We lead the way in sustainable practices through the use of renewable feedstocks and our rich heritage in lactic acid. This forms the foundation for our biochemical applications in everything from (agro)chemicals, to resin adhesives, electronic components, pharmaceuticals, home and personal care products, and animal health & nutrition. We are constantly exploring opportunities to bring the benefits of our products and solutions to our customers applications.

Our Innovation Platforms business unit creates new business platforms by applying disruptive technology that is built on decades of experience in fermentation and industrial scale manufacturing – to create real long-term value. Collaborating with like-minded partners allows our customers to make conscious choices, so they can create better, more sustainable products, based on renewable resources.
Our 50/50 joint venture with Total for the production and marketing of poly lactic acid polymers (Total Corbion PLA) is functionally part of this business unit. Innovation Platforms also comprises our Algae Ingredients business (including the SB Oils joint venture) and the succinic acid joint venture with BASF (Succinity). Also included in this business unit are our longer-term development programs such as FDCA, a biobased building block with unique properties in (bio-) polymers that and as such a potential replacement for purified terephthalic acid (PTA), our gypsum-free lactic acid process, and use of alternative feedstocks (lignocellulosic biomass, agricultural residues, waste) to make lactic acid.

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

	Food		Biochemicals		Ingredient Solutions[1]		Innovation Platforms		Corbion total operations	
	2017	2016	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
Income statement information										
Net sales	*647.7*	*676.6*	*222.5*	*213.0*	870.2	889.6	21.5	21.7	891.7	911.3
Operating result	*95.1*	*99.2*	*38.0*	*35.1*	133.1	134.3	-10.8	-7.4	122.3	126.9
One-off items included in operating result	*2.3*	*2.7*	*0.5*	*0.5*	2.8	3.2	-6.2	-9.8	-3.4	-6.6
Operating result excluding one-off items	*97.4*	*101.9*	*38.5*	*35.6*	135.9	137.5	-17.0	-17.2	118.9	120.3
Alternative non-IFRS performance measures										
EBITDA excluding one-off items	*121.3*	*127.8*	*51.6*	*48.7*	172.9	176.5	-8.8	-6.4	164.1	170.1
One-off items included in EBITDA	*-1.8*	*-2.7*	*-0.5*	*-0.5*	-2.3	-3.2	8.7		6.4	-3.2
EBITDA	*119.5*	*125.1*	*51.1*	*48.2*	170.6	173.3	-0.1	-6.4	170.5	166.9
Ratios alternative non-IFRS performance measures										
EBITDA margin %	*18.4*	*18.5*	*23.0*	*22.6*	19.6	19.5	-0.5	-29.5	19.1	18.3
EBITDA margin % excluding one-off items	*18.7*	*18.9*	*23.2*	*22.9*	19.9	19.8	-40.9	-29.5	18.4	18.7

1) Includes Food and Biochemicals segments

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		Non-current assets	
Millions of euros	**2017**	2016	**2017**	2016
The Netherlands	98.5	102.4	151.9	147.1
Rest of Europe	68.3	65.8	20.3	26.1
North America	551.7	576.4	185.8	197.9
Other countries	173.2	166.7	78.5	70.1
Corbion total operations	**891.7**	**911.3**	**436.5**	**441.2**

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

5. Payroll and social insurance

	2017	2016
Payroll	123.4	118.4
Pension expenses – defined benefit pension plans	0.5	0.4
Pension expenses – defined contribution pension plans	8.0	9.1
Other social insurance	12.7	12.2
Share-based remuneration	3.2	2.2
Total	**147.8**	**142.3**

6. Depreciation/amortization of (in)tangible fixed assets

	2017	2016
Depreciation of property, plant, and equipment	39.4	42.4
Amortization of intangible fixed assets	5.8	7.1
Total	**45.2**	**49.5**

7. Financial income and charges

	2017	2016
Interest income	-0.7	
Interest charges	7.1	7.4
Exchange rate differences	8.6	0.1
Recycling of exchange rate differences from translation reserve	-1.2	
Interest expense on defined benefit pension plans - net	1.4	0.3
Reversal of impairment of financial asset		-1.1
Fluctuations in fair value of derivatives	-2.7	
Other	0.7	0.7
Total	**13.2**	**7.4**

8. Taxes

	2017	2016
Current tax	16.0	20.7
Current tax (previous year adjustments)	-7.9	-2.7
Deferred tax	5.0	-3.7
Tax charge (income)	**13.1**	**14.3**

Reconciliation of result before taxes and tax charge

	2017	2016
Result before taxes	**97.7**	**117.9**
Applicable tax charge at average statutory tax rate	30.3	35.8
Income not subject to tax	-11.0	-11.3
Expenses not deductible for tax purposes	5.0	1.8
Effect of the reversal of tax assets	-1.8	-8.0
Additions/releases of tax provision		-0.8
Changes in tax rates	-6.8	
Other effects	-2.6	-3.2
Tax charge (income)	**13.1**	**14.3**
Average tax rate on operations	**13.4%**	**12.1%**

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

The tax rate is reduced by investment deductions and other benefits from preferential tax regimes as well as positive results from participations which are exempt under the participation exemption. The tax rate is increased by non-deductible costs and negative results from participations which are not deductible under the participation exemption.

The change in tax rates is caused by the enactment of the Tax Cuts and Jobs Act in the US and the effect of the reduction of the federal income tax rate from 35% to 21% as per 1 January 2018.

Other effects include adjustments in respect of current year events and reflects the effects 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.

Breakdown of the tax charge recognized in equity

	2017	2016
Tax liability due to loan-related exchange rate differences	-2.6	-2.5
Tax liability due to hedge results of financial instruments	-0.5	-0.6
Tax charge due to remeasurement of defined benefit obligation	0.4	-0.9
Tax charge (income) recognized in equity	**-2.7**	**-4.0**

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.

	2017	2016
Result before taxes	**84.6**	**103.6**
Minus: dividend financing preference shares		2.1
Profit available for holders of ordinary shares (A)	**84.6**	**101.5**
Weighted average number of outstanding ordinary shares (B)	58.1	58.4
Plus: ordinary shares related to share rights	0.6	0.6
Weighted average number of outstanding ordinary shares after dilution (C)	**58.7**	**59.0**
Per ordinary share in euros		
Basic earnings (A/B)	1.46	1.74
Diluted earnings (A/C)	1.44	1.72

10. Property, plant, and equipment

	Land	Buildings	Machinery and equipment	Other fixed assets	Under construction	Total
1 January 2016						
Acquisition prices	17.0	177.2	571.5	34.9	54.9	855.5
Cumulative depreciation		-76.5	-438.6	-25.5	-7.5	-548.1
Book value	**17.0**	**100.7**	**132.9**	**9.4**	**47.4**	**307.4**
Movements						
Capital expenditure			0.3	0.6	41.5	42.4
Divestments		-0.1	-1.4	0.1	-0.1	-1.5
Exchange rate differences	0.6	3.5	5.3	0.1	1.6	11.1
Sale of group companies		-0.1	-0.1			-0.2
Depreciation		-6.9	-31.9	-3.6		-42.4
Impairment			-0.6		-0.3	-0.9
Impairment reversal		4.6	8.8			13.4
Other	0.6	0.4	44.2	7.1	-48.6	3.7
Reclassification as assets held for sale		-8.8	-19.5	-0.1	-7.4	-35.8
Net movement in book value	**1.2**	**-7.4**	**5.1**	**4.2**	**-13.3**	**-10.2**
31 December 2016						
Acquisition prices	18.2	173.2	591.2	45.5	34.5	862.6
Cumulative depreciation		-79.9	-453.2	-31.9	-0.4	-565.4
Book value	**18.2**	**93.3**	**138.0**	**13.6**	**34.1**	**297.2**
Movements						
Capital expenditure			0.2	0.5	40.0	40.7
Divestments		-0.7				-0.7
Exchange rate differences	-1.1	-5.9	-9.6	-0.4	-3.1	-20.1
Acquisition of group companies	0.3	1.9	0.7			2.9
Depreciation		-7.2	-28.2	-4.0		-39.4
Impairment		-0.6				-0.6
Other		4.8	34.5	5.5	-44.8	
Net movement in book value	**-0.8**	**-7.7**	**-2.4**	**1.6**	**-7.9**	**-17.2**
31 December 2017						
Acquisition prices	17.4	159.8	570.6	51.1	26.2	825.1
Cumulative depreciation		-74.2	-435.0	-35.9		-545.1
Book value	**17.4**	**85.6**	**135.6**	**15.2**	**26.2**	**280.0**
Depreciation rates		2.5 - 4%	6.7-12.5%	20-50%		

The property, plant, and equipment item includes fixed assets with a book value of € 0.4 million (31 December 2016: € 0.2 million) which are financed through a finance lease.

In 2016, the following impairments were recorded:
- An impairment of € 0.6 million related to basic engineering for the lactide plant in Thailand.
- An impairment of € 0.3 million due to obsolete equipment in the US.

Further, a previously recorded impairment for the lactide plant in Thailand was reversed for the amount of € 13.4 million as a result of the intended sale to the joint venture Total Corbion PLA bv.

In 2017, the following impairment was recorded:
- An impairment of € 0.6 million related to our former Kansas Avenue powder blending plant.

The Other category relates to transfer of assets from intangible fixed assets and inventory to property, plant, and equipment. It also relates to transfers from Under construction to other categories within property, plant, and equipment.

11. Intangible fixed assets

	Goodwill	Customer base	Brands and licenses	Research and development costs	Other intangible fixed assets	Total
1 January 2016						
Acquisition prices	67.7	23.2	34.4	41.8	30.2	197.3
Cumulative amortization	-3.5	-12.9	-6.3	-12.4	-23.6	-58.7
Book value	**64.2**	**10.3**	**28.1**	**29.4**	**6.6**	**138.6**
Movements						
Capital expenditure				6.0	2.6	8.6
Divestments					-0.2	-0.2
Exchange rate differences	2.0	0.2	0.1		0.1	2.4
Amortization		-2.4	-1.2	-1.5	-2.0	-7.1
Impairment				-3.0		-3.0
Other					-1.1	-1.1
Net movement in book value	**2.0**	**-2.2**	**-1.1**	**1.5**	**-0.6**	**-0.4**
31 December 2016						
Acquisition prices	69.8	23.7	34.7	47.9	30.7	206.8
Cumulative amortization	-3.6	-15.6	-7.7	-17.0	-24.7	-68.6
Book value	**66.2**	**8.1**	**27.0**	**30.9**	**6.0**	**138.2**
Movements						
Capital expenditure				1.6	4.2	5.8
Acquisition of group companies				2.6	0.2	2.8
Exchange rate differences	-7.4	-0.4	-0.5			-8.3
Amortization		-2.1	-0.5	-1.3	-1.9	-5.8
Impairment				-2.4		-2.4
Net movement in book value	**-7.4**	**-2.5**	**-1.0**	**0.5**	**2.5**	**-7.9**
31 December 2017						
Acquisition prices	61.7	17.5	33.5	52.1	34.8	199.6
Cumulative amortization	-2.9	-11.9	-7.5	-20.7	-26.3	-69.3
Book value	**58.8**	**5.6**	**26.0**	**31.4**	**8.5**	**130.3**
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 Food and Biochemicals operating segments represent the levels to which company goodwill is allocated for the purposes of impairment testing. The Innovation Platforms unit does not contain any goodwill.

Key reasons for this approach are:

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

Breakdown of the book value of the goodwill by segment

	As at 31-12-2017	As at 31-12-2016
Food	56.6	64.0
Biochemicals	2.2	2.2
Total operations	**58.8**	**66.2**

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 2018 which have been approved by the Board of Management. From 2019 onwards a stable growth of 1% is taken into account in combination with a relatively constant cost structure.

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

Overview of the WACC used

	As at 31-12-2017		As at 31-12-2016	
	pre-tax	post-tax	pre-tax	post-tax
Food	9.1%	6.9%	8.8%	6.8%
Biochemicals	9.4%	7.2%	9.0%	7.1%

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

- A terminal value growth of 0%.
- A discount rate of +1%.

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

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

Impairment testing other intangible fixed assets

In 2016, an impairment of € 3.0 million was recorded related to our succinic acid development as a result of an envisaged change in the production process.

In 2017, an impairment of € 2.4 million was recorded related to our succinic acid development.

The Other movement relates to transfers of assets from intangible fixed assets to property, plant, and equipment.

12. Investments in joint ventures and associates

	2017		2016	
	Joint ventures	Associates	Joint ventures	Associates
Carrying amount of interests	26.2		4.5	0.5
Share of total profit and loss	-11.0	-0.4	-0.3	-1.3

13. Other non-current financial assets

	Long-term receivables
As at 1 January 2016	**1.5**
Investment	-0.3
Reclassification	-0.4
As at 31 December 2016	**0.8**
Contingent receivable as result of sale Total Corbion PLA (Thailand) Limited	5.1
Loans granted to joint venture Total Corbion PLA bv	31.3
Reclassification	-0.8
As at 31 December 2017	**36.4**

The book value of the long-term receivables does not significantly deviate from the fair value.

14. Inventories

	As at 31-12-2017	As at 31-12-2016
Raw materials, consumables, technical materials, and packaging	29.2	37.4
Work in progress	9.5	10.7
Finished product	93.8	92.6
Impairment provision	-4.2	-3.0
Total	**128.3**	**137.7**

15. Receivables

	As at 31-12-2017	As at 31-12-2016
Trade receivables	111.2	113.5
Impairment provision	-1.7	-1.8
Total trade receivables	**109.5**	**111.7**
Other receivables	36.8	4.7
Derivatives	3.2	3.0
Prepayments and accrued income	6.1	4.4
Total other receivables	**46.1**	**12.1**
Total receivables	**155.6**	**123.8**

The other receivables contains a receivable of € 24.1 million related to the sale of Total Corbion PLA (Thailand) Limited, expected to be received in 2018. Further, the account contains a receivable of € 4.7 million on the joint venture SB Oils.

The remaining term of receivables is less than one year. The face value of the receivables (excluding derivatives) does not significantly deviate from the fair value.

The credit risk associated with trade receivables is managed by local finance managers. Periodically, each entity reports the expired credit terms and movements in the provisions for trade receivables to the Board of Management. The maximum credit risk in respect of trade receivables is € 111.2 million (2016: € 113.5 million).

Trade receivables are not interest-bearing and generally have an average term of credit of 30-90 days. The impairment provision is based on expired terms of credit and defined individually. The trade receivables item includes an amount of € 18.0 million in receivables with expired terms of credit which are expected to be received and are therefore not provided for.

Breakdown of expired credit terms (including impairment provision)

	Total	< 30 days	30-60 days	60-90 days	> 90 days
Food	13.1	10.1	1.6	0.2	1.2
Biochemicals	4.5	3.5	0.5	0.1	0.4
Innovation Platforms	0.4	0.3	0.1		
Total	**18.0**	**13.9**	**2.2**	**0.3**	**1.6**

Movements in trade receivables impairment provision

	2017	2016
As at 1 January	**-1.8**	**-2.5**
Additions/releases	-0.7	-0.4
Use	0.6	1.2
Exchange rate differences	0.2	-0.1
As at 31 December	**-1.7**	**-1.8**

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

16. Cash and cash equivalents

	As at 31-12-2017	As at 31-12-2016
Cash and bank balances	38.1	60.8
Short-term deposits		
Total	**38.1**	**60.8**

The amount of cash included in the cash flow statement includes the cash included in assets held for sale as reconciled below.

	As at 31-12-2017	As at 31-12-2016
Cash and bank balances	38.1	60.8
Cash included in assets classified as held for sale		0.7
Total	**38.1**	**61.5**

17. Disposal group held for sale

	As at 31-12-2017	As at 31-12-2016
Property, plant, and equipment		35.8
Inventories		1.2
Trade and other receivables		10.2
Cash and bank balances		0.7
Total assets held for sale		**47.9**
Trade and other payables		1.7
Liabilities held for sale		**1.7**

	2017	2016
Foreign operations – foreign currency translation differences		1.4
Cumulative income included in OCI relating to the disposal group		**1.4**

The disposal group in 2016 relates to the sale of the subsidiary Total Corbion PLA (Thailand) Limited (formerly known as Expalkan (Thailand) Limited) to the joint venture Total Corbion PLA bv which was established on 2 March 2017.

18. Equity

Share capital

As at 31 December 2017, the authorized share capital totaled € 50 million, consisting of 182 million ordinary shares with a nominal value of € 0.25 each.
Corbion's financing preference shareholder has elected to convert financing preference shares into ordinary shares per 26 June 2017.
The shareholder was holder of 2,279,781 financing preference shares (series FPA, FPB, and FPC) in the share capital. At the request of the holder of the financing preference shares, and in accordance with article 4 of the Articles of Association of Corbion, 2,027,017 financing preference shares have been converted into ordinary shares which have been admitted for listing on Euronext Amsterdam. The remaining 252,764 financing preference shares have been transferred to Corbion at no cost. Corbion cancelled these financing preference shares in 2017. After this conversion and cancellation, there are no more financing preference shares outstanding.

Movements in number of issued shares

	Ordinary shares	FPA	FPB	FPC	Total financing-preference shares
As at 1 January 2017	**57,862,037**	**754,709**	**754,709**	**770,363**	**2,279,781**
Conversion of financing preference shares into ordinary shares	2,027,017	-754,709	-754,709	-517,599	-2,027,017
Withdrawn shares	-646,262			-252,764	-252,764
As at 31 December 2017	**59,242,792**				

Movements in number of shares with dividend rights

	Ordinary shares	FPA	FPB	FPC	Total financing-preference shares
As at 1 January 2017	**57,365,098**	**754,709**	**754,709**	**770,363**	**2,279,781**
Conversion of financing preference shares into ordinary shares	2,027,017	-754,709	-754,709	-517,599	-2,027,017
Acquired shares	-933,670			-252,764	-252,764
Share-based remuneration	162,119				
As at 31 December 2017	**58,620,564**				

Movements in treasury stock ordinary shares

	Number	Nominal amount (in euros)
As at 1 January 2017	**496,939**	**124,235**
Acquired shares	933,670	233,418
Share-based remuneration	-162,119	
Withdrawn shares	-646,262	-161,566
As at 31 December 2017	**622,228**	**196,087**

As at 31 December 2017, Corbion had a treasury stock of 622,228 ordinary shares at its disposal with a nominal value of € 0.25 each (representing 1.05% of the total share capital issued). Treasury stock shares have no dividend rights.

Acquired shares

During the reporting year the company acquired a total of 933,670 ordinary shares with a nominal value of € 0.25 each at a total acquisition price of € 25.0 million.
Further, the company acquired 252,764 preference shares as a result of the conversion of financing preference shares discussed above. The costs of € 25.0 million arising from the acquired shares during the reporting year, have been charged to the reserves.

Other reserves

	Movements in legal reserves				
	Translation reserve	Hedge reserve	Development costs	Share plan reserve	Total
As at 1 January 2016	**32.4**	**2.6**	**29.4**	**3.6**	**68.0**
• Net investment hedge					
Exchange rate differences foreign currency loan	-5.0				-5.0
Tax effect	1.3				1.3
• Translation difference					
foreign group companies	20.6				20.6
Tax effect	1.2				1.2
• Cash flow hedge					
Fluctuations in fair value derivatives		-2.4			-2.4
Tax effect		0.6			0.6
• Share-based remuneration charged to result				2.2	2.2
• Share-based remuneration transfers				-1.4	-1.4
• Movement in capitalization of development costs			1.5		1.5
As at 31 December 2016	**50.5**	**0.8**	**30.9**	**4.4**	**86.6**
• Net investment hedge					
Exchange rate differences foreign currency loan	18.3				18.3
Tax effect	-4.6				-4.6
• Translation difference					
foreign group companies	-43.2				-43.3
Tax effect	7.2				7.2
• Cash flow hedge					
Fluctuations in fair value derivatives		-2.3			-2.3
Tax effect		0.6			0.6
• Share-based remuneration charged to result				3.2	3.3
• Share-based remuneration transfers				-2.0	-2.0
• Movement in capitalization of development costs			0.5		0.5
As at 31 December 2017	**28.2**	**-0.9**	**31.4**	**5.6**	**64.3**

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 costs reserve. In case 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 2017 amount to € 59.6 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.

19. Provisions

	As at 31-12-2017	As at 31-12-2016
Reorganization and restructuring	1.7	2.1
Other	2.0	1.7
Total	**3.7**	**3.8**

Movements in provisions

	Reorganization and restructuring	Other	Total
As at 1 January 2017	**2.1**	**1.7**	**3.8**
Addition charged to result	1.7	1.0	2.7
Release credited to result	-0.2	-0.4	-0.6
Withdrawal for intended purpose	-1.8	-0.3	-2.1
Exchange rate differences	-0.1		-0.1
As at 31 December 2017	**1.7**	**2.0**	**3.7**

Reorganization and restructuring
This provision relates mainly to a restructuring provision as a result of the strategy update in 2017.

Other
The other provisions relate mainly to loss-making contracts, legal disputes, and other litigation risks.

20. Long-term employee benefits

	As at 31-12-2017	As at 31-12-2016
Net defined benefit asset	-2.5	
Net defined benefit liability	6.2	18.1
Other long-term employee benefit commitments	1.5	3.0
Total	**5.2**	**21.1**

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

The defined benefit obligation as per year-end consisted for the vast majority of the UK plan and is summarized below:
- The Normal Retirement Age 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 RPI).
- Pensions in payment increase in line with RPI capped at 5% for benefits in respect of pre 1 January 2006 service and RPI capped at 2.5% for benefits in respect of post 31 December 2005 service.

The UK pension scheme is in a deficit situation. For this scheme a recovery plan has been agreed in 2013 under which Corbion will contribute additional funding payments of GBP 1.1 million per year (commencing in 2013) with an increase of 5% per year payable until 2028 or until the scheme is no longer in a deficit situation.

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

- A strategic asset mix comprising 50% in return-seeking assets and 50% in matching (bond-type) assets.
- The return-seeking asset portfolio comprises a mix of equity investments and diversified growth funds.
- Interest rate and inflation risk is managed through the use of liability-driven investments and corporate bonds of an appropriate duration.
- Currency risk is managed by implementing a 50% currency hedge on the global equity holding.

The average duration of the defined benefit obligation as at 31 December 2017 is 25 years.

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

	2017	2016
Current service costs	0.5	0.4
Net interest expense	0.5	0.3
Past-service costs	0.9	
Total pension costs recognized in income statement	**1.9**	**0.7**
Remeasurements net defined benefit liability		
• Return on plan assets (excluding amounts included in interest income)	-5.0	-15.6
• Actuarial (gains)/losses arising from changes in demographic assumptions	-0.4	
• Actuarial (gains)/losses arising from changes in financial assumptions	-8.1	25.9
• Actuarial (gains)/losses arising from experience adjustments	0.5	-0.5
Total pension costs recognized in other comprehensive income	**-13.0**	**9.8**
Total	**-11.1**	**10.5**

The amounts recognized in the statement of financial position

	As at 31-12-2017	As at 31-12-2016
Present value of defined benefit obligations	86.7	99.2
Fair value of plan assets	83.0	81.1
Funded status	**3.7**	**18.1**
Restrictions on assets recognized		
Net liability	**3.7**	**18.1**

Movements in defined benefit obligation

	2017	2016
As at 1 January	**99.2**	**83.4**
Current service costs	0.5	0.4
Interest charges	2.7	2.9
Pension payments	-4.9	-2.8
Remeasurement (gains)/losses		
• Actuarial (gains)/losses arising from changes in demographic assumptions	-0.4	
• Actuarial (gains)/losses arising from changes in financial assumptions	-8.1	25.9
• Actuarial (gains)/losses arising from experience adjustments	0.5	-0.5
Exchange rate differences	-4.9	-10.1
Reclassification	2.1	
As at 31 December	**86.7**	**99.2**

Movements in fair value of plan assets

	2017	2016
As at 1 January	**81.1**	**72.8**
Interest income	2.2	2.6
Pension payments	-4.9	-2.8
Contributions from the employer	2.3	2.2
Remeasurement gains/(losses)		
• Return on plan assets (excluding amounts included in interest income)	5.0	15.6
Settlements	1.2	
Exchange rate differences	-3.9	-9.3
As at 31 December	**83.0**	**81.1**

The actual return on plan assets was € 7.2 million positive (2016: € 18.2 million positive).

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.

Asset categories of plan assets

	As at 31-12-2017	As at 31-12-2016
Quoted equity securities	27.4	20.9
Unquoted equity securities	0.3	
Quoted debt securities	5.0	10.3
Other	50.3	49.9
Total assets	**83.0**	**81.1**

The main weighted average actuarial assumptions

	2017	2016
Discount rate	3.0%	2.8%
Salary growth rate		
Pension growth rate	3.1%	3.3%

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

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	(9.7)	11.5
Salary growth rate	0.50%		
Pension growth rate	0.50%	6.8	(6.1)

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 expected contributions to the defined benefit pension plans in the coming year amount to € 2.4 million.

21. Deferred tax

Breakdown of deferred tax assets and liabilities

	2017	2016
Deferred tax liabilities	13.7	11.5
Deferred tax assets	-25.4	-15.9
As at 1 January	**-11.7**	**-4.4**
Tax charge in income statement	5.0	-3.7
Translation differences foreign group companies	-1.1	0.4
Acquisition/sale of group companies	-0.1	
Tax charge movements in equity	-2.7	-4.0
As at 31 December	**-10.6**	**-11.7**
Deferred tax liabilities	12.1	13.7
Deferred tax assets	-22.7	-25.4
As at 31 December	**-10.6**	**-11.7**

Breakdown of deferred tax assets and liabilities by type

	As at 31-12-2017		As at 31-12-2016	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Property, plant, and equipment	-6.5	10.6	-6.4	9.7
Intangible fixed assets	-3.2	10.1	-6.8	13.5
Current assets/liabilities	-3.3	3.3	-2.4	1.6
Tax loss carry forward	-18.4		-15.3	
Provisions	-3.3		-6.6	0.8
Financial instruments		0.1		
Other				0.2
	-34.7	**24.1**	**-37.5**	**25.8**
Netting	12.0	-12.0	12.1	-12.1
Total	**-22.7**	**12.1**	**-25.4**	**13.7**

The short-term part of deferred tax assets, after write-down and netting with the short-term part of deferred tax liabilities, amounts to € 3.1 million (2016: € 6.7 million).

Breakdown of deferred taxes due to tax loss carry forward

	As at 31-12-2017	As at 31-12-2016
Total tax loss carry forward	134.2	133.5
Tax loss carry forward not qualified as deferred tax asset	-60.7	-72.3
Tax loss carry forward qualified as deferred tax asset	**73.5**	**61.2**
Average tax rate	25.0%	25.0%
Deferred tax asset	**18.4**	**15.3**

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

	As at 31-12-2017	As at 31-12-2016
Less than 1 year		
Within 5 years	3.0	6.8
Between 5 and 10 years		
10 years or longer		
No expiry date	57.7	65.5
Tax loss carry forward not qualified as deferred tax asset	**60.7**	**72.3**

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

	As at 31-12-2017	As at 31-12-2016
Property, plant, and equipment	7.4	-2.5
Intangible fixed assets	0.8	1.7
Current assets/liabilities	3.7	-0.7
Tax loss carry forward	-2.7	-6.8
Provisions	-0.5	2.4
Exchange rate differences loans	2.6	2.5
Financial instruments	0.5	
Rate changes	-6.8	
Other		-0.3
Total	**5.0**	**-3.7**

22. Non-current liabilities

			Effective interest %		Average term in years	
	As at 31-12-2017	As at 31-12-2016	As at 31-12-2017	As at 31-12-2016	As at 31-12-2017	As at 31-12-2016
Private placement	116.4	132.4	4.19	4.19	7.4	8.4
Financial lease commitments	0.2	0.1	3.82	3.62	3.3	5.3
Other debts	0.4	0.6		0.00	1.8	2.8
Contingent consideration	4.8				1.5	
Total	**121.8**	**133.1**				
Weighted average			**4.19**	**4.19**	**7.4**	**8.4**

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 (€ 12.9 million) and after five years (€ 108.9 million).

Fair value of the main long-term loans

	Balance sheet value as at 31-12-2017	Fair value as at 31-12-2017	Balance sheet value as at 31-12-2016	Fair value as at 31-12-2016
Private placement	116.4	116.5	132.4	132.7

23. Interest-bearing current liabilities

			Effective interest %	
	As at 31-12-2017	As at 31-12-2016	As at 31-12-2017	As at 31-12-2016
Owed to credit institutions	66.7		0.85	
Private placement		25.7		4.01
Financial lease commitments	0.1		3.86	
Total	**66.8**	**25.7**		
Weighted average			**0.86**	**4.01**

24. Acquisitions and disposals

Acquisition

On 28 September 2017 Corbion completed the acquisition of substantially all assets of TerraVia Holdings ("TerraVia"). TerraVia has a broad and diverse platform centered on innovative food and specialty ingredients derived from microalgae. TerraVia brings Corbion a versatile microalgae-based platform which will enable Corbion to expand into the field of producing specialty lipids and proteins, structured fats, and tailored oils. As part of the acquisition of substantially all assets of TerraVia, Corbion also acquired the non-controlling 50.1% stake in SB Oils JV.

Preliminary acquisition figures

	TerraVia Inc.
Property, plant, and equipment	2.9
Intangible fixed assets	2.8
Financial fixed assets	19.9
Inventories	0.6
Receivables	0.3
Deferred tax assets	1.2
Cash and cash equivalents	
Deferred tax liabilities	-1.1
Other payables	-3.1
Identifiable assets minus liabilities	**23.5**
Payment in cash	-17.6
Total consideration	**-17.6**
Gain on bargain purchase	**5.9**

The gain on bargain purchase has been reported in the "other proceeds" line item of the consolidated income statement and can be explained by the fact that TerraVia filed for bankruptcy and the seller acted under compulsion.

The table below shows the pro-forma result of Corbion if the acquisition had been made as at 1 January 2017.

	Corbion	Pro forma adjustment full-year effect	Pro forma Corbion
Net sales	891.7	5.7	897.4
Result after taxes	84.6	-17.7	66.9

For the three-month period ended 31 December 2017, the acquisition contributed € 1.9 million in revenue and € 1.6 million in loss to Corbion's results, including a gain on bargain purchase of € 5.9 million. The pro forma calculation in the table above is based on an extrapolation of the three-month period excluding one-off items.

Disposal

On 2 March 2017, Corbion sold its subsidiary Total Corbion PLA (Thailand) Limited (formerly known as Expalkan (Thailand) Limited) to the joint venture Total Corbion PLA bv.

Divestment figures

	Total Corbion PLA (Thailand) Ltd.
Consideration transferred	
Payment in cash	7.4
Contingent consideration	33.5
Total consideration	**40.9**
Property, plant, and equipment	39.1
Inventories	9.6
Receivables	10.2
Cash and cash equivalents	4.8
Total sold assets	**63.7**
Interest-bearing current liabilities	21.0
Trade payables	6.5
Total sold liabilities	**27.5**
Gross result from divestment	**4.7**
Consideration received in cash and cash equivalents	7.4
Less: Cash and cash equivalent balances disposed of	-4.8
Total consideration received	**2.6**

25. Financial risk management and financial instruments

Risk management framework

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

Currency risk

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

Translation risk

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

US dollar translation effects on the operating result are partially hedged by the interest paid on the US dollar loan. Currency fluctuations particularly in the US dollar can have a material effect on Corbion's income statement. Corbion has policies in place that material currency translation exposures are hedged above specific limits as defined for each currency.

Breakdown of the unhedged translation risk for each currency

Millions of euros	As at 31-12-2017	As at 31-12-2016
Currency		
• US dollar	152.8	151.4
• Brazilian real	19.9	19.4
• Thai baht	72.7	71.0

Transaction risk
The currency transaction risk arises in the course of ordinary business activities. Corbion's exposure to exchange rate movements in commercial operations is mainly related to EUR/USD, THB/YEN, and EUR/YEN. 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 contracts. Transactions that are highly probable are hedged and included in cash flow hedge accounting. Other reasonably probable transactions are partially hedged. For practical reasons a specific limit is defined for each currency.

Hedge accounting is being applied to these contracts, so any unrealized fluctuations in the fair value are deferred in the hedge reserve of equity until the underlying hedged transaction is recognized in the result. All forward currency contracts expire within a year.

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

Interest rate risk
Corbion's interest rate risk arises primarily from its debt. Corbion has an interest rate policy aimed at reducing volatility in its interest expense and maintaining a target percentage of its debt in fixed rate instruments. Currently Corbion's interest rate exposure has been fully fixed (4.19% on average) for all of Corbion's long-term debt (€ 117.0 million) for a period of on average 7.4 years.

Sensitivity analysis to changes in market interest rate
Assuming the same mix of variable and fixed interest rate instruments, an interest rate increase by 50 basis points versus the rates on 31 December 2017 with all other variables held constant, would result in an increase of € 0 in the net result and of € 0 in equity.

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

Corbion entered into commodity derivative contracts to hedge the variable price risk of the main commodities used. The fair value of these contracts was a liability of € 1.2 million as at 31 December 2017 (31 December 2016: asset of € 2.2 million). Hedge accounting is applied for the major part of these commodity derivative contracts. Further analysis can be found in the section on Hedge transactions. The majority of the commodity derivative contracts expire within a year.

Sensitivity analysis
If the purchase price of the involved commodities would increase by 10%, profit & loss would be impacted by € 0.1 million.

Liquidity risk
Liquidity risk is the risk of Corbion not being able to obtain sufficient financial means to meet its obligations in time. The company actively manages liquidity risk by maintaining sufficient cash and cash equivalents and the availability to committed borrowing capacity. Corbion manages cash flow based on cash flow analysis for the next 12 months.
The committed credit facilities at Corbion's long-term disposal amounted to € 300 million as at 31 December 2017. Corbion also has a private placement of $ 140 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.

	Effective interest %	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31 December 2017					
Private placement	4.19	4.9	35.4	112.9	153.2
Owed to credit institutions	0.85	67.1			67.1
Financial lease commitments	3.83	0.1	0.2		0.3
Contingent liability			5.0		5.0
Other debts		0.2	0.2		0.4
Trade payables		76.6			76.6
Other non-interest-bearing current liabilities		49.5			49.5
Total		**198.4**	**40.8**	**112.9**	**352.1**
As at 31 December 2016					
Private placement	4.19	32.2	40.9	133.4	206.5
Financial lease commitments	3.62		0.1		0.1
Other debts		0.2	0.4		0.6
Trade payables		76.2			76.2
Other non-interest-bearing current liabilities		62.1			62.1
Total		**170.7**	**41.4**	**133.4**	**345.5**

Credit risk management
Credit risk consists of 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 (see Notes 13, 15, and 16). In respect of derivatives it equals the fair value.
Given the credit rating that it requires of its partners Corbion has no reason to assume that they will not honor their contractual obligations. Based on today's insights, the actual credit risk is limited.

Capital risk management

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

The capital structure of Corbion consists of net debt (interest-bearing debts as detailed in Notes 22 and 23 offset by cash and cash equivalents as detailed in Note 16).

	2017	2016
Private placement	116.4	158.1
Revolving credit facility	66.7	
Financial lease commitments	0.3	0.1
Other debts	0.4	0.6
Guarantees part of net debt covenants	16.5	
Total financial liabilities part of net debt	**200.3**	**158.8**
Cash and cash equivalents	-38.1	-60.8
Net debt	**162.2**	**98.0**

Reconciliation of liabilities arising from financing activities

	Private placement	Revoling credit facility	Financial lease commitments	Other debts	Total
As at 1 January 2017	158.1		0.1	0.6	158.8
Financing cash flows		67.0			67.0
Repayments	-23.4			-0.2	-23.6
New financial lease commitments			0.2		0.2
Exchange rate differences	-18.3				-18.3
Other		-0.3		16.5	16.2
As at 31 December 2017	**116.4**	**66.7**	**0.3**	**16.9**	**200.3**

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 credit facility and the US private placement are:
- The ratio of net debt position divided by EBITDA (Earnings Before Interest, Taxes, Depreciation, Amortization, and impairment of (in)tangible fixed assets, excluding one-off items, increased by cash dividend of joint ventures received and annualization effect of newly acquired subsidaries) may not exceed the factor 3.5 (2016: 3.5).
- A minimum interest cover (EBITDA divided by net interest income and charges) of 3.5 (2016: 3.5).

These external conditions were met in 2017 as well as in 2016.
Corbion targets a net debt/EBITDA ratio of 1.5x over the investment cycle.

Ratios at year-end

	2017	2016
Net debt position/EBITDA	1.0	0.6
Interest cover	24.4	23.0

Financial instruments

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

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

Breakdown valuation of financial instruments

31 December 2017	Level 1	Level 2	Level 3	Total
Derivatives				
• Foreign exchange contracts		3.2		3.2
• Commodity swaps/collars		-1.2		-1.2
Total		**2.0**		**2.0**

Breakdown fair values financial instruments

31 December 2017	Balance sheet value	Fair value
Financial fixed assets		
• Loans, receivables, and other	36.4	36.4
Receivables		
• Trade receivables	109.5	109.5
• Other receivables	36.8	36.8
• Prepayments and accrued income	6.1	6.1
Cash		
• Cash other	38.1	38.1
Interest-bearing liabilities		
• Private placement (net investment hedge)	-116.4	-116.5
• Owed to credit institutions	-66.7	-66.7
• Financial lease commitments	-0.3	-0.3
• Other debts	-0.4	-0.4
Non-interest-bearing liabilities		
• Trade payables	-76.6	-76.6
• Other payables	-54.3	-54.3
Derivatives		
• Foreign exchange contracts	3.2	3.2
• Commodity swaps/collars	-1.2	-1.2
Total	**-85.8**	**-85.9**

Fair values are determined as follows:
- The fair value of financial fixed assets does not significantly deviate from the book value.
- The fair value of receivables equals the book value because of their short-term character.
- Cash and cash equivalents are measured at nominal value which, given the short-term and risk-free character, corresponds to the fair value.
- Market quotations are used to determine the fair value of debt owed to private parties, credit institutions, and other debts. As there are no market quotations for most of the loans the fair value of short- and long-term loans is determined by discounting the future cash flows at the yield curve applicable as at 31 December.
- Given the short-term character, the fair value of non-interest-bearing liabilities equals the book value.
- Currency and interest 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 € 0.9 million in hedge reserve (see Note 18) relates to the hedging of risks arising from future purchase and sales deals and/or commitments from current purchase and sales contracts amounting to € 29.2 million.

The amount of € 28.2 million in translation reserve (see Note 18) relates to currency fluctuations in respect of the net investments in foreign operations less the currency fluctuations of the corresponding net investment hedges. In case of divestment of a net investment in a foreign operation, the corresponding net impact of the currency fluctuations is moved from the translation reserve to the income statement.

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

Fair values, maturity, and the qualification of derivative financial instruments for accounting purposes are presented in the table below.

	Short < 1 year		Long > 1 year	
	As at 31-12-2017	As at 31-12-2016	As at 31-12-2017	As at 31-12-2016
Derivatives receivables used as hedge instrument in cash flow hedge relations				
Foreign exchange contracts	3.2	0.8		
Commodity swaps		0.4		
Derivatives liabilities used as hedge instrument in cash flow hedge relations				
Commodity swaps	-1.1			
Derivatives receivables used as hedge instrument in fair value hedge relations				
Commodity swaps		1.6		
Total derivatives in hedge relations	**2.1**	**2.8**		
Derivatives receivables not used in a hedge relation with value change through income statement				
Commodity swaps		0.2		
Derivatives liabilities not used in a hedge relation with value change through income statement				
Commodity swaps	-0.1			
Total derivatives through income statement	**-0.1**	**0.2**		
Total derivatives	**2.0**	**3.0**		

26. 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 27, Share-based compensation.

The number of conditionally granted shares per member of the (former) Board of Management is as follows.

	Granted in	"At target" number outstanding as at 31/12/17	Maximum number outstanding as at 31/12/17	Year of vesting
T. de Ruiter				
	2014	59,846	59,846	2018
	2015	9,974	9,974	2018
	2015	32,051	48,077	2018
	2016	27,404	41,106	2019
	2017	23,585	35,378	2020
E.E. van Rhede van der Kloot	2015	17,094	25,641	2018
	2016	13,951	20,927	2019
	2017	11,772	17,658	2020
Total as at 31 December 2017		**195,677**	**258,607**	

The movements in the number of shares conditionally granted to (former) members of the Board of Management are as follows.

	Maximum number outstanding as at 31/12/2016	Maximum number granted in 2017	Vested 2017	Expired 2017	Maximum number outstanding as at 31/12/2017
T. de Ruiter	232,330	35,378	73,327		194,381
E.E. van Rhede van der Kloot	63,814	17,658	17,246		64,226
G.J. Hoetmer	40,504		40,504		
N.J.M. Kramer	25,487		25,487		
Total	**362,135**	**53,036**	**156,564**		**258,607**

Breakdown remuneration (former) Board of Management

IAS 24.17 category	Short-term employee benefits			Share-based payments	Post employment benefits	Other long-term benefits	Termination benefits	Total
Thousands of euros **2017**	Base salary[1]	STIP	Excessive levy[2]	LTIP	Pension benefits	Other benefits	Termination benefits	
T. de Ruiter	778	310		1,185				2,273
E.E. van Rhede van der Kloot	466	158		365				989
Total Board of Management	**1,244**	**468**		**1,550**				**3,262**
G.J. Hoetmer			118					118
Total former Board of Management			**118**					**118**
Total remuneration (former) Board of Management	**1,244**	**468**	**118**	**1,550**				**3,380**

IAS 24.17 category	Short-term employee benefits			Share-based payments	Post employment benefits	Other long-term benefits	Termination benefits	Total
Thousands of euros 2016	Base salary[1]	STIP	Excessive levy[2]	LTIP	Pension benefits	Other benefits	Termination benefits	
T. de Ruiter	753	344		1,183				2,280
E.E. van Rhede van der Kloot	459	175		262				896
Total Board of Management	**1,212**	**519**		**1,445**				**3,176**
G.J. Hoetmer			264					264
N.J.M. Kramer					(11)			(11)
Total former Board of Management			**264**		**(11)**			**253**
Total remuneration (former) Board of Management	**1,212**	**519**	**264**	**1,445**	**(11)**			**3,429**

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

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

2) The excessive levy is payable by the employer for termination benefits above certain thresholds.

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	2017	2016
Short-term employee benefits	3,777	3,269
Share-based payments	2,104	1,977
Post-employment benefits	81	37
Other long-term benefits		
Termination benefits		

Breakdown remuneration Supervisory Board

	IAS 24.17 category	Short-term employee benefits [1)]		Share-based payments	Post employment benefits	Other long-term benefits	Termination benefits	Total
Thousands of euros	year	Base fee	Committee fee	LTIP	Pension benefits	Other benefits	Termination benefits	
M. Vrijsen, Chairman (Chairman Appointment & Governance Committee / member Remuneration Committee / member Science and Technology Committee)	2017	60	18					78
	2016	60	18					78
R.H.P. Markham, Vice-Chairman (Chairman Remuneration Committee / member Appointment and Governance Committee)	2017	50	13					63
	2016	50	13					63
M.E. Doherty (member Audit Committee)	2017	45	10					55
	2016	45	10					55
J.P. de Kreij (Chairman Audit Committee, member until May 2016)	2017	45	15					60
	2016	45	15					60
R. Pieterse (Chairman Audit Committee, resigned per May 2016)	2017							
	2016	17	4					21
S. Riisgaard (Chairman Science and Technology Committee, member Remuneration Committee / member Appointment and Governance Committee)	2017	45	18					63
	2016	45	18					63
	Total 2017	**245**	**74**					**319**
	Total 2016	**262**	**78**					**340**

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 has shares in the company or any option rights relating thereto.

Other related party transactions

	Transaction values for the year ended		Balance outstanding at year ended	
	2017	2016	2017	2016
Sale of goods and services				
Joint ventures	18.3	1.4	3.2	1.1
Purchase of goods				
Joint ventures	3.6			
Others				
Joint ventures				
• Sale of Total Corbion PLA (Thailand) Limited (see Note 24)	40.9		29.2	
• Loan and related interest			36.0	

27. 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 258,607 unvested share rights in the company as at 31 December 2017 (2016: 362,135). The nominal amount of the shares which are claimable under unvested share rights equals € 64,652 as per that date.

2014 program

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 60% of his base salary. The CFO is entitled to a conditional share grant value of 50% of his 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 (undiscounted) fair value average stock price over the month prior to the date of grant (April of any year). The performance criterion for the Long-Term Incentive Plan (LTIP) is Total Shareholder Return (TSR) over a three-year performance period. According to the plan rules, after vesting and share delivery, the Board members are required to keep the shares in a blocked account for another two years. The total lock-up period therefore is five years. For further details refer to the remuneration policy and the Remuneration report.

2015 program

A revised program was introduced in 2015, as part of the new remuneration policy agreed by the annual General Meeting of Shareholders on 22 May 2015, aimed at longer-term value creation in line with shareholders’ 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 LTIP measurement is fully aligned with the Short-Term Incentive Plan (STIP): 60% of the LTIP is determinded by EBITDA and 20% of the LTIP by Earnings Per Share (EPS). In addition, 20% of the LTIP depends on relative TSR as compared to a specific TSR peer group.
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 100% of his base salary. The CFO is entitled to a conditional share grant value of 80% of the 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 performance period, targets for the LTIP are set by the Supervisory Board for the three-year performance period as follows:

1. 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.
2. 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.
3. 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 (consisting of sixteen companies). 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.

One-off time-restricted performance share award CEO

At the time of his appointment in 2014, Mr. De Ruiter was granted a one-off time-restricted performance share award equivalent to a target value of € 2 million in Corbion shares to vest over four years. This award bridges part of the compensation gap between the United States and the Netherlands. The award encourages delivering a growing, increasingly profitable, and sustainable business portfolio. The value of one conditional share is equal to the average share price of five days preceding the annual General Meeting of Shareholders, no discounts are applied. The award vests in four equal parts per year, only if a minimum Corbion growth rate is achieved each year. Delivering predetermined long-term (4-year) innovation milestones allows for an additional vesting of up to 25% of the total number of shares in year 4. This means that the actual number of shares that vest, will range between 0% and 125% of the grant value. The value of the vested shares depends on the performance delivered and the share price development.

In 2015, the plan was partially adjusted to be fully aligned with the updated strategy and consequently with the new remuneration policy. The performance period has been aligned with the regular long-term incentive plan, starting on 1 January 2015 and ending on 31 December 2017. Further, EBITDA growth has been introduced as annual performance metric (instead of sales growth) to be set at the beginning of each year by the Supervisory Board.

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

Year of allocation	Total as at 31-12-2016	Allocated in 2017	Vested and expired in 2017	Total as at 31-12-2017
2014	206,437		146,590	59,847
2015	93,665		9,974	83,691
2016	62,033			62,033
2017		53,036		53,036
Total	**362,135**	**53,036**	**156,564**	**258,607**

Valuation model and input variables

The fair value of the non-market-based components of the above-mentioned performance-related shares allocated in 2017 was € 27.21 per share (2016: € 21.66). The fair value of the market-based components of the above-mentioned performance-related shares allocated in 2017 was € 32.07 per share (2016: € 25.33). The fair value of the market-based components is estimated by using the Black & Scholes model and the assumptions set forth below.

	2017	2016
Risk-free interest rate	0.00%	0.00%
Expected dividend gains		
Expected volatility in share price	26%	25%
Term	3 years	3 years

Share-based remuneration arrangements: Senior management

An equity-settled plan similar to the 2015 program for the Board of Management exists for senior management.

Movements in number of unvested shares of senior management

Year of allocation	Total as at 31-12-2016	Allocated in 2017	Vested and expired in 2017	Total as at 31-12-2017
2015	124,313		3,177	121,136
2016	118,119		4,961	113,158
2017		131,295	7,198	124,097
Total	**242,432**	**131,295**	**15,336**	**358,391**

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

Movements in number of blocked commitment award shares

	Total as at 31-12-2016	Allocated in 2017	Released in 2017	Total as at 31-12-2017
Total	**6,019**			**6,019**

28. Off-balance sheet commitments

Financial commitments
As at 31 December 2017 the nominal value of future commitments from operational lease contracts for property, plant, and equipment was € 36.2 million (2016: € 22.1 million), € 9.6 million of which expires within one year, € 24.4 million between 1 and 5 years, and € 2.2 million after 5 years.

Capital commitments
The capital expenditure commitments not yet incurred amounted to € 3.4 million for (in)tangible assets as at 31 December 2017 (2016: € 28.9 million).

Contingent commitments
Guarantees
Third-party guarantees amounted to € 19.7 million as at 31 December 2017 (2016: € 3.4 million). No significant future losses are expected from these guarantees.

29. Events after balance sheet date

On 14 February 2018, Corbion announced it is in discussions with Bunge Limited ("Bunge") regarding the potential acquisition by Corbion of Bunge's stake in the SB Renewable Oils joint venture. Corbion and Bunge are 50.1%/49.9% partners in SB Renewable Oils, a joint venture that operates a facility in Brazil, specializing in the production of algae ingredients, such as Omega 3 rich oil, for aquaculture and animal feed.

While the discussions are constructive, it is uncertain if and when they will lead to an agreement.

COMPANY FINANCIAL STATEMENTS

Company statement of financial position

Before profit appropriation, millions of euros	*Note*	As at 31-12-2017	As at 31-12-2016
Assets			
Financial fixed assets	*30*	630.3	567.6
Deferred tax assets	*31*	17.3	14.1
Total non-current assets		**647.6**	**581.7**
Receivables	*32*	41.6	89.7
Tax assets		1.1	0.4
Cash and cash equivalents	*33*	3.4	17.4
Total current assets		**46.1**	**107.5**
Total assets		**693.7**	**689.2**
Equity and liabilities			
Ordinary share capital		14.8	15.0
Share premium reserve		55.2	55.8
Translation reserve		28.2	50.5
Hedge reserve		-0.9	0.8
Development costs reserve		31.4	30.9
Share plan reserve		5.6	4.4
Retained earnings		355.0	341.1
Equity	*34*	**489.3**	**498.5**
Deferred tax liabilities	*31*	0.6	
Non-current liabilities	*35*	116.4	132.4
Total non-current liabilities		**117.0**	**132.4**
Interest-bearing current liabilities	*36*	84.2	52.9
Non-interest-bearing current liabilities	*37*	2.7	4.2
Provisions	*38*	0.5	1.2
Total current liabilities		**87.4**	**58.3**
Total equity and liabilities		**693.7**	**689.2**

Company income statement

Millions of euros	2017	2016
General and administrative expenses	-2.7	-2.1
Operating result	**-2.7**	**-2.1**
Financial income	11.6	14.3
Financial charges	-12.0	-9.0
Results from subsidiaries and associates	87.0	104.6
Result before taxes	**83.9**	**107.8**
Taxes	0.7	-4.2
Result after taxes	**84.6**	**103.6**

Social security included in the income statement is rounded to zero for 2017 as well as 2016.

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.

Basis of preparation

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

Participating interests in group companies

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

Result of participating interests

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

30. Financial fixed assets

	As at 31-12-2017	As at 31-12-2016
Participations in group companies	396.9	275.3
Loans to group companies	233.4	291.0
Joint ventures and associates		0.5
Other		0.8
Total	**630.3**	**567.6**

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.

	2017	2016
Movements in participations in group companies		
As at 1 January	275.3	198.3
Paid-in capital	96.4	1.7
Result group companies	87.6	105.9
Dividend group companies	-61.2	-30.6
Exchange rate differences	-13.6	9.9
Other	12.4	-9.9
As at 31 December	**396.9**	**275.3**
Movements in loans to group companies		
As at 1 January	291.0	270.6
Exchange rate differences	-29.6	14.2
Disbursements	38.4	349.5
Repayments	-66.4	-343.3
As at 31 December	**233.4**	**291.0**

31. Deferred tax

	As at 31-12-2017		As at 31-12-2016	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Tax loss carry forward	-17.3		-13.9	
Provisions		0.6	-0.2	
Total	**-17.3**	**0.6**	**-14.1**	

32. Receivables

	As at 31-12-2017	As at 31-12-2016
Owed by group companies	34.9	86.7
Other receivables	2.0	3.0
Joint ventures and associates	4.7	
Total	**41.6**	**89.7**

33. Cash and cash equivalents

The cash and cash equivalents were available and payable without notice in 2017.

34. Equity

See Consolidated statement of changes in equity and Note 18 to the consolidated financial statements. For an overview of the legal reserves see Note 18.

35. Other non-current liabilities

	As at 31-12-2017	As at 31-12-2016
Owed to credit institutions	116.4	132.4
Total	**116.4**	**132.4**

See Note 22 to the consolidated financial statements.

36. Interest-bearing current liabilities

	As at 31-12-2017	As at 31-12-2016
Owed to credit institutions	66.5	25.6
Owed to group companies	17.7	27.3
Total	**84.2**	**52.9**

37. Non-interest-bearing current liabilities

	As at 31-12-2017	As at 31-12-2016
Taxes and social insurance premiums		0.1
Other debts and accruals and deferred income	2.7	4.1
Total	**2.7**	**4.2**

38. Provisions

Movements in provisions

	Reorganization and restructuring	Other	Total
As at 1 January 2017	**0.8**	**0.4**	**1.2**
Addition charged to result	0.1	0.1	0.2
Withdrawal for intended purpose	-0.9		-0.9
As at 31 December 2017		**0.5**	**0.5**

39. 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.

40. Personnel

On average, two employees were employed by Corbion nv working in the Netherlands during 2017 (2016: two employees). For more information on remuneration see Note 26.

41. Audit fees

Total fees charged by the auditor can be specified as follows.

Thousands of euros	KPMG Accountants nv 2017	KPMG Other 2017	Total 2017	Total 2016
Audit of the financial statements	532	131	663	647
Audit-related services*	50		50	
Non-audit services				8
Total	**582**	**131**	**713**	**655**

**) Relates to assurance report on sustainability*

Amsterdam, the Netherlands, 6 March 2018

Supervisory Board
M.F.J.P. Vrijsen, Chairman
R.H.P. Markham, Vice-Chairman
M.E. Doherty
J.P. de Kreij
S. Riisgaard

Board of Management
T. de Ruiter, CEO
E.E. van Rhede van der Kloot, CFO

OTHER INFORMATION

Group structure
As at 31 December 2017

Name	Nature of business	Proportion of ordinary shares held by the group (%)
Principal subsidiaries		
Argentina		
Purac Argentina S.A.	Operating company	100
Brazil		
Purac Sínteses Indústria e Comércio Ltda.	Operating company	100
China		
Corbion Trading (Shanghai) Co., Ltd.	Operating company	100
India		
Corbion India PL	Operating company	100
Japan		
Corbion Japan K.K.	Operating company	100
Mexico		
Purac Mexico S. de R.L. de C.V.	Operating company	100
The Netherlands		
Corbion Group Holdings bv	Holding company	100
Corbion Group Netherlands bv	Holding company	100
Corbion PLA Holding bv	Holding company	100
Corbion SB Oils Holding bv	Holding company	100
Expalkan V bv	Holding company	100
Purac Biochem bv	Operating company	100
Bird Engineering bv	Operating company	100
Poland		
Purac Polska Sp. z o.o.	Operating company	100
Singapore		
Purac Asia Pacific PTE Ltd.	Operating company	100
Spain		
Purac Bioquímica S.A.	Operating company	100

Name	Nature of business	Proportion of ordinary shares held by the group (%)
Switzerland		
Corbion Group Holdings GmbH	Holding company	100
Corbion Group Subholdings AG	Holding company	100
Thailand		
Purac (Thailand) Limited	Operating company	100
United Kingdom		
Expalkan II Closed Scheme Ltd. *	Pension funding company	100
US		
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		
Germany		
Succinity GmbH, Düsseldorf	Operating company	50
The Netherlands		
Solazyme Bunge Renewable Oils.	Holding company	50.1
CM Biomaterials bv, Gorinchem	Operating company	50
Total Corbion PLA bv, Gorinchem	Operating company	50
Bioprocess Pilot Facility bv, Delft	Operating company	31.1
Icos Cleantech Early Stage Fund II bv, Badhoevedorp	Operating company	23.3
Dutch Technology Fund I bv, Badhoevedorp	Operating company	11.1

** Expalkan II Closed Scheme Ltd. (registration number 08559472) is exempt from the requirements of the Companies Act 2006 by virtue of Section 479A.*

Independent auditor's report

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

Report on the audit of the financial statements 2017 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 2017 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 2017 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 2017 of Corbion N.V. (“the company”), based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1 the consolidated statement of financial position as at 31 December 2017;

2 the following consolidated statements for 2017: the income statement, the statements of comprehensive income, changes in equity and cash flows; and

3 the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. the company balance sheet as at 31 December 2017;
2. the company income statement for 2017; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the ‘Our responsibilities for the audit of the financial statements’ section of our report.

We are independent of Corbion N.V. in accordance with the EU Regulation on specific requirements regarding statutory audits of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Audit approach

Summary

MATERIALITY
- Materiality of EUR 4.7 million
- 5% of normalized result before tax

GROUP AUDIT COVERAGE
- 90% of net sales
- 96% of total assets

KEY AUDIT MATTERS
- Valuation capitalized licenses and development costs
- Business combination - TerraVia

UNQUALIFIED OPINION

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 4.7 million (2016: EUR 5.5 million). The materiality is determined with reference to the normalized result before tax, of which it represents 5% (2016: 5%). We consider the normalized result before tax as the most appropriate benchmark given the fact that Corbion N.V. is a profit-oriented entity. 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 that misstatements in excess of EUR 235,000 (2016: EUR 275,000) which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Corbion N.V. is at the head of a group of components. The financial information of this group is included in the consolidated financial statements of Corbion N.V.

Our group audit mainly focused on significant group entities. The Group operates through a number of legal entities. These entities form reporting components which are primarily based on geography (countries).

Because we are ultimately responsible for the auditor's report, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for entities reporting for group audit purposes. Decisive were the size and/or the risk profile of the entities or operations.

On this basis, we selected 8 entities (2016: 6 entities) to perform audits for group reporting purposes on a complete set of financial information as well as 2 entities (2016: 1 entity) 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 areas such as the annual goodwill impairment tests, other (in)tangible asset impairments, accounting for associates and joint ventures, valuation of deferred tax assets, acquisitions and treasury.

The group audit team provided detailed instructions to all component auditors who were part of the group audit, covering the significant audit areas, including the relevant risks of material misstatement, and set out the information required to be reported back to the group audit team. The group audit team visited entity locations in the United States of America. During these visits and telephone conferences, the audit approach, the findings and observations reported to the group audit team were discussed in more detail. Also file reviews were performed for the entities in the United States of America and in Brazil.

This resulted in an audit coverage of 90% (2016: 91%) of total net sales and 96% (2016: 85%) of total assets.

For the remaining entities, we performed amongst others analytical procedures at (business) group level to validate our assessment that there are no significant risks of material misstatement within these entities.

By performing the procedures mentioned above at group components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

Our procedures as described above can be summarized as follows:

Total net sales

83%	7%	10%
Audit of the complete set of financial information	Audit of specific items	Central procedures remaining entities

Total assets

93%	3%	4%
Audit of the complete set of financial information	Audit of specific items	Central procedures remaining entities

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

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation capitalized licenses and development costs

Description

The valuation of the capitalized intangible fixed assets, related to licenses and development cost, are significant to our audit due to their size and judgement involved in the assessment of the recoverability of those items.

We refer to note 11 Intangible fixed assets in the consolidated financial statements.

Our response

Our audit procedures included an evaluation of the company's policies and procedures for evaluating the presence of potential impairments, challenging management's main assumptions and the robustness of forecasts. We evaluated key assumptions amongst others through discussions with management and market developments, historical analysis and cooperation agreements with third parties. We critically assessed and tested valuation methodologies, the weighted average cost of capital and other data used, such as market expectations and projected cash flows. Further, as part of our audit procedures, we included valuation experts in our team to analyse and evaluate the reasonability of the applied methodology, the mathematical accuracy of the model and the key assumptions used by the company by performing sensitivity analyses and sanity checks.

We have evaluated whether adequate disclosure of impairments was made in accordance with IAS 36.

Our observation

Based on our procedures performed we considered management's key assumptions to be within a reasonable range and that disclosure in the financial statements of the capitalized licenses and development cost meets the requirements of IAS 36.

Business combination - TerraVia

Description

On 28 September 2017, the Company acquired substantially all assets of TerraVia Holdings, Inc. ("TerraVia") for USD 20 million in an auction process, after the bankruptcy filing of TerraVia.

The Company recognised identifiable assets and liabilities acquired at fair value in accordance with IFRS 3. The measurement of the assets acquired at fair value is inherently judgemental. In particular, judgement was required in determining the fair value of the 50.1% stake in the joint venture 'Solazyme Bunge Renewable Oils Coop. UA'. Due to the size and judgement involved in the fair value assessment the accounting for the TerraVia acquisition is significant to our audit.

Our response

We evaluated key assumptions, amongst others through discussions with management and market developments, historical analysis and the outcome of the auction process. We, amongst others, critically assessed and tested methodologies, the discount rate and other data used, such as market expectations and projected cash flows. Further, as part of our audit procedures, we included valuation experts in our team to analyse and evaluated the identification of intangible assets, the reasonability of the valuation approach, the mathematical accuracy of the valuation models, the reasonability of the key assumptions used by the company and assessed the reasonability of the overall outcome of the purchase price allocation.

In addition to above procedure we specifically assessed the principles of the valuation model for the 50.1% stake in the joint venture 'Solazyme Bunge Renewable Oils Coop. UA' as the stake in the joint venture was the most significant asset acquired in this acquisition. As part of this we have assessed the results of the work of the valuation expert engaged by the company as part our audit.

We have evaluated whether the disclosure was made in accordance with IFRS 3.

Our observation

Based on our procedures performed and in the light of the current situation that Corbion aims to acquire the remaining 49.9% of Solazyme Bunge Renewable Oils Coop. UA, we determined management's key assumptions used in the purchase price allocation of the TerraVia acquisition to be within a reasonable range and that disclosure in the financial statements of the business combination meets the requirements of IFRS 3.

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 that consists of:

- Corbion at a glance;
- Message from the CEO;
- Company highlights;
- Report of the Board of Management;
- Report of the Supervisory Board;
- Sustainability statements;
- Other information, as included on page 158 until 172.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially 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

Engagement

We were re-engaged by the General Shareholders Meeting as auditor of Corbion N.V. on 12 May 2016 for the audit for the year 2017 and have operated as statutory auditor since the financial year 2016.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of Board of Management and the Supervisory Board for the financial statements

The Board of Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil

Code. Furthermore, the Board of Management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Management should prepare the financial statements using the going concern basis of accounting unless the Board of Management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Board of Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at: http://www.nba.nl/ENG_oob_01
This description forms part of our independent auditor's report.

Utrecht, 6 March 2018

KPMG Accountants N.V.

J.G.R. Wilmink RA

Assurance report of the independent auditor

To: the readers of the Corbion Annual Report

Our conclusion

We have reviewed the sustainability indicators marked with '✓' (hereafter: the sustainability indicators) for the year 2017 of Corbion N.V. (hereafter 'the company') based in Amsterdam. A review is aimed at obtaining a limited level of assurance.

Based on our 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 applied reporting criteria as disclosed in the section 'Reporting policy' on page 89 of the Corbion Annual Report.

The sustainability indicators are included in pages 4 - 96 of the Annual Report.

Basis for our conclusion

We have performed our review on the sustainability indicators in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)' (assurance engagements other than audits or reviews of historical financial information (attestation engagements)).

This review engagement is aimed at obtaining limited assurance. Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the sustainability indicators' section of our report.

We are independent of Corbion N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

We agreed with the Supervisory Board that misstatements which are identified during the review and which in our view must be reported on quantitative or qualitative grounds, would be reported to them.

Scope of the group review

Corbion N.V. is at the head of a group of entities. The information of the components within this group is included in the sustainability indicators of the company.

Our group review mainly focused on significant group components. The Group operates through a number of legal entities. These entities form reporting components for the sustainability indicators which are primarily based on production locations. Significant group components are defined as components that largely contribute to the indicators in scope.

We have:

- performed review procedures ourselves at the production locations in the Netherlands and Spain; and
- performed remote interviews and review procedures for a number of the production locations in the USA and the production location in Thailand.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate assurance evidence about the group's sustainability indicators to provide a conclusion about the sustainability indicators.

Unreviewed corresponding information

The sustainability indicators for the period 2016 have not been reviewed. Consequently, the corresponding sustainability indicators for the period 2016 in this annual report are not reviewed.

Consistency of the information included in other parts of the annual report

In addition to the sustainability indicators and our assurance report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information included in other parts of the annual report is consistent with the sustainability indicators and does not contain material misstatements.

We have read the other parts of the annual report. Based on our knowledge and understanding obtained through our review of the sustainability indicators, we have considered whether the information included in other parts of the annual report contains material misstatements.

The scope of the procedures performed is substantially less than the scope of those performed in our review of the sustainability indicators.

Responsibilities of the Board of Management and the Supervisory Board for the sustainability indicators

The Board of Management of Corbion is responsible for the preparation of the sustainability indicators in accordance with the applied reporting criteria as disclosed in the section 'Reporting policy' on page 89 of the annual report, including the identification of stakeholders and the definition of material matters. The choices made by the Board of Management regarding the scope of the annual report and the reporting policy are summarized in chapter 'Sustainability Statements' of the annual report.

The Board of Management is also responsible for such internal control as the Board of Management 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 responsible for overseeing Corbion's reporting process.

Our responsibilities for the review of the sustainability indicators

Our responsibility is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed in an assurance engagement to obtain a limited level of assurance are aimed to determine the plausibility of information and are less extensive than a reasonable assurance engagement. The level of assurance obtained in assurance engagements is therefore substantially less than the level of assurance obtained in an audit engagement.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the sustainability indicators. The materiality affects the nature, timing and extent of our review procedures and the evaluation of the effect of identified misstatements on our conclusion.

We apply the 'Nadere voorschriften kwaliteitssystemen' (Regulations on quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our review engagement included, among others, the following procedures:

- Performing an analysis of the external environment and obtaining an understanding of relevant social themes and issues, and the characteristics of the organization;
- Identifying areas of the sustainability indicators where material misstatements, whether due to fraud or error, are likely to arise, designing and performing assurance procedures responsive to those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion;
- Developing an understanding of internal control relevant to the assurance engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of the reporting criteria used and their consistent application, including the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by management and related disclosures in the sustainability indicators;
- Evaluating the overall presentation, structure and content of the sustainability indicators, including the disclosures; and evaluating whether the sustainability indicators represent the underlying transactions and events free from material misstatement;
- Interviewing management and relevant staff at corporate level responsible for the sustainability strategy and policy;
- Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on and consolidating the data in the sustainability indicators;
- Visits to production sites in the Netherlands and Spain aimed at, on a local level, to validate source data and to evaluate the design and implementation of internal control and validation procedures;
- Reviewing relevant internal and external documentation, on a limited test basis, in order to determine the reliability of the sustainability indicators;
- An analytical review of data and trends.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the review and significant findings, including any significant findings in internal control that we identify during our review.

Utrecht, 6 March 2018

KPMG Accountants N.V.

J.G.R. Wilmink RA

Five years in figures

Millions of euros	2017	2016	2015	2014	2013
Continuing operations*					
Net sales	892	911	918	770	744
Operating result	122	127	109	13	38
EBITDA excluding one-off items	164	170	150	110	100
Result after taxes	85	104	80	-18	5
Earnings per ordinary share in euros 1)	1.46	1.74	1.29	-0.34	0.03
Diluted earnings per ordinary share in euros 1)	1.44	1.72	1.28	-0.33	0.03
Cash flow from operating activities	118	123	110	67	34
Cash flow from operating activities per ordinary share, in euros 1)**	2.03	2.06	1.79	1.04	0.44
Depreciation/amortization fixed assets	45	50	46	44	41
Capital expenditure on fixed assets	49	51	68	63	76
EBITDA margin % 2)	18.4	18.7	16.4	14.2	13.4
Result after taxes/net sales %	9.5	11.4	8.7	-2.4	0.7
Number of employees at closing date	1,794	1,684	1,673	1,860	1,885
Total operations					
Statement of financial position					
Non-current assets	498	467	470	433	436
Current assets	295	316	246	239	206
Non-interest-bearing current liabilities	129	147	135	130	134
Net debt position 3)	162	98	62	-6	-29
Provisions	24	39	31	40	32
Equity	489	499	488	509	505
Key data per ordinary share					
Number of issued ordinary shares	59,242,792	57,862,037	59,904,209	62,041,761	71,939,942
Number of ordinary shares with dividend rights	58,620,564	57,365,098	59,420,763	61,557,106	61,176,915
Weighted average number of outstanding ordinary shares **	58,097,383	58,433,493	60,380,489	61,759,190	70,479,684
Price as at 31 December	27.00	25.43	22.32	13.82	15.40
Highest price in calendar year	29.39	25.65	22.91	17.27	18.60
Lowest price in calendar year	23.15	17.92	12.7	10.56	14.41
Market capitalization as at 31 December	1,583	1,459	1,326	851	942
Earnings in euros **	1.46	1.74	1.29	-0.34	-0.01
Diluted earnings in euros **	1.44	1.72	1.28	-0.33	-0.01
Other key data					
Cash flow from operating activities	118	123	110	67	10
Depreciation/amortization fixed assets	45	50	46	44	41
Capital expenditure on (in)tangible fixed assets	49	51	68	63	76
Number of employees at closing date ***	1,794	1,684	1,673	1,860	1,885
Number of issued financing preference shares		2,279,781	2,403,781	2,574,281	2,983,794
Equity per share in euros 4)	8.35	8.36	7.89	7.93	7.87
Regular dividend in euro per ordinary share (reporting year)	0.56	0.56	0.43	0.21	0.15
Additional dividend in euro per ordinary share (reporting year)		0.44	0.42	0.81	0.70
Ratios					
Net debt position/EBITDA 5)	1.0	0.6	0.4	-0.1	-0.2
Interest cover 6)	24.4	23.0	25.5	23.8	13.6
Balance sheet total: equity	1:0.6	1:0.6	1:0.6	1:0.6	1:0.7
Net debt position: equity	1:3	1:5.1	1:7.9	1:-87.7	1:-17.2
Current assets: current liabilities	1:0.6	1:0.5	1:0.4	1:0.6	1:0.4

* *The previous years have not been restated for discontinued operations later on.*
** *Only the preceding year has been restated for stock dividend.*
*** *Starting 2015 number of employees based on FTE, before 2015 based on headcount.*
1) *Per ordinary share in euros after deduction of dividend on financing preference shares.*
2) *EBITDA margin % is EBITDA divided by net sales x 100.*
3) *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.*
4) *Equity per share is equity divided by the number of shares with dividend rights.*
5) *EBITDA is Earnings Before Interest, Taxes, Depreciation, Amortization and impairment of (in)tangible fixed assets, excluding one-off items,increased by cash dividend of joint ventures received and annualization effect of newly acquired subsidaries.*
6) *Interest cover is EBITDA as defined in Note 5 divided by net interest income and charges.*

Investor relations

Dividend

According to the Corbion Articles of Association, the Board of Management shall decide subject to the approval of the Supervisory Board which part of the profit is to be reserved. The remaining profit shall be at the disposal of the General Meeting of Shareholders. The General Meeting of Shareholders may decide upon a proposal by the Board of Management with the approval of the Supervisory Board to pay dividends to shareholders from the distributable equity.

In terms of dividend policy, Corbion's ambition is to pay out annually a stable to gradually increasing absolute dividend amount per share (progressive regular dividend policy). For 2017, the dividend proposal is a regular dividend in cash of € 0.56 per ordinary share (2016: € 0.56).

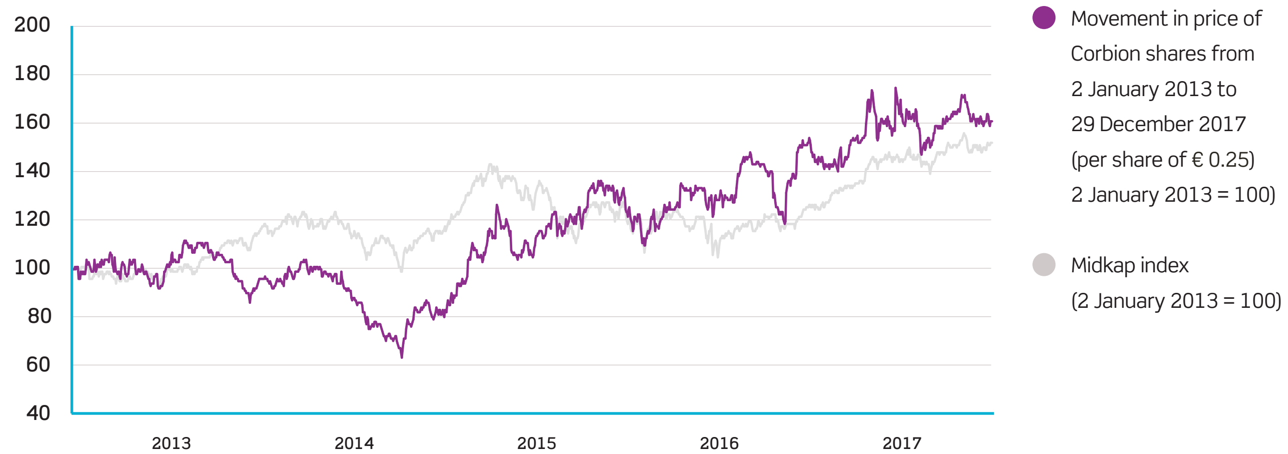
Proposed appropriation of profit

Millions of euros	2017	2016
Result after taxes	**84.6**	**103.6**
Available for dividend payment to holders of financing preference shares		2.1
Proposed addition to the reserves	51.8	44.1
Available for cash dividend to holders of ordinary shares	32.8	57.4
Regular cash dividend of € 0.56 (2016: € 0.56) per ordinary share with a nominal value of € 0.25	32.8	32.1
No additional cash dividend in 2017 (2016: € 0.44) per ordinary share with a nominal value of € 0.25		25.3

Information on the Corbion share

	2017	2016	2015	2014	2013
Number of ordinary shares with dividend rights x 1,000 as at 31 December	58,621	57,365	59,421	61,557	61,177
Market capitalization in millions of euros as at 31 December	1,583	1,459	1,326	851	942
Highest share price	29.39	25.65	22.91	17.27	18.60
Lowest share price	23.15	17.92	12.70	10.56	14.41
Share price as at 31 December	27.00	25.43	22.32	13.82	15.40
Average daily turnover of shares	170,440	142,677	196,700	141,134	243,793

Trends in share price



Financial calendar*

26 April 2018	Publication of the interim management statement first quarter 2018
25 May 2018	Annual General Meeting of Shareholders
29 May 2018	Ex date
30 May 2018	Record date
5 June 2018	Dividend payable for 2017
8 August 2018	Publication of half-year figures 2018
2 November 2018	Publication of the interim management statement third quarter 2018
13 May 2019	Annual General Meeting of Shareholders

* subject to change

Contact information

The Investor Relations and Media sections of the company's website www.corbion.com contains up-to-date financial information about Corbion.

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Concept and design
Cascade-visuele comunicatie

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