

INVESTING IN INNOVATION

Ever since Aquafin was established, research and innovation have always held an important place in the company. By developing the expertise required for innovative supply chain solutions, Aquafin aims to tackle the current and future challenges in the waste water sector. The company's research strategy is based on three major pillars: integrated water management, recovery of energy and raw materials and improving the reliability and performance of the treatment infrastructure.

Nationally and internationally, Aquafin is a valued research partner for academic institutions and research institutes. The company therefore often participates in research subsidised by Europe. The research budget that Aquafin receives from the Flemish Region covers small-scale research studies with small pilot plants and the necessary measuring equipment. However, once a pilot project moves from the pilot phase to full-scale application, Aquafin has to call on finance under the Optimisation Programme or the asset management programme.

KEY FEATURES OF THE COMPANY'S INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

The Board of Directors is conscious of its responsibilities and takes risks into account in determining the strategic direction of the company. Risk-related matters are discussed at meetings. The Audit Committee plays a key role in the financial reporting process. For more details, please refer to this committee's activity report. The Management Committee is also aware of the importance of good internal controls and risk management. Since 2015 the company has held ISO 55001 certification for asset management, of which risk control is an important aspect. In this context, the risk matrix is an objective tool for managing risks. Risk-related matters are discussed at the weekly meetings as a permanent item on the agenda and passed on to the internal auditor for information.

A risk management policy, for which policy lines are determined, procedures issued, signing authorities stipulated, early warning indicators built in and checklists used, is followed in all departments. We also keep up with changes in legislation. These tools are accompanied by an integrity policy, including a procedure for reporting integrity violations. The necessary measures have also been taken to ensure information security.

Several specific departments and roles focus closely on risks: Prevention and Protection, Environment, Compliance Management, the Nuisance Reduction Manager, the ombudsman and the internal auditor. In addition, the company focuses on monitoring and

reporting risks. A reliable information system and the updated Balanced Scorecard, which serves both as a measurement instrument and as a reporting system, are used for this. Internal quality audits are carried out on the implemented procedures. The internal auditor, the external auditor and the Financial Regulator for the Flemish Region all supervise the company.

Regarding risk management, we also refer to the annual report accompanying the consolidated financial statements under IFRS.

AUDITING OF THE COMPANY

The statutory auditor's term of office will expire on the closure of the General Meeting regarding the 2016 financial year. The Board of Directors will submit a proposal to the shareholder to appoint Ernst & Young as statutory auditor for a period of three years.

*Water is a source of recreation
once more!*

