

## Risk management

### Basic principles of risk management

The risk policy of the Semperit Group reflects the effort to achieve competitive advantages, thus increasing the Semperit Group's company value in the long term. In addition to meeting legal requirements (compliance) and occupational safety, the aim is to increase risk awareness. The knowledge gained as a result should be incorporated into operational work and strategic company development.

Semperit controls reasonable risks and tries to reduce or prevent unreasonable risks. The group-wide risk management of the Semperit Group is an integral part of planning and implementing Semperit's business strategies, with the Management Board defining the risk policy. In accordance with the organisation and the accountability structure, all Semperit companies are obliged to follow and implement the defined risk management process. Enterprise Risk Management is organised in the Group Risk Management & Assurance department.

### Enterprise risk management process

Semperit uses a series of coordinated risk management and control systems, which support the Semperit Group in identifying developments that could jeopardise the continued existence of the business at an early stage. In this context, the greatest importance is attached to group-wide processes and developments which serve to assess potential risks as long as possible before major business decisions are made. The internal reporting system allows monitoring such risks in business development in greater detail.

The Semperit Group's risk management is based on a comprehensive enterprise risk management (ERM) approach, which is integrated into corporate organisation. The ERM approach is based on a globally recognised framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the "Enterprise Risk Management – Integrated Framework" (2004). The ERM process aims at an early identification, assessment and control of risks which could have a significant influence on achieving strategic, operational, financial and compliance-relevant goals of the company.

Along a structured process combining elements of both the bottom-up and the top-down approach, risks are identified and evaluated. The reporting period within the framework of the ERM approach usually amounts to one year; in exceptional cases (for example for research and development) this period may be longer. Transition to a five-year risk assessment period has begun. The ERM is based on a net principle, according to which the risks remaining after (control) measures have been conducted are addressed. If risks have already been accounted for in planning, in the budget, in forecasts or in the consolidated financial statements, these risks are no longer shown. Only those potential deviations from the business objectives which have not been accounted for financially in any form are presented as risks. The progress made in implementing risk-reducing measures is monitored on a regular basis.

The Group Risk Management & Assurance department is responsible for the central coordination, moderation and monitoring of the structured risk management process for the entire group. Relevant risks are prioritised from different perspectives and later assessed for their impact and probability of occurrence. The bottom-up identification and prioritisation process is supported by workshops with the management of the respective Semperit companies. This top-down element ensures that potential new risks are brought up for discussion at the management level and are then incorporated into the reporting, if relevant. The risks are discussed and coordinated with the segment management (top down). Individual reporting follows immediately after visiting the respective Semperit companies. A comprehensive risk report of the individual risks and an aggrega-

tion are submitted to the Audit Committee and the Supervisory Board at least once per year. The regular reporting process is supplemented by an ad hoc reporting process in order to escalate critical topics in due time.

### Organisation of risk management and responsibilities

To monitor the ERM process and to drive the integration and standardisation of existing controlling activities in accordance with legal and operational requirements, the Management Board has established the Risk Management Board. This Board consists of the CEO, CFO and Head of Group Risk Management & Assurance. If required, additional members of the Management Board are called in and risks are discussed. In addition, the top risks are monitored quarterly in the Executive Committee.

The Group Risk Management & Assurance department is supported in the process by the individual Semperit companies. The update on the measures is largely provided directly by the risk owners. Measures to reduce risks are also implemented in the form of insurance contracts (see also "Insurable risks").

The legal framework and principles applicable to risk management are set forth in the Risk Management Guideline.

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. audited and confirmed the functionality of the risk management system of Semperit for the year 2018 in accordance with C-Rule 83 of the Austrian Code of Corporate Governance.

### Risk report

The global economic development with its strong regional variations continuously confronts Semperit as a group with international activities with new challenges. Semperit operates in countries with different economic framework conditions. Moreover, these countries are in different phases of political, constitutional and social development. The success of Semperit's two sectors and/or the four operating segments depends on the overall economic environment to a varying degree based on their strategic orientation. Accordingly, Semperit is exposed to risks.

An assessment of the general market risks and the development of the global economy is presented in the respective chapters of the management report.

Selected individual risks are explained below. In addition to the risks listed here, further strategic, operational, financial risks as well as risks related to compliance, occupational safety, health and environment (SHE) and other external risks possibly exist, which are currently unknown to Semperit or which Semperit is not aware of at present. If one or several known or unknown risks occur, this may have significant adverse effects on the business, asset, financial and earnings position as well as the reputation of the Semperit Group.

## Strategic risks

### Transformation, restructuring and governance risks

Semperit is undergoing a restructuring and transformation process including cost-reduction initiatives, restructuring of individual segments, evaluation of Semperit's portfolio as well as adjustments in the manufacturing footprint. The management information system, which only exists to a limited extent, and the lack of structures and standardised processes lead to risks of corporate management due to insufficient data and non-stable processes, and hence to potentially incorrect decisions.

There is a risk that the decisions made take more time and are associated with higher costs so that their actual benefit is lower than originally estimated, that they take effect later than assumed or they have no effect at all. In any case, Semperit's profitability is influenced by savings actually achieved and the ability of the Semperit Group to implement these ongoing projects on a sustained basis.

Like other international companies, Semperit, as a publicly listed company, is exposed to the risk of hostile takeover attempts. This could hinder the implementation of the strategy and the restructuring and transformation process and therefore negatively impact the business, asset, financial and earnings situation of the Group.

### Technology development

The markets in which Semperit operates are subject to significant changes resulting from the introduction of innovative and disruptive technologies. In the area of digitalisation (Industry 4.0), there are risks of the substitution of existing products and new business models. In addition, there is a risk that competitors are able to launch their products and solutions in the market earlier than Semperit due to faster time-to-market strategies. The development of results significantly depends on the ability to anticipate changes in the markets, to adjust accordingly and to cut the manufacturing costs of the products. The introduction of new products and technologies requires a strong commitment to research and development, which is associated with substantial investments of financial resources and is not always successful. This could lead to a negative influence on the earnings situation, when investments do not lead to the expected success or are not met with the expected market acceptance. Existing patents and other intellectual property rights of Semperit cannot prevent competitors from developing and selling products themselves that are very similar to Semperit products.

### Customer needs and market trends

There is an inherent risk for the Semperit Group that market trends are not identified in due time or that the company is not flexible enough to adjust its products and production to market changes in time. This may lead to a non-competitive cost position and a significant negative effect on the business, asset, financial and earnings position of the Semperit Group.

## Operational risks

### Organisational risks

The organisation of the Semperit Group in the form of a matrix organisation is not fully developed yet on a global scale and includes potential process overlaps, inflexibilities and inefficiencies. Decision-making procedures in response to market-related or critical developments potentially bear the risk of time delays or other inefficiencies. The control systems and the measurement of key figures against internal and external benchmarks have to be developed further. As transparency is consequently limited, wrong decisions could be made. In addition, there is a potential risk of losing competitive advantages or not being able to generate new ones.

### Investment and divestment risks

The Semperit Group invests in existing sites, for example through the construction of new buildings, purchasing new machines and replacement investments. In addition, there is the possibility that acquisitions of new companies or divestments (sale, closure) of existing parts of the company are carried out. In the course of such investments and divestments there is among other things a risk of misjudgements and of accrued legacy issues of any kind.

### Value chain risks

The value chain of Semperit covers all stages from research and development, through supply chain management and production to marketing and sales. In particular, bottlenecks in raw material supply may arise along the value chain; likewise, production disruptions, scrap, quality defects in products/packaging/storage/delivery may occur and lead to additional costs and delivery bottlenecks and/or delays. Moreover, this may result in reputational damage and loss of orders as well as potential product liability, occupational safety, regulatory and environmental risks, which may have a negative effect on the asset, financial and earnings position of the Semperit Group.

The earnings position of the Semperit Group depends on the reliable and effective management of our supply chain for raw materials and mixes. Capacity limitations and supply shortages could lead to delays and additional costs. Semperit is fully dependent on external suppliers with regard to raw material and energy supply, and partially depends on them for the supply of mixes. This reduces the indirect possibilities of influencing productivity, quality assurance, delivery dates and costs, and increases the risk of not being able to react in due time and adequately to changing situations.

Supply shortages and delays could damage the business activities of the Semperit Group to a significant extent. Unexpected price increases for raw materials and components, for example due to market shortages, could also have a negative effect on the asset, financial and earnings position of the Semperit Group. Furthermore, Semperit could be confronted with the risk of delays and disruptions of the supply chain as a result of disasters, especially if Semperit does not manage to open up alternative sources of supply. If Semperit is not able to gain sufficient security along the supply chain, its reputation could also be adversely affected.

### Procurement risks

Semperit purchases large amounts of raw materials such as rubber, (natural and synthetic rubber), chemicals, bulking agents (e.g. carbon black) and both textile and steel reinforcing materials as well as energy (gas, electricity) for manufacturing its products. These raw materials are subject to high price volatility. Price increases can be passed on to the customer only partially or with delay – depending on the respective market situation. Therefore, an increase in raw material prices may have a negative impact on earnings. In some areas, there are also monopolistic and oligopolistic supply situations for raw material and chemical suppliers. Semperit also has a limited option for negotiations with energy and water providers.

Furthermore, the Sempermed segment is to a large extent dependent on the supply of finished products by third parties.

A supply shortage of (individual) raw materials or finished products, or restrictions on imports (e.g. steel wire from China), or a failure of an important supplier may lead to a massive production loss and to a significant negative impact on the asset, financial and earnings position of the Semperit Group.

### Production and utilisation risks

Within the Semperit machine park, there are (partly outdated) facilities which are essential for production and for which there are no adequate replacements. An essential failure of one of these machines would lead to a (partial) loss of production and negative effects on the asset, financial and earnings position of the Semperit Group.

Quality problems may arise in Semperit products, which result from the development or production of these products. Despite all efforts, the risk of operational downtimes, accidents, underutilisation, and limited availability of production, movement and storage areas cannot be ruled out. Such risks may lead to delayed deliveries and, subsequently, potentially to a loss of customers, with possible negative effects on the asset, financial and earnings position of the Semperit Group.

### Information technology (IT) and data protection risks

The majority of production and control systems as well as services are dependent on a functioning and error-free IT landscape. The failure of essential servers and production scheduling units, ERP systems, non-availability and unauthorised access to IT networks (cyber-crime) may lead to an irrecoverable loss of production volumes, a negative impact on quality or delivery delays and thus be detrimental for Semperit. Like other multi-national companies, Semperit is also a target of cyber-attacks. Such attacks can potentially lead to the disclosure, falsification, espionage or loss of information, abuses of information systems or product faults, production losses and supply shortages, with negative effects on the reputation and competitiveness of the Semperit Group.

Additional risks are posed by IT systems developed in-house and a wide variety of different systems in use requiring a large number of manual interventions, which could have a negative effect on data quality and processes. The traceability of goods produced may not be given due to faulty and non-existent systems.

Handling sensitive/confidential data inappropriately or not in compliance with legal requirements (particularly GDPR) may also represent a risk.

### Personnel risks

Semperit continuously needs highly qualified employees. The competition for qualified employees continues to be intensive in regions where Semperit operates. Some Semperit sites are located in regions with persistently low unemployment and constant high demand for qualified skilled workers. Semperit's future business performance will be largely determined by the recruitment of adequately qualified professional and managerial staff at the individual locations, their integration, further development and long-term retention. The departure of key personnel must be covered by internal successors who have been trained in due time. Should this not be possible, it may lead to a risk of a deterioration of the business, asset, liabilities, financial, and earnings position of the Semperit Group.

Labour shortages or restrictions on the admission of guest workers or outsourcing, state minimum wage regimes, strikes or outflow/unauthorised disclosure of know-how may lead to an impairment of production and to limitations in other business areas, thus also burdening productivity and the business, asset, financial and earnings position.

### Financial risks

As required by IFRS 7.31, the financial risks are described in detail in the notes under point 11 (Risk management). A summary and interpretation are provided below.

#### Capital, financial and liquidity risks (capital management)

Capital risk is the risk of capital bundled in investments. Liquidity risk (also known as refinancing risk) refers to the risk of being unable to raise the necessary cash for possible payments or only at increased refinancing costs. Financing risk refers to the risk that financing instruments are not available or not available to the required extent and thus threaten to cause payment difficulties or even insolvency.

The objective of capital management in the Semperit Group is to ensure the continuation of the company, to enable growth-oriented organic and non-organic investment activities and a dividend policy based on this goal.

The risk from capital management can be divided into market and corporate risks.

Market risks to which the Semperit Group is exposed include political and economic developments that negatively influence the financial markets all over the world. These may be, for example, more restrictive regulations of the finance sector or policies of central banks, the limited availability of financial resources, changes of the credit ranking and legal capacity of banks and other funders, changes of interest rates or restrictions on the use of financial instruments, which affect our scope of action regarding the taking up of financing operations or which impair our financing costs and deposit conditions.

Furthermore, the Semperit Group is subject to corporate risks in capital management. For example, a deterioration of its own creditworthiness may lead to higher expenses for borrowings or no further financing granted by creditors. An increase in credit risk premiums may also result in a negative change of the market values of financial assets due to uncertainty and risk aversion on the financial markets. In the context of loan contracts and *Schuldschein* loans, there are customary clauses ("Covenants criteria"), which, if not met, could lead to a termination by investors. In addition, there are agreements with joint venture partners which result in restrictions on the free availability of the respective liquid funds.

The risks from capital management may have a significant negative impact on our business, asset, financial and earnings situation.

### Foreign currency risk

Foreign currency risks can generally be divided in transaction and translation risks. A transaction risk exists in the case of receivables or payables in a foreign currency, whose value may change due to exchange rate fluctuations. The translation risk refers to possible value fluctuations of assets as a result of changes of exchange rates and occurs in the consolidation of subsidiaries that do not enter in EUR. Due to international trade relations and existing subsidiaries all over the world, the Semperit Group is exposed to both risks.

Transaction risks exist in all subsidiaries that, for example, purchase raw materials in a currency other than the functional currency or sell products in a currency other than the functional one. The main currencies in this context are US dollar, Czech koruna, Polish zloty and Malaysian ringgit. In the notes under point 11 Risk management/Currency risk management there is a listing of revenue by the major currencies as well as those currency pairs that exist versus the euro and the US dollar which pose a significant currency risk. Translation risks exist in the Semperit Group wherever a consolidation of annual financial statements takes place in different currencies.

Furthermore, in some countries there are capital controls that limit the Semperit Group in its freedom of action. Some national banks, for example, have restrictions on trade in currencies and hedging instruments.

The risks from foreign currency risk management may have a significant negative impact on our business, asset, financial and earnings situation.

### Interest rate risks

Interest rate risks arise from the change in interest rates, both for variable and fixed interest financing, in the form of interest change risks or cash value risks.

The external financings of the Semperit Group are partly variable and partly fixed interest rates. Internal financing is usually granted with fixed interests to subsidiaries. With an increase in variable interest rates, this leads to higher interest expenses. The Semperit Group is exposed to the cash value risk when fixed market interests fall. Individual risk positions were hedged in 2018 using derivative financial instruments. For details see the notes under point 11 Risk management/Interest rate risk management.

The risks from interest rate risk management may have a significantly negative influence on our business, asset, financial and earnings position.

### Default risks of customers and banks

The Semperit Group is exposed to the default risk with regard to receivables from customers. If the credit rating of Semperit customers deteriorates, the default risk increases. The default of a key business partner could have a negative impact on our receivables and our results. Due to a higher counterparty risk, the costs for hedging credit risks could be increased.

There are also default risks relating to Semperit's bank deposits. These deposits are not or only partially secured by deposit protection funds and may be the reason why Semperit cannot or only partially or only with some delay access this liquidity or credit lines in case of bankruptcy of individual banks or another bank and/or financial crisis.

There are additional risks in the case of a loss of value of collateral transferred to Semperit.

The risks from the default of customers and banks can have a significantly negative influence on our business, asset, financial and earnings position.

### Tax risks

The companies of the Semperit Group are subject to local tax legislation in the respective countries and have to pay profit taxes as well as other (local) taxes and fees. Changes in tax legislation and regulations in these jurisdictions could lead to higher tax expenses. A negative influence on tax receivables and liabilities of the Semperit Group as well as on deferred tax assets and liabilities is also possible. Unused tax loss carryforwards could be subject to tax audits and be questioned in part. Moreover, uncertainties in the tax environment of some regions could limit the possibilities of enforcing our own rights. The Semperit Group and its local companies are subject to regular tax audits by financial authorities which may entail negative findings.

If one or several of the above-mentioned events occur, a negative effect on the business, asset, financial and earnings position has to be assumed.

A subsidiary of the Semperit Group is currently involved in tax proceedings regarding levies (tax PIS/COFINS) for the assessment years 2008 to 2010 in Brazil, for which the management for the import tax (import PIS/COFINS) still assumes that the requirement of a provision is met (see explanation 7.2, Other provisions, in the notes). For the resale levy (resale PIS(COFINS) in 2017, a deposit was set for the further treatment of the case in the court instances. The provision is therefore offset by a corresponding claim from possible refund claims. For the assessment years 2011 and 2012, the management assumes that a limitation period has materialised (see 7.2, Other provisions, in the notes).



## Compliance risks

### Regulatory risks and potential sanctions

Semperit has business activities with customers and suppliers in countries such as Russia, Ukraine or China, which are subject to export and import control regulations or other forms of trade restrictions (for example through the USA and the EU). New or extended sanctions in countries in which Semperit has business operations could lead to restrictions of the existing business activities in these countries, or indirectly in other countries. In addition, Semperit could be subject to claims or other measures by customers due to the termination of our business in countries, which are subject to sanctions.

For business activities in emerging countries, there are risks such as unrest, health risks, cultural differences, for example regarding employment relationships and business practices, volatility of the gross domestic product, economic and governmental instability and legal uncertainty, possible nationalisation of private assets as well as imposition of currency restrictions and stricter environmental requirements.

### Risks arising from cartel and corruption allegations

Future proceedings against Semperit regarding corruption and cartel allegations as well as other violations of laws could lead to monetary fines under criminal or civil law as well as to penalties, sanctions, court orders regarding future behaviour, disgorgement of profits, to the exclusion from directly or indirectly participating in certain business transactions, to the loss of trade licences or other restrictions and legal consequences. Part of Semperit's business activities is accounted for by state-owned companies. Pending and possible future investigations into corruption or cartel allegations or allegations regarding other legal violations could have a long-term impact on the Semperit Group's business, including even an exclusion from public and private-sector orders. Moreover, such investigations could also lead to the cancellation of existing contracts and loss of orders and customers, and proceedings against Semperit could be initiated.

Developments in ongoing or potential future investigations, such as the reaction to requests by the authorities and cooperation with the authorities, could distract the attention and resources of the management from other business matters.

One subsidiary is involved in unfair competition proceedings. The case is currently at a stage at which the outcome cannot be estimated with a sufficient degree of probability. The case is being heard before the authorities in consultation with local specialists. The subsidiary is cooperating with the competent authorities and is providing all the necessary assistance. For the anticipated costs and the appropriate risk, an appropriate provision has been made according to the assessment of the Semperit Group.

### Risks related to legal proceedings

Semperit is, and will be in the future, confronted with different legal disputes and proceedings as part of its ordinary business activities. As a consequence of such litigation, the payments of damages, punitive damages, meeting other claims as well as criminal or civil sanctions, fines or disgorgements may be imposed on Semperit. In addition, this may in individual cases result in the formal or informal exclusion from tendering procedures, or withdrawal or loss of business licences or permits. Moreover, further proceedings may be initiated, and existing proceedings could be extended. Asserted claims from litigation are generally subject to interest payments.

In some of these legal disputes, negative decisions can be made against Semperit, which may have significant effects on the business, asset, financial and earnings position of the company.

The Asian markets are of major importance for Semperit. These markets are subject to legal systems where regular changes occur, which could have negative effects on the business, asset, financial and earnings position of the Semperit Group.

#### **Occupational safety, health and environmental risks (SHE)**

Present or future occupational safety-related, environmental and health-related or other state regulations, or changes of such regulations, could require adjustments of the operating activities of the Semperit Group or lead to a significant increase in operating costs. Moreover, there are risks regarding a possible occupational safety-related, environmental and health-related incident, also when handling hazardous substances, as well as non-compliance with environmental, health- or occupational safety-related regulations, which could subsequently lead to severe accidents, reputation loss and legal consequences. Environmental damage could result in losses for Semperit, which exceed the insured amount or are not covered by insurance, and such losses could have a negative impact on the business, asset, financial and earnings position.

#### **Compliance risks regarding Corporate Social Responsibility (CSR)**

There is a risk of violating existing CSR regulations of the local jurisdictions in the respective countries. In addition to burdens on the company's business, asset, financial and earnings position, this could also result in reputational damage and loss of customers.

#### **Insurable risks**

The existing insurance cover does not protect Semperit from possible reputational damage. Moreover, Semperit may suffer losses resulting from legal disputes which exceed the insured amount or are not covered by insurance.

Fire, elementary events and natural disasters hold significant loss potential for Semperit, which may not be fully covered despite the insurance programme in place.

Finally, it cannot be guaranteed that Semperit will also receive adequate insurance cover on economically reasonable conditions in the future.

## Market risks

### Competitive environment

The global markets for our products are highly competitive in terms of pricing, product and service quality, product development and introduction times, customer service and financing conditions, and shifts in market needs. Semperit is confronted with strong competitors, partially also from emerging countries, which have a more favourable cost structure. Some industries in which Semperit operates are undergoing consolidation, which could lead to increased competition and a change in the relative market position of the Semperit Group. Furthermore, it must be noted that suppliers are also increasingly becoming serious competitors for Semperit.

### Economic, political and geopolitical framework conditions

From Semperit's perspective there is currently a high level of insecurity regarding the future development of the global economy. One significant risk, for example, results from the United Kingdom's leaving the EU (Brexit). This could increase business volatility and represent risks for the financial markets. The investment climate could suffer a slump due to political friction, further independence movements in countries of the European Union or because of sustainable successes of protectionist parties and policies that are hostile to business and the EU.

A further intensification of the conflicts between the USA and China as well as USA and Russia could have negative effects on the business performance of the Semperit Group.

A slowdown of economic growth in Asia or even a collapse of the Chinese real estate market, the banking sector or the stock market also represent significant risks.

A terrorist attack or a series of such attacks in large economies could reduce the global economic activity and cause the business climate to collapse. Further risks include political tensions, for example in Syria, Turkey, Ukraine, Russia, Iran and Egypt.

If the current economic recovery comes to a halt again and Semperit is not able adjust its production and cost structures appropriately, there is a risk of a negative impact on the asset, financial and earnings position of Semperit. For example, the financing options of our customers could deteriorate. As a result, intended purchases of our products could be changed, delayed or dropped, or purchases or contracts that have been commenced could not be completed. Moreover, the margins on Semperit products could drop to a greater extent than Semperit can currently foresee. In addition, contractual terms of payment could change to the disadvantage of Semperit, which could lead to negative effects on our financial position.

## Internal Control System (ICS)

Semperit's internal control system is designed to ensure the effectiveness and efficiency of its business activities, the reliability of its financial reporting and compliance with relevant statutory regulations. It also supports the early recognition and monitoring of risks deriving from inadequate monitoring systems and fraudulent actions and is revised and expanded on an ongoing basis by the Group Risk Management & Assurance department together with the relevant specialist departments. The management of the respective business unit is responsible for implementing and monitoring the ICS and the risk management system. The Management Board of Semperit AG Holding stipulates cross-divisional framework conditions and regulations that are applicable throughout the group. Regular follow-up audits are performed at the locations to ensure the sustained implementation of the framework conditions and regulations.

The following principles form the basis of the ICS:

- Recognition of potential operating risks and making losses visible that have already occurred
- Protection of property
- Improvement in operating effectiveness
- Ensuring the accuracy of accounting and reporting
- Compliance with internal and external laws and regulations
- Auditability by independent experts
- Ensuring adequate implementation and segregation of duties
- Ensuring the controls provided in the process

At the time this management report was prepared, no risks could be identified in connection with future developments that could threaten the continued existence of the Semperit Group either in isolation or jointly. Adequate insurance has been taken out for specific liability risks and damages when reasonable and cost effective.

### Essential characteristics of the internal control and risk management system with regard to the financial reporting process

The key points of the existing internal control system and the risk management system with regard to the (corporate) financial reporting process are summarised as follows:

- With regard to the financial reporting process, the functions of accounting are separated from other areas of responsibility such as treasury.
- The applied financial systems are protected against unauthorised access by appropriate IT facilities.
- With regard to applied financial systems, standard software is widely used.
- A guideline system (e.g. accounting guidelines, payment guidelines) has been implemented.
- Received or forwarded accounting data should be examined for completeness and correctness, e.g. by means of random samples, by the responsible persons.
- The dual-control-principle is applied in accounting-related processes.
- Accounting-related processes are examined on a random basis by internal audit.