

HUMAN RIGHTS AND IMPACT IN SOCIETY

↑ In its Corporate Social Responsibility (CSR) policy, the Viscofan Group undertakes a firm commitment to human rights, to carry out its activity in a responsible manner and to generate positive impacts on the communities in which it operates. In the same line, the United Nations Agenda 2030 constitutes the international roadmap for achieving a more sustainable world in social and environmental terms, and Viscofan adheres to it because it wishes to contribute to these objectives achieving all their transformative power and leaving a better world for future generations.



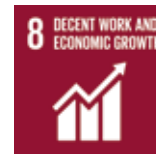
MATERIAL ASPECTS

- Respect for the Universal Declaration of Human Rights
- Profits obtained country by country

Our commitment to Sustainable Development Goals



- Collaborate with NGOs whose core business is based on hunger reduction.
- Develop specific products to combat malnutrition.
- Seek partnerships with NGOs for specific projects that promote hunger reduction in local communities.



- Working towards full, productive and decent employment for people with disabilities.
- Promote the formation and growth of microenterprises and SMEs for the creation of decent jobs.
- Support for public institutions in projects to promote local industry.



Our main lines of action in human rights

The Viscofan Group sets common basic guidelines on human rights as the guiding principles in various areas of the organisation. from employee management to supplier relationship management. These guidelines can be grouped around 3 lines of action: **rights in work** - promotion of non-discrimination, free association of workers, integration of the disabled, rejection of child exploitation, rejection of forced labour and compliance with the minimum wage in each country, among others - **fight against corruption** and **responsible management of the supply chain**.

Some noteworthy measures in the field of labour law:

- With respect to labour law, the Code of Conduct states that "employees of the Viscofan Group, within their geographical compass and cultural diversity, will especially abstain from using any behaviour involving discrimination on grounds of race, sex, nationality, language, religion, ideology or any other individual, social or personal circumstance (disability, economic position, trade union membership, etc.), and promote work with dignity, preventing any type of exploitation, with special care taken to avoid child labour".
- Viscofan rejects any form of child labour. As stated in the section on labour management in this report, there are no staff under the age of 14 hired at Viscofan. Likewise, the Viscofan Group requires suppliers to have a similar commitment in accordance with our Code of Ethics.

- Further, Viscofan promotes work in decent conditions, as well as the prevention of forced labour and consequently, as a control and monitoring measure, this risk has been specifically included in the risk matrix of the Global Risk Committee in order to detect any violation.

- Likewise, with regard to promoting employability among diverse people, Viscofan has 78 differently-abled people among its workers - 70 men and 8 women - and has signed contracts with special employment centres - in Spain and other countries - to carry out certain tasks that contribute to our production activity.

- Regarding the accessibility of sites for people with disabilities, Viscofan does not have a global standard that regulates the accessibility of people with disabilities in its offices and other locations. However, the company complies with all local regulations and building codes applicable in the countries in which it operates.



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In line with the objective of extending responsible management to the supply chain, the Group's benchmark plant located in Cáteda (Spain) has SMETA certification, which offers a globally recognised method for evaluating supply chain activities such as labour rights, health and safety, the environment and business ethics.

- The Viscofan Group protects free association of employees. Within equality and protection of employee's interests, about 73% of the company's employees are covered by general collective conditions governing their work activity, therefore improving the minimum conditions set by different labour legislations. The employees of the plants of Spain, Czech Republic, United States, Mexico, Brazil, Germany, Serbia, Belgium, France, Australia and Uruguay are protected by collective agreements. Within the collective of the different locations in which the Viscofan Group is present, certain specifications are determined in terms of the notice periods for operational changes.

- The minimum remuneration of employees is considered in accordance with the salary level and legal rules of each country where Viscofan carries out its activities. Given the training needs, the characteristics of the production process, and the internal policies of the Viscofan Group that respect the current legislation in each country, the minimum remuneration of the workforce is above the minimum wage established in the country.

- In our procurement process we ask raw materials suppliers commitments related to the defense of human rights and conformity with United Nations guidelines.

The Anti-Corruption Policy also seeks to minimise the risk of acts of corruption, bribery, extortion and other acts of this nature that may undermine human rights and be an obstacle to sustainable development affecting the most unprotected societies. In addition, this fight against corruption contemplated by our policy sets specific criteria regarding donations and sponsorships, establishing the prohibition of using them "to cover up improper payments" or "making donations to political parties or entities linked to them".

In addition, in line with the objective of extending responsible management to the supply chain, the Group's benchmark plant located in Cáteda (Spain) has SMETA certification, which offers a globally recognised method for evaluating supply chain activities such as labour rights, health and safety, the environment and business ethics. Viscofan SA has also joined Sedex, the largest collaborative platform for responsibly sharing supply chain data.

Supervising compliance

The Viscofan Group demonstrates its support and contribution to the dissemination and respect of human rights through three channels:

Since 2015 Viscofan has been a member of the **United Nations Global Compact**, an initiative of the UN. Viscofan was the first of the companies in its sector to sign it, motivated by its desire to contribute to the well-being of people and promote the economic, environmental and social development of the communities in which it is present.

The company's **Human Rights Policy** is based on the principles of: universality, progressivity, integrity and complementarity, inalienability, transnationality and international protection. Through this policy, the Viscofan Group undertakes to respect human rights in all its activities, anywhere in the world.

In its **Code of Conduct**, Viscofan establishes that all Group employees, within their scope of action, must contribute to respecting and protecting human rights, especially child exploitation, and must avoid any conduct detected on the job which is contrary to their tenets.

To achieve these human rights objectives, Viscofan has an specific Ethics and Regulatory Compliance Committee that is responsible for opening, on its own account or at the request of a third party, the investigation of any situation that may give rise to a risk for the Group, as a result of a breach of the internal regulations or any other circumstance. To this end, Viscofan also has a Whistleblower Channel accessible to all employees where they can report any sign of conduct they consider to be a possible risk. This channel is available at Vinsite (internal communication platform for Viscofan Group employees), although complaints can also be sent to the Ethics and Regulatory Compliance Committee by e-mail or by post to the Group's headquarters in Navarra. No cases of human rights violations were reported in 2019 and, specifically, nor has any case of forced labour or child exploitation been registered through the whistleblowing channel.

Further, with a view to strengthening this defence and protection of human rights, this risk has been specifically included by the Global Risk Committee in its risk matrix so as to detect any breach thereof.

Also, Viscofan understands that training in human rights is a fundamental tool for raising employees' awareness in this area. In 2019, 2,506 hours were devoted to human rights training (compared to 2,247 hours the previous year).

Training in Human Rights

	2019		
	Men	Women	TOTAL
Training hours	1,588	575	2,163
% over total hours of training	1.8%	1.4%	1.7%

2018		
Men	Women	TOTAL
1,577	670	2,247
1.9%	2.0%	2.0%

Partnerships

We have a long history in collaboration with institutions or research centers in different countries, which reaffirms the importance that has historically been in the company SDG 17 (Partnerships to achieve the Objectives). In particular, Viscofan plays an active role in the customized casings industry and is, therefore, involved in several industry associations and groups that seek to cooperate towards enhancing the industry's contribution to the community. These institutions include:

- **Comité International de la Pellicule Cellulosique (CIPCEL)**. Based in Brussels, comprises the leading producers of regenerated cellulose film products.
- **Collagen Casing Trade Association (CCTA)**. Also based in Brussels, comprises the leading producers of collagen casings worldwide.
- **Centro Español de Plásticos (CEP)**. This is the Spanish association of entities relating to the manufacture and processing of plastics.
- **Gelatin Manufacturers of Germany (GMG)**. An organisation of German gelatin producers.
- **AINIA**. Food Technological Centre based in Spain that supports R&D of

its partners, especially in the areas of quality, food safety, sustainability, environment, design and industrial production.

- **ANICE**. The Spanish National Association of the Meat Sector is the biggest meat association in Spain to give advice, represent and defend the sector's interests.
 - **National Centre for Technology and Food Safety (CNTA)**, the purpose of which is to provide advanced technological services to improve competitiveness in the food sector through quality and innovation and under the principle of food safety.
 - **AIMPLAS**. The Plastics Technology Centre offers integral solutions to companies within the plastic sector through the technical implementation of R+D+i projects.
 - **NAITEC**. Multidisciplinary Technology Centre for the Industry.
- Viscofan also collaborates with different universities and research centres:
- **University of Navarre** (Spain)
 - **Public University of Navarre** (Spain)
 - **South Carolina University** (USA)

- **MORE Institute Research** (Germany)
- **Hochschule Mannheim Fraunhofer Institute** (Germany)
- **Tübingen University** (Germany)
- **Sao Paulo University** (Brazil)
- **Suzhou University** (China)

The principal issues on which these collaborations are based are: food safety, analysis and development of new materials, process and food industry engineering, advanced physical and chemical analysis, basic research on materials and alternative uses and other packaging systems.

Moreover, Viscofan is importantly supported by the different administrations of the countries where it develops R&D activities, for example: the Center for Industrial Technical Development (CDTI) and the Ministry of Economy and Competitiveness (MINECO) in Spain, the Federal Ministry of Education Research in Germany, the National Council of Science and Technology (CONACYT) in Mexico and the Institute of Technological Research (IPT) in Brazil.

Commitment to our communities

The human rights principles and standards set out in the Agenda 2030 for Sustainable Development encompass a wide range of social, economic and environmental objectives. Out of all of these, Viscofan has identified the Sustainable Development Goals (SDGs) where the company can generate the greatest positive impact, and to do so it has taken into account both the nature of its business activity and the corporate mission and vision.

Throughout 2019, the company supported dozens of projects in several countries where it operates, contributing to the achievement of these five SDGs and other closely related ones. In the set of detailed initiatives the amount allocated is less than 111,000 euros.

The following goals have been identified by the company as a priority:

- **SDG 2.** Zero hunger
- **SDG 6.** Clean water and sanitation
- **SDG 8.** Decent work and economic growth
- **SDG 12.** Responsible production and consumption
- **SDG 13.** Climate action



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Social projects around the world

Canada

Women's Shelter

Donation of food for a damaged group of women.



Mexico

Reforestation Project

Plantation of trees in the Zacapu area for land reforestation with the aim of fighting against climate change.



Litter collection

Donation of containers for cleaning the municipality of Zacapu Michoacán.

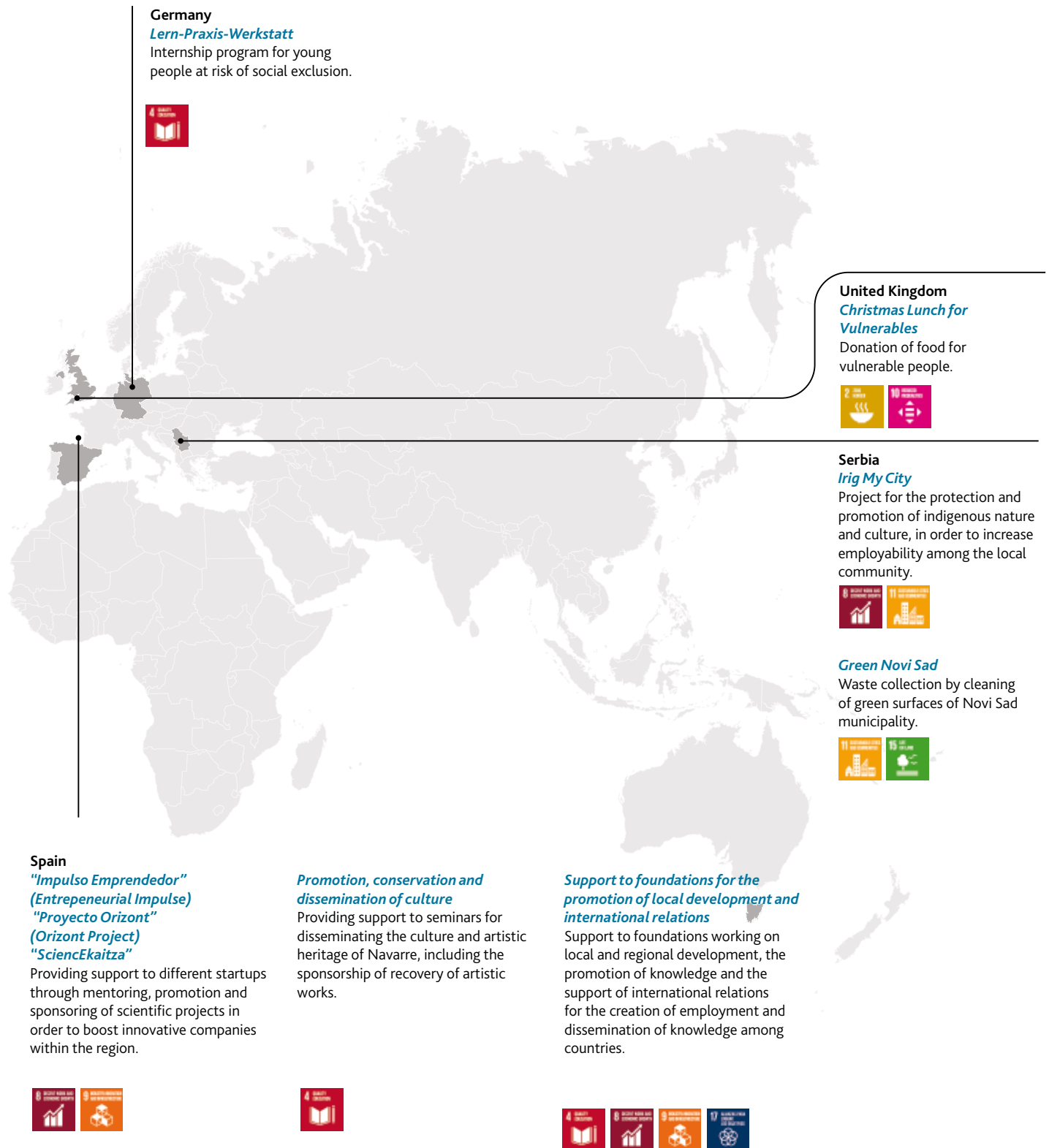


Brazil

School of Soccer and Citizenship

Social inclusion project through sport, which promotes values of coexistence among young people from 8 to 16.





Responsible taxation

As a result of some of these relationships, common projects are arising with which it collaborates and for which financial support has been received through grants and loans from official bodies. Viscofan is aware of the social impact its activity generates: from direct or indirect employment generated by its implementations, to the financial benefit it obtains from its activity in each of the different companies in which it operates (note 7.1 of the Viscofan S.A. financial statements) for which it contributes through taxes. In 2019, income tax payments amounted to 26,7 million euros as a result of its business activity in different countries. There is more information about taxes in note 21 of the consolidated report. There is information about capital grants in note 22 of the consolidated annual accounts.

In this regard, as of December 31, the financial statements include the loan from CDTI and the Ministry of Economy and Competitiveness in Spain in the amount of 12.0 million and a loan from COFIDES (Compañía Española de Financiación del Desarrollo), for 1.7 million (note 20 of the consolidated accounts).

