

FUNDAMENTALS

The purpose of the Non-Financial Information Statement is to communicate to all stakeholders how the Viscofan Group (“Viscofan Group” or “Viscofan”; Viscofan S.A., parent company of the Viscofan Group, will be referred to as the “Company”) creates value and records economic, environmental, social and good governance impacts that can substantially influence the decision-making of such stakeholders. This non-financial statement covers the period from 1 January to 31 December 2019 for the financial year of the Viscofan Group.

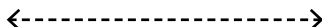
The group of companies forming part of the Viscofan Group at 31 December 2019 is detailed in note 2 of the consolidated financial statements with the exception of Viscofan Collagen USA Inc. and Viscofan Collagen Canada Inc. which were acquired in December 2019.

This document has been prepared in order to improve the consistency and comparability of non-financial information compared to the previous year concerning environmental and social issues, as well as personnel, respect for human rights and the fight

against corruption and bribery. This document has been prepared for the second consecutive year in accordance with Spanish Law 11/2018 of 28 December on non-financial information and diversity, and following the Global Reporting Initiative (GRI) standard in accordance with the essential scope according to the requirements of the GRI guidelines. The United Nations Global Compact, of which Viscofan is a signatory member, has also been used as a reference.



For further information on the activities of the Viscofan Group throughout the year, see the documents available on the corporate website www.viscofan.com.



Relations with our stakeholders

The Viscofan Group understands sustainability as the ability to create value among its various stakeholders in the short, medium and long term without compromising the well-being of future generations. Based on this commitment, appropriate communication channels have been identified and established to ensure an open dialogue and to be aware of their needs and expectations, allowing the identification and analysis of the most relevant aspects of value creation and that inspire the success strategy of the Viscofan Group.



Details of stakeholders and the communication channels



SHAREHOLDERS

General Shareholders' Meeting, roadshows, conferences, telephone and mail contact, corporate website, shareholder service office



EMPLOYEES

Intranet, global opinion survey, meetings and presentations, training sessions, direct relationship with managers, internal magazine, whistleblowing channel, bulletin boards and information screens



CUSTOMERS

Customer satisfaction surveys, seminars and events organised by Viscofan, telephone and email technical assistance and continuous service, end-to-end claims and complaints system, active presence in trade fairs, visits to and from customers, local presence through agents and distributors, access to an extranet for customers accessible at www.viscofan.com



SUPPLIERS

Direct contact, collaboration agreements, training, assessments and audits



COMPANY

Contact with the local community, civil society actors, partnership agreements, sponsorships, etc.

Contact with governmental institutions, associations, lawyers.

Collaboration with research centres and institutes in different countries



The result of this analysis has served as a guideline for the preparation of a Sustainability Action Plan approved by Company's Board of Directors for the 2019-2020 period in which the most relevant aspects identified are to be aligned with the development established in the MORE TO BE Strategic Plan

Materiality

The most significant aspects reported in the Non-Financial Information Statement have been prepared taking into account the result of the materiality analysis carried out with the advice of an independent expert and reflecting the result in a materiality matrix with the aim of identifying the most significant economic, environmental, social and governance impacts of the company that substantially influence stakeholder assessments and decisions.

For the preparation of the materiality analysis, 46 material aspects have been identified for the different stakeholders on the basis of the following:

- Analysis of the reporting standards used by similar companies and of the main customers.
- Analysis of different media to identify trends in the most significant aspects for society.
- Sustainability trends. United Nations Global Compact and Sustainable Development Goals (SDG).
- Reporting standards (Sustainability Accounting Standards Board or "SASB").
- Requirement of analysts and institutions.
- Regulatory analysis. Law 11/2018, of 28 December, which amends the revised text of the Companies Act approved by Legislative Royal Decree 1/2010, 2 July, and Law 22/2015, 20 July, from Account Auditing, in subjects of non-financial and diversity information.

These significant issues were then presented to the managers of different areas of the Viscofan Group to assess their impact on the Group's operations and reputation.

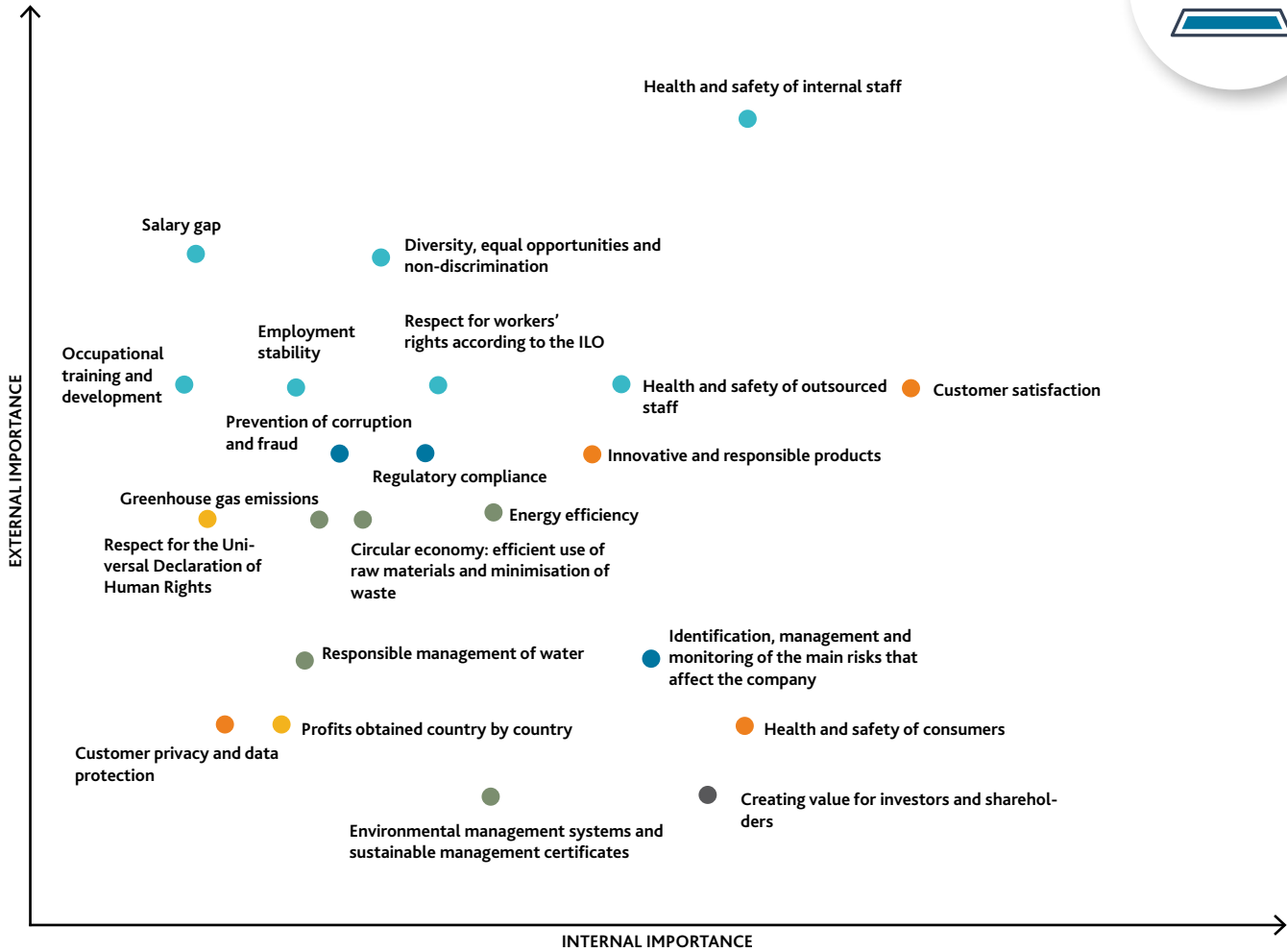
Materiality matrix

The results of this analysis have been presented in a materiality matrix, with the vertical axis representing the external importance, and the horizontal axis the internal importance.

The positioning obtained enables us to focus on the issues of greatest external and internal relevance to highlight in this Non-Financial Information Statement. The result of this analysis has served as a guide for the preparation of a Sustainability Action Plan approved by the Company's Board of Directors for the period 2019-2020, in which the most significant aspects identified are to be aligned with the development established in the MORE TO BE Strategic Plan.



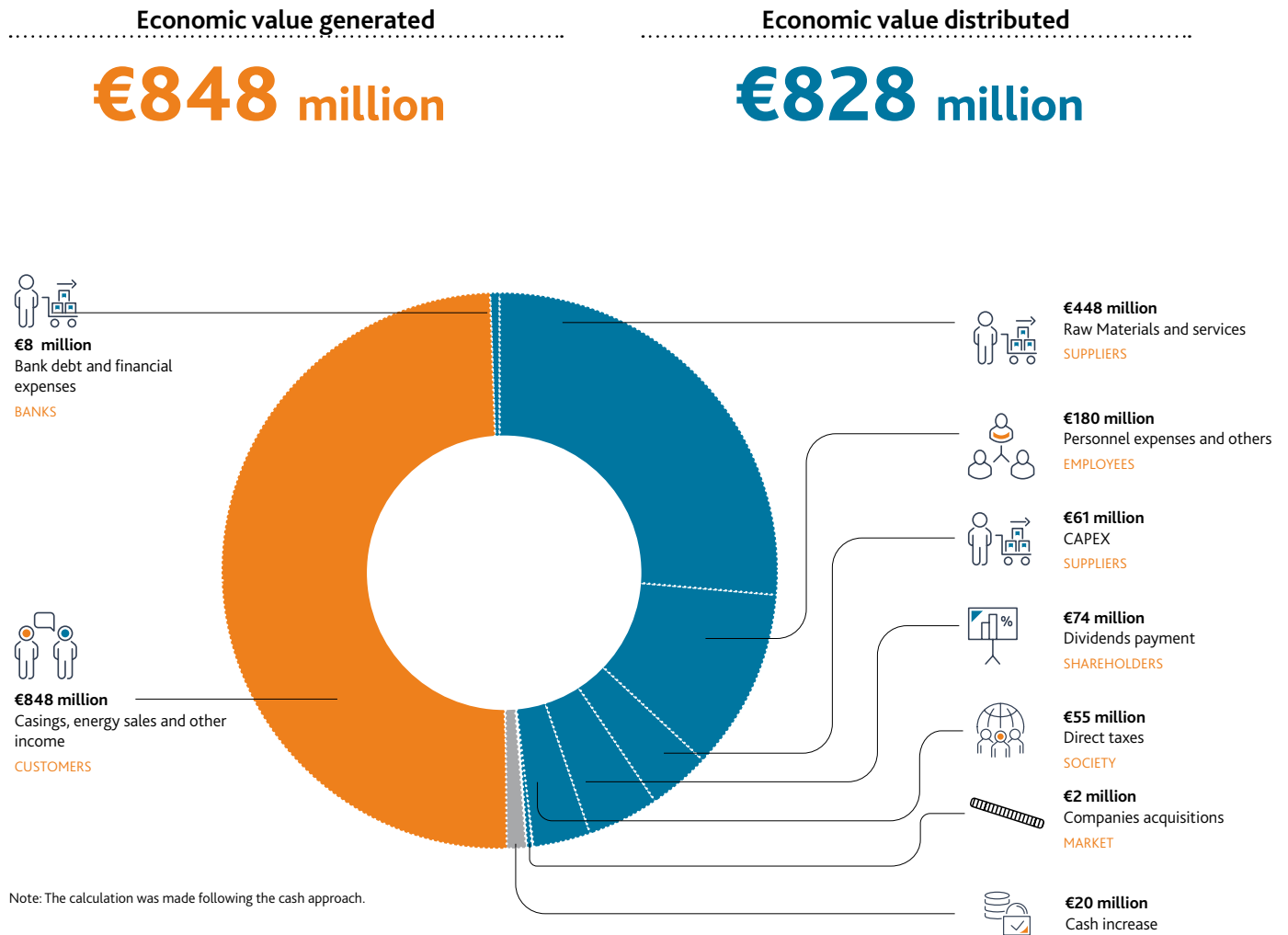
Materiality matrix



CORPORATE GOVERNANCE	COMMERCIAL AND SUPPLY MANAGEMENT	WORK MANAGEMENT	ENVIRONMENTAL ISSUES	HUMAN RIGHTS AND IMPACT IN SOCIETY	FINANCIAL
<ul style="list-style-type: none"> ● Identification, management and monitoring of the main risks that affect the company ● Prevention of corruption and fraud ● Regulatory compliance 	<ul style="list-style-type: none"> ● Customer satisfaction ● Health and safety of consumers ● Customer privacy and data protection ● Innovative and responsible products 	<ul style="list-style-type: none"> ● Respect for workers' rights according to the ILO ● Occupational training and development ● Health and safety of internal staff ● Health and safety of outsourced staff ● Diversity, equal opportunities and non-discrimination ● Employment stability ● Salary gap 	<ul style="list-style-type: none"> ● Environmental management systems and sustainable management certificates ● Circular economy: Efficient use of raw materials and minimisation of waste ● Responsible management of water ● Energy efficiency ● Greenhouse gas emissions 	<ul style="list-style-type: none"> ● Respect for the Universal Declaration of Human Rights ● Profits obtained country by country 	<ul style="list-style-type: none"> ● Creating value for investors and shareholders

Generated and distributed value matrix 2019

Based on the cash flows generated in 2019, the value matrix generated and distributed by stakeholders is as follows:



Cash increase

€20 million