

Sustainability Report 2023

10th
ANNIVERSARY
EDITION

ENG

Visko
Teepak

Always around



Always around

ViskoTeepak in brief.

ViskoTeepak is one of the biggest manufacturers of fibrous, cellulose and plastic casings in the world. We have production plants, converting facilities and technical support offices worldwide. We're also proud to have the industry's largest business-partner network, through which our products are offered in nearly 100 countries. Our head office (ViskoTeepak Holding Ab), which opened in May 2018, is located in Mariehamn, in Finland's Åland Islands.

In Europe, we have fibrous and cellulose production plants in Lommel (Belgium) and Hanko (Finland). Additionally, we have a plastic-casing production plant in Nuevo Laredo (Mexico). Our converting facilities are located in Delfzijl (Netherlands), Brno (Czech Republic), Kenosha (Wisconsin, USA) and Poznań (Poland). Our sales and representative offices are located all around the globe.

ViskoTeepak is owned by the Eriksson Capital Group, based in Mariehamn, Finland. Eriksson Capital is a privately owned investment company with a focus on small to medium-size high-tech industrial companies operating in the global marketplace. Eriksson Capital is active in various industries such as medical tubing, shipping, real estate, aircraft leasing and asset management.

www.viskoteepak.com





A note from the Vice President of Human Resources.

Dear Readers,

On your screen, or in your hand (depending on if you read the digital version or not), you have the 10th edition of our Sustainability Report. I hope you will enjoy reading it as much as we feel it's important to write and publish it every year.

Working with sustainability is a team effort. We need to find ways to work together, create a culture where it's ok to challenge each other to always strive for new and better ways of doing things. Early 2022 we launched a "People strategy", with the purpose to describe the behaviors we like to encourage, how we enable success in our teams and the relationship between employees in the organization. The People strategy is built on our company values and you can read more about it in the report.

It's difficult, maybe not even possible to summarize the year of 2022 without mentioning the war against Ukraine and all the human suffering this led to. And as a result, we saw the energy crisis coming, especially in Europe, with dramatic increases and pricing volatility in energy prices, higher inflation levels than we have seen the last years, significant cost increases on raw material and challenges in global logistics chain. On top of this we have the trade sanctions towards Russia that have an impact on the market situation. It's been a dramatic year that will force changes in many areas.

All this happened when we barely were done with the Covid-19 pandemic.

It is natural that forced changes and new circumstances like this adds some stress in an organization. Therefore it is more important than ever to work with the "inner sustainability", meaning our People strategy, company culture, leadership and to find ways to help people cope with changes and with the new situation.

Already six months in the pandemic, going back to second half of 2020, we acknowledged this need and launched a companywide employee training initiative that we call "Hearts & Minds". When we conclude the Hearts & Minds program end of 2022, we summarize in impressive 25000 hours of training! A coincidence maybe, but a bit fun when we in the same year where celebrate ViskoTeepak's 25000 days in business. We are very proud to have concluded the Hearts & Minds program with co-creating a "Team codex" in all our plants and offices.

What is a Team codex? Well, we asked all our employees to list the behaviors that have helped us to succeed, what is it that we do to solve problems, give energy to each other, and create a good atmosphere. Everyone was invited to contribute and this has been summarized as a Team codex for each plant. These Team codices are now published and visible and the purpose is to inspire all of us to act accordingly every day, all of them connected to our People strategy.

Finally, and worthwhile mentioning, also this year's Sustainability report contains achievements and initiatives ViskoTeepak did in the past year. We continue to use the GRI reporting framework designed by the United Nations and thereby ensuring transparency.

Enjoy the reading!

Johanna Backholm
Vice President of Human Resources

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2022 Quick Facts.



#WeAreViskoTeepak

This past year the #WeAreViskoTeepak campaign was created to allow our coworkers, customers, and Partners to meet one another. Articles were posted internally and on our social media platforms.



10 units world wide



Products sold in more than **90 countries**



Fibrous & Wienie-Pak are **100% Biodegradable**



Producing non-stop

All year long



Hearts & Minds 1.0 training complete

ViskoTeepak employees took part in over 25 000 hours of training over a span of 2 years.



Reporting according to GRI standard since 2014

The Sustainability Report released this year is ViskoTeepak's 10th edition! Thank you for all of your help and support.



#MakingFoodMoreAccessible 5 product lines:

Cellulose, Fibrous, Plastic, Collagen, Packaging Materials



Highest level of Certification

Quality, Health, Safety, Environment



Since 2018:

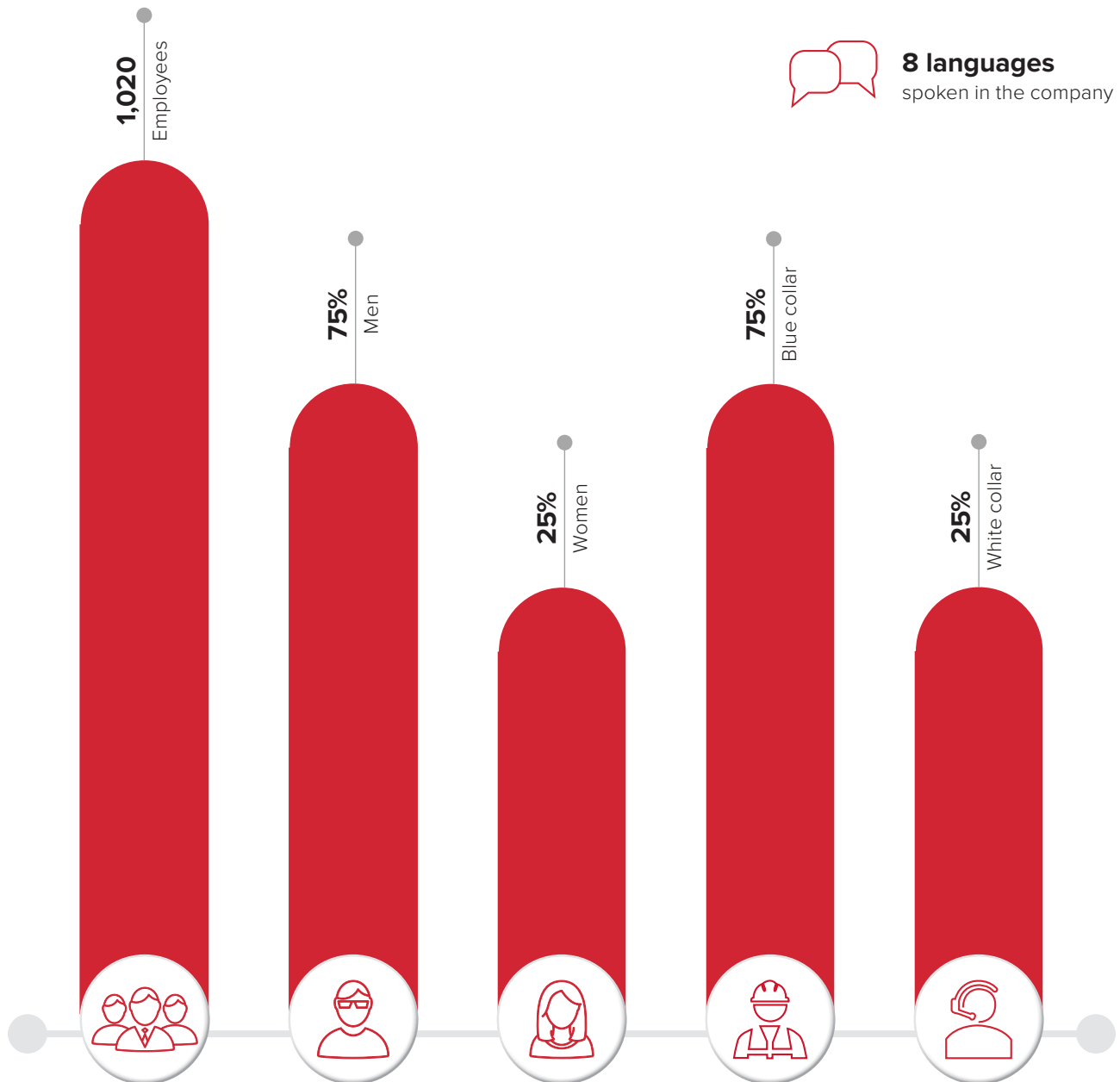
- Fresh water reduction → 6.5%
- Waste water reduction → 6.8%
- Energy reduction → 2.9%

Production facilities.

We have seven production and converting facilities worldwide. Our production units in Hanko and Lommel are covered in the reporting numbers.



Employee statistics.



"In ViskoTeepak, we strive to build our business and our culture on our three company values: Trust, Ambition, and Fun."



The evolution of ViskoTeepak.



Always around



1950

Gunnar Eriksson was enjoying a famous Scandinavian smorgasbord on a ferry boat in between Finland and the Åland Islands. While enjoying a tasteful sausage, he noticed the casing was made artificially which caught his interest. He got so curious he put a piece of the casing into his pocket and had it analyzed in a laboratory.



1965

The converting center in *Delfzijl, Netherlands* opened.



1962

Visko started to manufacture fibrous casings.



1952

Gunnar became convinced artificial casing was the future. He wanted to take part in this industry and raised some money to start the Visko Company in *Hanko, Finland*.

Visko started to manufacture cellophane casings with just 30 employees.





1975

The cellulose and fibrous manufacturing plant in Lommel, Belgium was established.



1994

The cellulose converting center in the *Czech Republic* opened.



1995

Production of Nova plastic casing started.



2007

The current owners of ViskoTeepak believed in the future of the industry and were willing to create a world-leading seller, producer, and supplier of artificial casings.

By merging Visko and Teepak into one, a new era began!



2052 - The Future

ViskoTeepak is 100 years old! We are now serving your casing needs around the globe in just minutes with our new drone delivery service!



Today

ViskoTeepak is **#MakingFoodMoreAccessible** by tailor-making productive solutions in close collaboration with the global food chain.



2020

The fibrous converting center in Poznan, Poland was acquired.



2014

The fibrous converting center in Kenosha, USA merged with ViskoTeepak.



2011

The sales and logistics center in Hamburg, Germany was acquired.

Brand Cornerstones.

ViskoTeepak is a global brand with a local touch that delivers tailor-made productive casing solutions. We understand the needs of our customers and nurture long-lasting mutually beneficial and rewarding relationships. What are we referring to when we talk about our Brand Cornerstones?

Brand Cornerstones



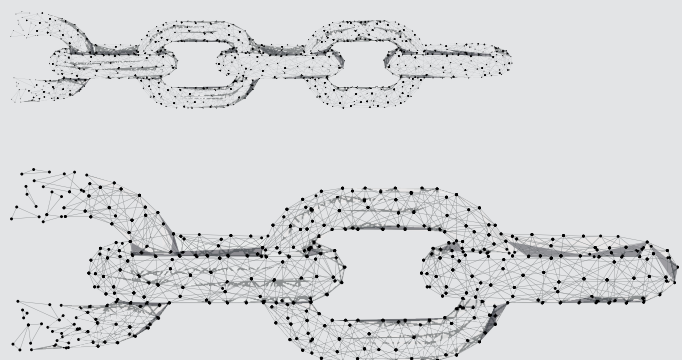
Tailor-making

Our goal is to tailor-make the most productive casing solution for each customer. We're willing to go the extra mile to craft each product to perfectly fit our customers' needs. This makes our products unique and gives our customers the ability to produce with great efficiency and high quality.

Productive Solutions

We offer the world's most productive casing solutions. We constantly improve and develop new solutions that bring value. We're creative, and we sustainably develop our products.

If there's a better way, we'll find it.



Teamwork

Our success is achieved with inclusiveness and collaboration. We work closely with our customers so that we can identify their specific needs. We're in it for the long run, and together with our Partners, we'll always be around to support you.

Company culture.

The company culture is the personality of the company. At ViskoTeepak we base our business and our culture on three company Values: Trust, Ambition and Fun. What do we mean when we talk about these values?

Values

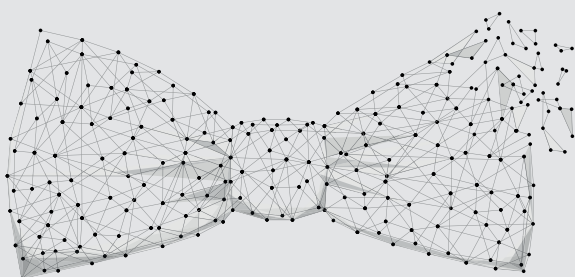


Trust

Trust is built on credibility, being fair, and treating each other with respect. We earn trust by delivering on our promises, which is particularly true for how we manage our business and our people. Respecting your colleagues regardless of their age, sex or race is a base requirement for a fair working community.

Ambition

We have a strong desire to be the best and want to be ambitious on our road to success. That is why we will walk the extra mile to help our customers and partners to succeed in their business. Our “can-do” mentality creates energy and by providing training and development opportunities, we make sure we reach our goals.



Fun

Fun is created by being successful in achieving your goals and by working with a team of people that you trust and feel connected to. It creates the energy that we need for taking on the next challenge!



BEN ERIKSSON, PRESIDENT & CEO



DANIEL WAHLFORS, CHIEF FINANCIAL OFFICER



JOHANNA BACKHOLM, VICE PRESIDENT HR & IT



TOM PUSSINEN, CHIEF OPERATING OFFICER

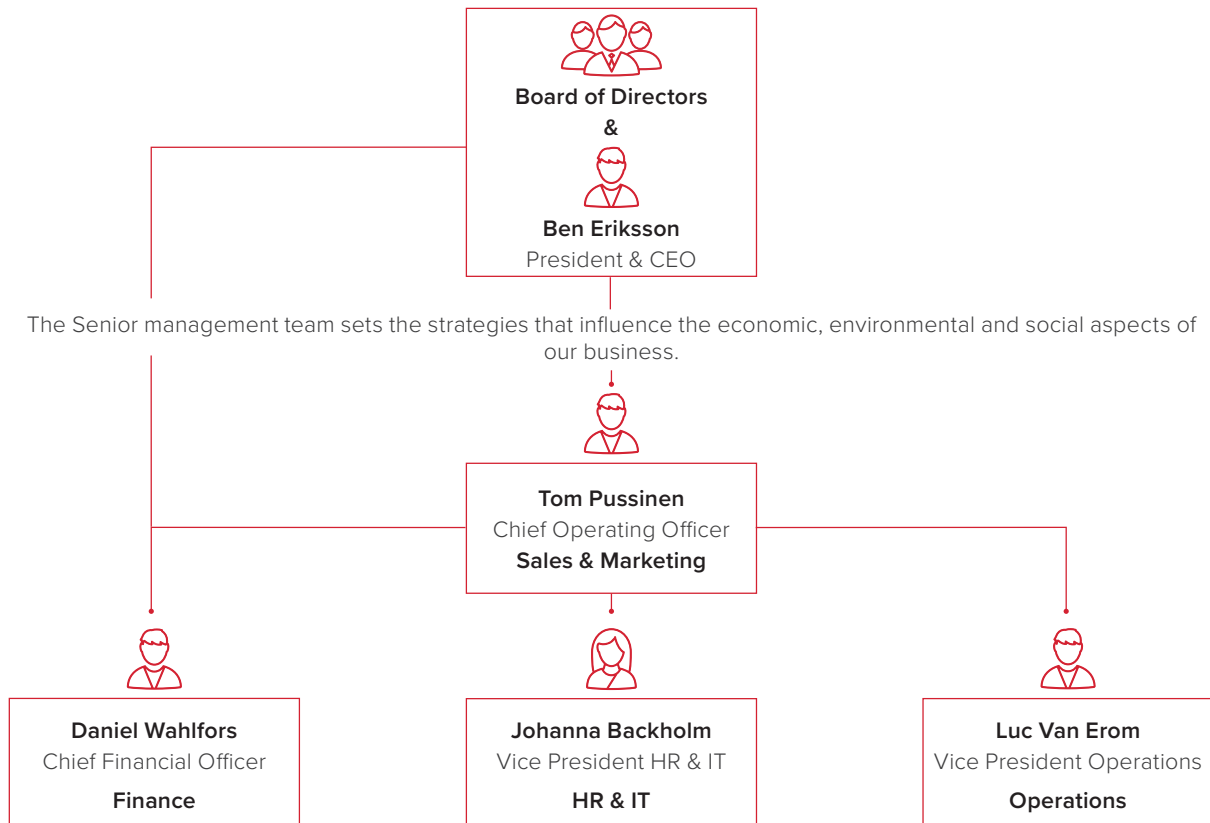


LUC VAN EROM, VICE PRESIDENT OPERATIONS

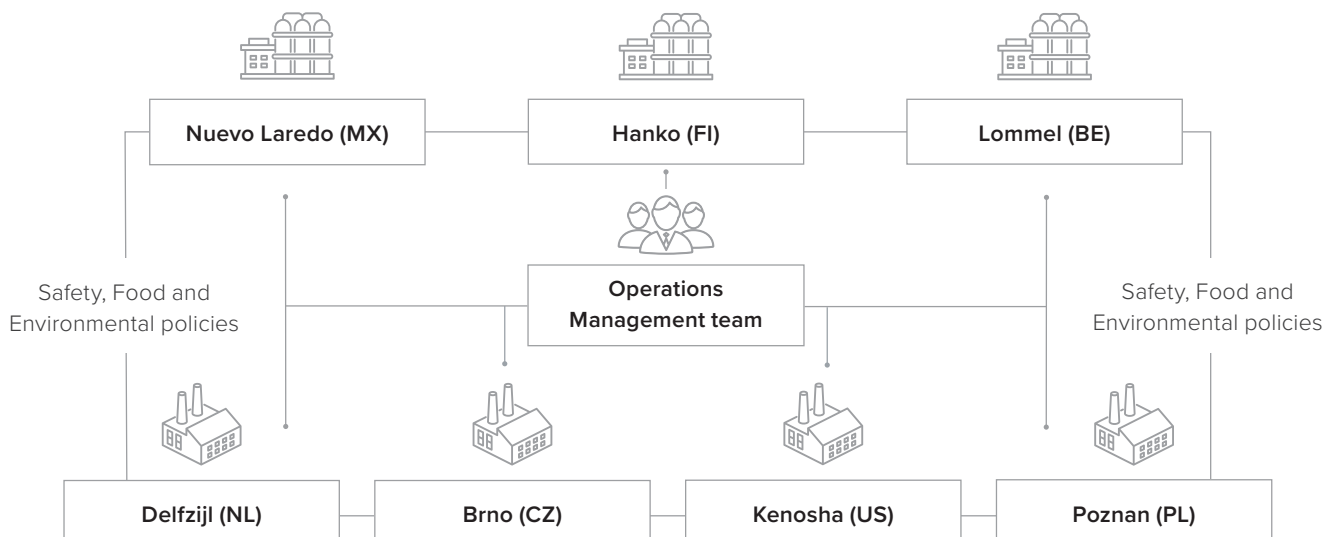
Governance.

ViskoTeepak is a privately held company owned by Eriksson Capital Ab, of Mariehamn (FI). The daily management of the company rests with the senior management team, formed by the COO, the CFO, and the *Vice Presidents* of the *HR/IT* and *Operations* divisions.

The Board of Directors, together with the CEO, sets the long-term directions and strategic targets.



This is translated into policies mainly by the Operations Group, which consists of the HR manager and the plant managers at all locations.



Owner's voice.

Eriksson Capital is an Åland-based and family-owned investment company with global businesses.



At Eriksson Capital, we know that sustainability is not just a buzzword, but a critical aspect of responsible business practices. If the planet and people do not prosper in the long run, neither will business.

Today sustainability means taking actions that minimize negative impacts on the environment through efficiency and renewable energy, while promoting social and economic development. Over time we will probably even see bigger shifts, with circularity, new materials, and systemic changes.

We understand that prioritizing sustainability may require efforts, but we firmly believe that these efforts pay off. As investors we have a long term view, for example we have been with ViskoTeepak already for 40 years, and this gives us a long perspective of business life. A business that wants to exist in the long run needs to be able to transform and adapt to changes in the surroundings, may it be market or planetary health. By focusing on this adaptability and responsiveness we believe we can create a more resilient and sustainable business for the future.

"Sustainability means taking actions that minimize negative impacts on the environment through efficiency and renewable energy, while promoting social and economic development."

Rebecka Eriksson
Vice VD



Supplier's voice.

Suppliers have a huge role at every stage of the product life cycle. From sourcing raw materials to helping ramp up production to finding better options for raw materials as the market becomes saturated. ViskoTeepak needs to work closely with their suppliers to get the best out of their products.



Vynova

Vynova, one of ViskoTeepak's caustic suppliers, was once again awarded a Gold Rating for its Corporate Social Responsibility (CSR) performance by EcoVadis, a leading independent provider of business sustainability ratings. This result places Vynova among the top 5 percent of all companies assessed by EcoVadis within its industry group. EcoVadis is recognised as one of the world's largest and most trusted providers of business sustainability ratings. The agency assesses the sustainability efforts of more than 100,000 companies and ranks their corporate social responsibility activities. The EcoVadis sustainability assessment methodology evaluates how well a company has integrated the principles of sustainability & CSR into its business and management system. It illustrates performance across four themes: Environment, Labour & Human Rights, Ethics and Sustainable Procurement.



“Receiving this EcoVadis Gold Rating once again is a clear recognition of our strong commitment to be an industry leader in the area of sustainability. It is an important sign towards our customers, suppliers and other stakeholders of the continuous efforts we are making to advance in this domain and strengthens our determination to continue on this path.”

Christophe André
Vynova President



Customer's voice.

Regardless of what industry you're in or what kinds of products and services you sell, your customer is the most important part of your business. ViskoTeepak's success is achieved with inclusiveness and sustainability. On the following pages we have collected some input from the market.



Hormel

Hormel Foods is an American food Fortune 500 company founded in 1891 in Austin, Minnesota. In the beginning, the company focused on packaging and selling ham, sausage, and other pork, chicken, beef, and lamb products to consumers. Hormel Foods is committed to continuous improvement and has set 20 qualitative and quantitative goals to achieve by the end of 2030 to help make the world a better place. Some of these goals put high demands on the sustainability work of suppliers like ViskoTeepak. One example of this would be Hormel's 12th goal, "Focus on packaging sustainability efforts through research, innovation, on-package communications and optimizing package weight and shipping efficiencies."

Hormel and ViskoTeepak are constantly working to find a more efficient way to transport and pack our products. Today, it is well-known that both Fibrous and cellulose casings are 100% biodegradable products based on natural, renewable raw materials, helping us to ensure a cleaner environment. Due to continuous exceptional cooperation between Hormel and ViskoTeepak, this past year ViskoTeepak was awarded the "Hormel Foods Spirit of Excellence Award" for the 5th straight year. Read more in the chapter, *Creating value for our customers*.

"Hormel Foods is committed to continuous improvement and has set 20 qualitative and quantitative goals to achieve by the end of 2030 to help make the world a better place."

Jim Snee

Chairman of the Board President and CEO of Hormel Foods



ATRIA

Good food – better mood.

Atria's climate targets officially approved by Science Based Targets

The Science Based Targets initiative (SBTi) has officially approved Atria's emission reduction targets. The targets are based on the Paris Climate Agreement and aim to limit global warming to 1.5 degrees Celsius globally.

"Atria is a Nordic leader in sustainable food production. Over the years, we have honored our responsibilities and resolved significant challenges. We want to ensure people's well-being and pure food production. We have been doing this work successfully for decades – and will continue to do so. The science-based targets that have now been approved demonstrate our commitment to reducing emissions," says Merja Leino, Executive Vice President of Sustainability at Atria.

In the targets approved by SBTi, Atria commits to reducing the greenhouse gas emissions from its own operations (Scopes 1 and 2) by 42% by 2030 from 2020 levels. The target for Scope 3 emissions includes emissions related to purchased goods, raw materials and services. The reduction target for Scope 3 emissions is 20% per tonne of meat processed by 2030.

The main focus of the Scopes 1 and 2 carbon reduction measures is to replace fossil fuels with renewable energy (solar energy, wind power, bio-based). In addition, Atria is developing ecological packaging solutions together with our suppliers. Atria is seeking to reduce its use of fossil plastic and to develop functional packaging. Our aim is to further improve the recyclability of packaging and to significantly reduce the amount of plastic we use.

The environmental impact of Atria's products throughout their life cycle focuses on the production of meat, the main ingredient in its products. Primary production is therefore key to reducing Scope 3 emissions. Atria aims to significantly reduce the energy consumption and CO₂ emissions of its industrial production and to develop sustainable meat production with our contract producers.

"Atria is a Nordic leader in sustainable food production. Over the years, we have honoured our responsibilities and resolved significant challenges. We want to ensure people's well-being and pure food production."

Merja Leino

Executive Vice President of Sustainability



Partner's voice.

ViskoTeepak values the long-term relationship we share with many of our Partners and are fully committed to continuing to grow and improve together.



Reichherzer & Co

Since 1923, Reichherzer & Co has been supplying meat processing companies of all types and sizes with high-quality natural casings, artificial casings and packaging bags that give their sausage and meat products the finishing touch. What distinguishes us from others is our competence, flexibility and innovation for the past three generations. Our products are carefully selected and tested for their suitability before we offer them to you. Consistently good quality and reliability are our criteria when selecting our suppliers and partners. The cheapest price is not the priority, but the greatest possible product safety, flexibility and highest cost benefit factor for you as our customer.

We put high demands on product safety when it comes to certificates, transportation and other related food safety topics. We act responsibly and we are a FSSC:22000 certified company for your product safety as well as sustainability. We regularly check our partners to make sure that we can assure our high standards in quality as well as being the most sustainable for our customers. To reduce the environmental pollution we installed a 140 kWp photovoltaic system back in 2015 as well as an automatic water system in 2020 to reduce our need in water by 20%.

The key is to grow together with our suppliers and end up with a long term partnership, full of trust and the same ideas about reliability, sustainability and innovation, like we face with ViskoTeepak.

“We put high demands on product safety when it comes to certificates, transportation and other related food safety topics. We act responsibly and we are a FSSC:22000 certified company for your product safety as well as sustainability.”

Erich Frey Jr.

Reichherzer & Co Fleischwarenbedarf GmbH






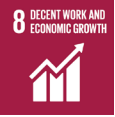
"The key is to grow with our suppliers and end up with a long term relationship, like we face with ViskoTeepak."






ViskoTeepak is focusing on five SDGs.

How ViskoTeepak's strategic objectives contribute to the SDGs

To evaluate how our business minimizes negative impacts as well as maximizes positive impacts on people and the planet, we turned to the UN's Sustainable Development Goals (SDGs). ViskoTeepak has identified five SDGs that are most impactful, relevant, and strategically embedded in our company:

Sustainable development goals		Our action	Key achievements	Page
3 Good-health and well-being 	During the pandemic we have implemented extra measures to protect our employees and make sure we follow guidelines from authorities at all times.	Responsible Care Food safety & hygiene Health & safety	ISO 45001 BRC	29 50 52
	We support the precautionary approach to foreseeable environmental, health, and safety-related impacts of operations and the life cycle of products and services.	Driving our Values Responsible Care Food safety & hygiene	Highest level of certification	24 29 50
	We want to showcase the success of the company's employees and highlight the opportunities for growth and development within the organization.	Let's meet some of the ViskoTeepak Team	Launched the #WeAreViskoTeepak campaign	59
8 Decent work and economic growth 	We ensure that decent working practices are applied within the supply chain.	Renewable resources	Supplier Code of Conduct	28
	We respect and protect labor rights and provide safe, secure, and healthy working environments for all employees.	Driving our Values Health & safety	Code of Conduct ISO 45001	24 52
	We use operational health and safety (OHS) management systems based on internationally agreed principles to protect workers' health and safety and to reduce potential hazards and risks for productivity.	Driving our Values Health & safety	ISO 45001 Accident frequency, LWDI: 20.67 Accident severity: 0.33	24 52
	We seek to offer all of our employees a stimulating and rewarding place to work, a place where they feel engaged, and contribute to reaching the company goals, and where their talents can develop.	Driving our Values Renewable resources Sustainability in practice Health & safety	Launched Hearts & Minds in 2020, the most comprehensive training in our history	24 28 47 52

Sustainable development goals		Our action	Key achievements	Page
12 Responsible consumption and production 	We establish and maintain proactive environmental management systems.	Driving our Values	ISO 14001	24
	We avoid or mitigate the foreseeable environmental, health, and safety-related impact over the life cycle of products and services and take a precautionary approach to environmental challenges.	Responsible Care	Responsible Care Hanko, Finland Lommel, Belgium	29
	We improve resource efficiency as well as increase supply chain and resource security.	Sustainability performance	Since 2015: - 17.4 % freshwater / ton cellulose - 20.8 % wastewater / ton cellulose - 13.2 % energy / ton cellulose - 34 % NOx emissions / ton cellulose +14.2 % solid waste kg / ton cellulose	36
	We use renewable materials. We also use technologies to reduce the risk of over exploitation of the natural resources and decreasing biodiversity.	Renewable resources How to tackle complaints Test runs to help support our customers	Sustainable Forestry Initiative® (SFI) Installation of Baader 601	28 54 55
	We implement circular business models such as using renewable, bio-based or fully recyclable inputs, recovering resources, extending product life cycle.	Renewable resources		28
15 Life on land 	We are committed to sustainable fiber sourcing strategies in purchasing fiber from suppliers.	Renewable resources Sustainability in practice WGC-BREF from 2016 to 2022	Our main supplier Georgia-Pacific holds a chain of custody certifications from SFI®, Forest Stewardship Council® (FSC®) and Program for the Endorsement of Forest Certification (PEFC®) at many of their locations.	28 47 38
17 Partnerships for the goals 	We consider sustainability along our entire value chain, from raw materials sourcing to product manufacturing, consumption, and end-of-life. We take responsibility for our activities, but also in our sphere of influence upstream as well as downstream. To help deliver our sustainability ambitions, we invest in close partnerships with the stakeholders along our value chain.	ViskoTeepak value chain Creating value for customers Stakeholder interactions Sustainability in practice How to tackle complaints Test runs to help support our customers		32 26 34 47 54 55

Driving our Values & Quality Standards Forward.



Hearts & Minds

In 2020 we launched a company wide training initiative called Hearts & Minds. This training program continued during 2021 and was concluded at the end of 2022. All in all, we have invested around 25 000 hours, and everyone has been invited to take part in the program. We also celebrated our 25 000 days anniversary for ViskoTeepak during 2022, so it was a nice connection there.

In total, nine sessions were given to all employees, either led by internal trainers in classroom meetings, or via our e-learning tool. Hearts & Minds is built on three pillars; Brand Awareness, Leadership Development and Zero defect. The initiative was taken to establish a good internal understanding of our brand, improve employee engagement and commitment, develop our leadership and team dynamics, and spread awareness for a zero tolerance for defects.

The feedback from participants as well as trainers has been positive, and we have seen a positive impact in the global score of the latest employee survey. Now we are in the design phase of Hearts & Minds 2.0, building on what we did with the first part of the program.

Goals within each Hearts & Minds pillar:

Brand Awareness:

- Establish a good internal understanding of our "Brand Cornerstones" supporting our competitive position
- Implement "Brand activation" activities resulting in increased awareness and a connection to who we are, what we do, and what we stand for
- Upgrade certain physical spaces

Leadership:

- Improve employee engagement and commitment by growing our leader's insights, knowledge, and skills regarding:
 - Self-awareness and why our colleagues do behave differently
 - Cultural transformation; starting from myself
 - Feedback, influencing, motivation, empowerment
 - Group dynamics and how to build performing teams and accountable individuals
 - Situational leadership
 - Mentorship

Zero Defect:

- Spread the Quality Awareness to achieve a common zero-tolerance for defects by working on:
 - Attitude: Do I have the right mind-set?
 - Ability: Am I capable and trained to do the job?
- Make process robust by design by identifying and correcting built-in defects

Being value-driven

Our company values, and the daily actions we choose to do to align to these values, drive the basis for our company culture. We define the values like Trust, Ambition, Fun. Teamwork is one of our Brand cornerstones.


Trust is built on credibility, fairness, and mutually respectful treatment. Trust is earned by delivering on the promises we make. Our Ambition comes from a strong desire to strive for the best. To have ambition is to take the lead and constantly challenge oneself and others for the sake of improvement, regardless of the obstacles. Fun is created by the small, everyday gestures we offer to our colleagues in the work environment. It is shown in the interest we demonstrate, the team spirit we contribute, the involvement we show, and the welcoming atmosphere we help to nurture. Teamwork is about sharing our knowledge, successes, and failures.

Code of conduct

We are proud of our excellent reputation as a responsible, reliable partner and committed to the conduct of our business with honesty and integrity, to ensure that each employee and business partner is treated respectfully. Our "Code of conduct" forms a set of rules explaining how we conduct our business and contains the seven main business standards as rules of ethical behavior all ViskoTeepak employees must follow:

1. Business integrity
2. Information disclosure
3. Dealing with suppliers
4. Responsible work conduct
5. Responsible work environment
6. Corporate responsibility
7. Proper authorizations and approvals





Ploegwissel & Ombouw

De overname tussen de ploegen verloopt niet zoals we het graag zouden zien. Ook het ombouwen van een machine gaat vaak niet zoals afgesproken. Er gaat veel productietijd verloren.

- Einde shift staan machines te vroeg stil.
- Later stoppen met opruimen/schoonmaken.
- Zet de machine weer aan tot er word overgenomen.
- Laat de machine draaiend overnemen indien mogelijk.
- Na overname machine eerder aanzetten.
- Ombouwen van een machine altijd i.s.m. de Technische Dienst.

Denk aan je werkmethode, houdt deze efficiënt.
Bepaalde dingen kunnen ook wel wanneer de machine draait.
Stilstand kost erg veel tijd en tijd = geld.
Stilstand kosten "YTD Dec.2022" €137.095,- dit is alleen stilstand door ombouw.

Machine	Percentage	Weg pl / uur
10-1	27%	13 min.
10-2	18%	11 min.
10-101	15%	8 min.
10-2	14%	8 min.
10-107	12%	6 min.
10-1	9%	5 min.
10-2	7%	4 min.
10-108	2%	1 min.

TEAMWORK
PARTNERSHIP
CUSTOMER FOCUS
MOTIVATION

Visko Teepak

Creating value for customers.

We work hard on implementing our three brand cornerstones; Tailor-making, Productive Solutions, and Teamwork in our external communication. Through these communication channels we strive to create value for our customers.



Website

We've put a lot of effort into making our website user friendly, with more accessible content and an independent platform. The website is fully translated into Russian, German, and Spanish.

Social Media

Through our social media channels in Facebook and LinkedIn, we strive to increase our brand's visibility by building relationships and communicating with our stakeholders. We are putting extra effort into employer branding. The style is fun, light, and fact-focused. In social media, we generally communicate through English.

Follow us on

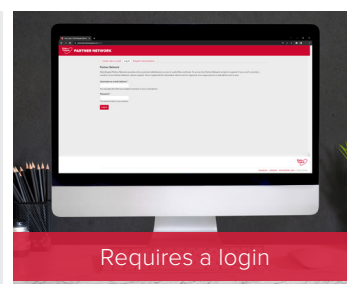


Events

Every third year we arrange ViskoTeepak Partner Days, an event where we invite all our partners from around the world to get an update on what's going on in our business. We also attend IFFA, the world's largest fair for the meat industry which also is arranged every third year. Besides these two big events, we're also present at several smaller fairs around the world.

Partner Network

Our Partner Network, or extranet, is a platform for our distributors. The platform requires a user registration which is checked before it's confirmed. Partner Network works as an extension to our official website where we made more content accessible for our distributors.



Solutions

Our newsletter, called Solutions, are mainly spread via e-mail signatures, and from time to time they can also be found on our social media channels as well as on our website. The content is mainly product news, case studies, and other articles that might interest our partners and customer.



"ViskoTeepak's commitment to excellence is a key driver to their success."

Jim Snee

Chairman of the Board President and CEO of Hormel Foods



Hormel's Spirit of Excellence

This past year, ViskoTeepak has been awarded the prestigious Hormel Foods Spirit of Excellence Award! This is ViskoTeepak's 5th straight Spirit of Excellence Award. Jim Snee, Chairman of the Board President and CEO of Hormel Foods, states "this puts ViskoTeepak in very elite territory as one of Hormel's highly respected partners. ViskoTeepak earned this award by providing the highest level of quality, service, delivery, and customer support.



Renewable resources.

Upstream influence



Raw materials – Wood pulp

Wood is one of few renewable raw materials that can be grown in large quantities. Trees reduce emissions in more than one way. While trees are growing, they capture and store CO₂ from the atmosphere in a process called photosynthesis. As the trees grow older, they capture less CO₂ and are ready to be harvested to become biomass for sustainable products that can replace oil-based alternatives.

ViskoTeepak uses softwood-based specialty pulps, also referred to as cellulose, to produce viscose as a base ingredient for our Wienie-Pak and Fibrous products. In the case of Fibrous casings, the total cellulose content of the finished product is as high as 75%. The pulp raw material is purchased from companies in the U.S. and Scandinavia which manage their forests on a sustainable basis.

We follow the activities of our suppliers and how well they develop their sustainability. We always become extra glad when our vendors, customers, and partners are reporting steps in the right direction when it comes to sustainability. As good examples, we are happy to mention two of our pulp suppliers. Borregaard wood usage is reportedly 95% from certified forests and in the case of Domsjö it is 100%, all wood is supplied from certified Scandinavian forests.

Raw materials – Chemicals

Besides fiber-based materials like specialty pulps and paper, we use various chemicals in our production process. It is equally important that these chemicals are produced sustainably. Companies like Kemira provide us with sodium hydroxide and Boliden with sulfuric acid. Both are well known for their efforts in the field of sustainability and we happily refer you to their respective websites for more detailed information on the topic.

New suppliers

Our Code of Conduct contains a Supplier Code of Conduct in Annex 5. New and existing suppliers are requested to sign this document and by doing so to comply with our criteria on:

- Ethical behavior
- Legal compliance
- Equal treatment of workers
- Fair working conditions
- Rights of association
- Care for Safety & Environment



In **Fibrous casings**, the total cellulose content of the finished product is as high as **75%**.



Responsible care.



Responsible Care is the chemical industry's voluntary sustainability program. In Finland it has been in action for a 30 years.

Responsible Care drives continuous improvement in health, safety, and environmental (HSE) performance, together with open and transparent communication with stakeholders. In Finland, the Responsible Care program is run by Kemianteollisuus ry and in Belgium by Essenscia. Both plants have been a member of the Responsible Care initiative since 1999. The development of a company's corporate responsibility work is supported through cooperation in networks and development projects. Responsible Care commits companies, national chemical industry associations, and their partners to continuously improve their performance. Current focus areas are energy consumption, circular economy, greenhouse gas emissions and safety. In total, more than 60 countries around the world participate in the Responsible Care program. In Finland, around 100 companies have committed to the program, representing some 80% of all production in the chemical industry and some 60% of its employees.

ViskoTeepak in Hanko, Finland: Kemianteollisuus ry (Chemical Industry Federation of Finland) is a trade association for the chemical industry and its closely related sectors, covering various fields in the basic and production of chemical industry. Teollisuusliitto and Pro are the blue and white-collar labor organizations represented in the plant. Other stakeholders are Krogars vattenskyddsförening, a local NGO for the protection of recipient water, and LUVY (Association for Water and Environment of Western Uusimaa). This year Responsible Care in Finland is celebrating 30 years.

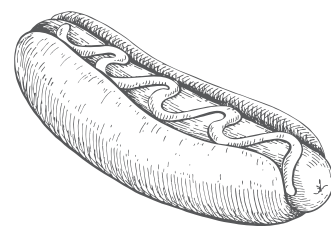
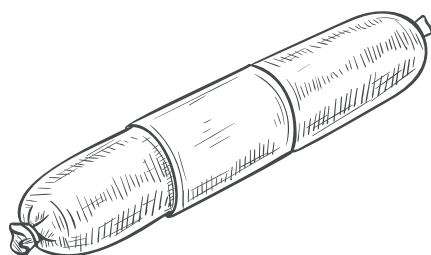
ViskoTeepak in Lommel, Belgium: Essenscia is the Belgian federation of the chemical and life sciences industry, a multisector umbrella organization that represents the numerous business sectors of chemicals, plastics, and life sciences. Sustainable development and the contribution of the chemical and life sciences to a sustainable society are central to the mission of Essenscia. The focus of last year was on NOx reduction in the total chemical industry.



KEMIANTEOLLISUUS



PRODUCT PORTFOLIO.



Fibrous Family

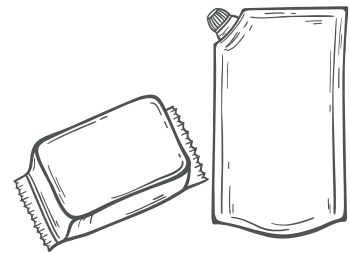
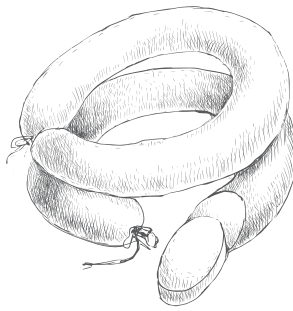
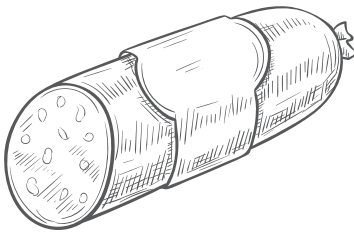
We're the world's leading manufacturer of fibrous casings, in terms of volume as well as variety. We offer the widest range of diameters, from the smallest to the largest casing diameter. Fibrous casings are used for a wide range of applications, such as pepperoni, salami, and lunch meats.

- **Fibrous Standard (ST)**
- **Fibrous MAX**
- **Fibrous Super Protect**
- **Fibrous Glide**
- **Fibrous Xtreme**
- **Fibrous XL/LCXL**
- **Fibrous Brilliant**
- **Fibrous FLX**
- **Fibrous CRF**
- **Fibrous Preserve**

Cellulose Family

Our cellulose product line is called Wienie-Pak. We're one of the big players in the cellulose-casing market as well. We offer our customers the most efficient cellulose casing available. Wienie-Pak is used for a wide range of applications, such as frankfurters, hot dogs, beer sausages, and mini-salamis.

- **Wienie-Pak Rapid Peel**
- **Wienie-Pak Colored Casing**
- **Wienie-Pak Window**
- **Wienie-Pak D-Tech**
- **Wienie-Pak Printed**
- **Wienie-Pak Logoprint**
- **Wienie-Pak Multicolor Printed**
- **Wienie-Pak Long-Shirred**



● Plastic Family

Our plastic product line is called Nova. The Nova casing is a combination of different types of high-performance plastic resins, which work together to provide a unique level of performance. Nova is used for a wide range of applications such as cooked hams, liver sausages, and pâtés.

- Core Series
- Shape Series
- Industrial Series
- True Series
- Permeable Series

● Collagen Family

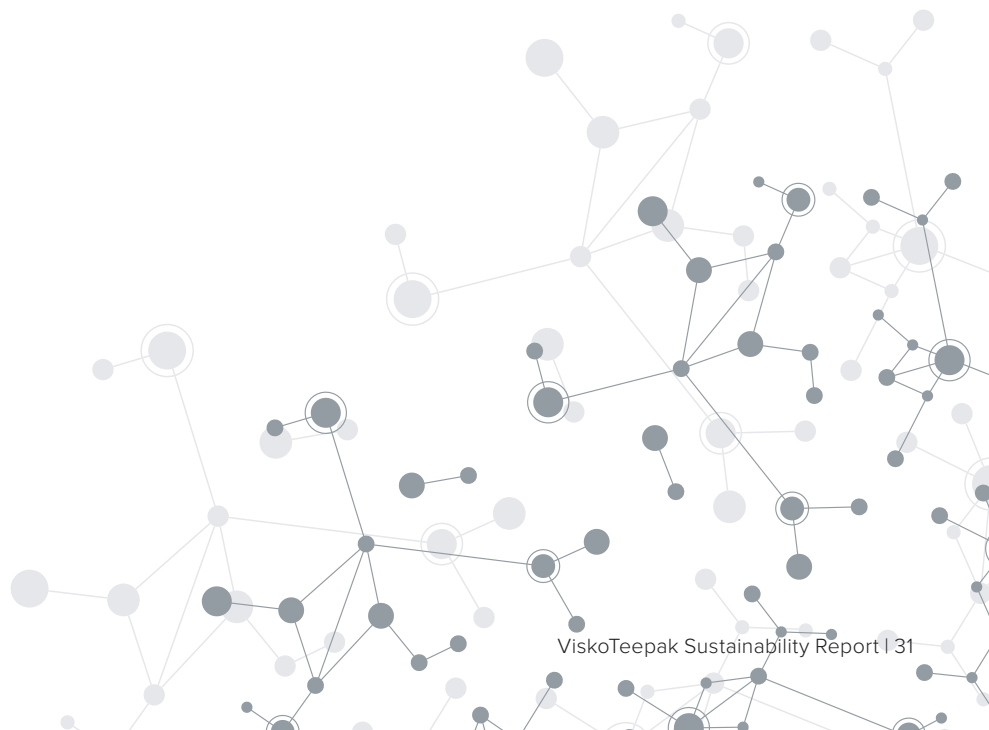
We supply collagen casings from the world's top producers. We offer both edible and non-edible collagen for the US and German markets. Collagen is a strong and flexible casing that is used for a wide range of applications such as cooking, dry, and fresh sausages.

- Devro edible (Germany)
- Devro non-edible (Germany)
- Nippi edible (USA)
- Nippi non-edible (USA)
- Fibran non-edible (USA)

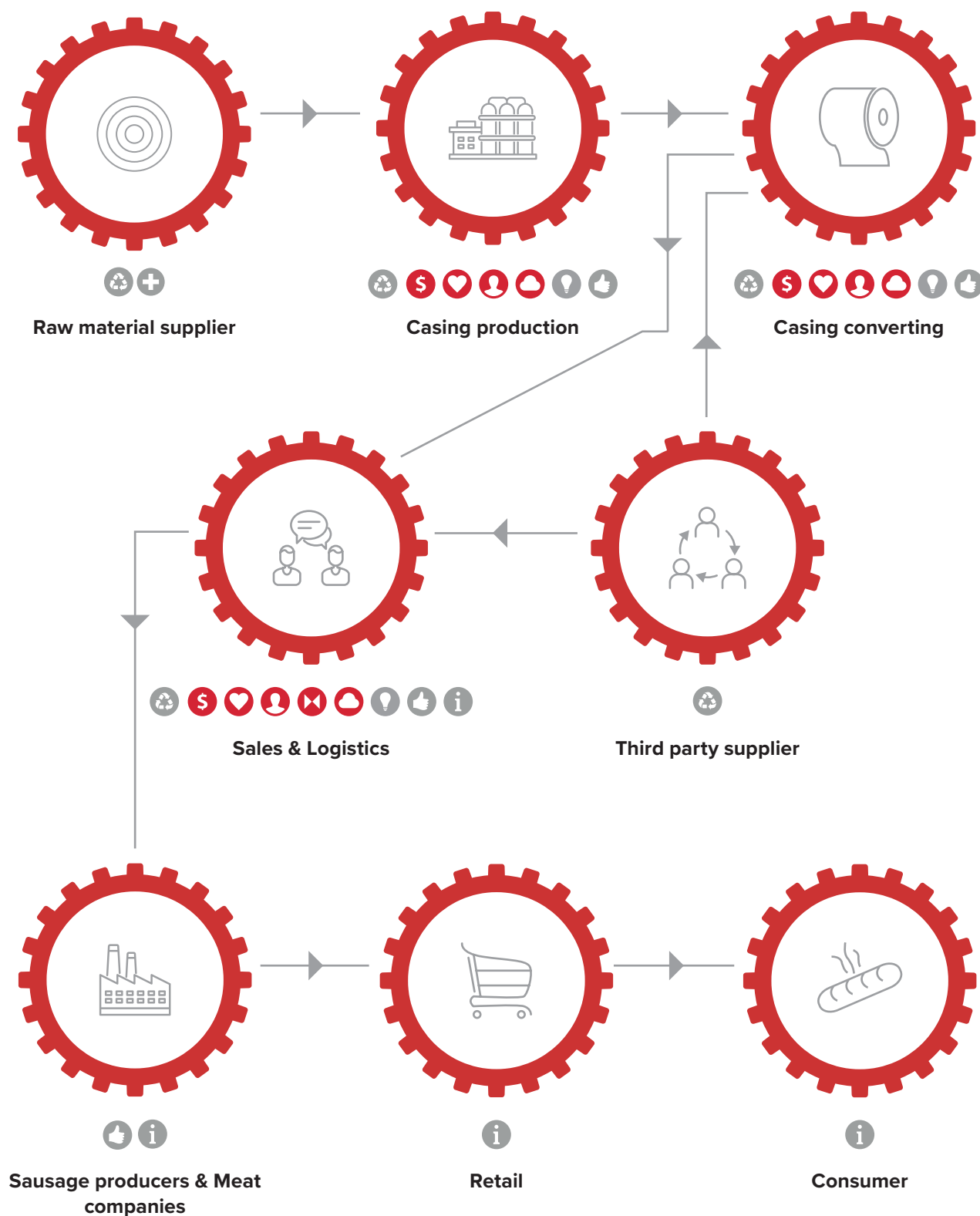
● Packaging Family

We're a full-line food packaging supplier to the meat and poultry processing industry. Our packaging materials and brands are today offered mainly in Germany, Canada, Mexico, the Nordics, and the U.S. Our packaging materials are used for a wide range of products such as pouches, shrink bags, and films.

- TNI Elastic Food Loops
- Evolv Shrink Bags
- Ally Films
- Vivid Pouches
- Vista Gel



ViskoTeepak value chain.



We have analyzed our value chain and our business model to identify key risks and opportunities. Our value-creation process is as shown on the left. The following material issues are connected to the respective value steps.

Upstream influence:



Renewable resource

We use several renewable materials in our manufacturing process. All the renewable materials we use are also taken care of and disposed of correctly.



Procurement & supplier assessment

We assess our suppliers and other partners to ensure they work fairly, taking environmental issues into account and always stepping away from fraud and collusion.

Direct control:



Economic performance / investments

The economic performance of the company has to provide for a healthy future; that means that our financial performance needs to enable investments for assuring growth, increasing efficiency, and securing our environmental performance. At the same time, we want to keep our investors interested in our company by providing them with a competitive return on their investment.



Health & safety

ViskoTeepak has committed to a zero accident safety program for several years. The goal is to improve the safety culture and achieve a safety level comparable to the best in the chemical industry.



Labor & management relations

We work actively and proactively to be an attractive employer, offering good and safe working conditions and opportunities to develop as an individual.



Anti-competitive behavior

We take an active approach against all anti-competitive behavior such as dumping, price-fixing, or market division, all actions that may reduce the competition in the market.



Energy & waste

We strive to minimize our energy consumption in all our plants. We'll also minimize the carbon footprint of our products and we'll recycle wherever possible in our operations.

Downstream influence:



Product innovation

ViskoTeepak strives to be at the forefront of our business. That means always striving to improve our contributions within the areas of food safety, health, and efficiency of our products.



Customer satisfaction

We continuously measure customer satisfaction concerning our services and products. We do not see collecting input from customers as only marketing but as key in managing, monitoring, and developing our company.



Marketing & communication

By always communicating in line with what we feel is true and contributing to our brand we help steer our market while applying the same values as we do in ViskoTeepak, striving to achieve a sustainable world.



Stakeholder interactions.

We define a stakeholder as anyone with whom we have a relationship. This can be internal or external, but in any case it's important to know how we can have a constructive dialogue and stay connected to those who are interested in what we do.



	Communications	Comments raised	Our response
Customers	Product information, technical support, sales calls, satisfaction surveys, trade shows, Solutions newsletter, end-customer visits IFFA trade show, webshop	Service rated high, reliable company, walks the extra mile, perceived as innovative in a conservative industry	Increased focus on innovative projects, new organization for project management
Owner	Regular business updates, board of directors meetings	Vision and strategy development	Strategic house activities
Partners	Direct contact, business plans, Partner days, trade shows, newsletter, marketing materials	Continue the Partner Days concept, stay close to new developments	Organize Partner Days in between IFFA trade shows, access to Partner Network Online
Employees	Daily communication, employee meetings, iConnect interactive intranet, project meetings, motivational activities	Employee survey measuring NPS score done regularly. Sync global and local communication. Keep dialogue with employees and employee representatives	Further improve internal communication and communications structure, local TV introduced, Hearts & Minds program, #WeAreViskoTeepak campaign
Suppliers	Supplier rating system, negotiations, technical meetings, trouble shooting, trade shows	Stable relationships, technical dialogue, more focus on innovation	Focus on value for money, continue shared innovation projects
Industry peers	Trade associations, CIPCEL lobby, trade shows	Industry in line with the environmental standards	Connect and reach out to justify industry needs vs. best available technology

Sustainability performance.

We at ViskoTeepak believe that safety and environmental performance go hand in hand with product quality and production efficiency. We aim at standardizing our work methods to continuously improve them by relying on and developing the skills of our personnel. The ISO 14001 Environmental, ISO 9001 Quality, ISO 45001 Safety, BRC Packaging Product Safety, and AEO-F Logistics management systems are all a foundation for our activities.

Freshwater and wastewater

Various issues are involved when it comes to minimizing the environmental impact of our wastewater. The first one is to use as little fresh water as possible. We have also improved casing-machine water circulation in recent years. The new system is based on a more efficient countercurrent principle. Not only do we use less of this valuable raw material, but we also achieve a better functioning cleaning operation since the load on the treatment facility is smaller.

Secondly, in our process, we use absorber/stripper systems for the efficient recirculation of process chemicals. The normal recirculation level is approximately 95%. Thirdly, we place great emphasis on our process control. The more steadily and smoothly the operation runs, the more efficiently our wastewater cleaning operates. The fresh water figures are decreasing sustainable the last years.

“The Lommel plant requested a new permit to install 4.9 MWatt solar panels in our front garden. This power will be fully used in our Lommel plant. The project will increase our use of green power usage of electricity.”



The Lommel plant already sends its wastewater for joint treatment in the community cleaning facility. We were able to improve this discharge installation during 2022 with permanent monitoring and stop discharging if this is not compliant. In Hanko, ViskoTeepak was operating a chemical-biological treatment unit for wastewater cleaning. As a sign of continuous improvement in the field of wastewater cleaning, the plant signed an agreement with the city of Hanko regarding joint wastewater treatment. As a result, the plant's wastewater is transferred by pipeline some 15 km to the city of Hanko, where it's treated in a state-of-the-art chemical-biological cleaning facility.

Solid waste

Regarding solid waste, our main effort is in minimizing the sources of waste and the early separation of various waste streams. In terms of absolute amounts and kg/produced casing, we've seen positive trends. A major part of our solid waste in Hanko is used externally for energy production. In 2022 Hanko plant focused on waste sorting. As a result we separate more efficiently the energy waste from hazardous waste.

Air

ViskoTeepak Hanko invested in bio trickling cleaning technology already some 20 years ago to ensure the lowest possible effluent levels. We operate six cleaning towers based on this Best Available Technology. The sulfur components are converted from the gaseous phase to the liquid phase in the biofilters and in turn to sulfuric acid, which is then neutralized for safe handling in the wastewater treatment. In line with the company's plan, the plant renewed the filter media with a newer generation type. There is a new European initiative in the form of a BREF: Common Waste Gas Treatment in the chemical sector (Best available technology REference document). The WGC BREF was finalized in the beginning of 2023. There will be a four year transition time to fulfil the new regulations, which in the case of ViskoTeepak's Hanko plant will require improvements to be made to the H₂S reduction.

Energy

Energy is used for the generation of hot water for the process of drying the casing and heating the buildings. The Hanko plant has been using wood residues as the major energy source for the heat generation since 2013. Consequently, our carbon-dioxide footprint for the generation of energy for heating is 0 tons of CO₂, since it is considered a renewable resource. In our Lommel Plant we renewed the cooperation with the government to improve our energy consumption over the next 5 years.

Solar power for electricity

The Lommel plant requested a new permit to install 4.9 MWatt solar panels in our front garden. This power will be fully used in our Lommel plant. This project will increase our use of green power usage of electricity.

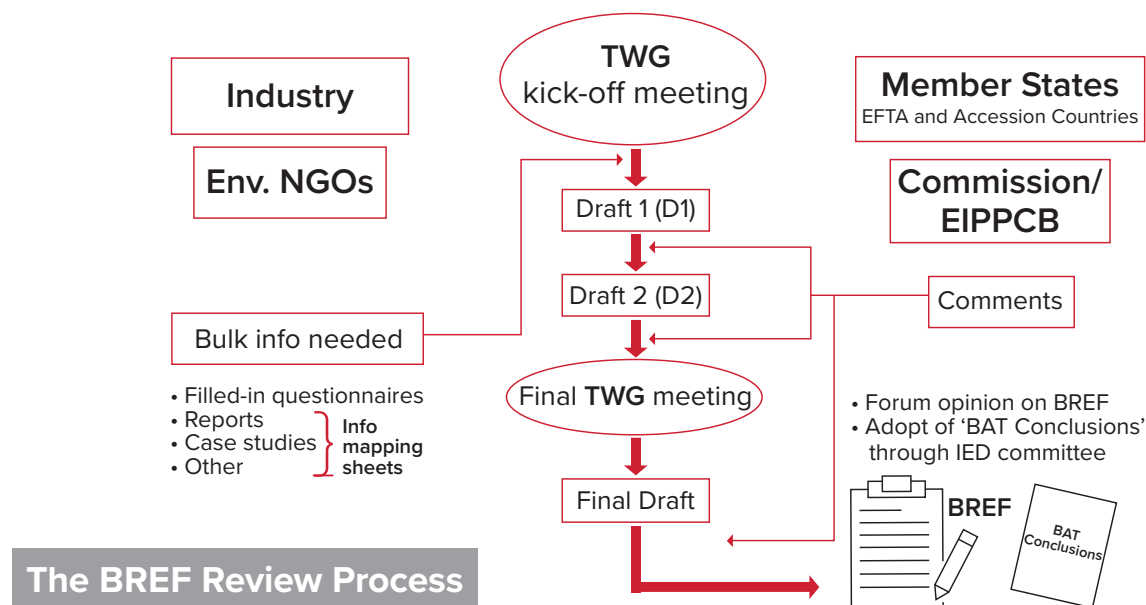
Finnish national energy initiative

In 2017, ViskoTeepak Hanko joined the Finnish national energy initiative Motiva Energy Efficiency Agreements for the period until 2025. Yearly investments relating to this is for example, Hanko factory replacing the motors of dryer section to more effective ones. A project that was started late 2022 aims at recovering heat from the waste water through heat exchangers and heat pumps.

NO_x and SO_x are two generic parameters of combustion from energy-generation units. Both are local air pollutants that can be avoided through the control of energy production and reduced energy consumption.

WGC-BREF from 2016 to 2022.

Behind this magic abbreviation is the importance of how the air effluent of the chemical industry in the European Union is handled.



Best Available Techniques

To put it not so shortly, in the following something about what BAT or Best Available Techniques stands for.

Best: the most effective technique in achieving a high general level of protection of the environment as a whole.

Available: developed on a scale to be implemented in the relevant industrial sector, under economically and technically viable conditions, where advantages are balanced against costs.

Techniques: the techniques used and the way the installation is designed, built, maintained, operated, and decommissioned.

Bat REference documents

The European Union Industrial Exhaust Directive IED 2010/75/EU is the foundation for BAT. The goal is simply to protect the environment by regulating the industrial activities.


BREF or Bat REference documents then in turn contains the details for it all. The European Union member states are obliged to transfer the BREF regulation into national law. There are several different BREFs. WGC or Waste Gas Common is the BREF for the chemical industry in the EU.

ViskoTeepak, Hanko and Lommel, actively took part in the formation of the WGC-BREF that content wise is ready and will become official during 2022. The process took about 7

years all in all consisting of several different phases of which the most central ones were:

1. Collecting information about the technologies and air waste values from the industry in the member states
2. Decision making about effluent limits
3. Adapting the existing environmental permits to the new regulation

By actively participating in the formation of WGC-BREF we were able to help the authorities in finding the right solutions for various effluent treatments, to avoid ambiguities in the regulations and to get the right level of detail to the various parts of the BREF. Our counterpart was the national bodies assigned to handle the WGC BREF. In Finland it was a small team of people belonging to SYKE (the Finnish environmental agency). The SYKE team had a long experience of working out BREFs and they have extensive technical know-how. It was comfortable and very effective working with them during the multi-year long process. It was also quite a learning experience that most likely leaves us well prepared for the coming improvements we need to make. All in all, it was a very trust building experience between the various industry representatives and the authorities taking part in the work. The WGC-BREF process was finalized early 2023. The next step is for the companies that are concerned to contact their national regulating bodies to go through how the new legislation will affect the operation and possibly the environmental permit.

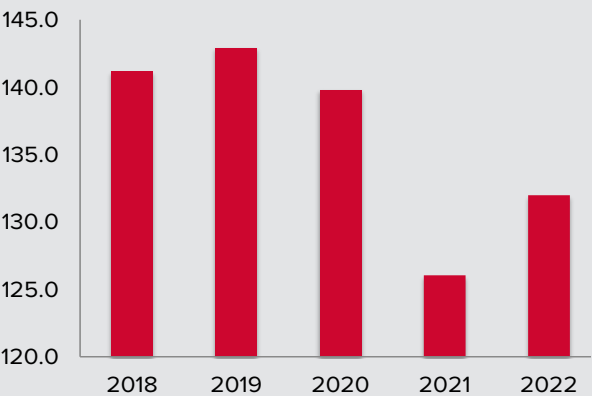
An aerial photograph of a dense, lush green forest. In the center of the forest, there is a calm body of water that has a distinct heart shape. The water is a clear, light blue color, reflecting the sky. The surrounding forest is composed of various shades of green, with some areas appearing slightly more yellowish-green, possibly due to sunlight filtering through the trees. The overall scene is peaceful and natural.

**"By actively participating
in the formation of WGC-
BREF we were able to help
the authorities in finding the
right solutions for various
effluent treatments"**

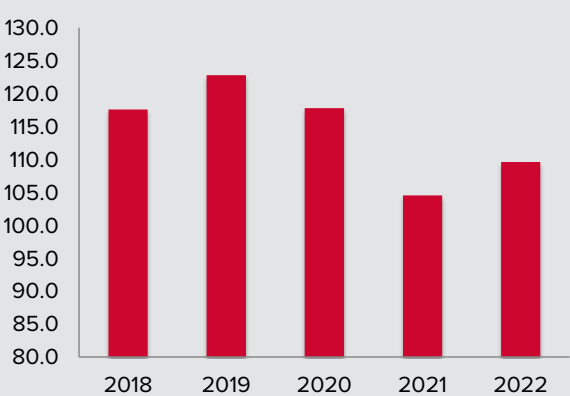
Sustainability in numbers.

Five year trend for Hanko and Lommel plant.

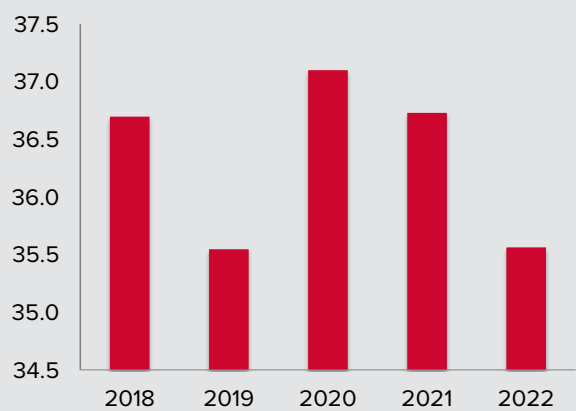
Freshwater m³ / ton cellulose



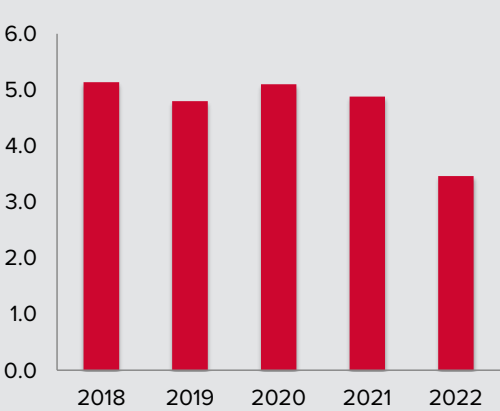
Wastewater m³ / ton cellulose



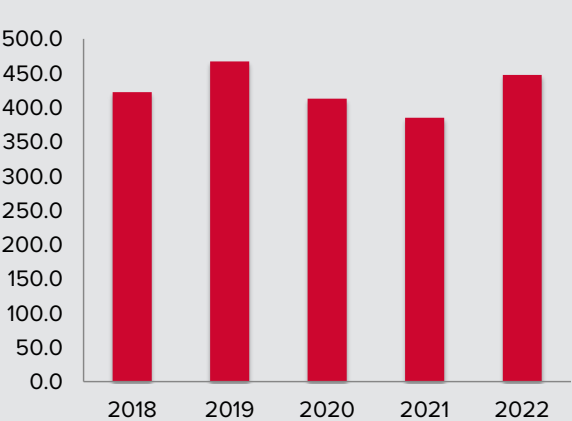
Total energy MWh / ton cellulose



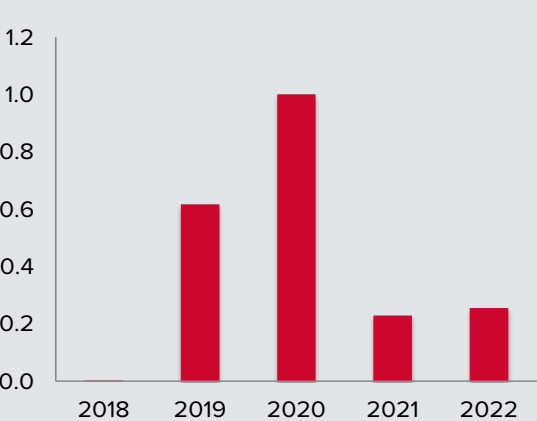
NOx emissions kg / ton cellulose



Solid waste kg / ton cellulose



SOx emissions kg / ton cellulose



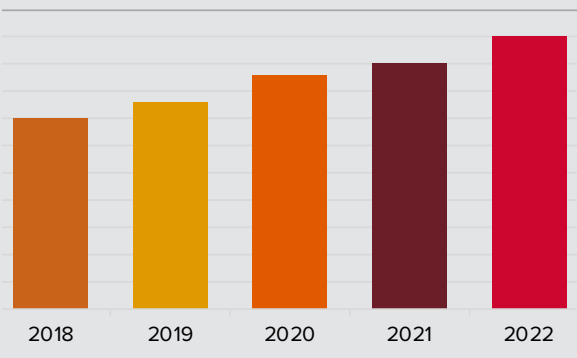
Finance and environment.

Performance, protection and expenditures.

Economic performance

Sales Revenue

Full year sales value 2022 increased compared to 2021



Environmental protection

Environmental Investments

2022 €39 k

Environmental expenditures

Environmental Expenditures

- 2022, Disposal & Treatment cost €2057 k
- 2022, Preventive & Management cost €419 k



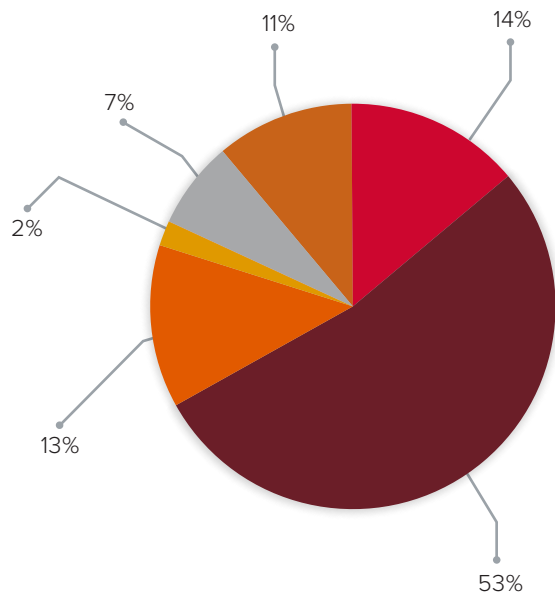
Carbon footprint.

The carbon footprint for Fibrous casing manufactured in the Hanko plant was calculated in October 2022 as a master's thesis. The purpose of the calculation was to calculate the footprint for Fibrous casing and compare the result to the carbon footprint of Plastic casing manufactured at ViskoTeepak Nuevo Laredo Plant, Mexico.

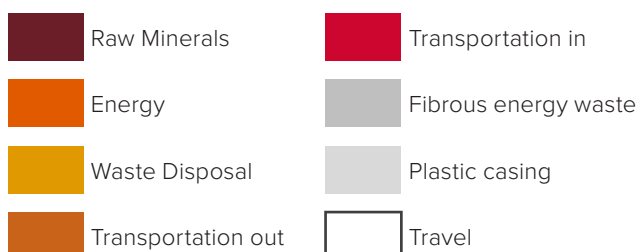
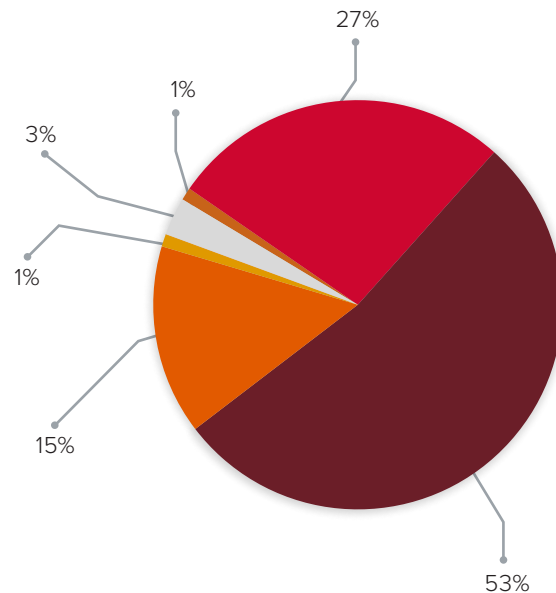
Carbon footprint was calculated by the principles of the standard SFS-EN ISO 14067, The calculation was made for casing manufactured in 2021. In the calculation all the significant carbon dioxide sources were considered from raw materials to disposal of the product. The calculation was made by the principles of LCA (Life Cycle Assessment), and all carbon dioxide sources was taking into calculation including raw materials, transportation of raw materials, energy used in production, waste disposal in production, transportation of the casing to the customer and disposal of casing after use.

As a result, the carbon footprint for fibrous casing was approximately 100 kg CO₂ eq per kilometer produced casing. The same result for plastic casing was 290 kg CO₂ equivalent per kilometer produced casing. The difference between results can be explained by different raw materials used in manufacturing process. The energy used in manufacturing processes can also explain part of the difference between the results.

Fibrous Casing Carbon Footprint



Nova Casing Carbon Footprint



Helena Parjanen
Laboratory Analyst

2022 Sustainability projects.

The following list sums up the projects and their completion phase for 2022 in all our production and converting plants around the world.

Location	Project	Status	Comments
Brno	LED lighting project	80%	Project in progress
Brno	Installation of Baader 601 machine in Innovation Center	100%	Completed
Delfzijl	Reduce packaging material by re-using incoming material from other plants	80%	Ongoing testing for reusing possibilities like core and layers
Delfzijl	Clustering of orders to one shipment	40%	Possible if the customer obliges
Delfzijl	Different mix oil RTU. New oil spraying system to reduce the usage of shirring oil	10%	A project to become less dependent on oil/non-sustainable fluids
Delfzijl	Reducing compressed air with the same result	50%	Sorting out all leakages and reducing the pressure in the supply to the machines
Delfzijl	Reduce the waste of fluids to make badges with exactly the right amount	10%	Research started
Delfzijl	Testing new water-based ink	25%	Ongoing
Delfzijl	Led lighting project	95%	Basically done
Delfzijl	Install new power monitor device to see and analyze the power usage	100%	Testing revealed the plant has a sustainable power supply - no further actions needed
Delfzijl	Reduce heat by 1 degree	100%	Warm sweaters were distributed to compensate for the loss of heat. 13000m ³ less natural gas used in 2022
Delfzijl	Reorganization of the heating and printing area	100%	Saved 53000KWH electricity in 2022 compared to 2021
Delfzijl	The Dutch government aims to reduce the natural gas to zero in all buildings and households	60%	Working in several parts of the plant to reduce heating/look for other solutions
Delfzijl	Reduce electricity	10%	Research to start using a solar panel system
Hanko	LED lighting project	80%	Continues department by department
Hanko	Water safety plan for ground water	100%	Completed
Hanko	New fresh water tank	100%	Completed
Hanko	Optimizing and standardization of fresh water usage in production	40%	In testing phase
Hanko	Filtering of caustic prior to dosage to Nitrogen stripper (less shut-down time for stripper)	0%	Tested and stopped as not needed
Hanko	New design concept to Nitrogen stripper due to safety reasons	100%	Running since March 2022
Hanko	An online chemical training of chemicals used at Hanko plant	25%	Ongoing
Hanko	More efficient sorting of waste in production area	100%	Ready October 2022
Hanko	Investment in new paper roll lifts	100%	Ready December 2022

Location	Project	Status	Comments
Hanko	Heat recovery from the waste water	10%	Started November 2022
Kenosha	LED lighting project	95%	Ongoing
Kenosha	Installation of water bottle filling station to reduce pollution	100%	Completed
Lommel	Upgrade of fresh water reduction program	95%	50% over 20 years
Lommel	Energy assessment projects, installing accurate energy measurements	90%	Will be completed by end of 2023
Lommel	Replace low NOx burners in boiler house	100%	Running with good results
Lommel	Replace lighting fixtures to be energy efficient	100%	Completed
Lommel	A long-term study to explore geothermal technology	25%	Study gives good promises
Lommel	Installing huge amounts of solar panels	50 %	Permit has been requested
Lommel	Better HVAC monitoring for energy saving	95%	Migration plan is running
Poznan	LED lighting project in warehouse	80%	Project in progress
Poznan	Sorting of municipal waste by employees	70%	Finish project during 2023
Poznan	Collection and recycling of batteries	40%	Finish the project during 2023
Poznan	Save heat energy from the compressor	10%	Investigate and plan further during 2023
Poznan	Introduce a new type of more sustainable printing inks	0%	Project will begin in 2023
Poznan	Electricity only from renewable energy	10%	Project in progress. Finish in 2023
Nuevo Laredo	Hazardous waste reduction	80%	Project in progress
Nuevo Laredo	Recyclable waste reduction	65%	Project in progress
Nuevo Laredo	Recirculating mineral oil through filters	100%	Completed
Nuevo Laredo	Reduction of packaging materials due to recycling	50%	Project in progress
Nuevo Laredo	Reuse of filtered solvent from the printing process	0%	Searching for options

For a more detailed description of some of these projects, refer to the section "Beyond Compliance".





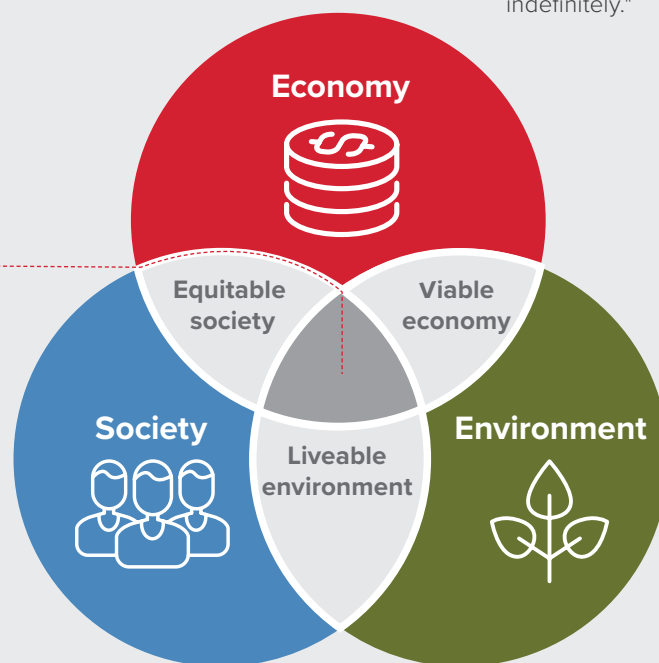
Three pillars of Sustainable Development

"When all three pillars are strong, people live in a system where high quality of life is the norm."

*They have a healthy **environment**, a satisfactory level of **economic** well-being, and a robust level of **social** fulfillment."*

Economics - Profit

"At ViskoTeepak, we strive toward the ability to support a defined level of economic production and to do it indefinitely."



Social - People

"At ViskoTeepak, we strive toward the ability to support a defined level of economic production and to do it indefinitely."

Environmental - Planet

This is probably the best-known and most discussed part of sustainability. We can't take the natural resources for granted, because they aren't limitless.

Sustainability in practice.

A great deal has been written in the effort to define what sustainability stands for, but ultimately it's all based on real feelings and concerns. We at ViskoTeepak use the following definition, and we think it's the most comprehensive: "The ability to meet the needs of the present without compromising the ability of future generations to meet their own needs."

The three pillars of Sustainable Development

The origin of the sustainability concern is to be found in the environmental footprint the humankind leaves behind on our planet. For many years this has been making us start questioning industrialization, being pro-green, etc. While each organization has its means and capabilities, for years it has been obvious that we must find a balance where people can feel secure, have an income that allows for proper meals and a home, a work/private balance that supports the social needs and a chance to enjoy the beauty of what nature gives us. We must be able to improve with each new generation. All of this comes together in the three pillars of sustainability: economic, environmental, and social. These are informally referred to as people, the planet, and profits.

Making a Change

People all over the world have seen the effects of industrial revolution, and there is growing concern over global warming and climate change. So, it is the responsibility of every company – and every individual – to actively protect our planet's future. At ViskoTeepak, we have implemented systems and procedures for waste management and energy control. We minimize and recycle all waste that is generated through our operations. We have also implemented air and water-cleaning systems that minimize the negative environmental effects on our surroundings.

"Some say sustainability takes forever, but isn't that the point?"



ViskoTeepak's people strategy.

Early 2022, we launched our people strategy to clarify our company culture and the behaviors we want to live by and encourage in our organization. It also tells us how we believe we enable success in our teams. The strategy will provide us with direction, create focus, set our priorities, and define more detailed targets and plans. By clearly describing ViskoTeepak's work culture and key behaviors, we strongly believe we will improve the general well-being as well as the results.

People strategy

The people strategy is directly connected to our company wide employee training program, Hearts & Minds. One of the last workshops in Hearts & Minds was to discuss how we are doing compared to the strategy and to co-create a team codex for the plant or office. All employees were invited to this workshop and all discussions and reflections were documented and summarized. By involving all employees in this, we want empower everyone to define what is important for them in their everyday worklife. Now we have defined it and have something to live by and also help new people that start working at ViskoTeepak to understand how we do things.

Next to the people strategy and team codex we also have a global code of conduct where we define that it's important to adhere to all fair-labor codes and practices.

New career page

The new career page highlights the importance of attracting and retaining skilled and committed employees in a competitive job market. The company's people strategy prioritizes offering good and safe working conditions and opportunities for individual development. To achieve these goals, the company has developed and implemented various procedures and guidelines across the organization.

Communication

Communication is an essential aspect of the company's efforts to engage with its employees. The local Plant Management Teams coordinate communication on the plant level, including regular updates on the status of the business and local initiatives and projects. TV screens and regular meetings with employees are also used to keep everyone informed. In bigger plants, there are regular meetings with employee representation groups like the Works Council and Union representatives. Senior Management Teams have an annual program of Leaderforums and communication meetings with the line organization.

Intranet

The company's Intranet platform, iConnect, is an interactive tool that enables employees to connect with colleagues and content across the globe. It is used to share corporate news, celebrate successes, present new employees, and provide location-specific news.

#WeAreViskoTeepak

The "we are ViskoTeepak" campaign is designed to showcase the success of the company's employees and highlight the opportunities for growth and development within the organization. By sharing employee experiences on social media channels, the company hopes to retain loyal and hardworking employees and attract new talent to the organization. To see some of our employees that were featured this year, refer to the chapter, *Let's meet some of the ViskoTeepak Team*.

The People Strategy



What is it?

A strategy to clarify our company culture and the behaviors we want to live by and encourage in our organization.



**We operate in accordance with
ISO 9001, BRC and HACCP**

Food safety & hygiene.



As a manufacturer of casings to be used as packaging in the food industry, we have a legal responsibility for the safety of our products. To ensure the food safety, we operate under requirements set by the international ISO 9001 quality standard and the BRC Packaging materials standard. We are also committed to using standard operating procedures, HACCP planning, and self monitoring. We follow good manufacturing practices and are proud of the good cleanliness of our production areas. Meeting all regulatory and legislative requirements is the foundation of our food safety and hygiene programs and our operation. We test and inspect all our products before sending them to our customers and we comply with the current EU legislation for materials intended to come into contact with food, with the German BfR Recommendation, and the U.S. FDA Regulations.

General

ViskoTeepak manufactures products for the food industry. Today, the gap between food and packaging is getting narrower, and that makes us even more aware of the fact that a proactive approach to food safety is the best option. We often get requests from large customers to deliver certificates of conformity of components used in production and

manufacturing methods. Also the legislation in food and food packaging gets more stringent because of more demands by the market.

ViskoTeepak has certified management systems for Quality (ISO 9001), Environment (ISO 14001), and Safety (ISO 45001), and has food safety certifications according to the BRC

Global Standard for packaging materials and Safe Quality Food. The BRC standard was developed by the British Retail Consortium in cooperation with the Packaging Society and is known throughout the industry. The choice of the standard has been proven to be right as several of our customers are changing their food safety standard also to BRC Packaging materials. ViskoTeepak is yearly audited by our certification bodies both in announced and unannounced audits.

The basis for the food safety systems are analyses of all processes, starting from development, via production, to transportation of the products to the customer. Based on the risk level, controlling procedures are developed and implemented and will ensure that the risk for contamination is eliminated or reduced. Part of this is e.g. the clothing that is allowed in the manufacturing areas. We have high hygiene areas, where the risk level is the highest and basic hygiene areas, where the product is already protected by cartons or plastic films. In the high hygiene areas, protective and clean clothing is required and strict hygiene rules apply.

Product development

The mission to guarantee food safety applies not only to the operational activities of our company. It also plays a role in the development of new products. Together with our customers, we identify ways to develop the best suitable products in terms of usability and food safety. As the legislative requirements get more focus, we also need to be able to react on these within our product development department. We use only raw materials that are approved to be used in contact with food, and all raw materials goes through an approval procedure, before usage.

Certificates	Lommel	Hanko	Delfzijl	Brno	Nuevo Laredo	Kenosha	Poznan
GFSI recognized food safety certification	★	★	★	★	★	★	★
Quality: ISO 9001	★	★	★	★	★		
Environment: ISO 14001	★	★			★		
OHS: ISO 45001	★	★					
Kosher	★	★	★	★	★	★	
Halal	★	★	★	★	★	★**	★
EU Food Contact Compliance: (EC) No. 1935/2004	★	★	★	★			★
U.S. Food Contact Compliance: C.F.R. 21 FDA 170-199*	★	★	★	★	★	★	
U.S. FDA Food Facility Registration	★	★	★	★		★	
Customs and trade: AEO status	★	★	★				

*Applicable parts

**For alginate casing

The highest level of certification

We have the highest level of certification in the casing industry. We accept our responsibility when it comes to quality, health, safety, and the environment. For example, did you know that ViskoTeepak, in the early 1990s, had the first plant in the casing business to achieve the ISO 9001 quality certification and an ISO 14001 environmental certification? Since then, we have never failed one audit. ViskoTeepak was also the first company to obtain the BRC packaging certification for all cellulose, fibrous and plastic product lines.



Health & safety.

Safety

ViskoTeepak remains committed to the continuous improvement of safety performance throughout the company's operations and among the contractors working under our supervision. ViskoTeepak has been a member of a zero-accident occupational safety program for several years. The goal is to improve the safety culture and achieve a safety level comparable to the best in the chemical industry.

The viscose process and casing production imply certain risks, so our success depends entirely on the assurance of safety in every aspect of our operation. We follow the guidelines and audit ourselves through the established routines of the BRC packaging standard. We also constantly work to identify and anticipate health hazards in the work environment, and we work with effective risk management. We monitor all parts of our operations and strive for a "safety first" culture. We motivate each other by using common courtesy in everything we do, throughout the entire organization. Moreover, we take full responsibility for our actions and will always accept accountability in the event a defect or other issue is found. In our Hearts & Minds program, we focus on Zero Defect training to make sure every employee in the company is involved in our mind-set and able to make good decisions in the work situation.

Continuous development of occupational safety

Occupational safety is a joint effort requiring ongoing effort from both employees and management to maintain and develop a safe working culture. The long-term goal is to prevent all accidents from happening. Employee safety awareness has increased continuously, and the target is that every employee understands his/her role in maintaining a safe workplace, which encourages the reduction of incidents. ViskoTeepak has set group-level targets for key safety indicators, i.e., numbers of injuries and injury frequency. We're committed to reaching zero accidents. Our employees are also encouraged to do safety observation reports of all incidents that they feel are unsafe and suggest safety improvements to the workplace and working methods. Safety observation reports are reviewed continuously, and actions taken are permanent. The foundation of safety development at the plant is built on safety observations and the corrective actions thus taken.

ViskoTeepak Lommel and Hanko plants are certified under ISO 45001. Line management does weekly safety observation tours and safety talks continuously. The occupational health committee coordinates risk assessments and is a forum for employees to raise questions about safety and practices in the plant. All recordable and lost-working-day accidents are reported and reviewed. Our goal is to do all necessary measures to prevent accidents from happening again or even better, prevent them from happening altogether.

Covid-19 response

In 2020 and 2021 we saw how the Covid-19 pandemic hit the world. In all our plants and locations we took new safety procedures in use that were based on have been monitoring all guidelines and restrictions made by from the authorities and consciously implemented new protocols and procedures to be compliant. The health and safety of our employees is and has been our top priority and thanks to all our employees we mostly have managed to keep operations going during the whole pandemic. An enormous amount of flexibility and willingness to walk the extra mile has been shown by the organization. We are keeping these procedure needed as long as necessary, on top of the already high hygiene standard we have implemented, being part of the food supply chain. During Spring 2022 we slowly started to lift the tightest restrictions and by Autumn Covid-19 was considered comparable to a normal flue and treated as such. Some of the preventive measures, like hand disinfection procedures we left in place.

Safety education

In 2022 all supervisors in Hanko plant was educated in occupational safety. Starting 2022 The supervisors review all accidents and their investigations/correctice actiones with their subordinates.



Kenosha, Wisconsin

365
Accident Free Days

How to tackle complaints.

Does ViskoTeepak receive complaints from our customers? Yes. ViskoTeepak is not perfect. In 2022 we started an article series highlighting some of the most common complaints. We can detect the root cause of the received reclamations, even when the answer lies outside of ViskoTeepak. Accepting a failure is one thing; addressing a mistake to prevent the same issues in the future and reduce waste has even higher importance. ViskoTeepak can trace back most of the products through its unique traceability system that contains a detailed process database in combination with seam marks on our casing. Our tech group also can connect the casing characteristics with the customer's requirements. If there is an issue, the reason must be nearby, and ViskoTeepak will discover it.

Most complaints could be divided into the following complaint groups:



Customer related



ViskoTeepak related



Operator's failure



Co-incidents

Issue 1 - Adhesion Issue



Issue 2 - Adhesion/Peeling Issue



Issue 3 - Peeling Issue



Issue 4 - Unidentified Elements in the Casing



We plan on releasing 4 editions that will describe random issues that we received in the last decade. Not to blame people but to make everyone aware and give them the tools and knowledge to prevent such mistakes from happening again. By taking precautions, this will help reduce waste. Articles 1 & 2 have already been released and spread to customers and partners around the globe. During 2023 we will continue with article number 3 & 4. Below you will find all Fibrous examples featured in the first 2 articles.

"If there is an issue, the reason must be nearby, and ViskoTeepak will discover it."



Test runs to help support our customers.



ViskoTeepak's newly built and fully equipped Innovation Center in Brno, Czech Republic, is continuing to develop, improve and tailor-make new products. To help with even more testing and development while staying cost-efficient, ViskoTeepak has recently installed the Baader 601 machine. Not only is this machine beneficial to our company but also to our customers. The benefit of testing new products is that we can find problems at an early stage, even before they occur in our customer's production processes, which is a huge benefit for us as well as the customer. With the help of this machine, we can do more test runs and support our customers on a level that was not possible before.

What benefits does Baader 601 provide?

Currently, many companies face difficult times. Increasing product costs and operating costs affected everyone. Many companies solve this problem by cost reduction. Unfortunately, sometimes savings lead to the deterioration of the quality of products or the quality of work performance. Thanks to the Baader 601 machine, our everyday helper for checking and testing our casings, we can say that the quality of internal trials stays the same, but we also succeed in saving on our operating costs.

Baader 601 also is useful in testing our casing with meat emulsion. Meat reused multiple times allows us to test a

large quantity of casings under the same conditions our customer has at a noticeably smaller price. This is more than good news considering the meat price, the environment, and the animals.



Beyond compliance.

The control of emissions is occasionally seen as a process that is separate from the core manufacturing process. We prefer to view the handling of our emissions as a part of the supply chain, not something treated on the sidelines. Continuously trying to minimize our raw material usage, increasing the recycling degree, and minimizing the effluents isn't just environmentally correct, but is also sound from an economical point of view. The effort to find value-added solutions in the material flow helps keep us in business.

Freshwater

The Hanko and Lommel plants don't have surface water available in proximity for use as freshwater in the production process. However, we do have good-quality groundwater that is suitable for usage in the manufacture of food contact material. We monitor the usage of the water and report the usage and related KPIs to the authorities to make sure it's on a sustainable level. The Hanko plant has increased the freshwater-related cooperation with the local community and industry, mainly through the monitoring and sharing of results. Occasionally we have experienced dryer periods that put a strain on our freshwater wells. Because of this, we started some years ago a project to optimize the rinsing water usage in the casing machines. The project was finished in 2017 and resulted in a total water usage reduction of 15%. Then came a period of some years during which we did not manage to hold our previously made gains. Consequently the water usage increased somewhat. In order to get us back on track the topic was taken up for a review, starting 2022 and continuing at least for 2023. This time around there was more focus on good machine runability and energy saving angles. This will require investments that enable better control of temperature and freshwater flows in the casing machines.

The Lommel plant uses water from three different wells. The quality and the quantity are measured permanently and reported to the government yearly. All levels are in line with the permits and there were no penalties over the last 20 years. The strategic plan was to reduce the water usage by 5% each year, related to production volumes. This plan will be continued in the future. We defined a multi-year water reduction plan and we have a proactive water-reduction team working on continuously reducing our water consumption. Each year we want to reduce our water consumption by 5% compared to the previous year. All projects are implemented. The Lommel plant has reached the promised 25% reduction in five years as of 2016. A new reduction plan for the next years was already made up. Over the last 20 years the water reduction was up to 50%.

Wastewater

The Hanko plant is part of the Hanko Peninsula seawater monitoring zone. There is a yearly survey that is prepared by Länsi-Uudenmaan vesi ja ympäristö ry for the authorities. According to this report, the Hanko plant's nitrogen load is in the range of 2-3% of the total load in the monitored area. In 2014, Oy ViskoTeepak Ab signed an agreement with Hanko City on joint handling of the wastewater. The main benefit point is that there are synergies between the various effluent streams that make it more efficient to treat them together rather than having every individual actor cleaning their wastewater on their own. In 2017, the city of Hanko made maintenance works to the transfer pipeline. Planned and unplanned interruptions in the transfer line from the plant to the waste treatment facility are handled by using intermediate storage tanks. Thunderstorms can cause electrical failures in the pumping stations in the transfer line. In these situations, the wastewater is stored in intermediate tanks, no effluent water is led to the surroundings.

The ViskoTeepak Lommel wastewater is treated by Aquafin after the water is collected with the city of Lommel and other companies. In the semiannual compliance audit, all measurements are reviewed by the external auditor. All overruns must be reported to the government. An action plan to avoid these overrun emissions was made up. During 2022 we improved several continuous measurements and a stop of discharging in case of one of the measurements are not compliant.

Energy

Energy and water company Adven has been a long-term partner of ViskoTeepak in the Hanko plant. A heating plant that uses bio fuels was built in the factory area in 2012-2013, and since then Adven has taken the responsibility for operation and maintenance of the heating plant as well as its 24/7 surveillance according to a partnership model. Adven provides ViskoTeepak with trouble-free round-the-clock thermal production. Earlier the thermal energy required by

the Hanko plant was produced using heavy fuel oil. Taking the heating plant into operation replaced it almost completely with bio fuels. Around 95% of the thermal energy required by the ViskoTeepak Hanko factory is produced with domestic bio fuels. The remaining part is produced with liquid petroleum gas, and its use is primarily limited to the yearly maintenance break of the heating plant. We realize there are many aspects to consider when calculating the CO₂ net emissions. A general and simplified view says that the CO₂ released when the wood is burned is consumed by the biomass when it is growing, hence CO₂ neutrality. More detailed studies go into indirect CO₂ emissions related to burning wood. We estimate that the CO₂ emissions of the thermal plant in Hanko were down 90% compared to 2012 when it became operational (moving away from heavy fuel oil to forest residues, wood). The total output of the heating plant serving the ViskoTeepak Hanko factory is 12 MW, consisting of a 6 MW boiler for solid fuels and a 6 MW peak power boiler. The operation of the heating plant is allocated to a named plant operator, who takes care of fuel availability and continuous energy production. Additionally, the Hanko heating plant is under continuous remote surveillance from the Adven central control room in Vantaa. The Hanko plant

joined the Finnish energy-saving initiative Motiva in 2017 and is on a good path to reduced energy consumption according to the initial targets set up to be fulfilled by the year 2025.

In our ViskoTeepak Lommel plant the energy consumption was reduced according to the plans we made up. In 2018 we did a major upgrade of the cogeneration plant. Increased efficiency in the cogen plant gives us more heat and electricity when we convert natural gas. Together with the improved efficiency, the plant reduces NOx emissions by more than 50%. The new installation is therefore fully compliant with the strictest European standards. The installation of new, Low NOx burners took place in 2020 in our steam boilers. The benefit in lower NOx is much better than the legal compliance.

We monitor our water usage to make sure we are operating on a sustainable level



Let's meet some of the ViskoTeepak Team.



ANDRZEJ JĘDRZEJEWSKI
TECHNICAL MAINTENANCE SPECIALIST
POZNAN, POLAND



BRNO INTERNAL AUDITORS
BRNO, CZECH REPUBLIC



DUSTIN HEMBROOK
BUSINESS MANAGER
NORTHERN MIDWEST, USA

“Working for a company that always falls back to our internal values of Trust, Ambition & Fun resonates with me. I have a great deal of comfort in knowing that I have the support of ViskoTeepak.”



JASON SPEARS
LOGISTICS MANAGER
KENOSHA, WISCONSIN

“We all have something to contribute, and everyone values what one another brings to the table. We have a family-type atmosphere at the DC.”



JOHAN NORDLUND
3RD SHIFT FOREMAN
HANKO, FINLAND



JONNA UGGELDAL
ENVIRONMENTAL HEALTH & SAFETY MANAGER
HANKO, FINLAND



FILIP VESELKA
WIENIE-PAK PRODUCT MANAGER
BRNO, CZECH REPUBLIC



HENDRIK DE VRIES & KO KUIPER
OPERATIONS DEPARTMENT
DELFT, NETHERLANDS



JAKOB OOSTERHUIS
TECHNICAL SERVICE
DELFT, NETHERLANDS

“We have both been working at this company for a long time and that is because we like the work culture. It is extremely easy to talk with our leaders and Management about any issue.”



MARISSA GIANAKOS
CUSTOMER CARE COORDINATOR
KENOSHA, WISCONSIN



NUEVO LAREDO PLANT TEAM
NUEVO LAREDO, MEXICO

“Everyone at this company is committed to giving his or her input in the development process, the product, and the systems of quality control and assurance.”



SVEN CHRISTIAENS
PROCESS ENGINEER
LOMMEL, BELGIUM

#WeAreViskoTeepak

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Always around



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