



Progress Report 2016

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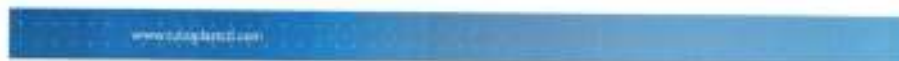
Group CTL-TH Packaging



We are pleased to present the renewal of our commitment to the United Nations Global Compact, with our third Progress Report.

CTL-TH Packaging was set up in 1964, and from the beginning, our priority has always been to make this company an organization with a great sense of corporate responsibility. In line with this idea, in 2014 we joined the United Nations Global Compact.

CTL-TH Packaging supports the implementation of the 10 principles.



30 July 2014

H.E. Ban Ki-moon
Secretary-General
United Nations
New York, NY 10017
USA

Dear Mr. Secretary-General,

I am pleased to confirm that CTL-TH Packaging S.L.U. supports the ten principles of the Global Compact on human rights, labour, environment and anti-corruption. With this communication, we express our intent to implement those principles. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. CTL-TH Packaging S.L.U. will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy. This includes:

- A statement signed by the chief executive expressing continued support for the Global Compact and renewing our ongoing commitment to the initiative and its principles. This is separate from our initial letter of commitment to join the Global Compact.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption).
- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

Sincerely yours,



Imaol Sánchez Álvarez
General Director, CTL-TH Packaging Group

General Information

CTL-TH Packaging S.L.U is a trading company with the legal status of a unipersonal limited liability company which belongs to the Corporation Juan Celaya, S.L.

The management body is the Management Board of the company. The Director General of the CTL-TH Packaging Group reports to the Management Board, which in turn, runs the group steering committee, consisting of the following corporate areas: Sales & Marketing, Technical-Industrial, Economic-Finance, Purchasing, Human resources, Quality & Integrated Management System and Supply Chain

Name of the organization: CTL-TH Packaging S.L.U

Address: Hermanos Lumiere 1, Miñano (Álava)

Web address: www.tuboplastctl.com

Top Manager: Imanol Sánchez Álvarez

Date of joining: 30/07/2014

Number of employees: 700

Sector: Chemical Industry

Activity, main trademarks, products and/or services:

Design, development, production and trading of flexible plastic and metaloplastic tube containers, caps and components for these containers.

Sales / Income: 68,000,000 €

Significant financial aid received from the government: 15,000,000 €

Stakeholders assessed in this report:

Clients, Employees, Suppliers,

Other Stakeholders identified and managed by the company that do not apply in this report:

Shareholders, Agents, Associations, Training Centres, Technology Centres, Competitors, Foundations, Regulator, Trade Unions, Society and community, Workers.

Criteria that have been followed to select the Stakeholders:

Groups that have an impact on the definition of our management and corporate development policies. A diagnosis was carried out of the degree of implementation of CSR by the San Prudencio Labour Foundation, in collaboration with the CTL-TH Packaging Group.



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Countries in which the company is present (where the organization has the largest share of its activity) and markets served:

France, Spain, USA, Italy, Germany, UK, Northern Ireland, Belgium, Netherlands, Sweden, Denmark, Portugal, Peru.

Awards and recognition:

The CTL-TH Packaging Group has been distinguished over the report period with the following awards and distinctions:

<p>ETMA</p> <p>Best plastic tube</p> <p>Caudalie (PCR tube with Wooden cap)</p> <p>2015</p>	
<p>ETMA</p> <p>Best prototype tube</p> <p>ESTube holographic effects</p> <p>2015</p>	

<p>Client Yanbal</p> <p>Award “Very Important Partner 2015”</p> <p>2015</p>	 <p>Yanbal Very Important Partner Award 2016</p>
<p>ETMA</p> <p>Best prototype tube</p> <p>ESTube "Be Unique" digital offset printing with serialization (decoration, number & unique QR Code for each tube)</p> <p>2016</p>	 <p>European Tube Manufacturers ESTube Digital Offset Tube of the year – prototype 2016</p>

Province of Álava

Award for the most innovative company (medium and large size enterprise category)

2016



Most Innovative Company
In Alava – Basque Country
Side 2016

Mutualia

Company with an exemplary track record in Labour Risk prevention policies and methods

2017



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Scope

Management and business development policies during 2016, directly linked to the parent of the group.

Definition of the content

The CTL-TH Packaging Group has set up and defined the most significant topics to be included in the Progress Report in the following way:

- Main topics and future challenges for the sector, as informed by our clients, competitors and Stakeholders.
- Laws, Regulations, international agreements, or relevant voluntary and strategically important agreements, for the organization and its Stakeholders.
- Risks, impacts and opportunities that sustainability affect and which may be reasonably estimated (for example, global warming, COV consumption, people's health, environment...), that have been identified through solid investigation carried out by recognized experienced experts, or by agencies who are experts in this field.
- Main values of the organization, policies, strategies, management systems, objectives and goals.
- Interests/expectations of Stakeholders that have contributed to the success of the organization.
- Important risks for the organization.
- Critical factors that make the success of the organization possible.
- Main competencies of the organization and the way in which they contribute or may contribute to sustainable development.
- Setting priorities.

The CTL-TH Packaging Group publishes the 2016 progress report annually through the corporate Web and web of the Global Compact Network Spain, directly to the address of the companies in the CTL-TH Packaging Group.

Strategy and governance

Mission

RENTABILIDAD & FUTURO



Our Mission is to ensure the future and profitability of the CTL-TH Packaging Group by meeting the expectations of our Stakeholders (customers, shareholders,

employees, suppliers and society in its entirety) by performing sustainable corporate activities, consisting of: 1) research, development and innovation of products, materials and machinery related to the transformation of plastics 2) manufacturing and commercialization of the products developed by the group 3) obtaining income from transferring rights of use of intellectual property and providing technical assistance.

Vision

Ser Lider en el Mercado



Con Alto valor añadido

To become a worldwide leading company in the flexible tube market, by offering the customer high added value by means of innovation, service and quality via our factories or Partners.

All of the above by promoting alliances with suppliers and technology centres and strengthening stable relations with customers with regard to innovation.

Values



Stakeholders

The CTL-TH Packaging Group incorporates suggestions made by Stakeholders in its strategy and decision making processes:

- **Employees:** through personnel meetings, satisfaction surveys, meetings with workers' representatives and accident prevention delegates.
- **Clients:** through visits and quality, environment, accident prevention and CSR audits. Registering suggestions and incidents related to the service and product. Integrated in the quality management system.
- **Suppliers:** through their own quality surveys, activity or sector forums in which we participate together, direct suggestions integrated into our quality management system through the incident and noncompliance register, and audits carried out on suppliers.

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Methodology

This Progress Report is based on the methodology of reporting by Stakeholders. The concept of the Stakeholder is key to understanding CSR. The complexity and dynamism of the current business context has made it necessary to acquire a solid commitment to the different Stakeholders, affected directly or indirectly by the business mission.

Identifying Stakeholders and what their expectations are, are aspects that facilitate the comprehensive introduction of CSR in the heart of any organization. This enables organizations to anticipate possible risks or opportunities and establish policies, actions, follow up tools and indicators as described in this report.

The CTL-TH Packaging Group has drawn up the Progress Report by developing the following steps:

1. Select the most relevant Stakeholders in your organization.
2. Identify the most significant challenges for the Stakeholders selected.

POLICIES

Formal documents in writing that define values, accident prevention and control tools and mechanisms, risks detected in the diagnosis. In this way communications and relations between the company and its Stakeholders are regulated.

DIAGNOSIS / FOLLOW UP AND MEASUREMENT OF IMPACTS

The diagnosis, assessment and control indicators for the results obtained by the actions implemented enable us to

- carry out an analysis of Stakeholders around the company and an analysis of the risks involved in topics related to the 10 Principles. In this way it is possible to know which policies and actions must be carried out for each Principle and which objectives must be set.
- provide the tools to control the fulfilment of policies and help to detect failures in management systems that need to be improved.

ACTIONS

Once the necessary policies are formalized, actions will serve to carry them out. The actions will help the organization to shape the policies developed and minimize the risks detected. The actions must be scheduled and designed according to the Stakeholder to which they are aimed.

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CSR Activities introduced in the company

Deployment of the Ethical Code

The CTL-TH Packaging Group has defined and implemented a company Ethical Code.

Everyone who belongs to the CTL-TH Packaging Group is committed to respecting in all their activities the fundamental rights of persons and public liberties recognized by national and international agreements, establishing the obligation to carry out all their activities with full respect to human dignity.

The Ethical Code of the CTL-TH Packaging Group has the firm objective to establish guidelines, values and principles by which the conduct of the organization staff are regulated, with regard to relations between the company and Stakeholders, both with reference to company labour activity with employees, and their relationships with clients, suppliers and external collaborators, shareholders, public and private institutions, and society in general.

This Ethical Code is based on the definition of the Mission, Vision, Values and Principles defined by the CTL-TH Packaging Group, and constitutes a guide to ensure suitable conduct in the professional work performance of their employees.

In addition, it will require suppliers, clients and external companies, with whom it maintains trade relations, to respect these principles, and will establish this requisite as a further criteria for selection and for the maintenance of trade relations.

The Ethical Code determines specific operating guidelines in the following content areas:

1. Fundamental Rights
2. Individual Respect
3. Equal opportunities and non-discrimination
4. Health & Safety
5. Protection and safeguarding of the corporate brand, image and reputation
6. Respect for the Environment
7. Consumption of alcohol and drugs
8. Tidiness and cleanliness in the workplace
9. Patents and royalties
10. Money laundering
11. Bribes, gifts and courtesies
12. Use of company assets
13. Conflict of interests
14. Customer relations
15. Supplier and collaborator relations
16. Compliance with standards

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Social benefits of the CTL-TH Packaging Group

The CTL-TH Packaging Group has developed a series of social benefits aimed specifically at the Stakeholder “**employees**”, improving their quality of life, and the perception that this Stakeholder has of the organization:

- Pension Plan
- Life Insurance
- Health Insurance
- Salaries above average for the Sector
- Supplement to sickness leave
- Hiring Substitutions
- Flexitime with 1 hour variable
- San Prudencio Labour Foundation
- Family visit to the Company
- Drawing contest for children of employees at Christmas
- Subsidized transport
- Subsidized Canteen
- I+C communications sessions
- Scholarships for the education of workers’ children
- Prioritize internal promotion
- Collaboration with training centres for courses in company
- Training expenses
- Work with mentally disabled persons to support their incorporation into the working environment
- School visits to see the company
- Blood donor campaign at the Company facilities during work time
- Work linked training programme between the company and technical training centre to reincorporate Young people into the world of work.

In 2016 the following activities were developed:

- Programme on nutritional training for employees and their families
- A survey process was launched with the workforce to measure the level of social commitment, in collaboration with the University of Mondragón, which involves a plan of action to improve this commitment.
- The company has launched initiatives to carry out work with physically or mentally disabled persons and improve their social integration.
- The companies CTL Packaging and Tuboplast have celebrated their 25th and 50th anniversaries since their creation, with a programme of activities where the workers and their families have been the protagonists, particularly developing a programme of visits to the factory which has seen the participation of 1,500 people.



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CSR Actions carried out

Over the years, the CTL-TH Packaging Group has carried out a significant effort in the development and implementation of actions that have led to an improvement in relations with its Stakeholders.

Prior to 2016

Altogether, prior to 2016, 51 actions were carried out linked to the introduction of CSR in the CTL-TH Packaging Group, the main ones being:

- Diagnosis carried out in order to adapt our Group to the demands of CSR.
- Integration of CSR concepts in the Group Quality Policy.
- Integration of the Ethical Code in the New Recruits' Manuals of the Group.
- Possibility of systematically including in our integrated management systems documents (Quality system) a point about CSR, the same as with safety or the environment (for which we are certified).
- Review of the mission, vision and values of the CTL-TH Packaging Group.
- Writing our own «Ethical Code» and dissemination among all our employees.
- Definition of an «Ethical Code» committee in the heart of the group and communication with the employees.
- Definition and dissemination of a procedure to enable the possibility of reporting anonymously any breach of our Ethical Code.
- Integration of ethical concepts in our "New Recruits' Manual".
- Definition of our Stakeholders (Stakeholders) and prioritization thereof.
- Joining the Global Compact of the United Nations <http://www.pactemondial.org>
- Writing a report on CSR with communication about progress published on the web of the United Nations Global Compact
<https://www.unglobalcompact.org/participation/report/cop/create-and-submit/learner/163421>
- Integration of the CSR aspect into supplier audits
- Creation of two CSR indicators for 2016
- The main Stakeholder of the CTL-TH Packaging group were defined, classified on a database and the CSR impact of each was assessed

2016 Balance

2016 was a year of transition to prepare to tackle the company strategy 2017-2021 and in this context, to strengthen CSR actions with regard to the most critical stakeholders such as employees, customers and suppliers.

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Over 2016 the focus was on actions relating to the communication of our CSR policies.

- Report on the ethical code on the web
- Inform employees about the ethical code + denunciation codes
- Inform suppliers about our ethical code

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Principles

Human Rights

Principle 1

Companies must support and respect the protection of fundamental Human Rights, recognized internationally, within their sphere of influence.

Principle 2

Companies must ensure that their businesses are not accomplices in the violation of Human Rights

POLICIES

Our policy and objectives are aligned with support and respect for the protection of fundamental Human Rights that are internationally recognized.

The organization has written and implemented an Ethical Code

We have a comprehensive internal management system that incorporates internal policies, regulations and procedures related to the quality of the product, verification controls and manufacturing processes in accordance with international and internal standards.

Our internal management system, besides including operating procedures and processes related to the organization, the people who belong to it and their interrelations, also determines standards in relation to our product and supply chain.

There are comprehensive procedures in our internal integrated management system linked to internal policies, regulations and processes relating to quality, Human resources, the organization, Customer service and Suppliers: "P.00.00015 – Following up the Ethical Code and Functions of the Ethical Committee and Protocol to report to the Ethical Code"

In addition, with regard to **Employees**, we include in the internal general management document all the processes and procedures to select personnel, hire, recruit, labour relations, conflict management, promotion, objective assessment of performance, etc. and we have also reflected the setup of our internal organization, distribution by areas and functions.

In the section on **Customer** service and processes related to the Group of Suppliers we include a list of guidelines for Stakeholders, with regard to workflow, generic and personalized service, service control and technical support, incident solutions and impact measurement, etc.

We include procedures to assess our **Suppliers**, how they integrate in our management system, carrying out controls, including CSR and satisfaction with regard to quality, services, operations, etc.

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We have proceeded to implement a policy of formal purchases in accordance with CSR principles and our current management systems, also bearing in mind the system designed to control the degree of compliance.

DIAGNOSIS, FOLLOW UP AND MEASUREMENT OF IMPACTS

We can state that the CTL-TH Packaging Group complies strictly with legal regulations in this area, as companies are permanently subjected to public control by the administration, and also by internal company means (HR department and workers' representatives) which guarantee compliance with these regulations.

The risk is indirect non-compliance with Human Rights and the United Nations Global Compact Principles, because some of our Stakeholders do not comply, as a consequence of our lack of verification, control and/or surveillance of some who are suppliers of raw materials that do not involve presence in our company. However, we must make it clear that the company checks the contract conditions of workers of subcontractors.

In relation to suppliers of articles, these suppliers are annually assessed in the quality system, which includes controls linked to Human Rights detected during audits carried out. This is carried out through audits on suppliers, to whom the Ethical Code of the CTL-TH Packaging Group is transmitted.

Currently our supplier classification is based on a quarterly review of their contribution of complete material, with the quality agreed upon and on the agreed date. The CSR criteria is added to the assessment of suppliers, pending the data analysis.

ACTIONS

The main objective for the coming year is the materialization of our CSR policy in a public document, to integrate it in our global management system and share it among all the stakeholders.

ACTIONS	Code	Stakeholders
Information about the Ethical Code of the CTL-TH Packaging Group.	CTP00361	<input checked="" type="checkbox"/> Employees <input checked="" type="checkbox"/> Clients <input checked="" type="checkbox"/> Suppliers
Information about the protocol to report breaches of the Ethical Code.	CTP00361	<input checked="" type="checkbox"/> Employees <input checked="" type="checkbox"/> Clients <input checked="" type="checkbox"/> Suppliers
Internal training on the concept and scope of CSR.		<input checked="" type="checkbox"/> Employees <input type="checkbox"/> Clients <input type="checkbox"/> Suppliers
Develop a verification and classification system for Suppliers, incorporating it into the new Purchasing Policy based on CSR integrated into	CTP00265 CTP00242 CTP00243	<input type="checkbox"/> Employees <input type="checkbox"/> Clients <input checked="" type="checkbox"/> Suppliers

our management systems and carry out an initial verification and classification of our Suppliers based on this. Accompany this action with communication with the Stakeholders of Employees and Suppliers to coordinate criteria.	CTP00244 CTP00245 CTP00246	
Modify point 3.3 of the Ethical Code, adding that we assume a policy to hire persons where the values of support for the disabled, diversity and equality are prioritized.	CTP00248	<input checked="" type="checkbox"/> Employees <input type="checkbox"/> Clients <input type="checkbox"/> Suppliers
Incorporate established follow up mechanisms, indicators related to CSR and the principles.	CTP00589	<input type="checkbox"/> Employees <input type="checkbox"/> Clients <input checked="" type="checkbox"/> Suppliers
Incorporate established follow up mechanisms for the Stakeholders of Clients and Employees, indicators related to CSR and the principles.	CTP00631	<input checked="" type="checkbox"/> Employees <input checked="" type="checkbox"/> Clients <input checked="" type="checkbox"/> Suppliers

Marked in green are actions carried out in 2016.

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Labour Regulations

Principle 3

Companies must support freedom of affiliation and effective recognition of the right for collective negotiation.

Principle 4

Companies must support the elimination of all kinds of forced labour or labour carried out under duress.

Principle 5

Companies must support the eradication of child labour.

Principle 6

Companies must support the abolition of discrimination practices in employment and occupation.

POLICIES

We have our own company agreement that promotes relations between the organization and the Stakeholder **Employees**, which supports freedom of affiliation and the effective recognition of the right to collective negotiation, and in which established working days, calendar, workers remuneration and social benefits are contemplated.

Furthermore, in each labour contract we reflect the working hours agreed, remuneration according to the category of work or corresponding post and social benefits to which every employee in the company has access. Reference is also made to the conditions included in the company general pact, as a reference for the Employees Group.

We hold monthly periodical meetings with the Company Committee, as well as each time the circumstances require consultation with the Employees Stakeholder beyond minimum legal requirements.

- Assemblies with the Company Committee. Meetings and Memoranda with the agreements adopted.
- Annual meetings between the management with the employees for information and communication of the main subjects relating to the performance of the company
- Meetings with their immediate superior. Follow up reports and assessment.
- Collective communications systems: notice boards, corporate mail, intranet, etc. Incorporate CSR policy formally within management systems and internal communications protocols to promote support by the Stakeholder Employees, in collaboration with the Company.

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The CTL-TH Packaging S.L.U company pact is agreed between the company committee of the organization and is signed by both parties. The company Committee verifies together with HR that at each moment complies with CSR conditions related to the principles and in the event of incidence, an internal communication is carried out, which is registered as an Agenda (content of the incidence, resolution, persons in charge, etc.).

Meeting agendas and all agreements adopted by mutual agreement with the Company Committee are included in an internal database and also communicated globally to all Employees, becoming part of the internal regulations of the Company.

In this way several lines of direct communication are maintained with the employee, well known by all the staff, who is incorporated into the workforce on being recruited: direct meetings with the person in charge and with the company committee, internal email address, memos, collective meetings with Management and Worker Assemblies. We do not restrict the time for meetings according to the legal minimum for collective negotiation, but invest whatever time is necessary to suitably manage each circumstance.

We must incorporate the criteria defined in the previously written CSR policy into future selection processes, in which we include criteria for gender equality and respect for diversity as well as verification procedures for compliance with these policies and incident management.

Hiring in the company, both nationally and internationally, is regulated by current regulations in Spain with regard to the minimum age for access to the labour market, i.e. 18 years of age. We omit the possibility of carrying out labour contracts with persons aged over 16 with the authorization of their legal representative.

We promote a policy which tends to keep a stable workforce and in which currently less than 2% of staff in the organization are in a temporary situation.

We have a general and formal policy with regard to family conciliation for employees, pending identification and registration.

Finally we disseminate this policy in writing among all the staff in the company, through the usual internal media, as well as among other Stakeholders

Our safety and health management system is certified by OHSAS 18001 in some of the group companies.

DIAGNOSIS / FOLLOW UP AND MEASUREMENT OF IMPACTS

We have not verified if our Stakeholders Suppliers and Clients comply properly with these principles and in particular if they support the elimination of all kinds of forced or coercive labour.

We have pending the dissemination of information to our supply chain about good working conditions and the absence of forced labour.

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We have a formal procedure for the management of actions and assessment of staff based on competencies, potential and/or professional projection and staff must respond to the expectations of professional growth for employees as well as coverage of future needs by the organization of the company.

We have no risk of hiring underage persons. We verify all contracts with the identification of the employee and carry out an initial medical check-up, which all national and international employees of the company fulfil as adults when formalizing the labour contract.

We consider that discrimination for gender reasons is our greatest risk, and despite the existence of an equality plan, we must update and be vigilant in order to ensure comprehensive compliance.

A concrete action has not yet been established for the promotion of effective equality of opportunities between men and women in all aspects, including access to management posts.

With regard to the companies that work in our installations, the system checks compliance with this principle. Audits are carried out which check compliance of this principle by different suppliers.

Annually the data composition of management bodies and the rest of the employees are incorporated into annual accounts and report on the activity of the company, which are public and registered in the Commercial forum.

Additionally and monthly a report is provided on the composition of the workforce and the development of employment by functional areas, for the corporate governance organs and worker representatives.

In order to ensure compliance with the Ethical Code, resolve incidences or doubts about the interpretation and adopt suitable measures for better fulfilment, the Committee for the application and follow up of the Ethical Code was created. The mission of this committee is to promote the dissemination and application of the ethical principles, in all the activities that the company carries out. It will consist of the General Management, HR and SIG managers of each company in the Group.

During 2016 no cases were registered nor was any previously open case resolved due to accusations of harassment, abuse or intimidation in the workplace.

We will proceed with a reminder of the internal procedure to report and resolve situations of harassment, abuse or intimidation in the workplace, through the usual internal means of communication and dissemination.

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ACTIONS

ACTIONS	Code	Stakeholders
Keep the diagnosis and verification system of this principle over the coming year.	CTP00631	<input checked="" type="checkbox"/> Employees <input type="checkbox"/> Clients <input type="checkbox"/> Suppliers
Introduce a control mechanism for other Stakeholders; this is constituted by signing an agreement to support the eradication of child labour through CSR policies.	CTP00561 CTP00589	<input type="checkbox"/> Employees <input checked="" type="checkbox"/> Clients <input checked="" type="checkbox"/> Suppliers
Test compliance with the principles	CTP00676 CTP00677	<input type="checkbox"/> Employees <input checked="" type="checkbox"/> Clients <input checked="" type="checkbox"/> Suppliers
Provide information for our supply chain about the elimination of all kinds of forced labour, through the communication of the Ethical Code.	CTP00361 CTP00561	<input type="checkbox"/> Employees <input checked="" type="checkbox"/> Clients <input checked="" type="checkbox"/> Suppliers
Identify conciliation practices for employees which are carried out in company and incorporate them in a formal document. Disseminate through the internal means of communication	CTP00252	<input checked="" type="checkbox"/> Employees <input type="checkbox"/> Clients <input type="checkbox"/> Suppliers
Adapt a recruiting plan to emphasize the protection of principles by the Group	CTP00632	<input checked="" type="checkbox"/> Employees <input type="checkbox"/> Clients <input type="checkbox"/> Suppliers
Disseminate and apply our internal policy on non-discrimination and gender equality in internal selection processes, training and promotion.	CTP00361	<input checked="" type="checkbox"/> Employees <input type="checkbox"/> Clients <input type="checkbox"/> Suppliers
Define a control system and follow up programme for compliance with the premises of the principles.	CTP00509 CTP00676 CTP00677	<input type="checkbox"/> Employees <input checked="" type="checkbox"/> Clients <input checked="" type="checkbox"/> Suppliers
Boost CSR practices related to this principle to promote gender equality, non-discrimination with the object of balancing diversity indicators.	CTP00248	<input checked="" type="checkbox"/> Employees <input type="checkbox"/> Clients <input type="checkbox"/> Suppliers
Establish a mechanism to verify that our principles and values related to the eradication of child labour are duly transferred.	CTP00676 CTP00677	<input type="checkbox"/> Employees <input checked="" type="checkbox"/> Clients <input checked="" type="checkbox"/> Suppliers

Marked in green are actions carried out in 2016.

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Environment

Principle 7

Companies must maintain a preventive focus that favours the environment.

Principle 8

Companies must promote initiatives that promote greater environmental responsibility.

Principle 9

Companies must favour the development and dissemination of technologies that are respectful with the environment.

POLICIES

Within our corporate management system we include a section corresponding to environmental management following a general procedure, several processes, registers and surveillance documentation, all of which is integrated in the corporate manual on environment.

Our management system is certified by regulation ISO 14001 in some companies in the group.

As companies certified by ISO 14001, all our internal policies and procedures are aimed at protecting the environment throughout the chain of production, supply and waste management.

In each new product development the CTL-TH Packaging Group takes into account preventive environmental aspects, reviewing with the suppliers of these developments, possible environmental improvements from the beginning of the project.

Within the general management system we have the following direct environmental surveillance procedures: Management of Natural Resources, Control of Contracts-Subcontracting, Waste Management, Dangerous Waste Management, Environmental Communication, Identification and Assessment of Environmental Aspects, Identification and Evaluation of Legal Requisites and Environmental emergency and capacity of response.

DIAGNOSIS / FOLLOW UP AND MEASUREMENT OF IMPACTS

Due to the diversity of environmental impact, each company manages its objectives and indicators according to the environmental impact assessment procedure. The most relevant impacts are those that are treated in the objectives and indicators shown below.

In agreement with this internal policy, we periodically carry out internal training to increase awareness about the adaptation of our internal actions in relation to environmental regulations and the reduction of the impact of our activity, in addition to the initial training that all the new recruits receive when starting their working relationship through a Recruitment Plan.

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In particular we increase awareness among all our staff through our permanent programmes on recycling and the separation of waste in all areas in the company and those aimed at the containment of consumption, not only as an economic savings measure, but also as a collective contribution to favour the environment. We use specific signage, suitable recipients and containers for this purpose and a separate and identified room for use as a container for dangerous waste for people and/or for the environment.

Since 2008, the CTL-TH Packaging Group has been committed to improving the environment in development and management. For example, the development of “Light” caps which have made it possible to significantly reduce the materials and energy required for manufacturing, a reduction in COV (Volatile Organic Compounds) in the manufacture of its products to practically eliminate them in the composition and development of efficient packaging (cardboard, optimization of useful space...).

Environmental objectives

Due to the diversity of environmental impact, each company manages its objectives and indicators according to the environmental impact assessment procedure of the integrated management system.

CTL-TH Engineering	CTL Packaging	Tuboplast	Tapser
Develop carbon footprint analysis tools	Reduce 3% industrial water consumption	Reduce of PP waste, acting on EST tube losses (10%)	Reduction gas consumption (10%)
	Reduce 2% the losses in finished product	Reduction of electricity consumption in mini-tubes and cannulas. Actions to be taken in production and maintenance (5%)	
		Reduction of aqueous waste liquids. Work on drying or treatment management (50%)	

Consumption Data

➤ Electricity in Kw/h

Year	CTL-TH Engineering	CTL Packaging	Tuboplast	Tapser
2014	238 349	7 225 707	9 295 611	1 819 711
2015	88 244	7 052 434	7 769 390	1 245 446
2016	113 031	7 277 614	9 427 009	1 300 318

➤ Gas in Kw/h

Year	CTL-TH Engineering	CTL Packaging	Tuboplast	Tapser
2014	253 428	28 767	1 080 402	214 537
2015	292 043	17 170	1 156 779	278 292
2016	280 099	21 698	1 194 104	373 848

➤ Water in m3

Year	CTL-TH Engineering	CTL Packaging	Tuboplast	Tapser
2014	455	2 528	8 639	1 941
2015	414	2 724	7 451	2 503
2016	459	3 265	8 727	2 404

➤ Paper Consumption.

Year	CTL-TH Engineering	CTL Packaging	Tuboplast	Tapser
2014	59 Kg	352 000 A4 19 000 A3	283 000 Kg	NA
2015	61 Kg	1625 kg 305 000 A4 10 000 A3	233 108 Kg	NA
2016	36 Kg	1690 kG 282000 A4 28000 A3	167 997 Kg	NA

Number of hours in environmental training and/or total investment in awareness about environmental actions

CTL-TH Engineering	CTL Packaging	Tuboplast	Tapser
Adaptation to the UNE-EN Standard ISO 14001:2015	19 hours (19 persons in HSE training during	Training through environmental system audits.	Training through environmental system audits.

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5 hours / 1 person Best Practices in Manufacturing (BPF) 25 hours	integration in CTL)		
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ACTIONS

ACTIONS	Code	Stakeholders
Integrate the environmental aspect in quality and prevention audits in order to guarantee proper implementation and application of the environmental system in the companies belonging to the group.	CTP00265 CTP00266	<input type="checkbox"/> Employees <input type="checkbox"/> Clients <input checked="" type="checkbox"/> Suppliers
Establish a tool to measure the carbon footprint of manufactured products	CTP00604	<input checked="" type="checkbox"/> Employees <input checked="" type="checkbox"/> Clients <input checked="" type="checkbox"/> Suppliers

Marked in green are actions carried out in 2016.

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Anticorruption

Principle 10

Companies must work against corruption in all its forms, including extortion and bribery.

POLICIES

We comply with national and international regulations and legislation aimed at the control and suppression of any action related to corruption in all its forms, including extortion or bribery.

Dissemination of our formal CSR policy including our practices in the fight against corruption and verification of its dissemination to all the Stakeholders through the usual means of corporate communication.

As we have indicated previously, we have developed a code of conduct against extortion, bribery or any other type of corrupt conduct which we have disseminated internally.

We keep a strict compliance with current legality with regard national and international regulations of countries where we operate, with regard to the control and abolition of any kind of corruption which might arise, including extortion and bribery.

DIAGNOSIS / FOLLOW UP AND MEASUREMENT OF IMPACTS

We have carried out a diagnosis to get to know internal and activity areas with a greater risk of corruption, with the result that we have located in the Supplier supply chain, due to the markets in which we operate and their own idiosyncrasies.

There is no procedure to assess the degree of knowledge, with regard to our codes of conduct and policies against corruption and bribery in relation to our Stakeholders, with the exception of the employees group.

In order to ensure compliance with the Ethical Code, resolve incidents or doubts about interpretation and adopt suitable measures to improve compliance, a Committee to apply and follow up the Ethical Code has been created. This committee has the mission to promote the dissemination and application of ethical principles in all the activities that the company carries out. It will be composed of the General Management, the management of HR and SIG of each company in the Group

Percentage over the total, broken down by each interest group, which knows the codes of conduct and policies against corruption and bribery in the organization

Year	Suppliers	Customers	Employees
2015	80 %	0 %	80 %
2016	98 %	5 %	80 %



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ACTIONS:

ACTIONS	Code	Group of interés
Dissemination of the Ethical Code related to the fight against corruption in any of its manifestations.	CTP00249 CTP00361	<input checked="" type="checkbox"/> Employees <input type="checkbox"/> Clients <input type="checkbox"/> Suppliers
Establishment of management mechanisms through reports which all our Stakeholders may carry out	CTP00361 CTP00631	<input checked="" type="checkbox"/> Employees <input checked="" type="checkbox"/> Clients <input checked="" type="checkbox"/> Suppliers
Communicate periodically the existing surveillance mechanism of the CSR policy aimed at promoting reports, management and redirection of possible incidents that might occur in relations with our Stakeholders.	CTP00593 CTP00631	<input checked="" type="checkbox"/> Employees <input type="checkbox"/> Clients <input type="checkbox"/> Suppliers

Marked in green are actions carried out in 2016.

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Feedback from the Stakeholders

Apart from the 10 principles, the CTL-TH Packaging Group, as a result of the management of Stakeholders (audits, visits, surveys, follow ups by interest group...), has the extended policy, diagnosis and actions, which will be described below.

DIAGNOSIS / FOLLOW UP AND MEASUREMENT OF IMPACTS

➤ Feedback for “Employees”

Over the year 2016, the employees of the companies in the CTL-TH Packaging Group sent their opinions and concerns via different means, although basically we can focus this exchange of information on annual sessions of information and communication I+C calls, as well as multiple periodical meetings which we hold with Representatives of the workers in the companies in the Group. From all this activity, the most relevant information about what worries the employees of these companies, without doubt, are subjects linked to the future and strategy of the company, innovation which we are implementing, and potential success and trade development in our markets. Therefore, the most outstanding aspect is, without doubt, everything related to the stability and future of our company.

Secondly, we are also aware of interest about all topics related to training and the development of company employees, recent years in this period have seen very little activity in terms of initiatives linked with training, the promotion of individuals and personal development in the companies.

➤ Feedback for “Clients”

The main clients are increasingly more involved in CSR in different ways.

- 1) Based on codes of conduct or the ethical code which are sent to us either as information or so that we will be committed to fulfilling their principles.

The trend for 2016 is on the up.



- 2) Based on questionnaires and forms either belonging to the client or through platforms that enable us to quantify the degree of advances of their suppliers and to compare them with each other.
- 3) Based on an awareness meeting (Business Review), assessment, request for commitment for brands, request for aid to reduce the life span, communication of objectives,...
- 4) Based on the CSR audit.

Generally, according to the commentaries of our clients and comparing with the competition, the CTL-TH Packaging group

- Has the right focus to develop CSR.
- Is well positioned with regard to other suppliers, even the largest who have teams 100% dedicated to CSR.

The best that clients highlight are:

- CSR policy with written commitment and quantifiable with progress report and for each company.
- CSR roles and responsibilities: clearly define the CSR organization (diagram) with objectives (quantifiable) and progress plan
- Analysis of the carbon footprint or ACV for the product (to be integrated into tenders)

All of these points have been integrated into corresponding action plan and the general actions planned for 2017-2019.

➤ **Feedback for “Suppliers”**

With regard to suppliers, we should point out that we include CSR aspects during audits (Prevention, environment, management of human resources, ethical code for suppliers,...).

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In these audits, a lack of awareness about the CSR and ethics in general is noted, so the group takes advantage to inform about the importance of CSR for the coming years so that little by little the information will be spread so that it will be taken into account.

ACTIONS:

Based on the diagnosis, the different activities of the group and feedback from the Stakeholders, complementary actions to the 10 principles were defined. The main points are shown in the following table.

ACTIONS	Code	Stakeholder
Establish CSR and integrate CSR as a «routine» into our comprehensive quality, safety and environment system	CTP00509 CTP00675	NA
Set up the ethical committee	CTP00357	NA
Follow up CSR through the quality system (management review report)	CTP00585	NA
Internal communication and promotion of our values	I+C	<input checked="" type="checkbox"/> Employees <input type="checkbox"/> Clients <input type="checkbox"/> Suppliers
Creation of own CSR indicators for 2016	CTP00509 CTP00589 CTP00631	<input checked="" type="checkbox"/> Employees <input checked="" type="checkbox"/> Clients <input checked="" type="checkbox"/> Suppliers
Formation of CSR concepts	CTP00361 CTP00589 CTP00677	<input type="checkbox"/> Employees <input type="checkbox"/> Clients <input checked="" type="checkbox"/> Suppliers

Marked in green are actions carried out in 2016.

State of general progress

Balance of actions related to CSR.



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Lines of action for the period 2017-2019

Objective: moderately and realistically increase our level of implementation of CSR policies.

We also wish to introduce the management of CSR policies in companies in the group, with their own action plans.

Actions and specified Proposals for the period:

1. Learn the expectations of 2/3 of the most aware clients in this CSR field, to see how they respond to the challenge of being the most recognized supplier in this field.
2. Continue working and developing a tool to measure the carbon footprint of both the product and the production plants.
3. Carry out a social survey for the people in the group and develop an action plan according to the results.
4. Develop a programme to improve the postural culture of people, to achieve a better quality of professional and personal life.
5. Incorporate each company in the group to the CSR progress report.