



# Communication on Progress

Quadpack Industries S.A. 2018-2019



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## Introduction

We at Quadpack decided almost 1 year ago to express our commitment to bring the UN Global Compact and its principles as part of our strategy, culture and day-to-day operations, engaging in collaborative projects, particularly the Sustainable Development Goals.

This report shows all the job and efforts done in the last 12 months to implement the Ten Principles, supporting public

accountability and transparency, describing all practical actions, that the company has taken or will undertake in each of the four issue areas (Human Rights, Labour, Environment and Anti-Corruption) and a measurement of outcomes when suitable.

## The beauty of sustainability

Quadpack celebrates beauty – especially our inner beauty and that of the world around us. We want to share our success wherever we are present in the world. That's why our corporate social responsibility (CSR) strategy touches everything we do, from the products we develop, to the way we connect with our local communities. It informs our behaviour, our policies and our relationships within the industry. Our CSR activities focus on our social, environmental and economic impact, striving to seek a perfect balance.

Our CSR strategy was launched in 2017 with the firm purpose of developing strategies towards the achievement of environmental, social and economic sustainability.

During 2018 we have launched several projects and initiatives, and this is just the beginning of our responsible commitment towards sustainability.



Alex San Miguel

CSR Director



## CEO Statement

On February 22<sup>nd</sup> 2018 I expressed pleasantly the firm commitment of Quadpack Industries S.A. to support the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption.

During the last year UN Global Compact and its principles have been part of our strategy, culture and day-to-day operations, engaging several collaborative projects with our stakeholders, as we committed, and we have also defined 4 Sustainable Development Goals as strategic for us.

This Communication on Progress (COP) is a full description of our company's efforts to implement the Ten Principles, in an exercise of public accountability and transparency.

Sincerely yours,



Tim Eaves

CEO & Cofounder

Quadpack Industries S.A.

# The 10 Principles of the UN Global Compact

## Human Rights

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** make sure that they are not complicit in human rights abuses.

## Labour

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** the elimination of all forms of forced and compulsory labour;

**Principle 5:** the effective abolition of child labour; and

**Principle 6:** the elimination of discrimination in respect of employment and occupation.

## Environment

**Principle 7:** Businesses should support a precautionary approach to environmental challenges;

**Principle 8:** undertake initiatives to promote greater environmental responsibility; and

**Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

## Anti-Corruption

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

## 2018-2019 Quadpack Initiatives

### Human Rights and Labour Principles

Quadpack has developed several actions towards Human Rights, starting from main pillars as:

- We have developed a Corporate Social Responsibility strategy.
- Issuing of Quadpack Industries first Integrated policy for Quality, Health & Safety, Environment and Corporate Social Responsibility, where Human Rights has a significant relevance
- Suppliers Code of Conduct has been released and requested to all our suppliers to take due note and fully acknowledge of mutual commitments, including the UN declaration of Human Rights or the ILO Core Conventions among the reference documents.
- Quadpack is specially focused in develop the relationship and interaction with all communities where we are present. We have launched projects accordingly as:
  - [Quadpack Foundation](#) collaborating with institutions as TAC Osona or El Casal dels Infants (Spain), Los Primos (Dallas USA) , or Changing Young Lives Foundation, (Hong Kong, China) for supporting underprivileged individuals and youngsters.
  - [Developing young talent](#) cooperating with Barcelona's Elisava Design University for design projects, launching a sustainable design challenge in the IX National Packaging Awards where 300 students from 20 universities participated and Quadpack challenge received up to 90 design proposals (Spain) or the ICMAD Young Designer of the Year Award (USA)
  - Cooperating with Universities for launching internships for just graduated students or collaborating with secondary school students to approach them the labour environment.

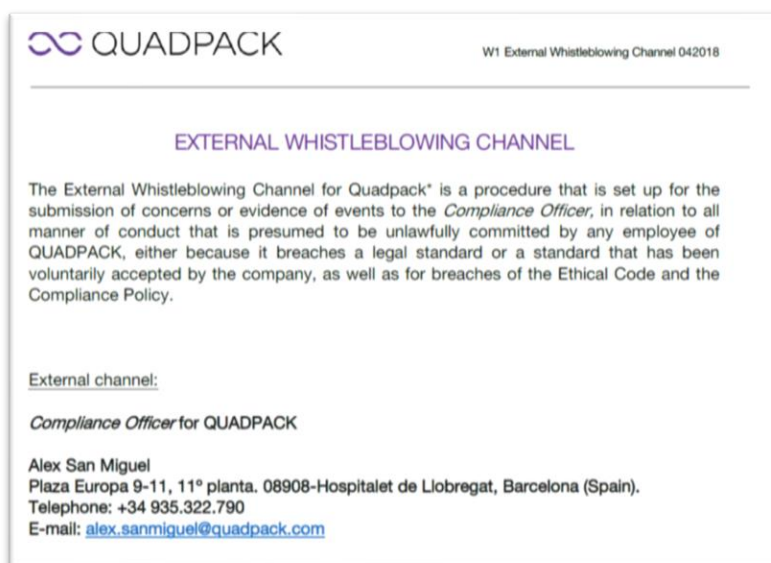
We also managed other actions as described below:

- Launched a suppliers CSR training program including on-site visits to reinforce the Corporate Social Responsibility strategy with our supply Chain stakeholders.
- Compliance Programme. During 2018 we fully deployed our Compliance procedures, Ethical Code, together with all employees training, where Human Resources has also a relevant position
- Launching our compliance website <https://www.quadpack.com/csr/compliance/>
- Customers Code of Conduct and policies acknowledge have been received, acknowledged and signed in order to provide our commitment to those documents, involving Human Rights also a significant weight.
- Joined several training and development events to improve our own knowledge and share also with other stakeholders as customers, trade cluster associations (Packaging Cluster – Barcelona Beauty Cluster)
- Performing ethical audits on specific customer requests for our own factories and our manufacturing partners.
- Launching internal career & training development programs.
- Promoting new channels of employee representation as the so called QP Forum launched in early 2019

- Quadpack Foundation projects are also a significant part of our Social Footprint
- Quadpack Labour Gender Equality good practices include no salary discrimination by gender (salary ranges are defined by a Job Grading rating only) and many other aspects included in our [Ethical Code](#).
- We have also an specific sexual, sexist and labour [Harassment Regulation](#) in our compliance program.
- Our Supplier code of conduct have explicit references to fight against forced labour and children employment.
- We have implemented flexitime for facilitating Work life balance, Birth Day off day and 2 paid leave days for volunteering activities according to Quadpack Foundation principles.

## Measurement of Human Rights and Labour Principles Outcomes

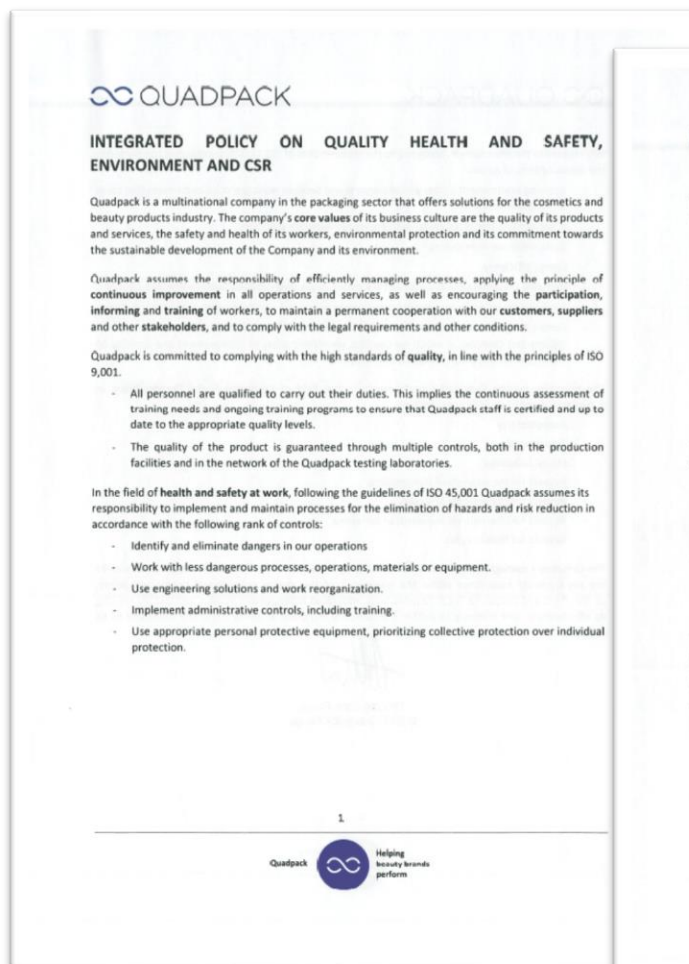
- Released 130 CoC requests to Quadpack suppliers along late 2018 and more than 20 signed for our customers.
- Almost 300 Quadpack Employees received compliance training (including Human Rights, Ethical Code and other relevant aspects). Any level of the company including CEO and Directors received the training.
- 3 Ethical audits in 2018
- Almost 35 suppliers received a presentation/training about Corporate Social Responsibility in Asia and Europe.
- Launching of Suppliers Due Diligence processes and starting desktop assessments and planning ethical audits following a risk management criteria basis.
- Joining and developing CSR platforms as Ecovadis or Sedex.
- More than 10 Quadpack Foundation projects in 2018-2019
- All our employees work under Collective Agreements for each of the sectors we operate.
- Launched together with our compliance program and Suppliers code of conduct a whistle-blower process and channel for internal and external stakeholders



Related Sustainable Development Goal:



**Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**







Sustainable Color Compact that was awarded with the first price of the IX National Packaging Awards. EASD Valencia

Miguel López Gil and Pablo Berges Alonso

## Quadpack Employees Facts and Figures 28-03-2019

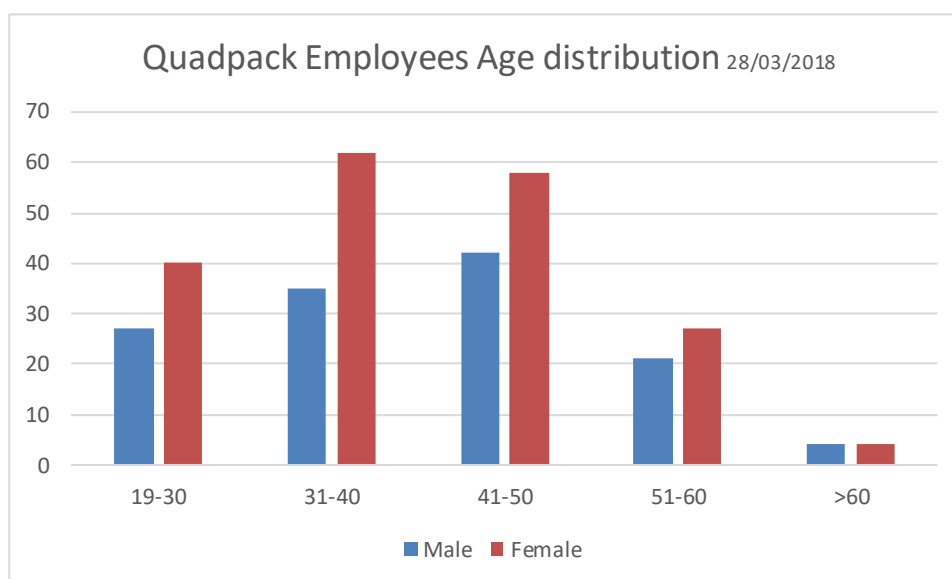
Total Number of employees: 320

Female Employees: 191

Male Employees: 129

Female Managers: 19

Male Managers: 18





## Environmental Principles

Quadpack is a Beauty packaging supplier, so this means we design, develop and produce products that can impact to the environment during the whole life cycle. Environmental sustainability has become a major strategic theme for us during the last 12 months and we have launched so many initiatives and much more will come during the following years.

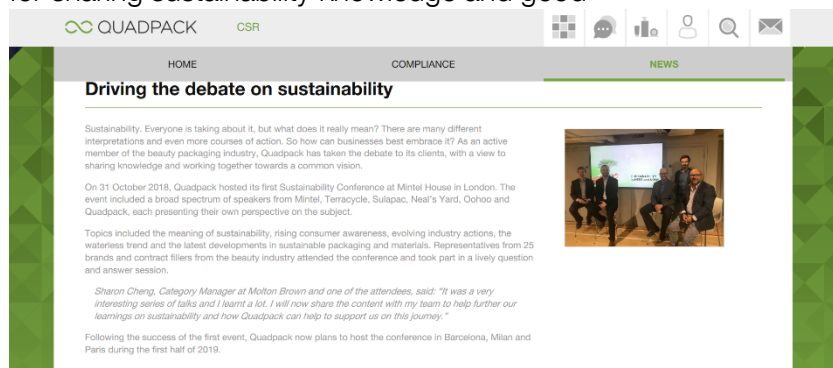
The main activities we can list during 2018 are the following:

- Issuing of Quadpack Industries first Integrated policy for Quality, Health & Safety, Environment and Corporate Social Responsibility, where ISO 14.001 standard becomes our main reference.
- We have assessed our main impacts in our manufacturing plants, and we have started the process to develop the Environmental Management System, to be completed by end 2019.
- We have launched a Risk Management committee to map all corporate risks
- Our suppliers Code of Conduct has also Environment as a basic theme for our supply chain stakeholders
- We have developed a sustainability strategy to complement our original CSR one in order to manage the challenges of the Cosmetic Packaging in terms of the products we develop and the way we produce and deliver them.

We also managed other actions as described below:

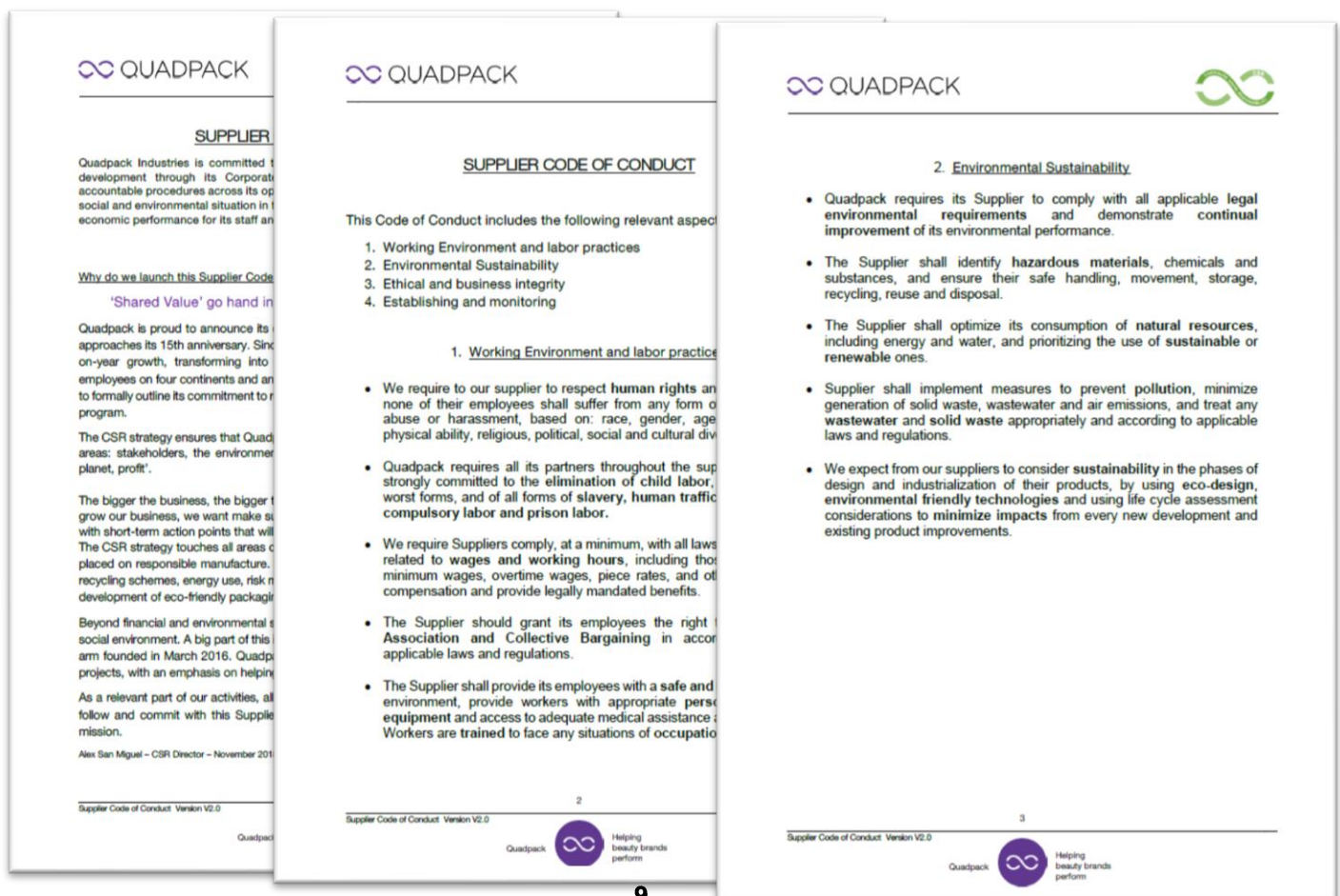


- Deliver specific trainings and presentations about sustainability for our employees and other stakeholders as suppliers, customers and others
- Collaborate with different packaging and beauty partners for sharing sustainability knowledge and good



## Measurement of Environmental Outcomes

- Testing new materials (bio based, recycled, biodegradable or Compostable as Sulapac to achieve higher levels of sustainability.
- Promoting the PEFC and FSC seals for the wood we use and engaging all our suppliers to do so.
- Completing the executive project for installing a Biomass Plant in our cosmetic packaging wood factory in Torelló (Barcelona) to use our own sawdust waste as heat-cool energy.
- Using only 100% renewable energy in our 3 Spanish factories and Headquarters, saving more than 1.400 tons of CO2.
- Starting high level sustainability focused meetings with our strategic customers in order to develop new products in a collaborative way, where eco-conception, sourcing and reduced waste, reusability, recyclability or upcycling sustainable concepts are strongly considered
- Started an in-factory plastic recycling project with Leitat Technological Center to develop a methodology and identify the limits for reusing our own injection waste for new products.



## Environmental future actions

Linked with the ISO 14.001 standard development, we plan to start measuring the total CO2 emissions (Carbon Footprint" related to our activity by end 2019

Related Sustainable Development Goals:



**Goal 7.** Ensure access to affordable, reliable, sustainable and modern energy for all



**Goal 12.** Ensure sustainable consumption and production patterns



**Goal 15.** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

As part of our sustainability training process, for internal and external stakeholders, we have started to show and describe the UN Sustainable Development Goals.



## Anti-Corruption Principles

Ethical and business integrity is also a major theme in our corporate strategy and in fact is our of our 6 corporate values.



### Integrity

We are open and honest.  
We believe in integrity  
before results, always  
being transparent,  
sincere and fair.

Ethical Trade and Anti-bribery laws and regulations are the basics of a fair business integrity, together with the rejection of anti-competitive practices and behaviours.

Confidentiality, proprietary information, conflict of interests and intellectual property management with our business partners are also the bottom line of our relationships.

Our [compliance program](#) shows specific documents and tasks related to [anti-corruption and anti-bribery programs](#), [anti-money laundry programs](#), and also [anti-trust measures](#) and others in order to ensure our and our business partners relationships are based on fair, legal and ethical fundamentals.

As part of our compliance programme, we have implemented or developed:

- [Whistleblowing procedures](#) coordinated by our Compliant Officer
- Compliance training for all our employees (over 300 employees in 2018)
- Third party Financial auditing conducted to ensure financial statements are in accordance with the criteria of international accounting standards.

## Measurement of Anti-corruption Outcomes

We have not been involved in any corruption incidence in the 2018-2019 period.

We are planning to implement an Internal Auditor responsible for compliance and risk auditing along 2019.

Barcelona 28<sup>th</sup> March 2019