



proDERM Institute for Applied Dermatological Research GmbH

Progress Report 2015/2016

Reporting period 01 JUL 2015 - 30 JUN 2016

Statement by the managing director (CEO):

The proDERM Institute for Applied Dermatological Research GmbH remains committed to its continued support and implementation of the 10 principles of the UN Global Compact.

Employees on all levels of our research Institute are familiarized with the principles of the Global Compact through formal and informal discussions and measures. In this way, we ensure regular exchange of information with our employees, optimize our procedures and control mechanisms, achieve higher standards, and implement sustainable business politics. At proDERM we define sustainability first and foremost as the responsibility toward our business location, our employees, and their family members.

It is in the nature of things that sustainable potentials are rather limited and therefore more difficult to define and implement for a service-oriented business, such as proDERM, than for traditional production companies. Nevertheless, we assume responsibility to an extent that goes far beyond the minimum legal requirements. We promote local projects, are involved in refugee aid, support sports clubs and daycare centers, and make donations for those in need.

Our second progress report documents our activities during 2015/2016 in the areas of human rights, labor standards, environmental protection and corruption, but also those relating to topics such as social sustainability in- and outside of proDERM.



Prof. Dr. Klaus-Peter Wilhelm

CEO and Medical Director

Human rights

Principle 1: Companies should support and respect the protection of international human rights within their sphere of influence and

Principle 2: ensure that they are not guilty of contributing to human right violations.

proDERM continues ensuring the fundamental labor rights and fair employment conditions, and proDERM is just as committed to observing international human rights both of its employees as well as of its subjects.

The main points, which were already communicated in the first progress report 2014/2015, continue to be the main points that proDERM follows to develop and pursue its employment conditions.

Implemented measures

proDERM fosters open interactions with its employees. All employees are treated the same regardless of their gender, age, nationality, religion, or sexual orientation, and they receive fair wages according to their performance. The wages are regularly reviewed (every 1-2 years) and accordingly adjusted, if appropriate. In addition, bonuses are paid out each year to entitled employees.

The proportion of women in the entire workforce (103 employees) was 84% in the reporting period 2015/2016. Currently, 10 of the total of 14 leadership positions are held by a woman.

The proportion of employees 50 years of age and above was 23% during the 2015/2016 reporting period.

No legal cases, judgments, fines or other significant events associated with human rights occurred in the reporting period.

Labor standards

Principle 3: Companies should observe freedom of association and effective recognition of the right to collective negotiations and further support
Principle 4: abolishing all forms of forced labor,
Principle 5: abolishing child labor and
Principle 6: abolishing discrimination during hiring and employment.

Implemented measures

Employee's needs are addressed through adapted working hour models and opportunities in the context of lifelong learning. Safety experts and a company physician, and also a trained stress management specialist, support health management at proDERM.

The opportunities are oriented according to the needs of the employees and cover a broad spectrum, from consultation and support for reintegration, language training to stress management.

As a responsible employer, one of our declared goals is to continue promoting and maintaining the health and well-being of our employees, and to actively apply ourselves to creating a healthy working environment.

Because mental illnesses at the workplace have been increasingly growing over the past years throughout Germany, and we, as a consulting company, must assume that our employees may also be subjected to various stressors, we already made the decision in 2015 to take on this topic within the scope of our company health management.

For example, in November 2015 all of our employees received a safety training course on the topic "handling electronic equipment" and "stress, mental pressure at the workplace." These preventative measures were taken to inform and raise the awareness of our employees and are meant to help recognize early warning signs and initiate effective countermeasures.



At the same time, we provided one staff member with continuing education as a stress management trainer. She then teaches colleagues in small groups about potential stressors, stress management, and relaxation techniques.

The health rate indicates the percentage of planned working hours for which our employees were actually present during the 2015/2016 reporting period; it is an indicator of the health policy of our company, of employee satisfaction, and of the working environment. The proDERM health rate was 96%, and the sickness rate accordingly 4%.

There were no reportable accidents during the reporting period.

proDERM promotes continuing education for its employees. A course in English and/or French is offered on two afternoons of the week.

We also offer employees to participate in external lectures on the topic "advancing." These are motivational lectures that provide a basis for personality and professional career development.

Employees who participate in external training summarize the course contents and share their knowledge with colleagues.

This year proDERM introduced a 20% subsidization of the pension plan contribution. Every employee, both those with new and those with already existing contracts, receives this benefit.

Environmental protection

Principle 7: Companies should support a precautionary approach in dealing with environmental problems,

Principle 8: take initiatives to create a higher sense of responsibility for the environment, and

Principle 9: promote the development and use of environmentally friendly technologies.

proDERM has actively examined the effects the company's business activities have on the environment and always strives to improve the environmental balance.

Implemented measures

With the goal of noticeably reducing the consumption of paper throughout the company, we initiated the following measures during the last reporting period:

- Determined the amount of paper consumption in order to make a quantitative assessment
- Switched the paper quality from 80 g/m² to 75 g/m²
- Adjusted the printer settings to standard duplex setting
- Initiated paper savings through stickers on monitors and printer
- Increased electronic transmission in the recruitment department by 60% through increased use of social media and reduced print media
- Made customer satisfaction queries only via tablet with no paper printouts
- Increased the numbers of subjects who receive information and data protection documents by e-mail, thereby saving paper, printer ink, and postage

We also implemented changes with respect to environmentally-friendly disposal of IT hardware in the IT department. For example, IT hardware is purchased only from manufacturers who are certified with respect to sustainability. Used ink cartridges are no longer disposed of in a household waste but are collected in boxes provided by the manufacturers, and returned to them.

In addition, the need for printers in individual offices is being reviewed. The goal is to keep the acquisition, maintenance, and toner costs as low as possible and also to reduce the exposure (toner dust) through printers at the workplace, thereby reducing the health hazard to employees. Two central printer rooms are to be provided which are to be used by the employees.

We were able to focus the supply of our drinking water, which we make available to our employees free of charge, to a supplier and a company close to Schenefeld. In this way, we were able to strengthen the regional economy and shorten delivery routes.

As a further measure, we are discontinuing the purchase of still mineral water and replacing it by tap water. An external laboratory has taken samples of our tap water from several water sources and tested them. At the same time, we decided to purchase reusable glass bottles that can be used by employees as well as by outside visitors.

In June 2016, we successfully initiated our project Urban Gardening. Our employees can plant herbs and vegetables on our rooftop terrace. Basil, tomatoes, parsley and coriander – meanwhile, there is something to suit everyone's taste. The herbs can, and should, be used for one's own needs. The project promotes collaboration and interaction between different departments, it conserves the environment, and in addition, it turns the one or other bland food into something special.

Planned measures

Expanding waste separation according to the type of waste, extended to all of proDERM's existing and planned rentals.

Further marked reduction in paper use.

Prevention of corruption

Principle 10: Companies should take action against any kind of corruption, including blackmail and bribery.

In the area of corruption prevention, we are adhering to the main points defined in the progress report 2014/2015. We will refrain from listing them again.

Implemented measures

As in the past, the supervisor will provide new employees with detailed information on proDERM's code of conduct (Ethics Policy) and they are obligated to inform themselves on the topics on corruption and undue advantage, and will support company management in recognizing attempts at corruption.

The tasks, duties, and processes within proDERM are clearly and comprehensively defined in Working Orders and SOPs (standard operating procedures), which are updated on a regular basis. Reviews, improvements, and assessments are achieved by regular customer audits and internal audits. In this way, it can be ensured that regulations, guidelines, as well as laws are known and implemented within the company.

There were no cases of corruption in 2015/2016, as in the years before.

Higher-level measures:

As already mentioned in the last progress report, proDERM's General Terms and Conditions were successfully implemented at the beginning of the year. The GTCs were successfully revised and legally confirmed with respect to the commitment for observing the 10 principles of the UN Global Compact and thereby having the obligation to observe ethical, social and ecological principles.

Assuming responsibility, caring for others: with its fitting motto "**because we care,**" proDERM has found an approach to address the topic of sustainability. We are actively emphasizing sustainability aspects that are of particular importance, which include the environment, our local anchoring with companies and local people, and of course our employees.

For example, last winter, within only a few days, we were able to fill 20 large boxes with winter clothes for men and blankets collected from our employees and to donate them to a large refugee shelter in Hamburg. Our managing director Prof. Dr. Wilhelm was in personal contact with the volunteers who were able to specifically communicate which type of clothing was exactly needed, and he provided the packages to the location himself. In addition, we are providing financial support, as before, to the Schenefeld board of Children helping Children [Kinder helfen Kindern e.V] and to the Godparents of Street Kids [Paten für Straßenkids e.V.].

Moreover, proDERM created a sustainability newsletter. It informs employees twice a year about the activities performed and the results that were obtained around the topic of sustainability.

But that is not the end of the story. We have already developed many new sustainability ideas, because we care and would like to take on responsibility:
proDERM - Because we care.

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