

CSR REPORT

SEPTEMBER 2014

The following report describes the various steps **ULSHÖFER IT** GmbH + Co KG has taken in areas of Corporate Social Responsibility as part of its strategic initiatives in support of fair business practice and care for areas where it operates.

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WE SUPPORT...

**CORPORATE
SOCIAL
RESPONSIBILITY
IS NOT AN
OPTION; RATHER
A MUST.**

On behalf of the colleagues and management of ULSHÖFER IT GmbH + Co KG, I hereby confirm our continued support in the implementation and further development of our Corporate Social Responsibility initiatives at all levels of the organization. We strive to continuously ensure our actions comply with applicable local, regional and national regulations, as well as international standards such as ISO 9001:2008 and the Ten Principles of the United Nations Global Compact.

Ulshöfer IT has been a pioneer in the microfilm, digitization and archiving industry since 1963. We see the implementation of CSR initiatives as a natural confirmation of our business ethic and integrity towards our colleagues, suppliers, clients and the environment.

Christian Friedrich

Managing Director



CONTENTS

Our Story..... 3

Our Philosophy 3

Our Colleagues..... 4

Our approach 4

What have we done? 4

What have we achieved? 4

Our Work Environment..... 6

Our approach 6

What have we done? 6

What have we achieved? 8

Our Green Path 10

Our approach 10

What have we done? 10

What have we achieved? 10

Business Ethics 12

Our approach 12

What have we done? 12

What have we achieved? 12

Our Story

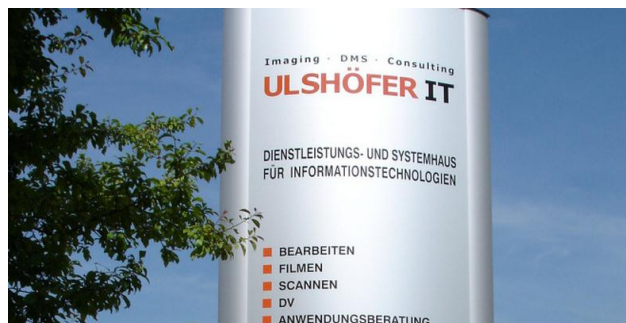
- 1963** - Establishment of single-person company "Microfilm Service Herbert Ulshöfer" in Friedberg
- 1968** - Relocation of headquarters to Rosbach
- 1971** - Entry of Dieter Ulshöfer into the management team
- 1980** - Relocation of headquarters into the industrial area of Rosbach
- 1982** - Establishment of Mannheim branch
- 1990** - Establishment of Leipzig branch
- 1991** - Founder Herbert Ulshöfer retires
- 1992** - Takeover of the company by Dieter, Wilmara and Susann Ulshöfer and Sieghard Höhne
- 1995** - Initial certification to ISO 9001
- 1997** - Integration of Mannheim branch into Headquarters in Rosbach
- 1999** - New Headquarters at Leipzig branch
- 2003** - Takeover of the company by F. L. Walther, Susann Ulshöfer and Dietmar Friedrich
 - Change of company name to Ulshöfer IT GmbH + Co KG
- 2007** - Integration of Leipzig branch into Headquarters in Rosbach
- 2008** - Certification to ISO 9001:2000
- 2010** - Certification to ISO 9001:2008
- 2013** - 50th Anniversary
 - Ulshöfer IT GmbH + Co KG joins UN Global Compact
 - F. L. Walther retires from post of Managing Director
- 2014** - Christian Friedrich replaces F. L. Walther

Our Philosophy

Quality on time

=

long-term client satisfaction



Our Colleagues

Our approach

Over the past 50 years of its existence, Ulshöfer IT has founded and further developed a multinational workforce, which has contributed to its ongoing success through diversity, knowledge and experience. We continuously support the defined principles of the Universal Declaration of Human Rights as penned down in Articles 1 to 12 of the German Constitution and all applicable laws.

Going forward, we seek to further strengthen these rights through our internal principles of integrity, people focus, communication and fairness.

What have we done?

Our commitment to the basic principles of human rights is defined through our open communication among colleagues, equal opportunity approach and teamwork. As open communication is pivotal to the company's further success, we have defined the Open Door approach as one of our core principles. Whenever a colleague faces challenges, he/she is encouraged to speak directly with any member of the Management or with the "Colleagues' representative" who further represents colleagues' interests in front of the Management. Ulshöfer IT takes all feedback from colleagues seriously and always acts to ensure win-win solutions are found.

Furthermore, our **Ideas** scheme ensures all colleagues may actively partake in further development and improvement of our processes, standards and services, thus giving our colleagues the opportunity to shape the organization and be an active part of its future.

What have we achieved?

Presently, our workforce consists of 42 highly-skilled colleagues, many of which have been a part of the team for 20 and more years (See [Colleague Loyalty](#)). We are proud to confirm that 60% of all our colleagues are women; additionally 50% of the management team is also represented by women.

Annual training is monitored to ensure our colleagues maintain desired proficiency levels. Specialized trainings are required for various colleagues due to the complexity of their work, for example our Technical and IT teams. Ulshöfer IT chooses "best-fit" training providers certified in delivering sought knowledge through experience and professionalism. Continuous development of our colleagues also stems from our certification to ISO 9001:2008, to which we have held our compliance since 1995.

Our Work Environment

Our approach

As much as any other organization worldwide, Ulshöfer IT too relies on a web of suppliers and partners to ensure highest quality of products and services are supplied to our customers. Commitment to our customers is based on fair business practices internally, as well as externally. Therefore, in choosing a supplier or a partner, we review their past performance on the market with emphasis on achievements and certifications obtained. Suppliers' certifications to national and international standard such as ISO provide us, in particular, with a proof of a minimum level of commitment to fair businesses practices.

Internally, working conditions such as colleague welfare and colleague safety rank among our top priorities. Strict compliance to laws defining work and safety conditions is a bare minimum to which we have ourselves committed.

What have we done?

At Ulshöfer IT, we consider our colleagues our greatest assets as they represent the key to our ongoing success in delivering quality services. Our colleagues benefit from set working hours and set breaks for both production and Management. Breaks are set for breakfast and lunch. Overtime is closely monitored by Management with colleagues being awarded additional days off for accumulated extra hours, if they so desire. It goes without question; these additional days off are fully compensated.

Annually, a **Colleague forum** takes place during which Management representatives step in front of all colleagues to provide an overall picture of the status of the company; any challenges we have faced or expect to face in the future and of course to praise the work achieved. Colleagues on the other hand have the opportunity to ask questions affecting their work, whether these are of a professional or personal nature. Feedback is then provided directly and on the spot. If any colleague lacks confidence to approach Management with personal challenges, they may approach the "Colleagues' representative", who is by nature not part of the Management team. The "Colleagues' representative" is then responsible to obtain as much information as possible; discuss and seek to find a win-win solution with the Management team.

Child labor in Germany is illegal as defined in Jugendarbeitsschutzgesetz (German youth employment protection act). Ulshöfer IT strictly condemns any form of direct or indirect child labor.

Ulshöfer IT seeks regularly to employ new colleagues based on the needs and requirements of the company, our clients or on basis of projects. Job adverts are at all times posted in neutral format. Although we seek to employ professionals with experience in our industry, we also provide the opportunity to those who have no previous knowledge of our set of skills.

Once a new colleague is welcomed by the Management, he/she undergoes training in areas of work safety, personal data protection, organizational functionality and task training. These result in a professionally trained individual who is keen to work in a team, however can also be independent in accomplishing tasks set forward.

What have we achieved?

Providing best-fit working conditions since the founding of Ulshöfer IT has led to a high level of loyalty. The figures speak for themselves.

Colleague loyalty (years at Ulshöfer IT)	
<i>More than 30 years</i>	2%
<i>21 – 30 years</i>	39%
<i>11 – 20 years</i>	16%
<i>10 years and less</i>	43%

We have and continually seek to retain a balance of knowledge and experience, as well as new energy. This balance is evident in 39% of our colleagues who possess the most knowledge of our industry and the 43% of our colleagues who energize the company further into the 21st Century. Knowledge and experience from our older colleagues is cascaded to young colleagues on a regular, sometimes even daily basis.

Over the years, a number of changes have taken place to accommodate the expectations of our clients, as well as those of our colleagues. One such change affecting our colleagues directly was to amend our working hours. Based on colleagues' request, we have shifted working hours by one hour earlier and Fridays are half-day working days. The majority of companies follow a typical 8/9 to 5/6 working day 5-days-a-week schedule. At Ulshöfer IT, working hours are set from 07:00 to 16:15 Monday to Thursday and on Fridays between 07:00 and 13:15. As mentioned earlier, breaks are set too. A break of 15 minutes is set for breakfast and 30 minutes for lunch.

Our Green Path

Our approach

Ulshöfer IT has committed itself to the protection of the environment in all operational areas. Our goal is to reduce the impact of our environmental footprint. Naturally, we reaffirm our compliance to applicable laws, regulations and standards on the protection of the environment.

What have we done?

Reduction and disposal of waste is one of our key areas. Through conservation, optimization, reuse and recycling, we seek to reduce our environmental impact. Sorting waste such as paper and plastic, among others, is a common practice, and is supported by a certified partner organization, specialized in waste disposal. Safe and responsible disposal of chemical substances used in our production areas is undertaken through yet another specialized partner. Equally, we monitor the usage of products such as water, paper, electricity and fuel.

Over the past year we have renewed a number of vehicles in our fleet with emphasis on fuel-efficiency and environment-friendly technologies.

Beginning in July 2013, we have started replacing regular tube lighting with LED lamps. We foresee this changeover to be completed towards the end of 2014 or beginning of 2015 at the latest.

Planned preventive maintenance of all equipment is scheduled annually. This may range from a simple cleanup of each machine from dust particles all the way to a complex, full repair cycle during which a machine is dismantled, cleaned, repaired, built up again and tested.

Our influence in terms of environmental responsibility is to provide the best quality, highly-efficient equipment to our customers. This equipment is rigorously tested and maintained thus ensuring lower CO² emissions and lower electricity consumption among others.

What have we achieved?

Our strongest impact on the environment is the use of our company vehicles and as such it is clearly our top priority. Having reviewed long-term solutions, the Management has taken steps in ensuring all company vehicles are latest car models with in-build environmentally-friendly technologies. Our fleet is also fully renewed every three years. Taking these steps has accomplished an improvement in the overall efficiency of our fleet from Level C to Level B.

Greatest improvement was registered in the segment of diesel-powered vehicles where the overall efficiency level increased from Level C to Level B resulting in an approximate 14% decrease in CO² emissions year-on-year. Diesel-powered vehicles represent almost 80% of our fleet.

Efficiency levels – company vehicles

		Overall	Diesel-powered	Gasoline-powered
A+				
A				
B				
C		2014	B	D
D				
E		2013	C	D
F				
G				

Business Ethics

Our approach

Ulshöfer IT strongly opposes any type of corruption whether financial or intellectual to safeguard all information shared between our colleagues, and with clients and partners. This approach ensures our trustworthiness as a supplier and employer of choice.

Additionally, General Terms and Conditions of business are available on our website for all current and future clients and partners to review.

What have we done?

Ensuring corruption does not infiltrate the company; every colleague must submit a Clearance Certificate from the Police no older than 3 months describing any criminal activity in their past. This certificate must be provided prior to employment commencement at Ulshöfer IT.

Furthermore, every colleague must sign a Data Privacy Statement, which binds them to follow established data security rules of Ulshöfer IT. Colleagues must as well attend an information session with the company's Data Security Official during their first week with Ulshöfer IT. This helps new colleagues understand why, for what purpose and to what extent is data security important and how each of us is responsible for the upkeep of these measures.

In compliance with §4f of the German Data Protection Law (*Bundesdatenschutzgesetz*), Ulshöfer IT employs a full time Data Protection Official who is the authority in areas of data security and carries the responsibility for all personal and client information. The Data Protection Official is also responsible for reviewing contractual details prior to signing of any contract between Ulshöfer IT and any third parties. This is equally applicable to former, current and future colleagues.

Confidential information that is often shared between Ulshöfer IT and partners and clients is ruled by a Non-Disclosure Agreement, which is signed by both parties prior to start of cooperation. Upon signing, the agreement is automatically effective for a minimum period of 5 years unless a longer time is requested by Ulshöfer IT or the counterpart.

A review of technical and organizational measures takes place annually.

What have we achieved?

Technical and organizational measures are our best mechanism of identification and monitoring of potentially hazardous business practices. These measures are divided into the following categories:

- First test approach
- Force Majeure
- Organizational shortcomings
- Technical defects
- Human failures
- Deliberate acts
- Infrastructural measures
- Personnel measures
- Organizational measures
- Technical measures
- Emergency equipment

An internal assessment of the above measures undertaken in late 2013 has proved our compliance with almost 90% of all measures. Remaining 10% are at various stages of implementation and will be only then marked as complete, once a thorough assessment of the implementation has taken place.

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