



proDERM Institut für Angewandte Dermatologische Forschung GmbH

## **Progress Report 2019/2020**

Reporting period 01 JUL 2019 - 30 JUN 2020

**Statement by the managing director (CEO):**

The proDERM Institut für Angewandte Dermatologische Forschung GmbH remains committed to its continued support and implementation of the 10 principles of the UN Global Compact.

In the past business year we were to further expand the area of sustainability and in this way make the employees of proDERM more familiar with the principles of Global Compact and also the importance of social, ecological, and economical sustainability. Several projects were continued and further were initiated. We like to introduce some of them in this progress report.

Our fifth progress report documents our activities during 2019/2020 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.

In 2019, proDERM celebrated its 25th anniversary with all employees. For 25 years, proDERM thus conducts studies.



Overall, with its clinical studies, proDERM ensures that drugs, medical devices, cosmetics, hygiene products and other products for everyday use are tested for their safety and tolerability.



proDERM also continues ensuring the fundamental labor rights and fair employment conditions, as already reported in all previous progress reports. The international code of human rights, including the Declaration of Helsinki, is complied with the interaction with employees and when working with its subjects.

The main points, which were already communicated in previous progress reports, 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 and accordingly adjusted, if appropriate.

The proportion of women in the entire workforce (98 employees) was 81 % in the reporting period 2019/2020. Currently, 11 of the total of 18 leadership positions are held by a woman.

The proportion of employees 50 years of age and older was 23 % during the business year 2019/2020, and the proportion of employees with a migrant background was 17 % during the same period. Thus 15 different languages are spoken in the company.

And also proDERM's customers are spread over all continents. In the last fiscal year, proDERM worked for 145 customers from 26 countries.

Once again, no legal cases, judgements, fines or other significant events associated with violating 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.

The large number of measures that were implemented and reported on in the last progress reports had a very positive effect on the staff, and we were able to further expand the measures during the last year.

## Implemented measures

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.

In order to further promote the area of employee health, the offered "moving lunch break" was continued with different new topics. In addition, half-hourly breathing exercises were offered weekly.

Height-adjustable desks were purchased for all employees who wanted them.

Until March 2020, a group lunch was offered every 14 days, for which one could register and which is also intended to serve for networking. The cost of EUR 1.50 per soup was charged directly to payroll; the difference to the actual price was covered by proDERM.

Furthermore, the skin cancer screening was offered by a dermatologist for all employees. Most employees take advantage of this offer.

At several "Fruit Days", seasonal and regional fruits are still offered for free to all employees. All employees also have access to sparkling water from the region and bottles for filling with tap water.

Since September, an autogenous training is offered every 2 weeks after work. This offer consisted of 7 hours. One employee had been intensively involved with autogenous training, had done further training on this and led the training. Furthermore since fall 2019 proDERM provides Yoga classes in the mornings for all employees who are interested.

A nutrition workshop for the employees has been conducted in 2019, too.

Together with the Techniker Krankenkasse, a health day was again offered. Employees could make a cardio-stress test, the results of which were the basis for an individual consultation. A spine screening was carried out by a health expert and a metabolism check could be made.



Since November 2019 all employees have the possibility to lease a bicycle of choice from JOBRAD for a subsidized price. In addition, proDERM assumes the costs of insuring the jobbike.

In order to promote team building and health in the private sector and the work-life-balance as well, a number of activities were again initiated, such as a bowling cup.

The health rate indicates the percentage of planned working hours for which our employees were actually present during the 2019/2020 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 95.3 %, and the sickness rate accordingly 4.7 %. The figures show a slight increase of the sickness rate by 1.4% compared to the previous reporting period.



There were seven reportable accidents with slight cuts and bruises during the reporting period which happened at the institute. Discussions were held with the employees.

proDERM further promotes continuing education for its employees. Language courses are offered weekly as well as other internal and external trainings. With regular webinars, numerous presentations at trade fairs and congresses, and the proDERM Academy offering, knowledge exchange and further training for external specialists is also made possible.



Since March 2020 proDERM has a pandemic plan and a hygiene plan which are regularly updated. In March, all employees whose duties allow them to do so were given the equipment and opportunity to work Home Office based. Thus, with the help of numerous measures, the number of people at the institute was reduced to the minimum. When employees inevitably had to be put on short-time work, their salaries were topped up by the company to their previous net income. In studies carried out during the pandemic, strict hygiene measures were observed and, for example, more time was allowed between visits by the subjects to minimize the risk of infection.

In suspected cases, employees could also be offered SARS-COV 2 antibody and antigen testing beginning in early summer 2020.

Face masks were provided free of charge to subjects and staff.

Monetary support has been provided for the following organizations:

Kinderbauernhof Krichdorf e.V.

Mitternachtsbus Hamburg (Diakonie)

Paten für StrassenKids in HH

H.I.T (Help in Time) hospital in Mombassa

Schenefelder Tafel

Förderbeitrag für die Gesellschaft für Dermopharmazie

Wikimedia Deutschland e.V.

Plan International

Naturflächen e.V.

Geschenke der Hoffnung (Weihnachten im Schuhkarton)

proDERM continues assessing and monitoring its suppliers based on the EcoVadis solution and has already reached the "Gold standard".

### **Planned measures**

proDERM is still actively emphasizing sustainability aspects that are of particular importance, which include our local anchoring with companies and local people, and of course our employees. proDERM continues to strive to further increase the diversity of its employees.

proDERM would like to offer a free flea market once a year for people in need as a social project.

The working group is still planning corporate volunteering projects and assesses different proposals and ideas.

A bicycle cellar is to be rented for the employees' bicycles.



## 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

proDERM's new premises with energy-efficient air conditioning systems and LEDs connected to presence detectors were put into operation.



During all conversion measures, proDERM paid attention to the use of energy-efficient and ecological materials. Also in the other premises, proDERM replaced existing illuminants by LEDs with presence detectors, a new ventilation and air-conditioning technology were installed in line with environmental aspects. New hand dryers are installed, to save paper and energy.

All building measures are carried out by regional craftsmen.

Last year, electricity consumption was 266,000 kWh and gas consumption 21,553 kWh. The year before electricity consumption was 311,347 kWh. Although more space was rented from proDERM, energy consumption was reduced. Since the beginning of 2020 we have been purchasing 100% green electricity, fixed for 3 years. As the operation of the new hot room was switched to gas, gas appears in the balance sheet for the first time.

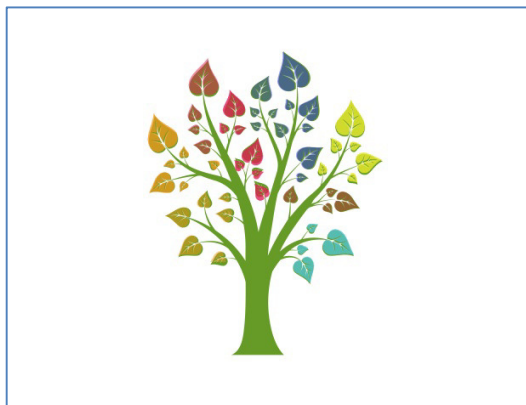
Paper consumption was around 273,500 sheets, which is a decrease of nearly 100,000 sheets compared to the year before.

In order to facilitate the proper disposal of electrical waste, a waste bin for collection has been set up.

With ideas and offers, such as shopping bags that can be borrowed by everyone, employees are encouraged to continue to avoid waste and to do without plastic as far as possible.



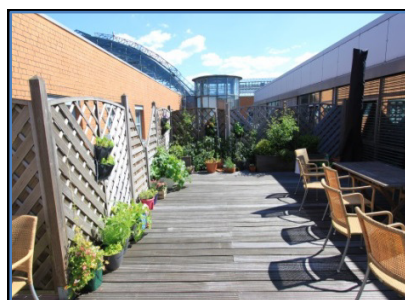
At events, proDERM pays attention to sustainable catering and at events of the proDERM Academy, a bus transfer is organized to make the journey of the participants as sustainable as possible.



One Working Group, which is responsible for the further development of the proDERM mission statement ('Leitbild'), further writes regular emails ('Leitbild-Post') in order to familiarize all employees with the proDERM mission statement, to explain practical examples and to suggest that any employee can pitch ideas for new projects.



The Urban Gardening Project on the terrace is entering its fifth year. A lot of employees actively support this project.





proDERM further took excess clementines and oranges from a farmer from crowd farming before they had to be thrown away and offered them to employees free of charge.



In 2018 proDERM switched to organic milk in a first test phase. It has been shown, that the main part of the employees is willing to pay for this change to organic milk and they compensate this cost difference. Therefore, proDERM continued buying organic milk in 2019, which declared to be of cows living in freestalls and in summer on the meadow. Cows obtain a high amount of roughage, farmers receive a fair price and only with a certificate of exemption it is allowed to dehorn a cow under numbness.

Additionally, proDERM further takes part in climate-neutral shipping.

In Ascalia GmbH, proDERM has found a local company for the sustainable disposal of test samples and thus changed its supplier.

Together with "Klimapatenschaft GmbH" proDERM planted hundreds of trees in a forest near Hamburg to help to restore the natural environment and to improve the quality of the ground and drinking water levels.



## **Planned measures**

The aim is to continue collecting medicines to send to countries in need. In addition, it is being considered whether the customers could be asked whether the leftover test products can be donated, provided that the regulations allow this.

In Uganda and Afghanistan, proDERM would like to support schools.

Another idea is to set up a rain barrel for urban gardening and an insect hotel.

The run-on times of the water taps are to be reduced in order to save more water. Notes on all PCs should continue to encourage people to save paper. Check whether some refrigerators can be turned off with more efficient product storage and control. Consideration will also be given to renting a beehive to offer "proDERM honey" and protect bees at the same time.

All employees should be made more aware of various ecological aspects. For example, it should be made clear what the various eco-labels actually mean, which fish are threatened by overfishing and that it is possible in the shopping centre to pick up food in the restaurants with one's own dishes in order to be able to do without unnecessary plastic packaging.

Another goal is to also check proDERM's suppliers more closely with regard to their sustainable business practices although proDERM has already reached the EcoVadis "Gold standard".

## 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

A whistleblower policy has been established. As in the past, the supervisor will provide new employees with detailed information on proDERM's guidelines e.g. "Ethic Policy" and "Leitbild" 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.

Five working groups, with different topics, have been formed to work further on the development of the proDERM concept, which is also described in the "Leitbild". These working groups have been reconstructed and constantly new assignments from the employees are being edited and discussed. With this each employee has the possibility to address topics concerning ethics and 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 2019/2020, as in the years before.

### Planned measures

proDERM has started to implement a corporate sustainability reporting according to GRI G4. A student supports proDERM's effort in this field by writing his master thesis in the sustainability part of this report.



Finally, it should be mentioned that many of the measures and actions had to be suspended or restricted during the corona pandemic in accordance with the respective requirements.

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