

UN Global Compact
Communication on Progress



KNAUER Wissenschaftliche Geräte GmbH

Period: July 2017 - July 2018

Communication on progress (COP) for the period July 2017-July 2018

Report on activities of KNAUER Wissenschaftliche Geräte GmbH concerning the objectives of United Nations Global Compact.

About KNAUER

The chemist Dr. Herbert Knauer founded the company KNAUER Wissenschaftliche Geräte GmbH together with his wife Roswitha in October 1962. Until today, both support the company and her daughter Alexandra Knauer, who became the new managing director and owner since December 2000, in an advisory capacity. The company with approx. 135 employees located in Berlin Zehlendorf develops high-tech laboratory measuring devices. KNAUER focusses on high pressure liquid chromatography and offers measuring and analytic devices in the following areas:

- [Analytical HPLC / UHPLC](#)
- [Preparative HPLC](#)
- [Fast protein liquid chromatography \(FPLC\)](#)
- [Multi-Column Chromatography / Simulated Moving Bed \(SMB\)](#)
- [Osmometry](#)

Joining the UN Global Compact „Another step forward“



The values of a responsible and sustainable corporate governance (Corporate Social Responsibility) have already been an important basis of the company's decision for a long time. To make further progress in this area and to receive new impulses, KNAUER decided to comply with the ten principles of the United Nations Global Compact and to join the United Nations Global Compact.

Mrs. Knauer signed the declaration of commitment (fig.1) at the 19th February 2018 during the International Dealers Meeting in the presence of the company's 70 cooperation partners. The company's employees have already been informed about the planned accession, the motivation and the importance by the management at a works meeting in the first quarter of 2018.

55 Years
Science Together



H.E. António Guterres Secretary-General
United Nations
New York, NY 10017
USA

Berlin, February 19th, 2018

Dear Mr. Secretary-General:

I am pleased to confirm that "KNAUER Wissenschaftliche Geräte GmbH" supports the Ten Principles of the United Nations Global Compact on human rights, labor standards, environmental protection and anti-corruption. With this communication, we express our intent to implement those principles. We are committed to making the UN 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 Sustainable Development Goals. KNAUER will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for our participation in the UN 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 UN Global Compact, and *annually* thereafter according to the UN Global Compact COP policy. This includes:

- A statement signed by the Chief Executive expressing continued support for the UN Global Compact and renewing our ongoing commitment to the initiative and its principles.
- 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 UN Global Compact principles in each of the four issue areas (human rights, labor standards, environmental protection, 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,

Alexandra Knauer
CEO/Managing Director

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Figure 1: Declaration of commitment, 19 February 2018

Statement on the continuous support of the UN Global Compact by the company management

The company KNAUER is committed to integrate and support the ten principles in its corporate governance. With this "Communication on Progress" report, the company describes its previous activities in the areas of human rights, labour standards, environmental protection and corruption prevention for the first time in this form. KNAUER is also committed to make this report available to our stakeholders as well as to other interested parties and to make it public.

Yours faithfully

Alexandra Knauer, CEO Date: 8 June 2018

Human Rights

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

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

KNAUER is committed to respect human rights in accordance with the Universal Declaration of Human Rights and the Basic Law for the Federal Republic of Germany. KNAUER obtains the majority of goods from Germany and the EU. Only a few goods come from third countries. This strategy is an important building block to avoid being guilty or complicit in violations of human rights in other countries.

Everyone is free of discrimination. To maintain a non-discriminatory working atmosphere at KNAUER, four confidants were established in the company a few years ago. These were trained in conflict management and interviewing. Employees can contact the confidants in case of interpersonal conflict such as quarrels, sexual harassment, discrimination or bullying. Executives and employees of the Human Resources Office can be equally addressed. The confidants ensure confidentiality and can get external professional advice and help if needed.

Everyone has a right to education and a right to work. For many young people a completed training is the first step to more independence. KNAUER would like to support them by offering training courses in the fields of mechatronics and warehouse logistics. Internships for students, student jobs, bachelor and master theses are also offered in different departments of the company.

In the so-called "KNAUER Entdecker Klub", "KEK" ("KNAUER investigator club"), the company also provides school classes the opportunity to understand the functioning of liquid chromatography on the example of HPLC systems on days of experimentation. For this purpose, the underlying chemical processes in experiments and models will be clearly explained to all students.

KNAUER enables employees to take part in external further training and offers in-house training. As part of the KNAUER Academy (Figure 2), all employees have the opportunity to listen to lectures from other departments or to participate in workshops.

People with disabilities have the right to work and get paid for it as well. That is why KNAUER awards contracts to sheltered workshops and wants to increase the proportion of people



Figure 2: Employee training as part of the KNAUER Academy

with severe disabilities in the company. In April 2018, a severely handicapped person could be employed.

Everyone has a right to physical health, recreation and leisure. In order to maintain and preventively promote employee health, the company has introduced a comprehensive occupational health management. The "Health Working Group" consisting of representatives from various departments plans an annual

program with lectures on health topics and sports activities for employees. Examples from the program are a ten-week healthy breakfast (once a week) and the very popular keynote speeches on health and prevention topics that employees can attend during their working hours. In order to protect their health even in cold seasons, employees can take part in an influenza vaccination annually carried out by the company doctor free of charge.

KNAUER also wants to contribute to the observance of human rights outside of the company and financially participates in social projects or organizes fundraising events (e.g. charity runs) every year. In order not to be unconsciously complicit in human rights violations, the company only purchases coffee, tea or milk with the Fair Trade seal or organic seal.

Targets 2018/2019:

- Qualification and appointment of four new confidants
- Hiring another person with a disability
- Organization of the CSR events Girls'Day, KEK, Summer Party and Social Day

Labour

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

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour

Principle 5: Businesses should uphold the effective abolition of child labour

Principle 6: Businesses should uphold the elimination of discrimination in employment and occupation

All current German laws (eg. Maternity Protection Act (German = Mutterschutzgesetz), Working Time Law (German = Arbeitszeitgesetz) etc.) are known by the management, integrated in company processes and available for all employees. To ensure that relevant legislative changes do not remain undetected, a legal cadastral register is kept within the quality management system and reviewed annually. We are not aware of any cases of child or forced labour by our German, European and North American suppliers. These cases are to be classified as very unlikely. Information regarding respect for human rights (e.g. self-assessment, internet) will be obtained from new suppliers before signing the contract.

Allegations of child labour are repeatedly reported against large smartphone manufacturers whose products we also obtain. For this reason the company watches the smartphone market and searches for a more sustainable alternative. To strengthen the regional economy and to shorten delivery routes, KNAUER obtains most of its goods from German companies. Goods from abroad are almost exclusively obtained by suppliers from Switzerland or the US who are obligated to comply with labour law regulations within the framework of the relevant state law.

The mutual exchange among employees and across departments is promoted on many occasions (company events, meetings, large break room, celebrations, etc.). Suggestions for improvement can be submitted by the employees as part of the internal improvement process. If submitted proposals lead to improvement in the company or to new thoughts of alternatives, the submitting employee will be rewarded by the company. By implementing the "Diversity Charter" (Figure 3), the company aims to create a work environment free of prejudice and with equal opportunity for all employees. Age, gender and origin are no reasons for not hiring somebody. Older employees who are more than 60 years old are valued and respected within the company. Therefore, KNAUER often offers their employees the option of a part-time employment after the retirement age, which some people gladly

accept. Participation in the company sport is usually also open to former employees after their departure. In these cases, the company also benefits from the expertise of experienced older employees and thus saves their knowledge beyond the statutory retirement age. People with a disability get the same opportunity to work in a company. Unfortunately, people with severe disabilities apply only very rarely.



Figure 3: KNAUER celebrates the implementation of the Charter of Diversity

By employing employees of different nationalities, the company also sees a significant opportunity for more innovation and economic success. Because of this attitude, KNAUER now works with men and women of 17 different nationalities. To inform girls about science / technology professions, which are still predominantly chosen by men, the company also organizes a Girls' Day for at least 10 participants every year.

To ensure a balance to work, KNAUER offers various relaxation options. In addition to a power-napping room and a ping pong table, the company also offers the opportunity to attend a regular massage performed by a professional masseur. Employees can also take part in a 15-minute sports session (active break) every day to stay fit and agile in their daily work. This active break is considered by the company as part of working hours. At the end of 2017, KNAUER began to discuss the so-called psychological stress in several workshops. Threats and, for example, stress factors should be named and, if possible, reduced.

Targets 2018/2019:

- Completion of the workshop series on psychological stress, evaluation of findings and, if necessary, to take action
- Verification of compliance with the new European General Data Protection Regulation (EU GDPR, valid from 25 May 2018) in the company and training of employees on this topic

Environment

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

Principle 8: Businesses should take initiatives to promote higher environmental awareness.

Principle 9: Businesses should speed up the development and diffusion of environmentally friendly technologies.

Our planet is our only home and therefore worthy of protection in all its diversity and beauty. To continuously reduce its impact on the environment, KNAUER introduced an environmental management system in accordance with ISO 14001 in 2011. Since then, the company has periodically identified and assessed its environmental aspects and identified measures to reduce its environmental impact. To determine the efficiency of these measures, KNAUER also regularly records its energy and resource flows in an input and output balance sheet.

To further reduce its carbon footprint, KNAUER has been operating its own photovoltaic system since 2010, which was installed on the roof of the company building. Since the same year, the company has also been sourcing only green electricity from renewable energies. Furthermore, the company has implemented energy-saving measures in several areas, so that all corridors, the staircase as well as the sanitary and changing rooms are nowadays equipped with motion detectors. The ceiling lighting is modern and energy saving. Besides, the building built in 1972 has been completely energetically refurbished and equipped with new windows and a new thermal insulation. To sensitize the employees for the economical use of energy, particularly electricity, a lecture on the topic "Energy Saving in the Office" was offered in 2017. The effectiveness of the training was then reviewed in two energy audits and suggestions for improvement were implemented by the employees.

Since greenhouse gases are also emitted in the context of business trips, KNAUER has a travel policy which stipulates under what aspects and how a journey should be made as environmentally friendly as possible. Environmental aspects of suppliers and service providers are also considered in the annual assessment and are a criterion for their contraction.

When dealing with waste, the company operates according to the provisions of the Recycling Management Act ("Kreislaufwirtschaftsgesetz") of the Federal Republic of Germany. As a first step, KNAUER therefore tries to avoid the generation of waste in all areas and to consistently separate and, if possible, recycle waste produced in the second step.

When procuring new resources, the reusability and the proportion of recycled raw materials is also being taken into account.

To consistently save paper, the company has started to give a close inspection on its paper-based processes. The goal is to digitize processes and to reduce prints. Since the end of 2017, invoices are to be sent electronically solely to an e-mail address which was set up for this purpose. If possible, recycled paper is used (for example paper with the German Blue Angel seal ("Blauer Engel Siegel") and printed on both sides.

To reduce packaging waste, the company introduced pendulum packaging in some areas and old cardboard boxes are used as packaging and filling material after been processed to cushion mats. The used packaging materials are mostly made from recycled materials. In 2017, a sample project was carried out in the company, where the packaging for capillaries was significantly improved from an environmental point of view (elimination of a long plastic packaging tube). To limit the generation of packaging waste already during the design of the packaging, employees have access to a checklist as a guideline for creating packaging that is as environmentally friendly as possible.

Suitable organic waste from the kitchen area "Milkyway" is composted in the company garden to produce good potting soil and reduce waste.



Figure 4: Active break in the beautiful KNAUER garden

KNAUER has commissioned an organic farmer to look after the beautiful large company garden (1930.5 yard)(Figure 4). In this garden, ecological diversity and biodiversity are expressly desired and interference with nature is minimized as far as possible. That way, it provides food and shelter to many native plants and animals.

In 2017, the company garden was fortunately awarded the special prize for biodiversity in the state competition "The Most Beautiful Company Garden in Berlin". The garden was then part of the sightseeing program within the activities of the Federal Garden Show and was thus temporarily accessible to the public.

Due to their consumption and longevity, KNAUER's products represent an essential environmental aspect for the company, which is continuously being improved. For this reason, the development of KNAUER products takes place with consideration of

environmental issues such as low solvent consumption, good reparability and longevity of the devices. These points as well as the development of resource-saving and energy-efficient products are requirements for the development department.

For KNAUER, however, environmental protection does not end at the company gate. Therefore, the company tries to continuously sensitize its employees for an environmentally friendly behaviour. To achieve this, KNAUER regularly offers lectures on environmentally relevant topics such as "sustainable action" or "economical use of energy" to its employees. These lectures can be visited by employees during their working time. Also, since 2017, the company promotes the acquisition of so-called business bikes, which should motivate employees to come to work by bike and use it more often privately.

With a project called "Bye Bye Plastic", the company wants to motivate its employees to avoid plastic bottles. As part of this project, the number of PET water bottles that employees bring to the company should be greatly reduced. For this purpose, employees will be provided with a more environmentally friendly alternative in the form of 0.5 l glass bottles and two soda stream devices in the kitchen. The tap water in the company was again examined by a test laboratory and classified as harmless drinking water. The company itself does not procure drinks in plastic bottles or use plastic utensils.

Targets 2018/2019:

- Employees conclude 10 or more "Business Bike" contracts
- Remove radioactive hazardous substances from the hazardous materials warehouse completely
- Record the useful life of cooling lubricants in CNC production to be able to check for optimization possibilities
- Determining which of our suppliers have significant environmental aspects in their activities, whether they are certified to ISO 14001 and deposit information regarding their certification in our inventory management system
- Plant a new walnut tree in the KNAUER-garden
- Contribute to preserving endangered insects and produce honey on your own property

Anti-Corruption

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

Corruption destroys trust, blocks the process of continuous improvement and thus prevents the economic success of a company. For KNAUER, corruption is in completely contradiction to its values and is combated in all its forms by the company.

As a preventative measure, the company has introduced a directive prohibiting employees from accepting personal gifts. However, gifts to employees of the company may be accepted up to a value of EUR 40, - as the exchange of small gifts is part of the normal business practices. All grants of a small amount that fall in the run-up to Christmas are taken for the annual Christmas raffle without exception. The reason and purpose of this regulation is that also employees with little or no contact with business partners can benefit from gifts or other benefits. Also, invitations to events may only be accepted if this appears proportionately and necessarily in the context of economic exchanges.

North America sales representatives are trained on corruption prevention issues online from time to time, and their effectiveness is assessed in a final test. The training plan for 2018 includes the following modules: Fulfillment of International Trade Rules, Global Competition, Awareness of Global Bribery and Corruption.

Literature on corruption prevention is also available to all employees in the KNAUER library.

Targets 2018/2019:

- Maintain the existing regulations concerning such topics
- Design and implement compliance agreement