



Global Compact

Communication on Progress Report 2011

(Report period 02/2010 – 04/2011)

Qualifizierungsförderwerk Chemie GmbH (QFC)

The Global Compact, which was launched in 2000 by the then Secretary General of the United Nations (UN), Kofi Annan, is a global arrangement on environmental and social governance of globalization. Participating companies and organizations declare their commitment to comply with and to implement social and environmental standards. For more information: www.unglobalcompact.org

Statement of continued support for the Global Compact

The Qualifizierungsförderwerk Chemie GmbH (QFC) joined the Global Compact in February 2008.

As one of the first steps to implement the Global Compact principles the management and works council of the QFC have signed and published a joint declaration:

„Management and works council of the QFC support the ten principles of the Global Compact and calls upon all employees of QFC to support actively the implementation and to spread the Global Compact principles.”

The principles of the Global Compact are corresponding to the values of the QFC that are defined in its corporate principles.

The QFC will continue to support the Global Compact in its sphere of influence and to contribute to a fairer globalization and to a society that ensures sustainable principles by the implementation of human rights, human labour standards, environmental protection and anti-corruption.



May, 2011

Helmut Krodel

Managing Director

Qualifizierungsförderwerk Chemie GmbH

Contact: Helmut Krodel

Email: Helmut.Krodel@gfc.de **Phone:** +49 (0) 345 217680 **Fax:** +49 (0) 345 2176821

Short description of the company activities

The Origin of QFC

The non-profit Ltd. was incorporated by the Chemical, Pulp and Paper and Ceramic Workers' Union in 1994. Since its merger in 1997 into the IGBCE (Mining, Chemical and Energy Workers' Union), the IGBCE is the sole shareholder of the QFC.

Major task of the first years was to empower people threatened by unemployment to find a new vocation and to support company reorganisation after they emerged from the former GDR collective-enterprises.

Through purposeful qualification of employees the QFC made a contribution to the growth and to the promotion of economic and industrial development, and was actively involved in the structural change of the chemical industries of East Germany.

Company Focus and Mission

The QFC stands for the promotion of working qualifications in the chemical industries. Based on a well developed network architecture our work concentrates on four areas:

First Apprentice

Qualification Promotion

Transfer management

Europe Authority

As a non-profit subsidiary of the Mining, Chemical and Energy Workers' Union (IGBCE) we see ourselves primarily bearing responsibility for the employees and their enterprises at the locations which are serviced by the IGBCE.

To them belong trainees, young people, who are looking for a job and unemployed people. Furthermore we support enterprises concerning vocational education, personnel development and structural adjustments.

We perceive our work as providing a contribution towards innovation, sustainability, qualification, employment and co-operation in Europe.

Actions taken to implement the Global Compact principles in the sphere of influence of the QFC

To disseminate and implement the Global Compact Principles in vocational education and training, the QFC has, within the reporting period, further developed its new quality label **Q3SQ**.

Q3SQ stands for Quality Standard for Social and Sustainable Qualification. The quality label Q3SQ includes a quality management, the principles of Responsible Care, as well as the principles of the Global Compact.

With the quality label to both, in the learning facilities, as well as in the education and training activities, the Global Compact Principles shall be implemented and also imparted to the participants in training and further training.

The QFC understands the quality label Q3SQ as a contribution to impart the Global Compact Principles above all to the employees. This should be done for practical contribution to implement actually the Global Compact Principles in the companies, together with the employees. **(GRI-SO5)**

In the period under review, the checklist Q3SQ has been further developed for implementation and review of the contents, with the participation of QFC-stakeholder (employers' association Northeast Chemistry, IGBCE and education institutions).

Furthermore Q3SQ pre-audits were conducted at various educational institutions and they were advised, how they can meet the requirements of the quality label by appropriate measures in their facilities.

Early in 2011, the QFC has carried out Q3SQ certification audits at 4 educational institutions. The audits were successful. The auditors grade a positive vote to each educational institution.

In awarding the quality label Q3SQ, a jury, consisting of representatives of the trade union, the employers association and the industry, has been established.

With the beginning of 2011, the QFC has created a **CSR newsletter** to its stakeholders to provide information on current developments on CSR, the Global Compact and sustainability. <http://qfcnews.wordpress.com/2011/01/21/qfc-csr-news-12011-leitbild-fur-verantwortliches-handeln-in-der-wirtschaft/>

At a conference of the International Trade Union Confederation (ITUC) on Vocational education and training issues in October 2010 in Kiev, Ukraine, which was attended by 50 participants from Ukraine, Belarus, Russia and Azerbaijan, the Global Compact Principles and the quality label Q3SQ were presented to representatives of ministries, businesses, employers associations and trade unions.

(GRI-SO5)

Activities planned for 2011

The results of the Q3SQ audits will be submitted to a jury (consisting of representatives of the Employers Association Chemistry, IG BCE and the industry), which will make a recommendation on the award of the quality label Q3SQ.

The quality label of the QFC shall be presented at a conference with representatives of ministries, companies, works councils, trade unions, employers associations and educational institutions and the first Q3SQ certifications will be publicly be handed over. In this context, the principles of the Global Compact will also be presented and explained to the participants of the conference.

In the second half of 2011 a further survey on Q3SQ will be carried out and discussed as well how the contents of the Global Compact can be circulated in training and further education, at a workshop with educational institutions and representatives of trade unions and employer associations.

As part of its participation in the German Global Compact Network, the QFC will hold a stakeholder event, to which the German Global Compact Network members are invited. At this event, the quality label Q3SQ will be presented for discussion.

The aim of this event will be, to carry out with the German Global Compact members, an exchange experience on the dissemination of the Global Compact Principles in their businesses and explicitly through the awareness of the employees for the Global Compact Principles.

As part of an active network the QFC will introduce the principles of Q3SQ to other educational institutions nationwide.

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 RIGHT ABUSES

The Management of the QFC has signed a declaration with the QFC works council, which includes the Global Compact principles.

Excerpt of the declaration:

“The management and the works council of the QFC support the ten principles of the Global Compact and call upon all employees of the QFC to support actively the implementation and to spread the Global Compact principles”.

This declaration has been disclosed to all employees of the QFC. Newly hired employees will be informed at the start of employment on the Global Compact principles. **(GRI-HR3)**

Employee salaries are above the minimum wage for the education sector, so are, for example, the standard entry level wage 40 percent above the minimum wage for the education sector. **(GRI-EC1)**

GRI-LA2

Rate of employee turnover in per cent

		2007	2008	2009	2010
Gender	Female %	24	16	17	9
Gender	Male %	4	2	11	6

GRI-LA3

Benefits provided to full time, temporary and part-time employees

	Full time	temporary	part-time
Benefits, e. g.			
- Accident insurance	yes	yes	yes
- Health care	yes	yes	yes
- Maternity leave	yes	yes	yes
- Parental leave	yes	yes	yes
- Pension scheme	yes	yes	yes
- continued payment of wages in case of illness	yes	yes	yes
- Holiday entitlement	yes	yes	yes
- Jubilee benefits	yes	yes	yes
- Educational leave	yes	yes	yes

The **QFC project "Shift" ("Schicht") on work-life balance**, deals with the requirements of work-life balance within shift work.

In the joint project of chemical companies in Leuna and Bitterfeld/Wolfen, various perspectives for solutions are to be developed for shift work:

- organizing and providing operational and social support systems for employees with current domestic responsibilities,
- design and testing of shift-work models which are suitable for small companies with high importance of rotating shifts,
- learning from cooperation between flexible solutions for operational use by professionals in SMEs

A networking conference ("Attractive Employer in an attractive region") in June 2010 was attended by more than 100 participants of the social partners, business representatives, works councils, representatives of ministries and science. The contributions and discussions at the conference showed that "man must be the focus, his ability, his knowledge and his well-being". **(GRI SO5, GRI LA10)**

The **QFC project "Women Power Success – women on their way in leadership"** is a project under the Federal Initiative on "equality of women in the economy", an initiative initiated jointly with the German Confederation of Trade Unions (DGB) and the Confederation of German Employers Organization (BDA).

Still, the potential of female professionals is not being fully used. The IG BCE and the BAVC (National Employers' Association Chemistry) support in cooperation with various social actors, activities to bring more women to management levels. Therefore, the project "Women Power Success - women on their way in leadership" was launched in the framework of the ESF Policy "for equality of women in business" and promoted by the Federal Ministry of Labor and Social Affairs and the European Social Fund for Germany.

The project started in 2010 at the suggestion of IGBCE's Department of Women/Gender Equality, together with the QFC, in cooperation with the BAVC.

The main objective of the project is to test measures in personal development, so that female workers are supported and strengthened in their career orientation and -willingness and that they can network with all social actors in the implementation of equal opportunities.

Other objectives are:

- Raising awareness among companies about the problem
 - Survey of the situation of women in business
 - Building a mentor pool
 - Development and testing of a seminar concept to equal opportunities
 - Organization of a transfer and a wide publicity and
 - Establishment of a network
- (GRI LA13, GRI SO5)**

Since May 2005 the QFC is a member of the **Network for Democracy and Tolerance** in Saxony-Anhalt and regularly participates in events, organized by the Alliance. QFC also uses theme-based training offers and has been involved in 2010 on the action day against racism.
(GRI SO5)

Labour Standards

Principle 3 **BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING**

Principle 4 **BUSINESSES SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMULSORY LABOUR**

Principle 5 **BUSINESSES SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR**

Principle 6 **BUSINESSES SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION**

The QFC respects the right of freedom of association and the effective recognition of the right to collective bargaining. **(GRI- LA5)**

The employees of the QFC have elected a works council.

Between the management of the QFC and the works council regular meetings are held. During the meetings the works council will be informed about significant operational changes and appropriate measures will be jointly discussed. **(GRI-LA5)**

The works council is involved in all matters concerning working conditions according to the Works Constitution Act.

Occupational health and safety issues for all employees of the QFC will be discussed together with the works council of the QFC. **(GRI-LA6)**

For health and safety so far no internal agreements have been concluded. The care of our business is done by a corporation of health care on a contractual basis. With the works council a safety committee was established, and a company doctor for the employees of the QFC appointed. **(GRI-LA9)**

The responsible trade union for the QFC is the Mining, Chemical and Energy workers' union (IGBCE)

94 per cent of the employees are members of the Mining, Chemical and Energy workers' Union (IGBCE). **(GRI-LA4)**

GRI-LA12**Percentage of employees receiving regular performance and career development reviews:**

100%

GRI-LA4**Percentage of employees covered by collective agreement:**

	2007	2008	2009	2010
Employees	100	100	100	100

GRI-LA10**Average hours of training per year per employee:**

	2007	2008	2009	2010
Average hours per year	37	30	18	16

The labour conditions of employees are regulated in employment contracts which determine, among other things, the voluntarily nature of employment and the notice period, and which are guided by the collective agreement of the IGBCE. **(GRI-HR7)**

QFC does not employ children.

Young persons under 18 years of age, who participate in training activities of the QFC are subject to special protective and supervisory measures according to the Youth Employment Protection Act. **(GRI-HR6)**

Young persons under 18 years of age are subject to special oversight and supervision, including the required safety instructions

To avoid that goods and services are used by suppliers who are at significant risk for cases of child labour, the QFC is choosing generally goods and services from local suppliers, where there is no risk of child labour. **(GRI-HR6)**

The QFC is committed to the prohibition of discrimination.

85,7 per cent of employees were trained during the reporting period to the General Equal Treatment Act (AGG).

During the reporting period, there was no discrimination complaint.

Monitoring of employee satisfaction is an integral part of the documented Quality Management System (QMS), which also takes into account aspects of discrimination. **(GRI-HR4)**

GRI-LA13**Total number of employees in following categories:**

		2007	2008	2009	2010
Gender	Female	29	27	28	30
Gender	Male	17	22	25	23
Age	under 30 years old	12	11	11	11
	30 – 50 years old	17	21	25	25
	over 50 years old	17	17	17	17

GRI-LA13**Percentage of management team in the following categories**

		2007	2008	2009	2010
Gender	Female	16	29	33	33
Gender	Male	84	71	67	67

The proportion of women managers was in the QFC 2010 at 33%.

GRI-LA14**Ratio of basic salary of men to women**

		2007	2008	2009	2010
Gender	Male (basic salary 100 %)	100	100	100	100
Gender	Female (basic salary 100 %)	100	100	100	100

As part of the **QFC project work DIALOG** (Transnational industry dialogue Petroleum Industry/Biofuels), social partners and company representatives from Poland, the Czech Republic, Slovakia, Austria, Hungary and Germany developed innovative best-practice recommendations for the design of demography solid human resources policies.

Specifically, this involves the following areas:

- Requirements for a demand-oriented education and training and the establishment of a training culture in companies
- Compatibility of work and family
- age-appropriate working conditions and occupational health policy
- Implementation of training activities in collective agreements.

As part of the project, in 2010, two conferences and six workshops were conducted, with 188 participants. **(GRI-LA11)**

The **QFC project professionals Initiative (FKI)** sensitized to the future situation of skilled labor. It promotes the development of preventive measures for coping with demographic change. FKI enables access to stable and sustainable professional demanding employment.

FKI develops a network of businesses, educational institutions and consulting services, providing targeted information and experienced exchange as well as practical support services.

The priority areas are assurance of professionals and succession planning, ergonomics and age-appropriate job design, support for the qualification and training of employees.

The conferences organized within the project serve the exchange, dissemination of good practices and networking. **(GRI-LA11)**

As part of the **QFC project "DemTV"** (Implementation of demographic collective agreements), the subject of demographic change and its importance for companies (especially for small and medium-sized) and their future ability are to be identified.

This includes the existing approaches to strengthen a cross-industry network, appeal to and sensitize addressees from other branches. The exchange between corporate social partners is encouraged and results and experiences with the collective agreement "working life and demography" of the chemical industry are discussed.

In the course of the project the integration of additional factories in the network, in particular in the branches of chemical, rubber, paper and plastic, is being sought.

The issue of demographic change will be implemented about the training and qualification of the company social partners and practical approaches presented. Multiplier workshop will discuss the use of demographic tools and instruments and develop it further if necessary.

The results are available to the network and interested parties. An interactive web platform is built. It will serve to inform about recommendations, examples of good practice, analysis tools, educations concepts etc. and initiate an exchange with the practice for the practice.

In addition, the available tools will be provided in demography workshops and seminars on topics such as age-related work, health promotion, working time. **(GRI-LA11, GRI-SO5)**

ENVIRONMENT

Principle 7 BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

Principle 8 BUSINESSES SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

Principle 9 BUSINESSES SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

In developing and implementing the quality label Q3SQ the QFC continued with representatives of educational institutions the exchange of experience for the implementation of precautionary and sustainability principles into the training and further education.
(GRI-SO5)

Measures of the QFC and figures to save energy, emissions, water and other resources
(GRI-EN1ff)

e.g.

- Waste separation takes place
- Reduction of paper consumption
- Thermal insulation measures
- More efficient use of heating and cooling by night-time reduction
- Use of energy saving lamps
- Temporarily turn off of not used energy consumers (such as computers, printers etc.) takes place
- Purchase of new company cars will be taken to ensure that they show lower CO2 emissions
- The use of public transport has been extended - employees use the "Bahn-Card" of the Deutsche Bahn
- Funded by the German Federal Environmental Foundation (DBU) a joint environmental **education project "revive arable land"** together with the Polish community Byczyna takes place.
The aim of the project is through active conservation, measures to increase biodiversity in the agricultural landscape and environmental activities for students, to raising environmental awareness for the preservation of local culture and species-rich habitats.

Examples:

	2007	2008	2009	2010
Copies made up (TStk.)	130	131	102	144
Water consumption (m ³)	99	81	not determinable (in total included)	
Power consumption (Tkwh)	14,6	14,2	not determinable (in total included)	
Company cars, mileage (Tkm)	237	213	168	181

Reduce paper consumption from the first to the second Half of 2010 by 25%.

There is currently taking a research into the replacement of the conventional copy paper with environmentally friendly products.

Regarding the awareness of employees for more responsibility towards the environment, e.g. all new employees of the QFC are informed about on the principles of the Global Compact the day they start working at the QFC.

(GRI-HR3)

To further raise awareness of employees for more responsible towards the environment at a staff meeting the film "An Inconvenient Truth" (from Nobel Peace Laureate Al Gore) was shown.

(GRI-EN26)

As part of a **QFC project on skills development for young workers (project MIRIAM - Central German industrial region promotes intercultural exchanges)**, several groups (a total of 63 participants) participated in training programs with partner organizations in France and Poland.

Within the project in France, the participants worked on the construction of an old village (Viel Audon in the Ardeche region in Southern France) in which among others the use of renewable energy, organic farming and organic food represented a focus of the activities. This project will be continued in 2011.

In addition to the transmission of social and intercultural skills, participants are sensitized by practical work on issues of environmental protection and sustainability.

Anti-corruption

Principle 10 BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS INCLUDING, EXTORTION AND BRIBERY

The QFC has agreed with the works council to draw up a code of conduct to fight corruption

In a staff meeting this code of conduct will be presented to all employees.

The goal is in 2011 to implement the Code of Conduct accordingly to the requirements of the Global Compact fight against corruption (Global Compact Reporting Guideline against Corruption, Basic Reporting Elements B1-B7).

(GRI-SO2, GRI-SO3)

How does QFC intent to make this Global Compact Communication on Progress Report available to its stakeholders?

The Global Compact Communication on Progress Report of the QFC will be accessible to the stakeholders on the QFC-website (www.qfc.de).

The COP-report will be also disseminated by the new QFC-CSR newsletter.

The Shareholder, the advisory board and the board of trustees of the QFC will be informed of the Communication on Progress Report.

The Communication on Progress Report of the QFC will be available to all employees on a bulletin board.

Information to the employees of QFC

QFC supports the 10 Principles of the Global Compact

In 2008 QFC had joined the United Nations Global Compact.
The Global Compact is a voluntary, international initiative of the United Nations to contribute to a social and environmentally sustainable globalization.

The Global Compact consists of 10 principles:

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 right abuses

Labour Standards

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.

The Management of QFC supports the 10 principles of the Global Compact and calls upon all employees of QFC to support actively the implementation and to spread the Global Compact principles.

Halle, 18.11.2008


Melanie Neumann
Chairwomen of works council


Helmut Krodel
Managing Direktor