



THE GLOBAL  
COMPACT



DECEMBER 15<sup>TH</sup> 2010

## Communication on Progress

Year: 2010

### STATEMENT OF CONTINUED SUPPORT

Dearest Colleagues,

I am writing to confirm our willingness to continue to support the ten principles of the Global Compact.

We joined the Global Compact on 11 January 2006 and intend to continue to support you because we strongly believe in your principles.

Indeed our commitment to the initiative is perfectly in line with our company policy and with our desire to provide a concrete contribution, despite being a small enterprise.

For this reason, in response to your request, we present our C.O.P. for the current year (2010) with which to inform all our stakeholders of the activities and achievements in implementing the ten principles (Labour principles 3, 4, 5 and 6 and Anti-Corruption Principle 10) and also communicate the progress achieved in the principles discussed the previous year (Human Rights Principles 1 and 2, and Environment principles 7-8-9)

Yours sincerely,



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**Brief description of nature of business**

Hippocrates Research Srl is a CRO (Contract Research Organisation), i.e. a company that offers services in clinical research, which interfaces with pharmaceutical companies.

More specifically, interacting with the figures above Hippocrates Research Srl offers its clients a wide range of clinical pharmaceutical research services to help the development processes of Clinical Trials of medicinal products and medical devices.

It takes care of managing and monitoring all phases of clinical trials involving medicinal products/medical devices for use on human beings.

<b>PRINCIPLE 1</b>	<b>BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS</b>
<b>Actions</b>	<p><b>Actions realized</b></p> <p>During 2010 Hippocrates Research Srl has once again taken steps to support and respect human rights. As mentioned in the C.O.P. of the previous year, since its inception (1995), our company has been disseminating, sharing and applying the principles of the Declaration of Helsinki (1964 and subsequent revisions). Our support for the universal declaration of human rights is therefore the basis on which we continue to create our daily work.</p> <p>The company continues to provide its employees with a healthy and honest workplace, respecting the laws of Italy concerning the safety of the worker. Therefore, with regard to safety and health at work, every standard is consistently adopted and implemented by the company.</p> <p>In 2007, due to the increased number of staff, the company committed itself to enlarging the work premises to ensure employees have the necessary space to work. In 2009, the company took steps to assess the risk of stress-related work for all employees. Furthermore, in 2010 the company took steps to further extend the work spaces by transferring part of the staff to new, more spacious premises.</p>
	<p><b>Measurement of (expected) outcomes and value added for our company</b></p> <p>From an assessment of the risks from psychological stress related work carried out by specialised personnel last year, it was pointed out that the stress for employees is on average low.</p> <p>Within the first months of 2011 further tests will be carried out on stress-related work, even on new staff, in which we hope to maintain and, where possible, improve the previous results, also continuing to maintain a comfortable, cooperative and peaceful working environment for the employee, in which the individual feels free to express difficulties and problems, as well as an instructive one, in which everyone has a chance to learn and develop professionally.</p>
<b>Outcomes</b>	

**PRINCIPLE 2****BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES****Actions realized**

In view of ongoing education, vital to increasing skills and professional growth, each year the company offers its employees a number of training courses on ICH/GCP taught by external lecturers; these courses are organised throughout the year working alongside in-house training courses.

Also this year there will be training courses for all staff, some of them appear to be more specific and therefore only addressed to the relevant company figures.

The courses taught by external lecturers focus mainly on:

Pharmacology Courses - specific area;  
English courses;  
IT courses;  
Courses on safety and first aid

Over the last few years the following hours of training have been carried out with teachers from outside the company:

Year	Annual training course hours
2007	414
2008	723
2009	1055
2010	1100

Future planning – forecast:

Year	Annual training course hours
2011	1150*

\*the data may undergo slight changes

**Actions****Measurement of (expected) outcomes and value added for our company**

Our future goal is for the continuous improvement of staff training, trying to specialise employees more and more by continuing to extend the hours of training, both inside and outside the company (accompanied field visits).

**Outcomes**

<b>PRINCIPLE 3</b>	<b>BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING</b>
<b>Actions</b>	<b><i>Actions realized</i></b>
	<p>Hippocrates Research, in full respect of national and international legislation, supports this principle and encourages cooperation between all employees to solve collective problems. Hippocrates Research has undertaken to carry out all its activities in accordance with the highest ethical standards. Transparency is the basis for all HR activities, including communications and contracts involving the internal staff and outside contractors. Hippocrates Research works to support a free market economy and contributes to a more efficient distribution of services to improve quality and innovation.</p> <p>Business negotiations and relationships with external stakeholders are conducted in accordance with applicable law and the principles of fairness and transparency; therefore, the seeking and establishment of personal relationships likely to influence the conduct of a proper contractual employment relationship are prohibited.</p> <p>With regard to suppliers and customers, they are obliged to respect the principles of loyalty, professional integrity and transparency, fundamental principles to which Hippocrates Research has always made reference.</p>
<b>Outcomes</b>	<b>Measurement of (expected) outcomes and value added for our company</b>
	<p>The right to collective bargaining is guaranteed in accordance with local regulations regarding the disclosure of confidential information.</p> <p>In addition, any payments made by individual employees to associations, committees, organisations and institutions takes place respecting the laws and with complete transparency.</p> <p>Finally, in the carrying out of any negotiation, Hippocrates Research strives to avoid situations where those involved may appear to have a conflict of interest.</p>

<b>PRINCIPLE 4</b>	<b>BUSINESS SHOULD ENSURE THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR</b>
<b>Actions</b>	<p><b>Actions realized</b></p> <p>The problem of ethical management of people within the company not only concerns the exploitation of child labour or the unacceptable living conditions in the factories of Developing Countries, but is a more general concept that starts from the care and development of human resources.</p> <p>This assumption requires a real economic and managerial investment by companies, but it is necessary to determine their success, since it is based mainly on the ability, motivation and commitment of all those concerned.</p> <p>Hippocrates Research believes that a company cannot talk about corporate social responsibility without having first applied the same principles to our internal human resources.</p> <p>For this reason, the company is committed not only to the strengthening the company capital, but also to the development of intellectual capital always commensurate with the development of skills and the specific needs in different areas of business.</p> <p>Leadership development, training and implementation of job performance are a systematic effort through which Hippocrates Research aims to increase the well-being of its human resources.</p> <p>Hippocrates Research has always believed in growth from the inside of people and looks for new talent with strong leadership skills, able to bring innovation to the company.</p> <p>On the basis of its company ethics and compliance with national legislation, Hippocrates Research rejects any form of forced or compulsory labour, extorted as a result of threats of punishment.</p>
	<p><b>Measurement of (expected) outcomes and value added for our company</b></p> <p>Hippocrates Research has always been involved in the care of its human resources and applies a working timetable which fully complies with the rules established by the National Contract and applicable laws. The remuneration of employees is in line with the applicable collective bargaining and overtime work required is carried out voluntarily and reimbursed as provided by the contract.</p> <p>As outlined in Principle No. 6, Hippocrates has also adopted a flexible timetable, with the aim of reconciling company and personal needs, in conjunction with this, the career path of each resource, planned together with the top management team, envisages the progressive development of skills needed for growth in the company area of reference, but also encourages interfunctionality and offers international work experience. Hippocrates' commitment to its human resources is also reflected through the development of a company Code of Ethics, which will be distributed to all employees as soon as it is ready.</p>

PRINCIPLE 5	BUSINESS SHOULD ENSURE THE EFFECTIVE ABOLITION OF CHILD LABOUR
<b>Actions</b>	<p><b>Actions realized</b></p> <p>Companies currently operate in an environment increasingly characterised by complexity and diversity. The shift to global markets has allowed companies to achieve success and leadership not only because of their widespread presence in people's lives, but also for their ability to influence institutions. More and more companies and institutions are called upon in the supporting role of providing services for the common good that are not part of normal business activities.</p> <p>For this reason, businesses, even though small like Hippocrates Research, which work in various international markets have to find strategies to support and protect ethical values and childhood rights by taking a clear and transparent position in net contrast with child labour.</p> <p>It would be simplistic to look only at the problem of child labour in the factories of the developing world; speaking in terms of global markets, indeed one speaks of a problem that even before being a material one presents itself as a cultural problem.</p> <p>For this reason Hippocrates Research believes in an intervention that is takes place from within by means of ongoing training, brought about through the more general care and development of people.</p> <p>Being accountable to children today means creating a work environment and a cultural environment that is centred on the individual in all the more or less fragile stages of his/her growth.</p> <p>The company is in constant contact with society, therefore every growth action of the company's translates into a capillary action for the growth of society at large.</p>
	<p><b>Measurement of (expected) outcomes and value added for our company</b></p> <p>Hippocrates Research condemns exploitation of child labour and the use of other forms of coercion against its own employees and people in general; moreover, it is also committed not to implement any form of exploitation, trying also to raise awareness of this for their suppliers. Hippocrates Research, against child labour, is in compliance with Italian law (no employee under 18 years of age).</p>

**PRINCIPLE 6****BUSINESS SHOULD ENSURE THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION****Actions realized**

The Hippocrates Research company condemns all forms of discrimination in employment and occupation.

In full agreement with the positions taken in the interests of labour, Hippocrates Research offers the employment contracts provided by the National Collective Bargaining Agreement (National Collective Labour Contract).

Oriented to rigorous compliance with laws and regulations, personnel selection takes place according to the principles of legality, fairness and transparency. By virtue of the specific field in which the company operates, the human resources office and management deems the continuous enhancement of the specific educational path taken by candidates essential; this then continues in Hippocrates both through training performed in the field and through training courses regularly scheduled in Italy and abroad to develop intellectual capital commensurate with ever-changing skills.

In contrast with discrimination in employment procedures in Italy which see a predominantly male percentage winning, Hippocrates Research has on its staff a percentage of employees that is predominantly female, not only in the lower hierarchical spheres, but also in the spheres of management.

For Hippocrates Research opposing discrimination means accepting each individual in a different way as a unique and unrepeatable person; the inclusion of differences of gender, culture and age therefore means understanding different needs with intellectual and company flexibility.

Hippocrates Research has voluntarily adopted a plan of health insurance called *Fondo Est* (established in implementation of the National Labour Contract for the employees of Service Industries and Tourism, and signed by *CONFCOMMERCIO*, *FIPE*, *FIAVET* and the trade unions: *FILCAMS CGIL*, *FISASCAT CISL* and *UILTUCS UIL*) which aims to provide workers with additional assistance to that already offered by the National Health Service. This assistance extends to all employees and also provides some services sensitive to the special role that women play in society such as the "maternity package".

A greater number of women on its staff also means coping with different needs, so Hippocrates has introduced flexible instruments that facilitate the reconciliation of work and private life such as:

- the introduction of flexi-time,
- the possibility to enter later and leave earlier for parents who have younger children
- the possibility of reducing the Friday timetable, doing away with the hour of lunch break
- the possibility of working from home (home based).

**Actions**



<b>Outcomes</b>	<b>Measurement of (expected) outcomes and value added for our company</b>
	Hippocrates Research aims to increase and strengthen a culture of responsibility and to continue to promote the integration and growth of the skills of its staff, by guaranteeing in addition to health and safety in the workplace a policy and a company style based on a human and professional style, made of fair business practices and a balance between respect for people and concern for the company.

<b>PRINCIPLE 7</b>	<b>BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES</b>
<b>Actions</b>	<p><b>Actions realized</b></p> <p>Despite the business in which our company operates being considered of low environmental impact, this year all those strategies that, in our own small way, can support energy efficiency have not been neglected.</p> <p>Thus, in addition to maintaining and developing a culture that is attentive and offers incentives to save energy, figures and tools have been arranged to realize these small goals in practice.</p> <p>The company organisation has been arranged around cycles of work schedules that allow a manager responsible for monitoring of the shutdown of all electrical and electronic equipment to avoid equipment being left in stand-by.</p> <p>Moreover, in areas characterised by less use of the offices a system of motion sensors has been installed for automatic switching on and off of lights.</p> <p>The same is true with regard to the consumption of paper: indeed, a saving in consumption is expected through incentives for two-sided printing, and also the individual employee is encouraged to recycle paper where the use of double-sided printing is not possible.</p> <p>Our commitment is continually directed to maintaining, enhancing and promoting these strategies.</p> <p>All new employees are and will be trained during their first day of work by the office chief and by colleagues in the following days.</p>
	<b>Outcomes</b>

**PRINCIPLE 8****BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY****Actions realized**

In order to reduce the impact on the environment, as well as to encourage the rational use by every single employee of resources and energy, there are three main elements on which one has been able to act in practice: paper, batteries and toner.

Regarding paper, every e-mail sent internally and externally, one is reminded to reflect on the actual needs of the printing of the same.

The message "Please consider the environment before printing" continues to be present in the electronic signature of each employee and manager of the company.

With a view to saving, employees have been asked to use double-sided printing as much as possible and reuse of used paper for prints or internal tests is recommended.

Each office also has a box used to collect paper for recycling.

Considering that a large percentage of paperwork is produced and sent to the companies we deal with, we have found a good percentage of recycled paper used for internal purposes.

Estimating that out of 100% of paper ordered about 50% is sent outside, of the remaining 50% the percentage of recycled paper can be seen in the following table:

<i>Year</i>	<i>Incoming paper*(by volume)</i>	<i>% of recycled paper</i>
2008	328	31.2%
2009	312	35%
2010**	208	40%

\*considering as the total 40% of the incoming paper, as explained in the text

\*\*in October

Regarding the use of batteries these are mainly used for the operation of wireless keyboards and mice.

The used batteries are collected in a box and are then sent for recycling.

This year once again the total of batteries ordered corresponds to 100% of the batteries recycled.

Even with regard to the printer toner we have arranged for its recycling: indeed as they are

**Actions**

	<p>used, they are collected in a special container and then sent for recycling.</p> <p>In the last year, the recycling of batteries and toner cartridges has increased by 20%.</p> <p>The management policy for both the present and future is therefore aimed at limiting the use of wireless keyboards and mice, except in particular circumstances of the worker (e.g. use of laptops instead of desktops).</p>
<b>Outcomes</b>	<p><b>Measurement of (expected) outcomes and value added for our company</b></p>
	<p>For the next few years, ever hoping that the companies we deal with will require fewer hard copies and more documentation in electronic format, we hope for a reduction of paper ordered and a continuous increase in recycled paper.</p> <p>At the same time, we continue to recycle batteries and toner and we will also optimise the procedures for the recycling of plastics.</p>

<b>PRINCIPLE 9</b>	<b>BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES</b>
<b>Actions</b>	<p><b>Actions realized</b></p>
	<p>With a view to reducing the use of paper documents, each work station has a connection to the internal server, where all files are shared.</p> <p>This system allows you to view documents that are physically located in different offices, without having to resort to printing paper or faxing.</p> <p>All incoming documents continue to be scanned in.pdf format and appropriately saved on the server.</p> <p>While trying to limit use of printers and copiers, you still have a use and toner consumption for these devices.</p> <p>As also described in Principle 8, consumed toner is collected in a special space, away from the staff and is subsequently collected by the supplier for proper disposal.</p> <p>Also in this case the percentage of toner ordered and that sent for disposal is equal to 100%</p> <p><i>* until today</i></p>

2010*	43
Year	No. toners ordered
2008	53
2009	46

**Measurement of (expected) outcomes and value added for our company**

**Outcomes**

The management, always attentive and willing to use new non-invasive technologies for the environment, is open to the incorporation of any emerging technologies and new energy-saving strategies.

The objectives for the coming years is the increase in partial implementation of the electronic replacement for paper and maintenance of the standard for toner disposal, trying to reduce, as in previous years and as was the case this year, the quantity ordered.

<b>PRINCIPLE 10</b>	<b>BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY</b>
<b>Actions</b>	<p><b>Actions realized</b></p> <p>In order to ensure the requirements of fairness and transparency in the carrying out of business activities, the Hippocrates Research Srl company found it necessary to adopt a Code of Ethics to refer to and through which to make its employees more sensitive. The Code of Ethics is aimed at all components of the company so that, in carrying out its activities, they always use proper and transparent behaviour in line with the ethical and social values espoused by Hippocrates Research Srl.</p> <p>The company therefore aims to implement a system of organisation properly formalised and rigorous in implementation of responsibilities, reporting lines and precise description of the roles, with assignment of powers of authorisation and signature, consistent with defined responsibilities and with provision of control mechanisms based on the contrast and functional segregation of duties.</p> <p>Also, especially but not only, in the area of financial management, Hippocrates Research Srl uses an efficient information technology system, characterised by manual and IT procedures capable of allowing each operation, particularly directed to external bodies, of being adequately supported in terms of documents in order to proceed at any time to perform checks to identify the purpose and rationale of the operation with identification of the complete cycle of authorisation and verification of the operation.</p>
	<p><b>Measurement of (expected) outcomes and value added for our company</b></p> <p>The management, ever attentive to issues of fairness and legality, has decided to implement a system of organisational processes and control activities to ensure a system of supervision over the company's activities.</p> <p>Actions in this surveillance system are:</p> <ul style="list-style-type: none"> <li>• To locate the company areas, processes and activities that might be considered at risk</li> <li>• An internal nominative system aimed at planning the implementation of decisions of the company, managing the formalised procedures and implementing decisions in the "sensitive" sectors in relation to the risks/offences to be prevented</li> <li>• A system of delegation and company powers that ensures a clear and transparent representation of the business process</li> <li>• A clear attribution of responsibilities, applying a proper segregation of duties and layout of the organizational structure</li> <li>• To identify the processes of management and control of financial resources in potentially risky activities</li> </ul>
<b>Outcomes</b>	

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**How do you intend to make this COP available to your stakeholders?**

This document will be published on our website so that our employees, suppliers and the companies we work with can view it at any time.