



proDERM Institute for Applied Dermatological Research GmbH

Sustainability Report 2014/2015

Report Period: 01 July 2014 – 30 June 2015

Statement of the Chief Executive Officer (CEO):

proDERM Institut für Angewandte Dermatologische Forschung GmbH has been a member of the UN Global Compact since September 2014. As a successful family business, we offer services with the aim of preserving resources for future generations. We take responsibility for the social impacts of our business activities and take into account the challenges to sustainable development within our value chain. We see ourselves as a social enterprise whose values mesh with the mission statement of the UN Global Compact. Our first progress report documents our 2014/2015 activities in the areas of human rights, labor standards, environmental protection and corruption.

At the same time, we renew our commitment to the 10 principles of the UN Global Compact to which we committed ourselves in 2014.



Prof. Dr. Klaus-Peter Wilhelm

CEO and Medical Director

Human rights

Principle 1: Businesses should support and respect the protection of international human rights within their sphere of influence and

Principle 2: ensure that they are not complicit in human rights violations.

proDERM ensures basic workers' rights and fair employment conditions. proDERM is likewise committed to observing international human rights for both staff as well as sponsors, test subjects and suppliers.

Focal points

- All forms of discrimination such as those based on sex, age, origin, religion, sexual orientation, external appearance, health, disability or trade-union membership are prohibited.
- Any behavior that could hurt the dignity of the individual is prohibited.
- No employee is allowed to become a victim of harassment, whatever the type.
- proDERM provides a supportive working environment without any discrimination in which all employees can develop.
- Children who are not of the locally applicable minimum employment age, at the end of their compulsory education or have achieved the age specified in the core labor standards of the International Labor Organization (depending on which age is greater) are not employed at the site.
- No forced laborers, debt bondage employees or prison inmates who work involuntarily shall be employed.
- Employees are free to leave their position if reasonable notice is given. In this case, they will be paid promptly in full for work performed up to the time that they leave.
- The right to freedom of opinion and freedom of expression is protected and guaranteed.
- The right to privacy is protected.

Implemented measures

proDERM maintains an open approach with its employees. Therefore, all employees are treated equally and receive performance-related remuneration regardless of gender, age, nationality, religion, or sexual orientation. Pay is reviewed regularly (every 2 years) and adjusted accordingly. Eligible employees also receive a bonus payout annually.

The proportion of women at proDERM is 76% of a total of 107 employees, and the percentage of employees over the age of 50 is 22% (status: 07/2015).

There were no legal cases, judgments, fines, or other significant incidents related to human rights for the reporting period.

Labor standards

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

Principle 4: the elimination of all forms of forced labor,

Principle 5: the abolition of child labor and

Principle 6: the elimination of discrimination in hiring and employment.

As a modern and socially responsible employer, proDERM speaks out against any kind of child labor, forced labor or discrimination. All employees of the company enjoy full freedom of association.

Focal points

- The number of hours worked is in accordance with the local laws or customary industry standards.
- The scope of work to be performed is clearly defined. Work performed is also balanced with leisure time, and if that is not possible, it is compensated.
- We use the model of trust-based work time as well as partial time recording in the context of a project time log.
- Wages correspond to at least the statutory minimum wage agreements in Germany.
- The equal opportunity of all employees and applicants is guaranteed in relation to employment, training, pay, social services and internal transfer and career opportunities. Only ability, experience and personal aptitude are permitted to be used as the relevant and crucial criteria for this purpose.
- Participation in training courses and continuing education as an offering for further personal training is supported.
- Annual employee interviews for staff assessment are conducted.
- Employees are free to leave their position if reasonable notice is given. In this case, they will be paid promptly in full for work performed up to the time that they leave.
- Employees are free to become members of unions or to found employee committees or join them without fear of reprisal or discrimination.

Implemented measures

proDERM strives to reconcile family and working life for every employee and supports the possibility of part-time work and flexible working hours. There is absolute equality between men and women. This equality is also the basis of all salary negotiations.

Employees are regularly trained in the areas of data privacy, Good Clinical Practice, hygiene, occupational health and safety and other relevant topics. We also support the continuing education of our employees and offer internal continuing education opportunities as well.

An intensively pursued objective of proDERM is to further promote and maintain the health and well-being of our employees. proDERM offers its employees optional examinations (e.g., workstation) in collaboration with the company physician. A scheme for sharing the cost of workstation glasses has been implemented. Compulsory examinations (e.g., infection control) are conducted and followed up by the company physician. A risk assessment is carried out for all hazardous substances used. Employees are instructed in the handling of these materials before the first use and later on an annual basis.

Environmental protection

Principle 7: Businesses should support a precautionary approach in dealing with environmental problems,

Principle 8: take initiatives to create a greater sense of responsibility for the environment and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

proDERM actively grapples with the effects of the company's business activities on the environment and is always concerned with striving to improve the environmental balance.

Focal points

- The disposal of chemicals is regulated by operating instructions and depends on the properties and type of substance to be disposed of.
- Processes and systems are maintained which optimize the sustainable use of all relevant resources such as energy, water and raw materials.
- Alternative testing methods are always to be preferred if they possess scientific validity and are accepted by the authorities.

Implemented measures

proDERM has provided the impetus, as a tenant in a shopping mall, for the introduction of waste separation by type of waste. This has greatly reduced the quantity of trash.

Fighting corruption

Principle 10: Businesses should act against all kinds of corruption, including extortion and bribery.

Focal points

- Gifts, meals or hospitality are only accepted or offered provided that this activity is a legitimate business purpose.
- Small gifts of little value may be accepted (up to €40).
- Cash and monetary gifts are never permissible.
- Gifts, hospitality and entertainment are never offered or granted to induce the recipient to obtain an advantage for proDERM or to refrain from doing something that is a disadvantage for proDERM.
- No payments are made for the entertainment, lodging or travel costs of an invited person.
- Donations are allowed only as long as proDERM receives no consideration and no impression is also created that a consideration is expected.
- proDERM's business activities are geared towards fair, brisk competition. All competition and antitrust laws and regulations are observed.
- All proDERM employees are required to act in the interest of the company and to not make business decisions according to their own interests or that of their family and friends or their desire for personal gain.
- A secondary activity is only possible if this second activity does not lead to any conflict of interest with his or her work at proDERM and could have no negative impact on the exercise of this activity.
- To ensure that there are no conflicts of interest through contacts with authorities or government agencies in the area of health care, research & development, it is contractually regulated that employees must report these immediately.

Implemented measures

Our employees are required to inform themselves about the issues of corruption and taking bribes and to support Management in detecting attempts at corruption.

The tasks, duties and processes within proDERM are clearly and understandably defined by standard operating procedures. These are reviewed, improved and assessed by regular internal and external audits. This guarantees that regulations, guidelines and laws are known and implemented within the company.

There were no cases of corruption in 2014/2015, as in the previous years as well.

Overall measures:

The Quality Management Manual has been expanded by one chapter on the social responsibility of proDERM, based on the 10 principles of the UN Global Compact. All employees were informed about this.

The proDERM general terms and conditions have been revised with regard to the commitment to adhere to the 10 Principles of the UN Global Compact and therefore the obligation to adhere to ethical, social and ecological principles. With its cooperation partners – whether clients, subcontractors or suppliers – and their business partners, proDERM requires that they agree to observe these principles as well.

After legal review, implementation will take place in the 2nd half of the year in 2015.

proDERM Institute for Applied Dermatological Research
Kiebitzweg2/Stadtzentrum
22869 Schenefeld/Hamburg

Management:
Prof. Dr. med. Klaus-P. Wilhelm

Contact information:
phone: +49 40 839 358 – 0
fax: +49 40 839 358 – 39
info@proDERM.de
www.proDERM.de