



## The HR Impact on Risk Management : Implementing Corporate Compliance Programs

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## Who we are

- Pfizer Inc discovers, develops, manufactures, and markets leading prescription medicines for humans and animals and many of the world's best-known consumer brands.
- Our innovative, value-added products improve the quality of life of people around the world and help them enjoy longer, healthier, and more productive lives.
- The company has three business segments: health care, animal health and consumer health care. Our products are available in more than 150 countries.

## Our Mission and Purpose

- **Our Mission**
  - To become the world's most valued company to patients, customers, colleagues, investors, business partners, and the communities where we work and live.
- **Our Purpose**
  - We dedicate ourselves to humanity's quest for longer, healthier, happier lives through innovation in pharmaceutical, consumer, and animal health products.

## Our Values

- **To achieve our Purpose and Mission, we affirm our values of Integrity, Respect for People, Customer Focus, Community, Innovation, Teamwork, Performance, Leadership, and Quality.**



## Our Leader Behaviors

- **Values in Action**
  - Sustain Focus on Performance
  - Manage Change
  - Align Across Pfizer
  - Encourage Open Discussion and Debate
  - Create an Inclusive Environment
  - Develop People

## Why Pfizer Created a Corporate Wide Compliance Program

### ■ Drivers of Program

Culture	<ul style="list-style-type: none"> <li>•Support tradition of integrity</li> <li>•Reputation</li> </ul>
Government Standards	<ul style="list-style-type: none"> <li>•FCPA</li> <li>•PhrMA Code</li> <li>•Sarbanes Oxley Act</li> </ul>
Climate	<ul style="list-style-type: none"> <li>•Public and Shareholders Expectations</li> <li>•Increased Attention from Regulators, Media and Prosecutors</li> </ul>

## Why Pfizer Cares about Compliance

- Since 1894, Pfizer has built a reputation as a company of strong values and integrity. We have a strong reputation of corporate compliance, one that all colleagues can be proud of and are expected to uphold.

## Why Pfizer Cares About Compliance

- Commitment to the marketplace – compete lawfully and ethically in the market place
- Commitment to shareholders – operate in the best interest
- Commitment to employees – treating all employees and applicants with honesty, fairness and respect
- Commitment to community and public – participating actively in and improving the communities in which we do business

## Why Pfizer Cares About Compliance

- US Laws Require it
  - Sarbanes Oxley Act – 2002
  - Foreign Corrupt Practices Act
  - Healthcare Law Compliance
- Compliance with Local Laws and Code of Ethics

## The Role of Colleagues and Management in Compliance

- Compliance is a shared responsibility between the Company and Employees
- It is about creating a sustainable culture that is supported and modeled by senior management.

## The Role of Colleagues in Compliance

- Pfizer views all colleagues as critical in maintaining an effective compliance system
- Colleagues are responsible for:
  - Understanding and following all the laws and policies that apply to their job and level of responsibility
  - Seeking advice when in doubt
  - Raising concerns and reporting violations of applicable laws and Company policies

## The Role of Colleagues in Compliance – How?

- Turn to the appropriate corporate policies and procedures for guidance
- Discuss questions and concerns with your supervisors or to request advice appropriately.
- Report to your supervisor or Corporate Compliance Officer when you reasonably believe that another employee has violated, or may violate established policies, procedures or laws
- When in doubt ask!

## Role of Management in Compliance

- Management is responsible for:
  - Informing employees on the applicable laws and regulations through setting up systems, policies and procedures
  - Monitoring company's efforts to ensure the mechanism put in place works properly
  - Creating open communication channels with the colleagues to understand their questions and concerns
  - Providing training to enhance the colleague's awareness of the policies and procedures

## Role of Management in Compliance – How?

- Evaluating Corporate Risk and updating the policy and procedures to address them in a timely manner
- Routine review of risky areas such as expense reporting, sample distribution, revenue recognition, procurement etc. Audit reports to be addressed to all directors, Country Manager
- Launch "Business Ethics and Conduct" Website including training materials, Q&A and alert to address employees queries.

## Role of HR in Compliance

- Help create a work environment that is grounded on values of integrity, honesty and transparency (Pro-active posture)
- Help manage violations and its inevitable consequences to ensure that due process is followed in meting out appropriate punitive action (Re-active posture)

## Pfizer's Compliance Infrastructure

- Fully integrated process involving multiple functions
  - Corporate Compliance Committee
  - Corporate Compliance Group
  - Pfizer Blue Book (Policies on Business Conduct)
  - Compliance Hotline
  - Pfizer Compliance Education Center and Certification Process
  - Open Door Policy
  - Compliance Liaison Program and Referable Compliance Issues Definition
  - Core Value Workshops
  - Global Policy on Interaction with Healthcare Providers

## How?...Compliance, Ethics, Values...all tied together

- This is nothing new..makes good business sense
- Common basis for all Pfizer corporate wide initiatives
  - Pfizer Mission, Values and Leader Behaviors
- More powerful than geographical, market and other differences
  - Does not eliminate the differences and individualities
  - But cuts across them – all colleagues everywhere understand what is required
- At Pfizer, Compliance, Values and Ethics are inseparable