BUILDING AWARENESS: CREATIVELY BRANDING AND MARKETING YOUR “COMPLY ANT” PROGRAM

Monday, October 22, 2018
11:15 AM to 12:15 PM

INTRODUCTIONS

Matt Daniel
Corporate Senior Vice President, Legal Compliance & Deputy General Counsel

John Dalton
Director, Corporate Compliance
OUR AGENDA

I. Getting Started: About Charles River Laboratories and Our Legal Compliance Program
   1. Overview of Charles River Laboratories and Our Unique Role in Drug Research
   2. History of Our Legal Compliance Program and Our Current Model
   3. Why Was the Development of a Legal Compliance Brand Important to Charles River?

II. Building the Case: Strategies for Researching and Garnering Support for a Compliance Program Brand
   1. What Do We Mean by "Brand" and Why Branding Matters?
   2. So What Was the Value in Developing a Legal Compliance Program Brand?
   3. Where Did We Start in Developing our Legal Compliance Brand?

III. Getting Creative: The Convergence of Compliance, Marketing and Strategy
   1. So You Want to Create a Compliance Program Brand…What Do You Need?
   2. How We Brought It All Together and Developed Our Brand at Charles River

IV. Going Live: Launching Your Brand and Building on the Momentum
   1. How We Launched Our Brand
   2. How We Built on the Momentum
   3. Our Next Steps
Who We Are Not…

Charles River Watershed Association

Charles River Apparel
Charles River Insurance
Charles River Museum
Charles River Strength & Fitness
Charles River Centre
Charles River School
Charles River Media Group

Who We Are

Charles River Interactive
Charles River Institute for Healing and Inner Arts
Charles River Aquatics
Charles River Wheelers
Charles River Medical Associates

And Who We Are

Charles River
A leading, full-service drug discovery and development company

Founded in 1947 by Dr. Henry Foster

Our scientists worked on ~80% of the drugs approved by the FDA in 2017

BASIC RESEARCH
DISCOVERY
SAFETY ASSESSMENT
CLINICAL SUPPORT
MANUFACTURING
Key Facts about Charles River Laboratories

- **About Us**
  - We are a leading, full-service drug discovery and early-stage development company that helps clients bring novel therapies to market for the patients that need them
  - A public, multinational company with ~14,000 employees worldwide
  - Revenue of ~$1.86B (FY 2017) and projected revenue in the range of $2.25B (FY 2018)*

- **History**
  - 1947: Founded in Boston, Massachusetts
  - 1984-1999: Subsidiary of Bausch & Lomb
  - 2000: IPO and listed on NYSE

- **Location**
  - Headquartered in Wilmington, Massachusetts (~18 miles north of Boston)

*Estimated as of 8 August 2018

---

Our Global Footprint

80 facilities strategically located in 23 countries, near our major client base

~14,000 employees

---

---
Our Unique Role in Drug Research

Charles River’s scientists worked on 80% of all drugs approved by the FDA in 2017 and partnered with each of the 100 largest biopharmaceutical companies in the world.

The Scope of Compliance at Charles River

Contract Research Organization (CRO)
- Animal welfare
- Biosecurity
- Labor and employment
- Anti-bribery and anti-corruption
- Trade compliance
- Cybersecurity
- Financial compliance
- Environment, health and safety
- Product quality and safety
- Conflicts of interest, gifts and entertainment
- Government contracting
- Anti-kickback laws (Stark Law)
- Intellectual property and confidentiality
- Data privacy
- Insider trading
- Competition law
- Interactions with healthcare providers
- Marketing and promotional law (Sunshine Act)
- Market access, pricing and reimbursement
- Clinical trials & patient safety
- Human subjects
**Development of CRL’s Legal Compliance Program**

- **Program Launch**
  - Current head of Legal Compliance asked to develop and launch global Legal Compliance program.

- **Part-Time Staff**
  - Added part-time Director to help manage and oversee Legal Compliance program.

- **Compliance Liaisons**
  - Hired full time Director, Corporate Compliance to drive program maturity.

- **Full-Time Staff**
  - Hired full time Director, Corporate Compliance to implement a Compliance Liaison program.

- **Launched Program Brand**
  - To spread the message of Legal Compliance, developed and launched a new brand and mascot.

- **Next Steps for Program Brand**
  - Developed strategic plan for integrating Legal Compliance brand and mascot into Legal Compliance initiatives.

**Pre-2011**

- No formalized or coordinated compliance and ethics program.

**SCCE Inspiration**

- Head of Legal Compliance attends SCCE Compliance and Ethics Institute to learn more.

**Compliance Week**

- In recognition of the widespread support for the Legal Compliance program, celebrated first ever Compliance Week at sites across the world. Compliance Day continues to be celebrated annually each November.

**Policy Management Process**

- To formalize the global applicability of Legal Compliance processes and procedures, launched a worldwide Policy Management Process.

**Additional Full-Time Staff**

- Hired full time Compliance Specialist.


**Why Was the Development of a Legal Compliance Brand Important to Charles River?**

- **Advance overall Legal Compliance program maturity.** Help improve effectiveness of Legal Compliance program based on global standards (e.g., U.S. Federal Sentencing Guidelines, UK Bribery Act, OECD Good Practice Guidance).

- **Provide consistent messaging in step with Company growth.** Allow for global applicability and ease of Legal Compliance rollout as Charles River continues to grow and expand.

- **Reflect Company culture.** Fashion Legal Compliance branding in light of Charles River vision, mission and values.

- **Enhance the identity of Legal Compliance.** Help communicate the role of Legal Compliance as a value-added function.

- **Support limited Legal Compliance resources.** Promote global awareness across multiple sites in 23 countries despite limited Legal Compliance resources.

- **Differentiate Legal Compliance from competing functions and initiatives.** Clarity the role of Legal Compliance vs. related functions (e.g., Legal, HR, Internal Audit, Regulatory Compliance).

- **Advanced scalable model for Company growth.**
What Our Internal “Competition” Looked Like

Corporate Social Responsibility
Animal Welfare
Employee Communications

Security

Aligning with Our Values and Mission
Evie’s Story

BUILDING THE CASE: STRATEGIES FOR RESEARCHING AND GARNERING SUPPORT FOR A COMPLIANCE PROGRAM BRAND
What Do We Mean by “Brand”? 

- **Merriam-Webster Dictionary:** “A class of goods identified by name as the product of a single firm or manufacturer”

- **Forbes:** “The name given to a product or service from a specific source.”

- **American Marketing Association:** “Great brands have always been defined by great products, and great marketers will always do everything at their disposal to create meaningful, positive experiences with consumers.”

Charles River’s “Brand” Inspiration: Duke Energy

Why “Branding” Matters?

Effective branding helps generate:

- **Identity:** A distinguishable identity for the underlying product, service or organization

- **Association:** Memorable association between the end user and product, service or organization

- **Consistency:** A unique and consistent experience for the end user

- **Value:** A differentiator that enhances value (financial, intrinsic, etc.)
How Effective “Branding” Looks

Where Did We Start in Developing Our Legal Compliance Program Brand?

1. Identified the Need
2. Set Objectives and Got Buy-In
3. Researched and Benchmarked
4. Brainstorm Ideas
5. Socialize and Course Correct (as needed)
GETTING CREATIVE: THE CONVERGENCE OF COMPLIANCE, MARKETING AND STRATEGY

So You Have Decided to Create a Compliance Program Brand…What Do You Need?
Our team

Our Team

- Legal Compliance
- External Providers
  - Video production
  - Translators
  - Swag
- Marketing
- Communications
- Legal / Outside Counsel

Now for the Good Stuff: How We Started to Develop Our Brand

Oct. 2015

The Seed Gets Planted
Attend 2015 SCCE CEI

July 2016

The Seed Gets Some Water
Legal Compliance team considers idea of program brand

Sept. 2016

The Seed Gets Sun
Legal Compliance launches a brand idea contest on Compliance Day 2016

Nov. 2016

The Seed Germinates
Employees submit ideas for the Legal Compliance program brand


The Seed Starts to Grow
Legal Compliance team receives a few good ideas from employees who suggest a mascot
EVERY STEP OF THE WAY

The Initial Contest Results…

“Great things are done On the day filled with fun Goal is always to be #1”

“Communicate compliance
Hear what coworkers are saying
Act responsibly
Respect the rules
Lead by example
Everyone is responsible
SOPs are there to help”

“Every person, every day”

“Not only do we do what’s legal, but we also do what’s right”

“Quality is not an act, it is a habit”

“I propose using an infinity symbol with the Charles River wave and colors… At Charles River, our compliance knows no bounds. It is our way of life.”

“CR-Eth&Co”

“CR-L ComE” [for Charles River Compliance and Ethics]

“CRL ComE” [for Charles River Compliance and Ethics]

“CARE” [for Charles River Compliance and Ethics]

“Compliance Makes Us Better and Better”

“Compliance4Success”

“Do Not Try to Cross The Line”

“Do Not Trust Reliance…With Our Compliance”

“Guide Your Compliance, Greet Our Charles River”

“Everyone speak compliance, show compliance everywhere, everything is compliance”

“Golden Line”

“BeCompliant”

“Stand In The Line”

“Wear the flow
of virtue”

“Charles River: A Safe Place to Do Business”

“Preserving the Efficient Flow”

“Making Compliance Easy”

“Ethics Made Easy”

“See It, Say It, Fix It”

“We Are Listening and Seeing“

“CR-Eth&Co”

“Golden Line”

“Charlie Bear says…”

“Captain America style character called Captain Compliance. He would be the protector of our culture…His weapon would be the Code of Ethics.”

“We could have Charlie Bear as our compliance mascot and he could wear a t-shirt with compliance messages… We could also develop a branding line like ‘Charlie Bear says…”

“An idea for the compliance brand would be to create a character, like a person or mouse. You could have it… give compliance tips…” The character could have a name like “Compliance Charlie”

…But Some Promise, Too.

“Who Ensures Compliance? YOU DO!”

“Check!”

“Everyone speak compliance, show compliance everywhere, everything is compliance”

“No Data Reliance…With Our Compliance”

“CR-L ComE” [for Charles River Compliance and Ethics]
EVERY STEP OF THE WAY

The Branding…I-Comply!

**Legal Compliance Idea**
- Replace hyphen with Corporate logo
- Invert “I” in back

**Initial Renderings**

**Revised Renderings**

**Final Result**

EVERY STEP OF THE WAY
The Initial Mascot Renderings…Captain Compliance!

The Initial Mascot Renderings…Compliance Girl!
The Revised Mascot Renderings...Comply Ant!

May 2017

June 2017

August 2017

GOING LIVE: LAUNCHING YOUR BRAND AND BUILDING ON THE MOMENTUM
How We Launched Our Brand…

In November of each year, Charles River hosts a global Compliance Day and we elected to launch our new brand and mascot on Compliance Day 2017.

<table>
<thead>
<tr>
<th>Pre-Launch</th>
<th>Launch</th>
<th>Post-Launch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Late October</td>
<td>November 9, 2017</td>
<td>Late November</td>
</tr>
<tr>
<td><strong>Posters:</strong> Distributed posters to each global site that “teased” our mascot and brand.</td>
<td><strong>Coloring Book:</strong> In the spirit of making compliance and ethics fun, developed I-Comply Coloring Book and other giveaways.</td>
<td><strong>Solicited Feedback:</strong> Sought out feedback on the use of Comply Ant.</td>
</tr>
<tr>
<td><strong>Communications:</strong> Distributed global emails to all employees “teasing” our mascot and brand.</td>
<td><strong>Video:</strong> Developed executive video (mixed with local messages) announcing our brand.</td>
<td><strong>Unsolicited Feedback:</strong> Also got some “unsolicited” but thought-provoking feedback.</td>
</tr>
<tr>
<td><strong>Newsletter:</strong> Launched annual Legal Compliance Newsletter with I-Comply and Comply Ant.</td>
<td><strong>Giveaways:</strong> Designed and outsourced creation of “swag” for distribution at our global sites.</td>
<td></td>
</tr>
</tbody>
</table>

The Pre-Launch Plans…

- **Poster “Preview” with I-Comply logo and Comply Ant**

Global Employee Communications Announcement

---

Compliance Day 2017

Please join us in celebrating Compliance Day at Charles River on Thursday, November 9th. The goal of Compliance Day is to educate employees on the importance of maintaining a compliant and ethical workplace.

To honor this important day, the 6th edition of the Charles River Compliance and Ethics Newsletter will be released, as well as a video message from Grace Lee, Corporate Senior Vice President, Global Human Resources.

On November 9th, please take a moment to review the newsletter and watch the video. Both will be accessible on Connect. In addition to the newsletter and video, each site will also have its own activities and prizes, so be on the lookout!
The Launch on Compliance Day 2017

Coloring Book and Pencils
I-Comply Launch Video
Annual Newsletter

Swag and Giveaways

The “Good” Feedback…

Japan
India
USA
UK
And The “Not So Good” Feedback

Coloring Book is “childish”

Comply Ant “does not translate”

Resources spent on “non-essential expenses”

Was this “communication method discussed with operations in the various sites /countries”?

How We Are Keeping Brand Momentum

<table>
<thead>
<tr>
<th>Training</th>
<th>Communication</th>
<th>Tone at the Top</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Training Branding: Added our I-Comply brand to all live and online training events</td>
<td>• Communication Tools: Developed animated and video-based communications featuring I-Comply branding (e.g., GDPR)</td>
<td>• Executive Videos: Developed executive videos for key topics (e.g., anti-bribery, anti-harassment, data privacy)</td>
</tr>
<tr>
<td>• Employee Onboarding: As part of revamped new hire training, integrated a new session focused on our I-Comply program</td>
<td>• Email Messages: Launched regular email communications on key topics featuring I-Comply and Comply Ant (e.g., gifts, anti-harassment, GDPR, etc.)</td>
<td>• I-Comply Liaisons: Re-branded our Legal Compliance ambassador program to “I-Comply Liaisons”</td>
</tr>
<tr>
<td>• Anti-Bribery Training: Incorporated executive messaging and I-Comply branding</td>
<td>• Intranet Site: Leverage Charles River intranet site (iConnect) to communicate key messages</td>
<td></td>
</tr>
<tr>
<td>• Anti-Harassment Training: Incorporated executive messaging and I-Comply branding</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Training

Recognizing and Avoiding Bribery

Communication and Tone at the Top

A Holiday Message from Legal Compliance

David M. Mote, President and COO, Operating Officer at Charles River

Charles River
IP Considerations for Your Brand: Trademarks

If you develop a compliance and ethics program brand, don’t forget about the Intellectual Property (IP) considerations for your organization and other organizations.

**Knockout Search**

**Full Trademark Search**

**Trademark Application**

---

## Protecting Our Brand: Don’t Forget about IP

<table>
<thead>
<tr>
<th>Potential IP Protections We Considered</th>
<th>IP Protections We Are Seeking</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Trademark of “Comply Ant” name</td>
<td>- Trademark of “I-Comply” program name</td>
</tr>
<tr>
<td>- Trademark of “Comply Ant” character</td>
<td></td>
</tr>
<tr>
<td>- Copyright of “Comply Ant Coloring Book”</td>
<td>- Trademark “I-Comply” logo</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key IP Steps We Took</th>
<th>Current IP Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Search: Conducted knockout and full trademark searches</td>
<td>- Submitted updated evidence as to use of Comply Ant; awaiting PTO determination</td>
</tr>
<tr>
<td>- File: Filed initial applications with U.S. PTO and E.U. IPO; U.S. PTO published “Comply Ant” for third party opposition and received none</td>
<td>- On hold pending completion of Comply Ant filings</td>
</tr>
<tr>
<td>- Respond: Received objection to our filing evidence (Comply Ant Coloring Book) from U.S. PTO</td>
<td></td>
</tr>
</tbody>
</table>
So What Are The Key Takeaways?

1. Deciding to develop a brand can be a fun enhancement to a maturing program
2. Developing the brand can provide a needed creative outlet for your team
3. Leveraging support and expertise of internal resources, from the initial idea to implementation, can help build buy-in across the organization and save you on cost
4. Necessity is the mother of invention- set some deadlines and allow the “Eureka” moments to emerge
5. Carefully planning the pre-launch, launch and post-launch activities is critical to success
6. Making your brand unique to your Company and your culture is imperative for adoption
7. Building on momentum and continuing to embed your brand in your program communications is essential for long-term sustainability

I comply, do you?
Questions