EVERY STEP OF THE WAY
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
EVERY STEP OF THE WAY

GETTING STARTED: ABOUT US AND OUR I-COMPLY PROGRAM

Who We Are Not…

Basic Research
Discovery
Clinical Support
Safety Assessment
Manufacturing

A leading, full-service drug discovery and development company
Our scientists worked on ~80% of the drugs approved by the FDA in 2017

And Who We Are
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 (FY2018)*.

- **History**
  - 1947: Founded in Boston, Massachusetts.
  - 2000: IPO and listed on NYSE.

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

*Estimated as of 8 August 2018.

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Our Global Footprint

- **Our Locations**
  - 80 facilities strategically located in 23 countries, near our major client base.

- **Our People**
  - ~14,000 employees.

- **Our Clients**
  - 80 facilities strategically located in 23 countries, near our major client base.

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Our Unique Role in Drug Research

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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
- Biosafety

Pharmaceuticals, Biotech and Life Sciences

- Labor and employment
- Anti-bribery and anti-corruption
- Trade compliance
- Cybersecurity
- Financial compliance
- Environmental health and safety
- Intellectual property and confidentiality
- Product quality and safety
- Conflicts of interest, gifts and entertainment
- Insider trading
- Competition law
- Government contracting
- Pharma, Biotech, and Life Sciences
- Interactions with healthcare providers
- Non-U.S. (Black Law)
- Market access, pricing and reimbursement
- Clinical trials & patient safety
- Marketing and promotional law (Sunshine Act)
- Financial compliance
- Environment, health and safety
- Product quality and safety
- Misconduct

The Scope of Compliance at Charles River

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

2. 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

3. Compliance Liaisons
   - To support the growing requirements of Legal Compliance globally, implemented a Compliance Liaison program

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

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

6. Pre-2011
   - No formalized or coordinated compliance and ethics program

7. Full-Time Staff
   - Hired full-time Director, Corporate Compliance to drive program maturity

8. Additional Full-Time Staff
   - Hired full-time Compliance Specialist

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

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

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

- Enhance the identity of Legal Compliance and communicate the value of Legal Compliance to employees
- Support limited Legal Compliance resources to promote global awareness across 23 countries despite limited Legal Compliance resources
- Differentiate Legal Compliance from competing functions and initiatives (e.g., Legal, HR, Internal Audit, Regulatory Compliance)
- Provide consistent messaging in disparate countries and languages
- Build brand awareness
- Enhance brand value
- Provide a consistent message to employees
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EVERY STEP OF THE WAY

What Our Internal “Competition” Looked Like

Corporate Social Responsibility
Animal Welfare
Employee Communications
Security

EVERY STEP OF THE WAY

Aligning with Our Values and Mission

Evie’s Story
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.”

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 Benchmark
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

Now for the Good Stuff: How We Started to Develop Our Brand
EVERY STEP OF THE WAY

The Initial Contest Results...

...But Some Promise, Too.

How We Brought It All Together and Went “Live”
The Branding… I-Comply!

<table>
<thead>
<tr>
<th>Legal Compliance Idea</th>
<th>Initial Renderings</th>
<th>Revised Renderings</th>
<th>Final Result</th>
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The Initial Mascot Renderings… Captain Compliance!

The Initial Mascot Renderings… Compliance Girl!
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>
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<tbody>
<tr>
<td><strong>Late October</strong></td>
<td><strong>November 9, 2017</strong></td>
<td><strong>Late November</strong></td>
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<tr>
<td><strong>Posters:</strong> Distributed posters to each global site that &quot;teased&quot; our mascot and brand</td>
<td><strong>Coloring Book:</strong> Included in the kit of making compliance and ethics fun, developed I-Comply Coloring Book and other giveaways</td>
<td><strong>Selected Feedback:</strong> Sought out feedback on the use of Comply Ant</td>
</tr>
<tr>
<td><strong>Communications:</strong> Distributed global emails to all employees &quot;teasing&quot; 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 &quot;unsolicited&quot; but thought-provoking feedback</td>
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<td><strong>Newsletter:</strong> Launched annual Legal Compliance Newsletter with I-Comply and Comply Ant</td>
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<td><strong>Giveaways:</strong> Designed and outsourced creation of &quot;swag&quot; for distribution at our global sites</td>
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GOING LIVE: LAUNCHING YOUR BRAND AND BUILDING ON THE MOMENTUM

EVERY STEP OF THE WAY
The Pre-Launch Plans...

- Poster “Preview” with I-Comply logo and Comply Act
- Global Employee Communications Announcement

The Launch on Compliance Day 2017

- Coloring Book and Pencils
- I-Comply Launch Video
- Swag and Giveaways
- Annual Newsletter

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

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<td>Training Breathing: Added our I-Comply brand to all live and online training events</td>
<td>Communication Tools: Developed self-paced and video-based communication modules incorporating 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>
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<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 programs to I-Comply Liaisons</td>
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<td>Anti-Bribery Training: Incorporating executive messaging and I-Comply branding</td>
<td>Internal Site: Leverages Charles River’s internal site (iConnect) to communicate key messages</td>
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<td>Anti-Harassment Training: Incorporating executive messaging and I-Comply branding</td>
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Training

Recognizing and Reporting

Inquiry

Our Values at 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.

**Potential IP Protections We Considered**
- Trademark of “Comply Ant”™ logo
- Trademark of “Comply Ant”™ character
- Copyright of “Comply Ant Coloring Book”
- Trademark of “I-Comply”™ program name
- Trademark of “GUARD™”

**Potential IP Protections We Are Seeking**
- Trademark of “Comply Ant”™ name given the obvious “play on words”; likeness would be challenging to trademark
- Trademark “I-Comply”™ program name

**Key IP Steps We Took**
- Search: Conducted knockout and full trademark searches
- 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
- Respond: Received objection to our filing evidence (Comply Ant Coloring Book) from U.S. PTO

**Current IP Status**
- Submitted updated evidence as to use of Comply Ant; awaiting PTO determination
- On hold pending completion of Comply Ant filings

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

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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 uniquely 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