



## Pfizer 2018 Joint Statement of Compliance with the California Transparency in Supply Chains Act and Section 54 of the U.K. Modern Slavery Act

The California Transparency in Supply Chains Act of 2010 (SB 657) and section 54 of the U.K. Modern Slavery Act 2015 are designed to provide consumers with information regarding manufacturers' and retailers' efforts to address the issue of slavery and human trafficking. At Pfizer, responsible supply chain management is important to our business and we strive to uphold human rights in all our business activities.

Pfizer fully supports the principles in the United Nations Declaration on Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work.

As a signatory of the United Nations Global Compact, we have committed to support the ten principles on [human rights](#), labour, environment, and anti-corruption, including principles 4 and 5, which call for the elimination of all forms of forced and compulsory labour and the effective abolition of child labour.

Pfizer is a co-founder and active member of the Pharmaceutical Supply Chain Initiative (PSCI), a group of pharmaceutical companies that have established a set of principles (PSCI Principles) to aide pharmaceutical suppliers in establishing sustainable business practices, including ethical and responsible labour practices. PSCI's Principles regarding labour state that suppliers shall not use forced, bonded, indentured, or child labour. The PSCI Principles are available online at: <https://pscinitiative.org>.

Pfizer strongly encourages our supply partners to support our [Supplier Code of Conduct](#) which incorporate the PSCI Principles. We expect our supply partners to:

- Operate in full compliance with all applicable laws, rules, and regulations.
- Conduct their business in an ethical manner, acting with integrity.
- Commit to upholding the human rights of workers and to treat them with dignity and respect.
- Provide a safe and healthy work environment.
- Operate in an environmentally responsible and efficient manner to minimize adverse impacts on the environment.
- Facilitate continuous improvement by using relevant management systems.

Our Supplier Code of Conduct notes that a supplier's failure to comply with our Code or failure to correct non-complying situations is grounds for business relationship termination.

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PSCI has taken the following steps to address the potential risk of slavery and human trafficking in PSCI members' supply chains:

- In 2016, PSCI commissioned an independent review of the modern slavery risk in the pharmaceutical industry supply chain. Our company has reviewed the results of the study and has incorporated them as appropriate into our procedures.
- PSCI has trained, and continues to train, hundreds of pharmaceutical industry suppliers around the world through conferences and webinars on labour and ethics risks.

In addition to its engagement with PSCI, Pfizer has:

- Procedures to assess the potential for environmental health and safety (EHS), labour and ethics risks in our direct material supply chain. This assessment covers suppliers for starting materials, intermediates, active pharmaceutical ingredients, and finished products.
- Standard supplier contracts and a [Supplier Conduct Position Statement](#), which requires suppliers to covenant that the work they perform for Pfizer is conducted in a manner consistent with the PSCI Principles.
- Trained and certified three internal EHS subject matter expert auditors in the requirements of SA 8000 for auditing labour related practices in select areas of our supply chain.
- Incorporated a high level review of labour and ethics into our established EHS supplier review program that audits suppliers deemed material to Pfizer's business and/or suppliers in countries that have potential elevated risk related to EHS, labour and ethics practices.
- Provided awareness training on forced labour, child labour, inhumane treatment of workers, and discriminatory labour practices to colleagues with relevant responsibilities such as procurement, audit, and supply chain management.
- In 2018 we completed a pilot program to assess a number of select suppliers in China and India utilizing the services of a certified 3rd party audit firm that specializes in SA 8000 requirements. These pilot audits did not identify any significant labour related risks across the sampled suppliers.
- Initiated work streams to create improvements in our program by utilizing certified consultants to complete audits against the SA 8000 requirements and PSCI Principles in specific targeted high risk areas as identified by the Global Slavery Index.