

GLOBAL COMPLIANCE PROGRAM: Case Study



June, 2004

Princeton

A COMPLIANCE PROGRAM...

“...an internal management system that assists employees in understanding and following targeted legal principles on an organized basis.”*

- Publish Compliance policies
- Educate employees
- Monitor employee behavior
- Discipline

*Jay G. Martin, The Lawyer's Brief, September 30, 2002

ELEMENTS OF A COMPLIANCE PROGRAM

- Written standard of conduct
- Written policies/procedures committing to legal compliance in a wide variety of areas of potential compliance risk
- Compliance Officer
- Training and education
- Monitoring and audits
- Investigation and remediation of problems

ELEMENTS OF A COMPLIANCE PROGRAM

- Hotline for complaints and procedures for anonymity
- Consideration of compliance in performance evaluations of leaders
- Disciplinary action for violators

SARBANES-OXLEY ACT

- Has resulted in renewed emphasis on Compliance Programs
- New or enhanced standards for corporate accountability and transparency – rules and interpretation in development
- Increases penalties for corporate wrong doing
- Auditors, financial disclosures, management responsibility

SO WHAT ARE WE DOING?

- Aventis Values of Integrity and Courage are, as they should be, the starting point
- We expect all employees to have these values as the basis of their actions
- Realistically, that is not enough – highly complex environment, not all answers are clear
- Compliance Program assures that all of the elements are in place

AVENTIS PROGRAM COMPONENTS

- Written standard
 - Global Compliance Policy – 9 Languages
- Written policies – for example
 - US Business Conduct Policy
 - Research – Quality Standards
 - Industrial – Quality Standards
 - Countless SOPs

AVENTIS PROGRAM COMPONENTS

- Global Compliance Officer designated – Board Member
- Training and Education
 - General – (e.g., Multi-lingual Compliance Policy Overview e-learning on Website)
 - Issue Specific varies by country – new global e-learning modules re: antitrust/bribery
- Website
 - Global site with links to function and country specific policies

- ▼ [GLC Home](#)
- ▶ [Compliance Helpline](#)
- ▶ [Compliance Concerns or Questions](#)
- ▼ [Global Compliance Policy](#)
- ▼ [Global Policies](#)
- ▼ [Country Compliance Resources](#)
- ▼ [eLearning Toolbox](#)
- ▼ [External Links](#)
- ▶ [FAQ](#)

Welcome Message

Welcome to the Global Legal Compliance Website! We have designed this site to provide Aventis associates with access to important Compliance policies, training and updates. Some materials are applicable globally, and some on a country or function specific basis. We hope that you will bookmark this as a "favorite" and let us know of additional links that we can build or add.

- ▶ [Compliance Helpline](#)
- ▶ [Compliance Concerns or Questions](#)
- ▶ [Financial/Accounting /Auditing Concerns](#)

Global Compliance Policy



English
French
German
Japanese
Portuguese
Korean
Chinese - Taiwan
Spanish - Argentinean
Spanish - Colombian

Who We Are

The **Global Legal Compliance Group** provides legal support to a wide variety of compliance efforts throughout Aventis.

The contact for this website is Trudy.Seeley@aventis.com.

What you can find here:

- **Global Compliance Policies**
- **Country-Specific Policies**
- **Compliance Helpline Information**
- **Report Compliance Concerns**
 - **Functional Policies & SOPs**
 - **Links to Regulatory Sites**
 - **Training Materials**

Connecting You to:



The collage features several overlapping screenshots of Aventis websites:

- Top Left:** A screenshot of the main Aventis website with navigation links for "Diversity", "Flexible Work Options", "International Mobility", "New Hires", "Performance Management", and "Policies - HR".
- Top Center:** A screenshot of the "HUMAN RESOURCES" section, specifically the "APIO France" portal.
- Center:** A screenshot of the "Intranet Portal Deutschland" with a menu listing "ComOpNet", "DI & A", "IO", "Abteilungen", "Projekte", "Aventis Services", "News", "Firmen", "Industriepark Höchst", "Regionen / Lander", and "Video".
- Bottom Center:** A screenshot of the "Quality Operations" page, titled "Welcome to Global Quality Operations!", featuring images of pills, a syringe, and a vial. It includes a search bar, a "Functions" menu, and a "WHAT'S NEW" section.
- Bottom Right:** A screenshot of a regulatory or compliance page with the text "Policies & Guidelines" and the "FIRSTGOV" logo.

Internal & External Compliance & Regulatory Sites

... **Compliance Helpline**

**Available to all Aventis
associates globally
24 hours a day / 7 days a week**



Multi-Lingual

Toll-Free

Anonymous

Confidential

**Helping us uphold our
Values**



- GLC Home
- Global Policies

Welcome
 Welcome design important mater specific and le

Who We
 The G
 wide
 The c

Compliance Concerns or Questions

Compliance is the responsibility of every person at Aventis, from the highest levels of management to each employee and contractor. Management is committed to living the Aventis values of Integrity, Courage, and Respect for People through fostering a corporate culture of compliance.

The first with you one of the

- Use
- If
- ca
- Fo
- Co
- we
- If
- lin
- thi
- an
- sh

FINANC
 complia
 shareho
 form of
 encoura

anonym
 accorda
 Supervi
 with a c

E-mail:

Phone:



Compliance Concerns Report Form

You can use this form to send a confidential electronic report of a compliance concern, for example, to seek clarification or report a violation of a provision in the Global Compliance Policy, to the Global Legal Compliance Team. The report will be forwarded to the appropriate parties for investigation. If you identify yourself, someone can contact you directly for more details or to discuss your concern. If you choose to remain anonymous, please be as detailed as possible in your report.

Name:

Contact Preference: Email:

Phone:

Please give as much detail as possible, including names of parties, dates, and a description of the incident or concern you are reporting:

Submit

SPECIAL NOTE: Consistent with Aventis' overall views of the importance of compliance with applicable laws and regulations, management is absolutely committed to providing shareholders with accurate and reliable financial data. Employees who are concerned about any form of financial misrepresentations, accounting or auditing irregularities, or insider trading are encouraged to address these issues openly to the Compliance or Internal Audit groups, or anonymously using the [Helpline](#) or the Report Form above. Concerns of this type will be reviewed in accordance with procedures established by the Finance and Audit Committee (FAC) of the Supervisory Board. Should employees wish to contact Dr. Martin Fruehauf, Chair of the FAC, directly with a compliance concern, they are welcome to do so.

E-mail: **Dr. Martin Fruehauf**
 Phone: +49 69 305 15364 (Germany)



From the
Legal Compliance
 Homepage

AVENTIS PROGRAM COMPONENTS

- Investigations
 - Handled locally
 - Developing Web-based tool for country reporting to make global trend overview possible

AVENTIS PROGRAM COMPONENTS

- Hotline
 - Compliance Helpline
 - 1-800-XXX-XXXX
 - Available globally

COMPLIANCE OFFICER RESPONSIBILITIES

- Oversee and monitor the implementation of Compliance Program
- Revise the Compliance Program if necessary
- Assure the development of appropriate education and training programs
- Report to Management and Supervisory Boards on Compliance Program progress and issues

COMPLIANCE OFFICER RESPONSIBILITIES

- Investigate and act on compliance issues (coordination with Audit where appropriate)
- Assure development of policies and programs for reporting of suspected violations without fear of retaliation
- Ensure appropriate reporting of self-discovered violations

HOW DOES THE GCO KNOW WHAT IS GOING ON?

- **Aventis Global Compliance Structure**
 - Established network of country and function based contacts
 - Reporting on semi-annual basis and as needed
 - Leverages existing strong cross functional committees
 - Linkage through participation by legal team
 - Leverages existing business unit structures
 - Designates dedicated legal team to support efforts
 - Coordination reporting, training development, counsel to committees
- **Reporting Periodically to Management & Supervisory Boards**

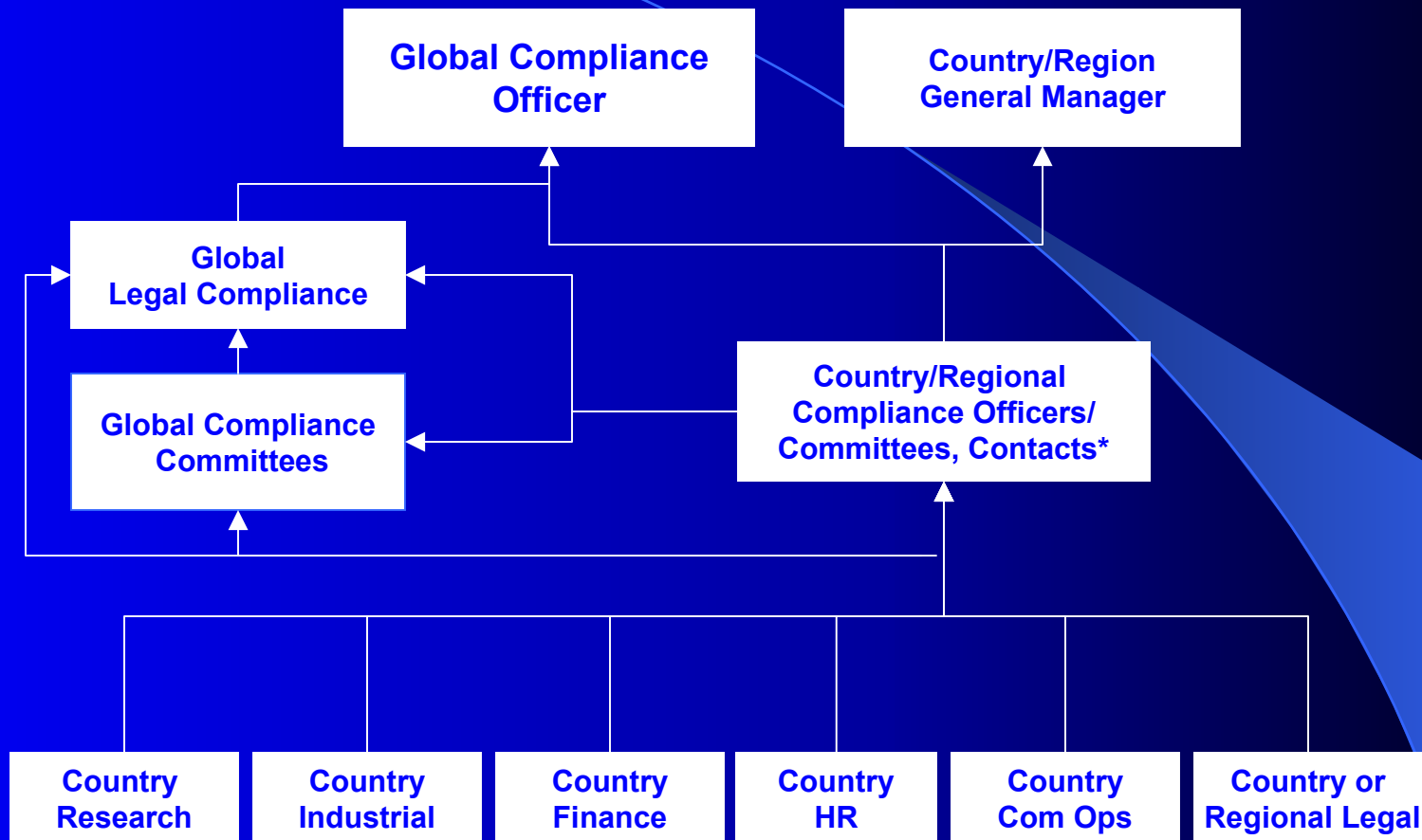


Global Compliance Structure





Country/Region Compliance Structure



Audit groups will have input into this structure through existing routes

* Structures will vary in country or region