



## Public Policy Engagement and Political Participation

### Engaging in Public Policy

In the highly regulated and competitive pharmaceutical industry, it is crucial to our stakeholders that we engage on public policy issues that may affect our ability to meet patient needs and enhance shareholder value. Essential aspects of our business are regularly challenged by barriers to access, counterfeits, illegal drug importation and challenges to our intellectual property protection.

We have extensive knowledge about health care and many ideas about improving its efficiency, as well as a global perspective on public health, disease prevention and health education and wellness. Pfizer remains committed to working with policy makers to help create an innovative environment where we can cultivate new medicines and bring them to the market, and ensure that patient health and safety remains a priority.

### Pfizer's Political Contributions and Political Action Committee (PAC) Policy

#### Corporate Political and Pfizer PAC Contributions:

In the U.S. there are important federal, state and local election laws with which we comply.

The Federal Election Campaign Act (FECA), as amended, prohibits corporations from providing money or in-kind contributions to federal candidates, political parties, political committees or any other entity in connection with a federal election. While some states and local jurisdictions have similar prohibitions on corporate contributions, others permit corporations to directly support state candidates, political parties and committees.

Pfizer has a long-standing policy prohibiting the use of corporate contributions in federal elections, and the Company expects all colleagues to comply with the FECA and corporate policy. The federal contribution ban applies not only to monetary support, but also covers the use of corporate resources and/or services of any monetary value. For this reason, colleagues are prohibited from using any corporate resources for federal election purposes. In state and local jurisdictions that permit corporate contributions, colleagues must seek legal review and approval prior to committing corporate funds or resources to a state or local candidate, political party or political committee. In states where corporate contributions are allowed, Pfizer will use treasury funds to make contributions directly to candidates. These political contributions are made to support the election of candidates, political parties and committees that support public policies important to the industry, such as innovation and access to medicines. Political contributions may not be given to an official in exchange for an official act or to advance particular business projects.

The Pfizer Political Action Committee (PAC) is a nonpartisan organization that provides opportunities for eligible employees to participate in the American political process. The Pfizer PAC is an employee run organization with a Steering Committee made up of Pfizer employees from different divisions of the Company. The Pfizer PAC is funded by voluntary employee contributions. [Click here](#) to view the current report.

## External Auditor Review

At the end of each Federal election cycle (every two years), the Pfizer PAC is audited by Bond Bebee, a certified public accounting and advisory firm. The firm's Report of Independent Auditors is available in Pfizer's PAC & Corporate Political Contributions Report, January 2013-December 2014 at:

[http://www.pfizer.com/files/investors/corporate/Pfizer\\_Report\\_January\\_2013\\_December\\_2014.pdf](http://www.pfizer.com/files/investors/corporate/Pfizer_Report_January_2013_December_2014.pdf).

## Independent Expenditures:

In light of the Supreme Court decision in the Citizens United case, Pfizer has determined that it will not make any direct independent expenditures.

## 527 Issue Organizations:

Pfizer does not traditionally make contributions to 527 Issue Organizations. If we were asked to make such a contribution, it would have to be reviewed and approved by the Political Contributions Policy Committee (described below) and subsequently disclosed in our semiannual political contributions report.

## International Political Contributions:

A Pfizer Entity is permitted to make political contributions to political parties, candidates for public office or election committees in countries outside the United States where it is lawful to do so and in certain circumstances. Please see our [Corporate Procedure](#) for further information.

## **Policies and Procedures for Approval/Oversight of PAC and Corporate Political Expenditures**

### PAC Steering Committee/Political Contributions Policy Committee:

All corporate and PAC political spending decisions undergo a rigorous review process conducted by the PAC Steering Committee comprised of colleagues from various divisions within Pfizer to ensure that each contribution we make is done to advance our business objectives, and is not based on the political preferences or views of any individual colleague within Pfizer.

The PAC Steering Committee evaluates candidates on the basis of their views on issues that impact not only Pfizer but our patients as well. The Committee also takes note of whether Pfizer facilities or colleagues reside in a candidate's district or state.

The PAC is an employee funded organization that is governed by the Political Contributions Policy Committee (PCPC). The PCPC is chaired by the Company's Executive Vice President, Corporate Affairs, and is comprised of senior leaders from different divisions throughout the organization. Contribution requests are reviewed and approved by the PAC Steering Committee made up of Pfizer employees from different divisions throughout the organization.

## Board of Directors:

The Board of Directors at Pfizer plays an important role in Pfizer's public policy engagement and political participation. The Corporate Governance Committee of the Board is responsible for maintaining an informed status on public policy issues that may potentially affect the reputation of the pharmaceutical industry and Pfizer. The Board also reviews the PAC and Corporate Political Contributions report before it is published.

## **Pfizer's Disclosure Policies**

### Political Contributions:

Pfizer complies fully with all federal, state, and local laws and reporting requirements governing PAC and corporate political contributions. Pfizer also requests that trade associations receiving total payments of \$100,000 or more from Pfizer in a given year, report the portion of Pfizer dues or payments used for expenditures or contributions that, if made directly by Pfizer, would not be deductible under section 162(e)(1)(B) of the Internal Revenue Code. Pfizer has a Corporate Policy Procedure (#802a) that requires all PAC and corporate political contributions be compiled and published semiannually in the PAC and Corporate Political Contributions Report available at [www.pfizer.com](http://www.pfizer.com). We also disclose the information we receive from our trade associations in the semiannual report.

Pfizer continuously re-evaluates its reporting practices to ensure that its disclosures meet the needs of its stakeholders. Over the years, shareholder engagement has helped Pfizer to expand its level of disclosure and create or modify corporate policies related to political expenditures.

### Federal and State Lobbying Activity:

We file quarterly reports of our federal lobbying activity in compliance with the Honest Leadership and Open Government Act of 2007 (HLOGA). In addition to Pfizer's federal lobbying activity, the amount we report also includes the amount spent on federal lobbying activity by trade associations of which Pfizer is a member. These reports are available to the public at: <http://soprweb.senate.gov/index.cfm?event=selectfields>

With regard to Pfizer's state lobbying activity, Pfizer complies with state registration and reporting requirements in all the states where Pfizer is currently active.

## **Trade Associations**

We are a member of several industry and trade groups, including the U.S. Chamber of Commerce, the Business Roundtable, the National Association of Manufacturers, the Biotechnology Industry Association, and the Pharmaceutical Research and Manufacturers of America (PhRMA). These organizations along with the others we belong to represent both the pharmaceutical industry and the business community at large in an effort to bring about consensus on broad policy issues that can impact Pfizer's business objectives and ability to serve patients. At times we may not completely share the views of these various industry and trade groups and/or members, but we are able to voice our concerns, as appropriate, through our colleagues who serve on the boards and committees of these groups.

A partial listing of our trade association memberships is available on our website at: [http://www.pfizer.com/responsibility/grants\\_contributions/lobbying\\_and\\_political\\_contributions](http://www.pfizer.com/responsibility/grants_contributions/lobbying_and_political_contributions)