



Ethics, Risk and
Compliance

Ethics, Risk & Compliance

Training Approach

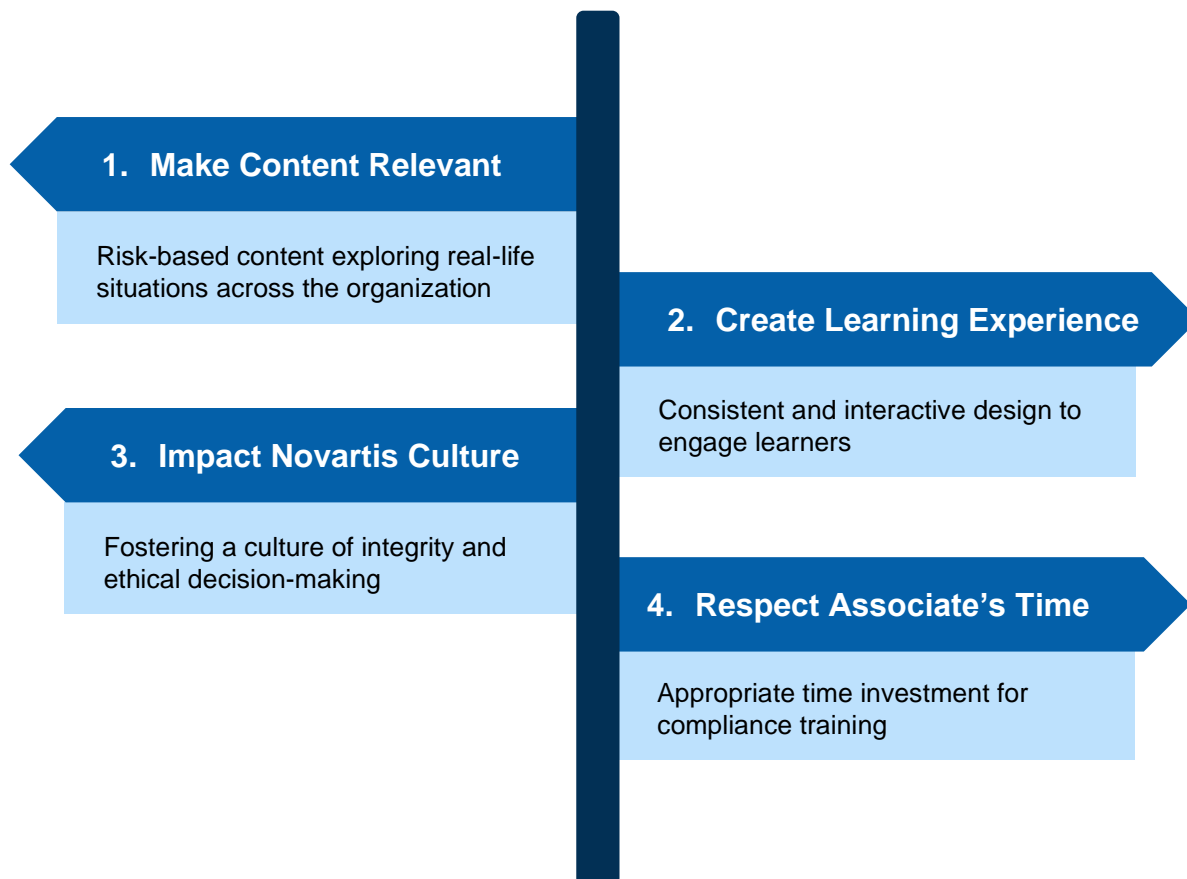
V1, April 2021

Purpose and scope

This document defines the global Ethics, Risk & Compliance (ERC) Training approach including:

1. Training guiding principles
2. Compliance training structure
3. Compliance training governance
4. Learning effectiveness evaluation
5. 2020 Professional Practices Policy Training completion data

Section 1: ERC Training Guiding Principles



Section 2: Compliance Training Structure

Novartis compliance trainings can be divided into:

Global Curriculum		Mandatory eTrainings for all associates and external contractors
Foundational trainings		<ul style="list-style-type: none"> • New Hire Training assigned to all news hires 4 weeks after employment date* • Code of Ethics annual mandatory training
Risk-based Training		<ul style="list-style-type: none"> • ERC rotating topics: Anti-Bribery, Professional Practices, Conflicts of Interest • Annual non ERC topics: Adverse Events, Information Management • Non ERC rotating topics: Data Privacy, Social Media, Procurement, Fair Competition / Anti-trust, Insider Trading and Diversity & Inclusion
Reinforcement		Communication and educational toolkits are provided for global and local use to reinforce ERC policy topics.
Local Training		Local in-depth and risk-based targeted trainings complementing global eTrainings
Targeted Risk-Based Training		In countries, if/as applicable, targeted risk-based training is implemented to complement global e-trainings and ensure compliance with locally applicable regulations.
Reinforcement		Countries are encouraged to use locally any globally provided communication and educational material to reinforce ERC policy topics.
Leadership Training		Tailored management training
Executive Onboarding Program		Onboarding of newly appointed local executive leaders on ethical business practices to live up to our commitment to achieve business goals ethically. Local ERC professionals are responsible to define the training audience, to deliver the sessions and monitor completions. Sessions are delivered face to face or virtually.

* **Topics covered in the New Hire Training:** code of ethics, access to medicines, anti-corruption, antitrust and fair competition, conflicts of interest, customs and trade compliance, data privacy, diversity and inclusion, discrimination and harassment, drug safety, environmental sustainability, health and safety, fair employment practices, financial integrity, human rights, information and cyber security, insider trading, professional practices, third party risk management, misconduct reporting.

Section 3: Compliance Training Governance



3.1 Global Compliance Training Curriculum

Since 2012, global mandatory compliance e-training to all associates has been successfully coordinated and aligned through our Global Compliance Training Curriculum process.

The global compliance training curriculum is designed to:

- Address any identified company risks
- Foster awareness of policies and guidelines within the organization
- Harmonize and align curricula between divisions and locations

3.2 The ERC Training Guidelines

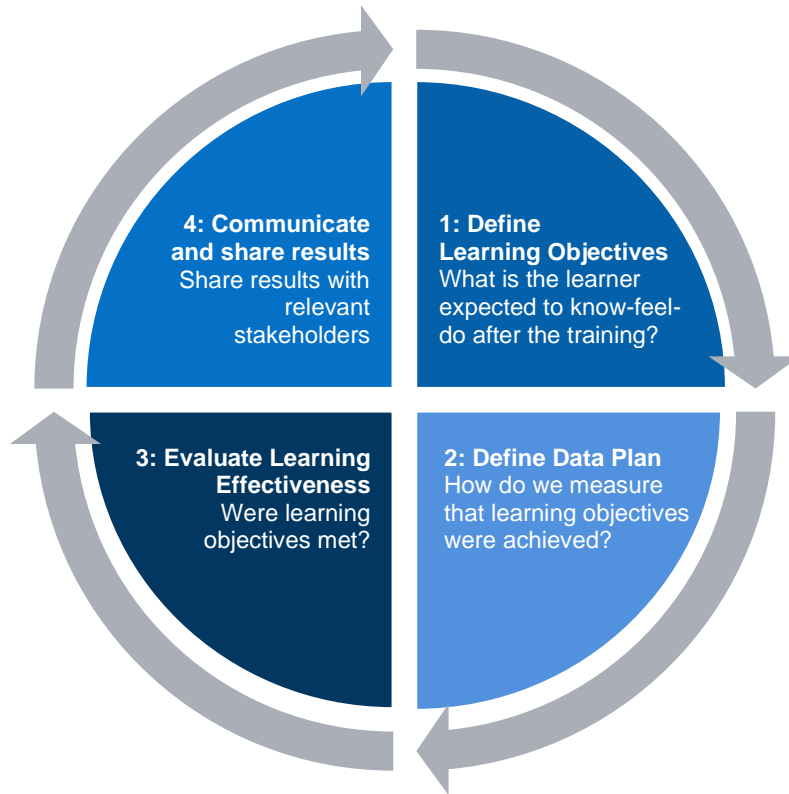
Minimum global ERC training requirements are defined in our ERC Training Guidelines. Training covers key aspects of the main ERC owned policies.

There are three guidelines in place:

1. Training Guideline for Internal Associates
2. Training Guideline for Contractors
3. Training Guideline for Third Parties (TPs) and External Service Providers (ESPs)

Section 4: Learning Effectiveness Evaluation

Learning impact is measured through a defined and structured cycle.



Section 5: 2020 Professional Practices Training

This is a summary of the key Professional Practices Policy (P3) global and local training delivered throughout 2020 together with the number of associates reached with each.

Our Professional Practices Policy governs how associates conduct business and interact with customers, including the promotion of medicines to healthcare professionals.

Global Professional Practice Policy Training

Training	Training objectives	Audience in scope	Audience trained
P3 Refresher eTraining	Learn to make informed decisions by: <ul style="list-style-type: none"> Asking the right questions to the right people. Uncovering the risks, by applying the P3 principles to evaluate difficult situations. Considering the options, by seeking different viewpoints. 	All divisions, All countries, Selected functions: Marketing, Commercial & General Management, Market Access, Medical, ERC, Legal and Internal Audit.	41'639 associates
Creating Launch Confidence webinars	Sharing simple, practical advice and examples to increase associates' confidence by proactively addressing common concerns and risks	All countries, Selected divisions: Pharma and Oncology Selected functions: Commercial, Sales, Marketing and Medical.	4'982 associates

Local Professional Practice Policy Training - Top 12 countries

Targeted risk-based training is implemented to complement global e-trainings and ensure compliance with locally applicable regulations.

Audience in scope:

Divisions: Pharma, Oncology and Sandoz

Functions: Commercial, Sales, Marketing and Medical

Country	Associates trained	Country	Associates trained
United States	11,530	Italy	1,263
Germany	1,623	Spain	167
Switzerland	260	Canada	340
Japan	2,057	United Kingdom	2,444
France	1,871	Brazil	1,818
China	7,031	India	157