

Novartis Methodological Note for Global Patient Organization Transfers of Value (ToV) Report

on disclosure of payments and other ToV to patient organizations following Novartis codes, practices and guidelines, as well as the interpretation of the EFPIA code of practice

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1. Reference to Novartis Codes, Practices, Guidelines, and EFPIA Code

As an important voice of patients around the world, patient organizations have expanded and strengthened the active role of the patient community in the healthcare ecosystem. By drawing upon the unique expertise and experiences of the patients they serve, patient organizations are a key driving force in making healthcare more patient-centric. To this end, patient organizations partner with a number of different stakeholders of the healthcare community including pharmaceutical companies. Joint projects may relate to informing the development process for a new medicine, gathering information on diseases, treatments and available clinical trials, or developing patient support programs.

Novartis is committed to an open dialogue and transparent exchange of information with patient organizations. We see them as a key partner in our decision-making throughout the medicine lifecycle. We believe that engaging the patient community consistently and systematically across the medicines' lifecycle ultimately allows us to develop better medicines for the benefit of patients with unmet needs. This reflects the commitments we have set out in our Code of Ethics and in our [Commitment to Patients and Caregivers](#).

Novartis has developed codes and guidelines in accordance with legal and regulatory requirements to ensure that interactions with patient organizations meet high standards of integrity and transparency. Enhancing transparency in the relationships between pharmaceutical companies and their partners aims to create a better understanding of the collaboration and recognition of its value to patient care.

Novartis annually discloses monetary Transfers of Value (ToV) (payments made directly or via intermediary to the patient organization) as well as non-monetary support to patient organizations around the globe in the Global Patient Organization Transfer of Value (ToV) Report. For each organization we support, we disclose the name, as well as the value and purpose of the ToV, in full compliance with industry codes including the European Federation of Pharmaceutical Industries and Associations (EFPIA) [Code of Practice](#).¹ This supplements the Novartis Commitment to patients and caregivers, recognizing the importance of transparency and reporting.

2. Purpose of the Methodological Note

This note serves as supporting documentation for the global patient organization ToV report. The Novartis methodology is based on current internal [Novartis codes, practices, and guidelines](#), as well as the interpretation of the current version of the EFPIA Code.

¹ The 2019 EFPIA Code of Practice (in short: EFPIA Code) states in Section 23.05 (*Methodology*) that "each Member Company must publish a note summarizing the methodologies used by it in preparing the disclosures and identifying Transfers of Value for each category described in Section 23.05. The note, including a general summary, must describe the recognition methodologies applied, and should include the treatment of multi-year contracts, VAT and other tax aspects, currency aspects and other issues related to the timing and amount of Transfers of Value for purposes of this Code, as applicable".

The methodological note summarizes the methodologies and business decisions implemented to identify, collect, and report ToVs for each disclosure category.

The note is updated annually in conjunction with the publication of the global patient organization ToV report to reflect the latest ToV reporting methodology.

3. Novartis Commitment and Responsibility for Disclosure

Novartis has established a single and consistent transparency standard for ToVs provided to patient organizations. Since 2012, the company has published a global patient organization ToV report with the intent to increase transparency in our interactions with patient organizations at a global level.

Since its introduction, the global patient organization ToV report, along with respective transparency reporting standards have undergone updates to ensure full adherence with Novartis [Doing Business Ethically Policy](#). Alignment is also maintained with the current EFPIA Code.

The global patient organization ToV report discloses the value transferred from January 1, 2025, to December 31, 2025. Any Novartis subsidiary providing support to an independent patient organization is reported as a 'funding entity' throughout the global patient organization ToV report. Each funding entity is accountable for the disclosure of the corresponding ToV.

Whenever possible, Novartis ensures that each patient organization is referred to in such a way that there is no doubt as to the identity of the organization benefiting from the ToV.

4. Scope of the Novartis Disclosure on Transfers of Value

This global patient organization ToV report is following the disclosure standards pursuant to the Novartis codes, practice, guidelines, and EFPIA code. Subject to this disclosure report are all direct or indirect ToVs related to prescription-only medicines or for the benefit of a Recipient made by any Novartis affiliate as described in Article 22 of the EFPIA Code. Further details on the disclosure scope will be provided in chapter 5 of this document.

The 2025 global patient organization ToV report covers direct and indirect ToVs, payments, in kind or otherwise, made to patient organizations in connection with the development and sale of prescription-only medicinal products exclusively for human use, whether for promotional purposes or otherwise.

In this report, Novartis discloses the amounts of value transferred, by type of ToVs with data coverage from January 1, 2025, to December 31, 2025. The global patient organization ToV report disclosure is performed for the full calendar year 2025.

Novartis follows the principle of disclosure at the individual patient organization level, to ensure that each Recipient is referred to in such a way that there is no doubt as to the identity of the patient organization benefiting from the ToVs.

4.1 Voluntary Disclosure

This section outlines the practices and commitments used when a company decides to go beyond mandatory requirements. It covers disclosure beyond regulatory reporting, proactive reporting, and supplementary efforts for member companies. It is not applicable at Novartis, as the mandatory EFPIA code is followed.

5. Novartis Disclosure Recognition Methodology and Related Business Decisions

This chapter provides definitions, methodologies and business decisions related to ToV for public disclosure.

5.1 Definition of Direct and Indirect Transfers of Value

The following definitions apply throughout the global patient organization ToV report:

- **Direct ToV:** ToV payments made directly by Novartis to the benefiting organization.
- **Indirect ToV:** ToV made through an intermediary (third party) on behalf of Novartis for the benefit of an organization and where the organization can be clearly identified.
- **In-Kind:** Non-monetary support provided to the benefiting organization.
- **Cross-border ToV:** ToV to an organization registered outside of the country where the Novartis subsidiary is providing the funding is based. Where local law requires, such ToV is disclosed in the country where the organization has been formally registered. In addition, cross-border ToV made by Novartis to organizations are included in the global patient organization ToV report.

5.2 Transfers of Value Categories According to the EFPIA Code

Novartis meets its reporting obligations by publishing an annual global patient organizations ToV report, which includes all the funding categories as per the EFPIA code.

5.3 Credit Notes

If Novartis has processed a refund equivalent to the initial payment made to a patient organization, neither transaction will be recorded, since no actual value was transferred.

If a refund has been issued for a payment made in a year already been published, the refunded amount will be subtracted from the patient organization's total disclosed ToV in the upcoming year. If the patient organization receives no payment in the subsequent year, the global patient organization ToV report will display a negative value.

5.4 Excluded ToVs

Food and beverages have been excluded, as collecting this information does not provide additional value to the understanding of the global patient organization ToV report and the nature of engagement with patient organizations.

5.5 Non-Monetary ToVs

A non-monetary contribution of goods or services that supports the operations of patient organizations, i.e., the use of Novartis facilities, administrative or secretarial support, etc. is disclosed with an attributed value.

If a value cannot be calculated with reasonable efforts, the benefit for patient organization must be calculated according to the market-average value and disclosed.

5.6 Multi-Year Agreements

For multi-year agreements with patient organizations, transfers of value shall be disclosed in accordance with the payment date falling within the applicable reporting cycle.

6. Measures Taken to Ensure Compliance with Data Privacy Requirements

This chapter describes measures taken by Novartis to ensure compliance with data-privacy regulations, rules on consent collection, and management of relevant information in compliance with internal rules, data privacy laws and regulations.

6.1 Safeguarding Measures to Address Lawful Collection, Processing and Transfer of Patient Organization Data

Data privacy refers to the individual's fundamental right to control the use, access, and disclosure of information that describes or identifies the individual (personal information). In some countries, this also applies to patient organizations. To fulfil the transparency disclosure requirements, it is necessary to collect, process, and disclose such data within Novartis. The disclosure of such personal information by Novartis is at all times limited to the intended purposes.

In case personal data must be transferred from countries to the central Novartis transparency data repository, whether manually or through local systems, applicable local regulations for such transfer are assessed at local level and followed accordingly.

Where applicable, consent for the publication of the ToV is obtained and documented within the underlying contract before the data is disclosed at the individual organization level. In case consent was either not given by the recipient or not documented sufficiently to prove its existence, ToVs are disclosed on an aggregated level.

7. Financial Aspects

Novartis applies the following rules for ToV payment dates based on different ToV categories:

- Direct ToV payment date is the clearing date via the banking system.
- For indirect ToVs related to events or in kind/ non-financial support, the payment date is the last day of the event.
- In the case of cross-border ToV as defined in chapter 5.1, the direct ToV payment date is the clearing date via the banking system, and indirect ToV payment date is end date

of the event.

ToVs reported in the global patient organization ToV report are presented in the currency in which the respective ToVs were provided

In the case of multi-year contracts, ToVs are identified based on the date that the payment has been cleared via the banking system.

Multiple ToVs for the services covered under the same contract will be consolidated and reported together.

7.1 VAT

ToVs reported in the global patient organization ToV report reflect the net amount. If VAT cannot accurately be excluded, the full ToV amount will be disclosed.

8. Published Data

Data will remain published for three years in the public domain ([Patient Organization Funding | Novartis](#)) and will be stored for a minimum of five years by the publishing Novartis subsidiary.

8.1 Deviations Between Global and Local Reporting

Local reporting requirements based on country regulations may differ from the Novartis global reporting requirements, and deviations may occur between publications as a result.

9. Acronyms and Definitions

This chapter includes a list of acronyms, abbreviations, and definitions for documentation purposes, based on definitions in the EFPIA Code, wherever possible.

Reference: <https://www.efpia.eu/relationships-code/the-efpia-code/>

- Transfers of Value (ToVs)

This chapter also includes a list of definitions per the Novartis [Doing Business Ethically Policy](#)

- **Caregiver:** A person who helps a patient with daily activities, healthcare, or any other activities that a person is unable to perform him/herself due to illness or disability. This person may also participate in or make medical decisions for a patient. Examples of caregivers include parents or legal guardians, spouses or partners, adult children, relatives, or other friends.
- **Patient:** A person with personal experience of living with a disease. Their main role is to contribute with their subjective disease and treatment experience. Patients involved in a clinical trial are not in scope for the document and the global patient organization ToV report.
- **Patient Organization:** A not-for-profit institution that primarily represents the interests and needs of patients, their families and/or caregivers. This report also includes consulting companies where a patient expert is the owner or an employee.