Ethics, Risk and Compliance

Compliance Training Approach

V5 March 2025

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. 2024 Training completion data

Section 1: ERC training guiding principles

1. **Make content relevant**
   Risk-based content exploring real-life situations across the organization
2. **Create a learning experience**
   Consistent and interactive design to engage learners
3. **Impact Novartis culture**
   Fostering a culture of integrity and ethical decision-making
4. **Respect employees' time**
   Appropriate time investment for compliance training

Section 2: Compliance training structure

Novartis compliance trainings can be divided into:

Global Curriculum	Mandatory eTrainings for all associates and external contractors
Foundational trainings	• New Hire Training assigned to all news hires 4 weeks after employment date* • Code of Ethics annual mandatory training
Risk-based training	To select relevant training topics, the ERC Training and Development team conducts an annual curriculum risk analysis. This is a data-driven approach to select training topics which would apply to most Novartis employees and where education can mitigate enterprise-wide compliance risks.
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 and ethical achievement of business goals. 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, equity 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.

![Novartis | Reimagining Medicine]

Section 3: Compliance training governance

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

Multiple data sources are used to perform a data analysis of very high, high, and medium risks across our risk assessment framework results. Risks that can be mitigated through learning solutions are incorporated into the annual curriculum.

The global compliance training curriculum is designed to:
- Address any identified compliance enterprise-wide risks
- Foster awareness of policies, handbooks and guidelines within the organization
- Harmonize and align curricula between divisions and locations

3.2 The ERC compliance training process
This process outlines the framework and minimum training requirements for owned policies and guidelines at global and local level. Audiences in scope are Novartis internal employees and contingent workers.

In addition, it provides useful templates and resources to support the ERC function in developing local risk-based training plans.

Section 4: Learning effectiveness evaluation

Learning impact is measured through a defined and structured cycle.

1. **Define learning objectives**
   What is the learner expected to know-feel-do after the training?

2. **Define data plan**
   How do we measure that learning objectives were achieved?

3. **Evaluate learning effectiveness**
   Were learning objectives met?

4. **Communicate and share results**
   Share results with relevant stakeholders

Section 5: 2024 Compliance training completions

This is a summary of global and local training completed in 2024 for the following ERC subjects:

Anti-Bribery, External Partner Risk Management, Doing Business Ethically, SpeakUp/Misconduct reporting, Conflicts of Interest and Code of Ethics.

Code of Ethics	No. of Completions
Global Training	74,054
Local Training	16,747

External Partner Risk Management	No. of Completions
Global Training	69,265
Local Training	9,960

Conflicts of Interest	No. of Completions
Global Training	66,837
Local Training	11,356

*Conflicts of Interest section incl. in the Global Fit to Commit etraining

Anti-Bribery	No. of Completions
Global Training	66,837
Local Training	14,741

*Anti Bribery section incl. in the Global Fit to Commit etraining

SpeakUp	No. of Completions
Local Training	5,166

Doing Business Ethically	No. of Completions
Local Training	90,287