

Ethics, Risk and Compliance

Compliance Training Approach

V4. February 2024

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. 2023 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 associates' time**
Appropriate time investment for compliance training
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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, Third Party Risk Management. • 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 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.

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 compliance enterprise wide risks
- Foster awareness of policies 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 ERC owned policies and guidelines at global and local level. Audiences in scope are Novartis internal associates and contractors.

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
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Section 5: 2023 Compliance Training Completions

This is a summary of global and local training completed in 2023 for the following ERC subjects:

Anti-Bribery, Professional Practices, Third Party Risk Management, Public Officials engagement, SpeakUp/Misconduct reporting, Conflicts of Interest and Code of Ethics.

Code of Ethics	No. of Completions
Global Training	73 000
Local Training	1 471

SpeakUp	No. of Completions
Global Training*	67 000
Local Training	374

* SpeakUp section incl. in the Global Fit to Commit e-training

Third Party Risk Mgmt.	No. of Completions
Global Training	25 000
Local Training	3 889

Professional Practices	No. of Completions
Global Training	66 000
Local Training	59 897

* Audience completing the 2022 Global TPRM e-training in 2023

Anti-Bribery	No. of Completions
Local Training	1 374

Public Officials engagement	No. of Completions
Local Training	20 031

Conflicts of Interest	No. of Completions
Local Training	1 509