Ethics, Risk & Compliance

Training Approach

V1, February 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

1. Make Content Relevant
   Risk-based content exploring real-life situations across the organization

2. Create Learning Experience
   Consistent and interactive design to engage learners

3. Impact Novartis Culture
   Fostering a culture of integrity and ethical decision-making

4. Respect Associate’s Time
   Appropriate time investment for compliance training
## Section 2: Compliance Training Structure

Novartis compliance trainings can be divided into:

<table>
<thead>
<tr>
<th>Global Curriculum</th>
<th>Mandatory eTrainings for all associates and external contractors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Foundational trainings</strong></td>
<td>• New Hire Training assigned to all news hires 4 weeks after employment date</td>
</tr>
<tr>
<td></td>
<td>• Code of Ethics annual mandatory training</td>
</tr>
<tr>
<td><strong>Risk-based Training</strong></td>
<td>• ERC rotating topics: Anti-Bribery, Professional Practices, Conflicts of Interest</td>
</tr>
<tr>
<td></td>
<td>• Annual non ERC topics: Adverse Events, Information Management</td>
</tr>
<tr>
<td></td>
<td>• Non ERC rotating topics: Data Privacy, Social Media, Procurement, Fair Competition / Anti-trust, Insider Trading and Diversity &amp; Inclusion</td>
</tr>
<tr>
<td><strong>Reinforcement</strong></td>
<td>Communication and educational toolkits are provided for global and local use to reinforce ERC policy topics.</td>
</tr>
<tr>
<td><strong>Local Training</strong></td>
<td>Local in-depth and risk-based targeted trainings complementing global eTrainings</td>
</tr>
<tr>
<td><strong>Targeted Risk-Based Training</strong></td>
<td>In countries, if/as applicable, targeted risk based training is implemented to complement global e-trainings and ensure compliance with locally applicable regulations.</td>
</tr>
<tr>
<td><strong>Reinforcement</strong></td>
<td>Countries are encouraged to use locally any globally provided communication and educational material to reinforce ERC policy topics.</td>
</tr>
<tr>
<td><strong>Leadership Training</strong></td>
<td>Tailored management training</td>
</tr>
<tr>
<td><strong>Executive Onboarding Program</strong></td>
<td>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.</td>
</tr>
</tbody>
</table>
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.

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: 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

<table>
<thead>
<tr>
<th>Training</th>
<th>Training objectives</th>
<th>Audience in scope</th>
<th>Audience trained</th>
</tr>
</thead>
</table>
| P3 Refresher eTraining          | Learn to make informed decisions by:  
• 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

<table>
<thead>
<tr>
<th>Country</th>
<th>Associates trained</th>
<th>Country</th>
<th>Associates trained</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>11,530</td>
<td>Italy</td>
<td>1,263</td>
</tr>
<tr>
<td>Germany</td>
<td>1,623</td>
<td>Spain</td>
<td>167</td>
</tr>
<tr>
<td>Switzerland</td>
<td>260</td>
<td>Canada</td>
<td>340</td>
</tr>
<tr>
<td>Japan</td>
<td>2,057</td>
<td>United Kingdom</td>
<td>66</td>
</tr>
<tr>
<td>France</td>
<td>1,871</td>
<td>Brazil</td>
<td>1,818</td>
</tr>
<tr>
<td>China</td>
<td>7,031</td>
<td>India</td>
<td>157</td>
</tr>
</tbody>
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