



Compliance in the Pharmaceutical sector The example of Novartis

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Compliance & Integrity in Novartis

Our aspiration is to be the world's most respected and successful healthcare company

Our Code of Conduct reflects our commitments to meet the expectations of our stakeholders as a responsible corporate citizen and contains fundamental principles & rules concerning ethical business conduct.

- *Patient benefit and safety is at the heart of everything we do*
- *We treat our associates fairly and respectfully*
- *We are committed to outstanding and sustainable performance with integrity*
- *We strive to be a trusted healthcare partner*
- *We aspire to be a good corporate citizen*



Promoting the Integrity & Compliance Wheel


Establish

- Novartis Code of Conduct
- Corporate Policies & Guidelines
 - Anti bribery policy / Responsible Procurement
 - Travel & expense policy
 - Educational support to HCPs
- Standard Rules for Pharma Industry
 - Through participation & discussion within the Compliance Workgroup of SFEE



Remind yourself: When in doubt...


Our commitment to caring and curing



Code of Conduct

Our five core principles:

- Patients** Patient benefit and safety is at the heart of everything we do
- Associates** We treat our associates fairly and respectfully
- Shareholders** We are committed to outstanding and sustainable performance with integrity
- Healthcare partners** We strive to be a trusted healthcare partner
- Society** We aspire to be a good corporate citizen

 **NOVARTIS**

effective date January 1, 2012

Novartis Global AB Policy

What is bribery?

It is not just money – bribery has many forms



- Bribery is any gift, favor, or any other benefit given, offered or promised with the intention of influencing someone's behavior for commercial advantage
- Even common business practices can constitute bribes in some circumstances

Novartis Global AB Policy

Third Party Guideline - Principles and Purpose

Our high expectations of Third Parties are detailed in our Code of Conduct:

‘We expect third parties with whom we work to comply with the law, to adhere to ethical business practices, and to observe our standard requirements concerning labor, health, safety, environmental protection and management systems’



Novartis Global AB Policy

Due Diligence



Due diligence must be initiated:

- Before the Third Party is engaged
- Before an existing contract is renewed
- Every 2 years for long-term agreements
- Following a relevant change in the structure of the Third Party
- If there are reasonable grounds to believe the Third Party may pose bribery risks
- Include relevant clauses in the contract

Promoting the Integrity & Compliance Wheel

Embed

- Integrity & Compliance Training Module
 - Real life cases, curriculum throughout the year
- Objectives & Initiatives
 - Reinforce culture of I&C for career decisions & performance management



Our Code of Conduct

Regular campaigns / Continuous education



Code of Conduct reminder campaign 2013
«Meet Linda»



Our Code of Conduct | Q10 087 V1. EN | Published on 2008/06/06 | For internal use only

Everyone Everyday Everywhere

Our Code of Conduct : who's involved?

Our Code of Conduct reflects our commitments to meet the expectations of our stakeholders. It is:



Relevant to all of us



At the heart of our performance and key to our success



Based on five core principles related to our stakeholders to guide the key policy areas



Contains simple guidance and the request to speak up

Everyone Everyday Everywhere

Remind yourself: When in doubt...

Our Code of Conduct contains simple questions to help us make the right decisions.

If you find you're in a situation where you're unsure of the right thing to do, ask yourself...

- Will my conduct allow us to maintain the trust of all our stakeholders?
- Would my family and friends think that my conduct was ethical?
- Have I thought about the impact on those who will be affected by my conduct?
- Would I be comfortable if someone treated me the same way?
- Would I be comfortable if my conduct appeared in the media?
- Is my conduct legal and compliant with Novartis policies?

Everyone Everyday Everywhere

Promoting the Integrity & Compliance Wheel

Enforce

- Control matrix / assessment

& testing

- Annual exercise to identify risk
- Quarterly monitoring of activities
- Self assessment exercises
- Regular on site audits

- Business Practices Office

- Reporting of all cases of misconduct
- Corporate Security division receives all complaints and proceeds with investigations





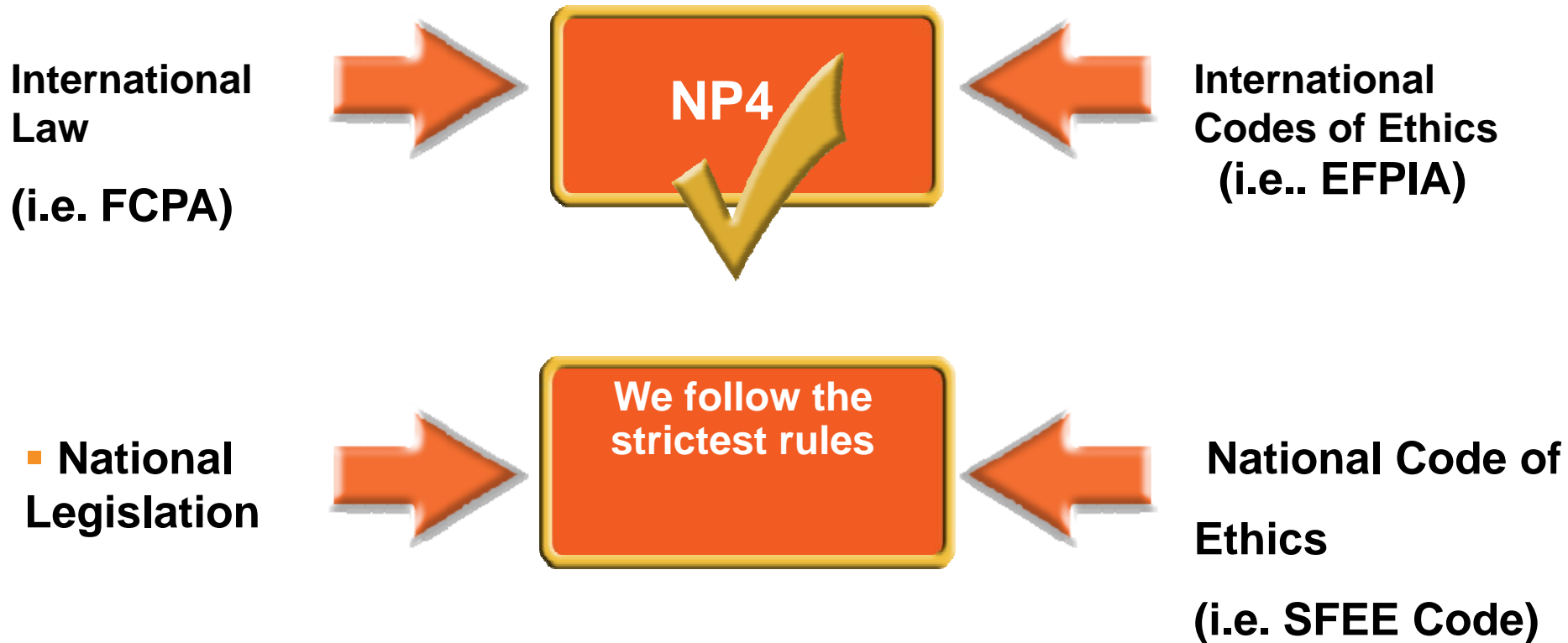
**It's not just
money – Bribery
has many forms**

**We do not tolerate any form of bribery
Think before you give**

Novartis Anti-Bribery Policy - **Know it, use it**



Our Code of Conduct
Everyone Everyday Everywhere



NOVARTIS PHARMA Pinciples & Practices for Professionals

- The Novartis Pharma global minimal standards for the most common business practices, both promotional and non-promotional

Rationale and Purpose for NP4 Update



NP4

Responsible behaviour of all associates is vital to support Novartis mission
'to discover, develop and successfully market innovative products to prevent and cure diseases, to ease suffering and to enhance the quality of life.'

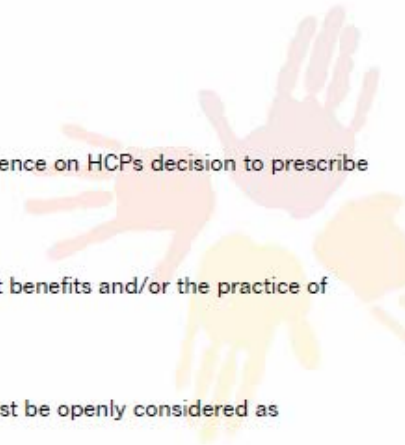
The Novartis Pharma Principles and Practices for Professionals (NP4):

- serves as a guide to ethical business practices in Novartis Pharma and supports our ambition to do business with integrity
- establishes global principles and policies for the professional activities of the Novartis Pharma division
- is intended to communicate what action(s) or conduct is expected of Novartis Pharma associates with regard to their professional activities

NOVARTIS PHARMA Principles & Practices for Professionals

7 Principles

1. Independence of HCPs
 - Nothing may be offered to HCPs that would have an inappropriate influence on HCPs decision to prescribe Novartis products.
2. Purpose of interactions with HCPs
 - The ultimate purpose of all interactions with HCPs is to enhance patient benefits and/or the practice of medicine.
3. Separation between promotion and non-promotion
 - Activities which are motivated by the objective to promote products must be openly considered as promotion.
 - Activities with the purpose to receive knowledge enhancing information, or to obtain important scientific input such as advisory boards, marketing research, and clinical studies, must not have the promotion of products as their purpose.
4. Promotional content
 - All promotional content must be accurate, scientifically sound, objective, reflect the current state of knowledge and be consistent with local regulatory approvals.
5. No pre-approval or off-label promotion
 - Products must not be promoted until all necessary approvals for marketing have been received. Promotion only for approved indications.
6. Adverse events reporting
 - Associates must immediately forward any adverse event information to clinical safety/medical departments.
7. Privacy of patient data
 - Safeguard all confidential information against misuse or disclosure.



Best practices



- Regular management meetings with Alcon & Sandoz Hellas
- TownHall strong presence : regular compliance topics discussed
- Electronic tools & compliance reports
- Business Practice Office: encourages associates to speak up
- Frequent communication with the brand teams to enforce knowledge & commitment, available through Compliance Governance

Everyone Everyday Everywhere

The Novartis example

- Questions & Comments



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