



SpeakUp Guideline

Novartis Global Guideline

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SpeakUp Office

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Definitions

Associate – Employee of Novartis AG and its affiliates, as well as associates of third parties engaged by Novartis.

Central Matter – represent a higher risk to Novartis from a reputational, business, financial, legal and/or quality/safety perspective.

Guideline – The term Guideline refers to this SpeakUp Guideline.

Internal Review Committee (IRC) – is an independent, mostly cross-divisional, committee that makes recommendations about what sanctions or remediation should be taken in response to substantiated allegations. Its role includes driving consistency of outcomes for similar types of misconduct.

Local Matter – represent a lower risk to Novartis from a reputational, business, financial and/or legal perspective.

Misconduct – is conduct that is potentially illegal, violates the Novartis Code of Conduct or other applicable company policies, or falls outside of what is considered proper for a person, a profession, or an industry, typically taken with the aim to purposely circumvent rules, in order to obtain possible personal or company benefit.

Novartis or company – Novartis AG and its affiliates.

SpeakUp Office – is an independent global function that owns the SpeakUp process at Novartis by overseeing all reported allegations of misconduct.

1 Introduction

1.1 Purpose

Novartis strives to adhere to the highest business and ethical standards to meet and exceed stakeholder and associate expectations.

The SpeakUp Office (formerly known as Business Practices Office) provides a safe place where anyone can raise concerns about misconduct at Novartis. The SpeakUp Office empowers Novartis' associates to both speak up without fear, and help to act within the highest ethical standards. It treats those who trust it with their concerns objectively, with respect and provide protection against retaliatory action.

The SpeakUp Office is an independent global function that owns the SpeakUp process at Novartis by overseeing all reported allegations of misconduct. It empowers and gives accountability to the local functions (in particular ERC, P&O, Legal or Quality) to receive local SpeakUp matters and to assess the attached risk and, if needed, to escalate it to the SpeakUp Office. The SpeakUp Office ensures proper follow-up of misconduct matters by either initiating an internal investigation for higher risk issues, or through a review or investigation at a local level so that the appropriate management level may take necessary actions.

The SpeakUp Office promotes an ethical organizational culture based on its shared values of integrity, courage and collaboration. It is:

- Impartial in how it treats individuals.
- Confidential with information that is entrusted to it, to the maximum extent possible.
- Professional in its dealings with all stakeholders.

All Associates regardless of seniority can raise their concerns with the SpeakUp Office.

1.2 Scope and Applicability

This Guideline applies to all Associates.

The SpeakUp Office oversees complaints related to misconduct by Associates, as well as by third parties engaged by Novartis and relating to Novartis business.

It should be noted that:

- The SpeakUp Office is not intended for employee complaints not related to misconduct. For example: disagreements related to job performance or expectations, interpersonal conflicts, general work environment issues – these kinds of issues should be raised to line management or a People & Organization (P&O) representative, pursuant to local conflict management guidelines or local resolution/grievance processes and/or other requirements, policies or practices.
- In the context of complaints related to third parties, the SpeakUp Office may decide to delegate the specific follow up to other functions, for example Legal, ERC, Procurement, and others, who may be better positioned to address matters relating to alleged misconduct by third parties.

1.3 Roles and Responsibilities

All Associates are required to raise potential misconduct issues including, **but not limited** to:

- Antitrust, fair competition
- Books & records, accounting irregularities
- Company confidential / trade secret information

- Conflict of interest
- Data privacy
- Discrimination, sexual harassment
- Expense fraud
- Fraud / asset misappropriation
- Gifts, bribery, kickbacks
- Improper promotional practices
- IT security breach
- Quality assurance / data integrity
- Retaliation
- Other Employee Relations (e.g. inappropriate behavior, etc.)
- Other (e.g. scientific misconduct, social media guideline violation, etc.)

The owner of this Guideline is the SpeakUp Office. Any questions should be addressed to a representative from the SpeakUp Office.

2 Guidelines

2.1 Introduction

Speaking up is the best way to foster a culture of trust and detect instances of misconduct that may harm the reputation and the success of Novartis.

2.2 Reporting of misconduct

Associates can either directly report the possible misconduct to the SpeakUp Office or through any of the options listed below. Complaints can be made directly to the SpeakUp Office through a web-based platform (webform or phone) accessible on the SpeakUp Office intranet site. Reports of alleged misconduct can be made anonymously, however, anonymity may limit the ability to fully and thoroughly investigate a claim.

Other options for reporting are to contact:

- Any manager
- Any member of the People & Organization Function
- The Country President
- Any member of the Legal Function
- Any member of the Ethics, Risk & Compliance Function
- Any member of Global Security

The assignment of the investigation of each matter is done on a risk-based approach: As a general rule, misconduct allegations posing high-risk (Central Matters) are managed by the SpeakUp Office with the support of global investigative functions (Employee Relations, Global Security, Quality or Legal) whose responsibility is to establish the facts; lower-risk matters (Local Matters) are managed locally by the function most relevant for the issue.

Complaints handled by the SpeakUp Office or, in case of Local Matters by ERC, P&O, Legal or Quality, will be reviewed and processed as described in the SpeakUp Guidance.

2.3 Confidentiality and Protection of Associates

The SpeakUp Office and related investigative functions will handle every matter as confidential and in compliance with the principles set forth by the Novartis Policy on the Protection of Personal Information. As a general principle, as few associates as possible will be informed of such complaints, and only on a need to know basis in order to investigate and resolve misconduct allegations in an appropriate and thorough manner.

Every complaint is taken seriously. Any associate who raises a potential misconduct concern, assists or provides information during an investigation, or otherwise acts in good faith in the best interests of Novartis will be protected against retaliatory action.

The necessary steps will be taken to reasonably protect the confidentiality of the reporter and other associates involved in the investigation (such as the subject of the investigation, witnesses etc.). However, this cannot be ensured in all cases; e.g., when the investigation reveals conclusions which the company determines should be disclosed to an authority such as a government agency.

2.4 Sanctions / Remedial Actions

Any sanction against the subject of the investigation or remediation following a substantiated Central Matter will be recommended by the cross divisional/unit Internal Review Committee (IRC) to the business. All recommended sanctions will be provided to the SpeakUp Office for alignment prior to implementation. The IRC may also identify opportunities to improve policies, processes, and training, where appropriate.

Any sanction against the subject of the investigation or remediation following a Local Matter will be decided by the local divisional/unit review committee consisting of the respective business leadership, supported by P&O/Employee Relations, ERC, Legal and other subject matter functions, if required.

Self-reporting will not immunize an associate from the consequences of his or her own misconduct. However, the act of voluntarily coming forward and self-reporting will be considered when determining appropriate sanctions or remedial actions (e.g. mitigation of or possible release from sanctions) for substantiated misconduct.

3 Implementation

3.1 Training

Associates should familiarize themselves with this Guideline.

Associates can report any potential misconduct according to the reporting possibilities set out in 1.3 above. A link to the web-based reporting tool is available on the Novartis intranet site.

SpeakUp awareness material is provided by global communications to the local organizations and will be used for awareness activities by local ERC and P&O and any other function, as deemed necessary.

SpeakUp process related guidance is available on the SpeakUp intranet.

3.2 Breach of this Guideline

False allegations not made in good faith, e.g., with malicious intent to harm another associate, will be considered misconduct and will not be tolerated.

3.3 Entry into Force and Implementation

This Guideline enters into force as of 1 October 2019 and has been approved by the Group General Counsel and the Chief Ethics, Risk & Compliance Officer.

4 Annexes

- SpeakUp Guidance
- Internal Review Committee Guidance
- Investigations Guidance

The above documents are available on the SpeakUp SharePoint site accessible through the SpeakUp intranet.