

# Ethical promotion of pharmaceuticals

*Pharmaceutical companies have come under increasing scrutiny for their promotional practices (manner in which they market and sell their products to healthcare professionals and the general public), especially in light of allegations of misleading advertisements on prescription drugs and improper gifts to physicians. Novartis has a strict position on the ethical promotion of pharmaceuticals so that the public can be confident that choices regarding their medicines are being made on the basis of the merits of particular products and their needs as patients.*

## Novartis Position

Novartis is absolutely committed to conducting its pharmaceutical marketing and sales activities in compliance with high quality and ethical standards. This commitment is essential, not just to ensure the effective, appropriate use of our products and services by patients and healthcare professionals, but also to protect the reputation and credibility of our company.

All Novartis Group affiliates engaged in the promotion of prescription pharmaceutical products must adhere to promotional practice policies and guidelines based on the following 10 principles: (1) promotional practices must be consistent with patients' benefit, must be ethical and must be in good taste; (2) information provided must take account of customer needs and must be based on product information as it has been approved by the local authority, derived from the approved Basic Product Information; (3) event sponsorship must be clearly disclosed and the primary objective of a meeting must be scientific in nature; (4) hospitality must be appropriate, in good taste consistent with local practices and secondary to the main purpose of the meeting; (5) gifts must be modest and relevant to the practice of medicine; (6) personal incentives to prescribe are prohibited; (7) samples must be handled with the prime objective of familiarizing the customer; (8) sales representatives must have appropriate training and product knowledge; (9) post-approval studies must be conducted in accordance

with the referenced guidelines and local laws; and (10) compensation for healthcare professionals must be provided only for actual, reasonable and necessary services. Our promotional practice policies and guidelines are intended to supplement national and international legislation and industry codes.

Where local requirements are less stringent than Novartis policy, we insist our more stringent requirements take precedence.

To assure compliance, we periodically audit the promotional activities of our local sales and marketing organizations. Novartis employees have been directed to report actual or suspected instances of misconduct to the office of our Business Practices Officer. Our Standard Operating Procedure for the Reporting and Management of Misconduct and Fraud is readily available to all employees, and we maintain a strict policy of confidentiality and non-retaliation against any person who files a report.