

**Reporting of Transfers of Value to HCPs and HCOs
Methodological Note for Reporting 2022 Data (Reporting Period 01/07/2022 – 31/12/2022) in
2023**

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1. Introduction

Approach to disclosure at Alexion

Collaborative working between medical professionals and healthcare organisations has long been a positive driver for advancements in patient care and the development of innovative medicine. Medical professionals and the organisations with whom they work provide the pharmaceutical industry with valuable, independent and expert knowledge derived from their clinical and disease management experience. Furthermore, as the primary point of contact with patients, the medical professional can offer invaluable expert knowledge on patient outcomes and therapy management. This helps to adapt our products to better suit patients and thereby improve patient care overall.

Healthcare professionals and organisations should be fairly compensated for the services they provide to pharmaceutical companies. The EFPIA Code of Practice provides accuracy and transparency in disclosing the scope and value of such collaborative work, and it will become an important step towards building greater trust between the pharmaceutical industry, medical community and patients.

As a member company of Läkemedelsindustriföreningen, LIF, and as a full corporate member of EFPIA, Alexion is committed to transparency around interactions with Healthcare Professionals (HCPs) and Healthcare Organisations (HCOs), and that these are captured and reported in line with all applicable local transparency requirements.

Alexion's own policies are fully aligned with the aims of the EFPIA Code of Practice and its local interpretation in the Läkemedelsbranchens etiska regelverk, LER – to promote ethical and transparent interactions with the Healthcare community. Our interactions with HCPs/HCOs are governed by the Alexion Code of Ethics and supporting Global Standards, which require that we run every part of our business with integrity and refuse to give or receive anything of value that may be intended, or could be seen as, improper influence.

Producing transparency reporting is an opportunity for Alexion to demonstrate its commitment to the values and principles behind the EFPIA Code of Practice and other transparency requirements in Europe.

The objective of this note is to explain Alexion's approach to disclosure, to include key definitions, the scope of disclosed activities and key elements of the process followed to capture and report data.

At a high level, there are three main tenets that characterize the Alexion approach:

(1) Affiliate accountability and regional consolidation

Affiliates are responsible for capturing the Transfers of Value (ToVs) made in their affiliates and for validating the accuracy of the data. A regional reporting solution consolidates the ToVs, providing consistency and automating inclusion of cross border payments within Europe. Other cross border payments are collected through a payment system (US) or manually (rest of world).

(2) Compliance with local codes

Unless there are strong legal mandatory requirements, affiliates have transposed the Code in full that is without deviations. In each country, Alexion will comply with applicable local disclosure requirements. There may be variations (stricter than the provision in the Code) or deviations (where because of mandatory national regulations the code cannot be transposed in full).

(3) One disclosure per market, including all ToVs paid directly through entities belonging to Alexion or indirectly through third parties acting on behalf of Alexion

The entity included in reporting for Sweden is: Alexion Pharma Nordics AB

For Sweden, disclosure is made on Alexion external website under the Transparency Requirements section at <https://alexion.com/our-company/ethical-standards>.

2. Definitions

2.1. Recipients

2.1.1. Definition of an HCP

The definition of an HCP in Sweden is a physician, dentist, pharmacist, nurse or other who has the right to prescribe, purchase, supply, recommend or administer medicines, including employees of pharmaceutical companies whose main occupation is in the health care industry. Other employees of pharmaceutical companies or distributors are not included.

2.1.2. Definition of an HCO

The definition of an HCO in Sweden is:

Any healthcare, medical or scientific association or organisation (irrespective of the legal or organisational form) such as a Professional Congress Organisation (PCO), hospital, clinic, foundation, university or other teaching institution or learned society whose business address, place of incorporation or primary place of operation is in Europe or through which one or more healthcare professionals provide services. For the application of this guidance, commercial companies involved in organisation of travel (travel agencies) or accommodation (hotels, banqueting functions in hotels, etc.) are not considered HCOs.

2.2. Kind of ToVs

2.2.1. Donations and Grants

Alexion provides support to advances in medical or scientific research, through financial or non-financial ToVs to legitimate, established organisations.

Alexion can provide this support through:

- Donations or Grants to Medical or Scientific Research.

2.2.2. Sponsorship Agreements

Alexion gives contributions, through financial or non-financial support to legitimate, established organisations for medical or scientific education of external stakeholders, organizing or hosting educational or scientific events (including independent congresses). These contributions aim to increase the scientific or educational quality of the event and/or support with logistics in modest venues or with incidental hospitality, in line with Alexion's own ethical principles. The sponsorship is based on an approved budget for the education/scientific event. The mandatory Sponsorship Agreements will describe the purpose of the sponsorship.

Sponsorship packages may also include satellite symposia and the sponsoring of speakers or faculty.

ToVs are made to either the HCO directly or to an event organizer or other third party appointed by the HCO to manage the event. In all cases, ToVs are disclosed against the HCO that ultimately benefits.

2.2.3. Fees for Service and Consultancy and Related Expenses

Alexion engages an HCP/HCO for services when there is a genuine and legitimate business need and where the HCP/HCO is qualified and appropriate to provide the services. These services are paid with a Fee for Service at Fair Market Value.

These services can include:

- Speaking at and chairing meetings
- Training services
- Participation at advisory board meetings
- Medical writing
- Data analysis
- Development of education materials
- General consulting/advising
- Services performed in connection with a third party congress
- Retrospective Non-interventional studies
- Participation in market research where such participation involves remuneration and/or travel. Payments for these services are only disclosed if Alexion is aware of the identity of those participating in the market research.

As part of the written Fee for Services Agreement, related expenses can be paid for and can include costs of flights, trains, car hire, tolls, parking fees, taxis, bus transfers, hotel accommodation and any visa costs. All costs are paid by Alexion to travel and or /accommodation providers or meeting organizers (where relevant) or reimbursed supported by appropriate receipts.

2.2.4. Research and Development

All ToVs related to the planning or conduct of non-clinical studies, clinical trials and non-interventional studies performed by Alexion or by Clinical Research Organisations on Alexion's behalf that are prospective in nature are considered Research & Development ToVs and are reported on an aggregate basis.

Retrospective non-interventional studies or other studies that are not submitted to authorities as per local drug law do not fall under the category of R&D activities. The ToVs related to those studies will be reported as Fee for Service under name of the individual recipient.

3. Scope of disclosure

3.1. Products concerned

Alexion is a science-focused company, developing innovative medicines that are prescription only medicines and interactions with HCPs/HCOs are focused on the development and promotion of prescription medicines. Consequently, only ToVs relating to prescription medicines are being disclosed.

3.2. Excluded ToVs

3.2.1. Hospitality costs

As per Art 10 of the EFPIA Code of Practice, hospitality costs are not disclosable if in line with the limits set within the national association. Alexion applies these limits for Alexion Organised & Sponsored Meetings, and therefore costs of meals & drinks are excluded. However, where meals and drinks make up an integral and inseparable part of contributions to the cost of events or sponsoring as part of Sponsorship Agreements with HCOs, they have been included in Contributions to Cost of Events.

3.2.2. Informational and educational materials and items of medical utility

As per Art 17 of the EFPIA Code of Practice, items of medical utility for HCPs and informational and educational material are not disclosed where "The transmission of informational or educational materials is permitted, provided it is: (i) "inexpensive"; (ii) directly relevant to the practice of medicine or pharmacy; and (iii) directly beneficial to the care of patients."

3.2.3. Logistical costs

Logistical costs related to Alexion Organised Meetings (e.g. room hire, technics, personnel) are excluded. However, ToVs for speaker fee and related costs for their services such as travel and/or accommodation are included in the relevant cost category.

3.2.4. ToVs to charitable organisations & patient organisations

All ToVs to non-HCO organisations are out of scope and excluded for example charitable organisations.

All ToVs to Patient Organisations (POs) are in scope as required in the EFPIA Code of Practice and are reported separately on Sweden's local trade association website.

3.3. Date of ToVs

Where the ToV is a payment, values are reported on the date of the payment. Payments made in 2022 for activities related to 2021 are included. If consent to disclose these has been obtained, they are reported against the individual. If not, they will be reported in aggregate.

Where ToVs relate to multi-year contracts, only the ToVs made in the reporting year are included.

Where the ToV is a benefit in kind, values are reported on the date the recipient received the benefit.

3.4. Direct ToVs

The natural or legal person that holds the bank account on which the money is transferred is considered the recipient of the ToV and will be disclosed.

Direct ToVs are captured in SAP and flow into the Alexion transparency reporting system. They are then mapped to the appropriate EFPIA disclosure activity category for reporting.

3.5. Indirect ToVs

3.5.1. Indirect ToVs through third parties for R&D activities

Where a third party providing services for R&D activities acts on behalf of Alexion to make ToVs to HCPs/HCOs, these are within scope and are reported at an aggregate level under R&D (as long as their activities fall within the scope of the definition of R&D activities).

3.5.2. Indirect ToVs through PCOs

Contribution to the costs related to events paid through PCOs to the benefit of individual HCPs/HCOs must be reported on an individually named basis, or in the name of recipient PCO if the HCPs/HCOs are unknown. Disclosures on an individual names basis will be reported on the basis of legitimate interest.

3.5.3. Indirect ToVs through HCOs

Where ToVs are made to an individual HCP indirectly via an HCO, it must be reported on an individual named basis. Disclosure on an individual basis will be reported on the basis of legitimate interest.

3.5.4. Indirect ToVs through other third parties

Where third parties are appointed by an HCO to manage an event, and where the HCO ultimately benefits from that ToV, these ToVs are disclosed against the HCO. Where an event is organised on behalf of multiple HCOs without clarity on allocation, the value is divided equally between the HCOs.

Where third parties are appointed by Alexion to make travel and accommodation arrangements for HCPs who are providing services, these ToVs are disclosed against the HCP.

Any additional administration fees charged by agencies are not included, as these are not ToVs to HCPs or HCOs.

3.6. ToVs in case of partial attendances or cancellation

Where an HCP/HCO does not receive the benefit due to a no show or a cancellation of event, the associated costs are not reported, such as the cost of cancelling a hotel booking or accommodation. In case of partial attendance, only the benefits actually received are reported.

Where Alexion has to pay cancellation fees to HCP/HCOs as per service contracts, due to cancellation of initiatives or events, these payments are reported.

3.7. Cross-border activities

3.7.1. Cross-border activities

Alexion makes their best efforts to capture and report all ToVs to HCPs and HCOs with their primary practice in a country with EFPIA Code of Practice and/or other cross border transparency reporting requirements. The country of disclosure will be determined by the address of principal practice for HCPs and the address of registration for an HCO.

Disclosures are made locally, either on each affiliate's website, or on a separate disclosure platform if prescribed by the national code or law.

4. Specific considerations

4.1. Country unique identifier

Alexion provides one unique identifier for any HCP or HCO that is to be reported. This ID is generated by Alexion and is used to ensure that transactions are reported against the correct recipient to facilitate collection of ToVs throughout Europe and across other affiliates.

4.2. Self-incorporated HCP

Where a self-employed HCP is incorporated in a legal entity that consists of only that one HCP, this is considered as an HCO, as it is a legal entity and disclosure of ToVs will be based on legitimate interest.

If an HCP is "self-employed" but has not set up a legal entity, they are treated as an individual HCP.

5. Consent management

5.1. Consent collection

Consent was not obtained for data collection year 2022. As such, to comply with data privacy regulations, Alexion will disclose individual HCP and HCO ToVs in their respective aggregate sections of the disclosure report.

6. Disclosure form

6.1. Disclosure platform

6.1.1. Date of publication

The date of publication for **Sweden is May 31st 2023 in** line with LIF decision.

6.1.2. Retention of data

Alexion maintains relevant records of the disclosures for a minimum of 5 years.

6.2. Disclosure language

Disclosure is made in Swedish and English.

6.3. Pre-disclosure

A process allows HCPs to review ToVs planned to be published prior to disclosure on the Alexion website.

7. Disclosure financial data

7.1. Currency

Disclosure will be made in SEK. For in scope transactions requiring conversion, the calculation will be applied when the transaction is moved to the reporting environment, using the AZ Uniform Reference Environment (AZURE) rates. AZURE is what Alexion utilizes for conversion rates for each currency.

7.2. Value Added Tax (VAT) and other taxes

VAT is excluded and withholding taxes are included.

