



This document explains the methodology underlying Spark's 2021 EFPIA disclosure

It is common in many innovation-led industries for companies to engage independent experts or specialist organizations. Collaborations between the pharmaceutical industry, healthcare professionals (HCPs), healthcare organizations (HCOs) and patient organizations (POs) are crucial in the development of innovative medicines that help patients live longer, healthier lives. Such collaborations have delivered numerous innovative medicines and have re-written the pathway of many diseases.

Spark believes it is appropriate to compensate such groups for their time and expertise. The company is committed to ensuring transparency pertaining to the nature of and value of our work with HCPs, HCOs and POs, and therefore discloses transfers of value in accordance with the European Federation of Pharmaceutical Industries and Associations (EFPIA) Disclosure Code (<https://www.efpia.eu/relationships-code/disclosure-of-payments-to-hcps/>).

What is the EFPIA Code of Practice?

The EFPIA Code of Practice is a set of rules that requires its member companies and the member companies of its member associations to disclose transfers of value made to HCPs, HCOs and POs. As a member of the Roche Group, Spark supports the principles of transparency put forth by EFPIA and discloses payments to HCPs, HCOs, and POs where required under the EFPIA Code of Practice (<https://efpia.eu/relationships-code/>).

The HCP/HCO disclosure report details the total value transferred to each of the HCPs and/or HCOs with whom the company has worked. It also provides information regarding the type of activity or support provided by the HCP or HCO. This could consist of, for instance, a grant to an HCO, a fee for speaking, advisory board or consultancy services, or reimbursement for travel. The list of POs that Spark has supported includes the names of such POs that have received funding or non-monetary support from Spark. The list also includes a description of the nature of each support to, or services provided by the PO.

Further information about the EFPIA Code of Practice and the national codes can be found here: <https://www.efpia.eu/relationships-code/>

To which countries does the EFPIA Code of Practice apply?

The EFPIA Code of Practice applies to: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine and the United Kingdom. Some other countries have adopted a comparable disclosure code without being EFPIA members including Iceland and Israel.

Spark's HCP/HCO disclosure report contains details of the transfers of value made by Spark to HCPs and HCOs whose primary practice/place of incorporation is the Netherlands.

In the list of POs supported or engaged for services by Spark, such POs can be identified by the country in which such POs are based or located.

What types of payments are disclosed?

Spark's HCP/HCO disclosure report includes payments and transfers of value in cash or in kind made to HCPs and HCOs such as speaker fees, consultancy and advisory boards.

Pursuant to EFPIA guidance, transfers of value can be categorized as follows:

- Donations and Grants to HCOs (grants and donations are not allowed to individual HCPs under the EFPIA HCP Code)
- Sponsorship agreements with HCOs

- Registration fees for events
- Travel & accommodation to attend events
- Fees for service & consultancy, where a contract is in place for activities such as speaking at, or chairing meetings and attending advisory boards
- Related expenses agreed in a fee-for-service or consultancy contract including travel & accommodation and
- Research & development (fees for service, travel & accommodation)

Spark's disclosure report includes details of transfers of value made to HCPs/HCOs by Spark directly as well as transfers of value made on behalf of Spark by third parties such as event agencies. Certain transfers of value via third parties are not reportable pursuant to the EFPIA Code of Practice, such as payments by third parties for anonymous participation of an HCP in market research.

The list of POs supported or engaged for services by Spark includes, in addition to the names of the POs, the following elements:

- a. The form of the support:
 - i. Financial Support
 - ii. Non Financial Support
- b. The description of the purpose:
 - i. Education of patients / General Public
 - ii. Infrastructure
 - iii. Consultancy fees
 - iv. Sponsorship

Why are the amounts spent on meals and drinks not disclosed?

A threshold is applied in each country, limiting hospitality under a certain amount. These amounts are outlined in country national codes of practice.

Where is Spark's disclosure report published?

In the majority of participating countries, payments to HCPs/HCOs will be disclosed on company websites. In some countries the report will be published on a central platform.

Here in the Netherlands, Spark's disclosure report has been published on our company website <https://www.sparktx.com/we-are-spark/corporate-social-responsibility-ethics-and-patient-safety/efpia-transparency/>.

The list of POs supported or engaged for services by Spark is published on our website: <https://sparktx.com/wp-content/uploads/2021-patient-organization.pdf>.

When does publication occur?

Spark will disclose information regarding transfers of value to HCPs and HCOs in EFPIA reporting countries on an annual basis. Transfers of value made to HCPs and HCOs are recorded throughout the year and publicly disclosed by 30 June of the following year.

As of 2021 reporting (data 2020), the list of POs supported or engaged is published at harmonized dates with the EFPIA disclosure and the publication will be by 30 June.

Data, in both cases, will remain in the public domain for a period of three years, except where it is specified differently in the local laws.



What is the definition of HCP, HCO, and PO in the context of Spark’s HCP/HCO disclosure report and the list of supported or engaged POs?

The EFPIA Code of Practice defines HCPs as any member of the medical, dental, pharmacy or nursing professions, or any other person who, in the course of his or her professional activities, may prescribe, purchase, supply or administer a medicinal product.

An HCO is defined as any legal entity that is a healthcare, medical or scientific association or organization such as a hospital, clinic or learned society through which one or more HCPs provide services. Patient organizations (POs) are not considered HCOs.

A PO is defined as a non-for-profit legal person/entity (including the umbrella organization to which it belongs), mainly composed of patients and/or caregivers, that represents and/or supports the needs of patients and/or caregivers and which business address, place of incorporation or primary place of operation is in Europe.

In the HCP/HCO disclosure report, Spark discloses transfers of value made to HCPs/HCOs whose primary practice, principal professional address, or place of incorporation is in an EFPIA country.

In the list of POs supported or engaged by Spark, POs with their place of incorporation or primary place of operation in Europe are published.

In which countries are transfers of value for an individual HCP/HCO reported?

Spark will report the transfers of value in the country where the HCP or HCO has his/her primary practice, principal professional address or its place of incorporation.

Have HCPs/HCOs consented to Spark disclosing this information?

Where required, Spark has sought to secure consent of all the HCOs and HCPs with whom we work but consent is voluntary and can be withdrawn at any time. Spark believes it is important to make sure our relationships with HCPs are transparent and as such will continue working to encourage our partners to provide consent for full disclosure.

Where we have not been able to secure consent from an HCP or HCO, the respective transfer of value data is disclosed in aggregate.

Based on 2021 transfers of value, Spark sought HCP consent in Germany and Italy. In Belgium and France, disclosure of transfers of value to HCPs and HCOs is a legal requirement; hence, all transfers of value (with the exception of payments for research & development) are disclosed individually.

How is Spark’s disclosure report affected if an HCP/HCO withdraws consent?

Where HCP/HCO consent is required, the HCP/HCO consent is voluntary and can be withdrawn at any time, which might require Spark to update already published disclosure reports. The absence or refusal of consent of an HCP or HCO will result in the transfer of value data being disclosed in aggregate.

Have HCPs been given access to the transfer of value information?

Yes, a preview of the actual transfer of value data has been sent to each of our HCP consultants.

How are corrections of errors handled?

Errors detected in Spark’s HCP/HCO Disclosure reports and the list of supported or engaged POs will be corrected in a timely manner. This applies to all HCP/HCO Disclosure reports and lists of supported or engaged POs available in the public domain. This is also valid for consent withdrawal of HCPs/HCOs.



How does Spark define the date of a transfer of value?

In general, the date of payment of the HCP/HCO by Spark is considered as date of the respective transfer of value for EFPIA disclosure purposes rather than the date, when an HCP/HCO delivered a service to Spark.

In the case of POs, the posting date is considered as the date of the respective transfer of value.

How are taxes considered in Spark's disclosure of transfers of value?

In the context of the EFPIA Code of Practice, Spark defines value (that is transferred to HCPs/HCOs) as a cost to Spark. Hence, transfers of value shown in Spark's disclosure report are net of sales tax (VAT), where the respective amount is recoverable by Spark. For payments that are subject to withholding taxes, the value of the tax is included in the transfers of value disclosed.

How are transfers of value in foreign currencies handled?

Transfers of value are published in the local currency of country of primary practice or incorporation of the respective HCP/HCO. However, as some transfers of value are made in foreign currencies, they need to be converted into the respective local currency. For the sake of simplicity and comparability, a constant exchange rate has been applied to transfers of value in foreign currencies made during the reporting year. This constant exchange rate corresponds to the actual average exchange rate of the preceding 12 months.

How are transfers of value to HCOs handled, from which HCPs benefit?

The HCO receiving a transfer of value is always reported as sole beneficiary of this transfer of value, regardless of the extent to which HCPs employed by the HCO or owning the HCO benefit from this transfer of value. In most of these cases, an accurate representation of the benefit to individual HCPs is not possible.

How are "late data" reported?

To accurately disclose transfers of value for the respective reporting year by 30 June of the following year and to allow HCPs/HCOs to review the information prior to publication, only data available by the cutoff date are included in Spark's initial publication of the respective disclosure report. Data becoming available only after the cutoff date (e.g., due to late submission of an invoice related to a transfer in the reporting year) will be included in an update of the respective disclosure report published together with the disclosure report for the next reporting period.

Further information about the EFPIA Code of Practice and the national codes can be found here: <https://www.efpia.eu/relationships-code/the-efpia-code/>.

HCPs/HCOs/POs contact Spark at Sunshine @Sparktx.com to request further information about or correction of transfers of value disclosed by Spark.

General inquiries about Spark's disclosure of transfers of value to HCPs, HCOs and POs may also be directed to Sunshine @SparkTx.com.