

*Our commitment to  
caring and curing*



# Code of Conduct

## Our five core principles:

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

Our mission at Novartis is to discover, develop and successfully market innovative products to prevent and cure diseases, to ease suffering and to enhance the quality of life. We also want to provide a shareholder return that reflects outstanding performance and to adequately reward those who invest ideas and work in our company.

We aspire to be the world's most respected and successful healthcare company. We can only realize this aspiration if we earn and maintain the trust and support of our key stakeholder groups: our patients, our associates, our shareholders, our healthcare partners, and society at large.

Our Code of Conduct reflects our commitments to meet the expectations of our stakeholders as a responsible corporate citizen and contains the fundamental principles and rules concerning ethical business conduct. We believe that how we achieve our business results is as important as the achievement itself.

The Novartis Code of Conduct forms an integral part of the terms of employment of all associates of the Novartis Group. Novartis insists on full compliance and will not tolerate any misconduct.

We thank you for your continued support and commitment to our Novartis Code of Conduct. Our combined efforts will enable us to better meet the needs of patients, to deliver sustainable performance, and to strengthen our reputation.



Daniel Vasella  
Chairman



Joseph Jimenez  
CEO

## When in doubt 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?

# Patient benefit and safety is at the heart of everything we do



### **Patient benefit and safety**

We expect our associates in all areas of our business to focus on enabling better patient outcomes and providing innovative solutions to patient needs around the world, while adhering to the respective laws governing those activities. Compromising patient benefit or safety is not an option.

### **Research and development**

In all our research activities we strive to ensure the rights, safety and well-being of all participants. We are committed to a global set of core ethical principles based on the Declaration of Helsinki and the principles of Good Clinical Practice.

When we have to use animals for research purposes we are committed to minimizing their discomfort and pain. We will use alternatives to animal research whenever possible.

### **Product quality and safety**

We discover, develop and manufacture high-quality products that meet all regulatory requirements, and pursue quality beyond compliance in both our products and processes.

We protect patient safety by identifying, assessing, managing and reporting any product-related risks in a timely manner.

### **Access to healthcare**

As a healthcare company, our primary responsibility is to discover and develop new products to prevent and cure diseases. With collaborators around the world, we also work to enhance access to healthcare for patients through medical research, new business models and actions to strengthen healthcare systems in both developing and advanced economies.



### **Fair working conditions**

We commit to provide our associates fair and competitive wages based on performance and ethical conduct.

We protect associates from unfair or unethical working conditions, including bonded, forced or child labor, or any unsafe working conditions.

### **Diversity and inclusion**

We treat our associates fairly, equally and respectfully. We expect associates to demonstrate respect toward each other and we do not tolerate any form of harassment or discrimination.

We seek to create an inclusive work environment where associates regardless of their backgrounds can contribute fully. We appreciate the diversity and individuality of our associates and do not discriminate based on personal characteristics such as nationality, gender, age, ethnicity, religion, sexual orientation or disability.

We believe a diverse workforce that reflects the global community of our patients and customers is critical to our success. We therefore attract, develop and retain highly talented people with diverse backgrounds and inclusive mindsets.

### **Associate appraisal and development**

The evaluation of an associate's performance considers both achievement on objectives as well as adherence to the Novartis Values and Behaviors.

Constructive dialogue between the associate and supervisor on goals, priorities and development needs is an essential part of the Novartis Performance Management Process.

We offer opportunities for our associates to develop, grow and continuously improve individual skills to strengthen the competencies of Novartis as a whole.

### **Freedom of opinion, speech and association**

We respect the right of associates to choose to join an association, provided that local law is respected. Novartis engages in constructive dialogue with associates and their representatives.

We recognize that every associate is entitled to freedom of opinion, expression and speech, provided these do not interfere with the associate's ability to fulfill their job responsibilities or conflict with the Novartis Code of Conduct.

# We are committed to outstanding and sustainable performance with integrity



### **Financial integrity**

We do not compromise our financial integrity. Financial risks and operational measures must be appropriately reviewed and approved.

We provide timely, accurate and complete financial information to our shareholders and financial markets. We maintain effective controls over financial reporting to ensure a complete and accurate record of our financial transactions.

Associates must not trade shares or other securities on the basis of material non-public information.

### **Business continuity**

We believe that business continuity management is critical for our patients, customers, associates and other stakeholders, and is part of responsible management practice. In the event of an emergency or significant business disruption, we are committed to doing our utmost to ensure uninterrupted supply of key products and services.

### **Safeguarding corporate assets**

We work to protect assets of Novartis against threats. This applies to our associates, reputation, intellectual property, information, products, property and other assets.

We properly use and maintain assets of Novartis and ensure that they are protected from misuse, loss, theft and waste. All Novartis assets must be used for legitimate business purposes.

We protect our investments in intangible assets by obtaining, enforcing and defending intellectual property (IP) rights and by maintaining confidentiality of sensitive information. We also respect legitimate IP rights of others. IP created, developed or obtained by associates and related to their employment belongs to Novartis.

### **Information security**

We protect the confidentiality, integrity and availability of critical information, regardless of its form and location.

### **Conflict of interest**

Personal interests must not influence our business judgment or decision making.

Associates must disclose actual or potential conflicts of interest to their supervisor. Newly hired associates are requested to disclose any actual or potential conflicts of interest before they begin employment.

## **We strive to be a trusted healthcare partner**



### **Customer satisfaction**

We strive for the highest customer satisfaction. We listen to our customers and create solutions that add value and create mutual benefit for them and for Novartis.

### **Anti-bribery and corruption**

We do not tolerate any form of bribery or corruption. We do not bribe any public official or private person and we do not accept any bribes.

### **Fair competition**

We are committed to fair competition and will not breach competition laws and regulations.

### **Marketing practices**

We market and sell our products in compliance with all applicable rules and regulations, and in line with high ethical standards.

This commitment also applies to all our other activities relating to the commercialization of our products, such as the collection and communication of medical and other information.

### **Commitment to all laws and regulations**

We comply with all laws and regulations applicable to our activities. We also implement and comply with our internal policies.

### **Third party integrity**

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.

## We aspire to be a good corporate citizen



### **Corporate citizenship**

By actively contributing to social, ecological, cultural, and other projects and programs, we strive to contribute to the solution of societal problems.

We are committed to the United Nations Global Compact, the world's largest corporate citizenship initiative.

### **Transparency**

We are open and transparent with respect to our business principles and practices and comply with applicable laws and regulations.

### **Human rights**

We strive to ensure that activities within our sphere of influence do not negatively impact fundamental human rights, as set out by the United Nation's Bill of Rights and the core conventions of the International Labor Organization, either directly or through our business relations.

### **Health, safety and environment**

We strive to be a leader in all aspects of occupational health, safety and environmental protection.

We systematically identify and manage health, safety and environmental risks in our activities and over the entire value chain of our products and services.

We proactively foster and encourage a strong culture of safe behavior.

We make efficient use of natural resources and minimize the environmental impact of our activities and products over their life cycle.

### **Data privacy**

We respect the privacy rights of our associates, patients, physicians, and other stakeholders. We inform individuals of collection and processing of their personal data, allowing them to make informed decisions and exercise their rights. We collect and process personal data for specific and legitimate business purposes only and secure such data against unauthorized access.

## How to report potential misconduct

Associates who report potential misconduct or who provide information or otherwise assist in any inquiry or investigation of potential misconduct will be protected against retaliatory action.

Misconduct is any conduct that violates the Novartis Code of Conduct and pertinent policies and/or external law or regulation.

All associates are required to bring potential misconduct to the attention of Novartis. Associates with knowledge of potential misconduct, or associates receiving a report of misconduct, must notify the Business Practices Officer (BPO) or report the issue via one of the other channels described below without further disseminating the information.

Associates can report potential misconduct to the BPO in person or by letter, fax, direct phone, e-mail or through integrity telephone and web-based confidential hotlines, which operate in more than 50 languages. The options for reporting are:

- The BPO at [business.practicesofficer@novartis.com](mailto:business.practicesofficer@novartis.com)
- The supervisor
- The Human Resources representative
- The Country President
- Any member of the Legal Department
- Any Compliance Officer

Please refer to [www.novartis.intra/bpo](http://www.novartis.intra/bpo) for further information and BPO telephone numbers.

### Applicability

This Novartis Code of Conduct, which was approved by the Novartis AG Board of Directors on July 1, 2011, is to be implemented by all Novartis affiliates. It is applicable to all operations and associates of the Novartis Group. It replaces the Novartis Code of Conduct of August 26, 1999.

### Breaches

Breaches of the Novartis Code of Conduct will not be tolerated and can lead to disciplinary action up to and including termination of employment.

### Useful links

For further information on the Novartis Code of Conduct, please visit: [www.ourcodeofconduct.novartis.intra](http://www.ourcodeofconduct.novartis.intra)

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