Policy statement of Novartis Pharma GmbH on the Supply Chain Due Diligence Act (SCCDA)

1. Novartis Pharma GmbH

Novartis is a focused innovative medicines company. We work to reimagine medicine to improve and extend people's lives so that patients, healthcare professionals and societies are empowered in the face of serious disease. Our medicines reach more than 300 million people worldwide. In Germany, Novartis employs about 2,600 people at five locations.

Our culture and values

Our culture and values help us to reimagine medicine. Talented, committed and responsible employees from a wide range of professional backgrounds are indispensable. We want to unleash the full potential of our employees and build a culture driven by inspiration, curiosity and accountability.

Novartis has policies and processes designed to uphold human rights and reduce impacts on the environment across our value chain, in accordance with the Supply Chain Due Diligence Act (SCDDA) (= Lieferkettensorgfaltspflichtengesetz (LkSG). This Policy Statement on SCDDA describes our measures to uphold human rights and protect the environment in our own company and across other parts of the supply chain.

2. Our guiding principles for business and human rights

We consider respect for human rights to be a central element of our duty to corporate responsibility. Our approach to human rights is articulated in our Human Rights Commitment Statement, which is in line with the principles set out in the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Organisation for Economic Co-operation and Development (OECD) Guidelines For Multinational Enterprises. Our commitment includes internationally recognized human rights including those contained in the International Bill of Human Rights and the International Labour Organization's (ILO) core labor rights conventions, including the Minimum Age Convention (no. 139) and the Worst Forms of Child Labour Convention (no. 182). In accordance with section 2 SCDDA, this includes the prohibition of child and forced labour, the prohibition of all forms of slavery and discrimination, and the strengthening of freedom of association. We are also committed to complying with health and safety regulations, paying reasonable wages, avoiding pollution, and prohibiting forced evictions or the inappropriate use of security guards if their use is associated with the risk of violating or limiting human rights. We are also committed to the Minamata Convention, the Stockholm Convention on Persistent Organic Pollutants (POP Convention), the Basel Convention, the Pharmaceutical Supply Chain Initiative, the United Nations Global Compact.

Further, our commitment to respecting human rights is other company policies,[1]

[1] https://www.novartis.com/investors/reporting-and-transparency-hub

including our Third-Party Code[2], Novartis Code of Ethics[3] and Health, Safety and Environment (HSE) Policy[4].

The principles set out here apply to our own business activities and to all employees of Novartis in Germany. In addition, we expect our suppliers and all other relevant business partners to commit to these principles and to implement appropriate processes to respect human rights and protect the environment. This includes providing information on how they comply with the stated principles on request.

Our Code of Ethics mandates compliance with all applicable laws. This includes cases where local laws go beyond international standards. In cases where international human rights are restricted by local laws, we strive to promote the principles behind international standards without conflicting with local laws.

3. Implementation in the company

Our External Partner Risk Management (EPRM) processes help us to identify, monitor and mitigate human rights and environmental risks, and to meet our obligations under the SCDDA. We plan to continuously adapt this policy statement to current circumstances, as necessary.

Our EPRM process is also designed to embed the results of our risk analysis into relevant business processes, particularly our supplier management systems. We seek to address the risks identified by taking appropriate preventive measures:

- Our procurement process requires every new supplier to be assessed for human rights and environmental risks before a contract can be signed. At regular intervals, we repeat the risk assessment for existing suppliers. Risks identified during supplier evaluation are addressed as part of an established risk monitoring and elimination process, and any corrective measures agreed with the supplier are tracked.

- Our suppliers are contractually bound to comply with the Third-Party Code. In the event of a violation, we claim audit rights and require the supplier to remedy the violation. The obligation to comply with the principles of the Third-Party Code must also be passed on to the subcontractors of our suppliers. This is designed to ensure our principles are respected throughout our supply chain.

- We require our suppliers to advise their employees in relevant business areas of their duty to comply with the Third-Party Code and to train them accordingly.

- Our concern for the health and safety of our employees is reflected in our health and safety strategy based on three principles: promote, prevent and protect. Our HSE Policy requires all sites to promote healthy and safe working conditions, comply with all relevant laws and regulations, establish an effected health and safety management system, and consider health and safety factors when designing products and processes. Our employees participate in regular training sessions to promote safety-conscious behaviour.

- As a pharmaceutical company, we are subject to strict regulations on product safety. We require compliance with legal and internal requirements for Good Manufacturing Practice (GMP), Good Clinical Practice (GCP), Good Distribution Practice (GDP) and product safety. Novartis has processes designed to ensure the quality and safety of our products for patients (e.g., pharmacovigilance).

[2] https://www.novartis.com/sites/novartis_com/files/novartis-third-party-code-v-4.pdf
[3] https://www.novartis.com/sites/novartis_com/files/code-of-ethics-english.pdf
[4] https://www.novartis.com/sites/novartis_com/files/health-safety-environment-policy.pdf

- Should we cause or contribute to actual human rights violations through our business, we are committed to implementing effective remedial measures. Novartis enables employees as well as third parties to report suspected misconduct anywhere in our supply chain via a grievance mechanism. Reports may be made anonymously. The Speak-Up Office, which is part of our Ethics, Risk & Compliance function, is responsible for processing these reports.

- Novartis is committed to respecting human rights. Further information can be found in our Human Rights Statement 2025[5].

Nuremberg, October 22, 2026

Manfred Heinzer
Managing Director
Novartis Pharma GmbH

Silke Mainka
Country Legal Head
Novartis Pharma GmbH

NOVARTIS | Reimagining Medicine

[5] https://www.novartis.com/sites/novartis_com/files/novartis-human-rights-commitment-statement.pdf