

## **Mitigating Third-Party Risk " >**

At Novartis we hold ourselves to high ethical standards. We recognize society's expectations and that we must go beyond doing what is legal to meet society's legitimate expectations.

Our [Code of Ethics \(PDF 4.1 MB\)](#) outlines the values and behaviors we expect of our associates. Our [Third Party Code \(PDF 0.3 MB\)](#) defines the standards we require from our third parties.

We maintain a strong commitment to upholding [human rights](#) and managing risk in our supply chain, one of our key risks. The mechanism by which we manage these risks is [Third-Party Risk Management \(TPRM\)](#). TPRM is an integral part of the [Ethics, Risk and Compliance \(ERC\)](#) function at Novartis.

### **TPRM scope and governance**

Third Party Risk Management (TPRM) is the means by which Novartis manages risk when interacting with third parties, such as suppliers of goods and services.

[Learn More](#)

## **Our TPRM commitment**

We are committed to working with third parties who operate in a manner that is consistent with our values and ethical principles.

We will select the parties best suited for our business and society based on objective criteria, evidencing their competence, integrity, and other relevant merits. We will strive to ensure that throughout our relationship, the third party continues to uphold the same standards.

[Read our ethical and sustainability standards for third-parties](#)

[Read our quality standards for third-parties](#)

## **Why TPRM matters**

Our success depends on strong, reliable and reputable partners. They help us build trust with our stakeholders by living up to the same standards as ours.

## **External collaboration**

Novartis is a member of the [Pharmaceutical Supply Chain Initiative \(PSCI\)](#). Our Third Party Code is also consistent with the PSCI [Principles for Responsible Supply Chain Management](#) for ethics, human rights, labor rights, health and safety, environment and related management systems. The PSCI was formed as a non-profit business membership organization in 2006. It brings together the pharmaceutical industry to define, implement and champion responsible supply chain practices, and aims to help suppliers meet the industry's expectations.

In addition, risk experts from different TPRM risk areas participate in PSCI working groups, help to promote PSCI principles and evolve thinking with peers from other pharmaceutical companies.

For example, we actively participate in the shared audit program and working committees. Novartis also sits on the PSCI Board.

The shared audit program enables suppliers to share audits with more than one PSCI member via a web-based platform. This means fewer audits for each supplier and reduced costs and efficiency gains for PSCI members. Each year, Novartis encourages its suppliers to share audit reports on the PSCI platform.

Working committees in PSCI cover Audit, Communication, Governance, Supplier capability and Partnership. All committees have different sub-teams in which Novartis actively participates to build supplier knowledge and expertise and help solve safety, social, environmental and ethical issues.

Novartis actively shares guidance and resources in PSCI supplier conferences and webinars. Each year, we engage PSCI members, suppliers and expert organizations by participating in supplier conferences hosted in some of the most important sourcing regions.

## Resources

- [Code of Ethics \(PDF 4.1 MB\)](#)
- [Third-party risk management \(TPRM\) guideline \(PDF 0.3 MB\)](#)
- [Third-party code \(PDF 0.3 MB\)](#)
- [Our quality standards](#)
- [Anti-bribery and anti-corruption](#)

## Contact us

We would like to hear from you. Please send your message, comment or question to:

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