

Health, Safety and Environment Policy

Novartis Global Policy

Approved Date:	December 7, 2020
Effective Date:	January 1, 2021
Next Review Date:	January 1, 2023
Owner:	Global HSE
Version:	Version 002.V1.EN

Document History

Version	Date	Changes	Author
1.0	March 1, 2014	Initial Issue of Document	Stefan Bengtsson
2.0	January 1, 2021	Update and expansion of core HSE principles in alignment with, and building upon, updated Code of Ethics, inclusive of key aspects across the value chain for Novartis. Document structure updated to be aligned with current Novartis Policy / ERC expectations	Jason Cobb

Contents

1	Introduction.....	4
1.1	Purpose	4
1.2	Scope and Applicability	4
1.3	Roles and Responsibilities	5
2	Policy.....	6
2.1	We comply with local laws and regulations, and conform to internal requirements.....	6
2.2	We are committed to enabling HSE Resilience	7
2.3	We care about the health and safety of our associates	7
2.4	We care for the environment	7
2.5	We consider HSE implications in the development of products, processes and technologies.....	7
2.6	We build a network of responsible business partners.....	8
2.7	We drive continual improvement in our HSE management systems and performance...	8
2.8	We communicate transparently.....	8
3	Implementation.....	8
3.1	Implementation Plan.....	8
3.2	Training.....	9
4	Related Internal Controls	9
5	Breach of this Policy.....	9
6	Exceptions.....	9
7	Definitions.....	9
8	Abbreviations	9
9	References, Attachments & Annexes	10

1 Introduction

1.1 Purpose

At Novartis, we are committed to Health, Safety and Environment (HSE). Our mission to reimagine medicine goes hand in hand with maintaining a healthy, safe and environmentally friendly workplace for our associates, contractors, vendors and visitors. We take care of our people so that they can take care of patients by improving and extending their lives. HSE is a fundamental component of the Novartis long-term business strategy and supports achieving our objectives by unleashing the power of our people and building trust with society. We consider HSE implications in the full spectrum of our worldwide healthcare activities with the intent to protect associates, neighbors, patients, business assets, natural resources and the environment. This commitment is part of everything we do, from the moment a scientist begins research, through development, production and distribution, until our customers and patients use and dispose of the final product.

This Policy describes the Novartis approach to minimizing health, safety and environmental risks and impacts associated with the workplace. The Policy sets out basic expectations for all associates and leaders and is the foundation for the mandatory requirements defined in the Novartis HSE Management System (HSEMS), including the supporting HSE Manual and Global Operating Procedures (GOPs). The Policy is aligned with the One Novartis Control Environment (ONCE) framework.

HSE is everyone's business. Everyone in Novartis is expected and encouraged to share this commitment by taking care of themselves, looking out for others, and protecting the environment for future generations. All leaders are responsible for maintaining good HSE practices in their areas.

As an integral part of our assurance system, the HSE Policy is based on our [Code of Ethics](#) with its commitment to occupational health, occupational safety and environment compliance, as well as support of the Novartis environmental sustainability commitments.

1.2 Scope and Applicability

This Policy applies to all associates and contractors of Novartis AG and its affiliates (the "Group"). The principles of this Policy apply to workplaces where Novartis has operational responsibility, i.e. locations operated or controlled by a Novartis company (either owned or rented) and joint ventures in which Novartis bears operational responsibility.

This Policy contains Novartis global principles and management practices and is aligned with applicable laws, industry codes, such as the international management system standards for occupational health, occupational safety and environmental protection.

This Policy is implemented globally throughout the Group, with amendments as required by local law or regulations where requirements are more stringent.

1.3 Roles and Responsibilities

Role	Responsibility
Executive Committee of Novartis (ECN)	<ul style="list-style-type: none"> • Provides strategic direction for the overall, company-wide management of HSE within all divisions, organizational units and corporate functions • Provides visible leadership with respect to HSE • Periodically reviews HSE programs and performance • Allocates adequate resources within respective functions and organizational units to implement HSE across the business • Holds leaders accountable for their implementation of the HSE program, appropriate management of risks and resulting performance • Delegates specific authority and responsibilities to an appointed HSE Governance Committee
HSE Governance Committee	<ul style="list-style-type: none"> • Reviews and is consulted in the process of developing, updating and maintaining the Novartis HSE Policy and global standards • Participates in defining the HSE strategy, objectives and targets, engaging and aligning with respective business unit / function leadership and impacted stakeholders • Conducts periodic reviews of the HSEMS, including aspects related to regulatory compliance, operational and strategic risks and opportunities, resource allocation • Reviews processes associated with consultation and participation with respect to HSE across Novartis and in respective business / functional areas • Demonstrates leadership and champions company values in matters pertaining to HSE, including fostering a culture that embraces Speak-Up
Global HSE	<ul style="list-style-type: none"> • Establishes and maintains the Novartis HSE strategy, governance structure, relevant standards, and supporting tools and required HSE expertise • Supports Novartis Units and contractors through coaching and training on the implementation of the HSEMS • Provides oversight on the HSE Policy and HSEMS implementation status and effectiveness, including establishment, maintenance and monitoring of HSE controls • Drives innovation and continual improvement, in part through keeping up with external trends and

	<ul style="list-style-type: none"> incorporating lessons learned from across and outside the company • Monitors risks regularly and responds to them in alignment with the ERM process
Function and Line Management	<ul style="list-style-type: none"> • Ensures adequate resources to maintain local HSE management systems • Maintains ongoing overall compliance • Promotes awareness and the ongoing effectiveness of the control environment • Escalates material breaches of compliance to appropriate leadership and Global HSE • Oversees and owns overall remediation status • Is accountable for HSE performance within their respective operations(s) and location(s) • Ensures operational changes are subject to appropriate HSE review • Ensures that HSE training is conducted in accordance with a training-needs analysis to ensure that all tasks are completed with the required level of competence • Ensures onsite contractors and third party personnel are subject to appropriate vetting and oversight
Associates and Contractors	<ul style="list-style-type: none"> • Maintain familiarity with this Policy and the requirements, in context of local operating context • Participate in all HSE-related trainings required for their job • Stop work in case of unsafe situations • Report unsafe acts/conditions or incidents per HSEMS • Speak up for unsafe working conditions

2 Policy

This Policy addresses the principles that Novartis is committed to with respect to occupational health, safety and environmental protection. These principles are core to how we operate and are to be adhered to at all times.

2.1 We comply with local laws and regulations, and conform to internal requirements

- Management establishes a Novartis HSEMS and supporting GOPs and regularly conducts audits, reviews and self-inspections to ensure conformance with them, as well as compliance with applicable local laws and regulations.
- Our commitment to compliance with external and internal requirements is part of our culture and is reinforced through communications and accountability mechanisms.
- Certification according to recognized global standards is considered best practice.

- Certain associates participate in industry networks to exchange best practices.

2.2 We are committed to enabling HSE Resilience

- Our company culture considers protecting the health and safety of associates, neighbors, others and the environment affected by our business activities an integral part of our values that enables reaching our business objectives.
- Management is responsible for implementing and maintaining health, safety and environmental practices and leading by example (e.g., by demonstrating safe, healthy and environmentally responsible behavior).

2.3 We care about the health and safety of our associates

- We promote and support the implementation of programs to maintain and improve the physical and mental health and well-being of our associates and contractors.
- We provide our associates with safe working conditions and strive to protect them from potential health hazards and injuries.
- Risk assessments are carried out before conducting any potentially hazardous work. Appropriate protective measures must be taken as needed to ensure the work can be completed safely.
- Associates must familiarize themselves with local safety requirements and respect them.
- Associates are expected to look out for their colleagues and speak up respectfully if they observe unsafe behaviors or conditions.

2.4 We care for the environment

- We implement and maintain processes and procedures which ensure compliance with relevant environmental regulations and compliance obligations
- We take action in support of minimizing the environmental impact of our workplaces.
- We support initiatives to reduce the carbon footprint, waste and water usage of our workplaces.

2.5 We consider HSE implications in the development of products, processes and technologies

- Associates participate in relevant HSE hazard identification and risk assessment processes as relevant to their job duties.
- Associates ensure that HSE considerations are integrated into product and process development, procurement, manufacturing, and capital investment projects at an early stage.
- Associates where relevant should include green chemistry in product development processes and integrate sustainable packaging into packaging design processes.
- We engage in scientific peer review and consider the HSE and business benefits and risks of innovation in a structured, scientific and transparent manner.

2.6 We build a network of responsible business partners

- Third-Party suppliers are expected to meet the HSE expectations outlined in the Novartis Third Party Code and in our Third Party Risk Management (TPRM) Guideline.
- We promote good HSE management practices with our supply chain partners, working with them where appropriate.
- Procurement encourages environmentally responsible suppliers, goods and services including engaging with suppliers that also act beyond legal compliance and actively minimize the environmental impact of their activities. Priority should be given to suppliers that drive environmental impact reduction and sustainability should be considered in the supplier selection criteria.
- We conduct audits of suppliers on a risk basis to ensure conformance with TPRM and good industry practice.

2.7 We drive continual improvement in our HSE management systems and performance

- Management endorses annual HSE objectives and targets, regularly measures performance against them, and associates are expected to take early action if deviations occur. Associates are committed to honest reporting of HSE key performance indicators.
- We draw lessons learned from incidents and events, and implement actions to prevent a recurrence, including for incidents and events from outside Novartis where appropriate.
- HSE competence is ensured through appropriate recruitment, training and development.

2.8 We communicate transparently

- We openly communicate HSE results both through internal and external communications.
- We report our HSE performance consistently with international public reporting standards.
- We proactively engage with and seek feedback from internal and external stakeholders, including local communities, and listen to their concerns about HSE matters. This includes consultation with regard to the Novartis HSE Policy and management system, as well as other relevant strategic and operational matters.

3 Implementation

3.1 Implementation Plan

This Policy will be implemented following its implementation plan contained in the Approval Request. Implementation will be periodically checked as part of HSE conformance reviews, internal audits with respect to HSE, and as part of routine monitoring of established HSE controls.

3.2 Training

Training will be available and administered globally via eLearning in support of raising awareness and understanding of this Policy for its successful implementation.

4 Related Internal Controls

The related internal controls to this process will be stored in the Novartis Internal Control Register and can be accessed by typing Go/controlregister in your Internet browser.

5 Breach of this Policy

In alignment with our Code of Ethics, breaches of our policies and guidelines or local laws will result in remedial, corrective or disciplinary actions up to and including termination of employment. Actual or suspected incidents of misconduct should be reported to the SpeakUp Office. Novartis guarantees non-retaliation and confidentiality, to the extent legally possible, for good-faith reports of such breaches.

6 Exceptions

There are no exceptions granted to this Policy. If there are changes in the state-of-the-art in any field of HSE that would make a change of the Policy necessary, Global HSE will facilitate such a change.

7 Definitions

Term	Definition
Internal Control	A measure that aims to contain or reduce the risks that the organization decides to mitigate. It can take many different forms, e.g. process, policy, procedure, system, review, approval. The description of the control should comprise clear control activities and requirements.
HSE Management System	Collection of documents, including the HSE Policy, which describe minimum requirements for the effective governance of established processes and operational control to an appropriate risk level for significant hazards, aspects, risks and opportunities.

8 Abbreviations

Abbreviation	Description
ECN	Executive Committee of Novartis
HSE	Health, Safety & Environment
HSEMS	Health, Safety & Environment Management System

GOP	Global Operating Procedure
ONCE	One Novartis Control Environment

9 References, Attachments & Annexes

[Novartis HSE Manual and HSE Global Operating Procedures
One Novartis Control Environment \(ONCE\)](#)