Human Rights Commitment Statement
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Introduction

This Human Rights Commitment Statement builds on our foundational human rights commitment in the Novartis Code of Ethics, to “conduct our business in a manner that respects the rights and dignity of all people.”

It explains the 12 human rights focus areas we’ve identified and outlines our approach to embedding human rights throughout our business.
How We Determined Our Commitments

Novartis adopted its first Human Rights statement in 2003. Since then, we have worked to embed human rights into the business, from global health and access to medicine, to third party labor rights and diversity and inclusion, among other areas.

Our latest Human Rights Guideline was updated 2017. In 2018 Novartis formally established a human rights department, and in 2019 we joined the Ethics, Risk, and Compliance function, where we sit today. This Human Rights Commitment Statement builds on these previous commitments and reflects the increasing importance of integrating human rights across the organization.

Consistent with the United Nations Guiding Principles on Business and Human Rights (UNGPs), this Human Rights Commitment Statement clarifies the human rights focus areas across our business. The 12 areas are grounded in the prioritization criteria in the UNGPs, weighing the scope, scale, and irremediability of the risks and impacts.

Our process was informed by eight in-country human rights impact assessments conducted between 2017 and 2019. We assessed markets with elevated human rights risk and with a significant Novartis operational footprint. Each assessment involved extensive consultation with internal and external stakeholders and rightsholders.

Since 2018, we have conducted several additional risk and impact assessments in specific parts of the business, which have also informed our focus areas, including third party labor rights, procurement, clinical trials, and our grievance mechanism among others. Our focus areas and approach have been reviewed and informed by external human rights expert advisors.

Commitment to the UNGPs

Novartis is committed to implementing the UNGPs throughout our business operations. The UNGPs incorporate by reference the International Bill of Human Rights, which is comprised of the Universal Declaration of Human Rights (UDHR), and the International Covenants on Civil and Political Rights (ICCPR) and Economic, Social and Cultural Rights (ICESCR), and the ILO Core Labor Rights Conventions.

Novartis must comply with national law wherever we operate. Consistent with the UNGPs, where national law and international human rights standards differ, Novartis will strive to meet the higher standard. Where national law and international human rights standards conflict, Novartis will comply with national law, and strive to uphold the principle underpinning the international human rights standard where it is higher.

Novartis has incorporated the UNGPs into our Novartis Third Party Code, which is contractually binding on our third parties. We strive to support third parties to implement the Novartis Third Party Code, particularly in geographic areas or procurement categories with heightened human rights risk.

We recognize the critical importance of an open civic space upon which both business and civil society depend. We maintain a policy of zero tolerance of any threats, intimidation, or attacks against human rights defenders in relation to our business operations and relationships. Consistent with the UNGPs, we are aware of our responsibility in certain circumstances to act together with other stakeholders where possible to prevent or mitigate threats, intimidation, or attacks. We will apply human rights due diligence in relevant countries to include an assessment of the situation of human rights defenders, as well as civic space and the rule of law.
Human Rights Commitments and Focus Areas

Our 12 human rights focus areas, often called “salient human rights,” are organized by risks and impacts in specific functions and departments. Some areas are actively managed given the highly regulated nature of our industry, for example quality control systems to ensure safe production of medicines. Other areas have involved active engagement with human rights experts to assess and embed human rights into policies, systems, and processes.

Each focus area is also grounded in our Code of Ethics, which establishes the baseline expectation on how we operate our business.
1. Access to Medicine

Commitment: Novartis commits to systematically integrate our access principles in the way we develop and deliver our new medicine globally to enable more of our medicines to reach more people, no matter where they live.

We aim to consider affordability of our medicines based on a variety of factors, including income levels, local barriers to access and other economic realities, while maintaining the sustainability of our business.

We will work in collaboration with governments and other partners to support equitable access to quality care and improve health outcomes in areas where we can have the greatest impact.

Why is this important: Every person has a right to attain the highest available standard of health, as articulated in international human rights standards.

Governments have the primary duty to fulfill the right to access healthcare, and we have a responsibility as a medicines company to make our products as accessible as possible around the world while maintaining the sustainability of our business.

Key Documents & Policies: Novartis Access to Medicine Principles
Expanding Access to Healthcare

2. Anti-Bribery and Corruption

Commitment: Novartis does not tolerate any form of bribery or corruption and will not use third parties to commit acts of bribery or corruption.

Why is this important: Bribery and corruption erodes trust in both governments and business and reduces access to public services including health and education. It can potentially cause human rights harm to individuals and communities including injury or loss of life, undue influence in the approval of medicine, and environmental harm from corrupt enforcement of regulations.

Key Document & Policy: Novartis Anti-Bribery Policy

3. Artificial Intelligence (AI) Use

Commitment: Novartis commits to design, implement, and deploy AI systems in a manner that respects the human rights of affected rightsholders and is transparent, responsible, accurate, and appropriate for its intended context.

Our human rights commitments are aligned with our Commitment to Ethical and Responsible Use of AI.

Why is this important: The use of AI in our industry could potentially cause severe bodily harm and may lead to discriminatory outcomes if not understood and deployed correctly. This is most relevant in the drug discovery and development phase, patient engagement and treatment management, operations, and in various human resources scenarios.

Key Document & Policy: Novartis Commitment to Ethical and Responsible Use of AI.
4. Clinical Trials

**Commitment:** Novartis commits to conduct and monitor clinical trials in accordance with international human rights standards designed to protect patient rights and safety, including the Declaration of Helsinki and the Belmont Report, the Council for International Organizations of Medical Sciences (CIOMS), and the International Council for Harmonization for Good Clinical Practice (ICH-GCP) Guideline. Every clinical trial must be approved by national and/or regional regulatory authorities and independent local ethics committees or institutional review boards in the countries where the trial takes place.

Novartis commits to procuring human biosamples, including organ donation use in transplantation clinical trials, in accordance with national laws and international human rights standards including the Declaration of Istanbul (2018) prohibiting organ trafficking.

Novartis commits to embedding diversity in our clinical trials, consistent with our [Commitment to Diversity in Clinical Trials](#).

The results of clinical trials are made publicly available on our website at [https://www.novctrd.com](https://www.novctrd.com), regardless of the outcome.

**Why is this important:** Conducting clinical trials or engaging third party clinical trials providers is an important way in which we interact directly with patients. Potential human rights risks include lack of informed consent, bodily harm in the event of a mistake or error, and lack of adequate care during the trial.

**Key Documents & Policies:** Our positions, policies, and management systems governing clinical trials can be found [here](#).

5. Data Privacy

**Commitment:** Novartis commits to respect the right to privacy of our associates, patients, physicians, and others for whom we are entrusted to protect personal information, and to require our external service providers do the same.

We inform individuals about how we collect and process personal information allowing them to make informed decisions and exercise their privacy rights.

We collect and process personal information only for specific and legitimate purposes. We secure such information against unauthorized access, and we train our associates around the world on our Global Data Privacy Policy and its underlying principles.

**Why is this important:** We and our business partners hold sensitive personal information on clinical trial participants, physicians, associates and potentially others. We respect the human right to privacy by using personal information that we are entrusted with responsibly and aligned with our legal obligations.

**Key Document & Policy:** [Novartis Global Data Privacy Policy](#)
6. Diversity & Inclusion

**Commitment:** Novartis commits to create a diverse, equitable, and inclusive environment that treats all associates with dignity and respect.

We commit to ensure the rights of the most vulnerable associates at work are protected around the world, specifically the right to non-discrimination in the workplace, and to require our third parties to do the same.

We will listen to different communities with a learning mindset and strive to create a workplace that is safer and more inclusive for everyone.

**Why is this important:** All associates regardless of personal traits or characteristics have a right to be treated with dignity in the workplace and to be free from discrimination around the world. Non-discrimination in the workplace is a Core Labor Right protected by the International Labor Organization (ILO).

**Key Documents & Policies:** [Novartis Diversity & Inclusion](#), [Novartis Global Guideline on P&O Principles and Labor Rights Practices](#)

7. Environmental Impact

**Commitment:** Novartis commits to minimize the environmental impact of our operations and products over their lifecycle, particularly where the harm impacts on the livelihoods of people and communities, and we require our third parties to do the same.

**Why is this important:** Severe environmental harm can negatively impact human rights to water, sanitation, and pursuit of livelihoods, all of which are protected in international human rights standards.

Climate change is a human rights issue given the severe impacts on vulnerable communities and we are taking steps to ensure we manage these issues in a joined-up approach.

**Key Document & Policy:** [Novartis Environmental Sustainability Strategy](#)

8. Grievance Mechanism

**Commitment:** Novartis commits to taking all reasonable complaints raised through various grievance channels seriously, and to protect any associate who raises a concern from retaliation.

We strive to provide a grievance mechanism to all affected rights-holders that is aligned with the UNGPs.

**Why is this important:** Accountability for harm is a key principle underlying the international human rights regime. It is equally critical to create a psychologically safe workplace environment where people feel safe to raise concerns without retaliation.

An adequate grievance mechanism must be in place to allow those who may have suffered harm to raise a formal complaint, seek accountability for those deemed to be responsible, and potentially obtain a meaningful remedy.

**Key Document & Policy:** [SpeakUp Guideline](#)
9. Health & Safety

**Commitment:** Novartis commits to create and promote a safe and healthy workplace throughout our operations.

In addition, we require third parties to implement rigorous health and safety standards, and we conduct regular due diligence on third parties to ensure to the best of our ability that our health and safety standards are followed.

Our health and safety teams around the world ensure that we adhere to standards and practices across our business, and to the best of our abilities, within third parties.

**Why is this important:** Health and safety violations cause severe human rights harms in the workplace if not managed properly, including severe bodily injury and loss of life.

**Key Document & Policy:** Novartis Health, Safety and Environment Policy

10. Labor Rights in Novartis Operations

**Commitment:** Novartis is committed to following fair employment practices in order to create a safe place to work, where all of our associates have an equal opportunity to succeed.

We commit to respect international labor rights throughout our own operations.

**Why is this important:** Labor rights includes everything from child labor, forced labor, discrimination, the right to join a union, harassment, paying a living wage, reasonable working hours and overtime compensation, and parental and holiday leave, all of which are articulated in the International Labor Organization's (ILO) conventions and recommendations.

Each of the areas covered by labor rights may a have a significant impact on the lives of employees of every business around the world, including our own.

**Key Document & Policy:** Novartis Global Guideline on P&O Principles and Labor Rights Practices
11. Product Quality & Falsified Medicines

Commitment: Novartis commits to producing the highest quality medicine in strict compliance with Good Manufacturing Practice, as certified by regulatory bodies.

We commit to monitor and timely authenticate and report incidents of falsified medicines and to work with national authorities and inter-governmental agencies to protect patient safety.

We are committed to work with all stakeholders to pursue a long-term strategy to combat this global public health threat.

Why is this important: Patient health and safety is paramount for Novartis. Product quality can cause severe harm if not managed correctly. The manufacturing, distribution and sale of falsified medicines is a lucrative criminal activity beyond Novartis’ control but putting patients safety at risk. The World Health Organization, in 2020, named it a priority focus area to tackle the global health challenge of expanding access to medicines.

Key Documents & Policies:
- Novartis Quality Commitment
- Novartis Quality Management System
- Novartis Position on Falsified and Counterfeit Medical Products

12. Third Party Labor Rights

Commitment: Novartis requires third parties with whom we work to respect international labor rights, consistent with the human rights and labor rights expectations contained in our Third Party Code.

We commit to conducting labor rights due diligence on our third parties, and to using our leverage, expertise, guidance, and engagement with third parties when necessary to ensure that labor rights are respected.

Why is this important: Third party partners play a significant role in enabling Novartis to deliver our medicines around the world by providing critical services and products throughout our value chain. It is important that we not only respect the labor rights of employees within our own “four walls,” but also that we hold our business partners accountable for respecting labor rights in their workplaces as well.

We work to deploy risk mitigation approaches in the areas of our value chain with heightened risk to help close gaps with the expectations outlined in our Third Party Code, recognizing that labor rights are not adopted or enforced uniformly in each country.

Key Document & Policy: Novartis Third Party Code
How We Deliver on Our Commitments

Our human rights program is organized around three pillars: Due Diligence, Empowerment, and Engagement. This approach is informed by the UNGPs, and designed to bring our human rights commitments to life.
Embedding Human Rights

Within our three management pillars, we track performance metrics in specific areas under each pillar. We commit to reviewing our program structure and human rights focus areas on a periodic basis and making updates when necessary.

Conducting human rights due diligence and embedding human rights throughout the company remains an ongoing process. We strive to be as transparent as we can in providing timely updates on our progress.

Due Diligence

We conduct ongoing human rights due diligence across our business. This is a cornerstone of managing human rights risks and impacts and includes everything from ensuring the right policy commitment is in place to embedding human rights into business systems and processes. We track our progress in the Due Diligence pillar in three areas:

1. Human Rights Risk & Impact Assessments
   Novartis regularly conducts human rights risk and impact assessments throughout relevant parts of our business related to our focus areas.

2. Policy Commitments
   Novartis is committed to aligning relevant policies and guidelines throughout the business with relevant international human rights standards.

3. Management Systems
   Novartis will develop or augment existing business management systems to enable the implementation of human rights standards, approaches, ongoing due diligence, monitoring, risk mitigation, and remediation of harm. Data generated from these systems informs our ability to report internally and externally on implementation of our focus areas.

Empowerment

Novartis Associates need appropriate knowledge to understand and manage human rights in their relevant business units and functions. We must also empower external rightsholders and stakeholders to raise potential human rights concerns through an adequate grievance mechanism, and provide remediation consistent with national laws and the UNGPs. We track our progress in the Empowerment pillar in three areas:

1. Grievances and Remediation
   Access to remedy is a core principle of the human rights-based approach. Novartis strives to provide adequate access to a grievance mechanism for all affected rights-holders, consistent with the “Effectiveness Criteria” in the UNGPs, and to remediate harms consistent with the UNGPs. Our SpeakUp channel is available here.

2. Targetted Training
   Novartis develops targetted training materials for associates to understand specific human rights commitments, approaches, and systems as part of their daily work. Training is based on findings from human rights due diligence, and may also be targetted based on high-risk functions or geographies.
3. **Awareness Raising**

We aim to build a culture of respect for human rights throughout our organization. We support this goal by driving awareness raising throughout the organization on human rights relevant to Novartis, and how to embed a “human rights-based approach” to our work and business.

**Engagement**

We engage with our peers, stakeholders, and rightsholders to listen to concerns and to report on our progress implementing the UNGPs. We track our progress in our Engagement pillar in three areas:

1. **Collective Action**

Novartis will engage with our peers and other relevant external parties to advance collective action solutions to human rights challenges facing our industry.

2. **Stakeholder Engagement**

Novartis is committed to engage in transparent dialogue with external human rights stakeholders relevant to our human rights focus areas. We strive to create open-minded dialogue from all participants, and to consider ways to effectively address external stakeholder concerns in our business.

3. **Reporting**

Novartis will regularly report on our human rights performance. We report through a variety of channels including our human rights website, annual corporate reporting, external events, and other online media sites.

**Looking Ahead**

Embedding human rights in a global pharmaceutical company is a complex undertaking, and we are fully committed to listening and learning from other organizations and stakeholders as we make progress. We welcome your voice on our journey and look forward to constructive dialogue and engagement as we bring these commitments to life.

Please contact us at human.rights@novartis.com with ideas, inquiries, and suggestions.

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