



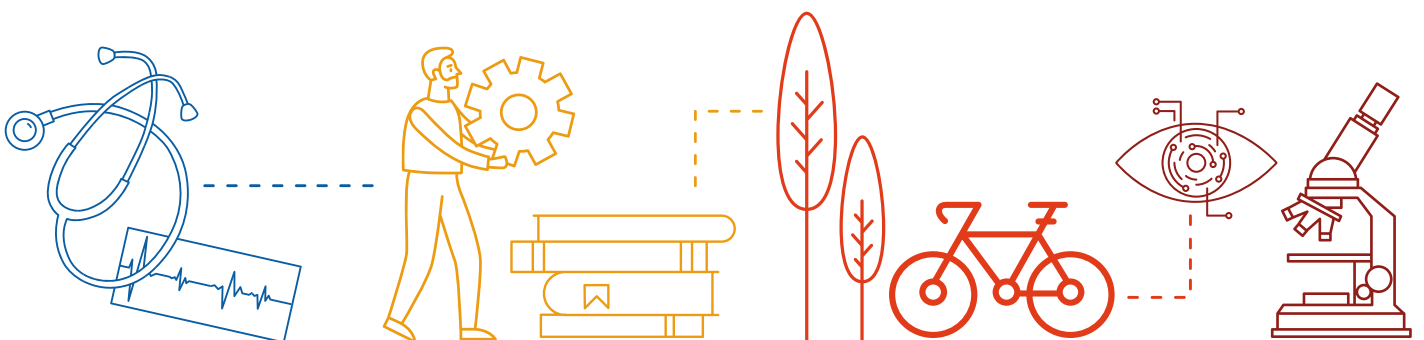
Human Rights Commitment Statement

2022

Ethics, Risk & Compliance

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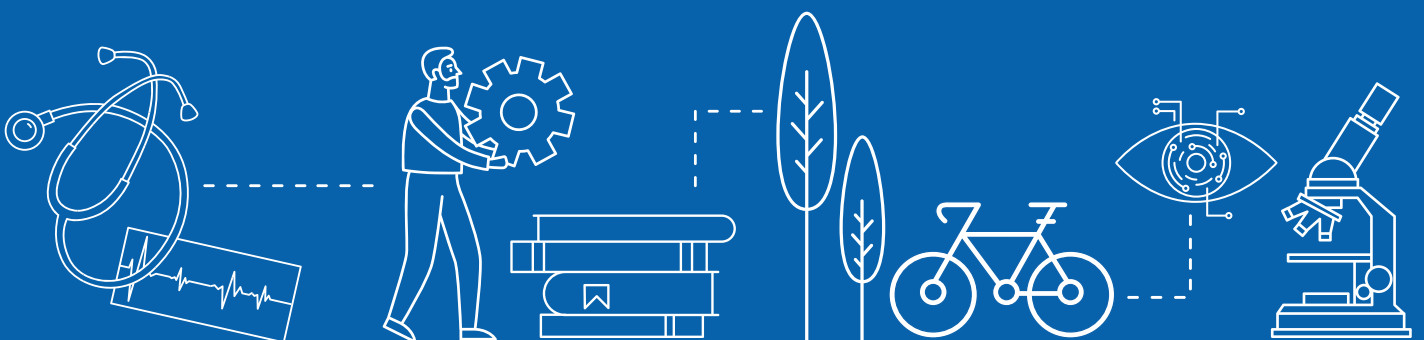


Introduction

Our Human Rights Commitment Statement (HRCS) elaborates on our 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.” These commitments advance the overarching purpose of our company, to reimagine medicine to improve and extend people’s lives.

Novartis adopted its first Human Rights statement in 2003. This latest update streamlines and clarifies our salient human rights “priority areas,” explains our program governance, and details our overall approach to embedding respect for human rights across our company and value chain.

The HRCS is informed by ongoing human rights due diligence, prioritization workshops, internal and external feedback on our earlier statements, and ongoing engagement with external experts, peers, and stakeholders.



Overarching Commitment to Human Rights

We are committed to respecting human rights in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises throughout our value chain.

Our commitment embraces all internationally recognized human rights, including those contained in the International Bill of Human Rights, consisting of the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR), and the International Covenant on Economic, Social and Cultural Rights (ICESCR); and the International Labour Organization's (ILO) Core Labour Rights Conventions.

We comply with national law wherever we operate. Consistent with the UNGPs, where national law and international human rights standards differ, we will strive to meet the higher standard. Where national law and international human rights standards conflict, we will comply with national law, and strive to uphold the principles underpinning the international human rights standards where they are higher.

We recognize the critical importance of an open civic space upon which both business and civil society depend. We do not tolerate threats, intimidation, or attacks against human rights defenders in relation to our business operations and relationships and expect our third parties to follow the same policy. 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 conduct human rights due diligence in relevant countries to assess the situation of human rights defenders, as well as civic space and the rule of law.

We recognize that bribery and corruption may lead to negative impacts on human rights and we strictly prohibit all forms of bribery and corruption through our [Novartis Anti-Bribery Policy](#). We seek to embed human rights approaches into our anti-bribery and anti-corruption program and will report on a regular basis on our efforts.

Our actions taken to address and prevent conflict minerals in our global supply chain is provided in our annual submission to the [US Securities and Exchange Commission](#).

Human Rights Governance

This HRCS was approved by the Novartis executive-level "ESG Committee", led by the CEO, and endorsed by the Novartis Policy Board.

Overall accountability for implementation of our human rights commitments sits with Novartis's Chief Ethics, Risk and Compliance Officer (CERCO), who is a member of the Novartis Executive Committee. A dedicated Human Rights team within the Ethics, Risk and Compliance function is responsible for operationalization of Novartis's human rights program and strategy and works closely with functional experts across the company.

Policies, guidelines, and standards including those covering human rights are approved by the Novartis Global Policy Board, co-sponsored by the Chief Legal Officer and CERCO. Our human rights commitments are global and apply throughout our value chain. Policies and procedures, including those relevant to human rights, are binding on all Novartis associates, starting with our Code of Ethics. Using the HRCS as an overarching guide, we systematically identify and review policies and procedures across our company, focusing on our human rights priority areas, and update them to ensure alignment with our human rights commitments.

Key policy documents governing human rights include, but are not limited to:

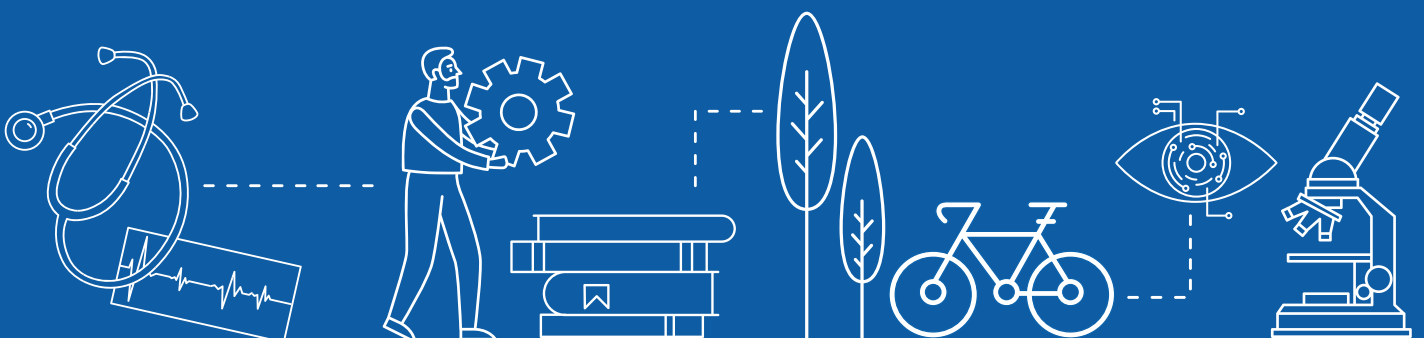
- [Novartis Code of Ethics](#) which sets out our overall global policy-level commitment to conduct business in an ethical manner, including respect for the human rights and dignity of all people.
- [Global Guideline on People and Organizational Principles and Labor Rights Practices](#) which establishes our global policies on labor rights within our own operations.
- [Novartis Third Party Code](#) which requires third parties with whom we engage to adhere to our standards on labour rights, and strongly encourages them to fully embed human rights into their organizations.

Several other policies and guidelines relevant to our human rights priority areas are linked below.

Human Rights Priority Areas

We have identified the following four areas which may involve the most severe actual or potential negative human rights impacts. These were identified based on our ongoing human rights due diligence and internal and external stakeholder engagement.

- Right to Health
- Labor Rights
- Human Rights and the Environment
- Human Rights and Technology



1. Right to Health

Every person has a right to the highest attainable standard of mental and physical health, as articulated in Article 25 of the UDHR and Article 12 of the ICESCR. As the size and complexity of the world's healthcare challenges continue to grow, we aim to extend our impact addressing the needs of underserved patient populations. Our commitments in this area relate to access to medicine, safe and ethical clinical trials, product quality, and falsified medicines.

Access to Medicine

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. We commit to ensuring that all new launches have a global access strategy, and innovative medicines reach more patients in low- and middle- income countries faster.

We aim to consider affordability in pricing our medicines based on a variety of factors, including cost reduction that accounts for income levels, local affordability barriers and other economic realities. We work in collaboration with governments and other partners to support access to quality care and improve health outcomes in areas where we can have the greatest impact, consistent with our Access to Medicine Principles.

For further information see our [Access to Medicine Principles](#) and dedicated webpage on [expanding Access to Healthcare](#).

Clinical Trials

We commit 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.

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

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

Further information on our positions, policies and management systems governing clinical trials can be found [here](#).

Product Quality and Falsified Medicines

Consistent with our commitment to the right to health, patient health and safety is paramount for Novartis. We commit to producing the highest quality medicine in strict compliance with Good Manufacturing Practice, as certified by regulatory bodies.

We commit to timely monitoring, authenticating and reporting incidents of falsified medicines, and to working with national authorities and inter-governmental agencies to protect patient safety.

For further information see our [Novartis Quality Commitment](#), [Novartis Quality Management System](#) and [Novartis Position on Falsified and Counterfeit Medical Products](#).



2. Labor Rights

We commit to respect international labour rights as articulated in Articles 23 and 24 of the UDHR, Articles 6-11 in the ICESCR, Article 8 of the ICCPR, and the ILO Core Labour Rights Conventions in our own operations and contractually with our third parties through the [Novartis Third Party Code](#).

Child Labor

Consistent with ILO Conventions 138 and 182, we strictly prohibit child labour in our own operations and require our third parties to apply the same approach in line with our expectations set out in the Novartis Third Party Code.

Modern Slavery including Forced Labor and Human Trafficking

Consistent with ILO Conventions 29 and 105, we strictly prohibit modern slavery including forced labour or human trafficking in our own operations and require our third parties to apply the same approach in line with our expectation set out in the Novartis Third Party Code. Further information can be found in our annual [Modern Slavery Statement](#).

Non-discrimination and equal treatment in employment

Consistent with ILO Conventions 100 and 111, we prohibit discrimination and harassment in the workplace and seek to create a diverse, equitable and inclusive environment that treats all associates with dignity and respect, ensuring the rights of vulnerable associates are protected. We commit to global pay equity consistent with our [Equal Pay International Coalition \(EPIC\)](#) pledge. We recognize and commit to respect every associate's right to freedom of opinion, expression, and speech, consistent with our policies and standards of respectful behavior. We expect our third parties to apply the same approach consistent with our expectations in the Novartis Third Party Code. Further information on our Diversity, Equity, and Inclusion programs can be found [here](#).

Freedom of association and collective bargaining

Consistent with ILO Conventions 87 and 98, we respect the rights of all associates to freely join organizations of their choice without fear of reprisal or discrimination and engage in collective bargaining, according to applicable law. Where local laws restrict independent trade unions, associates are able to form worker committees or other organizations for their representation that are not prohibited under local law. We require our third parties to apply the same approach in line with our expectations set out in the Novartis Third Party Code.

Living Wage

Consistent with ILO Conventions 1, 14, 95 and 131, we pay all Novartis associates a "living wage" which meets or exceeds the basic living costs of associates and their dependents. We monitor these wage levels on a regular basis. We respect all applicable laws and agreements on working time and paid leave. We also respect the right to rest and leisure, including vacation with pay and the right to family life. We encourage our third parties to apply the same approach in line with our expectations set out in the Novartis Third Party Code.

Occupational Health and Safety

Consistent with ILO Conventions 155, 161 and 187, we create and promote a safe and healthy workplace throughout our operations and require our third parties to implement rigorous health and safety standards, in line with our expectations set out in the Novartis Third Party Code. For further information see our [Health, Safety and Environment Policy](#).



3. Human Rights and the Environment

Environmental harm can negatively impact human rights to life, livelihood, access to clean water and sanitation, health and well-being, and other rights protected in the UDHR and other human rights instruments. In 2022, the UN specifically adopted a resolution recognizing the human right to a clean, healthy, and sustainable environment.

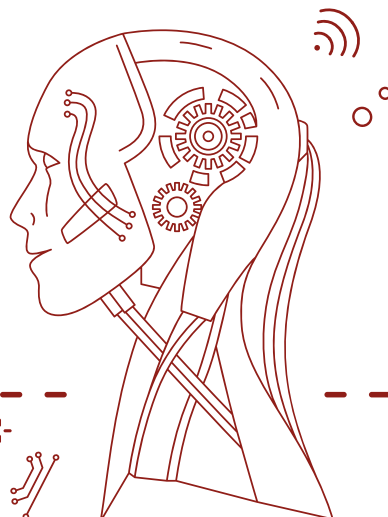
We commit to minimize the environmental impact of our operations and products over their lifecycle, particularly where the harm impacts on the livelihoods of people and communities. We apply measures in our own operations and expect our third parties to do the same through our Third Party Code to address issues including but not limited to climate change, pollution, water, and waste. For further information see our [Environmental Sustainability Strategy](#).



4. Human Rights and Technology

We recognize that all people have privacy rights and freedoms as articulated in Article 12 of the UDHR and Article 17 of the ICCPR. We are committed to responsibly use personal information to protect the privacy of our associates, patients, physicians and other stakeholders as outlined in our [Global Privacy Policy](#).

We are committed to design, implement and deploy artificial intelligence (AI) systems in a manner that respects the human rights of affected rightsholders including the right to non-discrimination and is transparent, responsible, accurate and appropriate for its intended context. Further information can be found in our [Commitment to Ethical and Responsible Use of AI](#).

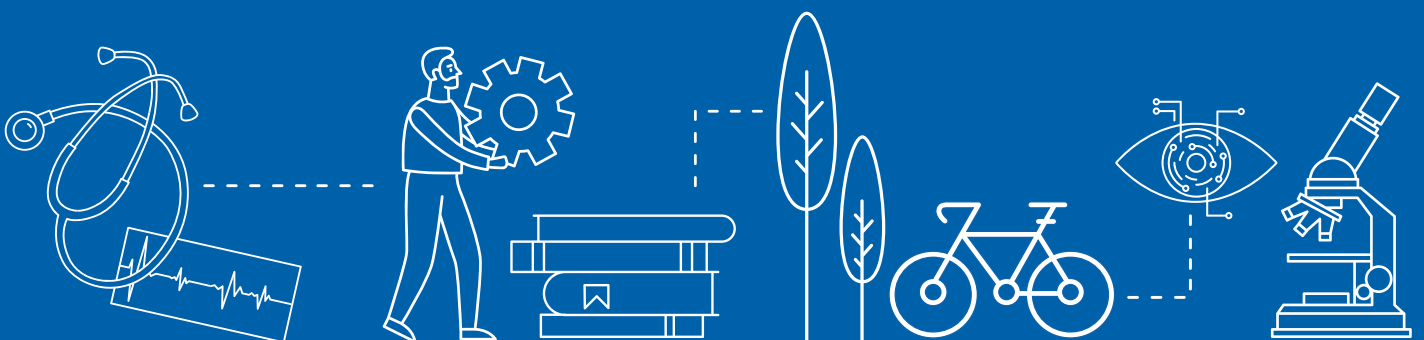


Delivering on our Commitments

We implement our human rights commitments through the three programmatic areas below and track progress in each area.

We review our program governance and structure periodically and provide updates on our progress.

- Due Diligence
- Empowerment
- Engagement



1: Due Diligence

Due diligence is a key area of our human rights program and is conducted across our business to identify, address, evaluate and communicate the risks of involvement with adverse human rights impacts. Our approach to third party due diligence is through our risk based Third Party Risk Management (TPRM) program. TPRM ensures that our expectations for human rights, labour rights, health and safety, environmental standards, and anti-bribery and corruption, and other related management systems are addressed at the earliest stages of the third-party selection process. More information on TPRM is available [here](#).

We track and manage progress under Due Diligence as follows:

Assessments: We regularly conduct targeted human rights risk and impact assessments to understand potential and actual human rights risks and impacts in relevant parts of our business, with a focus on our four priority areas.

Policy Alignment: Our risk and impact assessments help us to identify policies, guidelines and procedures across the company that are relevant to human rights. We work with relevant business units or geographies to review and align those policies with our human rights commitments.

Management System Integration: We review and integrate human rights approaches into the management systems governing relevant parts of our business.

2: Empowerment

We seek to empower our associates and external stakeholders and rightsholders through formal and informal training and education on human rights. We provide the opportunity to raise grievances and to seek redress for harm. We track and manage progress under Empowerment as follows:

Grievances and Remediation: Access to remedy is a core human rights principle, articulated in Article 8 of the UDHR and Article 2 of the ICCPR. We strive to provide adequate access to a grievance mechanism for all affected rightsholders, consistent with the “Effectiveness Criteria” in the UNGPs, and to remediate harms consistent with the UNGPs. Our SpeakUp channel is available [here](#).

Targeted Training: We develop targeted training materials for our associates to understand specific human rights commitments, approaches, and systems as part of their daily work.

Awareness Raising: We aim to build a culture of respect for human rights throughout our company. We support this goal by driving human rights awareness across the company most notably through our internal “Human Rights Ambassador Network.”

3: Engagement

We engage with our peers, stakeholders and rightsholders to listen to their concerns and to report on our progress implementing the UNGPs. We track and manage our progress under Engagement as follows:

Collective Action: We engage with our peers bi-laterally and through industry bodies like the Pharmaceutical Supply Chain Initiative and other relevant external parties to advance collective action solutions to human rights challenges facing our industry.

Stakeholder Engagement: We are committed to engage in transparent dialogue with external human rights stakeholders, credible representatives, and worker associations relevant to our human rights priority areas. We strive to create open-minded dialogue from all participants and to consider ways to effectively address external stakeholder concerns in our business.

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