

ESG Index: Ethical business practices

Doing Business Ethically

We clearly state our standards in our Code of Ethics. Our Doing Business Ethically policy reinforces our commitment to maintain high ethical standards of ethical business conduct and to not tolerate any form of bribery or corruption. The third-party risk is governed by our Doing Business Ethically policy. Our SpeakUp Office investigates allegations of misconduct. The design and execution of activities related to our ethical standards are continually audited as part of our Internal Audit engagements every year. These audits are based on standards from our Code of Ethics and other applicable regulations, and covers all our entities globally, using a risk-based engagement planning process. In early 2024, we published our second anti-bribery report based on guidance issued by Norges Bank Investment Management (NBIM) and aligned with principles such as the United Nations (UN) Global Compact and the OECD Guidelines for Multinational Enterprises.

Relevant links and disclosures

- [Doing Business Ethically \(PDF 0.4 MB\)](#)
- [Anti-Bribery Report](#)
- [Code of Ethics \(PDF 2.2 MB\)](#)
- [Third Party Code \(PDF 0.4 MB\)](#)
- [Child Labor Due Diligence Report 2024 \(PDF 0.2 MB\)](#)

Human Rights

Novartis is committed to conducting our business in a manner that respects the rights and dignity of all people that may be affected by our business activities. We adopted our first Human Rights statement in 2003, and we continue to make progress in expanding our efforts to respect human rights within our operations and throughout our supply chain.

Relevant links and disclosures

- [Progress \(PDF 5.0 MB\)](#)
- [Human Rights Commitment Statement \(PDF 0.3 MB\)](#)
- [Human Rights](#)
- [UK and Australia Joint Modern Slavery Statement 2023 \(PDF 0.4 MB\)](#)
- [Child Labor Due Diligence Report 2024 \(PDF 0.2 MB\)](#)
- [Code of Ethics \(PDF 2.2 MB\)](#)
- [Third Party Code \(PDF 0.4 MB\)](#)
- [Guideline on Non-Discrimination, Non-Harassment, and Non-Retaliation \(PDF 0.2 MB\)](#)

Political engagement

At Novartis, we strive to engage in constructive dialogue with policymakers and other external stakeholders with the aim of improving access-to-medicines and patient outcomes. Our intent is to represent the perspective

of Novartis in the policymaking process by providing data and insights which enable informed decision-making. We undertake political activities in a responsible and ethical manner with a view to creating a sustainable business environment. Our political activities include responsible lobbying, monitoring of the political environment at a global, regional, and local level, engagement with trade associations and financial contributions to support the political dialogue.

Relevant links and disclosures

- [Responsible Lobbying Global Guideline \(PDF 0.1 MB\)](#)
- [Political Engagement Disclosures \(PDF 5.0 MB\)](#)
- [Public Policy](#)

Responsible promotion and marketing of products

Novartis has adopted a single set of ethical principles that should be applied in daily decision making by all Novartis employees in any customer interaction and professional practice-related activity.

Relevant links and disclosures

- [Payments to Healthcare Professionals](#)
- [Patient Organization Funding](#)
- [Doing Business Ethically policy \(PDF 0.4 MB\)](#)
- [Conflict of Interest Guideline \(PDF 0.3 MB\)](#)
- [Interactions with Healthcare professionals](#)

Other information

- Audit and control procedures on responsible marketing
 - Novartis has established a comprehensive compliance framework (guided by our Doing Business Ethically (DBE) policy), which reinforces our commitment to maintain high standards of ethical business conduct and to not tolerate any form of bribery or corruption. The process requirements for engagement activities with external stakeholders have been embedded within the BeSure system platform to ensure an approach where policy, processes and systems are integrated.
 - To ensure processes are implemented, Novartis has established a comprehensive monitoring and audit framework, which comprises three types of activities:
 - Local commercial country organizations conduct a compliance risk self-assessment against the established DBE compliance framework using the Risk Assessment & Monitoring tool, which helps to highlight risk areas.
 - A central independent worldwide compliance monitoring team has been established in January 2020. This team partners with local businesses to assess how effectively the Novartis compliance framework guides our employees. Each review is concluded with a report and agreed remediation actions. Remediation actions are defined to address identified gaps, and a dedicated Remediation Team has been established in February 2020 to strengthen follow-up.
 - Novartis has a comprehensive external partner risk management program in place, which, among other risk areas, addresses anti-bribery risks. Once an external partner is onboarded, it can be subject to anti-bribery audits conducted by an external audit company under the coordination and oversight of a dedicated External Partner Anti-Bribery Audit Team.
 - Further, Internal Audit performs in-market audits and functional audits.
 - Final audit reports are shared with members of the Executive Committee of Novartis (ECN) and other Novartis stakeholders. All high and medium observations from audits are reported, and

are rated based on their impact on the local or global levels.

- The Audit and Compliance Committee (ACC) from the Board of Directors receives a summary of these reports every quarter. “Needs Major Improvement” (i.e., serious breaches or major deviations from regulations or policies putting the organization at risk) and “Leading” (i.e., effective and efficient controls, showing a continuous improvement cycle) reports are submitted in full to the ECN and the ACC.
- Alignment with external guidelines on responsible marketing
 - The Novartis Doing Business Ethically policy reflects several industry codes including but not limited to the Code of Practice of the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) and the Ethical Criteria for Medicinal Drug Promotion established by the World Health Organization (WHO).

Transparency and disclosures

Transparent reporting and disclosure play a key role in building trust with society. Novartis applies and supports laws and regulations that promote transparency around relationships between healthcare companies and healthcare professionals, healthcare organizations and patient organizations, and related transfers of value. For patient organizations, Novartis goes beyond the reporting requirements set by the EFPIA (European Federation of Pharmaceutical Industries and Associations) Code of Practice. We publish a global report covering transfers of value made to patient organizations in all countries where we operate.

Relevant links and disclosures

- [Novartis in Society Integrated Report \(PDF 5.0 MB\)](#)
- [A Living Wage](#)
- [A Safe Workplace](#)
- [Clinical Trial Results Disclosure](#)
- [Conflict Minerals Report \(PDF 0.2 MB\)](#)
- [Novartis Positions on Key Issues](#)
- [Novartis Codes, Policies and Guidelines](#)

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