

## Human rights



Novartis maintains a strong commitment to upholding and respecting human rights. We recognize society's expectations of our industry, and we are dedicated to ensuring that we meet our human rights obligations. In our Code of Ethics, we commit to "conduct our business in a manner that respects the rights and dignity of all people." This is reflected in our [Human Rights Commitment Statement \(PDF, 0.3 MB\)](#), which establishes our foundational commitment to the International Bill of Human Rights, the International Labour Organization's (ILO) core labor conventions and the United Nations Guiding Principles on Business and Human Rights (UNGPs).

## Our progress

Novartis has been a signatory to the United Nations Global Compact (UNGC) since 2000. In 2003, we adopted our first Human Rights Statement, setting the foundation for our ongoing efforts. Our journey continues to evolve as we strive to conduct our business in a manner that respects the rights and dignity of all people, in accordance with internationally recognized human rights. Our current [Human Rights Commitment Statement \(PDF, 0.3 MB\)](#) was endorsed by the executive level Environmental, Social and Governance (ESG) Committee chaired by our Chief Executive Officer (CEO) and articulates the expectations of our own employees and our external business partners to embed respect for human rights across our business operations.

### Some of our key milestones in recent years include:



#### 2017 - 2020

- Published updated Human Rights Guideline.
- Human rights program integrated into Ethics, Risk, and Compliance (ERC) function.
- Redesigned risk assessments to include direct engagement with suppliers, communities and civil society.
- Our CEO is the first in the pharmaceutical industry to sign the World Business Council for Sustainable Development's [CEO Guide to Human Rights](#).
- Human rights embedded into Third Party Code, which defines our expectations from external partners and their suppliers.

#### 2021 - 2024

- Published and updated our [Human Rights Commitment Statement \(PDF, 0.3 MB\)](#).
- Launched Conflict Affected and High-Risk Areas (CAHRA) due diligence program.
- Merged External Partner Labor Rights team with Human Rights team.
- Launched Workers Voice project pilot (more details below).
- Founding member of the Healthcare and Human Rights Forum.
- Evolved our external partner labor rights risk management framework (more details below).

## Our human rights priority areas

We have identified four long-term focus areas which have the most severe actual or potential negative human rights impacts, following guidance from the UNGPs. Our process was further informed by:

- Findings from our human rights country-level assessments.
- Findings from other human rights risk investigations and assessments across our business.
- Engagement with external stakeholders, including civil society (Business for Social Responsibility (BSR) and Shift among others) and business and human rights experts.

Using the UNGPs "scope, scale and remediability" principles, we conduct an internal cross-functional human rights risk saliency exercise every year, to review and evaluate our priority risk areas. As a result of these due-diligence processes, the following are currently identified as the four priority areas salient for our business:

- [Right to health](#)
- [Labor rights](#)
- [Environment](#)
- [Technology](#)

### Access to medicine, clinical trials, product quality, falsified medicine

- Every person has a right to the highest attainable standard of mental and physical health.
- The Novartis [Access Principles](#) are reflective of the United Nations (UN) Availability, Accessibility, Acceptability, and Quality (AAAQ) framework, developed by the UN Committee on Economic, Social and Cultural Rights. Novartis implements global strategies, ethical practices, and sustainable solutions to ensure its health products and services reach and benefit underserved populations.
- In 2024, we [ranked](#) first in the 2024 Access to Medicine Index (ATMI), reflecting our leadership in research, development and improving access to

medicines around the world.

- We aim to extend our impact by:
  - Making our products as accessible as possible around the world while maintaining the sustainability of our business. Please see [here](#) how we systematically integrate access strategies.
  - Conducting and monitoring clinical trials in accordance with international human rights standards that protect patients' rights and safety.
  - Producing the highest quality medicine in strict compliance with Good Manufacturing Practice, as certified by regulatory bodies.
  - Monitoring, authenticating and reporting incidents of falsified medicines.
  - For more details on our overall Global Health program, [click here](#).

### Own operations and supply chain

- We commit to respect international labor rights in alignment with the Universal Declaration of Human Rights (UDHR), the International Covenant on Economic, Social and Cultural Rights (ICESCR), the International Covenant on Civil and Political Rights (ICCPR), and the ILO Core Labor Rights Conventions in our own operations and, contractually, with our external partners through the Novartis [Third Party Code \(PDF, 0.4 MB\)](#).
- We strictly prohibit the use of child labor, modern slavery (including forced labor and human trafficking) and discrimination and harassment in the workplace.
- We are committed to paying all Novartis associates a "living wage" which meets or exceeds the basic living costs of associates and their dependents and monitor these wage levels on a regular basis.

### Community impacts, climate change

- 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 to address climate change, pollution, water, and waste in our own operations and expect our external partners to do the same through our [Third Party Code \(PDF, 0.4 MB\)](#).

### Data privacy, artificial intelligence

- We are committed to the ethical and responsible use of data and technology as outlined in our [Ethical Use of Data and Technology Policy \(PDF, 0.3MB\)](#).
- We are also 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, while ensuring these systems are transparent, responsible, accurate and appropriate for their intended context. Find more information on our commitment to ethical and responsible use of AI [here](#).

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## How we deliver on our commitments



### Due Diligence

- **Risk Assessments:** Identify human rights risks, controls and gaps across our business
- **Policy Commitments:** Ensure relevant policies are aligned with international human rights standards
- **Management Systems:** Integrate human rights into existing management systems, track and manage performance



### Empowerment

- **Grievances & Remediation:** Ensure access to an effective grievance mechanism and remedy
- **Targeted Training:** Develop training for relevant audiences on new human rights tools and processes
- **Awareness Raising:** Raise awareness of human rights in key functions across our business



## Engagement

- **Collective Action:** Partner with our peers on common industry challenges
- **Stakeholder Engagement:** Engage and dialogue with human rights stakeholders to address concerns
- **Human Rights Reporting:** Regularly report on our progress integrating human rights into our business



## Governance

Overall accountability for the implementation of our human rights program is with our Chief Ethics, Risk, and Compliance Officer (CERCO) who sits on the Executive Committee of Novartis (ECN). The executive-level ESG Committee, chaired by our CEO, has endorsed our overall approach to managing human rights. A dedicated Human Rights team sits within the global Ethics, Risk and Compliance (ERC) function and is responsible for the strategic and operational implementation of Novartis human rights program.

## Ongoing human rights due diligence

### Own operations

For our own operations we have in place standards, policies and internal systems managed by our People & Organization (P&O) function to protect employee rights across our global workforce. Our P&O Commitment Statement is available [here](#) (PDF, 0.6 MB).

**Living Wage:** In 2000, Novartis was one of the first international companies to implement a commitment to pay a living wage to all its employees that meets or exceeds the amount for basic living needs, in line with our UNGC commitment. To that end, each year, we review salaries for all employees and adjust salaries that fall below the living wage level. More details about our living wage program can be found [here](#).

**Inclusion:** We want to create an inclusive workplace where every one of us can be our best and true selves, so that together we can discover more, reach underserved communities and reimagine medicine. More details are available [here](#).

## Find out more

### The global human rights team conducts different forms of due diligence such as:

- **Country assessments:** In-person and remote country human rights assessments to understand potential human rights risks and impacts across our business operations in high-risk operating environments. Countries are selected based on a tool we developed, the Human Rights Aggregated Risk Index Score, incorporating 15 publicly available human rights risk indicators, and the size of our operational footprint in the market.
- **Business-unit assessments:** Targeted assessments to include human rights considerations in a particular business unit, regardless of the geography. For example, we assessed the policies and practices of our SpeakUp Office against the UNGPs and identified the need for a standalone Non-Retaliation Policy to address potential risks. To mitigate this, we adopted a new Non-Retaliation Policy reinforcing that retaliation for raising concerns will not be tolerated.
- **Rapid response hot-spot assessments:** Rapid human rights assessments in response to emergency or "hot spot" issues that may arise where our business may potentially be exposed to human rights risk or impact.
- **Business development and licensing deal reviews:** Ongoing human and labor rights due diligence with potential partners involved in mergers, acquisitions, licensing, or other corporate deal structures.

## External Partners

We work with thousands of external partners worldwide, from suppliers to wholesalers and distributors who help ensure our medicines reach patients. As our supply chain is complex and vast, we have adopted a risk-based approach focusing on those high-risk areas and activities where our influence can effectively address and mitigate human rights risks.

## Find out more

**External Partner Risk Management:** Our approach to labor rights risk identification and management in our supply chain is through our External Partner Risk Management (EPRM) framework.

- The EPRM framework assigns all external partners a high, medium, or low labor rights risk through an automated tool that is based on country labor rights risks and procurement category risks.
- We conduct a screening for adverse alerts for all our external partners. Medium and high-risk external partners are required to complete a labor-rights focused Third Party Risk Questionnaire (TPQ), modeled along the labor rights requirements in our Third Party Code.
- On-site audits may be triggered after the TPQ assessment if there is verified evidence or strong indication of severe non-compliance with labor rights standards. These audits may be conducted by internal risk assurance teams or credible external auditors, including those approved by the PSCI or other recognized bodies.
- Should serious risks be identified during the risk assessment and audit process, external partners may be required to complete Corrective and Preventive Action Plans (CAPAs). Enforcement actions, including termination, may be applied to external partners that are unable to meet the requirement set out in a plan.
- For more details, see our [Novartis in Society Integrated Report 2024 \(PDF, 4.9 MB\)](#) and our other human rights reports (linked below under "Codes, policies and compliance reports").

**Labor Rights 2.0:** In 2024, we launched Labor Rights 2.0, an evolution of our existing labor rights program. Labor rights 2.0 is guided by a commitment to strategic risk management that goes beyond transactional compliance to foster meaningful, sustainable engagement with our external partners. It continues to apply a risk-based approach, targeting higher risk external partners, with an enhanced "rightsholder" approach focusing on risks to people, particularly on protecting the most vulnerable workers in our supply chain. Through these principles, we seek to ensure regulatory compliance and the advancement of integrated risk assurance and greater operational efficiencies across our global labor rights risk landscape.

**Worker Voice:** We initiated a program involving direct engagement with external party workers through a digital "workers voice" platform. The program consists of survey questions, aligned with international compliance standards, that workers can answer anonymously through different channels in their local language. This allowed us to understand, directly from workers, which labor rights issues they find most concerning in their workplaces. We remain committed to turning these insights into action and are engaging directly with our external partners to address the labor rights concerns raised by workers.

**Risks associated with foreign migrant labor:** Recruitment practices involving foreign migrant workers is an area that can potentially carry risks of forced labor. Following a global risk mapping of our foreign migrant worker footprint, we are working with specific external partners in Asia employing foreign migrant workers to ensure their recruitment and employment practices are in line with our Third Party Code requirements and international responsible recruitment standards.

**Risks in raw material sourcing:** We have established a standalone risk area to assess and address human rights risks in our raw material supply chain, beyond our Tier 1 external partners. External suppliers of high-risk raw materials are required to complete a targeted questionnaire on details about their raw material sources and provide credible external human rights certifications. We recognize that a certification program will not mitigate all risk in these complex supply chains, but it does represent a first step toward mitigation given limitations on leverage and visibility beyond our direct (Tier 1) external partners, a challenge which we are working to analyze and improve.

## Heightened human rights due diligence in conflict-affected and high-risk areas

Conflict-affected and high-risk areas present unique challenges that require businesses to adapt their strategies to navigate and operate effectively. We are developing specialized tools and processes to guide our operations in these complex environments and collaborating with relevant internal functions and specialist external stakeholders on our approach to conducting 'heightened human rights due diligence'. Our goal is to seamlessly integrate these practices into existing management functions, leveraging existing internal knowledge and capabilities.





## Grievances and Remediation

The Novartis SpeakUp Office enables employees and external parties to raise concerns about potential misconduct in confidence while being protected against retaliation. It provides, amongst others, complaint categories relating to (i) human and labor rights, (ii) environmental impacts on human rights, and (iii) health and safety. It is open to all employees and external parties.

**Grievances can be filed via webform or telephone with an independent external service, which is available 24/7. You can access our SpeakUp page through this [link](#).**

More details about the type of complaints and how they are handled can be found in our [Novartis in Society Integrated Report 2024 \(PDF, 4.9 MB\)](#).

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## Awareness-raising training

We recognize the need to raise awareness and continue to develop and roll out human rights awareness training for our employees. Highlights include:

- **Human rights ambassador network:** We initially established this network within the ERC function, but it has since expanded to encompass other business functions across the entire company. This network aims to build capability among employees across markets on issue identification and analysis from a human rights perspective.
- **Human rights webinars:** We hold ad hoc targeted human rights webinars for relevant functions across the organization, extending our reach beyond ERC, to include Legal, Operations, Global Health & Sustainability and other functions.
- **Modern slavery training:** All employees in Australia, Canada and the United Kingdom (where modern slavery reporting is legally required) undergo a targeted annual modern slavery training.
- **New joiners training:** We conduct trainings on human rights with newly hired employees, live at our global headquarters in Basel, Switzerland and through virtual onboarding sessions to all new ERC employees.

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## Stakeholder engagement

The scope of our human rights due diligence considers all stakeholders and rightsholders who may be at risk of human rights impacts. These include our own employees, employees at external parties, farm workers engaged in the production of raw materials, patients, local community members, and groups that are considered to be at greater risk of vulnerability for harm as per guidance from the ILO (women, children, LGBTQ people, ethnic minority groups, people with disabilities, migrant workers, indigenous people and workers in countries with weak labor legislation).

### Find out more

We are engaged in several collaborative efforts to advance human rights in the healthcare sector and across industries. These include:

- **Pharmaceutical Supply Chain Initiative (PSCI):** We have held several leadership positions in the PSCI, including Co-chair of the Human Rights & Labor (HRL) subcommittee. Our CERCO serves on the PSCI External Advisory Committee. We have initiated several human rights projects and activities in the PSCI, including a project in the Partnerships Committee to mobilize collective PSCI action to contribute to the State of Telangana's Musi River Revitalization Initiative in Hyderabad, India. We have also led collective action projects to address the allegations of forced labor in the carnauba wax supply chain and developed several training programs on human rights for suppliers.
- **Human Rights Working Group:** We have participated in BSR's cross-industry Human Rights Working Group (HRWG) since 2018. The HRWG provides a platform for sharing cross-industry best practices and identifying emerging business and human rights issues.
- **Healthcare and Human Rights Forum:** In 2023 we became founding members of the BSR-led healthcare and human rights forum that brings together select pharma companies on human rights issues related to access to medicine and right to health.

On May 11, 2022, we submitted our [response to a survey \(PDF, 0.2 MB\)](#) from the Business and Human Rights Resource Center (BHRRC) regarding responses to the Russia-Ukraine war, including ongoing operations in Russia. We were one of 24 companies (out of the 115 who responded) to receive "full response" credit from the BHRRC. We actively engaged with [B4Ukraine \(PDF, 0.1 MB\)](#) on our human rights' due diligence approaches in Russia and Ukraine.

As we continue to expand our human rights due diligence our endeavor is to conduct broader and more frequent consultations with affected stakeholder groups. This will help us measure our progress and aim to lead the healthcare sector in respecting the rights of those affected by our operations.

## Codes, policies and compliance reports

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, apply throughout our value chain and are binding on all Novartis employees.

### Codes and policies

- [Code of Ethics](#)
- [Third Party Code \(PDF, 0.4 MB\)](#)
- [Inclusion](#)
- [Non-Discrimination, Non-Harassment and Civility Policy \(PDF, 0.2 MB\)](#)
- [Anti-Bribery Policy \(PDF, 0.4 MB\)](#)
- [Human Rights Commitment Statement \(PDF, 0.3 MB\)](#)
- [P&O Commitment Statement \(PDF, 0.6 MB\)](#)
- [Ethical Use of Data and Technology \(PDF, 0.3 MB\)](#)

### Modern slavery

We continue to take steps to prevent modern slavery in our operations and supply chains. We publish an annual joint statement, in compliance with the UK Modern Slavery Act 2015, Australia's Modern Slavery Act 2018 and Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act 2023 explaining how we address modern slavery risks or impacts.

[See our latest statement here \(406 KB\)](#)

For past modern slavery statements click here: [2018 \(PDF, 0.3 MB\)](#), [2020 \(PDF, 2.2 MB\)](#), [2021 \(PDF, 0.4 MB\)](#), [2022 \(PDF, 0.4 MB\)](#).

### Other statements and reports disclosing our human rights performance

We publish reports on child labor and conflict minerals in our supply chain under Swiss and US legislation, respectively:

[Novartis report on child labor due diligence in our supply chain Conflict Minerals report](#)

We publish a Statement in accordance with the Norwegian Transparency Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions.

[Norwegian Transparency Act Statement](#)

### Contact us

We would like to hear from you. Please send comments or question related to human rights matters to: [human.rights@novartis.com](mailto:human.rights@novartis.com)

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