

United Nations Global Compact Communication on Progress 2019

Novartis has been a signatory to the UN Global Compact (UNGC) since 2000. The Compact challenges business to operate according to 10 principles covering bribery and corruption, human rights, labor and the environment. The following index qualifies for an Advanced Level Communication on Progress (COP). It draws information from the 2019 Novartis in Society (NIS), 2019 Annual Review, 2019 Annual Report, ESG Index, and the novartis.com website.

Statement of support from the CEO

“Novartis maintains a deep commitment to improving and extending the lives of people all across the globe. As one of the founding members of the UN Global Compact in 2000, we remain committed to upholding its 10 principles. The Compact has helped us make explicit our commitments regarding human rights, the environment and ethics, and we have used it as a compass to understand our broader role in society and to align our sustainability strategies, policies and activities with stakeholder expectations. More importantly, it guides Novartis as we work to build trust with society and brighten the future we all share.”

Vas Narasimhan, Chief Executive Officer, Novartis, March 2020

Strategy, Governance and Engagement	
Criterion 1: The COP describes mainstreaming into corporate functions and business units	
Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff	<ul style="list-style-type: none"> • NIS report 2019: p.52 (KPIs for access) • Targets and results
Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc.) ensuring that no function is conflicting with company sustainability commitments and objectives	<ul style="list-style-type: none"> • NIS report 2019: p.10 (Streamlining our governance) • Annual Report 2019: p.180 (Governance, Nomination and Corporate Responsibilities Committee) • Corporate Responsibility Guideline
Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy	<ul style="list-style-type: none"> • Annual Report 2019: p.136-137 (2019 CEO balanced scorecard) • Corporate Responsibility Guideline
Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary	<ul style="list-style-type: none"> • Annual Review 2019: p.42-43 (Our corporate governance approach) • Strengthening our Global Health & Corporate Responsibility function • Corporate Responsibility Guideline
Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs	<ul style="list-style-type: none"> • NIS report 2019: p.9-10 (Identifying our key issues; Measuring and valuing our total impact) • NIS report 2019: p.61-62 (CR materiality assessment issue cluster and topic definitions)

Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts	<ul style="list-style-type: none"> • NIS report 2019: p.14-15 (Strengthening our governance) • Corporate Responsibility Guideline
Criterion 2: The COP describes value chain implementation	
Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff	<ul style="list-style-type: none"> • NIS report 2019: p.15-17 (Managing risk in our supply chain) • NIS report 2019: p.46 (Corporate volunteering) • NIS report 2019: p.47-48 (Expanding our environmental stewardship) • The environmental impact of Novartis along global supply chains: case study
Analyze each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts	<ul style="list-style-type: none"> • NIS report 2019: p.64 (Responsible Procurement risk indicator tool) • NIS report 2019: p.55 (Appendix: corporate responsibility material topic boundaries)
Communicate policies and expectations to suppliers and other relevant business partners	<ul style="list-style-type: none"> • NIS report 2019: p.15-17 (Managing risk in our supply chain) • Novartis.com (Responsible Supply Chain Management) • Novartis Supplier Code • Novartis Third Party Code • Novartis Anti-Bribery Policy • No Purchase Order (PO) No Pay policy • Novartis Minimum Information Security Controls for Suppliers
Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company's sphere of influence	<ul style="list-style-type: none"> • NIS report 2019: p.16 (Supply chain performance indicators) • Novartis.com (Responsible Supply Chain Management)

<p>Undertake awareness-raising, training and other types of capacity building with suppliers and other business partners</p>	<ul style="list-style-type: none"> • NIS report 2019: p.28-30 (Donations; Strengthening health systems; Building scientific capability around the world; Training community healthcare workers; Tackling cardiovascular health in low-income settings; Leveraging digital health solutions) • NIS report 2019: p.33-34 (Building a holistic approach for sickle cell disease: the Novartis Africa sickle cell disease program) • NIS report 2019: p.47-48 (Expanding our environmental stewardship) • Novartis engages its Indian partners in developing an integrated energy strategy • Novartis Supplier Code • Novartis Third Party Code
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Human Rights

<p>Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights</p>	
<p>Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff</p>	<ul style="list-style-type: none"> • NIS report 2019: p.16-17 (Further integrating human rights into our business)
<p>Commitment to comply with all applicable laws and respect internationally recognized human rights, wherever the company operates (e.g., the Universal Declaration of Human Rights, Guiding Principles on Human Rights) (BRE1 + ARE1)</p>	<ul style="list-style-type: none"> • NIS report 2019: p.63 (Appendix: external initiatives and membership of associations) • Novartis.com (Human Rights) • Novartis Human Rights Guideline • Modern Slavery Act Statement
<p>Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company (BRE 1 + BRE5 + ARE 1 + ARE 5)</p>	<ul style="list-style-type: none"> • Novartis Human Rights Guideline • Modern Slavery Act Statement
<p>Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services (BRE 1)</p>	<ul style="list-style-type: none"> • Novartis.com (Human rights in the supply chain and modern slavery) • Novartis Code of Conduct • Novartis Supplier Code • Novartis Third Party Code
<p>Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties (BRE 1 + BRE 5 + ARE 1 + ARE 5)</p>	<ul style="list-style-type: none"> • Novartis Code of Conduct • Novartis Human Rights Guideline • Modern Slavery Act Statement • Novartis Supplier Code • Novartis Third Party Code
<p>Criterion 4: The COP describes effective management systems to integrate the human rights principles</p>	

Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff	<ul style="list-style-type: none"> • NIS report 2019: p.16-17 (Further integrating human rights into our business)
Process to ensure that internationally recognized human rights are respected	<ul style="list-style-type: none"> • NIS report 2019: p.16-17 (Further integrating human rights into our business) • Novartis Human Rights Guideline • Modern Slavery Act Statement
On-going due diligence process that includes an assessment of actual and potential human rights impacts (BRE 2 + BRE 3 + ARE 2 + ARE 3)	<ul style="list-style-type: none"> • NIS report 2019: p.16-17 (Further integrating human rights into our business) • Novartis Human Rights Guideline • Modern Slavery Act Statement
Internal awareness-raising and training on human rights for management and employees	<ul style="list-style-type: none"> • NIS report 2019: p.16-17 (Further integrating human rights into our business) • Novartis.com (Training and guiding associates) • Modern Slavery Act Statement
Operational-level grievance mechanisms for those potentially impacted by the company's activities (BRE 4 + ARE 4)	<ul style="list-style-type: none"> • NIS report 2019: p.16-17 (Further integrating human rights into our business) • Novartis.com (Handling complaints) • Novartis Human Rights Guideline • Modern Slavery Act Statement
Allocation of responsibilities and accountability for addressing human rights impacts	<ul style="list-style-type: none"> • NIS report 2019: p.14-15 (Strengthening our governance) • Novartis Human Rights Guideline
Internal decision-making, budget and oversight for effective responses to human rights impacts	<ul style="list-style-type: none"> • NIS report 2019: p.14-15 (Strengthening our governance) • Novartis Human Rights Guideline
Processes to provide for or cooperate in the remediation of adverse human rights impacts that the company has caused or contributed to (BRE 3+ BRE 4 + ARE3 + ARE 4)	<ul style="list-style-type: none"> • NIS report 2019: p.16-18 (Further integrating human rights into our business; Encouraging a speak-up culture) • Novartis.com (Handling complaints) • Novartis Human Rights Guideline • Modern Slavery Act Statement
Process and programs in place to support human rights through: core business; strategic philanthropic/social investment; public policy engagement/advocacy; partnerships and/or other forms of collective action (BRE 6 + ARE 6)	<ul style="list-style-type: none"> • NIS report 2019: p.16-18 (Managing risk in our supply chain; Further integrating human rights into our business; Encouraging a speak-up culture) • NIS report 2019: p.45 (Novartis diversity and inclusion)

	<ul style="list-style-type: none"> • Novartis.com (Expanding access to healthcare) • Novartis Human Rights Guideline • Modern Slavery Act Statement
Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration	
Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff	<ul style="list-style-type: none"> • NIS report 2019: p.16-17 (Further integrating human rights into our business) • NIS report 2019: p.63 (Appendix: external initiatives and membership of associations)
System to monitor the effectiveness of human rights policies and implementation with quantitative and qualitative metrics, including in the supply chain (BRE3 + ARE3)	<ul style="list-style-type: none"> • NIS report 2019: p.15-17 (Managing risk in our supply chain; Further integrating human rights into our business) • NIS report 2019: p.54 (Supply chain performance indicators) • Novartis.com (Human rights in the supply chain and modern slavery) • Novartis.com (Handling complaints) • Novartis Human Rights Guideline • Modern Slavery Act Statement
Monitoring draws from internal and external feedback, including affected stakeholders	<ul style="list-style-type: none"> • NIS report 2019: p.16-17 (Further integrating human rights into our business) • NIS report 2019: p.59-62 (Corporate responsibility material topic boundaries; Corporate responsibility materiality assessment issue cluster and topic definitions)
Leadership review of monitoring and improvement results	<ul style="list-style-type: none"> • NIS report 2019: p.16-17 (Further integrating human rights into our business) • Novartis Human Rights Guideline • Modern Slavery Act Statement
Process to deal with incidents the company has caused or contributed to for internal and external stakeholders (BRE 4 + ARE 4)	<ul style="list-style-type: none"> • NIS report 2019: p.17-18 (Encouraging a speak-up culture) • Novartis.com (Handling complaints) • Novartis Human Rights Guideline • Modern Slavery Act Statement
Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue (BRE4 + ARE4)	<ul style="list-style-type: none"> • NIS report 2019: p.17-18 (Encouraging a speak-up culture; Creating a Code of Ethics) • Novartis.com (Handling complaints)
Outcomes of integration of the human rights principles	<ul style="list-style-type: none"> • NIS report 2019: p.16-17 (Further integrating human rights into our business) • Novartis.com (Living wage)

	<ul style="list-style-type: none"> • The social impact of Novartis medicines: two case studies from South Africa and Kenya
Labor	
Criterion 6: The COP describes robust commitments, strategies or policies in the area of labor	
Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff	<ul style="list-style-type: none"> • NIS report 2019: p.53 (People performance indicators) • Novartis.com (Reaching gender balance in management) • Novartis.com (Pay equity & transparency) • Novartis.com (Ensuring a wealth of diverse talent)
Reference to principles of relevant international labor standards (ILO Conventions) and other normative international instruments in company policies	<ul style="list-style-type: none"> • NIS report 2019: p.63 (Appendix: external initiatives and membership of associations) • Novartis Human Rights Guideline • Modern Slavery Act Statement • Novartis Supplier Code • Novartis Third Party Code
Reflection on the relevance of the labor principles for the company	<ul style="list-style-type: none"> • Novartis.com (Human Rights) • Novartis Human Rights Guideline • Modern Slavery Act Statement • Novartis Supplier Code • Novartis Third Party Code • The global economic impact of Novartis: case study • The social impact of Novartis medicines: two case studies from South Africa and Kenya
Written company policy to obey national labor law, respect principles of relevant international labor standards in worldwide company operations and engage in dialogue with representative organization of the workers (international, sectoral, national).	<ul style="list-style-type: none"> • Novartis Code of Conduct • Novartis Human Rights Guideline • Modern Slavery Act Statement • Novartis Supplier Code • Novartis Third Party Code
Inclusion of reference to the principles contained in the relevant international labor standards in contracts with suppliers and other relevant business partners	<ul style="list-style-type: none"> • Novartis Human Rights Guideline • Modern Slavery Act Statement Novartis Supplier Code • Novartis Third Party Code
Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation	<ul style="list-style-type: none"> • NIS report 2019: p.16-17 (Further integrating human rights into our business) • Novartis Human Rights Guideline • Modern Slavery Act Statement • Novartis Supplier Code • Novartis Third Party Code

Participation and leadership by employers' organizations (international and national) to jointly address challenges related to labor standards in the countries of operation, possibly in a tripartite approach (business – trade union – government).	<ul style="list-style-type: none"> • NIS report 2019: p.16-17 (Further integrating human rights into our business) • Novartis.com (Living wage) • ESG Index 2019: p.17 (Collective Bargaining Agreements)
Criterion 7: The COP describes effective management systems to integrate the labor principles	
Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff	<ul style="list-style-type: none"> • NIS report 2019: p.16-17 (Further integrating human rights into our business)
Risk and impact assessments in the area of labor	<ul style="list-style-type: none"> • NIS report 2019: p.10-11 (Measuring and valuing our total impact; Novartis financial, environmental and social impact 2018; Indirect impacts in Switzerland) • NIS report 2019: p.15-17 (Managing risk in our supply chain; Further integrating human rights into our business) • NIS report 2019: p.64 (Appendix: the responsible procurement (RP) risk indicator tool) • Novartis.com (Responsible Supply Chain Management) • The global economic impact of Novartis: case study • The social impact of Novartis medicines: two case studies from South Africa and Kenya
Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labor standards	<ul style="list-style-type: none"> • NIS report 2019: p.53 (Associates represented by a trade union/internal work council or covered by a collective bargaining agreement)
Allocation of responsibilities and accountability within the organization	<ul style="list-style-type: none"> • Annual Review 2019: p.42 (Our corporate governance approach) • Annual Report 2019: p.180 (Governance, Nomination and Corporate Responsibilities Committee) • Corporate Responsibility Guideline • Modern Slavery Act Statement
Internal awareness-raising and training on the labor principles for management and employees	<ul style="list-style-type: none"> • NIS report 2019: p.53 (Annual training hours per employee) • Modern Slavery Act Statement

<p>Active engagement with suppliers to address labor-related challenges</p>	<ul style="list-style-type: none"> • NIS report 2019: p.15-17 (Managing risk in our supply chain; Further integrating human rights into our business) • Novartis.com (Responsible Supply Chain Management) • Modern Slavery Act Statement • Novartis Supplier Code • Novartis Third Party Code
<p>Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in line with the representative organization of workers</p>	<ul style="list-style-type: none"> • NIS report 2019: p.17-18 (Encouraging a speak-up culture; Creating a Code of Ethics) • Novartis.com (Handling complaints)
<p>Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labor principles integration</p>	
<p>System to track and measure performance based on standardized performance metrics</p>	<ul style="list-style-type: none"> • NIS report 2019: p.44 (Caring for our people) • NIS report 2019: p.53 (People performance indicators) • Novartis.com (Providing inspiration and sustaining impact; Ensuring a wealth of diverse talent)
<p>Dialogues with the representative organization of workers to regularly review progress made and jointly identify priorities for the future</p>	<ul style="list-style-type: none"> • ESG Index 2019: p.17 (Collective Bargaining Agreements) • Novartis Human Rights Guideline
<p>Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labor standards</p>	<ul style="list-style-type: none"> • NIS report 2019: p.15-17 (Managing risk in our supply chain; Further integrating human rights into our business) • NIS report 2019: p.54 (Supply chain performance indicators) • Novartis.com (Responsible Supply Chain Management)
<p>Process to positively engage with the suppliers to address the challenges (i.e., partnership approach instead of corrective approach) through schemes to improve workplace practices</p>	<ul style="list-style-type: none"> • NIS report 2019: p.15-17 (Managing risk in our supply chain; Further integrating human rights into our business) • Novartis.com (Responsible Supply Chain Management) • Novartis engages its Indian partners in developing an integrated energy strategy
<p>Outcomes of integration of the Labor principles</p>	<ul style="list-style-type: none"> • Novartis.com (Living wage)

Environment

Environment	
Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship	
Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff	<ul style="list-style-type: none"> • NIS report 2019: p.47-49 (Expanding our environmental stewardship) • Novartis.com (Targets & Results)
Reference to relevant international conventions and other international instruments (e.g. Rio Declaration on Environment and Development)	<ul style="list-style-type: none"> • NIS report 2019: p.63 (Appendix: external initiatives and membership of associations) • Novartis position on biodiversity/bioprospecting • Novartis position on pharmaceuticals in the environment
Reflection on the relevance of environmental stewardship for the company	<ul style="list-style-type: none"> • NIS report 2019: p.47-49 (Expanding our environmental stewardship) • Annual Review 2019: p.39 (Being a responsible citizen) • Annual Review 2019: p.48 (Executive Committee compensation system) • Novartis.com (Becoming an environmentally sustainable business) • Novartis Global Health, Safety and Environment Policy
Written company policy on environmental stewardship	<ul style="list-style-type: none"> • Novartis Global Health, Safety and Environment Policy
Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners	<ul style="list-style-type: none"> • Novartis Global Health, Safety and Environment Policy • Novartis Supplier Code • Novartis Third Party Code
Specific commitments and goals for specified years	<ul style="list-style-type: none"> • NIS report 2019: p.47-49 (Expanding our environmental stewardship) • Novartis.com (Becoming an environmentally sustainable business) • Novartis.com (Targets & Results)
Criterion 10: The COP describes effective management systems to integrate the environmental principles	
Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff	<ul style="list-style-type: none"> • NIS report 2019: p.47-49 (Expanding our environmental stewardship)
Environmental risk and impact assessments	<ul style="list-style-type: none"> • NIS report 2019: p.10-11 (Measuring and valuing our total impact; Novartis financial, environmental and social impact 2018)

	<ul style="list-style-type: none"> • NIS report 2019: p.47-49 (Expanding our environmental stewardship) • NIS report 2019: p.54 (Health, Safety and Environment performance indicators) • ESG Index 2019: p.2 (External/Internal environmental audits) • ESG Index 2019: p.18-19 (Internal or external health and safety audits; Management of HSE risks associated with contractors and third parties) • Novartis Global Health, Safety and Environment Policy • CDP Climate Change Information Request • CDP Water Information Request • The environmental impact of Novartis along global supply chains: case study
Assessments of lifecycle impact of products, ensuring environmentally sound management policies	<ul style="list-style-type: none"> • NIS report 2019: p.40 (Maintaining patient safety and product quality) • NIS report 2019: p.47-49 (Expanding our environmental stewardship) • ESG Index 2019: p.5 (Product/service safety risk management procedures) • Novartis Global Health, Safety and Environment Policy
Allocation of responsibilities and accountability within the organization	<ul style="list-style-type: none"> • NIS report 2019: p.10 (Streamlining our governance) • Novartis Global Health, Safety and Environment Policy • Corporate Responsibility Guideline
Internal awareness-raising and training on environmental stewardship for management and employees	<ul style="list-style-type: none"> • Novartis Global Health, Safety and Environment Policy
Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts	<ul style="list-style-type: none"> • NIS report 2019: p.17-18 (Encouraging a speak-up culture) • Novartis.com (Handling complaints)
Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	
Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff	<ul style="list-style-type: none"> • NIS report 2019: p.47-49 (Expanding our environmental stewardship)
System to track and measure performance based on standardized performance metrics	<ul style="list-style-type: none"> • NIS report 2019: p.47-49 (Expanding our environmental stewardship)

	<ul style="list-style-type: none"> • NIS report 2019: p.54 (Health, Safety and Environment performance indicators) • Annual Review 2019: p.39 (Being a responsible citizen) • Novartis.com (Becoming an environmentally sustainable business) • Novartis Health, Safety and Environment (HSE) Data 2019 • Novartis Global Health, Safety and Environment Policy • Novartis carbon-sink forestry projects • Environment carbon-sink programs
Leadership review of monitoring and improvement results	<ul style="list-style-type: none"> • NIS report 2019: p.47-49 (Expanding our environmental stewardship) • Novartis Global Health, Safety and Environment Policy
Process to deal with incidents	<ul style="list-style-type: none"> • NIS report 2019: p.17-18 (Encouraging a speak-up culture) • Novartis.com (Handling complaints) • Novartis.com (Risk management)
Audits or other steps to monitor and improve the environmental performance of companies in the supply chain	<ul style="list-style-type: none"> • NIS report 2019: p.16 (Supply chain performance indicators) • NIS report 2019: p.47-49 (Expanding our environmental stewardship) • Novartis.com (Responsible Supply Chain Management) • ESG Index 2019: p.2 (External/Internal environmental audits) • ESG Index 2019: p.18-19 (Internal or external health and safety audits; Management of HSE risks associated with contractors and third parties) • Novartis Global Health, Safety and Environment Policy • Novartis Supplier Code • Novartis Third Party Code
Outcomes of integration of the environmental principles	<ul style="list-style-type: none"> • NIS report 2019: p.47-49 (Expanding our environmental stewardship) • NIS report 2019: p.54 (Health, Safety and Environment performance indicators) • Novartis Health, Safety and Environment (HSE) Data 2019

Anti-Corruption

Anti-Corruption	
Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption	
Publicly stated formal policy of zero-tolerance of corruption (D1)	<ul style="list-style-type: none"> • Novartis.com (Anti-Bribery and Anti-Corruption) • Novartis Code of Conduct • Novartis Anti-Bribery Policy
Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes (B2)	<ul style="list-style-type: none"> • NIS report 2019: p.63 (Appendix: external initiatives and membership of associations) • Novartis.com (Holding ourselves to the highest ethical standards)
Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption (D2)	<ul style="list-style-type: none"> • NIS report 2019: p.63 (Appendix: external initiatives and membership of associations)
Detailed policies for high-risk areas of corruption (D4)	<ul style="list-style-type: none"> • Novartis Code of Conduct • Novartis Anti-Bribery Policy • Novartis Conflicts of Interest Policy • Novartis Professional Practices Policy • Novartis Global Guideline for responsible lobbying • Novartis position on collaborating with patient organizations
Policy on anti-corruption regarding business partners (D5)	<ul style="list-style-type: none"> • Novartis Supplier Code • Novartis Third Party Code
Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle	
Support by the organization's leadership for anti-corruption (B4)	<ul style="list-style-type: none"> • NIS report 2019: p.14 (Statement from the Chief Ethics, Risk & Compliance Officer) • Annual Review 2019: p.2 (Chairman's letter) • Novartis.com (Anti-Bribery and Anti-Corruption)
Carrying out risk assessment of potential areas of corruption (D3)	<ul style="list-style-type: none"> • NIS report 2019: p.14-18 (Strengthening our governance; Improving risk management; Managing risk in our supply chain; Providing independent insights and advice on risks and opportunities; Encouraging a speak-up culture) • NIS report 2019: p.51 (Ethical business practices performance indicators)
Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees (B5 + D8)	<ul style="list-style-type: none"> • NIS report 2019: p.51 (Ethical business practices performance indicators)

Internal checks and balances to ensure consistency with the anti-corruption commitment (B6)	<ul style="list-style-type: none"> • NIS report 2019: p.14-18 (Encouraging a speak-up culture)
Actions taken to encourage business partners to implement anti-corruption commitments (D6)	<ul style="list-style-type: none"> • NIS report 2019: p.15-16 (Improving risk management; Managing risk in our supply chain) • Novartis Supplier Code • Novartis Third Party Code
Management responsibility and accountability for implementation of the anti-corruption commitment or policy (D7)	<ul style="list-style-type: none"> • Novartis.com (Ethics, Risk and Compliance) • Chief Ethics, Risk & Compliance Officer of Novartis
Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice (D9)	<ul style="list-style-type: none"> • NIS report 2019: p.14-18 (Encouraging a speak-up culture) • Novartis.com (Handling complaints)
Internal accounting and auditing procedures related to anticorruption (D10)	<ul style="list-style-type: none"> • NIS report 2019: p.14-15 (Strengthening our governance) • NIS report 2019: p.17 (Providing independent insights and advice on risks and opportunities) • Annual Report 2019: p.178 (Audit and Compliance Committee) • Novartis.com (Holding ourselves to the highest ethical standards)
Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	
Leadership review of monitoring and improvement results (D12)	<ul style="list-style-type: none"> • NIS report 2019: p.14-15 (Our approach and performance; Strengthening our governance; Improving risk management) • NIS report 2019: p.17-18 (Encouraging a speak-up culture) • NIS report 2019: p.51 (Ethical business practices performance indicators) • Annual Review 2019: p.36 (Holding ourselves to the highest ethical standards) • Novartis.com (Holding ourselves to the highest ethical standards)
Process to deal with incidents (D13)	<ul style="list-style-type: none"> • NIS report 2019: p.17-18 (Encouraging a speak-up culture) • Novartis.com (Handling complaints)
Public legal cases regarding corruption (D14)	<ul style="list-style-type: none"> • NIS report 2019: p.19 (Working to address legacy issues) • Annual Review 2019: p.36 (Holding ourselves to the highest ethical standards)

Use of independent external assurance of anti-corruption programs (D15)	<ul style="list-style-type: none"> • Annual Report 2019: p.178 (Audit and Compliance Committee) • Annual Report 2019: p.184 (Information and control systems of the Board vis-à-vis management)
Outcomes of integration of the anti-corruption principle	<ul style="list-style-type: none"> • NIS report 2019: p. 14-19 (Strengthening our governance; Improving risk management; Managing risk in our supply chain; Further integrating human rights into our business; Providing independent insights and advice on risks and opportunities; Encouraging a speak-up culture: Creating a Code of Ethics) • Novartis.com (Holding ourselves to the highest ethical standards)

UN Goals and Issues

Criterion 15: The COP describes core business contributions to UN goals and issues	
Align core business strategy with one or more relevant UN goals/issues	<ul style="list-style-type: none"> • NIS report 2019: p.11 (Contributing to the UN goals) • NIS report 2019: p.55 (Novartis GRI Content Index)
Develop relevant products and services or design business models that contribute to UN goals/issues	<ul style="list-style-type: none"> • NIS report 2019: p.12 (Expanding access to as many people as possible, interview with Patrice Matchaba, Global Head of Global Health & Corporate Responsibility at Novartis) • NIS report 2019: p.21-22 (Developing medicines that address unmet needs) • NIS report 2019: p.25-26 (Novartis Social Business; Sub-Saharan Africa strategy) • NIS report 2019: p.28-31 (Strengthening health systems; Building scientific capability around the world; Training community healthcare workers; Tackling cardiovascular health in low-income settings; Leveraging digital health solutions; Supporting fragile populations)
Adopt and modify operating procedures to maximize contribution to UN goals/issues	<ul style="list-style-type: none"> • NIS report 2019: p.11 (Contributing to the UN goals) • NIS report 2019: p.21-22 (Developing medicines that address unmet needs) • NIS report 2019: p.25-26 (Novartis Social Business; Sub-Saharan Africa strategy) • NIS report 2019: p.28-31 (Strengthening health systems; Building scientific capability around the world; Training community healthcare workers; Tackling cardiovascular health in low-income settings; Leveraging digital health solutions; Supporting fragile populations)

Criterion 16: The COP describes strategic social investments and philanthropy	
Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy	<ul style="list-style-type: none"> • NIS report 2019: p.20-31 (Being part of the solution on pricing and access) • NIS report 2019: p.32-38 (Addressing global health challenges) • Novartis.com (Expanding access to healthcare)
Coordinate efforts with other organizations and initiatives to amplify—and not negate or unnecessarily duplicate—the efforts of other contributors	<ul style="list-style-type: none"> • NIS report 2019: p.20-31 (Being part of the solution on pricing and access) • NIS report 2019: p.32-38 (Addressing global health challenges)
Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups	<ul style="list-style-type: none"> • NIS report 2019: p.32-38 (Addressing global health challenges) • Novartis.com (Patient organization funding) • Novartis.com (Payments to Healthcare Professionals) • Novartis Position on Collaborating with Patient Organizations
Criterion 17: The COP describes advocacy and public policy engagement	
Any relevant policies, procedures, and activities that the company plans to undertake by its next COP to fulfill this criterion, including goals, timelines, metrics, and responsible staff	<ul style="list-style-type: none"> • Novartis position on value-based healthcare • Novartis.com (Responsible lobbying) • Novartis.com (Positions) • Novartis.com (Codes, Policies and Guidelines)
Publicly advocate the importance of action in relation to one or more UN goals/issues	<ul style="list-style-type: none"> • NIS report 2019: p.11 (Contributing to the UN goals) • NIS report 2019: p.63 (Appendix: external initiatives and membership of associations) • Novartis Human Rights Guideline • Modern Slavery Act Statement
Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues	<ul style="list-style-type: none"> • NIS report 2019: p.10 (Engaging with stakeholders) • NIS report 2019: p.45-46 (Valuing the diversity of our people and nurturing an inclusive environment) • NIS report 2019: p.63 (Appendix: external initiatives and membership of associations)
Criterion 18: The COP describes partnerships and collective action	
Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy	<ul style="list-style-type: none"> • NIS report 2019: p.20-31 (Being part of the solution on pricing and access) • NIS report 2019: p.32-38 (Addressing global health challenges)

	<ul style="list-style-type: none"> NIS report 2019: p.45-46 (Valuing the diversity of our people and nurturing an inclusive environment)
Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company's positive impact on its value chain	<ul style="list-style-type: none"> NIS report 2019: p.20-31 (Being part of the solution on pricing and access) NIS report 2019: p.32-38 (Addressing global health challenges) NIS report 2019: p.45-46 (Valuing the diversity of our people and nurturing an inclusive environment) NIS report 2019: p.63 (Appendix: external initiatives and membership of associations)
Governance	
Criterion 19: The COP describes CEO commitment and leadership	
CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation	<ul style="list-style-type: none"> NIS report 2019: p.8 (Message from the CEO) NIS report 2019: p.10 (Streamlining our governance) Annual Report 2019: p.128 (2019 CEO pay for performance – outcomes) Annual Report 2019: p.187 (CEO)
CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact	<ul style="list-style-type: none"> NIS report 2019: p.8 (Message from the CEO) NIS report 2019: p.10 (Engaging with stakeholders)
CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards	<ul style="list-style-type: none"> NIS report 2019: p.8 (Message from the CEO)
Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team	<ul style="list-style-type: none"> NIS report 2019: p.8 (Message from the CEO) NIS report 2019: p.9 (Global Health & Corporate Responsibility at Novartis) Annual Report 2019: p.130 (Executive Committee compensation philosophy and principles)
Criterion 20: The COP describes Board adoption and oversight	
Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance	<ul style="list-style-type: none"> NIS report 2019: p.10 (Streamlining our governance) Annual Review 2019: p.42 (Our corporate governance approach) Corporate Responsibility Guideline
Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability.	<ul style="list-style-type: none"> NIS report 2019: p.10 (Streamlining our governance)

	<ul style="list-style-type: none"> • Annual Review 2019: p.42 (Our corporate governance approach) • Corporate Responsibility Guideline
Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress)	<ul style="list-style-type: none"> • NIS report 2019: p.10 (Streamlining our governance) • Annual Review 2019: p.42 (Our corporate governance approach) • Corporate Responsibility Guideline
Criterion 21: The COP describes stakeholder engagement	
Publicly recognize responsibility for the company's impacts on internal and external stakeholders	<ul style="list-style-type: none"> • NIS report 2019: p.9 (Identifying our key issues) • NIS report 2019: p.10 (Measuring and valuing our total impact) • NIS report 2019: p.61-62 (CR materiality assessment issue cluster and topic definitions) • 2017 Corporate Responsibility Materiality Assessment Results Report • Effect of Novartis Access on availability and price of non-communicable disease medicines in Kenya: a cluster-randomised controlled trial, The Lancet • The global economic impact of Novartis: case study • The social impact of Novartis medicines: two case studies from South Africa and Kenya • The environmental impact of Novartis along global supply chains: case study
Define sustainability strategies, goals and policies in consultation with key stakeholders	<ul style="list-style-type: none"> • NIS report 2019: p.9 (Identifying our key issues) • NIS report 2019: p.10 (Measuring and valuing our total impact) • NIS report 2019: p.61-62 (CR materiality assessment issue cluster and topic definitions)
Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance	<ul style="list-style-type: none"> • NIS report 2019: p.9 (Identifying our key issues) • NIS report 2019: p.10 (Measuring and valuing our total impact) • NIS report 2019: p.61-62 (CR materiality assessment issue cluster and topic definitions) • Effect of Novartis Access on availability and price of non-communicable disease

	<p>medicines in Kenya: a cluster-randomised controlled trial, <i>The Lancet</i></p> <ul style="list-style-type: none"> • The global economic impact of Novartis: case study • The social impact of Novartis medicines: two case studies from South Africa and Kenya • The environmental impact of Novartis along global supply chains: case study • Novartis dialogue on sustaining the momentum toward universal health coverage in Africa
Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns	<ul style="list-style-type: none"> • NIS report 2019: p.9-10 (Identifying our key issues; Engaging with stakeholders) • NIS report 2019: p.17-18 (Encouraging a speak-up culture; Creating a Code of Ethics) • NIS report 2019: p.46 (Corporate volunteering) • Novartis.com (NSB stakeholder dialogues)
Other established or emerging best practices	<ul style="list-style-type: none"> • NIS report 2018: p.41 (Corporate Volunteering)
Women's Empowerment	
The COP describes policies and practices related to supporting women's empowerment and advancing gender equality in the community	
Designing community stakeholder engagements that are free of gender discrimination/stereotyping and sensitive to gender issues	<ul style="list-style-type: none"> • NIS report 2019: p.32-38 (Addressing global health challenges) • NIS report 2019: p.45-46 (Valuing the diversity of our people and nurturing an inclusive environment; Corporate volunteering) • Novartis.com (Community engagement)
Ensuring female beneficiaries of community programs	<ul style="list-style-type: none"> • NIS report 2019: p.32-38 (Addressing global health challenges)
Community initiatives specifically targeted at the empowerment of women and girls	<ul style="list-style-type: none"> • NIS report 2019: p.26 (Novartis Healthy Family) • NIS report 2019: p.45-46 (Valuing the diversity of our people and nurturing an inclusive environment; Corporate volunteering) • Novartis.com (Building internal communities)
Strategies to ensure that community investment projects and programs (including economic, social and environmental) positively impact women and girls	<ul style="list-style-type: none"> • NIS report 2019: p.45-46 (Valuing the diversity of our people and nurturing an inclusive environment; Corporate volunteering) • Novartis.com (Community engagement)

<p>The COP describes policies and practices related to supporting women's empowerment and advancing gender equality in the workplace</p>	
<p>Achieving and maintaining gender equality in senior management and board positions</p>	<ul style="list-style-type: none"> • NIS report 2019: p.45-46 (Valuing the diversity of our people and nurturing an inclusive environment) • NIS report 2019: p.53 (People performance indicators) • Annual Review 2019: p.20 (Ensuring a wealth of diverse talent) • Novartis.com (Diversity & Inclusion: Our strategic priorities) • Novartis.com (International Women's Day 2020)
<p>Achieving and maintaining gender equality in middle management positions</p>	<ul style="list-style-type: none"> • NIS report 2019: p.45-46 (Valuing the diversity of our people and nurturing an inclusive environment) • NIS report 2019: p.53 (People performance indicators) • Novartis.com (Diversity & Inclusion: Our strategic priorities) • Novartis.com (International Women's Day 2020)
<p>Equal pay for work of equal value</p>	<ul style="list-style-type: none"> • NIS report 2019: p.45-46 (Valuing the diversity of our people and nurturing an inclusive environment) • Novartis.com (Pay equity and transparency)
<p>Flexible work options</p>	<ul style="list-style-type: none"> • NIS report 2019: p.45-46 (Valuing the diversity of our people and nurturing an inclusive environment) • Novartis.com (Flexibility at Novartis stories)
<p>Access to child and dependent care</p>	<ul style="list-style-type: none"> • Childcare facilities are accessible to Novartis employees
<p>Support for pregnant women and those returning from maternity leave</p>	<ul style="list-style-type: none"> • Novartis.com (Global equal parental leave policy for all Novartis parents) • Global Parental Leave Guideline
<p>Recruitment and retention, including training and development, of female employees</p>	<ul style="list-style-type: none"> • NIS report 2019: p.43-44 (Caring for our people) • Annual Review 2019: p.19-20 (Encouraging curiosity and learning; Ensuring a wealth of diverse talent) • Novartis.com (Ensuring a wealth of diverse talent)

	<ul style="list-style-type: none"> • Novartis.com (Enabling 130,000 employees to grow in an organization committed to continuous learning) • Novartis.com (Recruitment)
Gender-specific health and safety issues	<ul style="list-style-type: none"> • Novartis.com (Women with lung disease)
Gender-based violence and harassment	<ul style="list-style-type: none"> • NIS report 2019: p.17-18 (Encouraging a speak-up culture) • Novartis.com (Handling complaints)
Education and training opportunities for women workers	<ul style="list-style-type: none"> • Annual Review 2019: p.19 (Encouraging curiosity and learning) • Novartis.com (Encouraging curiosity and learning)
Creating and maintaining workplace awareness of gender equality and, inclusion and non-discrimination for all workers	<ul style="list-style-type: none"> • NIS report 2019: p.45-46 (Valuing the diversity of our people and nurturing an inclusive environment) • Novartis Human Rights Guideline • Modern Slavery Act Statement
Mentoring and sponsorship opportunities for women workers	<ul style="list-style-type: none"> • Novartis.com (Female scientists)
The COP contains or refers to sex-disaggregated data	
Achieving and maintaining gender equality in senior management and board positions	<ul style="list-style-type: none"> • NIS report 2019: p.45-46 (Valuing the diversity of our people and nurturing an inclusive environment) • NIS report 2019: p.53 (People performance indicators)
Achieving and maintaining gender equality in middle management positions	<ul style="list-style-type: none"> • NIS report 2019: p.45-46 (Valuing the diversity of our people and nurturing an inclusive environment) • NIS report 2019: p.53 (People performance indicators)
Flexible work options	<ul style="list-style-type: none"> • NIS report 2019: p.53 (People performance indicators) • Novartis.com (Flexibility at Novartis stories)
The COP describes policies and practices related to supporting women's empowerment and advancing gender equality in the marketplace	
Gender-sensitive marketing	<ul style="list-style-type: none"> • Novartis develops patient education materials specifically aimed at women
Gender-sensitive product and service development	<ul style="list-style-type: none"> • We run gender-specific studies; for instance, we conducted an observational study in Zambia on the exposure to artemether-lumefantrine in first trimester pregnancy • Novartis sponsors several studies investigating gender differences in diseases

	<ul style="list-style-type: none"> • Novartis supports <i>gendermedjournal</i>, a journal focusing on gender-specific medicine • Novartis partnered with MediData to develop MetaGeM, a gender-medicine post hoc analysis project to test sex differences in previous observational studies in different diseases • Migraine in Australia Whitepaper, Prepared for Novartis Australia, Deloitte Access Economics, 2018
Which of the following Sustainable Development Goals (SDGs) do the activities described in your COP address?	<ul style="list-style-type: none"> • SDG 3, SDG 5, SDG 6, SDG 7, SDG 8, SDG 9, SDG 10, SDG 12, SDG 13, SDG 14, SDG 15, SDG 16, SDG 17 • NIS report 2019: p.11 (Contributing to the UN goals) • NIS report 2019: p.55 (Novartis GRI Content Index) • NIS report 2019: p.63 (Appendix: external initiatives and membership of associations)
With respect to your company's actions to advance the Sustainable Development Goals (SDGs), the COP describes	
Where the company's priorities lie with respect to one or more SDGs	<ul style="list-style-type: none"> • NIS report 2019: p.11 (Contributing to the UN goals) • NIS report 2019: p.55 (Novartis GRI Content Index)
Goals and indicators set by our company with respect to one or more SDGs	<ul style="list-style-type: none"> • NIS report 2018: p.47 (Performance indicators 2018)
How one or more SDGs are integrated into the company's business model	<ul style="list-style-type: none"> • NIS report 2019: p.51-54 (Performance indicators 2019) • NIS report 2019: p.11 (Contributing to the UN goals) • NIS report 2019: p.55 (Novartis GRI Content Index) • Novartis.com (Targets & Results)
If the companies' activities related to the SDGs are undertaken in collaboration with other stakeholders	<ul style="list-style-type: none"> • NIS report 2019: p 28-31 (Strengthening health systems; Building scientific capability around the world; Training community healthcare workers; Tackling cardiovascular health in low-income settings; Leveraging digital health solutions; Supporting fragile populations) • NIS report 2019: p.32-38 (Addressing global health challenges)