

Human Rights

	Purpose and References
1. Purpose of this guideline	<p>Novartis recognizes that the inherent dignity and the equal and inalienable rights of all members of the human family are the foundation of freedom, justice and peace. It therefore respects and supports the protection of human rights, as enshrined in the Universal Declaration of Human Rights (UDHR) issued by the General Assembly of the United Nations on December 10, 1948.</p> <p>This guideline was issued by the Novartis Executive Committee on November 17th, 2003. It explains how Novartis interprets the two human rights–related pledges in the UN Global Compact – that is, to “<i>support and respect the protection of internationally proclaimed human rights within their sphere of influence</i>” and to “<i>make sure that they are not complicit in human rights abuses.</i>” This guideline also explains the internal processes and responsibilities that ensure the company lives up to the commitments made.</p>
2. Relationship with CC Guideline # 1	<p>Human rights are integral elements of Corporate Citizenship (CC) at Novartis. CC Guideline # 1 (Management of Corporate Citizenship) regulates the scope and applicability of this guideline. In addition, it establishes general responsibilities, rules and procedures that need to be observed in the implementation of this guideline.</p>
3. Relationship with the Comment paper on “Business and Human Rights at Novartis”	<p>To put the Novartis human rights responsibilities in the wider context of a fair societal division of labor, the Novartis Corporate Citizenship Guideline on Human Rights is complemented by a Comment.</p>
4. Civil and political human rights obligations related to Human Resources / Relationship with CC Guideline # 2	<p>Civil and political rights</p> <p>In the sphere of influence of Novartis, respecting and supporting <i>civil and political human rights</i> translate above all into the obligations related to the human resources employed by Novartis. Corporate obligations related to human resources are regulated in detail in CC Guideline # 2 (Fair Working Conditions). As, however, all important internationally accepted <i>human rights and business declarations</i> deal explicitly with issues of labor conditions and labor rights, these issues are also taken up here.</p>
5. Right to equal opportunity and non-discriminatory treatment	<p><i>Right to equal opportunity and non-discriminatory treatment</i></p> <p>All policies of Novartis, including but not limited to those relating to recruitment, hiring, discharge, pay, promotion and training, are non-discriminatory. Novartis treats all its employees with equal respect and dignity. It supports the principle of equality of opportunity and personal treatment, and therefore strives to eliminate discrimination based on race, color, sex, religion, political opinion, nationality, social origin, social status, indigenous status, disability, age (except for adolescents, who may be given greater protection) or other status of an individual unrelated to the individual's ability to perform his/her job. Intimidation or degrading treatment are not tolerated within the sphere of our influence; no employee is disciplined without fair procedures. (See also the Novartis Code of Conduct.)</p>
6. Right to security of persons	<p><i>Right to security of persons</i></p> <p>Novartis does not engage in or benefit from war crimes, crimes against humanity, genocide, torture, forced disappearance, forced or compulsory labor, hostage-taking, other violations of humanitarian law or other international crimes against the human person as defined by international law. Our security arrangements observe international human rights norms as well as the laws and professional standards of the country or countries in which they operate and are used only for preventive or defensive services. Security personnel are instructed to only use force when strictly necessary and only to an extent proportional to the threat.</p>

7. Rights of employees / reference to CC Guideline # 2	<p><i>Rights of employees</i></p> <p>Novartis does not use forced or compulsory labor. Workers are recruited and paid fair wages that meet or exceed the amount needed to cover basic living needs. Novartis workers and employees have the option to leave employment within lawful contractual terms and the right to be provided with the proper documentation of their working relationship with Novartis. Novartis workers and employees have the right to choose whether to join a trade union or employee association.</p> <p>Novartis will not use child labor and respects the rights of children to be protected from economic exploitation. Novartis provides for all employees a safe working environment at least in accordance with the national requirements of the countries in which they are located and with international standards. All details referring to fair working conditions are regulated in Corporate Citizenship Guideline # 2.</p>
8. Respect for national sovereignty / compliance with laws and regulation	<p><i>Respect for national sovereignty</i></p> <p>Novartis recognizes and respects applicable norms and procedures of international law (including laws and regulations concerning sanctions and embargoes adopted by the United Nations); national laws; regulations; administrative practices; development objectives; social, economic and cultural policies; and the authority of the countries in which its Group Companies operate.</p>
9. Respect of local communities and indigenous people	<p><i>Respect of local communities and indigenous people</i></p> <p>Novartis respects the rights of local communities affected by Novartis activities and the rights of indigenous peoples and communities consistent with international human rights standards.</p>
10. Intellectual property rights and technology transfer used to balance rights and obligations	<p><i>Intellectual property rights and technology transfer</i></p> <p>Novartis protects and enforces intellectual property rights in a manner that contributes to the promotion of technological innovation and the dissemination of technology, to the mutual advantage of producers and users of technological knowledge in a manner conducive to social and economic welfare.</p>
11. Reference to other Novartis Guidelines	<p>Separate Corporate Citizenship guidelines regulate our business conduct with regard to bribery, consumer protection and environmental protection.</p>
12. Economic, social and cultural human rights and the respective dimensions of corporate responsibilities	<p>Economic, social and cultural human rights</p> <p>As a business enterprise Novartis cannot on its own implement economic, social and cultural rights. Within the limits of our resources and capabilities it does, however, contribute through its corporate activities in many ways to adequate standards of living and other economic, social and cultural rights. Novartis contributes to economic welfare and the common good through assuming different corporate responsibilities with differing degrees of obligation (for details, see the comment to these guidelines):</p> <ul style="list-style-type: none"> • <i>the Novartis core business activities done in compliance with existing labor, environmental, tax and other laws and regulations (non-negotiable essentials);</i> • <i>pursuit of business with ambitious corporate citizenship standards; and</i> • <i>special social responsibility endeavors.</i>
13. Obligations in the context of third parties	<p><i>Obligations in the context of third parties</i></p> <p>Novartis gives preference to subcontractors, joint ventures, commercial partnerships, suppliers and others who observe these same principles. Novartis favors third parties that observe the U.N. Global Compact principles.</p> <p>Novartis management has no mandate to act as a vehicle for global diplomacy. Diplomatic suggestions may achieve better results than overt criticism. Nonetheless, raising human rights issues, e.g. in corporate management development courses, contract negotiations with third parties or at private meetings with higher-ranking officials, is considered helpful in creating a business environment that is supportive of the protection of human rights in a society.</p>

14. Dialogue with human rights-related stakeholders

Dialogue with human rights stakeholders

Human rights issues and all potentially related company-specific problems are of a high inherent complexity. Being aware that different stakeholders will give different answers when asked what standards of corporate activity need to be met in order for human rights demands to be satisfied, Novartis sees dialogue with human rights stakeholders both as an opportunity to learn about other parties' points of view and as a chance to contribute to the debate from the corporation's point of view.

15. Addressing special obligations resulting from Novartis healthcare business focus

Special obligations

Being a pharmaceutical corporation, Novartis is aware of a number of sensitive areas of potential human rights significance. Examples are the handling of *patents* and the *pricing policy* for life-saving medicine under conditions of individual and collective poverty, research priorities not in line with the needs of people living in absolute poverty, specificities of clinical trials (such as the concept of informed consent or the voluntary nature of trial subjects living in poverty) and the use of pharmaceutical products under circumstances where other societal actors may infringe on the human rights of a group of citizens. Novartis develops separate policies and management procedures to address these topics.

Aware of specific human rights-related issues linked to the pharmaceutical business:

- We developed our Access to Medicines Policy (http://www.novartisfoundation.com/pdf/novartis_access_medicine.pdf) and adapted in several instances on a case by case basis our pricing policy / patients' assistance programs to ensure access to our products for patients living in conditions of individual or collective poverty.
- We subscribe to the ethical principles of the Declaration of Helsinki for clinical trials and contribute in this way to the protection from exploitation of trial participants who live in poor economic circumstances.
- Since research into certain diseases prevalent in poorer areas of the world is not a commercial proposition we fund not-for-profit research to address neglected diseases.

The Novartis Foundation for Sustainable Development supports health and social development programs aiming to improve the infrastructure of communities and thus contributing to their potential for self-help.

16. Assessment of human rights impact and reporting criteria

Reporting Criteria, Measurement and Compliance Monitoring

The assessment of the actual or potential human rights impact of Novartis activities, investments and projects is performed yearly by a Corporate Citizenship Steering Committee. To enrich this assessment process, external stakeholders will be consulted. Corporate management, global division, CPO-Heads (Pharma) and local BU-Heads (Consumer Health) supervise the implementation of and adherence to this guideline within the area of their respective responsibility.

17. Information and training

Information and Training

Education on human rights forms an integral part of employee training on Corporate Citizenship issues. Novartis Human Resources Departments at all levels shall keep records on employee training programs and the individual assistance of Novartis associates. Security forces receive additional training and instructions to ensure compliance with the human rights guidelines under difficult and stressful circumstances. This additional training is monitored worldwide at headquarters.

18. Compliance monitoring

Compliance Monitoring

Monitoring compliance with the law and with Novartis guidelines is an integral part of internal and external auditing. Actual or potential human rights impacts will be assessed at country level and reported yearly to Novartis headquarters for further analysis and conclusions.