

Novartis commitment to the UN Global Compact

How Novartis lives up to the 10 principles

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Principle 1

[Principle 1 - Human rights](#): Businesses should support and respect the protection of internationally proclaimed human rights.

Commitment and policies	<ul style="list-style-type: none"> • Code of conduct, chapter 1 (“Why a code of conduct?”): “Support of and respect for the protection of internationally proclaimed human rights.” • Corporate citizenship policy: “We seek to promote and protect the rights defined in the Universal Declaration of Human Rights of the United Nations within our sphere of influence.” • Corporate citizenship guideline 4 on human rights: “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.”
Projects and activities	<ul style="list-style-type: none"> • Access-to-medicine programs in collaboration with the World Health Organization (WHO) and other intergovernmental and nongovernmental organizations to combat malaria, leprosy and tuberculosis in developing countries • Patient assistance program for oncology drug, Glivec/Gleevec, reaching patients worldwide • Patient assistance programs for uninsured, low-income citizens in the US • UN Millennium Villages project carried out by the Novartis Foundation for Sustainable Development (NFSD), supporting a region in Tanzania • Research on neglected diseases (dengue fever, malaria and tuberculosis) by the Novartis Institute for Tropical Diseases (NITD) • Annual NFSD-symposium in 2007 on “Making Aid Work” • Active participation of Novartis in the Business Leaders Initiative on Human Rights (BLIHR)
Results 2007	<ul style="list-style-type: none"> • Fulfilling a 2007 target, Novartis Taiwan tested the Human Rights Compliance Assessment tool in cooperation with the Danish Institute for Human Rights. • NFSD co-hosted two conferences on business and human rights, one leading to a book on “Human Security and Business,” and the other providing state-of-the-art input to the work of the UN Representative on Business and Human Rights. • Professor Klaus M. Leisinger, NFSD President, was appointed a member of the Business and Human Rights Working Group of the Global Compact Board. • Total 2007 access to medicine programs valued at USD 937 million, reaching more than 65 million patients globally. • Delivered 66 million treatments of <i>Coartem</i> in 2007. Proportion of <i>Coartem</i> sales supplied through alternative providers such as UNICEF, Crown Agents, Mission Pharma, Médecins Sans Frontières and direct deliveries to countries increased to 51% in 2007.
Targets 2008	<ul style="list-style-type: none"> • Bring the corporate perspective into the debate on the “Right to Health”. • Contribute to a new round of discussions about the role of business in ensuring access to medicines.

	<ul style="list-style-type: none"> • Pilot a Human Rights Compliance Assessment in an additional country and explore a pharma-specific version of the tool. • Support the Business Leadership Initiative on Human Rights (BLIHR) in development of an online tool to help companies assess and address challenges related to human rights. • Launch a pediatric dispersible formulation of <i>Coartem</i>.
GRI indicators	HR 1 , HR 2 , HR 3 , HR 4
Additional information	<ul style="list-style-type: none"> → www.novartisfoundation.com → www.nitd.novartis.com → www.who.int/en/ → www.un.org → www.blihr.org

Principle 2

[Principle 2 - Human rights](#): Businesses should make sure they are not complicit in human rights abuses.

Commitment and policies	<ul style="list-style-type: none">• Code of conduct, chapter 4: non-discrimination: “Novartis will not tolerate discrimination” and chapter 9: compliance with the law: “Compliance with the law is an absolute requirement for Novartis and its employees. [...] Novartis is strongly committed to non-discriminatory and fair labor standards, to protecting the environment and to ensuring the health and safety of its employees.”• Corporate citizenship policy: “We do not tolerate human rights abuses within our own business operations.”• Corporate citizenship guideline 2 on fair working conditions• Corporate citizenship guideline 4 on human rights• Corporate citizenship guideline 5 on third party management• Corporate citizenship guidance note 5.1 on practical implementation and recommendations for corporate citizenship in 3rd party relations
Projects and activities	<ul style="list-style-type: none">• Third-party management: develop and implement a process for third party classification, and monitor adherence to the values spelled out in the UN Global Compact; expand supplier assurance visit programs; and develop improvement programs for non compliant suppliers• Third party compliance assessment (through questionnaires) for class 2 suppliers (chemical products, construction, etc.)• Third party compliance assessment through on-site assurance visits for class 3 suppliers (contract manufacturing, waste management, etc.) deemed to have a significant influence on Novartis business activities• Closing gaps on living wages to ensure employees and their families can meet their basic material needs
Results 2007	<ul style="list-style-type: none">• Living wage: case study developed by Novartis on the living wage published in 2007, Novartis leaders shared the company’s experience with implementing a living wage for all associates at the UN Global Compact Leaders Summit in July. In 2007, 11 Novartis employees found to be earning less than the living wage (21 in 2006; 93 in 2005).• Two articles about the role of NGOs for the Global Compact’s mission were published in academic journals• Third-party management:<ul style="list-style-type: none">○ Joined with other major pharmaceutical companies to develop a common framework for Third Party Management outlining principles for responsible business practices in ethics, labor, environment, health and safety and related management systems (Pharmaceutical Supply Chain Initiative)○ 96 Class 3 third parties underwent site audits. No major issues were found from the audits.○ 135 Class 2 third-party questionnaires were received and assessed.○ Published internal training material in six different languages and conducted training workshops in eight countries on four continents with more than 350 associates participating.

Targets 2008	<ul style="list-style-type: none"> • Continue to use established process for updates of living-wage levels and adjustment of salaries below those levels • Third-party management: Audit additional 250 third parties. Screen and assess additional 500 questionnaires from Class 2 third-party suppliers. Conduct training programs to further raise awareness within the company.
GRI indicators	HR 1 , HR 6 , HR 7
Additional information	→ http://www.novartis.com/about-novartis/corporate-citizenship/index.shtml

Principle 3

[Principle 3 - Labor standards](#): Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Commitment and policies	<ul style="list-style-type: none"> • Corporate citizenship policy: “We believe in constructive dialogue between employer and employees and support the principle of freedom of association.” • Corporate citizenship guideline 2 on fair working conditions, point 8 on freedom of association: “Novartis recognizes that each employee has the right to choose whether to join a trade union or employee association. Novartis companies shall give trade unions a fair chance to compete for unionization of employees and shall be comfortable with collective bargaining arrangements, individual arrangements, or a mixture of the two.” • Corporate citizenship guideline 5 on third party management, point 12 on freedom of association: “Third parties shall respect the right of each employee to join a trade union or an employee association. They shall give trade unions a fair chance to compete for the unionization of employees and shall be comfortable with collective bargaining agreements, individual arrangements or a mixture of both. ”
Projects and activities	<ul style="list-style-type: none"> • Novartis Euroforum (NEF) is an association consisting of Novartis employee representatives in EU countries and Switzerland. NEF represents 28,009 employees and ensures a dialogue between Novartis management and employees about key issues. • Continue to raise awareness among employees on freedom of association (as a part of our corporate citizenship commitment) • Expand scope and quality of data reporting on corporate citizenship aspects related to human resources
Results 2007	<ul style="list-style-type: none"> • 38% of associates are represented by internal personnel organizations • 16% of associates are represented by external personnel organizations (unions) • 64% of associates are explicitly informed about freedom of association
Targets 2008	<ul style="list-style-type: none"> • Improve internal communication on freedom of association (the aspiration is that all employees are informed)
GRI indicators	LA 3 , LA 4 , HR 5
Additional information	

Principle 4

[Principle 4 - Labor standards](#): Businesses should uphold the elimination of all forms of forced and compulsory labor.

Commitment and policies	<ul style="list-style-type: none"> • Code of conduct, chapter 9: compliance with the law: “Novartis is strongly committed to non-discriminatory and fair labor standards, to protecting the environment and to ensuring the health and safety of its employees.” • Corporate citizenship policy: “We do not tolerate forced labor and other forms of exploitative labor.” • Corporate citizenship guideline 2 on fair working conditions, point 9 on forced, compulsory and bonded labor: “Novartis will not engage in forced, compulsory or bonded labor.” • Corporate citizenship guideline 5 on third party management, point 10 on forced, compulsory and bonded labor: “Third parties shall exclude the use of forced, compulsory or bonded labor.”
Projects and activities	<ul style="list-style-type: none"> • Findings from yearly internal surveys have shown that any associate below 18 was part of a regulated training scheme. • No forced and no compulsory labor found • Focus in this area now includes third-party management
Results 2007	<ul style="list-style-type: none"> • Case study published on the implementation of the Novartis guideline for third-party suppliers, including HSE and labor standards. • Findings from yearly internal surveys have shown that any associate below 18 was part of a regulated training scheme.
Targets 2008	<ul style="list-style-type: none"> • Continue to monitor human rights compliance within our operations and supply chain
GRI indicators	HR 7
Additional information	→ http://www.novartis.com/about-novartis/corporate-citizenship/index.shtml

Principle 5

[Principle 5 - Labor standards](#): Businesses should uphold the effective abolition of child labor.

Commitment and policies	<ul style="list-style-type: none"> • Code of conduct, chapter 9: compliance with the law: "Novartis is strongly committed to non-discriminatory and fair labor standards, to protecting the environment and to ensuring the health and safety of its employees." • Corporate citizenship policy: "We support programs to abolish child labor in a manner consistent with the basic interests of the child." • Corporate citizenship guideline 2 on fair working conditions, point 10 on child labor: "Novartis will not use child labor." • Corporate citizenship guideline 5 on third party management, point 11 on child labor: "Third parties shall exclude exploitative child labor. [...] Programs to abolish child labor in a manner consistent with the basic interests of the child should be supported. "
Projects and activities	<ul style="list-style-type: none"> • After yearly internal surveys have shown that everything is in place to avoid child labor within Novartis, the focus now includes third-party management (see principle 2).
Results 2007	<ul style="list-style-type: none"> • Case study published on the implementation of the Novartis guideline for third-party suppliers. • Findings from yearly internal surveys have shown that any associate below 18 was part of a regulated training scheme.
Targets 2008	<ul style="list-style-type: none"> • Continue to monitor human rights compliance within our operations and supply chain
GRI indicators	HR 6
Additional information	→ http://www.novartis.com/about-novartis/corporate-citizenship/index.shtml

Principle 6

[Principle 6 - Labor standards](#): Businesses should uphold the elimination of discrimination in respect of employment and occupation.

<p>Commitment and policies</p>	<ul style="list-style-type: none"> • Code of conduct, chapter 4: discrimination: “Novartis will not tolerate discrimination or harassment based on race, religion, creed, national origin, sex, disability, age or any other relevant category.” • Corporate citizenship policy: “The Novartis core values are based on the fundamental rights of every individual [...], such as nondiscrimination [...]. We base our human resources policies and practices on fairness [...].” • Corporate citizenship guideline 2 on fair working conditions, point 11 on non discrimination: “Novartis will not tolerate discrimination based on personal characteristics that are not inherently relevant to the performance of a job. Such characteristics include race, color, sex, religion, political opinion, national extraction or social origin or any other characteristic protected under local law. [...] Each Novartis company shall ensure equitable treatment among its employees in terms of basic employment terms, advancement possibilities, paid holidays granted, occupational safety and health, access to training and vocational guidance, and all other material terms and conditions of employment.” • Corporate citizenship guideline 5 on third-party management, point 13 on non discrimination: “Third parties shall avoid discrimination based on personal characteristics such as race, color, sex, religion, political opinion, national extraction or social origin or any other characteristic protected under local law. They shall protect all employees against harassment in the work place, including sexual harassment.”
<p>Projects and activities</p>	<ul style="list-style-type: none"> • Group-wide diversity and inclusion initiative to promote greater diversity of talent throughout the organization • Expand supplier diversity to ensure business opportunities for minority and women-owned suppliers and other diverse businesses • Cross-mentoring program for female students at Basel University (Switzerland) on career opportunities in pharmaceutical companies
<p>Results 2007</p>	<ul style="list-style-type: none"> • Novartis established a Diversity and Inclusion (D&I) Vision, Strategy and Business Case for the Group, including the design and implementation of a Diversity and Inclusion Framework. Each division has further defined priorities, goals and actions according to business needs supported by D&I networks and councils. • 2007 marked the second year of the external Diversity and Inclusion Advisory Council (DIAC), which regularly meets with Novartis leaders and guides Novartis D&I implementation efforts. • Living wage: case study published on the living wage • Completed Global Leadership Survey across divisions. Completed annual survey for all Pharmaceuticals Division associates to measure working climate at Novartis • Novartis recognized among the “Top 50 Companies for Diversity” and became the top-rated pharmaceutical company in a US study of large employers’ commitment to diversity in their workforces and business relationships • Third Novartis Female Leadership Forum held in Basel with more than 250 female managers from more than 30 countries • For the seventh consecutive year, Novartis and the University of Basel offered a mentoring program (including monthly meetings)

	called Women into Industry that encourages promising female academics to consider careers in business and industry
Targets 2008	<ul style="list-style-type: none"> • Continue to use the DIAC (external Diversity & Inclusion Advisory Council) as implementation aid. • Continue divisional and functional implementation, according to business needs.
GRI indicators	HR 4 , LA 10 , LA11
Additional information	→ www.pharma.us.novartis.com → www.novartis.com/corporate_citizenship/

Principle 7

Principle 7 - Environment: Businesses should support a precautionary approach to environmental challenges.

<p>Commitment and policies</p>	<ul style="list-style-type: none"> • Code of conduct, chapter 9: compliance with the law: “Novartis is strongly committed [...] to protecting the environment and to ensuring the health and safety of its employees.” • Corporate citizenship policy: “We take a precautionary approach in the innovation and development of new products and technologies. To this end, we follow a step-by-step approach, we engage in scientific peer review, and we consider benefits and risks of innovation in a scientific and transparent manner.” • Novartis position on precautionary principle: “The company applies the precautionary approach wherever a significant threshold of plausibility for a potential risk is reached and when science does not give a clear-cut answer on that potential risk. [...] When an activity or a product poses a threat of serious or irreversible damage to the environment, precautionary measures are considered even if cause-effect relationships are not fully established scientifically. However, the precautionary approach needs to remain science-based in order to ensure continued innovation.” • HSE guidelines: HSE management (#1); emergency management (#2); HSE in development and production (#3); biosafety (#4); warehousing (#6); hazardous waste management (#7); transportation (#11) • HSE guidance notes: risk portfolio (1.1); performance management (1.2); and energy management (1.3)
<p>Projects and activities</p>	<ul style="list-style-type: none"> • Precautionary approach applied in all operations to minimize environmental impacts (emissions to air and water, waste to landfill, efficient use of water and energy resources) • Novartis manages risks proactively by implementing appropriate preventive and contingency measures. This risk management process is designed to identify potential hazards and take action to reduce the risk of an event – the likelihood of occurrence and severity of consequences – to an acceptable minimum level. Risk portfolios are elaborated on the sites, consolidated at divisional and corporate levels and reviewed by senior management. • Identifying and managing HSE risks by conducting site analyses and audits by corporate HSE and the HSE organizations of the divisions and business units • Business Continuity Management (BCM) efforts on pandemic preparedness (reviewed by a group audit).
<p>Results 2007</p>	<ul style="list-style-type: none"> • Management of HSE risks <ul style="list-style-type: none"> ○ Regular HSE audits are conducted to provide direct support and guidance to Novartis sites to identify and reduce or eliminate risks. Divisions control the implementation of the determined measures, which are also reviewed at a corporate level. ○ Significant progress was made in 2007, as half of the risks could be removed from the 2006 Group Risk Portfolio.

	<ul style="list-style-type: none"> • HSE training <ul style="list-style-type: none"> ○ 2 international training courses on a computer-supported risk analysis method were conducted in US and Europe ○ 3 regional energy workshops were held in Asia, US and Europe and 3 trainings on HSE data management and reporting were held worldwide • Business Continuity Management (BCM) <ul style="list-style-type: none"> ○ In 22 corporate NEM workshops, 432 participants were trained in emergency management.
Targets 2008	<ul style="list-style-type: none"> • Risk management <ul style="list-style-type: none"> ○ 14 corporate HSE and bio-safety audits and 33 divisional and business unit audits are scheduled in 2008 ○ Preparation of the 2008 divisional and corporate risk portfolios and respective risk minimization actions • HSE training <ul style="list-style-type: none"> ○ 2 international risk analysis courses, 4 energy workshops and 2 data management system face-to-face introduction trainings are scheduled, as well as launch of HSE DMS e-learning modules ○ Further courses placed on our Virtual University, accessible to all employees worldwide • Business Continuity Management (BCM) <ul style="list-style-type: none"> ○ A Business Continuity & Emergency Management conference is scheduled for April 2008. ○ International workshops are planned to support final implementation and testing of BCM and readiness. ○ At least 15 corporate Novartis Emergency Management workshops are planned for 2008.
GRI indicators	EN 1 , EN 2 , EN 3 , EN 3.1 , EN 4 , EN 5 , EN 6 , EN 8 , EN 8.1 , EN 8.2 , EN 9 , EN 9.1 , EN 9.2 , EN 10 , EN 11 , EN 11.1 , EN 11.2 , EN 12 , EN 13 , EN 16
Additional information	<p>→ http://www.novartis.com/about-novartis/corporate-citizenship/environmental-care/managing-risks.shtml</p> <p>→ www.novartis.com/about_novartis/en/ethics_committee.shtml</p>

Principle 8

[Principle 8 - Environment](#): Businesses should undertake initiatives to promote greater environmental responsibility.

<p>Commitment and policies</p>	<ul style="list-style-type: none"> • Code of conduct, chapter 9: compliance with the law: “Novartis is strongly committed [...] to protecting the environment and to ensuring the health and safety of its employees.” • Corporate citizenship policy: “We want to be a leader in Health, Safety and Environmental Protection (HSE). [...] We strive to make efficient use of natural resources and minimize the environmental impacts of our activities and our products over their life cycle. We assess HSE implications to ensure that the benefits of new products, processes and technologies outweigh remaining risks. We periodically review such assessments in light of new concerns or evidence.” • Corporate citizenship guideline 5 on third party management, point 7 on principles and expectations: “Novartis gives preference to third parties that share the societal and environmental values required by the Global Compact.” • Corporate citizenship guideline 5 on third party management, point 15 on health, safety and protection of the environment: “Third parties shall provide a safe work place for their employees to prevent accidents and injury to health. At a minimum, third parties shall comply with all applicable local health, safety and environmental protection laws and regulations.” • HSE guidelines: HSE management (#1); Novartis emergency management (# 2); HSE protection in development and production (#3); bio-safety (# 4); occupational health (#5); warehousing (#6); hazardous waste management (#7); selection and management of third party contractors (#8); incident reporting and learning (#9); setting and reviewing provisions for environmental liabilities (#10); transportation (#11); and business continuity management (#12) • HSE guidance notes: risk portfolio (1.1); performance management (1.2); and energy management (1.3)
<p>Projects and activities</p>	<ul style="list-style-type: none"> • Reducing accidents through behavior-based safety training for associates • GHG emission management (Scope 1 and Scope 2): fuel switch to gas (level of 90% achieved), support of renewable resources (bio-fuels, gas from waste, solar, combined heat and power systems), air conditioning with surface or groundwater water • Energy efficiency (Kyoto strategy): investment policy, mandatory energy challenges on investments, regular workshops on energy management, 2007 edition of Novartis Energy Excellence Awards • Waste management: waste separation and recycling/recovery strategies, segregation of materials in the demolition of old buildings, policy to favor incineration wherever feasible • Water management: efficiency measures for contact water and promotion of water recycling • Management of historic soil and groundwater contaminations based on a cautious science-based approach and in full cooperation with the respective local authorities and governmental agencies

Results 2007	<ul style="list-style-type: none"> • Health <ul style="list-style-type: none"> ○ Lost Time Accident Rate (LTAR) reduced from 0.45 in 2006 to 0.41 in 2007. • Resources <ul style="list-style-type: none"> ○ Novartis exceeded its 2.5% energy efficiency annual target by improving its energy efficiency by 9% in 2007. This is subject to the target, being established in 2007, calling for a 10% improvement by 2010 based on 2006 levels. ○ 25% contact water efficiency improvement • Environment <ul style="list-style-type: none"> ○ For the first time, in 2007 Novartis was able to reduce GHG emissions, for both on-site emissions and emissions from purchased energy, despite the continuing growth ○ Carbon-offsetting: In Latin America, land was purchased for reforestation to sequester carbon. In 2007, 785 hectares were planted with approximately 600 000 saplings. Novartis also piloted a jatropha plantation and bio-energy project in West Africa. Jatropha is a plant that can serve as a raw material for production of biofuel as well as electrical power. ○ Novartis achieved a further reduction in emissions of halogenated VOCs in 2007 to 156 tons, beating the interim target of 160 tons. ○ Increased emissions of non-halogenated VOCs to 1 925t from 1 583t in 2006 ○ Reduction of hazardous operational waste disposed in landfills declined to 99t, from 520t in 2006
Targets 2008	<ul style="list-style-type: none"> • Health <ul style="list-style-type: none"> ○ Lost-Time Accident Rate will be replaced by the Lost-Time Injury and Illness Rate (LTIR), a measure of employment-related injuries and illnesses with lost time per 200 000 hours worked. ○ The objective for 2008 is to reduce LTIR to 0.39. • Resources <ul style="list-style-type: none"> ○ 10% energy efficiency improvement by 2010 (base year 2006). ○ 10% contact water efficiency improvement by 2010 (base year 2005). • Environment <ul style="list-style-type: none"> ○ Absolute reduction of Scope 1 GHG emissions (without vehicles) by 5% for the period 2008 to 2012 (based on 1990 level) ○ 10% reduction of CO₂ emissions from owned and leased vehicles by 2010 (base year 2005) ○ Halogenated VOC emissions are expected to remain unchanged during 2008 due to significant lead times required to change production processes; maintain 2007 target of 160t ○ Reduction of non-halogenated VOC by 30% until 2008 (to 1677t) ○ Reduction of hazardous waste to landfill 0t in 2008 (from above 5000t in 2004) • Further reduce carbon intensity of Novartis energy systems by fostering combined heat and power systems and renewable energy sources such as fuel from waste, bio-fuels or solar, wind and geothermal energy

GRI indicators	LA 5 , LA 6 , LA 7.1 , LA 7.2 , LA 7.3 , LA 7.4 , EN 1 , EN 2 , EN 3 , EN 3.1 , EN 4 , EN 5 , EN 6 , EN 8 , EN 8.1 , EN 8.2 , EN 9 , EN 9.1 , EN 9.2 , EN 10 , EN 11 , EN 11.1 , EN 11.2 , EN 12 , EN 13 , EN 16
Additional information	→ www.novartis.com/corporate_citizenship/en/hse.shtml → http://unfccc.int/2860.php

Principle 9

Principle 9 - Environment: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Commitment and policies	<ul style="list-style-type: none"> • Corporate citizenship policy: “We strive to make efficient use of natural resources and minimize the environmental impacts of our activities and our products over their life cycle. We assess HSE implications to ensure that the benefits of new products, processes and technologies outweigh remaining risks.” • Corporate citizenship policy: “We give priority to business partners, suppliers and contractors who share our societal and environmental values, and we support their efforts to promote these values through their business activities.” • Corporate citizenship guideline 5 on third-party management, point 23 on improvement programs and special support: “Novartis may assist the third party in developing an improvement program designed to raise the level of compliance with the third party corporate citizenship principles.”
Projects and activities	<ul style="list-style-type: none"> • Technology for best renewable/alternative energy use is one of the four criteria used to identify projects in the annual Novartis Energy Excellence Awards • Research initiatives to generate essential know-how on the effects of pharmaceuticals in the environment (PiE) • Research collaborations between academia, regulators and industry, aiming at a more targeted and efficient environmental risk assessment for human pharmaceuticals • Building construction contractors (Campus Basel): requirements on materials, energy management, waste separation, etc.
Results 2007	<ul style="list-style-type: none"> • In 2007 the Novartis Energy Excellence Awards included 46 projects with the potential of improved energy efficiency totaling more than USD 40 million in annual net savings by 2012 <ul style="list-style-type: none"> ◦ More than one-third of the projects have a payback time of less than a year – and more than half will repay their initial investment within two years. • The release rate of our priority active pharmaceutical ingredients (API) of the Pharmaceuticals Division with waste water streams has been reduced to below 0.05% of the total API production volume.
Targets 2008	<ul style="list-style-type: none"> • Energy Excellence Awards in energy efficiency and GHG emission reduction will continue in 2008 • With relaxed investment rules and promotional and educational activities, Novartis supports the achievement of increasing energy excellence in its facilities worldwide • Existing research activities on pharmaceuticals in the environment (PiE) are ongoing in particular with a new research project on the eco-toxicological effects of pharmaceuticals launched in 2007
GRI indicators	EN 3 , EN 3.1 , EN 4 , EN 8 , EN 8.1 , EN 8.2 , EN 9 , EN 9.1 , EN 9.2 , EN 10
Additional information	I→ http://www.novartis.com/about-novartis/corporate-citizenship/environmental-care/index.shtml

Principle 10

Principle 10 - Anti-corruption: Businesses should work against corruption in all its forms, including extortion and bribery.

<ul style="list-style-type: none"> Commitment and policies 	<ul style="list-style-type: none"> Code of conduct: section 6: Bribes, business entertainment, gifts: “No employee shall make any payment, or kickback, or offer improper financial advantage to an official of a government or a government-controlled entity for the purpose of obtaining business or other services, as set out in the OECD Convention on Combating Bribery of Foreign Public Officials. [...] Third parties must not be used to circumvent any of the policies mentioned above.” Corporate citizenship guideline 3 on business ethics – bribes, gifts and entertainments. Novartis will not engage in any form of bribery. In plain language bribery means money or favor given or promised in order to influence the judgment or conduct of a private person or public official in a position of trust. All associates and managers of Novartis and its affiliates (“Novartis”) shall at all times comply with the law. They have the duty to inform themselves about the national and international laws relating to their business activities. Activities that would violate local or international criminal law may under no circumstances be carried out even if they may seem permissible under this policy. Marketing codes established for each division and for the Consumer Health business units. The intent behind the marketing codes is to secure the credibility and integrity of Novartis in worldwide healthcare by ensuring that promotion to healthcare professionals and the general public is conducted in an ethical and balanced manner, supported by accurate and relevant information and in accordance with local regulations. Code of Conduct: section 5: Conflict of Interest: Business transactions must be conducted with the best interests of Novartis in mind. Nobody, whether an individual, a commercial entity, or a company with a relationship to a Novartis employee, may improperly benefit from Novartis through his or her relationship with the employee or as a result of the employee’s position in the company. Furthermore, no employee may personally benefit in an improper way. Situations which may cause conflict between an employee’s responsibilities towards Novartis and his or her personal interests should be avoided. Conflict of Interest policy dealing with giving and receiving gifts. An Associate’s personal interests should never influence his/her business judgment or decision-making on behalf of Novartis. Novartis fully respects the Associates’ private life, but expects Associates to avoid situations that could result in a conflict between their personal interests and those of the company. The Conflicts of Interest Policy provides rules on how to avoid or handle such conflicts. Provision in employment contracts: The Code of Conduct, the Novartis Group Conflicts of Interest Policy, the Guidelines on Reporting Violations of Law and Policies and all other Novartis policies, procedures, guidelines and other such items applicable to your work are to be adhered to by you and you are aware that a violation of such policies could lead to disciplinary actions up to and including termination of the employment.”
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<ul style="list-style-type: none"> • Projects and activities 	<ul style="list-style-type: none"> • Implementation of an Integrity & Compliance Program throughout the company • Global Compliance Steering Committee aligns strategy and objectives for the Integrity & Compliance organization • Development of a new policy framework and a new Code of Conduct • Managing inquiries and complaints (through the Business Practices Office, BPO, charged with receiving and investigating misconduct cases worldwide) • Training of employees on Code of Conduct-related issues • Certification of more than 27'800 managers on adherence to Novartis integrity standards • Development and publication of a brochure on Integrity Management at Novartis • Development of a tool to monitor program implementation
<ul style="list-style-type: none"> • Results 2007 	<ul style="list-style-type: none"> • Draft of new Code of Conduct and policy framework developed. • Vaccines and Diagnostics Division integrated into CC management process. • Established a new Corporate Integrity & Compliance function. • Developed a new Integrity & Compliance Program and a tool for monitoring the program's implementation. • 202'100 e-training courses completed on ethics compliance worldwide • New mandatory e-learning courses such as Privacy and Data Protection, Sales Ethics and Integrity Leadership launched in up to 14 languages • The Dow Jones Sustainability Index (DJSI) named Novartis a sustainability leader in 2007. Novartis scored 100% on Code of Conduct management and compliance. • Novartis ranked as the top major pharmaceutical company in the "World's Most Ethical Companies" survey by <i>Ethisphere Magazine</i>. • Started to integrate Code of Conduct topics into management training. • Ready to launch training for new managers in Novartis Consumer Health Division. • Publication of a brochure on Managing integrity at Novartis • More than 27'800 managers certified on adherence to Novartis integrity standards
<p>Targets 2008</p>	<ul style="list-style-type: none"> • Divisions and Corporate to implement two new e-learning courses with 90% completion. • Further expand e-training to include refresher courses in addition to new courses. • Develop skills training on Code of Conduct topics and integrate into management development program. • Finalize new policy framework and Code of Conduct. • Continue to implement the Integrity and Compliance Program
<p>GRI indicators</p>	<p>3.7.2, 3.7.3, SO 2, SO 3</p>
<p>Additional information</p>	<ul style="list-style-type: none"> ➔ www.eoa.org/ ➔ www.celc.executiveboard.com ➔ www.ifpma.org ➔ www.oecd.org ➔ www.iccwbo.org/policy/anticorruption/