

Our Commitment to the Global Compact

Novartis wants to be recognized for having a positive impact on people's lives. Our purpose is to enhance the quality of life with the innovative products we discover, develop and market and to provide an economic benefit to people who invest money, ideas and work in our company. We also want to benefit society through our economic contribution, through the positive environmental and social consequences of our activities and through an open dialog with our stakeholders.

Novartis considers the Nine Principles of the Global Compact in the areas of Human Rights, Labor Standards and Protection of the Environment to be important building blocks for a free and prosperous world economy. We therefore support Kofi Annan's initiative "to unite the power of the markets with the authority of universal values". It is our firm belief that free trade, innovation based on fair protection of intellectual property and the core values expressed in the Global Compact are essential elements for sustainable economic and social progress.

Novartis has developed a number of initiatives already, which support the endeavors of the Global Compact, among them:

- It has established its Code of Conduct and recently revised its Health, Safety and Environmental Policy. A program is under way to monitor compliance with the Code of Conduct similarly to the global auditing of Health, Safety and Environment, which was established already some 20 years ago. It publishes its Health, Safety and Environmental Performance in an annual report, alongside with its Annual Operational and Financial Report (www.info.novartis.com/hse/index.html).
- The company has established the Novartis Foundation for Sustainable Development. The

foundation sponsors projects in the areas of Health, Social Development and Emergency Aid that improve the quality of life and bring direct benefits to people living in poverty. Furthermore it is a resource for tools and know-how on sustainable development (www.foundation.novartis.com).

- Examples of our outreach activities are public fora – held in Germany, Italy and Japan – with different stakeholders to discuss controversial topics related to our activities, learn from stakeholder perspectives and collaborate on developing new solutions and exploration of common ground on biodiversity and bioprospecting with interested stakeholders at the UN. Novartis is prepared to share its experience from engaging with developmental, environmental and social stakeholders with the Global Compact.
- The annual Novartis Community Partnership Day gives each employee worldwide the opportunity to engage in social activities in the communities in which we live and work.

Novartis would like to see the Global Compact become a catalyst for concrete actions of enterprises and nations – on their own and jointly with the UN and Civil Society Organizations –, furthering worldwide acceptance of fundamental human rights, labor and environmental standards. We are convinced that such a common effort will facilitate the transition towards sustainable development, offering at the same time many opportunities to innovative enterprises.

A handwritten signature in black ink, appearing to read "Daniel Vasella".

Daniel Vasella, Chairman and CEO
Basel, July 14, 2000