

Policy on Corporate Citizenship

Novartis wants to be known for being a responsible corporate citizen. We do everything we can to operate in a manner that is sustainable: economically, socially, and environmentally – in the best interest of long-term success for our enterprise.

The Novartis core values are based on the fundamental rights of every individual, such as the protection of privacy, freedom of opinion and expression, freedom of association, nondiscrimination, and the right to be heard.

- 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. We do not tolerate human rights abuses within our own business operations.

Our associates are key to our success. We base our human resources policies and practices on fairness, openness, and mutual respect.

- We pay competitive and fair wages, which clearly exceed what is needed to cover basic living needs. We want our associates to have time for family, social activities, and leisure.
- We strive to provide our associates with a stimulating and challenging working environment and with opportunities for personal and professional development, while expecting from them a high level of performance and commitment to the success of Novartis.

- We recognize and respect the cultural differences found in the worldwide marketplace. We strive to build and sustain diversity by attracting, developing, promoting and retaining the best people from all cultures.
- We do not tolerate forced labor and other forms of exploitative labor. We support programs to abolish child labor in a manner consistent with the basic interests of the child.
- We believe in constructive dialogue between employer and employees and support the principle of freedom of association.

We want to be a leader in Health, Safety and Environmental Protection (HSE).

- The health and safety of our employees, neighbors, customers, consumers and all others affected by our business activities, as well as protection of the environment, have priority in all our activities.
- 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.

- 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.

We care about the expectations and concerns of our stakeholders.

- We recognize the interest of our shareholders, employees, customers, neighbors, the authorities and the public at large in our societal behavior, and the health, safety and environmental impacts of our business. We provide relevant information and actively listen to stakeholders. In assessing controversial products, processes and technologies, we seek dialog with all stakeholders.
- Improving the health and standard of living of all people is a shared responsibility between the private sector, the public sector and other stakeholders. Novartis actively supports efforts towards the improvement of access to treatment.

We integrate the principles of Corporate Citizenship into our business strategies.

- We manage the implementation process actively, consistently and effectively. Our Business Sectors establish proper structures and allocate sufficient resources in order to live up to this policy.
- We measure progress and verify compliance with this Policy, related Guidelines and regulatory requirements through internal and external audits and management reviews.
- 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.
- We foster awareness of and commitment to this Policy among our employees; to this end, we provide appropriate information and training to develop their skills.
- All employees shall comply with this Policy, related Guidelines, and regulations applicable to their area of operational responsibility.

Daniel Vasella
Chairman and CEO

Urs Bärlocher
Member of the Executive Committee