# Novartis Norge AS
# Transparency Act Statement
# 2024

NOVARTIS | Reimagining Medicine

This Statement is made in accordance with the Norwegian Transparency Act (Transparency Act) relating to enterprises' transparency and work on fundamental human rights and decent working conditions. It covers the reporting period January 1, 2024, to December 31, 2024.

Novartis Norge AS is part of Novartis, an innovative medicines company, whose parent company is Novartis AG, headquartered in Switzerland. Unless expressly stated otherwise, references to 'we', 'us' and 'our' refer to Novartis as a whole.

We are committed to respecting human rights throughout our value chain in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

Our commitment embraces all internationally recognized human rights, including those contained in the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR), and the International Covenant on Economic, Social and Cultural Rights (ICESCR)) and the International Labour Organization's (ILO) core labour rights conventions. We are also signatories to the United Nations Global Compact (UNGC) and report annually on our progress.

## A. General description of Novartis Norge AS company structure, operations, guidelines, and procedures for handling actual and potential adverse impacts of fundamental rights and decent working conditions

### Our structure and operations

Novartis is an innovative medicines company engaged in the research, development, manufacturing, distribution, marketing and sale of a broad range of innovative pharmaceutical medicines. Our medicines reached 296 million patients globally in 2024.

In Norway, we market medicines that cover four key therapeutic areas. These are oncology (solid tumors and hematology); cardiovascular, renal, and metabolic; immunology; and neuroscience. Our activities in Norway are restricted solely to the marketing and distribution of prescription pharmaceuticals, and conducting clinical trials and studies performed in Norwegian hospitals and clinics on behalf of Novartis Norge AG. Local marketing and distribution are governed by the same global policies and procedures as outlined in this report.

We distribute our products through local wholesalers and distributors. We use local external partners for warehouse and transport services for the delivery of our pharmaceutical products. In addition, we use local suppliers for facilities management in our Oslo office related to general services such as security, catering, car lease for employees, travel arrangements, banking, and insurance. Local procurement is governed by the same global policies and procedures as outlined in this report.

As of December 31, 2024, Novartis Norge AS employed 85 employees and 16 contractors. For more information on our global business structure, workforce and operations see the Novartis in Society Integrated Report 2024.

### Guidelines and procedures

We are committed to addressing the actual and potential adverse impacts of fundamental human rights and decent working conditions in our own operations and supply chain. We have clear and well-defined global policies, guidelines, and standards in place. These are regularly updated to ensure alignment with our human rights and decent working commitments and are binding on all Novartis employees globally.

In addition, Novartis Norge AS independently evaluates the need for additional local guidelines or standards. We have reviewed relevant local and global governing documents and determined that these are aligned with the expectations in the Transparency Act.

*Policies*

- Novartis Code of Ethics: sets out our commitment to conduct business in a manner that respects the rights and dignity of all people.
- Novartis Human Rights Commitment Statement: sets out our commitment to implementing the UNGPs and identifies labor rights (including decent working conditions) in our own and external partner operations as one of our salient human rights issues.
- People & Organization Commitment Statement sets out our commitment to respect human rights and decent working conditions in our own operations.
- Third Party Code: sets out our commitment to ensure that external partners adhere to our human rights and decent working conditions requirements.

*Governance*

Overall executive-level accountability for implementation of our human rights program sits with the Chief Ethics Risk and Compliance (ERC) Officer, who is a member of the Executive Committee of Novartis. The Environmental Social and Governance (ESG) Committee, an executive-level body chaired by the Chief Executive Officer, has endorsed our overall approach to managing human rights, including fundamental rights and decent working conditions.

A dedicated Human Rights team sits within the global ERC function and is responsible for the implementation of Novartis human rights strategy. To further expand capability and oversight into labor rights at our external partners and to remain focused on the highest-risk suppliers and high-impact solutions, we integrated our Third Party Labor Rights team into our Human Rights team in 2023.

Novartis Norge AS work to comply with the Transparency Act is anchored in the Board and global governing documents are embedded in the organization through management and the local Board of Directors.

We welcome the right to information under the provisions of the Transparency Act. Contact information for Novartis Norge AS is available at www.novartis.no.

*Supply chain risk identification*

Our approach to labor rights risk identification and management in our supply chain, including fundamental rights and decent working conditions, is conducted through our risk based External Partner Risk Management (EPRM) framework.

The EPRM framework assigns all suppliers a high, medium, or low labor rights risk through an automated tool that is based on country labor rights risks and procurement category risks. The procurement category risk rating is based on ongoing risk monitoring of supplier business activities to determine higher risk categories from a labor and human rights perspective. The country human rights risk rating is based on our human rights country risk assessment tool classification. The risk ratings for both sources are reviewed annually.

We screen all suppliers for negative media coverage on human and labor rights risks, including modern slavery. All medium and high-risk suppliers in scope for human and labor rights assessments are required to complete a labor-rights focused Third Party Risk Questionnaire (TPQ). In addition, we initiate on-site audits in cases where heightened risks are identified. These audits are conducted by qualified internal or external subject matter experts. In cases of non-compliance with our Third Party Code (TPC) and/or local

labor laws, our investigations lead to the creation of remediation actions (Corrective and Preventive Action or CAPA).

CAPAs are monitored to track and record evidence of remediation. Enforcement actions, including termination, may be applied to suppliers that are unable to meet the requirement set out in a CAPA.

For further information on how we work with our suppliers to mitigate adverse human rights impacts, see Section C below.

*Training and capability building*

We seek to empower our employees through formal and informal training and capability-building on human rights.

- All employees are required to complete an annual training on our Code of Ethics, which includes our ethical commitment to human rights. In 2024, 98% of our employees globally completed the training.
- 97% of our employees globally completed the mandatory EPRM e-training on the importance, scope and responsibilities associated with the management of external partner risks.
- We have an active Human Rights Ambassador Network globally that meets every quarter to discuss existing and emerging human rights risks. By end of 2024, the network comprised 211 employees globally. The Norwegian Head for ERC is an ambassador in this global network and participates in these discussions.
- We conduct monthly live trainings with newly hired employees at our global headquarters in Basel, Switzerland, on human rights reaching around 400 new joiners in 2024.
- The importance of patient safety, which we take seriously, was highlighted in our latest materiality assessment. In full alignment with Novartis global policies on pharmacovigilance, all employees in Norway are trained in adverse event reporting and quality complaints. We have a medical information service for healthcare professionals and the public. We monitor all Novartis Norway social media accounts to ensure information is handled correctly.

*Grievance mechanism and remediation*

The Novartis SpeakUp Office is our confidential grievance mechanism for global and local Norwegian employees, external partners and their employees to report misconduct, including misconduct related to human rights and decent working conditions. The web-based and telephone channels are operated by an independent third party available 24 hours a day, seven days a week.

We follow a clear process to manage all allegations raised. Reported misconduct is investigated, and substantiated cases are escalated to management for appropriate action.


Complaints can also be raised with any manager or Country President, any employee of our ERC, People & Organization, Legal or Global Security teams, or any representative of the local workers council.

Our grievance mechanism is designed to be accessible and comprehensive allowing individuals to raise concerns across multiple human rights categories, including labor rights, environmental impacts and health and safety. This approach aims to streamline the process and encourage open, transparent reporting.

## B. Information regarding actual adverse impacts and significant risks of adverse impacts identified through due diligence.

Since 2017, we have assessed human rights risks across our business through in-country assessments, business-unit assessments, rapid response to hot spots, and reviews of business development and licensing deals. These measures ensure proactive risk management and alignment with international standards. For more information, visit our global human rights webpage.

**Risks identified in our own operations**

Through our ongoing due diligence and stakeholder engagement we have identified labor rights as a key human rights risk and focus area. More information can be found in our Human Rights Commitment Statement (HRCS).

**Risks identified in our supply chain**

We have identified the following potential risks for Novartis related to human rights and decent working conditions through our EPRM due diligence framework, peer collaborations, participation in industry groups, and external data sources including regular media scans. The risk areas are (in no particular order):

1. Contract manufacturing organizations
2. Labor supply with recruitment agencies
3. Facility services (catering, construction) involving informal labor
4. Packaging
5. Transport, logistics and warehouses
6. Raw materials sourced from agriculture

Risk areas 1 to 5 are well managed through our existing EPRM framework. See section C below on how we work on risk area 6 - raw materials sourced from agriculture.

Of the six categories above, transport and logistics was identified as a higher-risk category for Novartis Norge AS, including risks of low wages, long working hours, and social dumping. In 2023, we conducted a desktop review of our key supplier that provides road transport, sea freight, air freight and logistics services, and in 2024 we have continued to engage closely with the supplier through regular meetings on human rights obligations and decent working conditions. From the outcome of the desktop review, our meetings and a review of the supplier's own Transparency Act reporting, we determined that the supplier has the requisite routines and procedures in place to respect human rights.

**Grievance mechanism**

In 2024, our SpeakUp Office received a total of 1607 complaints of alleged misconduct, and no complaints were received at Novartis Norge AS in relation to human rights.

## C. Information regarding measures to cease actual adverse impacts or mitigate risks of adverse impacts, and the results or expected results of these measures.

**Measures to address supply chain risks**

*Third Party Code*

Our Third Party Code (TPC) clarifies our human rights due diligence and environmental sustainability expectations from external partners, including a clear expectation that external partners adopt the same

principles with their own suppliers. The TPC is incorporated into our standard supplier contract terms with external partners, regardless of whether the external partner is low, medium or high risk. These contractual terms give us the right to conduct an audit to monitor compliance with the TPC as well as the right to immediately terminate an agreement for non-compliance with the TPC (whether identified in an audit or otherwise).

*Supply chain risk screening & findings*

In 2024, we screened 8,029 suppliers for labor rights risks. Of these, 944 were classified as medium and high risk based on country and procurement category risks and were required to complete a labor-rights focused Third Party Questionnaire (TPQ). At 86 suppliers in 25 countries, potential exploitative labor practices related to excessive working hours, overtime, insufficient labor management systems and lack of grievance procedures were identified. In response, we initiated 302 remediation actions (CAPAs) which are being actively monitored by the Human Rights team.

In 2023, we initiated a pilot program involving direct engagement with external party workers through a digital “workers voice” platform. This approach enabled us to gain insights into labor rights at external partner sites by directly hearing from close to 7000 workers. The pilot concluded in 2024, and the responses from participants highlighted areas for improvement in our suppliers’ operations, including enhancing access to on-site grievance mechanisms, ensuring appropriate handling of identification documents, supporting worker representation and ensuring adequate overtime hours and timely payment of wages. We have been developing action plans with the suppliers to address the identified issues, including actively providing ongoing capability-building support to strengthen the suppliers’ ability to implement effective solutions based on the identified findings.

*High risk mitigation projects*

We continue to address forced labor risks in foreign migrant worker recruitment and raw materials sourcing. In 2023, we assessed 25 suppliers on their recruitment practices, focusing on fees, agency oversight, and worker protection. Most foreign migrant workers held specialist roles, reducing vulnerability. In Singapore, we identified five external partners with workers in potentially vulnerable situations. In 2024, we followed this up by conducting on-site audits at these five supplier sites, and while no major issues were found, we identified areas for improvement. These included ensuring employment contracts are available in workers' languages and addressing concerns related to overtime and weekly rest days. We are actively working with the suppliers to resolve these issues.

To address the heightened risk of forced and child labor in raw material sourcing, we introduced Raw Material Certification (RMC) as a standalone risk area within our EPRM framework, focusing on raw material suppliers to complete a targeted TPQ. Since launching the RMC risk area, we have assessed nearly 50 suppliers in 2024. This process provided valuable insights into the suppliers’ human rights policies and practices, though challenges remain in obtaining consistent and actionable data. We are now refining our approach to ensure suppliers can effectively share information. This is a long-term effort, and we remain committed to improving due diligence, supplier engagement, and the overall effectiveness of the program. We are also reassessing the scope and prioritization of raw materials to focus on those with the highest risks and opportunities for impact.