



Modern Slavery Statement 2024 - Australia, Canada, and United Kingdom



This Statement is made in accordance with *Australia's Modern Slavery Act 2018 (Cth)* (Australian MSA), *Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act 2023* (the Act), and the *United Kingdom's Modern Slavery Act 2015* (UK MSA). It covers the reporting period January 1, 2024, to December 31, 2024.

This is a joint Statement made on behalf of the Novartis entities listed in Appendix I that report under the Australian, Canadian and UK legislation cited above. Unless expressly stated otherwise, references to 'we,' 'us' and 'our' refer to Novartis as a whole, including the reporting entities listed in Appendix I and their owned and controlled entities. A table setting out how this Statement addresses the Australian, Canadian and UK legislation reporting criteria is in Appendix II.

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 includes all internationally recognized human rights, including those contained in the International Bill of Human Rights¹ and the International Labour Organization's (ILO) core labor rights conventions. We are also signatories to the United Nations Global Compact (UNGC) and report annually on our progress.

We also publicly report under [Swiss](#) legislation on child labor and under the [Norwegian Transparency Act](#). All published reports are available on our corporate website and are referred to in our [Novartis in Society Integrated Report 2024](#).

1. Business structure, operations, and supply chain

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. In 2024, our medicines reached 296 million patients around the world.

Novartis headquarters are in Basel, Switzerland. In addition, we have 197 operating sites around the world, including 33 manufacturing sites worldwide.

Novartis five organizational units represent parts of the Company along the research and development/production/commercialization continuum. These are **Biomedical Research, Development, Operations** and the two commercial units — **US and International** — which focus on their respective geographic areas. These organizational units are supported by our global functions in areas such as corporate affairs; ethics, risk and compliance; finance; legal; internal audit; people and organization; and strategy and growth.

In Australia, Canada, and the UK we procure a range of goods and services through our supply chains to support our business activities which are governed by the same global policies and procedures outlined in this Statement.

As of December 31, 2024, Novartis had a global headcount of 78 310 employees. As of the same date, our Australian reporting entities had a combined headcount of 336 employees and 69 contractors, our Canadian reporting entities had a combined headcount of 579 employees and 188 contractors, and our UK reporting entities had a combined headcount of 1 074 employees and 326 contractors.

For more information on our business structure, workforce, and operations see our [Novartis in Society Integrated Report 2024](#).

¹ Consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights.



Our supply chain

Novartis works with thousands of business partners — from suppliers to our R&D organization to wholesalers and distributors who help ensure our medicines reach patients. To reduce supply risk, we maintain multiple sources for key inputs and raw materials. Our partners are required to comply with applicable laws and regulations, as well as Novartis standards, including those for quality, ethics, environmental sustainability, and human rights. For more information, see page 46 of the [Novartis in Society Integrated Report 2024](#).

2. Identifying modern slavery risks

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

Novartis operations

Every year we conduct an internal cross-functional risk saliency exercise using the UNGPs scope, scale and remediability principles to identify our most salient human rights risks in our own operations and our value chain. Based on this assessment and ongoing due diligence of Novartis operations globally, we believe there is a low risk of modern slavery in our own operations. Our conclusion is based on assessments of relevant business units and specific markets that were classified as high risk in our human rights country risk assessment tool, which comprises 15 publicly available human rights indices.

Our supply chain

Our approach to labor rights, including modern slavery risk identification and management in our supply chain, is conducted through our 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 Actions or CAPAs). 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 details on our labor rights assessments' findings in 2024, see the *Supply chain risk screening & findings* section.

3. Addressing modern slavery risks – policies and due diligence processes

We are committed to addressing modern slavery risks in our own operations and in our 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 commitments, including modern slavery, and are binding on all Novartis employees globally. For more information on our policies see page 37 of our [Novartis in Society Integrated Report 2024](#).



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. A dedicated Human Rights team is responsible for the implementation of Novartis human rights strategy. To further expand capability and oversight into labor rights at our external partners, we integrated our Third Party Labor Rights team into our Human Rights team in 2023.

Addressing external partner risks

In 2024, key activities included enhancing our external partner labor rights due diligence and risk assessment framework and successfully piloting a project to engage directly with workers in our supply chain.

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 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 noncompliance with the TPC (whether identified in an audit or otherwise).

Our procurement contracts require external partners to comply with all applicable laws. In countries such as Australia, Canada, and the UK, these requirements are explicitly integrated into contractual agreements. In addition, our UK external partner contracts specifically require compliance with the Labour Standards Assurance System.²

Supply chain risk screening & findings

In 2024, we screened 8,029 suppliers for labor rights, including modern slavery, risks. Of these, 944 were classified as medium and high risk based on country and procurement category risks and were required to complete our labor rights 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 supply chain workers through a digital “workers voice” platform. This approach enabled us to gain insights into labor rights, including modern slavery issues, at supplier 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 actively developing action plans with the suppliers to address the identified issues, including providing ongoing capability-building support to strengthen the suppliers’ ability to implement effective solutions based on the identified findings.

Child labor due diligence

Our [Human Rights Commitment Statement](#) (HRCS) specifically commits us to respect international labor rights, including child labor. The human rights commitments enshrined in the HRCS are global and apply

² The Labour Standards Assurance System provides a mandate for labor standards in the medical supply industry. It aims to ensure that organizations produce goods and services using fair labor practices.



throughout our value chain. They include our adherence to ILO Conventions 138 and 182 and our strict prohibition of the use of child labor.³

In addition, the TPC requires our direct suppliers to prohibit child labor in their businesses and requires Novartis to investigate when we have reasonable grounds to suspect that child labor may be occurring. If any child, as defined in our TPC, is found to be working at a third-party site, the third party shall, in accordance with the provisions of the TPC, “put in place a suitable plan to support the child, which may involve removing the child from the workplace while continuing to pay salary and the cost of formal or vocational training, accommodation or other costs as necessary, to the child until adulthood.”⁴ Any remedial actions should be consistent with ILO standards and the latest best practice guidance.

For more information, see our [Novartis 2024 report on child labor due diligence in our supply chain](#).

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. 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.

Training and capability building

We seek to empower our employees through formal and informal training and capability-building on human rights, including modern slavery risks.

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, including modern slavery. By end of 2024, the network comprised 211 employees globally. The Australian, Canadian and UK heads for ERC are ambassadors in this global network and participate in these discussions.

In 2024, we updated and enhanced our internal modern slavery training, to build knowledge on how to spot risks and report potential labor rights and modern slavery violations in our own operations and

³ Novartis Human Rights Commitment Statement, “Labor Rights” section, p. 7, available at https://www.novartis.com/sites/novartis_com/files/novartis-human-rights-commitment-statement.pdf

⁴ Novartis Third Party Code, Section 2.2 “There shall be no Child Labor,” p. 5, available at https://www.novartis.com/sites/novartis_com/files/novartis-third-party-code-v-3.pdf



supply chain. The training was rolled out to all our employees in the UK, Australia and Canada with a completion rate of 95%.

We conduct monthly live trainings on human rights with newly hired employees at our global headquarters in Basel, Switzerland, including a modern slavery related case study for analysis, reaching around 400 new joiners in 2024.

Grievance mechanism and remediation

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

Complaints can also be raised with any manager or Country President, any employee of 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.

In 2024, our SpeakUp Office received a total of 1607 complaints of alleged misconduct, none of which involved allegations related to modern slavery.

4. Assessing the effectiveness of our actions

Assessing the effectiveness of our approach to preventing modern slavery helps us understand and continually improve how we identify, prevent, and mitigate relevant risks. It also helps us assess the effectiveness of our grievance and remediation processes if we identify that we have caused or contributed to modern slavery-related impacts.

Key measures we use to assess our approach include:

- The number of suppliers screened on labor rights and modern slavery issues
- The number of remediation actions (CAPAs) implemented and resolved related to labor rights and modern slavery issues
- The type of high-risk mitigation projects initiated
- The number of employees who have completed relevant training and capability building on human rights and modern slavery
- The robustness of our SpeakUp grievance mechanism including timely remediation

In 2024, we identified 302 remediation actions (CAPAs) associated with our human and labor rights standards. At the end of 2024, 88% of agreed remediation actions (CAPAs) had been remediated. The remainder (12%) were being monitored in line with their future due dates.

Supply chain performance indicators	2024	2023	2022
Actions taken			
Remediation actions with suppliers	2 615	888	1 251
Human and labor rights remediation actions	302	194	193
Human and labor rights remediation actions overdue (%)	12	n/r	n/r

n/r: previous years comparative data not reported



5. Engagement and collaboration

Novartis is engaged in several collaborative activities in the healthcare sector and across industries. In 2024, we engaged with stakeholders from civil society, investor communities and international institutions (e.g., Pharmaceutical Supply Chain Initiative and Business for Social Responsibility's Human Rights Working Group) on our approach to human rights.

In 2024, we also contributed to the 13th United Nations Forum on Business and Human Rights in Geneva, participating in an event with the Australian permanent mission to the United Nations on 'lessons from the implementation of Australia's modern slavery transparency legislation'.

We maintain a 100% response rate to inquiries received from the Business and Human Rights Resource Centre.

6. Australia-specific actions

In 2024, there were no notifications of modern slavery incidents in our local supply chains and operations. Such notifications are required under the modern slavery provisions of our standard purchase terms for goods and services.

Supplier engagement

In the past year, the Australian supplier council conducted its first supplier consultation session with a large integrated facilities management supplier identified through previous risk analysis efforts. During this session, the supplier presented their updated anti-modern slavery policies and practices, provided updates on services supplied to Novartis Australia, and shared awareness-raising materials for potential adoption by Novartis Australia.

Consultation with Australian reporting entities and their owned and controlled entities

In Australia, we consulted members of the local Novartis executive committee and the key functions supporting the two reporting entities, including Procurement, Supply Chain, ERC and Legal. This involved knowledge sharing on human rights, including modern slavery compliance activities, between employees from the Australian reporting entities and members of the global Human Rights Team. In addition, consultation was undertaken in relation to preparing this statement.

For more information related to our approach to addressing modern slavery, please contact the global Human Rights team at human.rights@novartis.com

Novartis International

Name: Klaus Moosmayer

Title: Chief Ethics, Risk and Compliance Officer

Signature:

Date:

DocuSigned by:

Klaus Moosmayer

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07-Apr-2025 | 10:02:05 AM GMT

Name: Peter Nestor

Title: Head of Human Rights

Signature:

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Peter Nestor

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Date: 22-Apr-2025 | 12:42:32 PM GMT

Australia

This Statement was approved by the board of Novartis Australia Pty Limited on behalf of the Australian MSA reporting entities listed in Appendix I.

Name: Matt Zeller

Title: Director

Signature:

Date:

DocuSigned by:

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Canada

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Novartis Pharmaceuticals Canada Inc.

Name: Mark Vineis

Title: Country President

Signature:

Date:

DocuSigned by:

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16-Apr-2025 | 6:49:44 AM EDT

United Kingdom

This Statement was approved by the board of Novartis Pharmaceuticals UK Limited on behalf of the UK MSA reporting entities listed in Appendix 1

Name: Johan Kahlstroem

Title: President and Managing Director

Signature:

Date:

DocuSigned by:

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Appendix I – Reporting Entities

This Statement is made on behalf of the following Novartis Australian, Canadian and UK legal reporting entities.

Novartis Australia Pty Limited
Novartis Pharmaceuticals Australia Pty Limited
Novartis Pharmaceuticals Canada Inc
Chinook Therapeutics, Inc.
Novartis UK Limited
Novartis UK Pension Trustees
Novartis Pharmaceuticals UK Limited
Novartis Grimsby Limited
Novartis Europharm Limited
Ziarco Group Limited
Ziarco Pharma Limited
Advanced Accelerator Applications (UK and Ireland) Limited
Neutec Pharma Ltd
Gyroscope Therapeutics Holdings PLC
Gyroscope Therapeutics Limited

Appendix II – How our Statement Addresses the Australian, Canadian and UK MSA Reporting Criteria

Australian MSA mandatory reporting criteria	Canadian MSA mandatory reporting criteria	UK MSA recommended reporting criteria	Reference in this Statement
Identify the reporting entity.	N/A	N/A	Appendix 1
Describe the reporting entity's structure, operations, and supply chains.	Describe the organization's structures, activities, and supply chains.	Organization's structure, its business, and its supply chains.	Section 1
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	Describe the parts of the organization's business and supply chains where there may be a risk of forced or child labor being used, and the steps taken to assess and manage that risk.	Parts of the organization's business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk.	Sections 2 and 6
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	Describe the organization's policies in relation to forced labor and child labor, its due diligence processes in relation to forced labor and child labor, measures taken to remediate any forced labor and child labor, training provided to the organization's	Organization's policies in relation to slavery and human trafficking; its due diligence processes in relation to slavery and human trafficking in its business and supply chains; the training about slavery and human trafficking available to its staff.	Sections 2, 3 and 6



	personnel on human rights including forced labor and child labor.		
Describe how the reporting entity assesses the effectiveness of such actions.	Describe how the entity assesses its effectiveness in ensuring that forced labor and child labor are not being used in its business and supply chains.	Organization's effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate.	Section 4
N/A	Describe any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labor or child labor in its activities and supply chains	N/A	Section 3
Describe the process of consultation with (i) any entities the reporting entity owns or controls; and (ii) for a reporting entity covered by a joint statement, the entity giving the statement.	N/A	N/A	Section 7
Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	N/A	N/A	Section 5