

SANDOZ

Human Rights Commitment Statement

**Our commitment to respect human rights, and care for people,
society, and the world we live in.**

October 2023

Ethics, Risk & Compliance

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Embracing Human Rights

In our Code of Ethics, we commit to conduct business in a manner that respects the rights and dignity of all people. With our Human Rights Commitment Statement, we provide guidelines on how we implement this commitment.

In conducting our business, we aim to ensure that all aspects, from development to commercialization, and from manufacturing to supply chain management, conform to the principles of dignity, equality and fairness. In delivering our commitments we pay special attention to the rights of vulnerable groups, including but not limited to patients, children and adolescents, migrant workers, and persons with disabilities.

We base our commitment on the International Bill of Human Rights, the Declaration on Fundamental Principles and Rights at Work by the International Labor Organization (ILO), and the ILO's Fundamental Conventions. In addition, we are guided by the United Nations' Guiding Principles on Business and Human Rights (UNGPs), the Guidelines for Multinational Enterprises by the Organization for Economic Cooperation and Development (OECD), and our industry's best practices and guidelines.

Our commitment to human rights encompasses a wide range of inter-connected elements, each contributing to the overall welfare of individuals and communities. We understand that upholding human rights is a continuous effort, and we are committed to evolving, learning, and improving our practices as a global leader in the generics and biosimilar industry.

This policy statement applies to Sandoz Group AG and all its affiliates.

Basel, October 2023

Gilbert Ghostine
Chairman of the Board of Directors

Richard Saynor
Chief Executive Officer

1. Our Human Rights Strategy

Sandoz’s human rights strategy fosters a corporate culture that respects the fundamental rights and dignity of people. Acknowledging that our operations span diverse global contexts, we seek to ensure that our business practices progressively contribute to improving the lives of people in the communities we serve. We integrate the human rights and environmental due diligence requirements into our company’s existing management systems, standards, and procedures to the greatest extent possible.

Our strategic pillars

Three fundamental pillars are guiding our strategy: Governance, Due Diligence, and Engagement.



We recognize that this commitment requires ongoing assessment, adaptation, and collaboration with relevant stakeholders, in order to align our actions with the evolving landscape of human rights standards and expectations.

1.1. Governance

This Human Rights Commitment Statement was approved by the Board of Directors. Overall accountability for implementing our human rights commitments sits with Sandoz’s Chief Ethics, Risk, and Compliance Officer. A dedicated Human Rights team within the Ethics, Risk and Compliance function is responsible for operationalizing Sandoz’s human rights strategy and program and works closely with key functions experts and relevant stakeholders across the company. Our human rights commitments are global and apply to all our operations and throughout our value chain.

1.2. Due Diligence

Through our human rights Due Diligence process, we seek to identify, assess, prevent, mitigate and report on potential and actual adverse impacts on human rights. Our process, closely aligned with the expectations set out in the UNGPs, involves a thorough review of operations, supply chains and business relationships.



1.2.1. Embedding responsible business conduct

Using the Human Rights Commitment Statement as an overarching guide, we systematically identify and review policies and procedures across our company, focusing on our human rights priority areas, and update them to ensure alignment with our human rights commitments.

1.2.2. Risk analysis

We implement a risk-based approach to identify, assess, and address potential human rights and environmental-related risks in our operations and supply chain.

We conduct risk assessment on an annual basis to identify potential risks and adverse human rights impacts in our operations and supply chain. This analysis helps us to weigh and prioritize our risks, and potential impact, implement preventive measures to avert potential risks, and take effective and appropriate remedial action for adverse human rights impacts on our operations and supply chain. We are also constantly monitoring our mitigation measures and incorporate improvements.

1.2.3. Preventive and remedial measures

Most of our efforts are focused on taking appropriate measures to prevent and mitigate potential risks to the human rights of our associates, and the employees in the supply chain.

We regularly conduct targeted human rights risk and impact assessments to understand potential and actual human rights risks and impacts in relevant parts of our business, focusing on our priority areas. We review and integrate human rights approaches into the management systems governing relevant parts of our business.

We develop training materials for our associates to understand specific human rights commitments, approaches, and systems in their daily work. Likewise, in the event of potential or actual human rights impact, we take corrective action to end, or mitigate such impact.

1.2.4. Grievance Mechanisms

At Sandoz, we offer our employees and external stakeholders a complaints procedure through which they can report misconduct, including human rights and environmental risks, as well as violations of human rights and environmental obligations arising from our operations, or our third-party operations.

The SpeakUp Office ensures that all individuals who report concerns are treated with respect, fairness, confidentiality and protected from retaliation. Investigations aim to establish all relevant facts related to the report concern and are run in a confidential and impartial manner, free from conflict of interest. For substantiated concerns the SpeakUp Office ensures that appropriate and effective remedial actions are taken to end, minimize or mitigate violations, striving to prevent future risks and violations from materializing.

1.2.5. Monitoring

Nurturing a culture of continuous improvement, we routinely revisit and enhance our human rights strategy. We consistently assess progress, pinpoint areas in need of refinement, and openly report on human rights achievements. By remaining vigilant to emerging human rights challenges, evolving best practices, and shifting societal expectations, we ensure the ongoing relevance and effectiveness of our strategy.

1.2.6. Communication and reporting

Effective communication channels are essential to keeping our associates well-informed about our company's human rights initiatives, updates, and ongoing efforts. We regularly share and present information regarding human rights issues, exemplary practices, and success stories to underscore the significance of human rights throughout the organization.

We regularly report on our human rights performance using multiple channels. These include our corporate website, annual corporate and Environmental, Social, and Governance (ESG) reports, external events, as well as various online and social media platforms.

1.3. Engagement

We engage with our peers and relevant stakeholders, listen to their concerns, and report on our progress in implementing our Human Rights Strategy.

We have a network of designated human rights champions within departments who can act as human rights ambassadors and advocates. We have established channels for employees to raise concerns, share ideas, and contribute to the company's human rights strategy.

We engage with our peers bi-laterally and through industry bodies like the Pharmaceutical Supply Chain Initiative (PSCI) and other relevant external parties, in order to advance collective action solutions to human rights challenges facing our industry.

2. Our Human Rights Priority Areas

We have identified the following areas which may involve the most relevant actual or potential adverse human rights impacts. These priorities were identified based on our ongoing human rights due diligence and engagement with internal and external stakeholders.

2.1. Healthcare Rights

Access to medicines

Our purpose of pioneering access is most crucial for our patients. We strive to create broad access to affordable medicine. Our patients are at the heart of our purpose, our values, and our ethical behavior. As healthcare challenges persist, we ensure continuous service and address the needs of our patient communities.

Promotional and non-promotional practices

We embrace responsible promotional and non-promotional practices, ensuring that our interactions have clear intent, transparent objectives, and do not interfere with the independence of healthcare professionals and other customers. We make sure that our promotional and non-promotional content is accurate, fair, balanced, truthful and not misleading, based on adequate substantiation, and consistent with the requirement and guidelines approved by relevant regulatory authorities. To learn more about our approach, check out our Professional Practices Policy (P3).

Development and registration

We conduct our scientific development and registration activities with utmost integrity, placing the health and safety of our patients at the forefront. We strictly adhere to ethical guidelines and international standards that regulate participation in, and conduct, of our clinical studies.

Safety, efficacy, and quality of our products

Our patients can trust us to provide safe and high quality medicines. We embed robust quality management and pharmacovigilance systems, while following all applicable quality and safety laws and standards.

2.2. Labour Rights

Sandoz protects associates from unfair or unethical working conditions. Sandoz operations must comply with the national laws of the country in which we operate. Where national laws and international labor rights standards differ, Sandoz will strive to comply with the higher standard. To learn more about our approach, check out P&O Guidelines. We expect our Third Parties to observe the same approach and standards, as set out in our Third Party Code.

Prohibition of slavery including forced labor and human trafficking

We strictly prohibit the use of modern slavery including all forms of forced labor or human trafficking.

Prohibition of child labor and protection of young people at work

We prohibit the use of child labor in any form, and we follow international rules on the protection of young workers. We strive to ensure that everyone who works in our operations and supply chain, regardless of location, is of legal working age, and enjoys a safe, respectful, and nurturing work environment.

A workplace free of discrimination and harassment

We value the uniqueness and diverse perspectives that each employee brings to our organization. We strive to provide equal opportunities for all employees, regardless of their race, national or ethnic minority status, ethnicity, color, age, sexual orientation, gender, gender identity or expression, social origin, disability, religion, political affiliation, union or association membership, pregnancy, marital status, family status, or any other protected category as defined by local laws. To learn more about our approach, check out our Non-Discrimination, Non-Harassment, Civility Policy.

Wherever public or private security forces are used for protection of the enterprise project, we ensure that they do not infringe on the human and labor rights of our associates.

Freedom of association and collective bargaining

We are committed to respecting our employees' rights to collectively organize, raise their concerns, and represent their interests. We respect the right of employees to freely form trade unions, seek representation, and join workers' councils of their choice, without fear of retaliation or discrimination. We respect the right of our employees to engage in collective bargaining to negotiate and secure fair terms and conditions of employment. Where the right to freedom of association and collective bargaining is restricted by law, we facilitate and do not impede the development of parallel means of independent and free association, bargaining, and grievance mechanisms.

Fair working conditions

We are committed to providing regular employment and an adequate standard of living to our employees. Our compensation scheme offers all Sandoz associates a 'living wage' which meets or exceeds the basic living costs for them and their families. Likewise, we uphold the right of men and women to receive equal pay for equal work. We have worked, and will continue to work, to reduce the gender pay gap and to provide equal pay for work of equal value, irrespective of gender.

We promote a positive work-life balance that enables our associates to thrive both professionally and personally. We encourage flexible working arrangements, such as hybrid work, flexible hours, and work-time arrangement, where feasible and appropriate.

We respect all applicable laws and agreements on working time and paid leave. We also respect the right to rest and leisure, including vacation with pay, and the right to family life.

2.3. Health and Safety, Local Communities and Environmental Compliance

We are committed to providing a safe and healthy working environment that complies with all applicable laws, regulations, and industry standards. We aim to prevent workplace injuries, illnesses, and accidents by implementing comprehensive health and safety policies, procedures, and training programs. For further information see our Health, Safety and Environment Policy.

We seek to reduce the environmental impact of our operations and products throughout their lifecycle, particularly where harm may affect the livelihoods and health of people, communities, and their land.

We adhere to the prohibition of unlawful eviction. We adopt preventive measures in our own operations to address issues including, but not limited to, climate change, pollution, water quality, management of waste, elimination, and restriction of the use of Persistent Organic Pollutants, limitation and reduction of the use of mercury in products and processes.

2.4. New Technologies, Data Protection, and Human Rights

We use data and technology in a responsible, secure, and sustainable way. We protect and take accountability for the data and technology we handle. We uphold high standards of data ethics to ensure processing is transparent, secure and respects individuals' control over their own data. Having access to the right information is instrumental to achieving our vision.

Data ethics and the responsible use of technologies, including artificial intelligence, helps us maintain trust with our people and external stakeholders, to maintain access to the kind of data we need to operate. To learn more about our privacy approach, check out our Sandoz Privacy Hub.

3. Third Parties and Supply Chain Management

We work with third parties who meet our human rights standards. Our third-party risk management system enables us to identify, prioritize and address human rights and environmental-related risks at an early stage. Before engaging with any supplier, third party or business partner through this program, we regularly monitor our suppliers as part of our business relationship to ensure that the human rights of workers in our supply chain are respected throughout the duration of the commercial agreement. In case we identify potential risks or adverse human rights impacts, we take preventive and remedial measures to prevent, stop or mitigate those risks or impacts.

We require our third parties to align with our human rights standards, as outlines in our Sandoz Third Party Code, which elaborates on human rights and environmental due diligence standards. This Code adheres to the principles of the PSCI for responsible supply chain management and is a standard element of our third-party contracts.

4. Implementation and Update

The implementation of this Human Rights Policy is integrated with appropriate operating models, policies, standards, and procedures in various management areas such as People & Organization, Procurement, Supply Chain Management, Health, Safety and Environment, and Risk Management.

In case of a perceived risk of a violation of human rights in our operations, associates are encouraged to notify us, so that we can take appropriate measures to prevent the risk, end or minimize any human rights violations. Notification can be sent through the SpeakUp office.

This Policy will be continuously updated as part of the ongoing improvement of due diligence processes, incorporating new Human Rights considerations.