

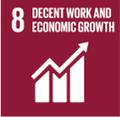
ETHICS, CULTURE, AND INTEGRITY



Concerned SDG(s): 3, 8, 9, 12

Company name: Novartis-Lek

Industry: Pharmaceuticals Emerging Markets



CHALLENGE



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Katja BABIČ

(IEDC - Bled School of Management)



Lek-Novartis has many strict rules and procedure which they have to follow. Moreover, the main challenge was in the Compliance part, how to involve legal and compliance into the Management Board. This decision was made in Slovenia. Lek-Novartis became one of the first companies where Legal and Compliance became a part of the Managerial Body. Therefore, members who represent Legal and Compliance are also Management Board members. They report directly to the CEO, to the president of the Management Board, within the legal entity. Their challenges, goals, and ambitions were how to implement Ethics, Culture, and Integrity into Management Board, and how to implement those changes in the large company. Moreover, Lek-Novartis strictly follows to four SDG's goals which are presented below.

ETHICS, CULTURE, AND INTEGRITY



PRACTICE

One of the best practices of Lek-Novartis is that they involve legal and compliance into the Management Board. Members which represents Legal and Compliance are also a part of the Management Board. They report directly to the CEO. The Management Board, whenever they have the decision-making issue, need to be focused on the risk assessment and on potential compliance-related risks and reputation. Due to the fact that they are a large firm and a very complex organisation, they try to keep up with the changes in different divisions to align new regulation and compliance. They strive to have a top-down approach and as well bottom-up to. Due to the fact that Lek-Novartis is a large enterprise, they support cross-divisional alignment on all Compliance topics - regulatory so that Lek-Novartis does not miss anything. Lek-Novartis creates responsible jobs and

constantly increase the number of employees. Moreover, Lek-Novartis highly appreciate Slovenian values.

Society nowadays has high expectations, specifically in terms that companies need to be ethical oriented and act in an ethical manner. These are expectations which are beyond what is legally required. Lek-Novartis has taken into consideration all those steps and expectations with the aim to ensure that their standards align with these expectations.

Lek-Novartis is very much oriented towards Ethics, Culture, and Integrity. For Lek-Novartis, it is a part of everyday work. This was basically the main challenge and aim which the company wants to achieve – they included legal and compliance in the Management Board.





BENEFITS²⁶



Lek-Novartis take into account the 3 SDG's "Good Health and Well-being", the 8 SDG's "Decent Work and Economic Growth", the 9 SDG's "Industry, Innovation and Infrastructure", and the 12 SDG's "Responsible Consumption and Production".

All challenges and changes with which the company is facing make Lek-Novartis more in ethics, compliance, and integrity oriented company and makes their business stronger and better. This is a strength for the business environment as well as for a better organizational climate.

²⁶The data was collected based on secondary research.



ETHICS, CULTURE, AND INTEGRITY



BENEFITS²¹

01

Lek-Novartis ensure healthy lives and promotes **well-being** for employees of all ages. With promoting well-being at the workplace Lek-Novartis meet the **3 SDG's**. The company has set some important values.

They offer a number of jobs to their employees. Lek-Novartis's associates volunteer in many initiatives across Slovenia, particularly at social institutions and in organizing activities to improve the **well-being** and inclusion of children, youth and elderly. Lek-Novartis offers opportunities for their employees to live and build their skills in an encouraging work environment and to work in safe and **healthy working conditions**. The company is taking an active part in the local communities by volunteering and engaging in philanthropic activities.

02

Lek-Novartis promotes sustainable **economic growth**, full and productive employment and decent work for all. With ensuring sustainable economic growth they meet the **8 SDG's**. Lek-Novartis became one of the most **reputable employers in Slovenia**. The company received numerous awards for their extensive and planned investments in the training and education of their associates. By producing **new jobs** and creating opportunities for the employment of young and promising professionals, **Lek-Novartis actively contributes to the development-oriented economy** in Slovenia. The company also invests in health of its employees. Lek-Novartis has an initiative "Be Healthy" based on four pillars (Move, Choose, Know and Manage) which aims to promote health among employees. Lek-Novartis seeks to create tolerate environment for their employees. They do not tolerate **discrimination**. They support a different way of thinking, leading, living, professional experience, different cultures, and they support a **global mind-set**. The company is also one of the pioneers of corporate volunteering in Slovenia.

03

Lek-Novartis builds resilient infrastructure, promotes inclusive and sustainable industrialization, and fosters **innovation**. Based on these measures they meet **9 SDG's**.

The company strives to make rational and efficient use of **natural resources**. The company considers environmental criteria when they developing **new ideas, new innovation, and new investments**. Furthermore, at Lek-Novartis, they are committed to transparent reporting of sustainability indicators of their business. The annual Sustainability report offers a comprehensive and comparable overview of various indicators and trends. In addition to the economic impacts of companies' business operations, Lek-Novartis is monitoring and measuring their societal and environmental impacts.

04

Lek-Novartis ensure sustainable consumption and production patterns with which they meet **12 SDG's**. Lek-Novartis works in a way of **Environmental Sustainability**. The active environmental policy of Lek is implemented through a number of activities to protect the environment that often goes beyond mere fulfilment of statutory provisions. Their business decisions are made in consideration of direct and indirect environmental impacts. Lek-Novartis also works towards reduction of environmental impacts during every lifecycle phase of their products. They are fully committed towards making rational use of raw materials and reduce other environmental impacts per product unit, such as improving energy efficiency, water consumption, reducing waste volumes and VOC emissions per production unit. Moreover, waste re-use and recycling are integral parts of the production of pharmaceutical ingredients. The share of recycled water, mostly reused for the cooling of processes, has also increased. Lek-Novartis also takes a **sustainable approach** to packaging development.