



NOVARTIS

**Corporate Responsibility 2016**

## TABLE OF CONTENTS

**3 WHAT WE ARE FACING**

**4 MISSION AND STRATEGY**

**5 GOOD HEALTH & WELL-BEING**

**6 INNOVATION & INFRASTRUCTURE**

**7 GOOD JOB & ECONOMY GROWTH**

**8 CLIMATE ACTIONS**

**Cover Page:** Ghanaian scientist, Edmund Ekuadzi visits the rainforest with Clifford Osafo Asare, an herbalist.



### **Growing Population:**

+1 billion by 2030



### **More Age-related Illness:**

CV and Oncology alone =  
50% all deaths



### **Increased Healthcare Spending:**

Forecast to double by 2030

## **What We Are Facing...**

The facts underlying Novartis' Corporate Responsibilities are clear – the world's population is growing and graying, boosting demand for healthcare. At the same time, the increasing cost of caring for people around the world is raising pressure on healthcare systems. Healthcare challenges are evolving as populations age and the world faces dramatic increases in chronic diseases.

The very nature of business itself is also changing, with society demanding more from companies. We have a unique opportunity to impact millions of people – as an industry, as a company, and as individuals.

In 2016, Novartis took a series of steps to strengthen its business, boost innovation, and adapt its operational structure to the fast-changing global healthcare system. These efforts are designed to strengthen our ability to reinforce our commitment to expanding access to our medicines and doing business responsibly.



## MISSION AND STRATEGY

# Doing Business Responsibly

As a leading healthcare company, we have long experience in supporting the United Nations in achieving the development goals:

### GOOD HEALTH & WELL-BEING



Improve access to our medicines for underserved populations

### GOOD JOB & ECONOMY GROWTH



Provide decent employment and promote a diverse and inclusive working environment

### INDUSTRY & INFRASTRUCTURE



Build efforts on patient care, R&D, and business skills to strengthen healthcare systems

### CLIMATE ACTION



Reduce our carbon emissions and continue minimizing our overall environmental footprint



# GOOD HEALTH & WELL-BEING

## 2016 Novartis Access Marks:

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### #3

Novartis rank in Access to Medicine Index, up one position from 2014

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### 52 M

Patients reached through access programs

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### 120,000

Number of Novartis Access treatments delivered to Kenya, Lebanon and Ethiopia since launch, each providing a one-month supply of medicine

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### 130,000

Number of worldwide patients reached by Novartis Patient Assistance Program, providing medicine to patients under financial hardship and lack of insurance



Syrian refugees ponder an uncertain future: Zakiya, with her son Waleed, age 10, in their makeshift home.

### **Social business and zero-profit models: Novartis Access**

As our most important CR issue, and one of our key focus areas, access to healthcare In late 2016, we marked the one-year anniversary of the launch of Novartis Access, which includes 15 on and off-patent medicines addressing cardiovascular diseases. It is offered to governments and customers in low- and lower-middle-income countries at a price of USD 1 per treatment per month.

# INNOVATION & INFRASTRUCTURE

## Research and Development

In 2016, we invested \$ 9 billion on R&D for new drugs and medical devices, or 18.6% of net sales.

### Drug Development

In 2016, we created a single Global Drug Development group to manage clinical development for all our therapeutic areas, ranging from checkpoint inhibitors for cancer to a peptide for heart failure to biosimilars for a variety of diseases.

By integrating our development organization, we aim to leverage our collective strength across our Innovative Medicines and Sandoz businesses.

### Infectious Diseases

The Novartis Institute for Tropical Diseases (NITD) is dedicated to finding new medicines for malaria, dengue fever, and other neglected diseases.

In October, we announced that NITD will move its operations from Singapore to Emeryville, California in the US, where it will be co-located with the infectious diseases research team of NIBR.

### Scientific Capability

In 2016, we also assisted clinical research centers in Kenya, Ghana, South Africa and Tanzania in strengthening their capabilities to conduct and manage Phase I clinical trials.

This was achieved through a multifaceted approach involving scientific exchange, infrastructure development, and educational programs.

# GOOD JOB AND ECONOMY GROWTH



## Reinforcing talent, capabilities and leadership

Novartis is fortunate to be widely recognized as an attractive employer. In 2016, we received 700,000 job applications and hired 18 000 staff, in addition to 3,750 internal moves. Staff turnover rose modestly. Voluntary turnover of all staff was 7.4% in 2016, versus 7.3% the prior year. That compares with an average 9.7% for the industry. Voluntary turnover of high performers was 5.8%, compared to 5.5% in 2015.

## Community Engagement

Our global volunteer activity takes the form of our Community Partnership Day, an initiative replicated by Novartis Group company sites every year, which provides an opportunity for associates around the world to make a difference in their local communities.

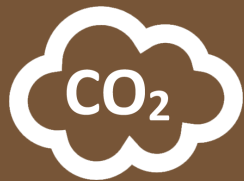
In 2016, more than 27,500 associates worldwide participated in the company's 20th annual Community Partnership Day, dedicating an estimated 220,000 hours to volunteer with charitable causes in their communities.



## CLIMATE ACTIONS

### Environmental Sustainability

Our efforts in environmental sustainability were recognize throughout 2016 in the Dow Jones Sustainability Index (DJSI) and CDP Climate and Water Scores.



We reduced our net GHG emissions by 18.7% versus 2010, with an additional net reduction by 10 kilotons (kt) in 2016.



Our total water use decreased from 91.5 million m3 in 2015 to 82.5 million m3 in 2016, as we continued to run water-saving programs at sites of high water scarcity.



Novartis has launched a Group-wide initiative on sustainable packaging, and seeks to design packaging that both minimizes environmental impact and meets all quality, functional and design requirements.



In 2016, we undertook an evaluation of the forestry project in Mali. The project sequestered 9,000 tons of CO2e and provided an additional income of 100 EUR per year per farmer.



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Novartis is a global healthcare company based in Basel, Switzerland. We provide healthcare solutions that address the evolving needs of patients and societies worldwide. Our broad portfolio includes innovative pharmaceuticals and oncology medicines, generic and biosimilar medicines and eye care devices. Novartis products are available in about 155 countries, and they reached nearly 1 billion people globally in 2016. About 123 000 people of 142 nationalities work at Novartis around the world.

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For more information, please visit [www.novartis.com](http://www.novartis.com)