Dear reader,

At Novartis, exploring new paths and improving and extending people’s lives is what we strive toward every single day.

Switzerland has always served as a key location for driving innovation at our company. It is home to our global headquarters, as well as central branches for the research, development and production of innovative drugs and therapies. By way of example, we invested approximately CHF 3.4 billion into research and development alone at our Swiss sites last year.

To ensure the success of Novartis over the long term, we are evolving into a focused medicines company. Personalized therapies, new digital technologies and strong partnerships with research institutions will be at the core of our business. This evolution is leading to changes in production: traditional production methods are becoming less relevant, while new platforms are increasing in importance. Over the next few years, for example, we are planning to invest up to CHF 90 million into a new platform for the production of cell and gene therapies in Stein, Switzerland.

This pocket-size brochure has been designed to provide you with current information about these key activities and other developments at our company in Switzerland and around the world.

We hope you enjoy the read.

Matthias Leuenberger
Country President Novartis Switzerland
Our strategic priorities

Unleash the power of our people

Deliver transformative innovation

Embrace operational excellence

Go big on data and digital

Build trust with society

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What drives us

We reimagine medicine to improve and extend people’s lives. We use innovative science and technology to address some of society’s most challenging healthcare issues. We discover and develop breakthrough treatments and find new ways to deliver them to as many people as possible. We also aim to reward those who invest their money, time and ideas in our company.

Our Commitment to Patients and Caregivers

In 2018, we adopted Group-wide principles in order to better integrate the requirements of patients and care providers into our day-to-day work. This promise represents the evolution of our patient statement from 2015, and is now the guiding principle for the company as a whole. It is the outcome of a dialog with more than 40 patient organizations representing approximately 200 million patients around the world, and is based on four pillars:

- Respecting and understanding the patient community perspective
- Expanding access to our medicines
- Conducting responsible clinical trials
- Recognizing the importance of transparency and reporting
At work worldwide, at home in Switzerland

Novartis is a global company with a strong commitment to its Swiss roots. These stretch back over 150 years. We offer medical solutions to address the changing needs of patients and societies around the world. Our core skills lie in the research and development of new medicines. Worldwide, around 130,000 people of 147 nationalities work at Novartis.

Importance of Switzerland

Switzerland is one of the most important research, production and distribution hubs of Novartis. The 13,000 or so employees who work here make an important contribution to the success of the pharmaceutical industry, which has become a stable driver of the economy in Switzerland since Novartis was established in 1996. Around 2% of the company’s total sales are generated in Switzerland.

Many international units are based in Basel, including our company headquarters and the head office of the global Innovative Medicines division. The campus is one of our most important research sites: Scientists from all over the world are engaged in research here on innovative medicines and therapies.

With the acquisition of the gene therapy company AveXis and the radiopharmaceutical company Advanced Accelerator Applications (AAA), we are increasing our presence not only worldwide, but also in Switzerland.

Our business model

Novartis focuses on innovative patent-protected medicines and generics – segments with a global reach and strong customer relations. Research and development (R&D) forms the core of our business and is a crucial part of our strategy. At the global level, our functional organizations help to increase efficiency and to promote operational excellence.
Functional organizations with a global reach

Research and development (R&D)
is divided into two organizations:

Novartis Institutes for BioMedical Research (NIBR) is the
innovation engine of Novartis. NIBR focuses on discovering
new drugs that can change the practice of medicine. _opacity p. 33

Global Drug Development organization oversees the devel-
opment of new medicines discovered by our researchers
and partners. _opacity p. 35

Novartis Technical Operations (NTO) handles manufacturing of innovative medicines and Sandoz
products. NTO helps us optimize resource allocation and
capacity planning across our production sites. _opacity p. 36

Novartis Business Services (NBS) consolidates support services across our organization, help-
ing drive efficiency, simplification, standardization and quality.

Corporate functions
support the enterprise in specific areas of expertise, including
finance, human resources, legal and communications.

Our divisions

Innovative Medicines
The division comprises two business units:

Novartis Oncology focuses on patented treatments for a
variety of cancers and rare diseases.

Novartis Pharmaceuticals focuses on patented treat-
ments in the areas of ophthalmology, immunology, hepa-
tology and dermatology, neuroscience, respiratory and
cardio-metabolic.

Sandoz offers patients and healthcare professionals high quality,
affordable generics and biosimilars.

Alcon offers one of the world’s widest selections of eye care
devices.

In 2018, Novartis announced the intention to spin off Alcon,
pending approval from shareholders and regulators. _opacity p. 10
The future of Alcon

As part of our strategy to build a leading, focused medicines company, we are planning to spin off the Alcon eye care division into a standalone company with shares in Alcon listed on the SIX Swiss Exchange (SIX) and the New York Stock Exchange (NYSE).

The planned spinoff would enable Novartis and Alcon to focus fully on their respective growth strategies. On completion of the planned spinoff, Alcon will remain committed to Switzerland. Its global headquarters will be in the canton of Geneva and it will be incorporated in the canton of Fribourg, with other important sites in Rotkreuz and Schaffhausen.

Completion of the planned transaction is subject to general market conditions, regulatory approvals, final endorsement by the Board of Directors and shareholder approval.

One of the world’s largest pharmaceutical companies

In terms of global pharmaceutical sales, Novartis is the second largest pharmaceutical company in the world.

The 10 largest pharmaceutical companies in the world
(by sales of pharmaceutical products)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Country</th>
<th>USD billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Johnson &amp; Johnson</td>
<td>USA</td>
<td>46.5</td>
</tr>
<tr>
<td>2</td>
<td>Novartis</td>
<td>Switzerland</td>
<td>44.1</td>
</tr>
<tr>
<td>3</td>
<td>Pfizer</td>
<td>USA</td>
<td>41.6</td>
</tr>
<tr>
<td>4</td>
<td>Roche</td>
<td>Switzerland</td>
<td>39.7</td>
</tr>
<tr>
<td>5</td>
<td>AbbVie</td>
<td>USA</td>
<td>35.8</td>
</tr>
<tr>
<td>6</td>
<td>Merck &amp; Co</td>
<td>USA</td>
<td>35.4</td>
</tr>
<tr>
<td>7</td>
<td>Sanofi</td>
<td>France</td>
<td>35.1</td>
</tr>
<tr>
<td>8</td>
<td>GlaxoSmithKline</td>
<td>GB</td>
<td>34.4</td>
</tr>
<tr>
<td>9</td>
<td>Gilead Sciences</td>
<td>USA</td>
<td>26.3</td>
</tr>
<tr>
<td>10</td>
<td>Lilly</td>
<td>USA</td>
<td>26.0</td>
</tr>
</tbody>
</table>

Source: IMS PADD Monthly, January 2019 (data from January – November 2018)
Procurement of goods and services

Novartis offers jobs not only directly, but also as a buyer of goods and services from suppliers, including many SMEs. Through the procurement of products and services, Novartis indirectly secures more than 58,000 jobs in Switzerland; behind each job at Novartis, there are more than four further indirect jobs. In 2018, the company placed orders worth around CHF 2.4 billion in the 26 cantons of Switzerland.

Purchases by canton

<table>
<thead>
<tr>
<th>Top 10</th>
<th>CHF million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zurich (ZH)</td>
<td>743</td>
</tr>
<tr>
<td>Basel-Stadt (BS)</td>
<td>486</td>
</tr>
<tr>
<td>Neuchâtel (NE)</td>
<td>271</td>
</tr>
<tr>
<td>Basel-Land (BL)</td>
<td>223</td>
</tr>
<tr>
<td>Aargau (AG)</td>
<td>211</td>
</tr>
<tr>
<td>Zug (ZG)</td>
<td>142</td>
</tr>
<tr>
<td>Berne (BE)</td>
<td>84</td>
</tr>
<tr>
<td>Nidwalden (NW)</td>
<td>55</td>
</tr>
<tr>
<td>Geneva (GE)</td>
<td>40</td>
</tr>
<tr>
<td>Vaud (VD)</td>
<td>29</td>
</tr>
</tbody>
</table>

Facts and figures 2018

Employees

- 13,000 in Switzerland
- 130,000 worldwide

Sales

- CHF 0.8 bn in Switzerland
- CHF 50.7 bn worldwide

Current income taxes

- 10% in Switzerland
- 2% worldwide
- CHF 0.7 bn
- 39% worldwide
- CHF 1.8 bn

Research and development

- CHF 3.4 bn in Switzerland
- CHF 8.9 bn worldwide

Investment in property, plant, and equipment

- 38% in Switzerland
- 12% worldwide
- CHF 0.2 bn
- CHF 1.7 bn worldwide
**Sites in Switzerland**

1. **Basel (BS)**
   - Company headquarters
   - Head office of Innovative Medicines Division
   - Research and development
   - Production

2. **Schweizerhalle (BL)**
   - Production

3. **Stein (AG)**
   - Production

4. **Schaffhausen (SH)**
   - Alcon Grieshaber*

5. **Zurich (ZH)**
   - AveXis

6. **Rotkreuz (ZG)**
   - Head office of Swiss business units
     - Innovative Medicines
     - Sandoz
     - Alcon*

7. **Fribourg (FR)**
   - Alcon Pharmaceuticals*

8. **Geneva (GE)**
   - Advanced Accelerator Applications (AAA)
   - Alcon Management*

9. **Locarno (TI)**
   - Novartis Pharmanalytica

*In 2018, Novartis announced the intention to spin off Alcon, pending approval from shareholders and regulators.
Location profiles

Basel St. Johann (BS)  
Novartis Campus

The Basel site is home to the global headquarters of Novartis. The Novartis Campus is an ultramodern center for research, development and management, where work takes place across divisions and teams. Forward-looking laboratory models and office landscapes with diverse work and encounter zones now shape the character of this former industrial complex.

Schweizerhalle (BL)  
Production

Products have been produced at Schweizerhalle since the end of the 1930s. Novartis produces active pharmaceutical ingredients and intermediate products here for around 25 medicines. These are produced in technically complex special systems using state-of-the-art laboratory technologies and released for further processing.
Stein (AG)
Production

Stein, about 30 kilometers up the Rhine from Basel, is a strategically important site for the manufacturing and launch of innovative medicines. Two pharmaceutical manufacturing facilities for solid and sterile dosage forms are located here. Each year, more than 2 billion tablets, capsules, ampoules, prefilled syringes, vials and autoinjectors are manufactured, inspected, packaged and shipped from the Stein site to more than 150 different countries.

A biotechnology center is also under construction, which will supply patients in Europe with personalized cell and gene therapies from 2020.

Rotkreuz (ZG)
Head office of Swiss business units

Employees of the Swiss business units share a modern office building in Rotkreuz.

Novartis Pharma Schweiz
Novartis Pharmaceuticals is responsible for the marketing of around 80 prescription medicines in Switzerland. The most important therapeutic areas include neurology, immunology, dermatology, ophthalmology, cardiology and respiratory disorders.

Novartis Oncology markets more than 20 prescription medicines in Switzerland in the fields of oncology, hematology and rare diseases.

Sandoz Pharmaceuticals is one of the leading generics producers in Switzerland. The product portfolio includes more than 200 products in around 1,000 different dosage strengths and pack sizes and covers all the major indication areas. Sandoz is also a pioneer in biosimilars.

Alcon is a global market leader in the field of eye care and markets pharmaceuticals, medical products, such as lens implants, surgical equipment and instruments, and contact lenses and contact lens care products.
**Locarno (TI)**

**Pharmanalytica**

Analytical tests are performed on more than 110 Novartis products at the Locarno site. Pharmanalytica’s responsibilities include performing stability tests and specific release tests for Novartis products, writing stability reports, storing stability samples in climate chambers and developing new analytical methods.

Locarno handles the implementation of new analytical technologies at Novartis as well as the inspection and analysis of potential duplicate or counterfeit products.

**Working at Novartis**

The greatest strength of Novartis is our people, whose diversity, energy and creativity are crucial to our success.

**Our culture**

We strive to unleash the power of our people and we cultivate a company culture that is inspired, curious and unbossed.

**Our values**

Our six values underpin our company culture. They help guide us in our recruitment processes, employee development programs, and individual performance appraisals.

- Innovation
- Quality
- Collaboration
- Performance
- Courage
- Integrity
Novartis employees in Switzerland

13,000 employees work in Switzerland.

Employees’ place of residence

- **SWITZERLAND**
  - 68% are Swiss nationals.

- **FRANCE**
  - 17%

- **GERMANY**
  - 15%

460 employees deal with the Swiss market. 74% of them are Swiss.

- 12% of employees work part time.

Starting a career

Talented, engaged and responsible young people are our future. We therefore offer people starting out on their career diverse opportunities for development. Current vacancies are regularly advertised on our careers portal: www.novartis.com/career

Students and university graduates

For our core business, we look in particular for students and university graduates in the fields of natural science, medicine and engineering. However, we also require specialists in the fields of economics, law, psychology and social sciences who are interested in starting their career at Novartis.

Internships are available at every stage of academic training and are offered to:

- Prospective students
- Bachelor’s degree students
- Master’s degree students
- Graduates
- MBA students
- Postdocs

As part of its restructuring efforts, Novartis plans to cut an estimated 2,150 jobs in production and internal services in Switzerland by 2022. At the same time, it is aiming to create up to 450 highly qualified positions for the new European center for cell and gene therapies at the company’s site in Stein.
Vocational training

Around 90 trainees start an apprenticeship at Novartis each year. Altogether, Novartis trains around 280 apprentices at any given time. The main focus of this training lies in research and development and production. We provide trainees with knowledge and skills in the following occupations:

• Laboratory technician in biology
• Laboratory technician in chemistry
• Chemical and pharmaceutical technician
• Automation engineer
• Office assistant
• Electronics engineer
• Computer scientist
• Commercial assistant
• Logistician
• Polymechanic

The path to a new medicine

Each treatment begins as an idea, which is incubated, refined and tested – first in the laboratory and later in the clinic – over many years. Our researchers advance promising ideas from a variety of internal and external sources, focusing on projects with the potential to significantly improve or extend lives.
Our medicine

20 – 100 healthy volunteers and/or patients

100 – 500 patients

1,000 – 5,000 patients

Phase I and PoC (Proof of Concept)

Phase II

Phase III

Submission

Review by regulatory authority

Phase IV

Post-marketing surveillance and research

Manufacturing

Target selection

Drug research and design

Preclinical research

Investigational New Drug (IND) Application submitted

New Drug Application/ Biologics License Application submitted

Approval of a new medicine 10 – 15 years

>10,000 Compounds

<250 Compounds

<5 Compounds

Discovery

Clinical trials

Evaluation

Post-approval
Reimagining medicine

Focusing our company

Surging innovation in medical science and technology is driving exciting advances in healthcare. At the same time, the world’s population continues to grow and people are living longer, fueling a rise in chronic diseases. These trends heighten the importance of delivering true innovation that produces better health outcomes for patients and society – and with more efficiency. That is why we are taking important steps to focus our portfolio to remain a leading medicines company. In 2018, we strengthened our operations, expanded our therapeutic platforms and accelerated our push into the data and digital healthcare space. Together, these steps are set to increase our ability to develop breakthrough therapies.

Data science and digital technologies

In R&D, we are using digital technologies and data analytics to help find new drugs and bring them to patients more quickly. For instance, we are using artificial intelligence to improve the way we plan and run our development operations, including clinical trials of experimental treatments. A new system called Nerve Live uses predictive analytics to more effectively plan and run clinical trials. It includes a control room located on Basel Campus that receives real-time updates on all ongoing trials to direct actions in support of our global teams.

New technology platforms

The rise of digital therapeutics illustrates that medicines now take different forms from conventional pills and injections. Last year, we made significant investments in several new technology platforms and advanced our portfolio of cell and gene therapies.

With the acquisition of the gene therapy company AveXis and the radiopharmaceutical company Advanced Accelerator Applications (AAA), we are increasing our presence not only worldwide, but also in Switzerland.
Therapeutic areas

We develop and produce innovative medicines to address patient needs in disease areas where our experience and knowledge has the potential to produce transformative treatments. With 20 major approvals in key markets and 20 major submissions, we made significant progress in 2018.

In **oncology and hematology**, we offer and are engaged in research on treatment options for various cancers affecting, for example, the breast, skin, lung, kidney, or parts of the blood and bone marrow. A particularly innovative development is CAR-T (chimeric antigen receptor-modified T-cells) therapy, in which the T-cells of the patient are selectively reprogrammed to recognize cancer cells and destroy them.

In **immunology and dermatology**, our main focus is on the treatment of psoriasis and chronic rheumatic diseases (psoriatic arthritis, ankylosing spondylitis).

In **respiratory diseases**, we have an established portfolio for the treatment of chronic obstructive pulmonary disease (COPD) and allergic asthma.

In **cardiovascular diseases**, our focus is on patients who suffer from heart failure or have had a heart attack.

In **neurology**, we are occupied above all with the treatment of multiple sclerosis and migraine.

In the **eye-care** division, we offer treatment options for patients with retinal diseases and increased intraocular pressure, amongst other things.

In **infectious diseases**, we focus on innovative therapies to combat malaria.
Research and development

Our pipeline contains more than 200 projects in different phases of clinical development, including potential new products and additional indications or new formulations for established products. In the next few years, we plan to launch a substantial number of new products worldwide.

Switzerland is a key location for Novartis research and development. In 2018, we invested a total of CHF 3.4 billion in this country. To expand our scientific expertise and capacity for innovation, Novartis sets great store by partnerships with companies and universities. Together with the University of Basel and University Hospital Basel, Novartis founded the Institute of Molecular and Clinical Ophthalmology Basel (IOB) with the aim of advancing both basic research and clinical research in the field of ophthalmology.

Research in Switzerland

**Novartis Institutes for BioMedical Research**

The Novartis Institutes for BioMedical Research (NIBR) is the innovation engine of Novartis, collaborating across scientific and organizational boundaries, and use powerful new technologies that have the potential to help produce therapeutic breakthroughs for patients. The Basel site is one of NIBR’s key research locations globally and is home to more than 2,200, or one third, of NIBR’s scientists, physicians and business professionals. Research in Basel uses pioneering methods and cutting-edge technology to achieve breakthroughs in areas such as the treatment of musculoskeletal disorders, cancer, and diseases of the skin and immune system. With its global organization, NIBR maintains more than 300 partnerships with universities and private research institutions throughout the world.

**In Switzerland our key partners are:**

- Paul Scherer Institute
- University of Basel
- University Hospital Basel
- University of Berne
- University of Zurich
- University Hospital Zurich
- Swiss Federal Institute of Technology Zurich
- Swiss Federal Institute of Technology Lausanne
- University of Applied Sciences, Northwestern Switzerland (FHNW)
- Friedrich Miescher Institute for Biomedical Research (FMI)
Friedrich Miescher Institute for Biomedical Research
The Friedrich Miescher Institute for Biomedical Research (FMI), which was established in Basel as a foundation in 1970, conducts basic research in the field of biomedicine and employs around 330 people. The world-renowned institute uses the latest technology to look into the underlying molecular mechanisms of cells and organisms involved in health and disease.

The institute focuses on quantitative biology, epigenetics and neurobiology. Through its association with the Novartis Institutes for BioMedical Research and the University of Basel, the foundation is at the interface between academic research and biomedical practice.

Development of breakthrough medicines
The Global Drug Development (GDD) organization oversees the development of new medicines discovered by our researchers and partners. GDD regularly evaluates potential new products in our pipeline and ensures we allocate resources to the most promising development projects. It also drives the adoption of common standards and procedures, best practices and new technologies, with the aim of greater efficiency and effectiveness.

TRIALS involving around 890 patients were conducted by Novartis in Switzerland in 2018.
Excellence in manufacturing

Novartis Technical Operations (NTO) plays a critical role in driving business growth and performance. With a global network of over 60 sites, we manufacture high quality, cost-effective products, and ensure they are delivered on time, every time, safely and efficiently. In total, we supply around 70 billion units to 150 countries every year.

Our aspiration is to be the leading manufacturer in the industry. We continuously look for new and innovative solutions to reimagine manufacturing.

Our continuous manufacturing technique in Basel is the first in the industry to integrate all steps of chemical and pharmaceutical production in one location. Our site in Stein will continue to be a key launch site, and we are establishing a sophisticated production facility there for innovative cell and gene therapies. The first of these are scheduled to be available to patients in Europe and Switzerland at the start of 2020.

Supporting science

Novartis School Lab

The Novartis School Lab is an open laboratory with modern furnishings located at the heart of the Novartis site in Basel. School classes from all over Switzerland and neighboring countries can take advantage of the laboratory to perform experiments relating to chemistry, biology and medicine in an industrial research environment.

Opened in 1993, the Novartis School Lab was the first facility of its kind in Switzerland. Since its founding, the educational establishment has welcomed around 4,000 school pupils each year, providing them with gripping insights into what it is like to think and work in a scientific setting.
Our responsibility

In the world of science, many key breakthroughs occur not by setting strict targets, but due to the pioneering spirit of people who are able to give their creativity free rein. Despite this, there is little room for unconventional thoughts and actions in today’s research funding programs. This is why the Novartis Research Foundation has set up the FreeNovation program to support unorthodox project proposals. It is designed for researchers in Switzerland who are rarely given a chance to explore their scientific problems and solutions within the confines of conventional funding schemes.

Supporting research in this way is unique in the Swiss life sciences sector. Through this program, Novartis is aiming to encourage unconventional thought and boost Switzerland’s attractiveness as a research location.

FreeNovation

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Our contribution to the environment and society

Novartis seeks to tackle some of the world’s greatest healthcare challenges. A key part of this effort is to expand access to healthcare worldwide and to do business responsibly.

Expanding access to healthcare

Novartis has a long-standing commitment to access to healthcare, and we have been pioneering innovative access models for more than two decades. In 2018, our access programs reached 24 million patients globally.

We realize, however, that a bolder and more systematic approach is necessary to maximize impact. In late 2017, we therefore decided to establish the Novartis Access Principles to systematically integrate access strategies into how we research, develop and deliver our new medicines globally.

These strategies include adopting innovative pricing and access models, refocusing research and development based on society’s healthcare needs, and supporting approaches to strengthen healthcare systems.
Novartis Access
Every year more than 30 million people in developing countries die of noncommunicable diseases. To help cope with this challenge, as part of our Novartis Access program launched in 2015, we provide a portfolio of 15 products to governments, NGOs and other healthcare providers in the public sector for USD 1 per treatment per month.

In addition to providing affordable products, Novartis Access works with partners on the ground to improve prevention and diagnostic capability.

Since the start of the program, we have delivered more than 3 million monthly treatments in five countries.

Novartis Healthy Family
With this program, we have set ourselves the goal of promoting health education and access to medical care in developing countries. In 2018, we reached 7.8 million people in India, Kenya and Vietnam through health education sessions. More than 700,000 people attended specific health camps.

Novartis Malaria Initiative
Over the last 20 years, the Novartis Malaria Initiative has played a pioneering role in helping fight malaria. Since 2001, we have cooperated with various organizations to provide nearly 900 million treatments – including 370 million pediatric treatments – to patients with malaria without profit, thereby helping to substantially reduce the burden of malaria. Last year, we reached more than 20 million patients with this program.
Novartis Foundation
The Novartis Foundation works with global partners, including the University of Basel and the Swiss Tropical and Public Health Institute, to strengthen healthcare systems and improve access to healthcare in low-income communities.

Hypertension and urban health
Our Community-based Hypertension Improvement Project (ComHIP) and our telemedicine program in Ghana employ innovative strategies to treat non-infectious diseases using digital tools and novel service approaches localized to the patient’s surroundings, e.g. taking blood pressure measurements in shops or at a hair salon. The latest results of the ComHIP study demonstrate the value of community services: Among patients who took part in the program for 12 months, the number of those participants whose hypertension was monitored rose from 36% to 71%. Established by the Ghana Ministry of Health, the telemedicine program currently has seven centers around the country. The aim is to expand this to ensure nationwide coverage by 2019.

Leprosy
Novartis and the Foundation have worked for 30 years to eliminate leprosy, reaching 16 million patients worldwide with free multidrug therapy, donated by Novartis. Now, as a founding member of the Global Partnership for Zero Leprosy, we work to interrupt transmission – and the annual 200,000 newly diagnosed cases – through coordinating action for researching new tools and interventions to improve early diagnosis.

Doing business responsibly
Over the past years, Novartis has developed, tested and applied a methodology for valuing the financial, environmental and social (FES) impact its business activities have on society. The results are intended to reflect our social value beyond financial performance, taking into account benefits and costs to society in monetary terms. Our impact valuation, which was co-developed with external partners, builds on a True Value approach. A full explanation of the evolving methodology can be found in the 2018 Novartis in Society Report.

According to the FES impact valuation, our activities contributed USD 22.7 billion to the Swiss economy in 2017. Our social impact – including employee development and occupational safety – was valued at USD 522 million. At the same time, we are taking steps to minimize our negative environmental impact, as measured by the carbon, water and waste impacts of our operations and supply chain, which was valued at USD 115 million for 2017.
Health
A decent work atmosphere and the health and well-being of our associates are paramount. In 2018 we launched Energized for Life, a new global initiative that aims to ignite everyone at Novartis to be their best self every day and everywhere. The holistic approach consists of four core strategies to help everyone manage their energy levels through the right choices around mindset, nutrition, movement, and recovery.

Safety
In line with our SIF (Severe Injuries and Fatalities) program, all accidents and incidents are investigated with the aim of preventing potentially serious accidents in the future. The program sets out around 10 different hazards/fields of activity, including ‘working at heights’ and ‘handling hazardous energy sources’. In the new guidelines and provisions, dealing with these hazards will be treated as part of the safety management system.

In 2018, the accident rate in Switzerland stood at 0.13 occupational accidents and diseases resulting in an absence of one day or longer for Novartis associates and loan staff from third-party companies. We recorded 15 occupational accidents, resulting in a total of 66 days of absence.

Environment
Energy and greenhouse gas emissions
Our goal is to achieve a 30% reduction in our global greenhouse gas emissions by 2020, and a 50% reduction by 2030. In Switzerland, we are supporting these objectives by constructing new, energy-efficient buildings, increasing our use of district heating and not least changing the way energy is consumed.

Since 2013, the energy consumption of Novartis in Switzerland has fallen by around 24%. While the impact of new buildings is reflected in the reduced level of heating used, amongst other things, we are only seeing a slight reduction in electricity consumption. The savings resulting from the above-mentioned measures are almost canceled out by the increased use of IT and growing automation in the laboratory.
Waste
Reducing the overall volume of waste is one of the key environmental objectives of Novartis. Many measures are therefore aimed at either reducing the generation of waste or recycling as much waste as possible.

The volume of hazardous waste generated depends heavily on the production processes used. In Switzerland, it has been reduced by 25% over the last five years.

Municipal waste accounts for only 11–14% of the total waste volume. Here too, there is a marked downward trend. In the last five years, the specific volume of municipal waste has also fallen by 20%.

Sponsoring and donations
With its Sponsoring and Donations, Novartis engages in various initiatives and projects in humanitarian emergency relief, social affairs and the fostering of culture and sports. The main focus of this support is on activities that are either related to our business interests or in close geographic proximity to the company sites of Novartis.

Fostering social affairs
In the social sphere, institutions and initiatives that help disadvantaged people are sponsored in a variety of ways. For example, Novartis makes substantial contributions to local charitable organizations, neighborhood meeting points, soup kitchens and contact centers for parents, children and juveniles.

Engagement in local communities
The annual Community Partnership Day is an opportunity for Novartis associates to spend a day working on a local, charitable project. In 2018, more than 23,900 associates worldwide got involved, including 2,900 in Switzerland.
Sponsoring culture

In the area of culture, Novartis cultivates long-standing partnerships with well-known institutions, such as the Fondation Beyeler, Kunstmuseum Basel, and the Kunsthaus Baselland, as well as with the Basel Museumsnacht and the Theater Basel. Novartis is also a principal sponsor of the Baloise Session.

Sponsoring sports

In the field of sports, Novartis serves as the main sponsor of FC Basel and the basketball team Starwings Basket Regio Basel. In central Switzerland, Novartis is the Official Health Care Partner of the EV Zug hockey team. We also support the junior sections of various football clubs in the Basel region as well as various running sports events.