U NOVARTIS

ESG Index: Access to medicines

Our approach and targets

Improving access to medicines remains one of the world's greatest healthcare challenges. At Novartis, we know that building trust with society depends not only on finding new treatments but also on making them available to as many people as possible.

Through the Novartis Access Principles, we seek to expand access to our medicines to underserved patient populations in both developed and developing countries, while addressing major global health challenges, and we have set robust targets to reinforce our commitments. We aim to implement an access strategy for all new medicines launched. These strategies include innovative pricing and access models, earlier launches in low-and middle-income countries (LMICs), and approaches to strengthen healthcare systems.

In 2020, Novartis committed to increase patient reach with our strategic innovative therapies in LMICs by at least 200% by 2025 (vs. 2019). In addition, we aim to increase patient reach of our four global health flagship programs (malaria, leprosy, Chagas disease, sickle cell disease) in LMICs by at least 50% over the same period. To reinforce our commitment to these targets, we issued a EUR 1.85 billion sustainability-linked bond in 2020. Bondholders are entitled to receive a higher amount of interest if Novartis does not meet its access targets.

We report on our progress against these targets in the Sustainability-linked Bond Progress Report available in the <u>Reporting and transparency hub</u>.

Research and development (R&D)

We systematically assess our R&D portfolio against the unmet needs of underserved populations, as we aim to integrate access considerations and generate evidence for diverse population groups into the development process. We anticipate potential access barriers and enablers for our investigational medicines in both developed and developing markets early in the development process.

Relevant links and disclosures

- Progress (PDF 5.0 MB)
- Research & Development
- Position on Access to Medicines (PDF 0.2 MB)
- <u>Patents and Licensing</u>
- Position on Post-Trial Access (PDF 0.2 MB)
- Position on Medicines for Patients with Rare Diseases (PDF 0.1 MB)
- Position on Pre-Approval Access to Novartis Products through Novartis Managed Access Programs
 (MAPs) (PDF 0.2 MB)

Affordability and pricing

We use a combination of approaches to help patients across the income pyramid access our medicines. We

seek to price our medicines based on the value they deliver to patients, healthcare systems and society. We aim to implement tiered pricing for launches of innovative medicines, taking into account income levels, local affordability barriers and economic realities, while maintaining the sustainability of our business. We also make our medicines available through specific patient support programs, as well as managed access (also known as compassionate use) programs.

Relevant links and disclosures

- Affordability
- Position on value-based healthcare (PDF 0.2 MB)
- Creating sustainable business model

Other information

- Managerial responsibility for value-based programs
 - The relevant members of the Executive Committee of Novartis review access strategies for all launches, including value-based programs, before their implementation.
- Pricing transparency in developed and developing markets
 - For the US, the manufacturer list price (Wholesaler Acquisition Cost) is published in the Red Book, and updated every year, including annual price increases. For other countries, if reimbursed, the list price is published in the official gazette, as well as on the authority/agency's website (e.g., G-BA in Germany, AIFA in Italy, and NICE in the England) according to local rules and regulations.
- Products covered by equitable pricing policies, including number of products and proportion of products for diseases in scope
 - Access to Medicine 2024 Novartis Report Card

Health systems strengthening

A medicine is only as good as the system that delivers it. Improving access to healthcare requires long-term investments in healthcare infrastructure. We therefore seek opportunities to lower local barriers to healthcare delivery, working in collaboration with governments and other partners to support quality patient care in areas where we can have the greatest impact.

Relevant links and disclosures

• Novartis health system strengthening framework

Global health and neglected diseases

Our work on global health is aligned with our overall efforts to expand access to our medicines. We follow an integrated approach for the control or elimination of four diseases where there has been market failure and little investment in research and development: malaria, leprosy, Chagas disease, and sickle cell disease.

2/3

Relevant links and disclosures

- Global Health
- Sickle cell disease
- <u>Chagas disease</u>
- <u>Malaria</u>
- Leprosy
- <u>Other neglected and infectious diseases</u>

<u>Novartis Foundation</u>

Intellectual Property

Society relies on the biopharmaceutical industry to develop and provide new medicines. Novartis seeks patent protection for new chemical entities and new biologics in countries where patents play, or are expected to play, a significant role in helping to generate the global returns needed to sustain the R&D cycle, and/or to support the local investments necessary to successfully launch and deliver our medicines to the patients who need them.

Relevant links and disclosures

- <u>Position on Intellectual Property (PDF 0.3 MB)</u>, which includes our support of the Agreement on Trade Related Aspects of Intellectual Property (TRIPS)
- Position on regulatory data protection (PDF 0.2 MB)
- Position on innovative Biologic Medicines and Biosimilars (PDF 0.1 MB)
- Patents and licensing

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List of links present in page

- 1. https://prod1.novartis.com/esg/index/access-medicines
- 2. https://prod1.novartis.com/investors/reporting-and-transparency-hub
- 3. https://prod1.novartis.com/sites/novartis_com/files/novartis-integrated-report-2024.pdf#page=40
- 4. https://prod1.novartis.com/esg/access/novartis-access-principles/research-development
- 5. https://prod1.novartis.com/sites/novartis_com/files/access-to-healthcare-perspective.pdf
- 6. https://prod1.novartis.com/esg/access/patents-and-licensing
- 7. https://prod1.novartis.com/sites/novartis_com/files/novartis-position-on-post-trial-access.pdf
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- 10. https://prod1.novartis.com/esg/access/novartis-access-principles/affordability
- 11. https://prod1.novartis.com/sites/novartis_com/files/novartis-position-on-value-based-healthcare.pdf
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- 13. https://accesstomedicinefoundation.org/company/novartis-ag
- 14. https://prod1.novartis.com/esg/access/novartis-access-principles/strengthening-healthcare-systems
- 15. https://prod1.novartis.com/esg/global-health
- 16. https://prod1.novartis.com/diseases/sickle-cell-disease
- 17. https://prod1.novartis.com/diseases/chagas-disease
- 18. https://prod1.novartis.com/diseases/malaria
- 19. https://prod1.novartis.com/diseases/leprosy
- 20. https://prod1.novartis.com/research-and-development/research-disease-areas/global-health-disease-area-research-novartis
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