

# ESG Index: Environmental sustainability

## Our approach and targets

Our commitment to environmental sustainability is an important part of how we build trust with society and is aligned with our purpose. Unless we can operate sustainably, our efforts to improve and extend people's lives may be compromised by our environmental impact.

In our own operations, we continue to reduce our impacts from greenhouse gas (GHG) emissions, water consumption and waste sent for disposal on the environment. We are integrating environmental sustainability criteria in supply contracts (aiming to complete this by 2025) and are engaging with suppliers on defining the actions needed to achieve emission reductions. In 2023, we introduced the Environmental Sustainability Supplier Playbook, designed to provide comprehensive guidance to our suppliers on transitioning to sustainable business models.

In July 2024, the Science Based Targets initiative (SBTi) approved the near and long-term science-based emission reduction targets of Novartis. In accordance with the SBTi Corporate Net-Zero standard, we are evolving our existing 2030 carbon neutrality target into an absolute greenhouse gas emissions reduction target, and aiming for net-zero greenhouse gas emissions by 2040. Our strategy is consistent with limiting global warming to 1.5°C above pre-industrial levels, and in line with the goals of the Paris Agreement. To accelerate progress across the pharmaceutical sector and other industries, we work closely with organizations such as the Pharmaceutical Environmental Group (PEG), the World Business Council for Sustainable Development (WBCSD), the Sustainable Markets Initiative (SMI) and the Pharmaceutical Supply Chain Initiative (PSCI).

### Relevant links and disclosures

- [Progress \(PDF 5.0 MB\)](#)
- [Environmental sustainability](#)
- [Novartis Environmental Sustainability Strategy \(PDF 16.3 MB\)](#)
- [Our targets](#)
- [Novartis Health, Safety and Environment Policy \(PDF 0.4 MB\)](#)

## Climate

Novartis is committed to using resources efficiently and reducing greenhouse gas (GHG) emissions, with an ambition to make the company increasingly energy and climate resilient. In July 2024, the Science Based Targets initiative (SBTi) validated the near and long-term science-based emissions reduction targets of Novartis, aiming for net-zero carbon emissions by 2040. Our strategy is hence consistent with limiting global warming to 1.5°C above pre-industrial levels, and hence in line with the goals of the Paris Agreement.

Due to our relatively low impact from emissions to air, SO<sub>x</sub> (< 2 t in 2024) and NO<sub>x</sub> (< 100 t in 2024) emissions are not a focus area of our environmental strategy. We expect further decreases in these emissions as a byproduct of our climate change/emissions mitigation efforts, as a result of: a) energy efficiency projects that lower heat demand from our buildings; b) technology changes and process optimizations which reduce our overall energy demand; c) switching to renewable energy solutions to reduce dependence on fossil fuels (e.g.

renewable electricity powered heat pump, electric boiler).

#### Relevant links and disclosures

- [Progress \(PDF 5.0 MB\)](#)
- [Climate](#)
- [Novartis Environmental Sustainability Strategy \(PDF 16.3 MB\)](#)
- [Novartis Environmental Sustainability Criteria for Suppliers \(PDF 0.2 MB\)](#)

## Nature - Water

Health and water are closely interconnected. For Novartis, responsible water management means using water efficiently and safely throughout the lifecycle of our products, including in our supply chain, and avoiding potential risks related to pharmaceuticals reaching the natural environment. We aim to be a water steward wherever we operate, working to achieve water sustainability and helping ensure sufficient and safe water.

#### Relevant links and disclosures

- [Progress \(PDF 5.0 MB\)](#)
- [Novartis Environmental Sustainability Strategy \(PDF 16.3 MB\)](#)
- [Nature - Water](#)
- [Novartis Environmental Sustainability Criteria for Suppliers \(PDF 0.2 MB\)](#)
- [Position on Pharmaceuticals in the Environment \(PDF 0.2 MB\)](#)

## Nature - Waste

Novartis is committed to keep the environmental impact from waste at a minimum and follows a clear waste management strategy. The aim is to prevent, reduce, recycle or use waste as an energy source, before selecting safe disposal as an option. Waste prevention and reduction is always preferred to treatment, incineration or disposal. This helps ensure the overall environmental impact related to waste remains minimal, while energy use from waste is maximized. One of our waste targets is to eliminate the use of polyvinyl chloride (PVC), a long-lasting plastic, in secondary and tertiary packaging at Novartis sites by 2025.

#### Relevant links and disclosures

- [Progress \(PDF 5.0 MB\)](#)
- [Novartis Environmental Sustainability Strategy \(PDF 16.3 MB\)](#)
- [Nature - Waste](#)
- [Novartis Environmental Sustainability Criteria for Suppliers \(PDF 0.2 MB\)](#)
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