

Targets

We have introduced management targets and aspirations covering environmental, social and governance (ESG) topics, in alignment with our company-level priority of building trust with society. The topics covered include innovation and access to medicines, environmental sustainability, and human capital.

We report on our progress against targets in the Novartis in Society Integrated Report and the Sustainability-linked Bond Progress Report available in the [Reporting and transparency hub](#). Progress on our target related to investment in R&D can be found in the [ESG Index: Innovation](#).

- [Innovation and access](#)
 - [Environmental sustainability](#)
 - [Human capital](#)
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- Implement a global access strategy for all new medicines launched¹
 - Increase the number of patients reached with strategic innovative therapies in LMICs by at least 200% by 2025 (compared with 2019 base year)²
 - Increase the number of patients reached with Novartis flagship programs in LMICs by at least 50% by 2025 (compared with 2019 base year)³
 - Invest USD 250 million to advance R&D for neglected tropical diseases (NTDs) and malaria (over five years from 2021)

We have reframed our environmental sustainability strategy to reflect two pillars: climate and nature. The Nature pillar covers our existing commitments on water and waste.

Climate targets

- Become carbon neutral in our own operations by 2025 (Scope 1 and 2 GHG emissions from energy)
- Include environmental criteria in all supplier contracts by 2025
- Reduce absolute Scope 1 and 2 GHG emissions by 90% from a 2022 base year by 2030⁴
- Reduce absolute scope 3 GHG emissions by 42% from a 2022 base year by 2030⁵
- Achieve net-zero GHG emissions (90% reduction) across our value chain from a 2022 base year by 2040

[Learn more about our efforts to reduce our impacts on climate](#)

Nature targets - Water⁶

- Reduce water consumption in our operations by half from a 2016 base year by 2025⁷
- No water quality impacts from manufacturing effluents by 2025 (from own manufacturing sites and high-risk suppliers⁸)⁹
- No water quality impacts from manufacturing effluents by 2030 (from own manufacturing sites, labs and all suppliers¹⁰)⁹
- Implement water use reduction for own and supplier sites based in water-stressed basins¹¹

[Learn more about our efforts to reduce our impact on water](#)

Nature targets - waste⁶

- Eliminate polyvinyl chloride (PVC) in product packaging by 2025¹²
- Reduce the amount of waste sent for disposal by 50% from a 2016 base year by 2025
- Reduce the amount of waste sent for disposal by 30% from a 2022 base year by 2030

[Learn more about our efforts to reduce our impacts on waste](#)

- Maintain gender balanced representation in management^{13,14}
- Make the requirements of the EU Pay Transparency Directive our global minimum standard for internal pay equity and pay transparency reporting by 2027¹⁵
- Review our human resources practices beyond base pay to eliminate any further potential sources of bias from the system by 2027

Explore our [Novartis in Society Integrated report \(PDF X.X MB\)](#) to see how we performed in 2024.

[Learn more about our approach to ESG topics](#)

References:

1. Excluding cell, gene and radioligand therapies (RLT)
2. Low- and middle-income countries (LMICs) are outlined in Novartis sustainability-linked bond Final Listing Prospectus Annex A
3. Novartis flagship programs: malaria, leprosy, Chagas disease, sickle cell disease
4. Excludes emissions from fugitive sources (SBTi approved)
5. Excludes emissions from investments and categories not considered relevant, as permitted within the Science Based Targets Initiative (SBTi) framework
6. Our previous target of achieving “water neutrality by 2030” has been revised to establish basin-specific 2030 targets for our key sites (own operations and upstream suppliers) located in water-stressed areas, in line with Science Based Targets Network guidance. Additionally, we retired our previous target of achieving “plastic neutrality by 2030” and are evaluating potential new targets as our plastic footprint has significantly decreased following the Sandoz spinoff in 2023. At the same time, we have added a new 2030 ambition for waste reduction (to continue progress after meeting our 2025 target). We are making these changes to create more focused and measurable goals, while aligning our targets with industry-standard frameworks.
7. Target water consumption includes water discharged via treatment and water lost through evaporation or other destinations
8. The scope includes high risk suppliers of active pharmaceutical ingredients, including drug substance and drug product. Scope is aligned with the scope of ESO (External Supply Operations) Vendor Segmentation Process and includes strategic (long term relationship) and selected tactical (key technology provider) ESO suppliers. In addition, high risk suppliers also include antibiotic suppliers
9. Assessment based on water maturity ladder for internal/external suppliers with Level 1 (training, legal compliance), Level 2 (quantification and risk assessment) and Level 3 (PEC/PNEC<1); PEC: Predicted Environmental Concentrations, PNEC: Predicted No Impact Concentrations
10. The scope includes all suppliers of active pharmaceutical ingredients, including drug substance and drug product
11. Basin-specific targets will be established for sites in own operations and upstream suppliers
12. From Novartis owned and operated sites that are involved in secondary and tertiary packaging. This is

supported by efforts to eliminate PVC from primary packaging where feasible

13. All employment decisions at Novartis are based solely on job-related factors, including the skills, qualifications, and experience of the individual, without regard to gender, race, ethnicity, or any other personal attributes which are unrelated to the job. Novartis, as a global company, complies with the laws of each country it operates within; Management Level 5-10 (previously called GJFA4-NTL)
14. Maintain gender representation in management of 50% (+/-2% points)
15. This commitment refers to the expectations of the EU directive, and not individual country legislation, which may impose stricter requirements

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