

**North America
Public Affairs**



Novartis US Group Operating Companies

Novartis Pharmaceuticals Corporation

Advanced Accelerator Applications USA, Inc.

Novartis Gene Therapies, Inc.

Novartis Institutes for BioMedical Research, Inc.

Endocyte, Inc.

Navigate BioPharma Services, Inc.

Sandoz Inc.



Our Purpose

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 Strategy

To build a leading, focused medicines company powered by advanced therapy platforms and data science.



Our Science and Innovation

Our researchers combine collaborative science and imagination to find better treatments for diseases.

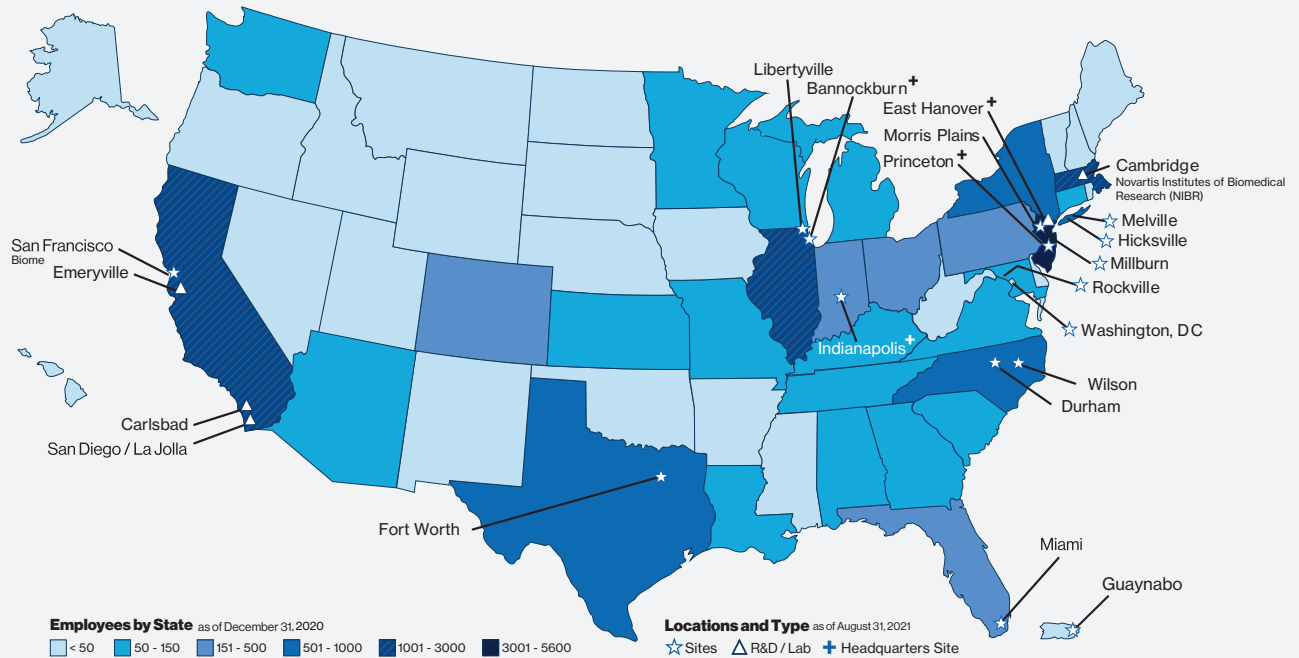


“As a leading global medicines company our work extends far beyond researching and developing innovative therapies. It entails the totality of human health and the promotion of health equity; including environmental protection, the delivery of medicines to as many people as possible, and living up to high ethical business standards.”

Vas Narasimhan,
Chief Executive Officer



Our US Footprint



Novartis US Group Companies' 2020 Total Expenditure*

\$12,366,731,392

Payments for external Research & Development (R&D) contracted services in US

\$565,554,477

Payments to US businesses for other contracted services

\$3,362,560,850

Rebates to US Medicaid programs

\$1,507,347,639

Value of medications provided at no cost to eligible US patients who had experienced financial hardship and had limited or no prescription drug coverage

\$2,727,351,216

Number of US employees as of December 31, 2020

15,942

* Total expenditures include direct financial spend (suppliers, vendors and employees), patient access (paid rebates, patient assistance program), and value of samples.



Our Products and Reach

Our products address most major disease areas and are sold in approximately 155 countries around the world.

INNOVATIVE MEDICINES PORTFOLIO



SANDOZ PORTFOLIO



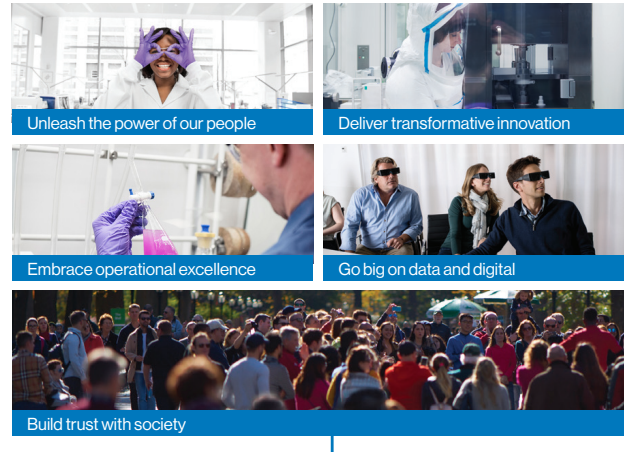
New Technology Platforms

A key part of the Novartis R&D strategy is to pursue new approaches to treating disease, such as by using genes and therapeutic viruses, as well as other advanced therapy platforms. One of these platforms is radioligand therapy, consisting of radioactive atoms that emit energy combined with molecules that can recognize and bind to specific types of cancer cells.



Our Aspiration

To become the most trusted and valuable medicines company.



- Holding ourselves to the highest ethical standards
- Being part of the solution on pricing and access
- Addressing global health challenges
- Being a responsible citizen



Our Response to COVID-19

Novartis quickly mobilized research and development capabilities, manufacturing capacities, clinical trial expertise, and philanthropic aid to address the COVID-19 pandemic.

Novartis has helped lead in many ways, including:

- Mobilized manufacturing capabilities to support the production of materials in response to the global pandemic (e.g. medicines, product donations)
- Partnered to better distribute vaccines
- Collaborated with governments, academia, and other life sciences companies
- Focused R&D engine on finding scientific solutions



2020 Global Highlights



\$9B

R&D spending in 2020, amounting to **18.5%** of net sales (USD).



>160

pipeline projects with ongoing clinical trials in Phases I to III.



769M

Patients reached with Novartis medicines in 2020.



39

26 major approvals granted to Novartis in 2020 in the US, the EU, Japan, and China for new treatments, as well as new indications for existing treatment.
13 major submissions by Novartis in 2020.



40

Pipeline medicines in development **~90%** of which are first-in-class treatments or first for a specific medical indication.



2020 US Financial Highlights



\$2.9B

invested in R&D in the US.



215+

Global Drug Development (GDD) clinical trials run in the US, with **>19K** enrolled patients.



>348K patients supported through our co-pay assistance.

Over the last 5 years, **>360K** patients in the US supplied with free medication valued at **>\$10.5B**.

Total Jobs Created

Novartis created jobs directly, as well as indirectly, as a buyer of goods and services from suppliers. Our business activities create jobs across the entire supply chain.



15.9K
Directly employed
(full-time equivalent)



41K
Indirect Jobs*



63.7K
Induced Jobs**

120.7K

Total Job Impact of
our Business Activities

*Indirect from vendors and suppliers. This also includes purchases from vendors across the entire supply chain.

**Induced from additional consumption-related spending along the entire supply chain.

Economic Contribution

\$25.1B

Total Contribution of Novartis Business Activities to US Gross Domestic Product (GDP).



Our Commitment to ESG

Novartis aims to hold itself to the highest standards of sustainability and ethical business practices. These standards encompass our environmental, social, and corporate governance (ESG) commitments beyond traditional financial metrics.



Progress on Environmental Targets

Climate change will have a major impact on our business, and we are working to understand and anticipate these risks to ensure we can continue to discover, develop, and deliver life-saving medicines.

ENVIRONMENTAL TARGETS

Carbon neutral across entire supply chain by 2030



19% reduction in greenhouse gas emissions in 2020 vs. 2016 baseline

Water neutral in all areas by 2030



35% reduction in water consumption in 2020 vs. 2016 baseline

Plastic neutral by 2030



60% reduction in single-use plastics in the workplace in 2020 vs. 2016 baseline



Measuring the Social Impact of our Medicines

Novartis measures the Social, Environmental, and Economic (SEE) impact of its business activities to understand what matters most to stakeholders and society at large. As a founding member of the Value Balancing Alliance (VBA), we actively support methodology standardization and recognize its importance in measuring the comprehensive impact of our business activities on society and the environment.

Total increase of US GDP activity in 2020

\$15.1B

This number is derived from an analysis of 12.6M patients (~38% US patients reached) and 61 Novartis medicine brands.

Note: Social impact calculations are derived from available product and patient data, and calculate the increased GDP contributions of healthier patients through paid and unpaid work. The full Novartis portfolio of medicines reached 32.9M patients nationwide.



Our Corporate Responsibility

Our corporate responsibility is centered around four key areas:

Holding ourselves to high ethical standards	Being a responsible global citizen	Helping tackle global health challenges	Being part of the solution on pricing and access to medicines
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Our Business Practices

We strive to be a trusted leader in changing the practice of medicine by challenging ourselves to meet the highest standards of compliance, integrity, and performance in everything we do.



Our Global Commitment to Diversity and Inclusion

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



45% Women in Management

110,738 Head count

142 Nationalities

Hiring Guidelines

Since implementation in January 2020, more than **90%** of our candidate slates are gender diverse and more than **80%** are diverse in racial/ethnic representation.

Parental Leave

2,700+ associates benefited from parental leave in 2020.

Vendor Diversity

To better serve the diverse needs of our patients and customers, we actively work to expand our supplier relationships with small, minority, women, veteran-owned companies and other diverse businesses.

Clinical Trial Diversity

Novartis is accelerating our commitment to address disparities in clinical trials to ensure our trials reflect the diversity of the range of patients impacted by the diseases we are studying. Greater diversity in clinical trial participation can help us build a more equitable and responsive healthcare system benefiting all members of society.



Our Commitment to Patients and Caregivers

Conducting responsible clinical trials



Respecting and understanding the patient community perspective

Recognizing the importance of transparency and reporting



Expanding access to our medicines

Engagement and Collaborations

We will enhance trial accessibility and expand our geographic reach through external strategic engagements and partnerships. Additionally, we will proactively collect insights from the patient community for the design of trials.

67%

of early research programs in general medicine obtained patient insights before starting human trials in 2020.

Process and Tools

Novartis will drive diversity considerations from early development. This will be done through protocol writing, site selection, and tailored recruitment strategies.

Data and Technology

We will continue to leverage data and technology to measure, monitor, and provide support to expand our outreach, recruitment, and access to our trials.



Our Global Health Efforts

Novartis has continued to make progress in R&D across global health programs, maintaining our focus on neglected diseases.

980M

Treatment courses of our antimalarial Coartem have been delivered in the past two decades.

7.3M

Patients reached with free multidrug therapy for leprosy since 2000.

3400⁺

Patients treated for sickle cell disease with hydroxyurea in 11 treatment centers in Ghana.

Novartis Institute for Tropical Diseases (NITD) is a small-molecule drug discovery research institute within the Novartis Institutes of Biomedical Research (NIBR). NITD works in collaboration with a number of academic and non-profit partners to find new medicines to treat parasitic diseases, such as: malaria, cryptosporidiosis, African trypanosomiasis (sleeping sickness), Chagas disease, leishmaniasis, and other neglected diseases.

We take bold steps to increase access to medicines, tackle complex global health challenges and do our part as a responsible corporate citizen.

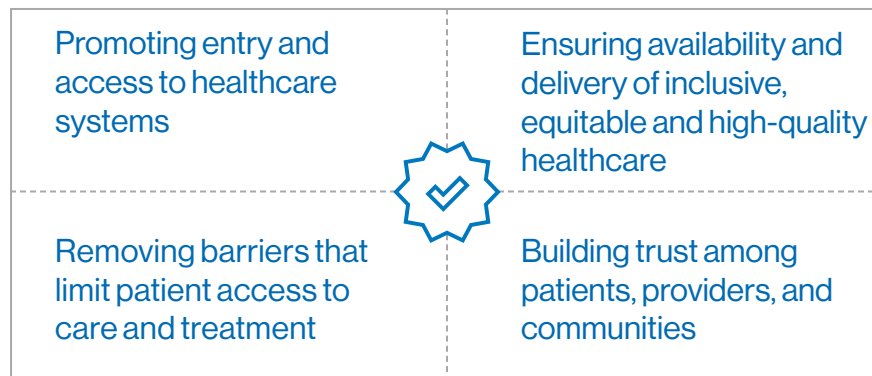




Our Health Equity Principles

Addressing Health Inequities and Disparities in Care

Education and awareness are important parts of our efforts in advocating for policy changes to positively impact health outcomes and create sustainable, healthy communities nationwide. Novartis is actively engaged in initiatives and policy reforms, which are focused on improving the ability of the healthcare system to better meet patient needs and advance health equity. Our efforts are aligned around four key principles:



Our Efforts to Transform our Healthcare System

Novartis is a leading voice calling for the fundamental transformation of our healthcare system. We want to transition to a system that is more accessible for all patients and uses value and outcomes criteria to determine how treatments are priced and reimbursed.

A value-based approach to healthcare incentivizes the healthcare sector to focus on the therapies that deliver the most effective, efficient and sustainable outcomes.