

Climate

Novartis is committed to using resources efficiently and to reducing greenhouse gas (GHG) emissions. We aim for net-zero emissions across our value chain (Scope 1, 2 and 3 GHG emissions) by 2040 and have established a transition plan to reach our goal.



Near term

Reduce absolute Scope 1 and 2 GHG emissions 90% and absolute Scope 3 GHG emissions 42% by 2030 from a 2022 base year.



Long term

Maintain a minimum of 90% absolute Scope 1 and 2 GHG emissions reductions from 2030 to 2040 and reduce absolute Scope 3 GHG emissions 90% by 2040 from a 2022 base year.

Climate change mitigation

Our near- and long-term absolute GHG emissions reduction targets have been validated by the Science Based Targets initiative (SBTi), and are consistent with the goal of the Paris Agreement to limit global warming to 1.5°C above pre-industrial levels.

We follow a clear mitigation hierarchy to achieve decarbonization. Our priority is to avoid emissions through efficiency

programs, followed by substitution of fossil fuels with renewable energy.

In our own operations, for example, we aim to switch to efficient utility equipment, adopt new manufacturing technology solutions and optimize processes. We cover all our electricity with renewable electricity arrangements, and aim to transition our fleet to electric vehicles by 2030 where technically feasible. These commitments are in line with our pledges to initiatives led by the Climate Group ([RE100](#) and [EV100](#)) that bring together companies committed to accelerating the transition to 100% renewable electricity and electric mobility globally.

Suppliers account for more than 90% of GHG emissions associated with our business and are key to achieving our climate targets. We are embedding environmental sustainability criteria into supplier contracts to support the reduction of emissions and broader environmental goals. In addition, we are working with them to address the main sources of emissions in our value chain, supporting their transition to renewable energy and to sustainable manufacturing processes.

We have initiated life-cycle assessment (LCA) for our commercial brands, where feasible, to help identify opportunities to further reduce emissions. We are engaging with our suppliers to define action plans for reducing emissions across the identified hotspots in the product life cycle.

Emissions that we can neither avoid nor eliminate will be neutralized by investing in carbon removal credits — in 2030 for Scope 1 and 2 emissions and in 2040 for all scopes. We anticipate that credits will represent less than 10% of our total base-year emissions for the respective scopes in both 2030 and 2040.

Climate change adaptation

As the climate changes, we are also adapting to its anticipated effects on our operations, on suppliers and on patterns of disease. We assess how climate change might affect our own facilities and our supply chain, enabling us to take action to make these less susceptible to extreme weather events.

In addition, we assess the potential impact of climate change on people's health, an analysis that points to an increase in the global disease burden.

For more information on our targets and progress, see our Report on Nonfinancial Matters and Update on Public Commitments on our [Reporting and Transparency Hub](#).

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