

## Novartis

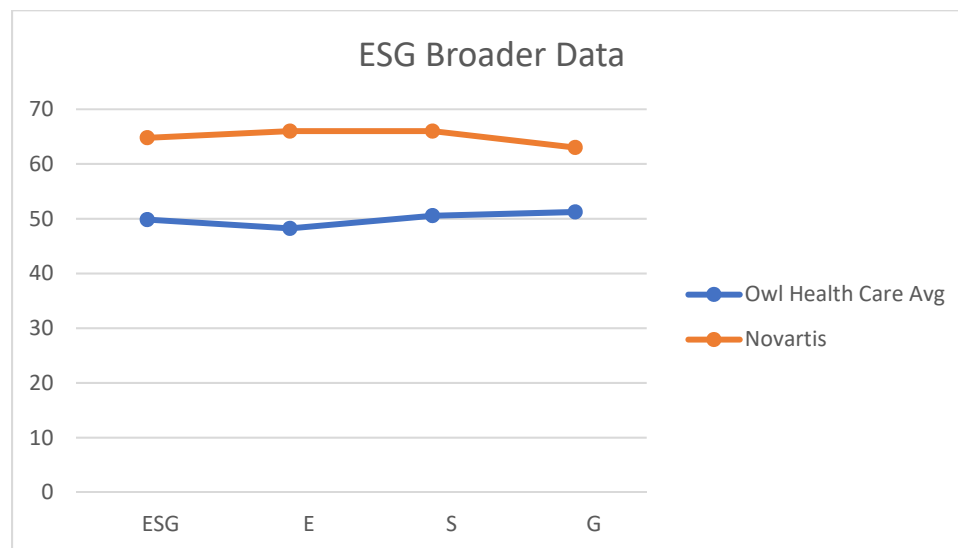
Novartis get very high ratings in all ESG areas and has been an innovator on sustainable wages.

As a large pharmaceutical and health care company, the most material issue for Novartis is the pricing and accessibility of its products. We note that while all pharmaceutical companies can be criticized for their seemingly indiscriminate pricing decisions, there is a spectrum of results.

The Access to Medicines Index, published every two years by the independent Access to Medicines Foundations, ranks the 20 largest research-based pharmaceutical companies according to their efforts to improve access to medicine in 107 low- to middle-income countries. Novartis was ranked third in 2016, an improvement of one place from the 2014 study. Its get the highest rating of any drug company for the innovation of its programs and for measuring their results. Novartis makes 15 key drugs available for \$1 per month in low-income countries. This program reached 52 million people last year. Overall, Novartis is ranked third for its equitable pricing strategy.

Of particular note, Novartis was the first multinational company to develop a methodology to ensure that all its employees are paid sustainable wages. To the best of our knowledge, they remain the only large company to have such a program. Since 2005, Novartis has worked with Business for Social Responsibility to determine what a living wage is for its 90,000 employees in each of the 60 countries in which it operates. Annually, it then adjusts any compensation that falls below the level of a living wage for a family of four.

Novartis was ranked as the 68<sup>th</sup> most sustainable company in the world in 2017, an improvement of 30 places from the 2016 Corporate Knights' study.



Source: OWL SHARES

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