







Editorial	4	Editorial	4	Editorial	5
Novartis Schweiz Steigende Krankenkassenprämien in der Schweiz: Sind die Medikamente schuld?	6	Novartis Suisse Hausse des primes de caisse-maladie en Suisse: la faute aux médicaments?	22	Novartis Switzerland Rising health insurance premiums in Switzerland: Are the drugs to blame?	38
Homeoffice		Télétravail à domicile		Corporate Legal	
Welche Regeln gelten?		Quelles règles s'appliquent?		Data Privacy at Novartis	40
Welchen Einfluss hat Corona?	8	Quelle est l'influence du		Data Frivacy at Novartis	40
weichen Einnuss nat Corona?	0	coronavirus?	24	Home office	
Corporate Legal		coronavirus:	24	What are the rules? What	
Datenschutz bei Novartis	10	Corporate Legal		influence is the coronavirus	
		La protection des données		having at the moment?	43
Mitgliedschaft		chez Novartis	26	3	
Mitgliedschaft beim NAV –				Membership	
darum ist mir dies wichtig	14	Affiliation		Membership in the NAV –	
		Être membre de la NAV –		that's why this is important	
Beitrittserklärung		voilà pourquoi c'est important		to me	44
Das bietet Ihnen der Angestellten		pour moi	30		
Verband	15			Declaration of membership	
Pensionskassen		Demande d'adhésion à la NAV		This is what the employees'	
Fehlende Zinsen –		Voilà ce que vous propose		association offers you	45
die Herausforderung für		l'Association des employés	31	Pension funds	
die Pensionskassen	16	Caisses de pensions		Shortfall in interest –	
die Pelisioliskasseli	10	Intérêts manquants –		the challenge for pension funds	46
Communications Switzerland		le défi des caisses de pensions	32	the chaneinge for pension runus	40
Eine kleine Einführung		le dell des caisses de perisions	32	Communications Switzerland	
in die Medienwissenschaft	18	Communications Switzerland		A brief introduction to	
		Petite introduction aux sciences		media studies	48
Mitgliederangebot		des médias	34		
Wettbewerb - Europa-Park Rust (D) 20			Membership offer	
		Offre pour les membres		Contest – Europa Park Rust (D)	50
		Concours – Europa-Park Rust (D)	36		

Impressum

Mitgliedschaft

arb – Angestelltenvereinigung Region Basel

Geschäftsbeziehung

Recht am Rhein, Basel

Redaktionsteam

Andrea Fedriga-Haegeli, Susanne Hänni, Roland Hirt, Davide Lauditi, Marco Preci, Yvonne Tanner (Lektorat)

Kontaktadresse

NAV Novartis Angestellten Verband Geschäftsstelle

Novartis Campus, Forum 1 WSJ-200.P.84 / Postfach, 4002 Basel Telefon +41 (0)61 697 39 00 E-Mail nav.nav(at)novartis.com

info erscheint zweimal pro Jahr Laufende Nr.: 89/2020

Auflage: 5000 Expl.

Redaktionsschluss info 1/2021 Frühjahr 2021/April

Übersetzungen Lionbridge Switzerland AG, Glattbrugg-Zürich

Titelbild

adobe.stock.com

Grafik/Satz

cdesign, Reinach

Druck

Birkhäuser + GBC AG, Reinach

Sämtliche Artikel finden Sie auch unter: www.nav.ch

Jegliche Wiedergabe von Artikeln und Bildern, auch auszugsweise, nur mit schriftlicher Genehmigung der

La reproduction/publication d'articles et de photos, ainsi que d'extraits d'articles, ne peut se faire sans l'accord écrit de la rédaction.

The reproduction of this publication and its pictures in any form is forbidden without the expressed written consent of the editorial team.



Dear member

Just as autumn brings us a diverse variety of beautiful colors, this *info* issue contains a plethora of demanding topics with challenging content.

We are facing turning points in several areas of our business, and they will have a lasting impact on our future. We can resist that change or adapt to the new paradigm.

The lockdown forced us to work from home – in the blink of an eye. The moment may seem deceptive, turning an emergency situation into a new standard. Dr. Alex Ertl explains what home office means in Swiss legislation.

Autumn not only brings us a colorful splendor of flowers and foliage, but also annually rising health insurance premiums. Dr. Matthias Leuenberger, Country President Novartis Switzerland, gives you some insights into the complexity of pricing in his article.

The conscious handling of data

protection at Novartis and the low interest rates that are reducing pension fund assets are tense and challenging topics. *May they encourage some active discussion!*

There is of course also lighter fare to discover in this edition. We would also like to invite you to take part in our contest. We will be raffling off six pairs of tickets for Europa Park. We're keeping our fingers crossed for you!

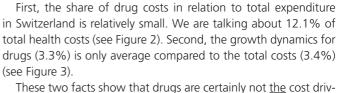
Sincerely yours,

Andrea Fedriga-Haegeli & Davide Lauditi Co-Chairs NAV

Rising health insurance premiums in Switzerland:

Are the drugs to blame?

It appears to be a law of nature: Health insurance premiums increase annually. They have doubled since 1990. In the last ten years they have grown by an average of 3.7%.



These two facts show that drugs are certainly not <u>the</u> cost driver in healthcare costs. This is not least due to the fact that drugs



Matthias Leuenberger Country President Novartis Switzerland

Increasing benefits in payment and an aging population

here are a number of reasons for this increase in premiums: First, more and more health benefits are being

drawn. The number of service providers is growing steadily, and the range of services has also increased, which leads to an increase in volumes. Second, the ability to detect, diagnose, and treat diseases has evolved. And thirdly, demographic change is prompting a rise in costs: The proportion of older people with a greater need for health services is increasing. Figures from the Federal Statistical Office show that average health costs for people over 70 are up to ten times higher than for the generation under 30 (see Figure 1).

False incentives create costs

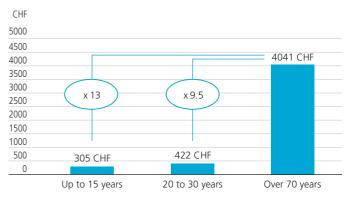
Disincentives such as the individual service tariff also play an important role in rising healthcare costs: Service providers have sales incentives and therefore prescribe expensive treatments without the need for them. Volume growth, duplication and inefficiencies are the result. Bad incentives also arise for insured persons after the franchise and deductible have been used up, leading to more or even unnecessary benefits being used. Studies in the USA have shown that the potential for savings in the healthcare sector is over 25% without sacrificing performance.¹

Drugs as a cost driver?

To what extent can drugs also be seen as a driver for increasing premiums? Two facts about this:

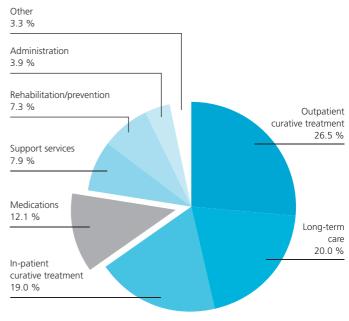
Figure 1:

Average health costs by age, per inhabitant and month (2017)



Source: Federal Statistical Office, 2020

Figure 2: Costs of healthcare system by service type (2018)



Source: Federal Statistical Office, 2019

¹ Shrank WH, Rogstad TL, Parekh N. Waste in the US Health Care System: Estimated Costs and Potential for Savings. JAMA. 2019;322(15):1501–1509.

are the only type of service that is subject to regular institutionalized price reviews. Since 2012, the pharmaceutical industry has contributed to cost control in the healthcare system with price cuts of over a billion Swiss francs. This means that the drugs become cheaper and cheaper over the course of their life cycle.

Healthcare spending creates value beyond healthcare

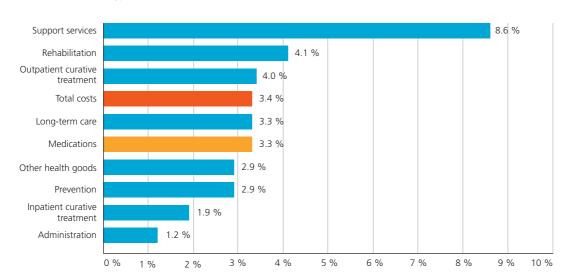
Any discussion about rising health costs should always include one thing: Investing

in health pays off. Patients can recover better and faster and can be reintegrated into the work process more quickly. Healthcare expenditures are thus expenditures that are offset by future income, also outside the healthcare system: Employability and productivity are maintained, and people can provide for their own subsistence. A study by McKinsey came to the conclusion that for every dollar invested in the healthcare system, there is an economic return of



USD 2–4.² A pure cost focus in healthcare is therefore not expedient. Instead, focus should be placed on eliminating false incentives, thereby using limited resources as profitably as possible.

Figure 3: Average annual change in costs, 2010–2018 in %



Source: Federal Statistical Office, 2020

² McKinsey (2020): Prioritizing Health. A prescription for prosperity.

Data Privacy at Novartis

Data Privacy – everyone has heard the term but most would find it difficult to describe what it means. Is it about technical data security or is it more about digital self-determination when using personal data?



Beni GelzerData Privacy Officer

In fact, both are components of what we understand by data protection. The new Novartis Data Privacy Policy, which came into force at the beginning of 2020 and for which almost all employees have

now completed mandatory e-training, summarizes data protection using five basic principles:

- Transparency
- Legitimate and Meaningful Collection
- Responsible and Sustainable Processing
- Security, Integrity and Quality
- Minimal Retention

Although data protection is a specialty area of the law, these five principles clearly show that in reality good data protection often has much more to do with common sense than with complicated legal concepts. Most people know what transparency means: We clearly and honestly inform our employees, our customers, patients and the general public visiting our websites regarding the data we collect from them, the purpose of that collection, what we do with the data, with whom we may share it and how long we keep it. Likewise, the terms data security, data integrity, and data quality do not need much further explanation, and we all also have a good idea of what "responsible handling of personal data" might mean: Novartis collects, processes and uses personal data only for the intended purpose. Data collected in the context of a clinical trial may only be used for research purposes and not for direct marketing, for example. In addition, the data must always be collected legally, i.e., according to a law, a legitimate business interest or with the consent of the person concerned. Ultimately, we limit ourselves to the minimum requirement when collecting and processing personal data, and only store personal data for as long as is necessary to fulfill its purpose, or in accordance with statutory provisions. Responsible handling also means that we support people in exercising their data protection rights, i.e., by providing information at any time about which data we are processing and by reacting immediately if a person wishes their data to be deleted.

To ensure compliance with data protection legislation and the five principles mentioned in our day-to-day business, we train employees, inform any affected individuals by means of data protection declarations, and ensure in contracts with third parties at home and abroad that the statutory provisions of Switzerland, the EU and other countries as well as proprietary Novartis requirements are complied with at all times. In the case of internal data transfers between different companies in the Novartis Group, our Binding Corporate Rules (BCR) ensure that EU and Swiss data protection levels are adhered to worldwide, even when exchanging and processing personal data within the company.

So far, so good. As we have experienced from other areas, achieving 100% compliance with regulations and guidelines is difficult enough. No company in the world can guarantee for itself and for all of its subcontractors that data protection breaches will never happen. Human error can occur in any area. Technical problems, inadequate software and attacks from outside can lead to data protection violations.

Unlike other companies, however, Novartis had already established an exemplary global privacy framework long before the introduction of the EU's General Data Protection Regulation (GDPR), which has now made a significant contribution to minimizing such risks. Regular training, increased employee awareness, systematic risk assessments, audits and global standardization of the classification and treatment of personal data all ensure that data protection is taken into account and implemented in every business area for all existing and new projects, systems and processes, to the greatest extent possible and right from the very start.

Nevertheless, data protection cannot be guaranteed solely by laws, contracts and principles in an environment characterized by cloud computing, outsourcing, social media and networked everyday devices. In many ways we have to trust that our partner companies around the world adhere to relevant laws, take data security seriously and only do exactly what is originally agreed with the personal data entrusted to them. Even the best data protection law, strong data protection authorities, hefty fines and solid contracts cannot prevent personal data from being unintentionally or maliciously disclosed, lost or stolen in complex business environments.

So for all of these reasons, a paradigm shift has to take place in data protection; this has been planned for some time, but is only now slowly being implemented in laws and in everyday life.

Privacy by design

The most important building block for the sustainable implementation of data protection is the «Privacy by design» concept, which means that the protection of personal data is not (only) protected by laws, contracts and the upstanding behavior of those responsible, but that the design of systems and processes already have the best possible technical and organizational meas-



ures in place to ensure data protection. Privacy by design is not only aimed at those responsible for data, but also in particular at hardware and software manufacturers as well as at anyone responsible for planning new business processes.

First and foremost, privacy by design is a proactive, preventive approach. Potential risks to privacy are anticipated and prevented by taking appropriate measures before they can even materialize. This preventive principle is embedded in the architecture of IT systems as well as in the design of business processes from the outset, and is not just applied as an additional function after problems have occurred. Data protection is thus an essential component of core functionality and is not a mere compliance issue. Instead of masking personal data in certain situations for data protection reasons, only data that is actually required is recorded from the start, in a form that guarantees full functionality for the purpose in question but without unnecessary retention, transfer and conversion.

Privacy by design is also supplemented by the principle of "Privacy by default": Systems and processes are therefore always set up so that the best possible privacy protection is automatically guaranteed by default. This ensures that the optimal settings are always in place to protect privacy, without having to read through pages of data protection information and knowing all of the option buttons.

Naturally, privacy by design can only be implemented from the beginning during the planning phase of a new system. Many older systems are difficult to adapt, but data protection requires constant improvement - retroactively at great expense and sometimes with very inelegant solutions. It is obvious that it is easier - if sometimes seemingly trivial - to plan data protection-related features such as retention periods with automatic deletion in a system right from the start. Retrofitting the same functionality can be extremely time-consuming and in many cases has to be done manually anyway. Since privacy by design and privacy by default are now expressly required by recent legislation, manufacturers of software and hardware will also be increasingly expected to plan their products according to this approach.

A very good everyday example of privacy by design is the COVID tracing app "SwissCovid," launched by the Federal Office of Public Health (FOPH) (also the German "Corona-Warn-App," the Austrian "Stopp Corona" app or the Italian app "Immuni,"

which are all based on the same Exposure Notification API from Google and Apple). These apps automatically and anonymously register all encounters with other people who have also installed the app on their mobile phone in order to warn all unknown encounters about the risk of infection at an early stage in the event of a proven infection with SARS-CoV-2.

Apps from other countries that serve the same purpose, but which pursue a more "traditional" approach, collect names, telephone numbers and other identification features as well as the exact whereabouts and identities of people who are in the immediate vicinity. They then transmit this data to a central unit, where the contacts undergo automatic analysis. If an infection is detected, the person in question as well as their contacts are identified and contacted. This naturally leads to very considerable data protection risks. In addition to the centrally collected health data, the government agency also has precise and continuously updated information about contacts between people and their whereabouts at any given point in time – and their movement patterns. Designing a solution like this that complies with data protection laws poses an enormous challenge. On top of that, it is extremely difficult to gain the public's confidence in such a solution.

In stark contrast to this, apps like SwissCovid do not collect any personal or location data. According to the principle of data minimization, data that is not required for the strictly defined purpose at hand (early warning of potential infection) is not recorded at all (e.g., identity, location, time, place and identity of the people encountered). Instead, smartphones store the anonymous data of people in the vicinity locally on the device. Sent signals are anonymous codes based on a mathematical process that change every 10 minutes and do not allow any conclusions to be drawn about the mobile phone or its owner. It is also not possible to establish a connection between several codes sent by the same device. These codes sent by every mobile phone (so-called rolling proximity identifiers) are derived from a daily changing key, which in turn is generated on the basis of a one-time individually generated master key. These two keys do not leave the mobile phone. Only in the case of a proven infection does the owner of the mobile phone have the option of labeling a certain number of the daily keys as keys with confirmed infections (diagnosis key)

and sending them to a server. Here, too, there is no identification of the person. Only an anonymous key is transmitted and it does not allow any conclusions to be drawn about a person. All users of the app regularly and automatically obtain the list of confirmed diagnosis keys. A mathematical process in the smartphone is used to compare the diagnosis key with the locally stored rolling proximity identifiers, i.e., the anonymous signals from other cell phones. Since the latter are deterministic mathematical derivations of the day's key, the app can determine locally whether an encounter has taken place and warn the owner accordingly. The information regarding contact having taking place with a demonstrably positive person, without the persons involved ever being identified, is thus reliable. The recorded data is automatically deleted after 21 days.

Even if this solution sounds complicated at first glance and requires a certain understanding of encryption techniques, it is extremely simple, streamlined, robust, compatible across devices, energy-saving and can be run in the background without any interaction. From a data protection point of view, the solution is perfect. The purpose of the individual warning is achieved without any personal data ever having to be recorded. There is no central server and no third party that has any personal data at all. No personal data can be misused, lost, damaged or stolen.

Privacy by design can greatly simplify the usual data protection measures and in certain cases even make them superfluous. If you look at it unemotionally, it is often not necessary to process personal data to the extent that it is done today. Data protection risks can often be prevented through clever design. In this regard, many of our business processes are still entrenched in traditional data processing. So we will probably have to ensure data protection at Novartis with traditional measures for a good while still. However, privacy by design is an absolute must when it comes to new projects and systems. In particular, the challenges of digital medicine and our new, personalized therapies (in which the identity and sometimes the genetic information of the patient are at the center of the manufacturing processes and supply chain) make privacy by design not only an indispensable principle, but also a great opportunity. For every new process and for every system, let's take the opportunity to make this our first question: How can we embed data protection in the concept right from the start and thus enable a lean, future-proof solution? The more data protection is built into the DNA of our systems and processes, the less we need complex EU contract clauses, data transfer agreements, data masking and expensive remediation campaigns.

Group Data Privacy is happy to help – the sooner the better. Intranet: go/privacy

What are the rules? What influence is the coronavirus having at the moment?

The term home office is understood to mean work that employees do wholly or partially from home, on either a regular or irregular basis.



Dr. Alex Ertl, Attorney-at-law CAS Labor Law, EMBL-HSG

home-based workstation is usually connected to the company work-place via electronic means of communication (Working from Home – Home Office, SECO 2019). It is not like working

from home used to be in the past; like a "weaver" could do, for example, when materials were taken home from the factory, processed there and then returned to the factory as a final product. It's about doing the actual work that is usually done in the office, just using company-owned devices at a workstation from home.

If employees work at the company premises, the employer is responsible for the design of the workplace, for example. In particular, it needs to make sure there is good ventilation and good lighting. The workplace and equipment need to be designed to meet ergonomic criteria (ArG V3, Health Protection). All applicable and necessary measures according to the state of the art need to be taken in order to protect the health of employees (cf. Art. 6 [1]-[3] of the Labor Law).

Risks

Employers are also obliged to protect their employees when working from home. Even when working from home, companies are obliged to ensure that both working and break times are correctly observed. Working from home may mean working hours are no longer the same as normal office hours, but rather at night, for example. An extended home office period can make communication with colleagues more difficult. In order to "monitor activity," employees may be obliged to record working hours at home. People working from home may spend many hours at the kitchen table, on the couch or even in bed. These sitting positions are not ergonomically recommended in the long run, and can even lead to health problems. In response, employers should at least get an idea of the workstations people have installed at home.

Obligations

According to Art. 327a of the Swiss Code of Obligations, an employer must reimburse employees for all expenses incurred in performing their work. This provision led to the federal court to make a more recent decision (BGE 4A_533/2018 of 23 April 2019, E. 6.1.) stating that employers are required to reimburse employees for the costs of home offices if employers can no longer offer employees a suitable workplace at the company premises. It now depends on why people are working from home. If employees decide voluntarily to work from home despite being offered a workstation at the company, they will very unlikely be able to claim any additional costs. However, if employers let employees work from home because there are not enough workstations available, then a certain amount of compensation is due, according to the Federal Supreme Court.

The impact of COVID

It will now be very interesting to see how this regulation is applied in the coronavirus era. If employers allow employees to work from home for reasons of health protection, as was done in response to the COVID ruling, they will not have to pay compensation for employees doing so. However, if employers reduce overall office space in order to lower rental costs and can no longer offer employees enough space, they will likely have to pay employees compensation for rent, in addition to the costs of their IT infrastructure, for example.

Cross-border commuters

There are many employees who work in Basel but live in either Germany or France. If they suddenly work "abroad" from home on a regular basis, this may give rise to tax and social security law-related considerations. Employees who perform more than 25% of their regular work for a Swiss company at their "foreign" residence must pay all social security contributions to the country in question (Working from Home – Home Office, SECO 2019). This can result in considerable additional accounting work for employers. Employees may also experience unpleasant social security surprises if they are suddenly unable to work or unexpectedly unemployed and can only assert claims in their home country instead of in Switzerland.

From this point of view, and because that could result in disadvantages for employees, it cannot be assumed that jobs will be relocated abroad on a large scale. The administrative effort and the possible disadvantages for foreign employees compared to domestic employees is too great in this scenario.

Membership in the NAV – that's why this is important to me



Yvonne Tanner VIP Assistant Visitor Services

hen I started working at Novartis nearly 12 years ago, I knew nothing about the Novartis Employees Association. There was also no active information about it at the time, and the benefits of this organization didn't really trickle down to me.

Become a member? Why?

This mindset started changing a few years ago. Colleagues began talking about it more often, especially in connection with current, upcoming and future restructuring within the company. I knew people who were affected and felt their uncertainty and fear. That's when I began seeing the benefits of membership. At the time some close friends of mine in eastern Switzerland told me about a case of bullying where a new boss was harassing a girlfriend of mine. She suffered from severe burnout that dragged on for over a year. It was only after a great deal of suffering and struggling

that she sought contact with an external ombudsperson. Then I realized: I need to become a member of NAV!

Employees typically know their duties, but they often don't know much about their

- Who do I contact if I have existential fears due to restructuring?
- Do I have to accept an unfair assessment of my performance?
- Who stands up for social justice visà-vis the management and who represents the interests of employees?

It's good to have independent contacts here in the company who are available to advise you in difficult circumstances. Thanks to my membership I feel personally empowered, but I also have a sense of solidarity with those colleagues who now need the support of the association.





This is what Novartis Employees' Association offers to you:

✓ Your voice

Making one's own voice heard more through the strength of the association

✓ Your rights

Labor law and social security insurance coverage

✓ Your advantage

Benefit from the attractive legal protection insurance

Join us – **become a NAV member!**

Salutation	First name		Name	
Home address		Zip/City		
Telephone		E-mail		
Personnel number		Contract (IEA/CI	BA/Management)	
Date of birth		Correspondence language		
○ CHF 59.00 for retirees in	pership fee per year) mbers including labor law and so cluding labor law and social secu ithout labor law and social secur	rity legal protection	tection	
I was recruited by:				
Date and signature:				
Fill in the registration form, nav.nav(at)novartis.com	sign it and send it to: NAV Offic	ce, WSJ-200.P.84 (Fo	orum 1) or scan and send to	

Shortfall in interest – the challenge for pension funds

Due to the shortfall in interest, every pension fund is forced to take investment risks in order to finance its obligations. These risks are borne by the active insured members and the employer, but not by the pensioner. What guarantees are these and what ways are there to minimize the associated investment risks?

The pension funds are independent of demographics, provided that the actuarial parameters are set correctly. In addition to retirement benefits, both pillars also insure disability or survivors' benefits.

Need for reform in spite of perfect diversification

The two pillars complement and diversify one another perfectly. Nevertheless, their key principles are in need of reform: In the first pillar, this is due to demograph-

ics and the "double" aging in Switzerland: fewer and fewer employees have to finance the pensions of more and more retirees. What is more, these retirees are getting older. With the baby boomer generation poised for retirement – in Switzerland, the largest age group was born in 1964 – this situation is only going to get worse. In the second pillar, the shortfall in interest is the greatest challenge. Both pillars are therefore in urgent need of adaptation to modern-day realities. But reforms that include modifications, such as increasing the retirement age, are difficult and are often rejected at the ballot box. This is why our pension system has slipped in the international rankings over recent years, falling behind the Scandinavian countries, for example.



Patrick Spuhler

Swiss certified pension insurance expert Member of the Federal BVG Committee Partner Prevanto Basel

witzerland is often envied for its good retirement provision. Since AHV (Swiss old age and survivors' insur-

ance) ("first pillar") came into force in 1948, followed by BVG (Swiss mandatory occupational insurance) ("second pillar") in 1985, it has a well-established pension system. Both pillars pay more than CHF 40 billion in benefits each year. Nevertheless, both are in urgent need of reform.

Dependency of the first pillar on demographics

The first pillar is based on the pay-as-you-go system. Active insured members finance the retirement pensions of those who have retired together with the employer through salary deductions. The pay-as-you-go system is independent of the return on assets, but is heavily dependent on demographics. In the case of occupational pension schemes, the so-called second pillar, the opposite is true: Every employed person with AHV income of more than around CHF 20,000 saves capital for old age with personal contributions as well as contributions from their employer. On retirement, this capital is converted into a pension at the conversion rate. The Novartis Pension Fund, for example, has a conversion rate of 5.35% at the age of 65. Thus, if the capital on retirement is CHF 1,000,000, the retirement pension is CHF 53,500.

Dependency of the second pillar on returns

In contrast to the first pillar, the second pillar is heavily dependent on the returns that are obtained on the capital market. The higher the interest on the savings capital, the higher the capital upon retirement and thus the higher the retirement pension.

Legal minimum prescribes far too high conversion rate

In the case of the second pillar, it is important to know that there is a legal minimum prescribing a conversion rate of 6.80% on retirement – which is much too high in today's environment. The conversion rate depends primarily on the calculated life expectancy and the assumed interest on the pension capital, the so-called technical interest rate. While the life expectancy of a 65-year-old has increased by around one year every 10 years since 1985 (Table 1), the safe interest, i.e., that paid on federal bonds, has fallen over the same period from 4% to –0.5% (Table 2). A conversion rate of 6.8% today includes an interest commitment of almost 5%. This must be guaranteed in the mandatory area, since current pensions cannot be reduced.

Novartis Pension Fund

As already mentioned, the Novartis Pension Fund has a conversion rate of 5.35% instead of 6.80%. Almost all pension funds that offer benefits better than the legal minimum have lowered their conversion rates to below 6.80% and will continue to lower them – in some cases below 5%. But reducing the conversion rate leads to lower insured retirement pensions, unless the pension fund and/or the employer can finance contributions to cushion the shortfall.

INFO NOVEMBER 2020

At the Novartis Pension Fund, the technical interest rate is 2%. This interest is credited to the pension capital regardless of the return obtained. If the return on assets is lower, this interest rate guarantee is financed at the expense of the fluctuation reserve. The reserve amounted to a good 13% at the end of 2019. Nevertheless, it is clear that with an interest rate of minus 0.5%, the 2% can only be achieved through equity and real estate returns. This is because such investments yield much higher returns than bonds. These higher returns - which have to be achieved in order to pay the interest on the pension capital of the pension recipients - involve taking investment risks, however. Because, as we all know, stocks have the potential to generate high returns, but at the same time they can also be very volatile. The active insured members and the employer carry the risk in every pension fund, but not the retirees, since, as already stated, the current pensions cannot be reduced.

Shortfall in interest as the main challenge for the second pillar

In the 1990s, the interest commitment for retirees could be guaranteed simply by buying federal bonds, and could be offered risk-free for active insured members. Today, every pension fund has to finance these guarantees by taking investment risks. This means that the active insured members and the employer bear a high risk, depending on the proportion of retirees. In addition, life expectancy continues to rise. These risks and challenges can only be countered with lower conversion rates and lower technical interest rates. On the other hand, the downside of these measures are lower insured retirement benefits for today's active insured members, assuming that the pension fund and/or the Table 1: Life expectancy of 65-year-old active member upon retirement (VZ: Basics of the pension fund of the city of Zurich and other public-law funds;

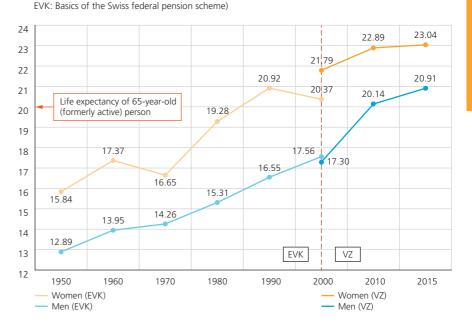
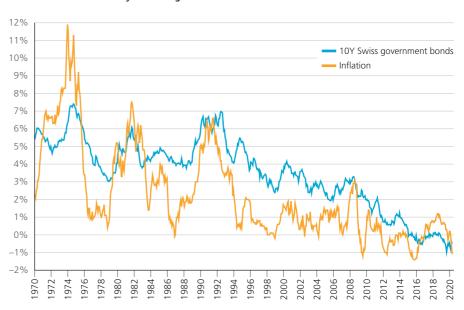


Table 2: Return on 10-year Swiss government bonds and inflation



employer cannot provide for or finance any cushioning measures. In addition to the widely known increase in life expectancy, the shortfall in interest is the biggest challenge currently facing every pension fund.



Take an active part in the pension fund elections. Scan the QR code for more information on our 14 NAV candidates.

A brief introduction to media studies

We all know the media, and nobody can say they have never had anything to do with at least one of these ominous entities.

professional field that has interested me for a long time. Since September I have been continuing my studies in the same subjects, but at the Master's level. My other interests include writing literary and non-literary texts as well as nature and animal photography.



Elias StarkFormer intern at Communications
Switzerland

y name is Elias Stark. I am studying Media Studies and German at the University of Basel. I completed my Bachelor's degree in June 2020.

I was then very lucky to be able to complete a short internship at Novartis in the Corporate Communications department over the summer, where I gained an insight into this exciting, varied

"The media determines our situation"

This is a quote from Friedrich Kittler, one of the most important German media theorists of the 20th century. And precisely because the media are so important for our society, it is worth thinking about them, examining them and researching them. We all know the media, and nobody can say they have never had anything to do with at least one of these ominous entities. Something can be "in the media"; there is social media; media comes in print format, on the screen and from the speakers of our car radios. At least that is our everyday understanding of what the media is. Television is a medium, as is radio broadcasting and newspapers. But the TV set the show is coming through, the radio



device the broadcast is being transmitted from, and every physical newspaper, i.e., what you hold in your hand in the morning – those are also media. The company that publishes the newspaper can also be called a medium, and it is not for nothing that we talk about media companies. Then there is all the digital media, the "new media," which somehow encompass everything related to computers including computer programs, the Internet and social media – everything except the computer device itself, because that is usually not that digital at all. If you think about it carefully, it quickly becomes clear that we are actually not all that clear what we mean when we talk about "media." A medium can be very many things.

One of the most important lessons from my media studies was that media can be much more than what I have already listed above. The word "medium" comes from Latin and means something like "middle/middle/mediating." In English, for example, you can still hear this definition: If I am wearing a size M (edium) T-shirt, then I have chosen the medium size. After this brief digression, it becomes clear why a person who makes contact with the deceased is called a "medium" - they mediate between the living and the dead. Or take physical mediums that transmit sound waves, for example. But if a medium can be anything that transmits or otherwise "mediates" in any way, suddenly almost everything becomes a medium: A window pane or a door that mediates between outside and inside. A broken branch that says a deer recently walked through the forest there. An experiment through which I gain new knowledge. Or simply the voice that carries information from one person to another. That's why - and this is the second most important lesson from my studies - it is important to decide which media you want to talk about. While this isn't always easy, at least then everyone will be talking about the same thing. And even if it sometimes seems a little absurd, especially if you don't deal with it on a daily basis, this also has its advantages. With the right definition of media, you can talk or write about almost any exciting topic in media science, be it aquariums, biological laboratories, role-playing games or mountain railways.

I hope you don't think now that everyone at university is crazy. Media studies also deal with everyday topics and with the "normal" media, such as advertising analysis, selfie culture, media law and artificial intelligence. Indeed, these are the things I would like to write about here. To come back briefly to the title of this text, I of course can't give you a proper introduction to media studies in just a few paragraphs. Especially not if this introduction is meant to give you the impression that it would be a complete overview. However, using a few examples, I hope to be able to give you at least a little insight into the work and thinking behind media studies, into what problems and questions at least parts of media studies deal with, and into what conclusions (perhaps) we can draw from them. What you are reading here is by no means a scientific work. I won't be citing any studies. Instead I will work more with experience, opinions and speculations, and I would like to introduce you to a few interesting facts from the wonderful field of media studies:

Did you know, for example, that recipes are not protected by copyright? If you already have your first cookbook ready to be sent to the publishers for printing, you should pause for a moment. Media law is not that simple after all. The recipe itself is not

protected by copyright because instructions for action are explicitly excluded from that. But everything else – i.e. layout, images, additional text – can be protected by copyright. For example:

Imagine inventing a completely new dish, one nobody has ever cooked before, and writing it down. You can't withhold such an absolutely ingenious recipe from the world, of course, so you decide to publish the recipe on the Internet. You take a beautiful photo, write a text full of anecdotes, useful tips, inspiration and nice turns of phrase and publish the whole thing on your website. A week later you discover that your wonderful recipe has been copied without your permission! You resist the first impulse to call your lawyer and open the page. Shameless! Somebody actually copied your entire page, with pictures and everything, and passed it off as their own. The case is crystal clear here. That's not allowed. Shaking your head, you open a second website where you suspect you'll see your recipe. Neither your picture nor your text are there. All it says is: 1 teaspoon salt, 2 tablespoons oil... But it is indubitably your recipe. If you follow it, you get the same dish. In this case your hands are unfortunately tied. Instructions are not subject to copyright law and can continue to be used without restriction. Will that help you in your life? Who knows. But at least you now have something interesting to talk about the next time you meet your friends.

On another subject: Have you ever wondered how a selfie differs from a self-portrait? We live in a time when everyone always has a camera at the ready; a time when people are probably more self-centered than ever before. To put it plainly: We live in a selfie culture. "But wait!" some may interject, "people took pictures of themselves in the past as well!" Painters painted themselves, and long before the introduction of the cell phone there were those "blind shots" with cameras flipped around and held at arm's length or time-delay photos. So is the selfie really a new phenomenon, or is it old hat? Well, that depends entirely on how you define the term "selfie." During my studies I came across an interesting definition: Selfies are self-portraits that are intended for an audience. But what does that mean exactly? First, this definition says that all selfies are self-portraits, but not all self-portraits are selfies. Second, according to this definition, it is only a selfie if it is also intended for publication, for example on social media. It can thus be concluded that most of the selfies that I take personally would deserve the title self-portrait, as they are neither taken with the intention of being published nor are they ever seen by anyone other than myself. Interesting, right?

What I particularly love about media studies at the University of Basel is the fact it covers not only the technical side of the media, such as software code, printed newspapers or film strips, but also – in particular – cultural practices, where we look at who is behind all of this content. There is no photo without photography, no film without filming, no written word without writing. Cultural techniques are essential for media, societies and culture. That is what makes the research so interesting – and it is still in its infancy. That and the fact that no matter how digitalized our lives become, human activity is the source of everything; that people will not be replaced by machines, but that their actions, practices and techniques flow into technical and digital media and are practiced through these media. And that media studies are ultimately about people.

Contest

The NAV would like to announce its contest for members in cooperation with Europa Park in Rust, Germany. Answer the questions below and with a bit of luck you might win either a pair of tickets for the day at Europa Park, or four pairs of day passes for the new water world *Rulantica*. Enjoy a relaxing time with friends or family and let yourself be inspired by the unforgettable themed lands.

Europe Park

he 2020 season at Europa Park once again features exciting expeditions for visitors: After a long wait, the popular "Pirates in Batavia" has returned to the Holland-themed section of the park. Together with its swashbuckling sailors, the ride will take you on a fascinating boat trip through an exotic port city! Passengers of the multimedia family attraction "Snorri Tours" also have an exciting journey to look forward to in Scandinavia. Young and old can explore the fabulous world of Rulantica, guided by the lovable octopus. Over 100 other attractions and shows invite you to make further discoveries in 15 different European-themed areas.

Go on a unique boat adventure through the exotic port city of Batavia, closely adapted to the original design from 1987.

Information line: 07822 / 77 66 88. Further information is also available at www.europapark.de

Rulantica

Setting a course for the north, curious sailors are driven to Scandinavia in a gigantic indoor world of aquatic adventure. Housed in a space covering 32,600 square meters, adventurers large and small can explore nine themed areas and 25 unique water attractions all year round. Hungry and exhausted from exciting expeditions, the adjoining four-star Superior Hotel "Krønasår – The Museum Hotel" offers a variety of options for refreshment and cozy accommodation for the night. Rejuvenated, researchers can embark on yet another unforgettable journey the next day starting at the "Natural History Museum."

The impressive architecture of the new Rulantica water world can be seen from afar as visitors are enchanted by its spell and whisked away to the far north. Once you've arrived at the 32,600 square meter, shell-shaped hall, the journey continues as a unique mix of Scandinavian landscapes, mystical sceneries and imagina-





tive designs unfold before you and capture your imagination. In nine themed areas, bathing mermaids and mermen can go on expeditions all-year round and discover 25 attractions.

The lovingly decorated "Trølldal" is perfectly tailored to the needs of younger guests. The fun water playground with trees and rocks is inhabited by cute goblins who were the first inhabitants of the legendary island Rulantica. Around the shallow pool, children will find plenty of places to play and climb, while the more adventurous among them can take a trip down the "Schabernakker" and "Tommelplums" slides. The family attraction "Snorri's Saga" also starts here. Together with the cute, six-armed octopus, "Snorri," young and old take a tour of the Lazy River. You can make yourself comfortable in the rafts either alone or as a couple. The relaxed journey follows a winding, 250-meter-long canal past the various themed areas of the water world.

You can slide, romp and splash around in the "Skip Beach" adventure pool featuring a sunken three-mast ship, a steamship and a bunch of nets, ropes and masts. The "Hoppablad" obstacle course lets younger water lovers test their skills and balance, jumping around on shaky, glistening ocean debris. The whole family splashes down together in the cool water on the extra-wide "Överstor" slide.

In "Vinterhal," visitors get a glimpse of what it might be like in the frosty north in a mystical ice palace. Spectacular slides lead past the frozen sea snake "Svalgur."

Information line: 07822 / 77 66 55. Current information at rulantica.de

			4 .
	ntact		tion
V.UI	ntest	uues	uichi
		900	

	eadline: 30 Novem	

First name	Name			
Home address	Zip/City			
What is the name of the new indoor water world ad	venture park?	O Rulantica	○ Batavia	O Arthur
2. How many European themed areas does Europa Par	rk have?	O 5	O 10	O 15
3. How much space does the indoor water world cove	r?	O 10 000 m ²	O 32 600 m ²	O 80 000 m ²

Send your answers by post to: **NAV Office,** *Europa Park contest,* Novartis Campus, Forum 1, WSJ-200.P.84 / P.O. Box, 4002 Basel or scan and send to **nav.nav(at)novartis.com**

J

All members of the Novartis Employees' Association NAV are eligible to participate (except members of the NAV board). The winners will be notified in writing. There will be no correspondence regarding the contest. Prizes will not be paid out in cash. There is no legal recourse.