



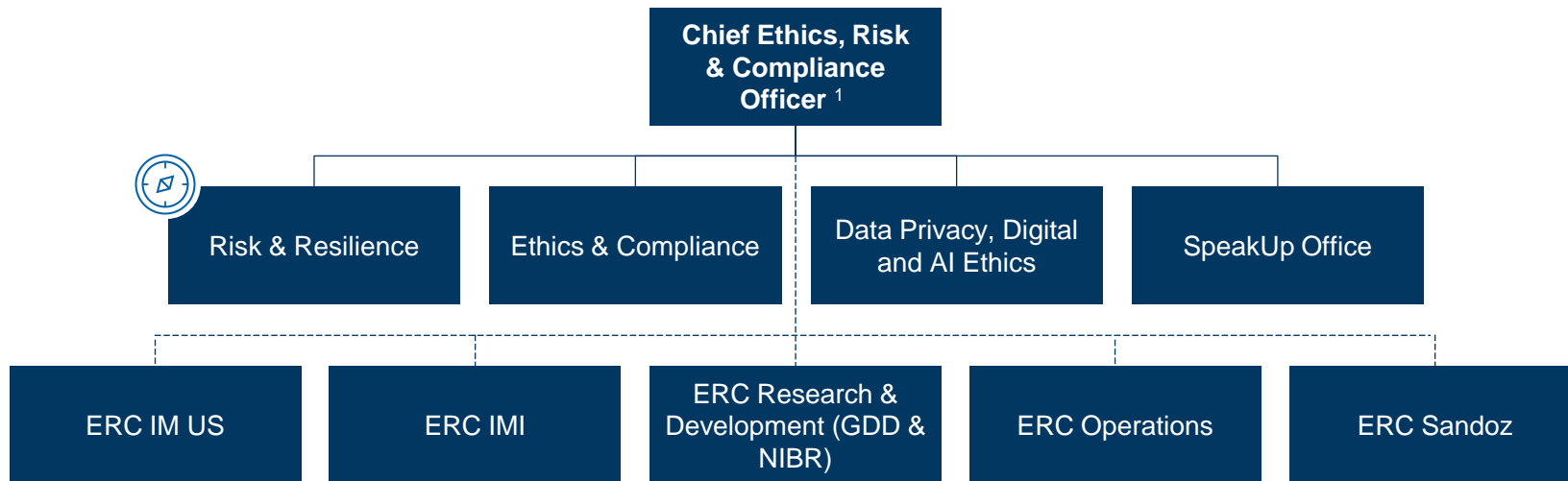
Ethics, Risk & Compliance

Novartis Enterprise Risk Management

January 2023

Novartis Ethics, Risk & Compliance (ERC)

Risk management is an essential part of our ERC organization



¹ Member of Executive Committee of Novartis

Novartis Risk & Resilience

Our continued success depends on our ability to manage risks and respond to crises



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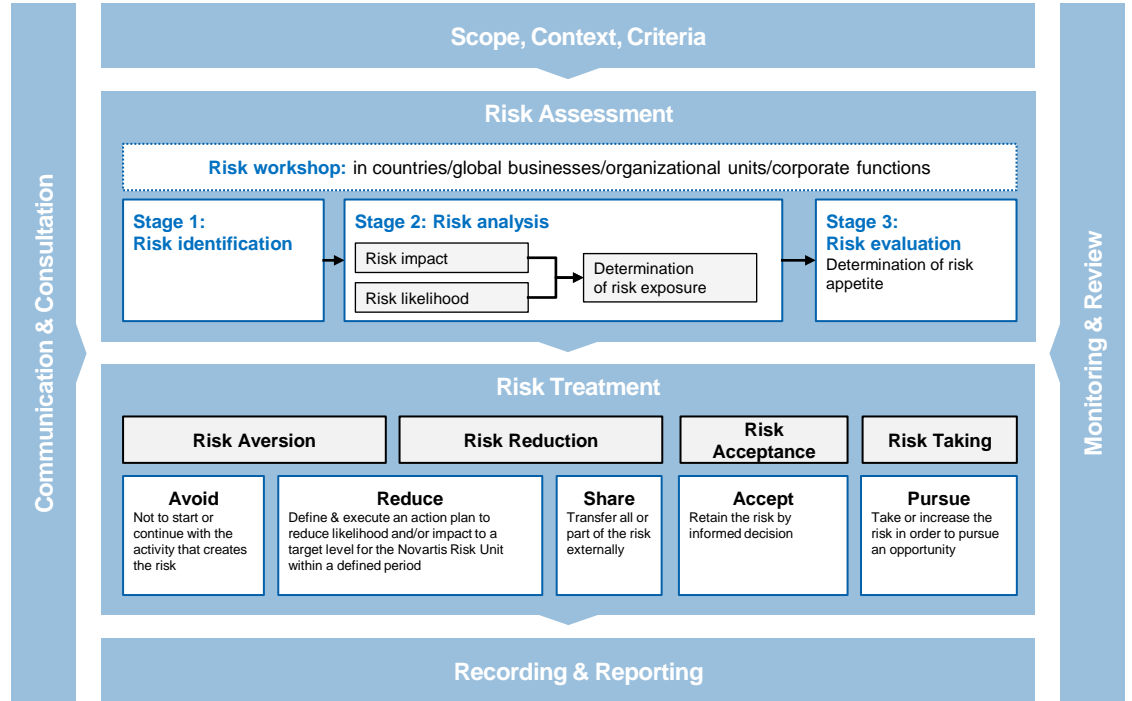
Our process to manage risk

Novartis established a harmonized Enterprise Risk Management process

The ERM process plays a key role in integrating risk management across our organization to create a holistic view of the top risks that could limit our ability to deliver on our strategic priorities and of the key opportunities of which we could take advantage.

The risk management process involves the systematic application of standardized practices and methodologies to assessing, treating, monitoring, reviewing, recording and reporting risk.

Effective risk management requires the development and implementation of treatment activities (action plans), which must be monitored on a regular basis.



Novartis Enterprise Risk Management

Our Novartis Risk Compass allows us to inform and enable key decision making

STRATEGIC RISKS

Are the most consequential to our ability to execute our strategy or achieve our business objectives.

OPERATIONAL RISKS

relate to internal processes or systems, employee errors or external events.

EMERGING RISKS

require close monitoring and have the potential to become strategic or operational risks.

AWARENESS TOPICS

are longer-term trending topics that have the potential to become new risks.

