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May 2026

Q1 2026 Impact and Sustainability Update to Investors

Dear investors and analysts,

In our Q1 update, we outline newly introduced long-term Social Impact & Sustainability targets and provide updates on our community health and malaria work. We also summarize key outcomes from the 2026 AGM.

As always, we also include top questions from shareholders during Q1 and our responses.

We thank you for your continued engagement.

For any questions and comments, please reach out to:

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In 2025, we successfully achieved the Innovation & Access and Global Health targets associated with our sustainability-linked bond at maturity.

Building on this progress, we have chosen to focus on what has proven effective. The infrastructure, capabilities, and accountability mechanisms established over the life of the bond are now embedded in how Novartis operates, and our new targets are designed to leverage that continuity. Novartis has introduced new long-term targets in these areas, and, for the first time, a target for Foundations & Giving. We also reiterate and expand our targets in the areas of Environmental Sustainability and Business Fundamentals.

Strategic pillars

Innovation and Access 	Global Health 	Foundations and Giving 	Environmental Sustainability
<p>Implement a global access strategy for all new medicines launched¹.</p> <ul style="list-style-type: none"> ★ Increase the number of patients reached with strategic innovative medicines² in low- and middle-income countries at least 150% by 2030 from a 2025 base year. ★ Establish at least 40 healthcare system readiness roadmaps covering Sjogren's, chronic myeloid leukemia, myelofibrosis, Huntington's and rare renal diseases by 2030. <p>★ New</p>	<ul style="list-style-type: none"> ★ Invest at least USD 250m to advance R&D for malaria and neglected tropical diseases over five years (2026-2030). <ul style="list-style-type: none"> • In 2026, achieve regulatory submission for malaria treatment ganaplacide/ lumefantrine. ★ Launch community health initiatives in 10 countries by 2030. 	<ul style="list-style-type: none"> ★ Implement the Novartis Foundation³ CARDIO4Cities model in at least 30 major cities by 2030⁴. 	<p>Achieve net-zero GHG emissions across our value chain by 2040.</p> <p>Reduce absolute Scope 1 and 2 GHG emissions 90% and absolute Scope 3 GHG emissions 42% by 2030, from a 2022 base year.</p> <p>Maintain a minimum of 90% absolute scope 1 and 2 GHG emission reductions from 2030 to 2040, and reduce absolute scope 3 GHG emissions by 90% by 2040, from a 2022 base year.</p> <p>Reduce the amount of waste sent for disposal by 30% by 2030, from a 2022 base year.</p> <p>No water quality impacts from manufacturing effluents by 2030 across own manufacturing sites, labs and all active pharmaceutical ingredient suppliers⁵.</p> <p>Implement water use reduction plans for own and supplier sites based in water-stressed basins by 2030.</p>

Business fundamentals

<p>People and Culture</p> <p>Maintain gender-balanced representation in management by 2027⁶.</p> <p>Review our human resources practices beyond base pay to eliminate any potential sources of bias in accordance with applicable law by 2027.</p> <p>Make the new EU Pay Transparency Directive requirements our global minimum standard for internal pay equity and pay transparency reporting by 2027⁷.</p>	<p>Ethics, Risk and Compliance (ERC)</p> <p>Anchored in our Code of Ethics, Novartis ERC Program sets clear principles and expectations for ethical conduct, guiding decision-making and leadership behavior across the company⁸.</p>
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1. Excluding cell and gene therapies, and radioligand therapies (RLT). 2. Brands include: Cosentyx, Ilaris, Kisqali, Kesimpta, Leqvio, Zolgensma, Piqray, Scemblix, Xolair, Pluvicto, Fabhalta and expected new launches in 2026-2030. 3. The Novartis Foundation is a non-for-profit organization and an autonomous legal entity. 4. Major cities refer to cities with more than 1 million inhabitants. 5. API suppliers include manufacturers of drug substances and drug products. 6. Novartis makes employment decisions based on merit and relevant job-related factors, including the skills, qualifications and experience of the individual, without regard to sex/gender, race, ethnicity, or any other legally protected or personal characteristics unrelated to the job. As a global company, Novartis is committed to complying with all applicable laws, regulations and standards in the jurisdictions where we operate, and our policies and practices may vary accordingly to reflect local legal and regulatory requirements. United States-based employees of Novartis, as well as US citizens working outside the US for any Novartis affiliate, do not participate in the gender representation in management aspect of the EPIC pledge but the US does participate in all other facets of EPIC, with the goal of ensuring all our employees are given equal pay for equal work, consistent with applicable law. 7. Refers to the expectations of the European Union Directive and not individual country legislation, which may impose stricter requirements. 8. With a focus on effectiveness rather than targets, ERC measures impact through mechanisms such as the ethical behavior survey, and strengthens trust with society by embedding speak up, responsible external partnerships, and robust risk management into how we operate. In addition, the program supports performance while meeting and exceeding regulatory and societal expectations on ethical behavior, anti corruption, human rights, and environmental responsibility.

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Expansion of community health programs

In previous editions of this newsletter, we highlighted our Community Health portfolio, including the launch of Inclusive Health Accelerators (IHAs), which support locally-led solutions in settings with the greatest gaps in care.

Since then, our Community Health work has continued to scale and mature. Novartis is advancing three complementary approaches to improve access to care for low-income, rural and other underserved populations, with a focus on sustainable, system-level impact. Together, these programs are expected to more than double their geographic reach to more than 30 countries by 2030.

Initiative	Inclusive Health Accelerators (IHAs)	Community Health Initiatives (CHIs)	CARDIO4Cities (Novartis Foundation ⁵)
Geographical focus	US (with plans to expand to other priority geographies)	Low- and middle-income countries	Major cities globally
Therapeutic area	Oncology (breast and prostate cancer)	Cardiometabolic	Cardiometabolic
Intervention	Improving access to education, screenings, diagnosis, navigation and follow-up care through local partnerships	Strengthening pathways for early detection and faster referral beyond conventional channels	Using real-time data, analytics and partnerships to identify high-risk populations and strengthen prevention, detection and management of cardiometabolic disease by proactively reaching people in the community earlier
Outcomes (achieved /intended)	Close gaps across awareness, screening and referral pathways in hard-to-reach communities ¹	In rural Vietnam, the model helped double hypertension control rates and supported treatment initiation closer to communities ³	Demonstrated three- to six-fold improvements in hypertension control and reductions in stroke and heart attack rates within 1–2 years ⁵
Status and expansion	Launching in five US cities and surrounding rural areas in 2026 ²	Operating in Vietnam, with initiatives planned in at least 10 more countries ⁴ by 2030	Active in cities across 8 countries ⁷ ; ambition to reach at least 30 major cities ⁸ (in 23 countries) by 2030

1. Describes communities that face barriers to health services. The challenges are different in every country, which is why we are developing tailored approaches. 2. New York, Los Angeles, Detroit, Houston and Baltimore. 3. In partnership with the Government of Vietnam, an 18-month pilot program screened 400k people, linked 35k to local treatment, and helped to achieve increase in control rates for high blood pressure (from 32% to 76%) and diabetes (from 27% to 77%). Final Report for the Cung Song Khoe Program 2024-2025, The Health Strategy and Policy Institute, Ministry of Health. PhD. Pharm. Nguyen Khanh Phuong, Director and the Assessment Team. 4. Launched in Rwanda (working with the Ministry of Health, local health authorities and a non-profit partner to fast-track people with warning signs of cardiovascular disease into treatment) and Bolivia (using used telemedicine support to improve access for remote indigenous communities that live far from hospitals). 5. The Novartis Foundation is a non-for-profit organization and an autonomous legal entity. 6. Reiker et al (2023). Population health impact and economic evaluation of the CARDIO4Cities approach to improve urban hypertension management. PLOS Glob Public Health. 2023 Apr 11;3(4):e0001480. 7. Belgium, U.S., Portugal, Brunei, Singapore, Finland, Australia and Brazil. 8. Major cities refer to cities with more than 1 million inhabitants.

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Novartis announced that the World Health Organization (WHO) has prequalified Coartem® (artemether-lumefantrine) Baby¹, the first and only antimalarial developed specifically for newborns and young infants weighing from two to five kilograms.

- The decision is a key step towards enabling widespread access through public sector procurement².

- Coartem® Baby represents an important innovation, addressing an unmet need as the smallest infants with malaria have historically been treated with formulations designed for older children, which may increase the risk of overdosing and associated toxicity, or underdosing and insufficient treatment of the infection.

- Novartis is making the treatment available on largely not-for-profit basis in malaria-endemic regions.



[Wonder, an 8-month-old infant from Kumasi, Ghana, was among the early patients to receive Coartem Baby. He was admitted to hospital with malaria symptoms when he was 12 weeks old and received care at Methodist Hospital, Kumasi.]

1. Also known as Riamet® Baby in some countries. Developed in collaboration with Medicines for Malaria Venture (MMV) and with support from EDCTP (developed as part of the PAMAfrica consortium, which is co-funded by the European & Developing Countries Clinical Trials Partnership and the Swedish International Development Cooperation Agency). 2. Prequalification is a process run by the WHO to assess the quality, safety and efficacy of treatments for diseases like malaria, HIV/AIDS and tuberculosis. Prequalification outputs, including lists of prequalified products, are used by UN and other procurement agencies to inform funding and purchasing decisions for the public sector. WHO. *What We Do | WHO - Prequalification of Medical Products (IVDs, Medicines, Vaccines and Immunization Devices, Vector Control): Prequalification of medicines by WHO* [Last Accessed: April 2026].

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Novartis shareholders approved all resolutions proposed by the Board of Directors at the 2026 Annual General Meeting.

We highlight selected topics from the 2026 AGM below.

Board elections

- Shareholders have re-elected Giovanni Caforio as member of the Board of Directors and Board Chair with 97.5% support.
- In addition, shareholders elected Charles Swanton as a new member of the Board with 99.5% support.
- All other members of the Board who stood for re-election have been re-elected. As a reminder, all elections and re-elections to the Novartis Board pertain to a term lasting until the completion of the next AGM.
- Shareholders also re-elected all current members of the Compensation Committee and elected Elizabeth McNally as new member of the Compensation Committee, each until the end of the next AGM. With his re-election, Simon Moroney remains Chair of the Committee.

Constitution of the Board (as of AGM 2026)

Board of Directors

Board Chair: G. Caforio	Vice-Chair & Lead Independent Director: S. Moroney	N. Andrews T. Buechner P. Bula E. Doherty	B. Heller F. van Houten E. McNally A. de Pro Gonzalo	C. Swanton J. Young
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Audit and Compliance Committee

- E. Doherty (Chair)
- T. Buechner
- B. Heller
- F. van Houten
- A. de Pro Gonzalo

Compensation Committee

- S. Moroney (Chair)
- P. Bula
- B. Heller
- E. McNally
- J. Young

Governance, Sustainability and Nomination Committee

- P. Bula (Chair)
- T. Buechner
- B. Heller
- F. van Houten
- A. de Pro Gonzalo

Science & Technology Committee

- J. Young (Chair)
- N. Andrews
- F. van Houten
- E. McNally
- S. Moroney
- C. Swanton

Dividend

- Shareholders approved, with 99.8% support, the company's 29th consecutive dividend increase to CHF 3.70 (+5.7%) per share for 2025, representing a 3.0% yield¹.

¹ Based on the Novartis SIX Swiss Exchange closing share price of CHF 124.82 on March 5, 2026.



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Non-financial report

- Shareholders endorsed the non-financial report in an advisory vote, with 96.3% support.
- For the 2025 reporting cycle, we refined our disclosure approach by introducing a more targeted **Report on Nonfinancial Matters**, replacing our Novartis in Society Integrated Report. This change consolidated previously separate disclosures into a single structure aligned with regulatory requirements (including Article 964a-c of the Swiss Code of Obligations), while maintaining our commitments to social impact and sustainability.
- To improve accessibility and transparency, we consolidated all ESG-related metrics into a centrally published **ESG Data Summary**. We also published our **Update on Public Commitments**, covering long-standing focus areas such as inclusion and access, global health and nature.

Compensation

- In two separate binding votes, shareholders approved the total maximum aggregate amount of compensation for the Board of Directors, covering the period from the 2026 AGM to the 2027 AGM, with 92.6% support, and the total maximum aggregate amount of compensation for the Executive Committee for the 2027 financial year with 90.3% support.
- Shareholders also endorsed the 2025 Compensation Report in an advisory vote, which received 87.9% support, an increase compared to the last two years' voting outcomes (87.2% in 2025, 84.4% in 2024).
- As part of the 2025 Compensation Report, the Compensation Committee and the Board of Directors outlined the following changes to the Executive Committee compensation system, effective January 1, 2026:
 - A refinement of the global healthcare peer group for benchmarking purposes, with Biogen removed and Takeda added, to ensure greater relevance and geographic balance.
 - The introduction of a simplified, formula based TSR payout curve for the Long Term Performance Plan, aligning the Novartis approach with peer and broader European practice.
 - Alignment of the Executive Committee Annual Incentive with the rest of the organization through a simplified, multiplicative structure, while maintaining existing financial and strategic performance metrics and the 200% cap.

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Top 10 social impact and sustainability-related questions from shareholders and our responses

Thank you for your continued engagement in Q1. During this quarter, we received inquiries on our community health programs, nature assessments, progress toward our climate goals, and human capital, including the impact of AI on our workforce. Additionally, executive compensation and risk management were areas of focus.

Access to medicines

01

What is the business rationale behind the Novartis community health programs?

- Our community health programs support our long-term business strategy and complement our core R&D and access efforts by **addressing systemic barriers** – such as gaps in prevention, diagnosis, referral and follow-up care. These barriers disproportionately affect low-income, rural and other underserved populations that are often **not reached through conventional commercial approaches**.
- By working with local partners, the programs support improved health outcomes while contributing to **more resilient and effective healthcare systems**. In disease areas where Novartis has long-term portfolio commitments, this approach helps create a **more predictable operating environment**, with clearer patient pathways, better clinical-practice alignment and more equitable access to innovation, supporting both sustainable access and long-term value creation.
- The programs also enable **deeper community engagement and trust**, particularly in populations that have historically faced barriers to care. Building sustained relationships with community organizations and patient groups supports earlier diagnosis, treatment initiation and adherence, improving real-world adoption while **reinforcing Novartis credibility** with payers, policymakers and potential partners.

02

How did Novartis select the cities for the initial launch of Inclusive Health Accelerators (IHAs), and how will their impact be assessed over time?

- Cities were selected based on **data-driven analysis of the patient journey**, identifying locations with significant unmet need across awareness, screening, diagnosis and referral pathways, combined with **feasibility considerations**, including the presence of community and healthcare partners.
- We are launching the IHAs through multi-year partnerships¹ with locally trusted stakeholders, bringing together complementary capabilities in community engagement, outreach, clinical navigation and health-system strengthening. Partners include faith-based organizations, community groups, health centers, academic institutions and digital platforms.
- Progress will be monitored internally using **operational and outcome-oriented indicators**, such as the number of patients and providers reached; individuals screened, diagnosed and referred; and navigation and follow-up outcomes. Over time, measurement approaches will evolve as programs mature to incorporate indicators linked to improved health outcomes.

1. IHAs are launching with four core partners: The Balm in Gilead, African American Male Wellness Association, BlackDoctor.com, The Weitzman Institute.

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Climate and nature

03

How did Novartis identify the 11 priority sites for the development of biodiversity management plans, and how were 3 pilot assessments conducted?

- The 11 priority sites were identified through a risk-based screening process that considered their **proximity to biodiversity sensitive areas and the use of water**, which is a key proxy to identify sites that may have the most material impact on biodiversity.
- From this group, three sites were selected as pilot locations to test and refine the development and implementation of biodiversity management plans (BMPs):
 - The BMPs combined desktop analysis (drawing on publicly available spatial and ecological data) with site-level engagement, supported by external experts where appropriate. Assessments covered topics such as habitats and species presence, water use, waste and air-related impacts. Based on these findings, BMPs, including mitigation measures, are being developed for each pilot site.
- Insights from the pilot assessments are being used to strengthen our overall approach, inform site-specific actions, and support the continued development of the Novartis nature pillar.

04

Which key sustainability alliances and industry initiatives does Novartis participate in, and what role do these collaborations play in advancing its sustainability objectives?

- Novartis participates in several alliances to address challenges that cannot be solved by individual companies alone and to help shape consistent, scalable approaches across the value chain. Examples are:
 - **SMI² Health Systems Task Force**: collaborating with peers to advance collective action on topics such as climate transition, supplier engagement and the scale-up of takeback programs (medical devices and packaging).
 - **WBCSD³**: engaging in cross-industry efforts on climate, nature (including the development of industry-specific nature roadmaps) and sustainability reporting, and contributing to the development of practical tools.
 - **PEG⁴**: providing a platform to collaborate on environmental topics specific to the pharmaceutical sector, including emissions reduction, water stewardship and waste management.
 - **PSCI⁵**: working with peers to promote responsible business practices in the supply chain, including human rights, environmental standards, supporting suppliers through harmonized expectations and capacity-building.

05

Given the progress achieved to date on emissions reduction, how does Novartis assess the remaining gap to its 2030 targets, and what measures will drive further reductions?

- By 2025, Novartis reduced **Scope 1 and 2 emissions by 45% and Scope 3 emissions by 17%** vs. 2022 baseline. This leaves a remaining reduction of 45% for Scope 1 and 2 and 25% for Scope 3 to reach our 2030 targets. Based on our current climate transition plan, we believe we are well on track.
- For Scope 1 and 2, the remaining emissions primarily relate to onsite heat generation and, to a lesser extent, vehicle emissions. Ongoing actions focus on energy and process-efficiency measures (e.g. HVAC⁶ optimization, cold water for injection technology) and the implementation of green-heat solutions to replace fossil fuels at selected sites. These initiatives are supported by a phased approach to fleet electrification for our field force where operationally feasible, in line with our 2030 EV100 ambition.

2. Sustainable Markets Initiative. 3. World Business Council for Sustainable Development. 4. Pharmaceutical Environment Group. 5. Pharmaceutical Supply Chain Initiative. 6. Heating, ventilation and air conditioning.

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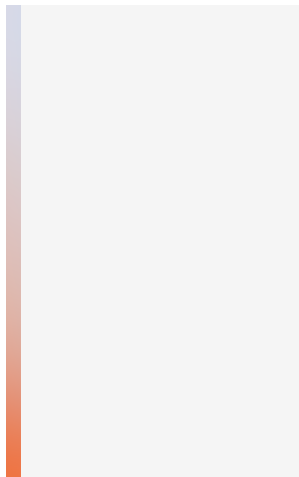
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- For Scope 3, approximately 80% of emissions stem from purchased goods and services. For product-related emissions, we apply life-cycle assessments to identify hotspots and work with suppliers on targeted actions, including: (1) renewable-energy adoption, (2) solvent recycling and reuse, (3) packaging optimization, and (4) supply chain transformation. For service-related emissions, we continue to promote sustainable business practices across our supplier base.
- To support progress, environmental sustainability criteria are embedded in supplier contracts. In 2025, **97% of supplier emissions were covered** by contracts including these criteria. Our supplier engagement approach continues to be externally recognized, including by the **CDP Supplier Engagement Assessment**, where we have consistently achieved an A score in the past three years.
- In addition, we remain deeply engaged with relevant industry associations to support the transition and help build supplier capability.

Human capital

06

What key human capital metrics does Novartis monitor?

- Novartis monitors metrics related to workforce composition, hiring and attrition, employee engagement, wellbeing, health and safety, learning and development, and fair and competitive compensation practices. We also track indicators linked to measures that support inclusion and equal opportunity. For example:
 - Employee engagement, wellbeing, inclusion, and sense of belonging have trended positively in recent years, and as of Q1 2026, remained above external benchmarks⁷.
 - Voluntary turnover has remained in the single digits in recent years (7% in 2025, 6% in 2024).
 - Global aggregated female representation in management increased to 49% in 2025 vs. 48% in 2024⁸.
- These metrics inform regular management and Board-level discussions and help guide decisions on talent strategy, succession planning and workforce investments over time.

07

How does Novartis assess and manage the impact of artificial intelligence on its workforce?

- Novartis views AI primarily as a tool to augment work – supporting decision-making, productivity and the reduction of repetitive tasks – rather than replace roles. Potential workforce impacts will be assessed through ongoing monitoring of role evolution, skill requirements, and ways of working across functions.
- To support employees to adapt to new ways of working with AI, Novartis invests in upskilling and reskilling initiatives. Examples include:
 - **Enterprise-wide AI fluency:** Novartis is rolling out a “Ready for AI” program which includes an “AI Foundations” course, an “AI Immersion Month” covering specific AI tools and skills, a learning agent and also a champions community.
 - **Role-specific upskilling:** Dedicated programs such as the **Development AI Academy** enable teams in areas like clinical development to learn how to apply AI directly to their work – ranging from protocol design and data analysis to document generation.
- Employee experience and responsible adoption are supported through **governance frameworks, ethical AI principles, and change-management practices**, ensuring that AI deployment remains aligned with our values.
 - In 2025, Novartis introduced a recurring “Data and Technology Curriculum” covering data quality, bias awareness, regulatory expectations, and practical guidance on the responsible use of AI tools.

7. External benchmark from Glint; includes pharmaceutical peers and other large cap multinational companies including companies in the technology industry. 8. As a general matter, employee demographics vary year to year due to myriad factors, including the available applicant pool, the market, available roles, and the relevant job qualifications of individual applicants year-to-year. Because decisions are made on an individual basis, based on merit and job-related factors unrelated to legally protected or personal characteristics unrelated to the job, demographics will necessarily vary.

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Governance and risk management

08

Has the Board considered incorporating Social Impact & Sustainability-related metrics into long-term (3-year) management incentives?

- The use of Social Impact & Sustainability (SI&S) measures within the Long-Term Performance Plan (LTPP) has been carefully considered in prior reviews. The Compensation Committee and the Board of Directors remain confident that the current LTPP performance metrics are optimal, and that incorporating SI&S measures within the balanced scorecard of our CEO and senior executives, specifically within the Annual Incentive Plan, provides the most appropriate and effective framework for assessing performance.
- As a reminder, within the Annual Incentive, the **strategic objective 'Strengthen Foundations' incorporates SI&S metrics** on topics such as Access & Innovation and Global Health. This allows for robust target-setting and reinforces clear year-on-year accountability for these objectives. Given that SI&S metrics and methodologies continue to evolve, annual targets currently provide the most meaningful basis for assessment.
- The Compensation Committee and the Board will continue to review performance metrics included within the LTPP, and any material changes will be shared transparently (e.g. via our [Annual Report](#) or [brochure on compensation votes](#)).

09

Why did the Board decide to dissolve the Risk Committee, and how will risk oversight be handled going forward?

- The Board has decided to elevate risk oversight to the full Board by integrating all topics previously overseen by the Risk Committee into regular strategic discussions of the full Board or relevant committees, rather than maintaining a separate Risk Committee. This approach reinforces integrated oversight and ensures risk considerations are embedded in all strategic decisions.
- This decision also reflects the maturity of the Enterprise Risk Management (ERM) framework, which provides a company-wide process for identifying, assessing and managing risks and enables standard risk reporting to the full Board, as well as the strategic nature of the top risks identified. The Board, through the Audit & Compliance Committee (ACC), will continue to provide oversight by annually reviewing the effectiveness of the ERM program.
- This approach is aligned with governance practices commonly adopted by major Swiss multinationals outside the financial sector (where a separate risk committee is mandatory).

10

How is Novartis impacted by the conflict in the Middle East? Any supply chain concerns?

- At the local level, our primary priority remains the safety and security of our employees and maintaining our supply to patients in the region. We remain in regular contact with the affected teams and continue to support their needs as the situation evolves.
- In terms of broader impact outside the region, Novartis operates globally and has substantial experience in continuing delivery of treatments in times of unrest and conflict. We currently do not foresee any impact on supply of medicines to other markets.