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November 2026

Q3 2026 Impact and Sustainability Update to Investors

Dear investors and analysts,

In this Q3 update, we feature an interview with Sujata Vaidyanathan, Global Health Development Unit Head, on innovating in Global Health amid a challenging environment. We also report progress on our malaria pipeline and underscore the unmet need in leishmaniasis.

In addition, we review Novartis ranking in the Access to Medicine Index. We also reflect on key themes from the UN General Assembly and Climate Week NYC, and would like to remind you of our dedicated AI-focused session at Meet Novartis Management on 19 November.

As always, we include the top questions raised by shareholders during Q3 and our responses.

We thank you for your continued engagement.

For any questions and comments, please reach out to:

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Conversation with Sujata Vaidyanathan, Ph.D.

Investors ask how Novartis is sustaining its commitment to Global Health R&D amid a shifting funding landscape.

In this interview, Sujata shares her perspective on the challenges facing the field, how Novartis approaches trade-off decisions as an innovative medicines company, and how Global Health R&D is likely to evolve in the years ahead.



Sujata Vaidyanathan, Ph.D.
Development Unit Head, In-Market Brands and Global Health

1. What challenges are top of mind for you in Global Health R&D today?

- Across the industry, investment in R&D for global health diseases has historically been limited, with very few new medicines for these diseases approved in recent years.
- Weak health infrastructure and **limited local R&D and clinical trial capacity** add to the challenge. We try to help address this through long-term research partnerships. For example, WANECAM 3[1], a new Global Health EDCTP[2]-supported consortium, brings together African clinical research leadership, academic expertise, product development experience and development capabilities, ensuring that studies are conducted in the countries most affected by malaria and generate evidence relevant to local public health needs.
- At the same time, threats are rising, from growing **antimalarial drug resistance** to **climate-sensitive diseases** such as dengue expanding into new regions.
- This is exactly when it matters most to stay the course. We invested **more than USD 500m** in 2021–2025, double our original USD 250m commitment, and have renewed it with **at least USD 250m** for 2026–2030.

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2. Why does Global Health R&D matter to Novartis beyond its social impact? How do you make the case for it inside Novartis, and how do you navigate trade-offs against the core pipeline?

- Global Health is personal to me. I grew up in Bihar, India, where leishmaniasis, a potentially devastating parasitic disease, has long been endemic. The state has historically accounted for around 80% of India's reported cases[3]. Being able to work on new treatments for these same diseases today brings things full circle, and I'm truly proud of what our teams do.
- Global health is part of Novartis DNA: we have more than **80 years** of experience in the field, and together with partners, Novartis has delivered **more than 1.1bn courses of antimalarial treatments**[4]. So it is easy to make the case internally, including in my recent discussion with the Board on our Global Health efforts.

1. West African Network for Clinical Trials of Antimalarial Drugs. 2. European and Developing Countries Clinical Trials Partnership. 3. National Center for Vector Borne Diseases Control (NCVBDC), Ministry of Health & Family Welfare, Government of India. Kala-azar situation in India. Kala-Azar Situation in India :: National Center for Vector Borne Diseases Control (NCVBDC). 4. Over the last 25 years. Novartis Data on file.

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- Trade-offs are inherent. We manage them through a dedicated Global Health organization with ring-fenced investment across research, development and commercialization. This end-to-end model has also enabled us to build three key strengths:
  - **Clinical trial expertise in LMICs**: our Global Health trials run in approximately 20 low- and middle-income countries (LMICs) across more than 30 sites, giving us real-time access to a broad global network.
  - **Long-term partnerships**: public-private partnerships, such as with MMV[5] and DNDi[6], alongside research collaborations with institutions such as the Swiss Tropical and Public Health Institute, provide access to expertise and resources.
  - **Synergies:** drawing on state-of-the-art scientific capabilities and platforms from across the company, including dedicated Global Health labs in California, a library of millions of compounds, and AI drug discovery tools.
  - Philanthropy alone is not sustainable over the long term, so in general our goal is to achieve financial sustainability while maximizing access. Many of our Global Health programs are eligible for Priority Review Vouchers (PRVs), and analysts sometimes ask about their role in our model. To be clear, we don't invest in Global Health because of them. But when we receive one, we welcome it as external validation of our work. We received a PRV in 2019 with the FDA approval of **Egaten® for fascioliasis**, a parasitic worm infection[7].

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3. With finite resources, how do you decide which diseases and programs to advance in the Global Health pipeline?

- We apply the same rigor as in any other therapeutic area: clear prioritization, tollgates and no-go decisions. The nuance is that we give more weight to sustainability and impact than to profitability, as these diseases predominantly affect patients in LMICs[8].
- Our choices are guided by three principles, and we largely focus where all three overlap:
  - **Unmet need**: limited or no effective treatment options, a disproportionate burden on neglected populations, and insufficient incentives for industry R&D.
  - **Scientific feasibility:** a clear path to a novel medicine, including where we can build on existing scientific expertise and capabilities, with sufficient disease biology, validated targets and regulatory tractability.
  - **Scope of impact:** potential for population-level impact, with sustainable delivery and long-term access in real-world settings.
- Malaria is a key priority, building on decades of **scientific and development expertise** and an established pipeline. Our other current priorities are dengue and sickle cell disease, alongside selected opportunistic programs such as leishmaniasis.
- To pressure-test our thinking, we draw on an external Global Health R&D Advisory Board. It brings together experts from drug development for neglected diseases, public health, and academic research.
- Prioritizing also means deciding where not to focus. For example, we don't prioritize tuberculosis or HIV, as other companies already have strong programs there, so we believe we can add greater value elsewhere.

5. Medicines for Malaria Venture. 6. Drugs for Neglected Diseases initiative. 7. U.S. Food and Drug Administration. NDA 208711 approval letter (Egaten), 13 February 2019. https://www.accessdata.fda.gov/drugsatfda_docs/appletter/2019/208711Orig1s000ltr.pdf. 8. Low- and middle-income countries.

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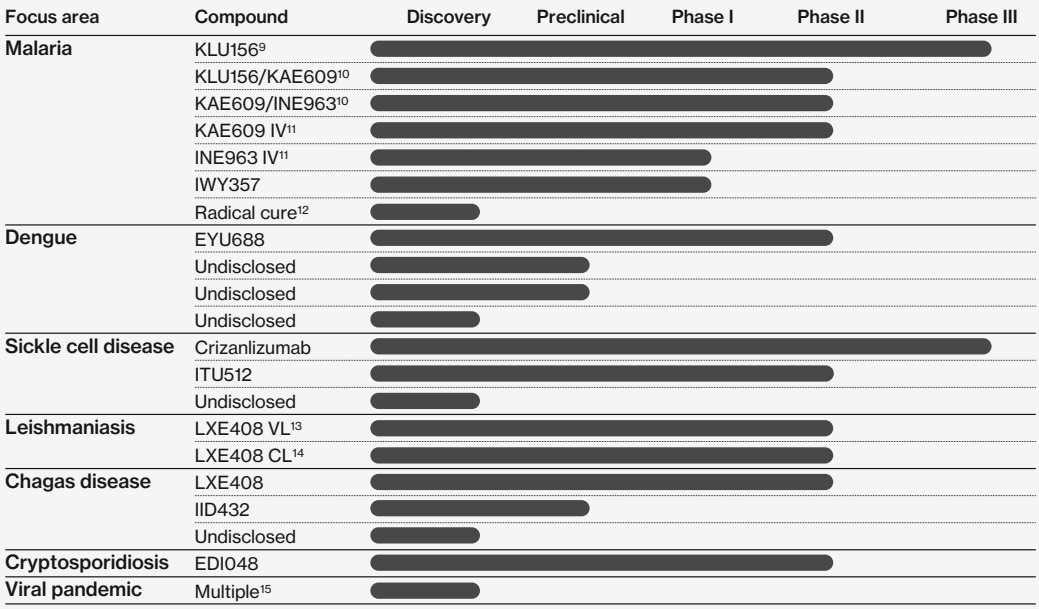
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Novartis Global Health pipeline



4. How do you see Global Health R&D evolving over the next decade?

- First, **climate change is shifting the disease burden**. WHO notes that rising temperatures and changing weather patterns are altering where disease-carrying mosquitoes live: malaria transmission is expected to move toward the poles and to higher altitudes, while the range of the mosquito that carries dengue continues to expand[16]. In 2024, for example, France recorded historically high numbers of locally acquired dengue cases[17].
- Second, **AI will play a growing role**. In Global Health specifically, I see a real opportunity in modeling how diseases will spread, particularly with climate change. This could help us decide where to run trials and anticipate where the burden is moving. It's still early days, but it could be a game changer for Global Health.
- Finally, **partnership and funding models are changing**. Global health has started to evolve from philanthropy towards public-private partnerships, and I expect it to keep evolving as the funding environment changes. For example, we are seeing models where partners based in endemic countries lead selected steps of research, development or delivery, helping embed medicines in local health systems. Our commitment doesn't depend on these models: we will stay the course regardless. But where new models emerge, we will look to leverage them.

9. KLU156: Ganaplacide/lumefantrine. 10. Evaluated as a single-dose cure. 11. IV formulation for severe malaria. 12. Multiple projects. 13. Visceral leishmaniasis. 14. Cutaneous leishmaniasis. 15. Flavivirus, henipavirus. The current and past support of development and funding partners is gratefully acknowledged, including Medicines for Malaria Ventures, the Drugs for Neglected Diseases Initiative, Wellcome Trust, Bill & Melinda Gates Foundation and Coefficient Giving. 16. World Health Organization. New research flags the urgent need for research and evidence on the impact of climate change on neglected tropical diseases and malaria, 22 May 2024. https://www.who.int/news/item/22-05-2024-new-research-flags-the-urgent-need-for-research-and-evidence-on-the-impact-of-climate-change-on-neglected-tropical-diseases-and-malaria
17. Arulmukavarathan A, et al. Dengue in France in 2024 – A year of record numbers of imported and autochthonous cases. New Microbes New Infect. 2024;62:101553. https://pmc.ncbi.nlm.nih.gov/articles/PMC11667686/

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US FDA grants Priority Review for next-generation antimalarial KLU156[1]



Anopheles mosquito
Vector of the Plasmodium parasite

Malaria has long been a focus of our Global Health R&D, and we have recently reached important milestones. In July 2025, we launched Coartem® Baby, the first approved malaria treatment for newborns and young infants (2kg-5kg), which was previously under-diagnosed and lacked appropriate treatment. Within 12 months, we announced positive Phase III results for KLU156 (ganaplacide/lumefantrine) (November 2025) and submitted it for regulatory review, including to Swissmedic using the Marketing Authorization for Global Health Products Procedure involving 11 countries in Africa (April 2026) and to US FDA (July 2026)[2].

- Building on this progress, the FDA has granted **Priority Review** for KLU156 for the treatment of acute, uncomplicated malaria. Priority Review shortens the FDA's evaluation period from 10 to 6 months for medicines that, if approved, would provide significant improvements in treatment efficacy and safety[3].
- If approved, the treatment would represent the **first major innovation** against the deadliest form of malaria in more than **25 years**.

Addressing the unmet need in leishmaniasis



Phlebotomus papatasi sandfly[12]
Vector of the Leishmania parasite

- **Leishmaniasis** is a neglected tropical disease transmitted through the bites of infected sandflies, with an estimated 700,000 to 1 million new cases each year[4]. In its visceral form, it is **one of the world's deadliest parasitic diseases.** Visceral leishmaniasis causes fever, weight loss and enlargement of the spleen and liver, and is fatal in over 95% of cases if left untreated[4].
- The burden falls mainly on some of the most vulnerable communities. The WHO estimates around 30,000 new cases of visceral leishmaniasis each year, mainly in Eastern Africa, South Asia and Latin America[5]. Eastern Africa accounts for more than 70% of global cases, and half of reported cases there are **children under 15**[6].
- Current treatments remain a significant barrier to care. For decades, the main treatments have been painful injections of pentavalent antimonials, which contain heavy metals and have severe toxic side effects[7]. In Eastern Africa, the standard of care[8] still requires 14 days of treatment with daily injections[9]. For patients in remote areas, long hospital stays far from home and family remain a major obstacle to completing treatment.
- **A simple oral treatment could help bring care closer to patients** and support efforts to eliminate the disease. LXE408[10] is a first-in-class oral compound and works by selectively inhibiting the parasite's proteasome. Preclinical studies support the potential of this mechanism against Leishmania parasites and other kinetoplastid parasites, including the parasite that causes Chagas disease[11].
- Phase II studies of LXE408 in patients with visceral leishmaniasis in **India and Ethiopia** have been completed, and results will be presented at the American Society of Tropical Medicine and Hygiene (ASTMH) Annual Meeting on **18 November 2026.**

1. Developed by Novartis with the scientific and financial support of Medicines for Malaria Venture, and partially within the framework of the WANECAM2 consortium, which is funded by the European & Developing Countries Clinical Trials Partnership Programme supported by the European Union, with co-funding from the German Aerospace Center and the UK Department of Health and Social Care. 2. Developed by Novartis with the scientific and financial support of Medicines for Malaria Venture. 3. US FDA. Priority Review, January 4, 2018. Accessed September 23, 2026. https://www.fda.gov/patients/fast-track-breakthrough-therapy-accelerated-approval-priority-review/priority-review. 4. WHO. Leishmaniasis fact sheet. https://www.who.int/news-room/fact-sheets/detail/leishmaniasis. 5. WHO, Country Office for India. What is leishmaniasis? https://www.who.int/india/health-topics/leishmaniasis/what-is-leishmaniasis. 6. WHO. Strategic framework for the elimination of visceral leishmaniasis as a public health problem in eastern Africa 2023–2030. https://www.who.int/publications/i/item/9789290315766. 7. Associated with potentially life-threatening side effects affecting the heart, liver and pancreas. WHO updates treatment guidelines on visceral and post-kala-azar dermal leishmaniasis, 29 July 2026. https://www.who.int/news/item/29-07-2026-who-updates-treatment-guidelines-on-visceral-and-post-kala-azar-dermal-leishmaniasis; DNDi. WHO recommends new, better and safer treatment regimens for leishmaniasis, 29 July 2026. https://dndi.org/press-releases/2026/who-recommends-new-better-safer-treatment-regimens-for-leishmaniasis/. 8. Paromomycin and sodium stibogluconate. 9. WHO guidelines on leishmaniases: treatment of visceral leishmaniasis and post-kala-azar dermal leishmaniasis in eastern Africa and South-East Asia. Geneva: WHO; July 2026. ISBN 978-92-4-012329-8. https://www.who.int/publications/i/item/9789240123298. 10. LXE408 is being jointly developed by Novartis and the Drugs for Neglected Diseases Initiative. It was discovered by Novartis with financial support from the Wellcome Trust. 11. Khare S, Nagle AS, Biggart A, et al. Proteasome inhibition for treatment of leishmaniasis, Chagas disease and sleeping sickness. Nature. 2016;537(7619):229–233. doi:10.1038/nature19339. https://pmc.ncbi.nlm.nih.gov/articles/PMC5161665/; Nagle A, Biggart A, Be C, et al. Discovery and Characterization of Clinical Candidate LXE408 as a Kinetoplastid-Selective Proteasome Inhibitor for the Treatment of Leishmaniases. Journal of Medicinal Chemistry. 2020;63(19):10773–10781. doi:10.1021/acs.jmedchem.0c00499. 12. Photo: CDC / James Gathany. Content provider: Prof. Frank Hadley Collins, University of Notre Dame. Source: CDC Public Health Image Library (PHIL), ID #10276. https://wwwn.cdc.gov/phil/Details.aspx?pid=10276.

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Novartis ranks first place in 2026 Access to Medicine Index

We were pleased to see Novartis recognized as the top-ranked company overall in the 2026 Access to Medicine Index, retaining our position from 2024.

The Index highlighted our progress to expand care for cancer and heart disease, Coartem® Baby (artemether-lumefantrine), and next-gen antimalarial KLU156 (ganaplacide/lumefantrine), and called out our strong approaches across Governance of Access, R&D and Product Delivery. We were the first company since the Index began in 2008 to achieve a No.1 ranking across all Technical Areas assessed, with a score in R&D almost twice the sector average:

- **Governance of Access (4.52):** The Index cited board-level accountability, access-related incentives in executive scorecards, and reporting of patient reach.
- **Research & Development (3.76):** The Index highlighted access plans for all late-stage priority projects and our R&D investment disclosures.
- **Product Delivery (3.73):** The Index pointed to access strategies, wider product registration than peers and capacity-building initiatives.

How score was achieved

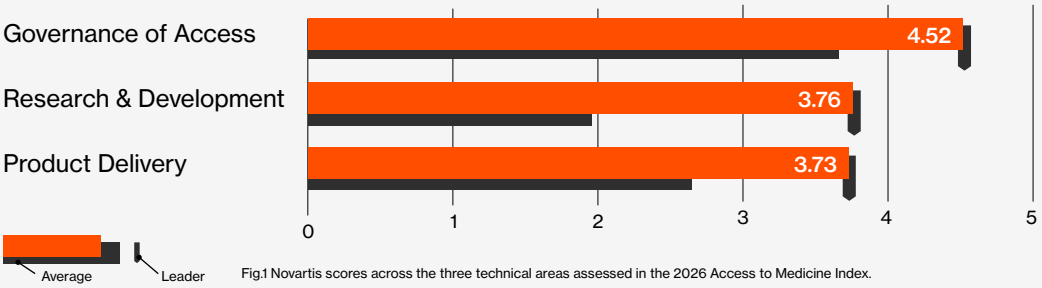


Fig.1 Novartis scores across the three technical areas assessed in the 2026 Access to Medicine Index.

The Index also identified opportunities for Novartis, including broadening the geographic reach of access plans for noncommunicable diseases, increasing patient reach in sub-Saharan Africa through access strategies for innovative medicines for breast cancer and heart disease, and scaling access to Coartem® Baby. We are already making progress in these areas, including through new Community Health Initiatives, new emerging market brand launches, and by working with partners to expand access to Coartem® Baby, which is now registered in 16 countries.

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In September, Novartis took part in discussions on the sidelines of the UN General Assembly and Climate Week NYC.

For Korab Zuka, our Chief Sustainability Officer, one word came up in nearly every conversation: **trust.** "For so many, healthcare doesn't begin in a hospital. It begins with someone they know and trust in their own community. Science can create the breakthrough, but trust is what carries it the last mile."





More broadly, five themes stood out in our conversations with policymakers, partners and other stakeholders

01 NCDs move up the agenda.

Noncommunicable diseases (NCDs) account for 74% of deaths globally, yet remain underfunded. They were increasingly framed as both a health and an economic priority. Discussions focused on embedding prevention, access and integrated care within Universal Health Coverage.

02 Climate and health converge.

Focus is shifting from primarily mitigation toward adaptation, resilience, R&D for climate-sensitive diseases and protecting vulnerable populations, as climate pressures strain both health infrastructure and the people who deliver care.

03 Closing the funding gap requires long-term partnerships.

Stakeholders acknowledged a widening gap between ambition and available resources. Discussions focused on innovative financing, blended capital and private-sector partnerships. There was also an emphasis on long-term, cross-sector collaboration that goes beyond one-off projects.

04 Digital health must be inclusive by design.

As data and AI become central to health systems, there is growing concern that digital progress could widen existing gaps for under-reached communities. Stakeholders called for inclusion to be built into digital solutions from the start, rather than added later.

05 Metrics create accountability.

Stakeholders are asking for clearer evidence of impact, stronger economic cases, and a credible link between today's investments and long-term outcomes.

Several of these themes are reflected in this update e.g. **Global Health R&D.**

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Reminder: AI session at Meet Novartis Management 2026

We are hosting a dedicated AI panel as part of Meet Novartis Management, our annual capital markets event, on November 19, 2026.

Senior leaders will discuss how Novartis is using **AI across R&D.**

Time: 2:30pm UK / 3:30pm CET. The event will be held in-person (London) and online.
Link to webcast: AI Panel. Register to attend in person: Register for Meet Novartis Management.

Dedicated Social Impact & Sustainability investor event in 2027

Following the AI panel at Meet Novartis Management in 2026, we will host a dedicated Social Impact & Sustainability investor event in mid-2027.

The event will follow the publication of our Annual Report, allowing discussions to build on our latest disclosures. We will share the date and more details in due course. In the meantime, we will continue to keep you informed through our quarterly updates.

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

This quarter, we continued to receive questions on a wide range of topics, from access to medicines to water consumption, supply chain resilience, employee wellbeing, Board oversight of risk and cybersecurity. Many also asked about the use of AI in R&D, which will be covered at our **AI panel.** Questions on trade-off decisions in Global Health are addressed in our interview with **Sujata.**

Pricing and Access

01

Have you observed any impacts from the December 2025 agreement to provide MFN pricing to the US market on access outside the US, including in LMICs[1]?

- The agreement's pricing provisions for future medicines apply to a defined group of high-income countries (G7 excluding the US, plus Switzerland and Denmark), where we aim to launch at comparable prices that reflect the value our medicines deliver to patients, healthcare systems and society.
- Novartis remains committed to investing in markets that value innovation and have policies in place that support broad and fast access to medicines.
- For LMICs, we remain committed to our access strategies, including implementing a tiered-pricing framework to address economic development and affordability challenges, aiming to open public funding opportunities, adopting innovative access models, focusing research and development based on unmet healthcare needs, and supporting approaches to health system readiness.
  - For example, Leqvio, a first-in-class small interfering RNA (siRNA) therapy that lowers LDL cholesterol, is commercially available as an Emerging Market Brand in 34 countries, including India, Egypt, Philippines, South Africa and Mexico.

02

You have a target of 40 healthcare system readiness roadmaps by 2030, could you elaborate on what this entails?

- Healthcare system readiness roadmaps[2] address barriers that delay access, working with regulators, providers, patient organizations and other stakeholders. We aim to establish at least 40 healthcare system readiness roadmaps by 2030, focused on five disease areas[3].
- These were selected based on three criteria: (a) alignment with our therapeutic area pipeline and capabilities (b) high unmet need, and (c) significant healthcare system gaps. Each roadmap has KPIs and milestones that are reviewed regularly through our launch governance processes. Two examples:
  - **China – CML**: Fragmented referral pathways make patient identification difficult, and treatment decisions can vary outside major hematology centers, leading to inconsistent care and delays in treatment initiation. We are working with medical associations and 50 leading CML centers to establish standardized clinical pathways, with the aim of extending them to 260 hospitals in 13 regions.
  - **Japan – rare renal diseases**: Diagnosis rates for diseases such as IgAN remain low, driven in part by limited awareness among non-specialist physicians and patients. Together with the Japan Kidney Association and other stakeholders, we are scaling referral models so that general practitioners refer patients to nephrologists earlier for diagnosis and treatment.

1. Low- and middle-income countries. 2. Across top 10 priority markets excluding US; A healthcare system readiness roadmap essentially means that healthcare system initiatives are incorporated into the integrated product strategy for new launches. 3. Sjögren's disease, CML, myelofibrosis, Huntington's disease, and rare renal diseases, including C3G and IgAN.

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03

Could you elaborate on your Community Health strategy, including the business case for launching these initiatives and how you selected the countries of focus?

- Our community health strategy supports locally led solutions in settings with the greatest gaps in care. We are advancing three complementary approaches:
  - Community Health Initiatives: aim to accelerate diagnosis and treatment for cardiovascular disease and cancer in lower-income, rural and hard-to-reach communities. Building on our long-standing experience in Vietnam, we have expanded the approach to countries including Rwanda and Bolivia, adapting each initiative to local needs, from community screening and health worker training in Rwanda to telemedicine supporting remote communities in Bolivia.
  - Inclusive Health Accelerators: a new community-based initiative across five US cities and surrounding rural areas, aiming to close gaps in access to breast and prostate cancer care for hard-to-reach communities through disease awareness, better access to screening and referrals.
  - CARDIO4Cities: harnessing data and partnerships developed by the Novartis Foundation to help major cities improve heart health and narrow health disparities.
- Together, these initiatives aim to more than double their geographic reach to over 30 countries by 2030.
- Business case:
  - These initiatives complement our R&D and access efforts by addressing systemic barriers (gaps in prevention, diagnosis, referral and follow-up care) that disproportionately affect low-income, rural and other underserved populations often not reached through conventional commercial approaches.
  - In disease areas where we have long-term portfolio commitments, these initiatives help create a more predictable operating environment (clearer patient pathways and better alignment of clinical practice), supporting both sustainable access and long-term value creation.
  - They also help build trust with communities that have historically faced barriers to care, supporting earlier diagnosis, treatment initiation and adherence.

Environmental sustainability

04

What progress have you made against your plan to set site-specific targets for operations exposed to water stress?

- Implementing water-use reduction plans at own and supplier sites in water-stressed basins by 2030 is one of our Nature commitments. Progress to date:
  - In 2025, we reduced water consumption by 59% in our own operations (vs. 2016);
  - We completed our prioritization, identifying 12 own sites across 6 water-stressed basins and priority supplier sites.[4]
  - We have set site-specific targets (developed using SBTN[5] guidance) for our prioritized own sites and will do the same for prioritized supplier sites.
- Examples of previous/ongoing efforts:
  - Egypt: Installed filtration and reverse osmosis systems so that cooling tower water can be treated and reused. This saves roughly four Olympic-sized swimming pools annually. (Cooling towers typically account for 20–30% of a manufacturing site's total water demand).
  - India: Our watershed programs now replenish more water than we use in the region (as of September 2026). We also continue to work with suppliers in water-stressed regions to find and implement ways to reduce water use.
- We are engaging with priority suppliers to define baselines and targets. We expect to complete this by the end of 2026, followed by the development of water-use reduction plans with these suppliers.

4. Supplier prioritization is periodically reassessed based on updated data and methodology; the final scope remains subject to completion of the ongoing assessment and validation. 5. Science Based Targets Network.

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How do you engage with active pharmaceutical ingredient suppliers to prevent water quality impacts in their operations? What are some of the key challenges with this engagement?

- Our 2030 target is to ensure no water quality impacts from manufacturing effluents at our own sites, R&D labs, and all API suppliers.
- We apply a risk-based approach and engage suppliers through technical assessments, workshops and supplier reviews. Sites are expected to progress through a three-level maturity framework covering compliance, effluent assessment and risk management, with the objective of keeping Predicted Environmental Concentrations (PECs) below Predicted No Effect Concentrations (PNECs).
- Key challenges include:
  - Our expectations go beyond local regulatory requirements.
  - Suppliers are at different levels of maturity, and regulation is not harmonized across countries.
  - Reaching the highest maturity level may require significant investment in water treatment at supplier sites.
- Given these challenges, we work closely with suppliers to identify gaps, build capabilities and agree on the improvements needed to progress toward our 2030 target.

06

Following the retirement of your plastic-neutrality target, how are you continuing to reduce plastic use?

- We retired our previous target of achieving plastic neutrality by 2030 to shift toward more focused, measurable goals aligned with industry-standard frameworks.
- Our new 2030 ambition for waste reduction supports a broader circular economy strategy across our operations and packaging. Having reduced waste by 63% between 2016 and 2022, we now aim for a further 30% reduction by 2030 vs. 2022.
- We continue to reduce plastics, guided by sustainable product design, recycling and reuse. Examples include:
  - Eliminating PVC[6] from secondary and tertiary packaging, and where feasible from primary packaging blister foils;
  - Removing plastic blisters from secondary packaging for pre-filled syringes and needle safety devices;
  - Right-sizing blister packs and using electronic leaflets where local regulations allow.

Human capital

07

Can you share more about your employee wellbeing approach and the WellBeing Index?

- Depression and anxiety alone are estimated to cost the global economy around USD 1tn annually in lost productivity[7], and research links higher employee wellbeing to greater productivity, lower staff turnover and stronger firm profitability[8].
- Our approach is aligned with WHO/ILO (2022) recommendations and built around three priorities: 1) reduce exposure to risks through prevention and work design; 2) promote awareness and capability; 3) support timely access to care.
  - This includes training, Mental Health First Aid and awareness campaigns. In January 2026, we launched CareConnect, offering employees and their families free, confidential support, including therapy, coaching and 24/7 crisis support, and replaces a patchwork of country-level programs.
- Our Wellbeing Index is based on a quarterly, voluntary and anonymous survey conducted by an external provider. It measures employees' wellbeing, sense of purpose, belonging, work-life integration and ability to Speak Up. The results help us identify areas of opportunity and target interventions.
  - For example, the findings supported the implementation of CareConnect, and the inclusion of wellbeing as a module in our leadership training curriculum.

6. Polyvinyl chloride. 7. World Health Organization. Mental health at work, fact sheet, September 2026. 8. Krekel C, Ward G, De Neve J-E. Employee Wellbeing, Productivity, and Firm Performance. CEP Discussion Paper; meta-analysis of 339 studies covering ~1.9 million employees.

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08

Have you made any changes to your supply chain structure as a result of growing geopolitical volatility and trade disruptions?

- We have not needed to make major structural changes to our supply chain in response to recent geopolitical volatility and trade disruptions, reflecting the resilience built into our network over many years.
- Ensuring uninterrupted supply of our medicines remains a core priority, and service levels remain consistently high (close to 100% across our portfolio), supported by:
  - A diversified network of more than 30 own manufacturing sites, complemented by external partners
  - A disciplined inventory strategy at the country level and across manufacturing stages
  - Dual supply chains for ~80% of our medicines, providing redundancy against potential disruptions
- For example, in response to regional supply chain and logistics disruptions in the Middle East in Q1, we
  - established a new land route through Saudi Arabia, shipping directly from manufacturing sites and using multiple ports and local distributors;
  - Novartis Emergency Management (NEM) was activated at global and local levels, working with authorities to maintain supply, including advanced therapies such as Zolgensma, Itvisma and Pluvicto.

09

With the Risk Committee dissolved, how does the Board keep dedicated oversight of non-financial risks?

- The Board 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, ensuring risk considerations are embedded in all strategic decisions.
  - For example, when the full Board recently reviewed our Social Impact & Sustainability Strategy, the discussion included associated risks such as diverging US and EU policy expectations and the rapid expansion of mandatory EU ESG regulations.
- 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 review annually the effectiveness of the ERM program.

10

Can you provide an update on your cybersecurity measures? How is AI affecting cyber risks and your approach to prevention?

- We treat cybersecurity as an enterprise risk, not only an IT issue, and assess it each year as part of our Enterprise Risk Management process. Our Information Security & Compliance team uses a layered approach[9]:
  - Awareness: A global program addresses phishing and unsafe data sharing, since human behavior is one of the most common entry points for attacks;
  - Monitoring: Our Cyber Security Operations Center investigates all security incidents and alerts 24/7;
  - Testing: We test our controls through internal simulated attacks and independent third-party testing.
- In the near term, AI is making phishing and impersonation more convincing and helping attackers find vulnerabilities faster. We are responding on two fronts:
  - Our cyber defense team uses AI to detect suspicious emails faster, support analysts, and identify and prioritize vulnerabilities, particularly in code;
  - Our programs now include AI-themed phishing simulations and an annual Cyber Month, which recently focused on AI-driven social engineering.

9. Aligned with the NIST Cybersecurity Framework and ISO 27001.