Novartis is a global healthcare company employing approximately 109,000 associates. We use innovative science and technology to address some of society's most challenging healthcare issues and produce medicines to improve and extend people's lives. In 2019 we manufactured 72 billion doses of medicine and our medicines treated 799 million patients around the world.

The company is comprised of two main divisions, Innovative Medicines and Sandoz. Our Innovative Medicines Division researches, develops, manufactures, distributes and sells patented prescription medicines to enhance health outcomes for patients and healthcare providers. Innovative Medicines is organized into two global business units: Novartis Oncology and Novartis Pharmaceuticals. Novartis Pharmaceuticals consists of the following global business franchises: Ophthalmology; Neuroscience; Immunology; Hepatology and Dermatology; Respiratory; Cardiovascular, Renal and Metabolism; and Established Medicines. Our Sandoz Division develops, manufactures, distributes and sells prescription medicines as well as pharmaceutical active substances that are not protected by third-party patents. Sandoz is organized globally into three franchises: Retail Generics; Anti-Infectives and Biopharmaceuticals.

Novartis is comprised of several organizational units. The Novartis Institutes for BioMedical Research (NIBR) is the research arm of Novartis. NIBR focuses on discovering new drugs that can change the practice of medicine. The Global Drug Development (GDD) organization oversees the development of new medicines discovered by our researchers and partners. Novartis Technical Operations (NTO) is responsible for making our innovative medicines, devices, and Sandoz products and delivering them to our customers across the world. Novartis Business Services (NBS) consolidates support services across our organization, helping drive efficiency, simplification, standardization and quality. Health, Safety, and Environment (HSE) is a function within NBS. Other corporate functions support the enterprise in specific areas of expertise, including finance, human resources, legal and communications.

Our purpose is to reimagine medicine to improve and extend people's lives. Our vision is to become the most valued and trusted medicines company in the world. Our strategy is to build a leading, focused medicines company powered by advanced therapy platforms and data science. As we implement our strategy, we have five priorities to shape our future and to help us continue to create value for our company, our shareholders and society: unleash the power of our people, deliver transformative innovation, embrace operational excellence, go big on data and digital, and build trust with society.

In building trust with society, we aim to hold ourselves to the highest ethical standards, be part of the solution on pricing and access to medicines, tackle complex global health challenges, and be a responsible citizen, addressing complex societal challenges like climate change. We aim to be a leader in environmental sustainability and a catalyst for change. We established a new company wide environmental sustainability strategy in 2018, with goals to become carbon neutral by 2025 and plastic and water neutral by 2030 within our own operation.

(W0.1) Give a general description of and introduction to your organization.

(W0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th>Reporting year</th>
<th>Start date</th>
<th>End date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>January 1, 2019</td>
<td>December 31, 2019</td>
</tr>
</tbody>
</table>

(W0.3)
(W0.3) Select the countries/areas for which you will be supplying data.
Argentina
Austria
Bangladesh
Belgium
Brazil
Canada
China
Egypt
France
Germany
India
Indonesia
Ireland
Italy
Japan
Mexico
Poland
Romania
Russian Federation
Singapore
Slovenia
South Africa
Spain
Switzerland
Turkey
United Kingdom of Great Britain and Northern Ireland
United States of America

(W0.4)

(W0.4) Select the currency used for all financial information disclosed throughout your response.
USD

(W0.5)

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.
Companies, entities or groups over which operational control is exercised

(W0.6)

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?
No

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

<table>
<thead>
<tr>
<th></th>
<th>Direct use importance rating</th>
<th>Indirect use importance rating</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient amounts of good quality freshwater available for use</td>
<td>Important</td>
<td>Important</td>
<td>Text field [maximum 2,000 characters] Pharmaceutical manufacturing is not very water intensive, but access to good quality freshwater is important. Where not sufficient, water will be additionally purified. Several Novartis sites use large quantities of water to cool production processes, and/or buildings. In these cases, water quantity is more important than quality. We have determined the importance of water quality and water quantity in our supply chain, which considers all tiers in the upstream value chain. The usage pattern in the upstream supply chain is similar to our own, thus water quantity is more important than quality in the indirect use of water as well. If quality is not sufficient, additional purification steps will be included. Downstream in the value chain, i.e. usage of our products by patients is not water intensive and will not be taken into account. In the future due to e.g. climate change or an increase in population, a decrease of water quality and water availability could impact our company (direct use) and our upstream supply chain (indirect use). We will observe this closely and will adjust our business according to future conditions.</td>
</tr>
<tr>
<td>Sufficient amounts of recycled, brackish and/or produced water available for use</td>
<td>Neutral</td>
<td>Neutral</td>
<td>Recycled water is used at several Novartis sites. Process water is circulated to e.g. cooling towers for usage at the same site. Rain water is collected and used e.g. for filter scrubbing. In case of disruption, the use of recycled water or rain water can be substituted by using freshwater so processes are not interrupted. In future, it is anticipated that the use of recycled water at our sites will become more important. Climate change, more local water use and the expected decrease in water quality will lead to changes in the availability of water. Thus, treatment and recycling of water will increase. The assessment of our supply chain, which considers all tiers in the upstream value chain, has been conducted. The results show that access to sufficient amounts of water is more important than the quality, thus the use of recycled water can be substituted if necessary with other types of water. Downstream in the value chain, i.e. usage of our products by patients is not water intensive and will not be taken into account.</td>
</tr>
</tbody>
</table>
### Water withdrawals – total volumes

<table>
<thead>
<tr>
<th>% of sites/facilities/operations</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water withdrawals – total volumes</td>
<td>100% Novartis actively manages its water consumption by monitoring amounts of water input, water use and water output throughout the organization. Percentage coverage is 100%. Total water input (withdrawals) volumes and volumes by sources are reported on a quarterly basis by all production, research and development and major administration facilities under Novartis operational control. Accurate information on water input (withdrawals) is obtained from invoices and public water meters (for purchased water) or from own supply operations.</td>
</tr>
</tbody>
</table>

### Water withdrawals – volumes by source

<table>
<thead>
<tr>
<th>% of sites/facilities/operations</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water withdrawals – volumes by source</td>
<td>100% Water input (withdrawals) is the sum of all fresh water amounts entering a site from all types of water sources (where from). Percentage coverage is 100%. The following water input by source indicators (where relevant) are reported quarterly, together with the total volumes as stated above: - Water purchased from external suppliers - Water drawn from aquatic environment, groundwater - Water drawn from aquatic environment, surface water - Water collected from rain - Water input as ingredient of raw materials or from other sources. Accurate information on water input (withdrawals) by source is obtained from invoices and public water meters (for purchased water) or from own supply operations.</td>
</tr>
</tbody>
</table>

### Water discharge quality – temperature

<table>
<thead>
<tr>
<th>% of sites/facilities/operations</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water discharge quality – temperature</td>
<td>Not relevant Water discharge quality – temperature is not monitored at corporate level. However, it is monitored at a site level, which uses the withdrawn water. This is why we have selected “not relevant” at corporate level in the drop-down menu. The requirements for the water quality depends on the final usage form of the water at the respective sites and is supervised through regulatory control mechanisms. For instance, if the water is in direct contact with our products we use water of high quality (e.g. purified water); in case the withdrawn water is not meeting these standards the water is additionally treated (e.g. via reverse osmosis). There is no future need for monitoring water withdrawals at corporate Levels, as it is a prerequisite for the specific production site to comply with regulatory requirements, like GMP (Good Manufacturing Practice).</td>
</tr>
</tbody>
</table>

### Water discharge quality – temperature

<table>
<thead>
<tr>
<th>% of sites/facilities/operations</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water discharge quality – temperature</td>
<td>Not relevant Water discharge quality – temperature is not monitored at corporate level, but monitored at all site level with local waste water permits including temperature limits among other parameters. This is why we have selected “not relevant” at corporate level in the drop-down menu. Our manufacturing sites are obliged to fulfill local permits: regular site conformance reviews and audits include the inspection of local waste water permits and support the adherence to local regulations. We currently evaluate if we include in future the temperature of water discharged into our corporate monitoring program. This helps to increase awareness on corporate levels on future risk from increased temperature of local water bodies e.g. due to climate change,</td>
</tr>
</tbody>
</table>

### Water consumption – total volume

<table>
<thead>
<tr>
<th>% of sites/facilities/operations</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water consumption – total volume</td>
<td>100% Novartis actively manages its water consumption by monitoring amounts of water input, water use and water output throughout the organization. Percentage coverage is 100%. Total volume of water consumption (water lost) is reported on a quarterly basis by all production, research and development and major administration facilities under Novartis operational control. Information on water consumption is obtained from water meters for respective use streams, from production reports, or are estimated from uses and processes.</td>
</tr>
</tbody>
</table>

### Water recycled/reused

<table>
<thead>
<tr>
<th>% of sites/facilities/operations</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water recycled/reused</td>
<td>76-99 Water recycled/reused is monitored through an annual site assessment. All sites across the organization are requested to review and guarantee their set of sustainability metrics to ensure accurate reporting of relevant metrics to the organization. Water recycled/reused is then monitored at these sites where it is identified to be relevant, i.e. at places where such water recycling/reuse initiatives have been implemented, either in areas of water scarcity or by major production, R&amp;D and administration facilities.</td>
</tr>
</tbody>
</table>

### The provision of fully-functioning, safely-managed WASH services to all workers

<table>
<thead>
<tr>
<th>% of sites/facilities/operations</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>The provision of fully-functioning, safely-managed WASH services to all workers</td>
<td>100% Due to the nature of our operations, where cleanliness and sterile working conditions are extremely important, we ensure that fresh water is available for cleaning, washing, and sanitary services at all facilities under Novartis operational control. Availability of water used for sanitary purposes is monitored through invoices from external suppliers and is reported on a quarterly basis by all production, research and development and administration facilities under Novartis operational control. Accurate information on water input (withdrawals) by source is obtained from invoices and public water meters (for purchased water) or from own supply operations.</td>
</tr>
</tbody>
</table>
### W1.2d

**Indicate whether water is withdrawn from areas with water stress and provide the proportion.**

<table>
<thead>
<tr>
<th>Withdrawals are from areas with water stress</th>
<th>% withdrawn from areas with water stress</th>
<th>Comparison with previous reporting year</th>
<th>Identification tool</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1-10%</td>
<td>Lower</td>
<td>WRI Aqueduct</td>
<td>To assess our risks related to water stressed areas we are using the WRI Aqueduct tool by entering the coordinates of all our sites and evaluating the results against the overall water risk, including physical risks for water quality and quantity, regulatory and reputational risk. All sites resulting in medium and high risks are taken into account for withdrawals sourced from water stressed areas. This allows us to consider future developments and assess water risks at individual sites. The volume of water withdrawn from water stressed areas in 2019 is lower than compared to previous year (4.64% vs 6.79% in 2018). This is due to implementation of actions, e.g. recycling of water in cooling towers, to reach our company-wide 2025 water target (water consumption reduced by half in our operations). Additionally due to network transformation, e.g. Alcon division spin-off, less sites are located in water stressed area.</td>
</tr>
<tr>
<td>Not relevant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

### W1.2h

**Provide total water withdrawal data by source.**

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh surface water, including rainwater, water from wetlands, rivers, and lakes</td>
<td>Relevant</td>
<td>9111</td>
<td>About the same</td>
</tr>
<tr>
<td>Brackish surface water/Seawater</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Groundwater – renewable</td>
<td>Relevant</td>
<td>48251</td>
<td>About the same</td>
</tr>
<tr>
<td>Groundwater – non-renewable</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Produced/Entrained water</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Third party sources</td>
<td>Relevant</td>
<td>9354</td>
<td>Lower</td>
</tr>
</tbody>
</table>
### W1.2i

**Provide total water discharge data by destination.**

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh surface water</td>
<td>Relevant</td>
<td>8805</td>
<td>About the same</td>
</tr>
<tr>
<td>Brackish surface water/seawater</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Groundwater</td>
<td>Relevant</td>
<td>46707</td>
<td>About the same</td>
</tr>
<tr>
<td>Third-party destinations</td>
<td>Relevant</td>
<td>9884</td>
<td>About the same</td>
</tr>
</tbody>
</table>

### W1.4

**Do you engage with your value chain on water-related issues?**

Yes, our suppliers

### W1.4a

**What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?**

#### Row 1

<table>
<thead>
<tr>
<th>% of suppliers by number</th>
<th>% of total procurement spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-25</td>
<td>26-50</td>
</tr>
</tbody>
</table>

#### Rationale for this coverage

Novartis has hundreds of thousands of suppliers in its global network, continuous compliance is targeted at key suppliers with greater amounts of spend in various categories. Novartis 2025 goal on “no water quality impacts from manufacturing effluents” comprises suppliers, which are important due to tactical and strategical business reasons. Besides these key suppliers, all antibiotic producing suppliers are included as well, due to our commitment to the AMR IA roadmap. Our guideline on Corporate Responsibility Management emphasizes that environment protection is directly linked with our Responsible Procurement program. Hence, the key incentive for suppliers to disclose this information is the opportunity they have to enhance their business relationship with us.

#### Impact of the engagement and measures of success

We assess and audit the level of maturity towards our 2025 goal, “no water quality impacts from manufacturing effluents”, in three levels: capability, assessed, target achieved. We have set milestones for each level and success is measured against these milestones. This information is used to monitor progress, track and steer implementation and inform business leader on the achievement of our water targets and goals.

#### Comment

NA

### W1.4b
(W1.4b) Provide details of any other water-related supplier engagement activity.

**Type of engagement**
Incentivizing for improved water management and stewardship

**Details of engagement**
Demonstrable progress against water-related targets is incentivized in your supplier relationship management

**% of suppliers by number**
1-25

**% of total procurement spend**
26-50

**Rationale for the coverage of your engagement**
A supply chain analysis on water footprint using an Environmentally Extended Input-Output EEIO tool (EnScaN - Environmental Supply chain accounting Novartis) has been conducted annually since 2014 to assess key areas of relevance. The social cost of water, in particular if resources are scarce, is a decisive factor to determine the total environmental impact of our supply chain. The social costs of the water footprint, which relate to our direct materials supply chain encompasses around 20% of our total supply chain footprint. With this information we ensure that we put effort into educating suppliers on the latest technological solutions available for water management and provide them with a platform to collaborate. As Novartis has hundreds of thousands of suppliers in its global network, so this engagement is targeted at the key suppliers with greater amounts of spend in various key procurement categories (like Chemicals) that drive most of the water consumption of our suppliers.

**Impact of the engagement and measures of success**
Novartis has leveraged various platforms like CDP, the Pharmaceutical Supply Chain Initiative (PSCI) and its own initiatives to engage with its suppliers on innovation and collaboration. Beneficial outcomes of this engagement include the increased awareness level of suppliers on how to reduce water usage at their sites and the sharing of success stories of achievements through collaboration. Novartis has selected suppliers for collaboration in this area. To measure success from this mode of engagement, we assess the year on year financial savings and the subsequent reduction in water footprint through the collaborative efforts of Novartis with its suppliers. These measures provide evidence that Novartis is on the right track towards achieving water neutrality by 2030.

**Comment**
In 2018 Novartis further developed its strategy on supply chain engagement and plans to focus its engagement activities on key suppliers based in India and China during 2019.

---

**W2. Business impacts**

**W2.1**

(W2.1) Has your organization experienced any detrimental water-related impacts?
No

**W2.2**

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?
No

**W3. Procedures**

**W3.3**

(W3.3) Does your organization undertake a water-related risk assessment?
Yes, water-related risks are assessed

**W3.3a**

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.
Direct operations

Coverage
Full

Risk assessment procedure
Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
3 to 6 years

Type of tools and methods used
Tools on the market
Enterprise Risk Management
International methodologies
Databases
Other

Tools and methods used
WRI Aqueduct
ISO 31000 Risk Management Standard
Internal company methods

Comment
Our Enterprise Risk Management process identifies, prioritizes and manages risks across our organisation and allows us to escalate them as needed. The risk management process consists of six main process elements (defining scope, assess risk, plan action, monitor progress, report and communicate). If risk on water availability and/or access is identified, the risk is incorporated into the relevant sites risk portfolio. Manufacturing sites perform an effluent assessment and determine the local risk of pharmaceuticals in the receiving surface waters. We use an internal enterprise risk management process aligned to international methodologies (e.g. ISO 31000), company specific developed tools (i.e. Global Operating Procedures GOP) and the European Medicines Agency Pre-Authorization of Medicines for Human Use Guideline (EMEA/CHMP/SWP/4447/00) to perform the risk assessment.

Supply chain

Coverage
Full

Risk assessment procedure
Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
3 to 6 years

Type of tools and methods used
Enterprise Risk Management
International methodologies
Databases
Other

Tools and methods used
Environmental Impact Assessment
Internal company methods
Other, please specify (PSCI audit protocol, Natural Capital Protocol)

Comment
Water risks were managed as part of our Responsible Procurement (RP), until August 2019. From August 2019 RP was replaced by the newly completed Third Party Risk Management (TPRM) program. This is supported by our engagement with the Pharmaceutical Supply Chain Initiative (PSCI) and the use of its audit protocol. In addition, an environmental impact analysis is performed annually, using an environmentally extended input/output assessment (EEIO tool developed by Novartis called EnScaN - Environmental Supply chain accounting Novartis). This also helps to identify water related risks. This tool considers the embedded water scarcity of our supply chain (not just our direct suppliers). Information is based on the WRI Aqueduct tool and we use the Natural Capital Protocol to quantify the supply chain environmental footprint.
For all new drug products or Type II variations, we perform an environmental risk assessment as outlined in the European Medicines Agency Pre-Authorization of Medicines for Human Use Guideline (EMEA/CHMP/4447/00), which is part of the regulatory requirement within the marketing authorization approval process. This risk assessment needs to be performed in the European Union, United States and Switzerland during any marketing authorization approval process. We therefore do not follow any defined frequency, but complete assessments as necessary to comply with the marketing authorization approval process.

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization’s water-related risk assessments?

<table>
<thead>
<tr>
<th>Relevance &amp; Inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water availability at a basin/catchment level</td>
<td>Relevant, always included</td>
</tr>
<tr>
<td>Water quality at a basin/catchment level</td>
<td>Relevant, always included</td>
</tr>
<tr>
<td>Stakeholder conflicts concerning water resources at a basin/catchment level</td>
<td>Relevant, always included</td>
</tr>
<tr>
<td>Implications of water on key commodities/raw materials</td>
<td>Relevant, always included</td>
</tr>
<tr>
<td>Water-related regulatory frameworks</td>
<td>Relevant, always included</td>
</tr>
<tr>
<td>Status of ecosystems and habitats</td>
<td>Relevant, always included</td>
</tr>
<tr>
<td>Access to fully-functioning, safely managed WASH services for all employees</td>
<td>Relevant, always included</td>
</tr>
<tr>
<td>Other contextual issues, please specify</td>
<td>Not relevant, explanation provided</td>
</tr>
</tbody>
</table>
Which of the following stakeholders are considered in your organization’s water-related risk assessments?

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Considered</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customers</strong> <strong>Relevant, always included</strong></td>
<td>Novartis’ purpose is to reimagine medicine to discover new ways to improve and extend people’s lives. Thus, our customers and patients are the most important stakeholders, because they rely on the timely delivery of our products. An environmental risk assessment, which includes water risks is a mandatory requirement for the marketing authorization approval process for new medicines. A water related risk assessment is therefore routinely completed to enable us to deliver new medicines to patients without delay. Besides that, we are fully committed to helping our patients/customer enjoy a cleaner environment because this has benefits for their health. Novartis believes that the careful stewardship of natural resources is not only important for the company but critical for society and future generations. Novartis informs customers about its water savings activities and related water risks in its annual non-financial reporting (Novartis in Society ESG Report) and in local environmental reports. Novartis also recommends to patients and consumers of pharmaceutical and medicinal products that they should dispose of any unused or expired medicinal product or waste material in accordance with local requirements as well as following the disposal instructions on the patient information materials provided with the product.</td>
<td></td>
</tr>
<tr>
<td><strong>Employees</strong> <strong>Relevant, always included</strong></td>
<td>We believe that Novartis sustainability strategy which includes water related topics, plays an important role in attracting and retaining employees. Thus, our associates are called upon to contribute to increased water efficiency and increased water quality through their work and daily habits (e.g. on the use of sanitary water). A sustainable business can only be achieved if all associates contribute within and beyond their specific working environment. A cross-divisional program for harmonization of Health, Safety and Environment (HSE) processes and implementation includes environmental topics and allows tracking of events, identifying relevant impacts, performing a root cause analysis, and triggering management corrective and preventive action. Associates can use this program or tool for easy recording of HSE related issues (including water) in a timely manner and consolidate reporting, as well as enhance group wide data transparency and accessibility.</td>
<td></td>
</tr>
<tr>
<td><strong>Investors</strong> <strong>Relevant, always included</strong></td>
<td>Investors and their evaluation of our Environmental, Social and Governance (ESG) performance is important to us, because the results of their evaluation and their trust in our future performance is directly linked to their financial support now and in future. Including this stakeholder group as part of our risk assessment process reduces the risk of losing future investment in our business. In 2018 our CEO communicated to analysts and investors that building trust with society is one of the five key organizational priorities for Novartis. This made it clear that Novartis has integrated environmental sustainability into its strategy. We inform our investors about our water saving activities and related water risks in our annual non-financial reporting (Novartis in Society ESG Report and environment data supplement), in local environmental reports and on our webpage. In 2019, investors requested specific information on environmental topics, including water, in order to get a better understanding on Novartis environmental strategy and management processes, to inform their investment decisions.</td>
<td></td>
</tr>
<tr>
<td><strong>Local authorities</strong> <strong>Relevant, always included</strong></td>
<td>Communities are included in our local risk assessments, because a good relationship and interactive communication with local communities will help Novartis to be a successful company. We hope that regular contacts with community groups, local to the surroundings where we operate, will mitigate any reservations about our activity and will increase the reputation because the community will feel integrated and not excluded. Besides corporate responsibility reporting at Group level, we inform local stakeholders about our water saving activities and related water risks in local environmental and sustainability reports. For example, we have conducted a voluntary remediation project in France, to protect local groundwater sources from pesticide pollutants, originating from the former owners of the area.</td>
<td></td>
</tr>
<tr>
<td><strong>NGOs</strong> <strong>Relevant, always included</strong></td>
<td>NGOs are included, because they represent a wider public opinion and they can support us in developing strategies with an external view. Including this group of stakeholders reduces our risk of missing emerging topics in the area of water. We collaborate with selected groups in various projects on water availability and security. E.g. “the water stewardship benefit accounting methodology”, with WRI, Valuing Nature and Quantis; “mapping public water management” and “water security assessment” with Massachusetts Institute of Technology (MIT) to provide the also voluntary contribution to the Access to Medicine Foundation. This benchmark aims to understand and limit the impact of antibiotic misuse on microbial resistance and provides us valuable information on our performance.</td>
<td></td>
</tr>
<tr>
<td><strong>Other water users at a basin/catchment level</strong></td>
<td>Other water users such as other industries, are included, because we withdraw and compete for the same water source. Taking them into account will reduce the risk of water shortages, because we will have a good overview of the local situation. With our current environmental sustainability strategy endorsed in 2018, we will be working with other users in the same water catchments to enhance water quality wherever we operate. For example in 2019 we initiated a first pilot project on integrated watershed management in India. The project will focus on capability building and establishing Community Based Organizations (CBOs) to develop and maintain technical interventions to secure water availability, e.g. collecting rain water and recharging natural reservoirs for farmers.</td>
<td></td>
</tr>
<tr>
<td><strong>Regulators</strong> <strong>Relevant, always included</strong></td>
<td>Regulators are included in the water risk assessments at Novartis manufacturing facilities, where we operate our own waste water treatment operations and/or discharge waste water to public sewer treatment facilities. Including regulators in this process gives Novartis insights into current and emerging water related risks and allows us to develop mitigation plans that will reduce these risks. This reduces uncertainties within operations and reduces the risk of an unexpected shut-down of production. Summary reports including key water parameters are shared with regulators if requested. For example at a site in Germany, regulators were informed about some proposed changes to the product portfolio in advance and were included in the different stages of design and execution of the adaptive process.</td>
<td></td>
</tr>
<tr>
<td><strong>River basin management authorities</strong></td>
<td>River basin management authorities are factored into water risk assessments undertaken at Novartis manufacturing facilities, because they have knowledge about the potential future water related risks. They act as the point of contact for users of the watershed to enable collaborative efforts and better manage identified risks through corrective actions. This reduces uncertainties within operations and reduces the risk of an unexpected shut-down of production. For example water specialists at our manufacturing sites in Switzerland and Germany, work closely with the Rhine River Watershed authority and local public waste water treatment plants to monitor and control water effluent and pollutant parameters of the river Rhine.</td>
<td></td>
</tr>
<tr>
<td><strong>Statutory special interest groups at a local level</strong></td>
<td>The inclusion of statutory special interest groups allows Novartis to find a consensus on topics which affect relevant stakeholder groups and thus reduces uncertainties for our business. Novartis informs stakeholders about its water savings activities in its annual non-financial reporting (Novartis in Society ESG Report and environment data supplement) and to local environmental reports (e.g. EMAS Reports). For certain matters, e.g. water quality, we collaborate directly with the local authority and the community to identify the water risk and to mitigate appropriately. For example in Germany one of our pharmaceutical operations installed a state-of-the-art effluent pre-treatment production facility in collaboration with the local water utilities, authority and community.</td>
<td></td>
</tr>
<tr>
<td><strong>Suppliers</strong> <strong>Relevant, always included</strong></td>
<td>Novartis engages in water-risk related assessments for suppliers as it has an impact on the procurement of direct and indirect materials. Suppliers are relevant, because any delay in the supply chain can affect production lines and hence the delivery of critical drugs for patients. All new/future suppliers are assessed via the Novartis Third-Party Risk Management (TPRM) program and existing suppliers are assessed regularly using questionnaires. Questionnaires are based on the principles and guidelines from the Pharmaceutical Supply Chain Initiative (PSCI). The PSCI was formed by a group of pharmaceutical and healthcare companies to develop a shared common vision of how they can ensure better social and environmental outcomes (including water) in the communities they serve. The evaluations of these questionnaires enables us to determine the risk factors involved so they can be included in the risk assessment process. Novartis considers all tiers in the upstream supply chain.</td>
<td></td>
</tr>
<tr>
<td><strong>Water utilities at a local level</strong></td>
<td>Water utilities at a local level are important stakeholders, because they give us valuable input for certain business decisions, e.g. feedback on the utility’s capability to meet our water (quality and quantity) demand now and in the future. This information on e.g. future fresh water availability is relevant and enables Novartis to integrate this into its risk assessment process and ensure adequate mitigation actions are implemented. This reduces risk and uncertainties and helps to ensure an undisturbed production processes. Novartis informs stakeholders about its water savings activities in its annual non-financial reporting (Novartis in Society ESG Report and environment data supplement) and its local environmental reports (e.g. EMAS Reports). For certain matters, e.g. water quality, we collaborate directly with local authority and the community to identify risks and to mitigate appropriately. For example in Germany one of our pharmaceutical operations installed a state-of-the-art effluent pre-treatment production facility in collaboration and agreement with the local water utilities, authority and community.</td>
<td></td>
</tr>
<tr>
<td><strong>Other stakeholder, please specify</strong></td>
<td>All stakeholders are considered above.</td>
<td></td>
</tr>
</tbody>
</table>

W3.3d
(W3.3d) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Water risks are evaluated as part of the HSE risk assessment process and if significant are included in the Novartis Risk Portfolio. The Novartis Risk Portfolio is presented to the Executive Committee of Novartis and the Risk Committee of the Board of Directors. This information assists in decision-making and budget allocation. Where risk exposure is identified, divisions, organisational units and corporate functions are responsible for ensuring the establishment of adequate strategies and measures to be applied to both reduce the impact and / or risk likelihood as far as feasible.

In order to have a significant impact a risk must have the potential to influence more than 1% of the total revenue within a five-year period. The currently very low financial implications related to water risks and the possibilities to avoid/mitigate these risks by alternative ways, did not change our strategy for growth. Our use of the WRI Aqueduct tool and internal company methods to assess water risks at individual sites, allows us to consider future developments.

The risks of pharmaceuticals in the environment from manufacturing effluents is assessed by using internal guideline (GOP Pharmaceuticals in the Environment) and guidance notes. We maintain an accounting system on water withdrawal, consumption and discharge. Effluent risks are also not considered a material risk to our growth strategy.

Since 2014, we have conducted an annual study on the carbon and water footprint of the direct material supply chain (upstream value chain) per business, per supply category and per country. The water footprint identifies impact in hot spots areas. Water risks in the supply chain are considered as part of the HSE risk area for our Responsible Procurement (R.P. until August 2019) and TPRM (Third Party Risk Management) program. Water consumption related risks associated with our supply chain are also being assessed using an environmentally extended input/output assessment (EEIO tool developed by Novartis called EnScaN - Environmental Supply chain accounting Novartis). It considers all tiers in the upstream value chain. We aim to keep the procedure in our own and our suppliers’ operations as similar as possible to make sure that the identified risks are not biased one way or the other.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

At Novartis, risk and strategy issues are integrated in a cross-functional risk management process, because both belong together. A holistic view of all risks are consolidated in a Novartis Risk Compass which enables senior management, the Executive Committee of Novartis (ECN) and the Novartis Board of Directors to focus discussion on key strategic risks and to align the company strategy so our risk exposure can be minimized. The functions involved in this process include Corporate Finance, Legal, People & Organization (formerly Human Resources), Business Continuity and Novartis Emergency Management, Ethics, Risk and Compliance, Health Safety and Environment (HSE), Global Health & Corporate Responsibility, Information Security, Data Privacy, Quality Assurance and Third Party Risk Management (TPRM), thus covering both, our direct operations and supply chain. The involvement of these different groups ensures that the Novartis Risk Compass covers issues affecting strategic direction, direct operations and as well as supply chain in a holistic manner. The Enterprise Risk Management (ERM) process includes a risk identification top down from all business units as well as the supporting functions that is known as the One Risk Discussion. In addition, the risk identification is bottom up from the countries. All these outputs are then consolidated in the Novartis Risk Compass, which is continually monitored by the Risk & Resilience team. The process is repeated annually. The process begins by determining our risk exposure followed by defining the scope of risk management activities, understanding the external and internal context in which Novartis operates, defining the criteria of the potential impact of each risk and the likelihood that each risk will occur. A risk matrix is created where the likelihood of a risk occurring is plotted against the impact on objectives. This gives guidance on prioritization. The matrix consists of five levels for likelihood (rare, unlikely, possible, likely, and almost certain) and five levels for impact (insignificant, minor, moderate, major, and severe)). Risks are categorized using the Novartis Risk Compass in strategic, operational and emerging risks and / or as awareness topics, which enables us to focus on the right risks and ensures that the most appropriate mitigation strategy is put in place.

All functions within the company define their threshold of substantive impact on the company’s performance. The financial ranges which define substantive impact at the Group level are <1%, 1-2%, >2-4% and >4% loss of annual sales. Other measures are e.g. time of delayed product registration, findings in authority inspections, increased resilience, damage of reputation and / or environment. Impacts are plotted against the likelihood of an impact materializing within 5 years to help guide senior management, and ensures that the ECN and Board of Directors only focus on the key risks.

As outlined in W1.1, water is important for production processes in our own (direct use) and supply chain (upstream value chain; indirect use) whereas quantity is more important than quality. Large quantities of water are used at several Novartis sites to cool production processes and/ or buildings. Novartis encourages the use of water for cooling at sites where water is abundant. This saves significant quantities of energy and associated greenhouse gas (GHG) emissions. In the unlikely event of a longer-term future, where sites could no longer abstract cooling water from the aquatic environment due to e.g. climate change resulting in water shortage (glacier regression), the use of mechanical chillers would be required to cool the production processes. This would result in higher operating costs through increased energy usage and higher GHG emissions. Higher operating costs and the issues associated with higher GHG emissions are examples of substantive impacts considered by our organization.

Beyond the classical ERM process, our global Corporate Responsibility (CR) Materiality Assessment validates the importance of our impacts on society and the environment through a dialog with internal and external stakeholders. The Novartis CR Materiality Assessment couples our internal issue management with external stakeholder perceptions. This is not only done at the global level, but we start conducting CR Materiality Assessments also at country level, which will inform the risk discussions in our country operations as well.
(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Row 1</strong> Risks exist, but no substantive impact anticipated</td>
<td>As explained in W1.1 water is important, whereas quantity is more important than quality. Several Novartis sites use large quantities of water to cool production process, and/or buildings. The largest demand is from a site in Austria. If this site was unable to obtain water for cooling, mechanical chillers would be required to cool the processes and buildings, which would result in significantly higher operating costs and increased capital costs. The estimated costs are USD 10 million over 5-10 years plus the annual increase in energy costs of USD 1.5 - 2.5 million per year. These costs when added to other location's costs are still less than 1% of total global revenue. In addition neither of these locations has any strategic, operational, emerging or awareness risks so they do not meet the criteria for substantive or strategic impact. However, this risk is still kept as an “awareness topic” that we watch closely so we can anticipate any impact before it emerges and take appropriate action. Beyond the classical ERM process, our latest global CR Materiality Assessment from 2017 called out Novartis’ environmental impact as important but not material (<a href="https://www.novartis.com/sites/www.novartis.com/files/cr-materiality-results-report-2017.pdf">https://www.novartis.com/sites/www.novartis.com/files/cr-materiality-results-report-2017.pdf</a> ). We will repeat and update our CR materiality assessment in the coming year.</td>
</tr>
</tbody>
</table>

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Row 1</strong> Risks exist, but no substantive impact anticipated</td>
<td>As explained in W1.1 water is important to production processes in our supply chain. Water quantity is more important than water quality, because where water quality is not sufficient, additional purification steps can be included. Novartis performs water impact assessments on its supply chain. India and China represents a major portion of the supplier base for Novartis and although suppliers are affected by increased water stress, this risk is not expected to cause significant disruptions in our supply chain in a 5 year time horizon and therefore not to have a substantive or strategic impact. However, we recognize that this is a complex area and we plan to enhance our approach during 2020 because water stress could reduce water availability and impact water quality at supplier sites leading to cost increases. Beyond the classical ERM process, our latest global Materiality Assessment from 2017 called out Novartis’ environmental impact as important but not material (<a href="https://www.novartis.com/sites/www.novartis.com/files/cr-materiality-results-report-2017.pdf">https://www.novartis.com/sites/www.novartis.com/files/cr-materiality-results-report-2017.pdf</a> ). We will repeat and update our materiality assessment in the coming year.</td>
</tr>
</tbody>
</table>

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a
(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

**Type of opportunity**
Resilience

**Primary water-related opportunity**
Increased resilience to impacts of climate change

**Company-specific description & strategy to realize opportunity**
At Novartis, our continued success depends on our ability to manage risks effectively. Risk can be defined as “the effect of uncertainty on objectives” (source ISO31000); in other words, an uncertain event, should it occur, would have an effect on the achievement of objectives. An effect can be positive, negative or both and can address, create or result in threats, but also in opportunities. Thus, risks, positive and negative, are included in our Enterprise Risk Management (ERM) program and follow the same integrated process. Climate change could decrease water availability so taking action to reduce water consumption gives us the opportunity to build a more sustainable business and to continue to meet the needs of our patients. This opportunity originates from our new environmental sustainability strategy, endorsed by the Executive Committee Novartis in 2018, and implemented company-wide. The financial benefit of decreased water consumption varies by location. However, in one of our manufacturing sites in Turkey, the water consumption was reduced and the quality of effluent was increased by the installation of a reverse osmosis-ultrafiltration system which allowed a proportion of the water to be reused within the site. The project cost was approximately USD 600,000, but the benefit was a water consumption reduction by 14% and a cost operational reduction of USD 100,000 per year.

**Estimated timeframe for realization**
4 to 6 years

**Magnitude of potential financial impact**
Low

**Are you able to provide a potential financial impact figure?**
Yes, an estimated range

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
25616000

**Potential financial impact figure – maximum (currency)**
25616000

**Explanation of financial impact**
One of the new environmental sustainability targets is to reduce our water consumption by half in our operations, with a baseline of 2016. This results in a water volume of about 6 million m3. Applying the Novartis internal water costs, which was determined during the development of our new environmental sustainability strategy and includes the full cost of water, we were able to estimate the potential positive financial impact.

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(W6. Governance)

**Type of opportunity**
Products and services

**Primary water-related opportunity**
Reduced impact of product use on water resources

**Company-specific description & strategy to realize opportunity**
At Novartis, our continued success depends on our ability to manage risks effectively. Risk can be defined as “the effect of uncertainty on objectives” (source ISO31000); in other words, an uncertain event, should it occur, would have an effect on the achievement of objectives. An effect can be positive, negative or both and can address, create or result in threats, but also in opportunities. Thus, risks, positive and negative, are included in our Enterprise Risk management (ERM) process and follow the same integrated process. The impact of this opportunity is to be a good water steward, by reducing the impact of product use on water resources associated with regulatory changes and to be able to produce our products in an environmental sustainable way. This opportunity originates from our new environmental sustainability strategy, endorsed by the Executive Committee Novartis in 2018, and is driven by the global HSE team, which is responsible for HSE topics company-wide. The benefit, applies company-wide and will ease compliance with potentially stricter water legislation, but also increase the reputation of our business with different stakeholders. For example our investment into a waste water treatment plant at a production site in Germany, enables the wastewater to be consistently treated to a quality within legal limits for discharge, fulfills our targets for water quality, and thus gains flexibility for the future formulation of new active pharmaceutical ingredients (API).

**Estimated timeframe for realization**
4 to 6 years

**Magnitude of potential financial impact**
Low

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact**
The impact has not been quantified financially because it is a qualitative goal, without providing direct financial benefit to the company. However, it will ease compliance with expected stricter water legislation in future and thus reduces the company’s risk exposure.
(W6.1) Does your organization have a water policy?
Yes, we have a documented water policy that is publicly available

(W6.1a) Select the options that best describe the scope and content of your water policy.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Content</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company-wide</td>
<td>Description of business dependency on water</td>
<td>The Novartis Health, Safety and Environment (HSE) policy applies company-wide because we strive to operate everywhere responsibly by building a long-term sustainable business, considering best use of water. Novartis is not an intensive water user, but we recognize the value of water and strive to minimize the environmental impact of our activities and products over their life-cycle. We consider HSE implications across the full spectrum of our activities with the intent to protect associates, neighbors, patients, business assets, natural resources and the environment. We promote the societal and environmental value of the UN Global Compact and signed the Davos Declaration to combat AMR through actions. A major concern is the prevention of pharmaceuticals from entering the aquatic environment and affecting water quality. This is why we follow a four-fold approach as detailed in our Pharmaceuticals in the Environment (PiE) position paper which includes R&amp;D, production, marketing, the disposal of drug products and the increase of knowledge. Our efforts go beyond regulatory requirements, as we regularly monitor the levels of active pharmaceutical ingredients (APIs) in manufacturing effluents, increase awareness and educate stakeholders on the PiE topic via supporting innovative projects (IMI-iPiE) and open accessible platforms (medsdisposal.eu). We routinely encourage our suppliers via responsible procurement programs to adopt water management practices equivalent to our own and have elevated this to a requirement as part of our new strategy for water quality. We aim to be a good water steward wherever we operate, working to achieve water sustainability and helping ensure sufficient and safe water. The Novartis Corporate Responsibility Guideline and programs acknowledge the human right to water so our business (across the entire value chain) does not adversely affect other stakeholder's access to clean water and sanitation.</td>
</tr>
</tbody>
</table>

(W6.2) Is there board level oversight of water-related issues within your organization?
Yes

(W6.2a)
(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

<table>
<thead>
<tr>
<th>Position of individual</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>The CEO leads the Executive Committee of Novartis (ECN), thus has the ultimate responsibility to approve the environmental sustainability strategy, water targets and goals. The CEO's involvement enables the Novartis water strategy to be balanced with other business priorities and ensures that sufficient resources are in place to execute plans in support of the strategy. The CEO can take action to accelerate implementation to respond to external expectations or business needs. The ECN meets each month. It approves annual budgets and sets business priorities, oversees and approves major capital expenditures, acquisitions and divestitures, and tracks progress against goals and targets for addressing water sustainability. Performance is reported annually in our Novartis in Society ESG Report. An example of a water-related decision made by the CEO was the commitment to the Industry Roadmap for Progress on Combating Antimicrobial Resistance (AMR roadmap). Leading pharmaceutical companies collaborate to combat the global threat of AMR and commit to working to reduce environmental impacts on water quality from antibiotic production and manufacturing effluents discharges.</td>
</tr>
<tr>
<td>Board Chair</td>
<td>The Board of Directors is led by the Chairman of the Board and is responsible for setting the strategic direction of the Novartis Group. The Board met 8 times in 2019 with each meeting lasting approximately 8 hours. Environmental sustainability including water is considered in the 5 company priorities set by the board. In 2017 the Board requested that the company revisit its environmental strategy to see if more ambition is possible and in 2018 the Chairman of the Board reviewed and endorsed our new environmental sustainability strategy which set ambitious new water sustainability targets and goals for our business. These are specifically to reduce water consumption by half in our own operations by 2025 and to ensure that there are no water quality impacts from manufacturing effluents including specifications for active pharmaceutical ingredients. By 2030, we aim to be water neutral in all areas and enhance water quality wherever we operate.</td>
</tr>
<tr>
<td>Board-level committees</td>
<td>The Board delegates certain of its duties and responsibilities to its five committees: The Audit and Compliance committee oversees internal control and compliance processes and procedures. The Compensation Committee, designs, reviews and recommends compensation policies and programs. The Governance, Nomination and Corporate Responsibilities Committee (GNCRC) oversees the company’s strategy and governance on corporate responsibility. The Science and Technology Committee advise on scientific, technological and R&amp;D matters. The Risk Committee oversees the company’s risks across a wide range of possible topics. These committees are responsible for identifying and investigating issues of strategic importance and ensuring that they are appropriately managed. Water related issues are balanced in these committees with other business priorities as part of the company’s 5 priorities.</td>
</tr>
</tbody>
</table>

(W6.2b) Provide further details on the board’s oversight of water-related issues.

<table>
<thead>
<tr>
<th>Frequency that water-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which water-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Scheduled all meetings Monitoring implementation and performance</td>
<td>Overviewing acquisitions and divestures</td>
<td>The Board of Directors is responsible for direction, strategy, organization and administration of the company, and holds the ultimate decision-making authority for Novartis, including environmental sustainability strategy, which comprises water-related issues. The Board of Directors met 8 times in 2019 with each meeting lasting approximately 8 hours. The Board has delegated certain of its duties and responsibilities to its five committees led by a Board-elected Chairman: Audit and Compliance Committee, Compensation Committee, Science and Technology Committee, Risk Committee and Governance, Nomination and Corporate Responsibilities Committee. The committees enable the Board to work in an efficient and effective manner, allowing a thorough review and discussion of issues. The Risk Committee, which met 4 times in 2019 assists the Board in properly assessing and professionally managing risk by overseeing the risk management system and processes, as well as by reviewing the risk portfolio and related actions implemented by management. The Governance, Nomination and Corporate Responsibilities Committee, which met 4 times in 2019, ensures that water issues are integrated in governance mechanisms across the company by reviewing and guiding the corporate responsibility strategy. The water strategy including the scope and ambition of Novartis is discussed periodically and any recommendations are subject to final Board approval. In 2017 it was decided to review Novartis environmental sustainability strategy and in May 2018, the new environmental sustainability strategy, including targets and goals for water, were approved. The Board is overseeing the progress against the targets and goals by monitoring the implementation of the new environmental sustainability strategy. The Board gets regular progress performance updates on the environmental sustainability targets, including water related issues, from Members of the Executive Committee of Novartis such as the heads of Novartis Technical Operations (NTO) and Novartis Business Services (NBS) as well as other members of the senior management, such as, Region, Country and Site Managers. The Board is overseeing the progress against the targets and goals by monitoring the implementation of the new environmental sustainability strategy.</td>
</tr>
<tr>
<td>Row 2</td>
<td>Reviewing and guiding business plans</td>
<td>The Board of Directors is responsible for direction, strategy, organization and administration of the company, and holds the ultimate decision-making authority for Novartis, including environmental sustainability strategy, which comprises water-related issues. The Board of Directors met 8 times in 2019 with each meeting lasting approximately 8 hours. The Board has delegated certain of its duties and responsibilities to its five committees led by a Board-elected Chairman: Audit and Compliance Committee, Compensation Committee, Science and Technology Committee, Risk Committee and Governance, Nomination and Corporate Responsibilities Committee. The committees enable the Board to work in an efficient and effective manner, allowing a thorough review and discussion of issues. The Risk Committee, which met 4 times in 2019 assists the Board in properly assessing and professionally managing risk by overseeing the risk management system and processes, as well as by reviewing the risk portfolio and related actions implemented by management. The Governance, Nomination and Corporate Responsibilities Committee, which met 4 times in 2019, ensures that water issues are integrated in governance mechanisms across the company by reviewing and guiding the corporate responsibility strategy. The water strategy including the scope and ambition of Novartis is discussed periodically and any recommendations are subject to final Board approval. In 2017 it was decided to review Novartis environmental sustainability strategy and in May 2018, the new environmental sustainability strategy, including targets and goals for water, were approved. The Board is overseeing the progress against the targets and goals by monitoring the implementation of the new environmental sustainability strategy. The Board gets regular progress performance updates on the environmental sustainability targets, including water related issues, from Members of the Executive Committee of Novartis such as the heads of Novartis Technical Operations (NTO) and Novartis Business Services (NBS) as well as other members of the senior management, such as, Region, Country and Site Managers. The Board is overseeing the progress against the targets and goals by monitoring the implementation of the new environmental sustainability strategy.</td>
</tr>
</tbody>
</table>

W6.3
(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

**Name of the position(s) and/or committee(s)**
Chief Operating Officer (COO)

**Responsibility**
Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**
Quarterly

**Please explain**
Novartis does not have a traditional COO but a matrix structure with several persons responsible for operating units of our company. Two employees are mainly responsible for management of water-related issues and function as COOs: the Head of Novartis Business Services (NBS) and the Head of Novartis Technical Operations (NTO). Both roles report directly to the CEO and enable the company to have effective operational and financial procedures in place. Both roles are responsible for the management of environmental risks and reaching the company-wide 2025 and 2030 water targets and goals. The Head of NBS is also responsible for the design of the company-wide environmental sustainability strategy (ESS). The Head of NBS and NTO are members of the Executive Committee of Novartis (ECN), HSE Governance Board, ESS Steering Committee and Trust & Reputation Committee. All these committees meet at least quarterly and steer and monitor progress towards the company-wide water targets and goals.

**Name of the position(s) and/or committee(s)**
Other committee, please specify (HSE Governance Board)

**Responsibility**
Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**
Quarterly

**Please explain**
The Health, Safety and Environment (HSE) Governance Board is responsible for management of all HSE risks and issues including any related to water. It reports through the Audit and Compliance committee into the Board of Directors. Several members of this board report directly to the CEO, including heads of NBS and NTO and Group Head of People & Organization who has a key role in ensuring that environmental sustainability is considered in routine business decisions. The HSE Governance Board also includes the Group Head of Global Health & Corporate Responsibility, Chief Procurement Officer, Head of Real Estate & Facilities Services, Global Head of HSE, and Head Global Environment & Sustainability Strategy Implementation. The Head Global Environment & Sustainability Strategy Implementation is responsible for water strategy, making recommendations on how goals/targets should be managed, developing metrics/targets, and seeking endorsement for implementation from the HSE Governance Board.

**Name of the position(s) and/or committee(s)**
Other, please specify (Environmental Sustainability Steering Committee)

**Responsibility**
Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**
Quarterly

**Please explain**
The Environmental Sustainability Steering Committee is responsible for ensuring all environmental targets, including water targets and goals are managed and implemented appropriately.

**Name of the position(s) and/or committee(s)**
Other, please specify (Trust & Reputation Committee)

**Responsibility**
Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**
Quarterly

**Please explain**
In March 2019, Novartis established an internal Trust & Reputation Committee as a sub-committee of the Executive Committee of Novartis (ECN), which reviews the company’s performance on environmental, social and governance topics. Chaired by the CEO, it oversees progress and aims to accelerate decision-making in key Global Health and Corporate Responsibility areas aligned with the 5 key organizational priorities. Building trust with society is one of these priorities, which include the environmental sustainability strategy, and with that water-related issue.

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**W6.4**

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

<table>
<thead>
<tr>
<th>Provide incentives for management of water-related issues</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

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**W6.4a**
What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

<table>
<thead>
<tr>
<th>Role(s) entitled to incentive</th>
<th>Performance indicator</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monetary reward</td>
<td></td>
<td>Novartis believes that the careful stewardship of natural resources, like water, is important for the success of the company but also critical for society and future generations. This is why in 2018 our CEO communicated that building trust with society is one of the five key organizational priorities. Since then, these priorities are included in the annual employee performance management system. The water-related targets and goals are set at a company-wide level and are embedded and portioned out in annual milestones on the Balanced Scorecard (BS). The BS is the Novartis incentive management system for the Novartis Executive Committee (ECN), including the CEO, as well as Heads of NBS and NTO, who effectively function as COOs. The annual milestone defined in the BS for 2019 for water-related issues was a company-wide 5% water consumption reduction. This milestone was overachieved in 2019. This achievement on the company-wide water-related target was included in the overall performance rating within the five key organizational priorities, weighted 40%, and achievements are incentivized at the end of each business year. The progress is tracked on a quarterly basis by the Trust &amp; Reputation Committee. The annual report provides full disclosure on goals and progress. The environmental/water-related targets and goals are also part of the divisional objectives in the general employee performance system.</td>
</tr>
<tr>
<td>Non-monetary reward</td>
<td></td>
<td>No one is entitled to these incentives</td>
</tr>
</tbody>
</table>

W6.5

Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers
Yes, trade associations
Yes, funding research organizations

W6.5a

What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

We collaborate with others to help address some of the world’s greatest health challenges and focus our corporate responsibility work on four pillars that underscore our strategy: Holding ourselves to the highest ethical standards, being part of the solutions on pricing and access to medicines, addressing global health challenges, being a responsible citizen. The Novartis Global Health and Corporate Responsibility Leadership Team (GH&CR LT) comprised of leaders from each division and across multiple functions of the company, guides this work. The GH&CR LT is tasked with facilitating information-sharing between other related governance bodies, such as Corporate Affairs, the Compliance and HSE Steering Committees. This platform aims to discover any inconsistency within Novartis policy/commitments and public policy. It then can intervene, discuss, and take action to overcome this inconsistency by giving clear direction to each division and function within the company. For external advocacy, Corporate Affairs has developed a document describing eight advocacy principles as guidance for efforts regarding Corporate Responsibility. Half of these principles focus on doing business responsibly, which includes the sustainable use of water as one of our ambitious targets. Advocacy principles are rooted in the business strategy and thus are consistent. Both, advocacy principles and business strategy, evolve over time in line with the business and the external environment.

W6.6

Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

W7. Business strategy

W7.1
### W7.1 Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

<table>
<thead>
<tr>
<th>Area</th>
<th>Are water-related issues integrated?</th>
<th>Long-term planning horizon (years)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term business objectives</td>
<td>Yes, water-related issues are integrated</td>
<td>11-15</td>
<td>Environmental sustainability is an integral part of our strategy. Novartis strives to make efficient use of natural resources including water and to minimize the environmental impacts of its activities and products over their entire life cycle. In 2016, a new environmental sustainability strategy has been approved with clear targets and goals by 2030 in the main areas: climate, waste, and water. For water, we aim to be a good water steward wherever we operate, working to achieve water sustainability and helping ensure sufficient and safe water. Our 2025 target/goal is to reduce water consumption in our operations by half versus 2016, with no water quality impacts from manufacturing effluents (including key suppliers). By 2030, we aim to be water neutral in all water stressed areas of our operations, while actively enhancing water quality wherever we operate.</td>
</tr>
<tr>
<td>Strategy for achieving long-term objectives</td>
<td>Yes, water-related issues are integrated</td>
<td>11-15</td>
<td>Novartis’ overall purpose is to reimagine medicine to discover new ways to improve and extend people’s lives. This means that we do our business responsibly and sustainably and have integrated water stewardship in our strategy. In 2018, Novartis endorsed its new environmental sustainability strategy and set ambitious new targets. Our 2025 target/goal is to reduce water consumption in our operations by half versus 2016, with no water quality impacts from manufacturing effluents (including key suppliers). By 2030, we aim to be water neutral in all water stressed areas of our operations, while actively enhancing water quality wherever we operate.</td>
</tr>
<tr>
<td>Financial planning</td>
<td>Yes, water-related issues are integrated</td>
<td>11-15</td>
<td>Novartis includes water related issues as part of its financial planning. This was reconfirmed in early 2018 by our CEO when he communicated to analysts and investors that building trust with society is one of the five key organizational priorities for Novartis moving forward. For this reason, any activity that impacts the environment, like water, is reviewed and the environmental sustainability dimension included in our financial analysis. In 2018, Novartis endorsed its new environmental sustainability strategy and sets ambitious targets. Our target/goal for water is to reduce its consumption in our operations and aim for water neutrality, including water quality from manufacturing effluents. The target/goals will be transferred to the business unit with the highest impact for implementation. E.g. reduction of water consumption is managed by the technical operation unit. This unit oversees total water utilization and the available technical equipment and can propose, change and install the necessary equipment to meet our target/goals. Therefore, long-term financial planning followed by execution will be managed in the respective business unit to allow successful implementation and completion.</td>
</tr>
</tbody>
</table>

### W7.2

(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

**Row 1**

Water-related CAPEX (+/- % change) 52

**Anticipated forward trend for CAPEX (+/- % change)** -2.4

Water-related OPEX (+/- % change) -2

**Anticipated forward trend for OPEX (+/- % change)** -2

**Please explain**

CAPEX has increased compared to prior year, due to high infrastructure investment in 2019 to meet our water-related targets and goals. A decrease in CAPEX is expected in 2020 compared to 2019, although further infrastructure investments will continue to meet water-related targets / goals. In 2019, expenditures were used for e.g. a waste water treatment plant in Romania to fulfill our water quality goal of no water quality impacts from manufacturing effluents. The operating costs include service and other related costs for water supply and water treatment, as well as sewage charges. OPEX for water supply and treatment was less compared to 2018. This is due to increased awareness of the value of water and the implementation of reuse/recycling options. For example in a production site in Spain, the cleaning and disinfection process has been adapted and thus reduced the water consumption including associated costs. We expect further reduction in OPEX for next year.

### W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

<table>
<thead>
<tr>
<th>Use of climate-related scenario analysis</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Business and operations may be impacted by the growing effects of climate change and the shifting weather patterns in many regions. With energy, greenhouse gas emissions and water resources becoming greater cost factors, efficiency improvements and alternate sources will become more important. In the long term, the increasingly severe effects of rising sea levels, extreme weather, changing precipitation patterns, and water scarcity could also influence the way we select new locations and how these can be protected against the effects of climate change. In 2018, we started collaborating with an interdisciplinary group from the Massachusetts Institute of Technology (MIT). We investigate how climate change will affect water resources and in particular the change in hydro-climatic risk to the Novartis global infrastructure from climate change. The results will be shared with associates in production, finance and facilities to create a more holistic integrated risk management strategy.</td>
</tr>
</tbody>
</table>

### W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

### W7.3b
What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization’s response?

<table>
<thead>
<tr>
<th>Climate-related scenarios and models applied</th>
<th>Description of possible water-related outcomes</th>
<th>Company response to possible water-related outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other, please specify (The methodology used here is an extension of the work developed by Strzepek et al 2011 and Strzepek et al 2013, including additional indicators and detailed focus on uncertainties in the used climate change models.)</td>
<td>The intent of this study is to generate an understanding of the relative change in variable values, not the absolute magnitudes of variable values. The results therefore provide an understanding of the range of potential consequences of climate change on risk at the facility scale. The results show a geographically varying risk to Novartis facilities as well as a growing risk to Novartis infrastructure, looking to middle of the 21st century with even more extreme conditions expected by the end of the century.</td>
<td>These results are suitable for us as short (1-3 years) and long-term (&gt;5 years) inputs to the screening-level analyses of the impact of climate change on the location, new design, renovations and management of Novartis research and production facility investments. The results suggest a series of more in-depth climate risk assessments are warranted for key Novartis facilities. In 2019 we initiated another study with MIT on water security in 3 different countries. This will help to understand our risk in future for water availability and flooding potential at the selected regions. The results can assist our management in prioritizing these local in-depth analyses by combining them with other important information about the critical nature of the research, development and production activities ongoing at each facility.</td>
</tr>
</tbody>
</table>

Does your company use an internal price on water?

Yes

Please explain

In 2018 a new environmental sustainability strategy was developed and endorsed which estimated the internal cost of water. This internal cost of water was used to confirm the level of ambition for water reduction.

Describe your approach to setting and monitoring water-related targets and/or goals.

<table>
<thead>
<tr>
<th>Levels for targets and/or goals</th>
<th>Approach to setting and monitoring targets and/or goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company-wide targets and goals</td>
<td>In 2017 Novartis’ environmental strategy was reviewed and a new environmental sustainability strategy was endorsed by the Executive Committee of Novartis (ECN), which includes the CEO and other C suite leaders. The process was kicked-off by a 2-day workshop attended by external and internal stakeholders and accompanied with fruitful discussions with various internal and external interest groups reflecting on the 17 sustainability development goals and our commitment to the UN Global Compact. This process was finalized in May 2018 through the publication of ambitious targets and goals to minimize Novartis’ impacts on climate, waste and water. With these targets and goals, we created measurable indicators to guide the company to reach its vision to minimize the environmental impact of our activities and products over their life cycle. Using natural resources wisely and effectively and minimizing our environmental footprint will prepare us for future challenges such as climate change and resource shortages. In the area of water, we strive to be a good water steward wherever we operate, working to achieve water sustainability and helping ensure sufficient and safe water. This goes far beyond regulatory requirement and we hope we will be a catalyst for positive change within industry.</td>
</tr>
<tr>
<td>Business level specific targets and/or goals</td>
<td></td>
</tr>
<tr>
<td>Activity level specific targets and/or goals</td>
<td></td>
</tr>
<tr>
<td>Site/facility specific targets and/or goals</td>
<td></td>
</tr>
<tr>
<td>Basin specific targets and/or goals</td>
<td></td>
</tr>
</tbody>
</table>
Provide details of your water targets that are monitored at the corporate level, and the progress made.

**Target reference number**

Target 1

**Category of target**

Water consumption

**Level**

Company-wide

**Primary motivation**

Risk mitigation

**Description of target**

The United Nations (UN) predicts a water shortage of 40% by 2030 which could restrict Novartis’ access to water. Therefore reducing our water consumption seems to be a good way of successfully competing in the future whilst contributing to global water security. After a thorough engagement with internal and external stakeholder in 2017, Novartis endorsed its current environmental sustainability strategy in 2018, which sets ambitious targets besides others for water consumption at company-wide level. Our 2025 target for water is to reduce water consumption in our operations by half versus 2016 and is monitored at the group level to understand our global impact on water security. This target is owned by Novartis Technical Operations and Novartis Business Services, which will invest, as necessary to achieve the target. Actions to achieve this target are coordinated via the Environmental Sustainability Steering Committee.

**Quantitative metric**

% reduction in total water consumption

**Baseline year**

2016

**Start year**

2018

**Target year**

2025

% of target achieved

32

**Please explain**

The fulfilment of this target is proceeding fast with an achievement of >30% in the third year. We are on a good track to meet our target by the anticipated time 2025. The reduction is driven by increased awareness of the need to use water efficiently.

**Target reference number**

Target 2

**Category of target**

Water withdrawals

**Level**

Company-wide

**Primary motivation**

Increase freshwater availability for users/natural environment within the basin

**Description of target**

The impact of unsustainable water use can be seen at both the local and regional level. For example withdrawal of water at a rate which is faster than the rate at which it is being replenished leads to water stress for the community and the surrounding environment. In 2018, Novartis set an ambitious target to achieve water neutrality in all water stressed areas of its business by 2030. This target is monitored at the group level because it supports our company-wide strategy to meet patient needs at all times. Being water neutral in all water stressed areas of our operations is expected to increase freshwater availability for all users, including the natural environment within the same area thus supporting local water security. This target is owned by several units including Novartis Technical Operation and Novartis Business Services which plan to invest as necessary to achieve the target. The corresponding actions are coordinated via the Environmental Sustainability Steering Committee.

**Quantitative metric**

Other, please specify (Water balance, where the difference between water output and water input, is close to zero.)

**Baseline year**

2016

**Start year**

2018

**Target year**

2030

% of target achieved

16

**Please explain**

The quantitative metrics of this target has not been introduced company-wide, but the target 2, “water withdrawals”, is directly linked to the target 1, “water consumption”, and any achievement in target 1 contributes to achievement of target 2. Our current approach is to use volumetric metrics for the target 2 and thus the achievement from target 1 (32% of target achieved) can be directly taken into account for the achievement of target 2 (16% of target achieved). Additionally, Novartis initiated a pilot project in India to increase water availability to farmers and the local community. This watershed project will provide valuable insights for future actions on water stewardship.
(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

**Goal**

Improve wastewater quality beyond compliance requirements

**Level**

Company-wide

**Motivation**

Reduced environmental impact

**Description of goal**

Pharmaceuticals entering the aquatic environment are an inevitable consequence of current healthcare practices. While the majority of Pharmaceuticals in the Environment (PIE) stem from the excretions of treated patients, relatively small quantities come from the industrial activities of drug research, development and production. In 2018 Novartis approved an ambitious goal aiming for no water quality impacts from manufacturing effluents, including our key drug substance supplier. We require that our own and our key contracted manufacturers are managing manufacturing drug substance loss without affecting the environment and human health and thus supporting water security. This company-wide goal is monitored at group level because it will support our company-wide strategy on business continuity, being able to produce and deliver our products in time, every time. This goal is owned by Novartis Technical Operations which will invest as necessary to achieve the target. Actions to achieve this goal are coordinated via the Environmental Sustainability Steering Committee.

**Baseline year**

2016

**Start year**

2018

**End year**

2025

**Progress**

The annual internal effluent assessment is based on a readiness index with 3 levels, showing the maturity of each site towards the 2025 goal. The first level is the participation in dedicated trainings and compliance to all regulatory water quality requirements. The second level is the identification and quantification of product loss in effluents and the third level is reaching our company-wide goal for effluents. In 2018 approximately 80% of relevant Novartis sites are fulfilling the goal, the remaining sites are developing mitigation measures to fulfil the goal latest by 2025. For our key suppliers we are in the process of establishing the baseline and will track their progress subsequently against the same readiness index with the 3 levels as for our own sites.

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**Goal**

Engaging with local community

**Level**

Company-wide

**Motivation**

Water stewardship

**Description of goal**

Novartis believes that public concerns about water quality will likely increase and thus new regulation and policy pressure will follow. After a thorough engagement with internal and external stakeholder in 2017, Novartis endorsed its environmental sustainability strategy in 2018 and set an ambitious goal to enhance water quality wherever we operate by 2030. This goal is monitored at group level because it supports our company-wide strategy on business continuity, being able to produce and deliver our products in time, every time. Several units within Novartis including Global Health & Corporate Responsibility own this goal. Actions to achieve this goal are coordinated via the Environmental Sustainability Steering Committee.

**Baseline year**

2018

**Start year**

2018

**End year**

2030

**Progress**

We are currently in the process of developing meaningful metrics to show success. In 2018, we started a project in Africa to support the delivery of 1,000 water filters systems and cooking stoves to families which have no access to clean drinking water and are using cooking stoves fired with wood. Besides that, we participated in a project with WRI, Valuing Nature and Quantis on water stewardship benefits accounting. These projects are expected to guide us on how to track progress and success during the upcoming years.

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W9. Verification

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W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

---

W9.1a
(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

<table>
<thead>
<tr>
<th>Disclosure module</th>
<th>Data verified</th>
<th>Verification standard</th>
<th>Please explain</th>
</tr>
</thead>
</table>

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization’s response. Please note that this field is optional and is not scored.

As a result of leadership discussions at the CEO level that began in 2019, Novartis has made a significant investment and elevated the role of the most senior executive responsible exclusively for environmental sustainability. Novartis has now created a role for Environmental Sustainability Head as a direct report to a member of the Executive Committee of Novartis. This executive is now responsible for managing and executing all issues in environmental sustainability across the company, to include all of the existing governance processes listed through this report including the CEO chaired Trust and Reputation Committee and the Environmental Sustainability Strategy Implementation Steering Committee that includes multiple members of the Executive Committee of Novartis. This has created a powerful and effective voice to align environmental sustainability efforts across the company, fulfill expectations of internal and external stakeholders and take the first steps to creating a next generation set of environmental sustainability goals and disclosure that are aligned with Novartis’ role as a global healthcare leader. This new role will further increase the awareness of our dependency on sufficient and safe water in all aspects of the medicine life cycle, and will emphasis the interconnection of providing innovative medicine to patients through a sustainable-acting business across and beyond our entire value chain.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

<table>
<thead>
<tr>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head of Novartis Business Services (NBS), reporting directly to the CEO and ensuring that the Company has effective operational and financial procedures in place.</td>
<td>Chief Operating Officer (COO)</td>
</tr>
</tbody>
</table>

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate’s Water Action Hub (applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)).

No

SW. Supply chain module

SW0.1

(SW0.1) What is your organization’s annual revenue for the reporting period?

<table>
<thead>
<tr>
<th>Annual revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>51500000000</td>
</tr>
</tbody>
</table>

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

Yes
SW0.2a

(SW0.2a) Please share your ISIN in the table below.

<table>
<thead>
<tr>
<th>ISIN country code</th>
<th>ISIN numeric identifier (including single check digit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CH</td>
<td>0012005267</td>
</tr>
</tbody>
</table>

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?
No facilities were reported in W5.1

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

<table>
<thead>
<tr>
<th>Are you able to provide geolocation data for your facilities?</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, this is confidential data</td>
<td></td>
</tr>
</tbody>
</table>

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?
No

SW3.1

(SW3.1) Provide any available water intensity values for your organization’s products or services.

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

<table>
<thead>
<tr>
<th>I am submitting to</th>
<th>Public or Non-Public Submission</th>
<th>Are you ready to submit the additional Supply Chain Questions?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investors</td>
<td>Public</td>
<td>Yes, submit Supply Chain Questions now</td>
</tr>
<tr>
<td>Customers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please confirm below
I have read and accept the applicable Terms