








# Strong governance, enhanced processes and focus on material ESG factors improved rating agencies scores

Agency	SPS	Score	Score Current	Previous	Score change drivers
	1,2	Risk score	▲ 17	21	Strong management of material ESG issues
		Controversy level	▶ 3	3	Strong corporate governance, positive on settlement of legacy issues
	4	ESG score	▲ B	B-	Outperforming on access, ethics. Recent update on US generics industry controversy
	3	ESG score	▲ 4.7	4.1	Improvement across each pillar
	5	Ranking	▲ 2 (4.18)	2 (3.2)	Industry leader in product delivery
	3	Climate Water	▶ A- ▶ A	A- A	Leadership level: Strong water policies, governance, environmental strategy
	3,6	ESG score	▲ A	BBB	Recent settlements, ethics policies, employee engagement strategy. R&D, product portfolio address access in underserved markets and robust vs. industry peers
		MSCI Global Compact	▲ Watchlist	Fail	
	3,7	ESG score	▲ 73	70	Strong improvement in Philanthropy, and Policy Influence. Leading practices in Environment and Social Reporting, Labor practices and Human Capital

**Top tier sector leading performance**

**Improved performance since Q4:**  
Sustainalytics  
FTSE4good  
ATMI  
MSCI

1. 2021/ 2020 scores 2. Updated April 6, 2021 3. 2021/ 2020 scores 4. 2019/2020 Score 5. Published every 2nd year. Result shown shows 2018 / 2020 scores 6. Updated March 31, 2021 7. Novartis has been a member of the DJSI World and EU index since 2002