

Novartis Enterprise Risk Management

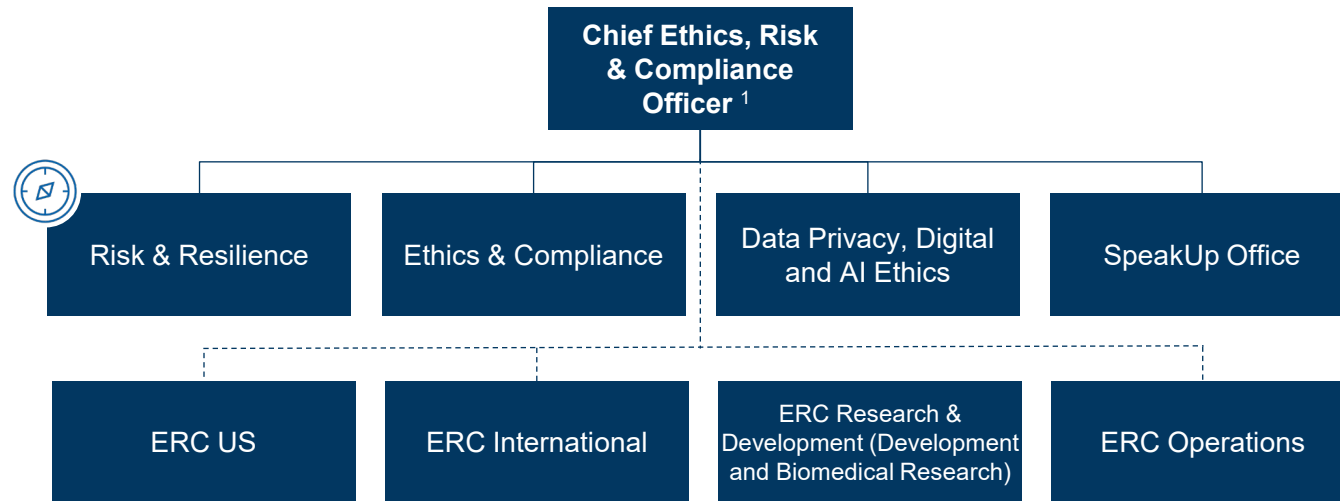
November 2023

 **NOVARTIS** | Reimagining Medicine



Novartis Ethics, Risk and Compliance (ERC)

Risk management is an essential part of our ERC organization



¹ Member of Executive Committee of Novartis

Novartis Ethics, Risk and Compliance

Novartis Risk & Resilience (R&R)

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



Novartis Enterprise Risk Management (ERM)

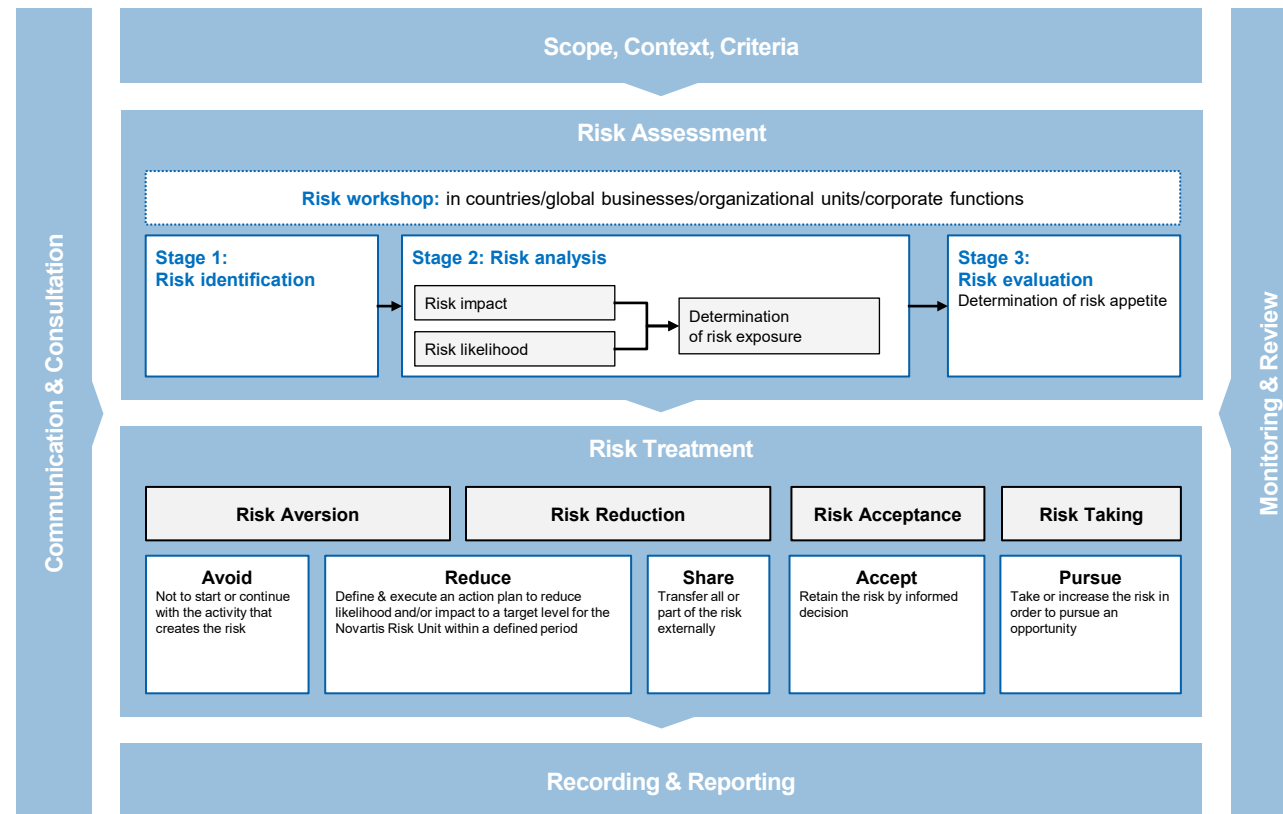
Our process to manage risk

Novartis established a harmonized Enterprise Risk Management process

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

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

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



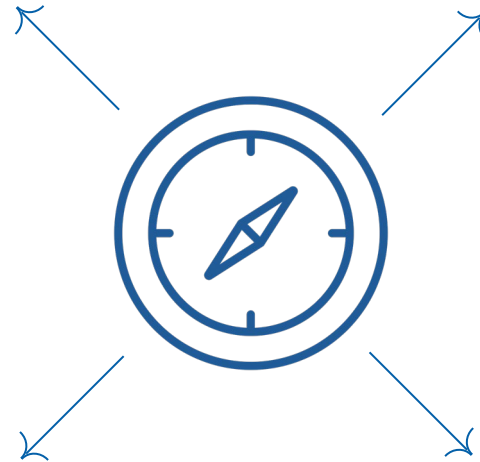
Novartis Risk Compass

Strategic risks

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

Emerging risks

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



Operational risks

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

Awareness topics

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

Novartis Ethics, Risk and Compliance

Risk & Resilience

Thank you