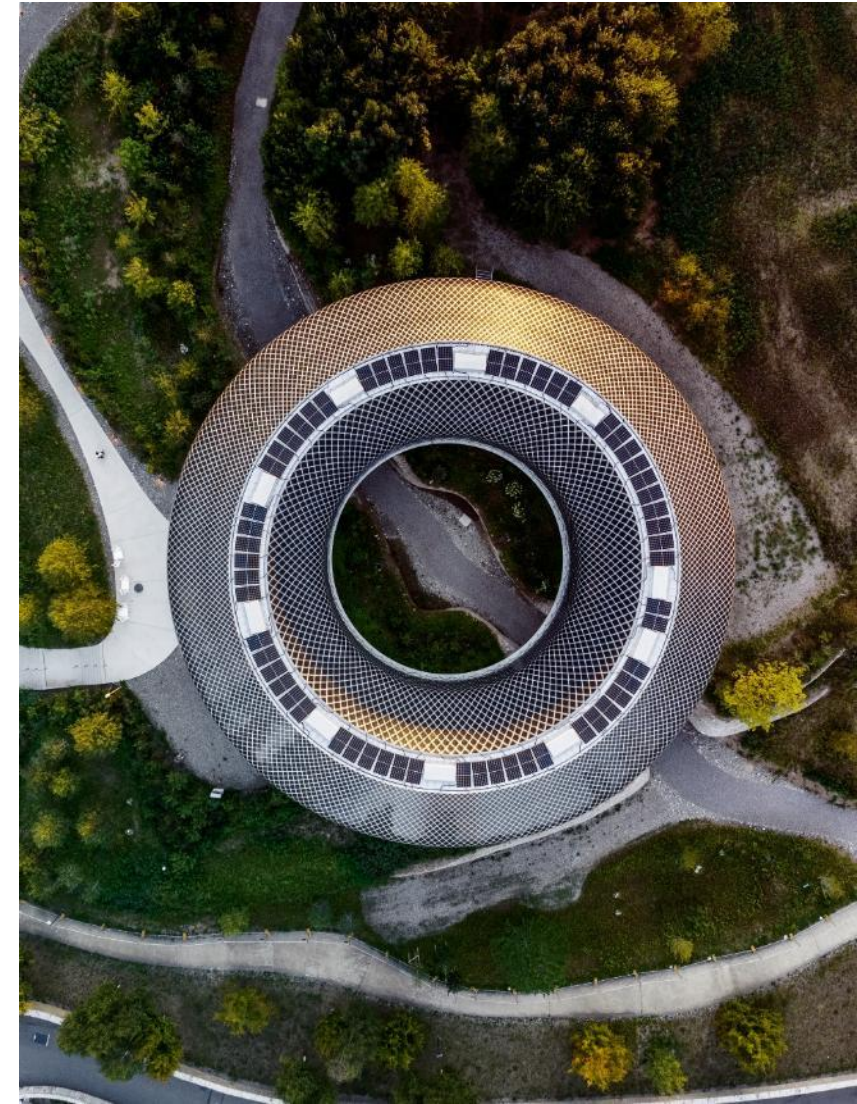


Novartis Enterprise Risk Management

February 2026

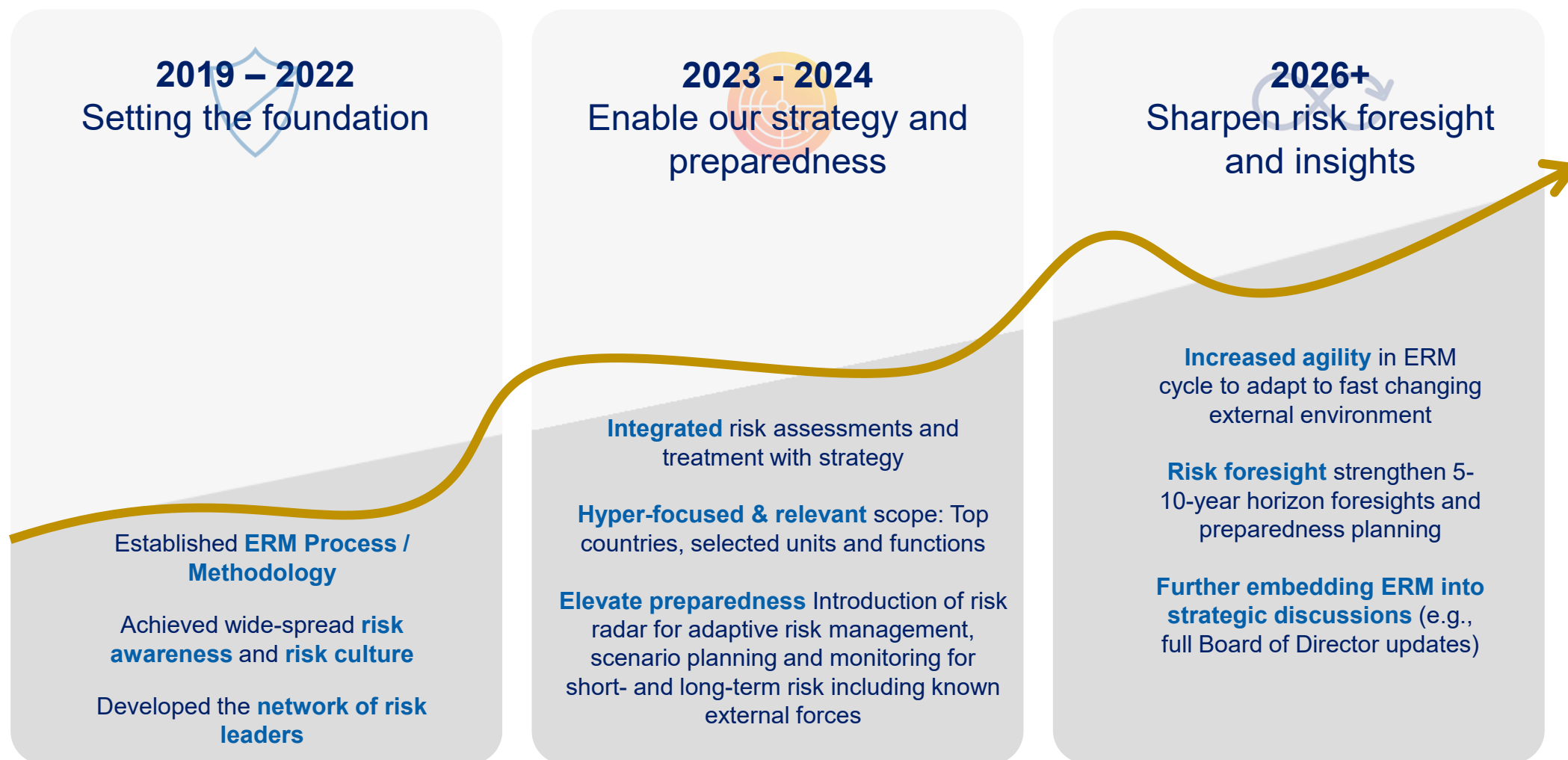


Risk management is an essential part of our Ethics, Risk & Compliance organization

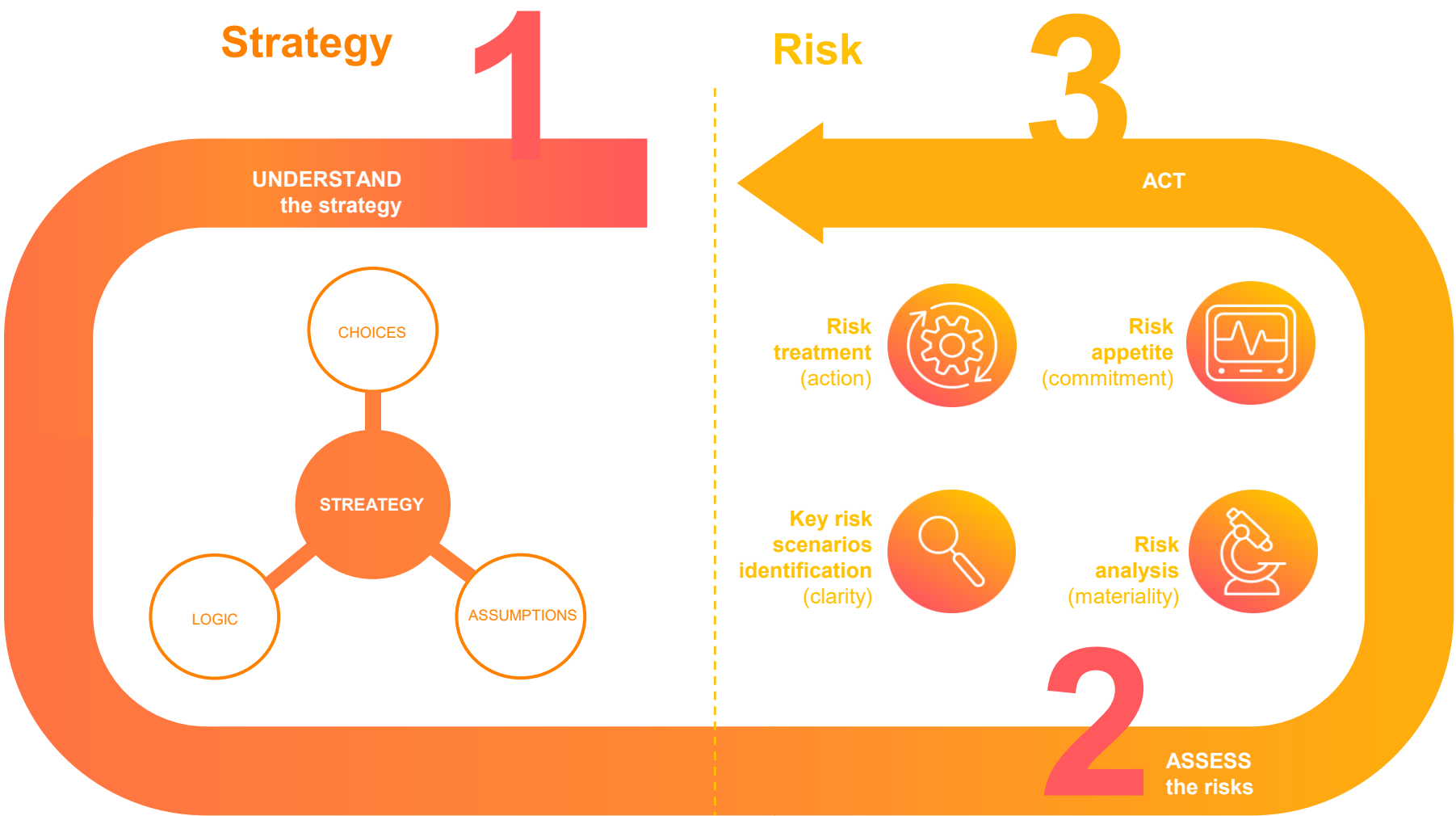


*Member of the Executive Committee of Novartis

Enterprise Risk Management is embedded in our culture and continues to evolve to ensure business continuity and resilience for Novartis



Enterprise Risk Management is fully integrated with the strategy of Novartis

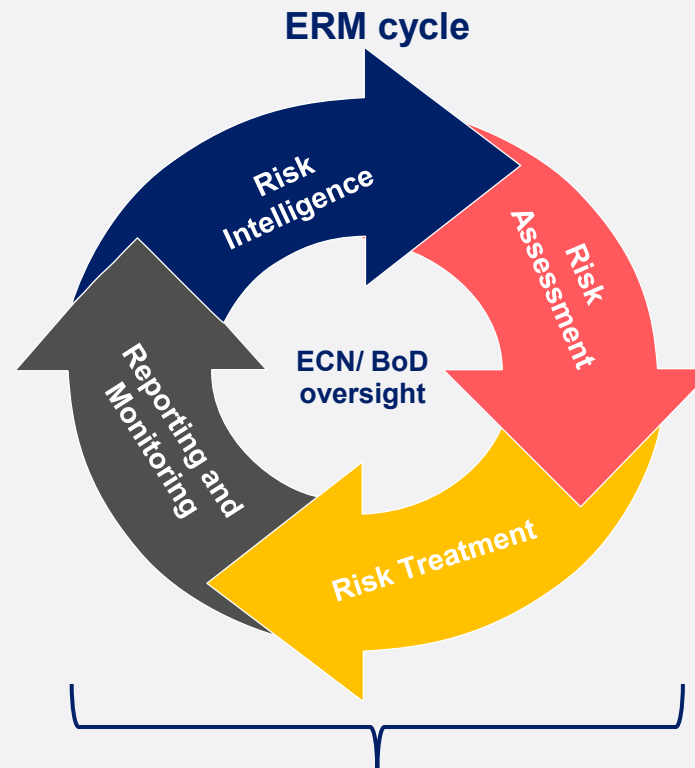


At Novartis, Enterprise Risk Management follows a standardized approach

Novartis established a harmonized Enterprise Risk Management process

The ERM process integrates risk management across the organization to provide a holistic view of top risks that could impact our strategic priorities, whilst also identifying key opportunities to take advantage of.

The Risk Management process involves the systematic application of standardized practices and methodologies across Risk Intelligence, Assessment, Treatment and Reporting whilst also applying Strategic Foresight principles to maintain resilience toward the external environment



Risk Intelligence

Ongoing risk analysis of external environment and risk peer community, dialogue via internal risk communities and forums

Risk Assessment

Performing risk identification, analysis and evaluation in strategy alignments, including countries, organizational units and corporate functions, applying strategic foresight to long-term risks

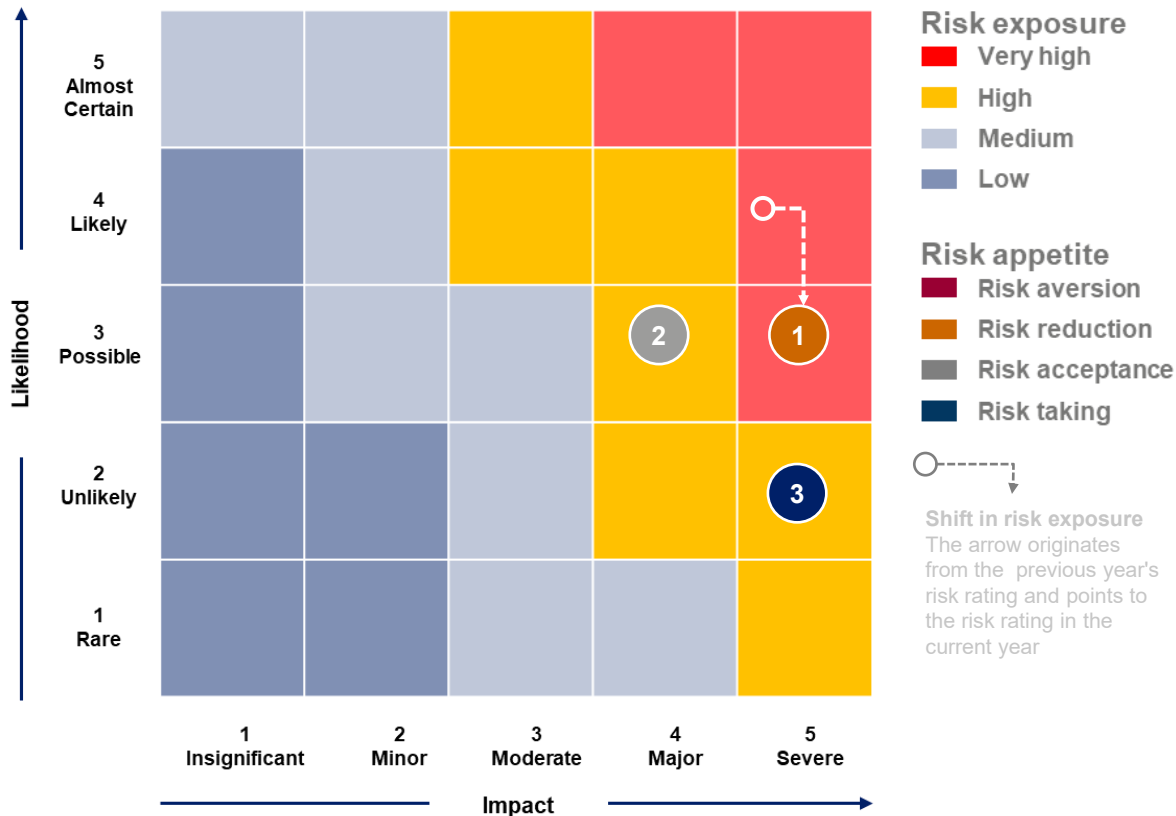
Risk Treatment

Covering risk aversion, reduction, acceptance and pursuit of opportunities

Reporting and Monitoring

Clear communication of outcomes, ongoing identification of opportunities and long-term strategic foresight monitoring

Enterprise Risk Management enables a holistic view of Risk across the organization



- Enterprise risk is assessed through a **three-dimensional** evaluation of impact, likelihood and Risk appetite and then mapped on a Risk Matrix
- The Process involves coordinated activities to identify and manage risks, based on discussions by leadership teams at the global level in close collaboration with the risk functions across units and countries
- Mitigation plans are defined to ensure risks reach the **target risk exposure**

Novartis Risk Matrix

The picture is a representation of the Risk Matrix and does not depict actual risks.

Thank you