

Enterprise risk management

At Novartis, our continued success depends on our ability to manage risk.

Risk management is an integral element of our Ethics, Risk and Compliance program and as such it evolves organically to support our corporate strategy. As part of our journey towards integrated assurance, we connected the Enterprise Risk Management with the strategy of Novartis and integrated it with our internal control framework. This allowed us to establish a risk management framework that is fully integrated within our business operations and provides our key stakeholders with robust assurance on the reliable achievements of our strategic priorities.

The enterprise risk management (ERM) process at Novartis is well-established. It consists of a series of coordinated activities designed to detect and mitigate risks. The method is rigorous and agile, accommodating changes in the external environment. It is based on risk discussions conducted by the leadership teams of the business units at the global level in alignment with their own strategic planning processes, and in close collaboration with all risk functions within the units and countries.

This process results in a single holistic view of risks across the company. This enables senior management and the Novartis Board of Directors to focus discussions on key strategic risks and more closely align the company strategy, our risk exposure and our ways of working.

The Risk Committee of the Board of Directors is responsible for overseeing the risk management framework and processes.

[Learn more about Novartis Enterprise Risk Management \(PDF 1.5 MB\)](#)

The Novartis Risk Radar



Strategic risks

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

Operational risks

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

Risk & Opportunities Amplifiers

Novartis Risk & Opportunities Amplifiers are factors or conditions that upon materializing would greatly impact (positively or negatively) our enterprise strategic and/or operational risk(s).

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1. <https://prod1.novartis.com/esg/ethics-risk-and-compliance/integrated-risk-assurance/enterprise-risk-management>
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