

SANDOZ

Supplementary ESG disclosures 2024

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Reporting Criteria for ESG performance indicators

Basis for reporting

This document provides important considerations for key Environmental, Social and Governance (ESG) performance indicators for 2024.

The ESG-related content of the Integrated Annual Report has been prepared in accordance with Article 964b of the Swiss Code of Obligation (CO), and in alignment with recommendations and standards issued by the Integrated Reporting Framework, the Sustainability Accounting Standards Board® (SASB), the Global Reporting Initiative (GRI), the Greenhouse Gas (GHG) protocol, and the Task Force on Climate-related Financial Disclosures (TCFD).

All Sandoz entities are in scope of the ESG indicators and metrics included in this section. Annual performance data relates to the Sandoz financial year.

Environmental data for 2024 contains estimations when the actual data is not available at the time of report publication. 2023 estimated data has been updated with actuals in this report. No material variances have been identified.

Data on financial performance, e.g. net sales to third parties, has been taken from our Consolidated Financial Statements prepared in accordance with the International Financial Reporting Standards® (IFRS) Accounting Standards. Sandoz financial data is presented in US dollars (USD).

Verification/assurance

KPMG AG provided limited assurance in accordance with ISAE 3000 (Revised) and ISAE 3410 on our ESG performance indicators marked with “√” next to the relevant ESG performance indicator’s name in this document.

Impact and Access

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Impact and Access	• Patient treatments provided (millions) (√) Number of patient treatments provided in the last 12 months. Unit of measure: patient treatments during the last 12 months in millions	The number of patient treatments provided is calculated by dividing the volume sold (bulk/number of units/mg) by the defined daily dose (DDD), as per the World Health Organization (WHO), multiplied by the duration of treatment (DOT), as defined by internal medical experts. December 2024 is extrapolated based on the November 2024 year-to-date actuals.	The number of patient treatments provided includes the following platforms: • Anti-infectives • Biosimilars • Specialty generics • Standard generics
	• Patient treatments provided in LMICs (millions) LMIC stands for Low- and Lower Middle-Income Countries. Number of patient treatments in the LMICs in the last 12 months. Unit of measure: patient treatments during the last 12 months in millions in LMICs	After the number of patient treatments is calculated, the data is filtered for patient treatments provided in LMICs. The list of LMICs is taken from the OECD DAC List of ODA Recipients, which includes for this metric the following classifications: • Least developed countries (LDCs) • Low-income countries • Lower middle-income countries and territories	The number of patient treatments provided in LMICs includes the following platforms: • Anti-Infectives • Biosimilars • Specialty Generics • Standard Generics (Std Gx)

Reporting Criteria for ESG performance indicators *continued*

Impact and Access

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Impact and Access <i>continued</i>	• Healthcare system savings in US and Europe (USD billions) (v) Sum of savings delivered to US and European healthcare systems. Savings delivered to the US is calculated as savings delivered as reported by the Association for Accessible Medicines (AAM) for Generics and Biosimilars multiplied by the Sandoz share in Generics and Biosimilars, respectively. The Sandoz share represents Sandoz Generics and Biosimilars market share calculated based on IQVIA data. Savings delivered to Europe is calculated as savings delivered – absolute difference between standard units sold at preloss of exclusivity price and net historical sales (list price). Unit of measure: healthcare system savings in US and Europe in USD billions	For US healthcare system savings: based on the US Generic and Biosimilar Medicines Savings Report from AAM and internal analysis based on IQVIA data. US healthcare system savings are based on the AAM Savings Report 2024, which utilizes 2023 savings data. To ensure a like-for-like comparison, Sandoz 2023 market share was applied. For European healthcare system savings: model generation through Moving Annual Total (MAT) 2023 October to MAT 2024 October. The model is generated through IQVIA MIDAS data.	No exclusions were considered for savings delivered to US healthcare systems. For European healthcare system savings: the model now includes country data for Switzerland. It does not include country data for Belarus, Denmark, Greece, the Netherlands, Norway, and Serbia because of the unavailability of reliable data in some IQVIA MIDAS panels due to local restriction and accessibility issues.
	• Social impact delivered (USD billions) Monetary value equivalent, expressed by potentially generated gross value added (GVA) from a medical product on a national economy and its society. Unit of measure: social impact delivered globally by Sandoz key products in USD billions	In the Global Social Impact of Medicines approach, the health footprint is calculated based on the number of gained Quality Adjusted Life Years (QALYs) a medicine can achieve for a given indication compared to the standard of care (SoC) in adults (men and women) in different age groups each year. The primary assumption is that gaining QALYs leads to an increase in productive time as a patient's life expectancy and quality of life increases. It is assumed that one QALY gained is equivalent to one year gained of full working capacity (i.e., in perfect health). The health footprint is calculated using the following input parameters: • Number of patient treatments provided • Indication prevalence • Epidemiological data • Health-related data • Socioeconomic parameters The socioeconomic footprint translates the health gains into productivity potential associated with a healthier population due to the use of a medicine in a country by using socioeconomic parameters as inputs. The impact on society and the economy are quantified in monetary terms. The social impact was calculated in collaboration with the WifOR Institute, as an external partner.	The scope of the calculation includes the following items: • Number of products: 83 (product's active ingredient, product's approved indications, product's approval of use in adults, children, or both) • QALYs gained • Number of patient treatments provided • Gross value added (GVA) Socioeconomic parameters: • Number of countries in scope: 125 • Year in scope: 2023 2023 Social impact delivered figure was used as there were no significant changes in methodology or scope of calculations in 2024. This was previously assured as part of the 2023 limited assurance process.

Reporting Criteria for ESG performance indicators *continued*

Impact and Access

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Impact and Access <i>continued</i>	• Health Care Professionals (HCPs) reached (thousands, 2021-2024) The number of attendees/users that are registered and given access to Sandoz sponsored stewardship educational activities and Sandoz developed digital tools for supporting stewardship. Unit of measure: number of HCPs reached in thousands with stewardship initiatives for antibiotics	The data is coming from Sandoz country reporting. The number is calculated by adding the attendees of activities and users of the various materials. Example of activities include., Sandoz standalone educational events, Sandoz-developed online educational resources, Sandoz online digital tools, etc.,	The reporting countries include: • Poland • Lithuania • Slovakia • Kazakhstan • Serbia • Baltics • Romania & Moldova • Switzerland • Czech Republic • Belarus • United Arab Emirates • Philippines • Vietnam • Malaysia • Brazil • Egypt • Italy • Netherlands • Hungary
	• WHO EML Sandoz addressable portfolio coverage (%) (✓) WHO stands for World Health Organization and EML stands for Essential Medicine List. All molecules of the WHO EML list that are in the core Sandoz portfolio repertoire are "addressable". Unit of measure: percentage of Sandoz products	The addressable portfolio of the WHO EML list was identified by excluding products that do not fall under Sandoz core business (e.g., vaccines, patented products, etc.), as determined by internal business units.	No additional exclusions to the ones mentioned in the methodology were applied. This list does not consider EML at a country level.

Reporting Criteria for ESG performance indicators *continued*

Environmental Sustainability

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Energy use (million GJ)	• Energy use on-site and purchased (✓) Energy use is measured as the consumption of power, steam, heat, and fuel (natural gas, wood, diesel, coal oil) and includes energy generated on-site as well as purchased. Unit of measure: energy use over the reporting period on-site and purchased in million gigajoules (GJ) Energy use is based on meter readings and invoices, including stock counts (e.g., for diesel oil, wood etc.).	The amount of energy use reported represents nine months actual data plus the estimation for the last three months. The estimation is done based on foreseen consumption and prior year operating experiences.	De-minimis criteria have been established which includes sites and reporting units that has less than 500 FTE. Sites in scope are reviewed annually. Energy for de-minimis sites is estimated based on the site's FTEs data (Sandoz employees and third parties) multiplied by an average office use of electricity.
	• Energy generated on-site from renewable energy sources Renewable energy sources include electricity, steam or other energy generated on-site by the following technologies: • Photovoltaic • Solar-thermal • Geo-thermal, heat pumps • Wind • Biomass • Hydroelectricity, regardless of the power plant size Unit of measure: energy generated on-site from renewable energy sources in million GJ	The amount of energy use reported represents nine months actual data plus the estimation for the last three months. The estimation is done based on foreseen generation and prior year operating experiences.	Nuclear technology for electricity generation is not included in renewable energy sources. Only the following sites have on-site energy generation: Gebze, Barleben, and Lendava
	• Energy intensity based on net sales to third parties (mGJ/ USD billions) Energy intensity based on net sales to third parties is the energy use divided by the net sales to third parties. Unit of measure: energy use (million GJ)/ net sales to third parties (USD billions)	Data on financial performance, e.g. net sales to third parties, has been taken from our Consolidated Financial Statements prepared in accordance with the International Financial Reporting Standards® (IFRS) Accounting Standards. Sandoz financial data is presented in US dollars (USD).	No exclusions

Reporting Criteria for ESG performance indicators *continued*

Environmental Sustainability

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Greenhouse Gas (GHG) Emissions (1000 tCO₂e)	• Scope 1 emissions (✓) • Combustion and process • Vehicles Scope 1 emissions are aligned with the GHG Protocol. It comprises of direct CO₂ equivalent (CO₂e) emissions from sources that are owned or controlled by Sandoz and are presented as the sum of emissions from combustion and processes, and vehicles. Combustion and process: Emissions of fossil nature emitted from any type of combustion process of fuels or waste at stationary installations. The fuels include gas, oil, and incineration of waste mainly from fossil nature. Vehicles: Emissions generated from company owned or leased cars, vans or other vehicle types. Unit of measure: scope 1 GHG emissions by respective category and in total during the reporting period excluding offsets in 1000 tCO₂e	The number of emissions reported represents nine months actuals plus the estimation for the last three months using internal forecasting methodology based on foreseen activity and prior year operating experiences. Sandoz follows the GHG Protocol for accounting of scope 1 emissions unless adjustments are needed to comply with regulatory requirements. Scope 1 data for combustion and process is reported by multiplying the quantity of fuel used (collected from purchase and consumption logs, and/or supplier invoices) by the respective fuels' emission factors. Sandoz uses emission factors that have been published by the International Energy Agency (IEA). Whenever possible, scope 1 data for vehicles is reported by multiplying the quantity of fuel used (collected through fuel consumption mileage reports supplied to Sandoz by fleet management companies) by the standard emission factor for the respective fuels using the 2017 GHG protocol. In case fuel consumption data is not available, an estimate is made using an average distance driven per year for a medium-sized car applying the emission factor for unknown fuel published by the UK Government in 2022.	We do not include any carbon offsets in our emissions inventory.
	• Scope 2 emissions from purchased energy (market-based) (✓) • Scope 2 emissions from purchased energy (location-based) (✓) Scope 2 emissions comprise CO₂e emissions from purchased or acquired electricity (market and location-based), cooling, heat, and steam. Unit of measure: scope 2 GHG emissions market- or location-based and in total during the reporting period in 1000 tCO₂e	Market-based Emission Factor: The sources used for the emission factors are either electricity supplier information, or residual mix emission factors from AIB 2023 (Association of Issuing Bodies). We recognize zero emissions when EACs (Energy Attribute Certificate) are provided by the electricity supplier, contingent upon these certificates encompassing the entirety of our consumption. When Market-Based Emission Factors are not available, Location-Based Emission Factors are used. Location-based Emission Factor: The sources used for the emission factors are IEA 2023 (International Energy Agency of the US), or DEFRA 2024 (Department for Environment, Food & Rural Affairs of the UK) emission factors when IEA factors are not available.	No exclusions.
	• Scope 1 and Scope 2 emissions intensity based on net sales to third parties (1000 tCO₂e/USD billions) Scope 1 and Scope 2 emissions intensity based on net sales to third parties is the total scope 1 and scope 2 emissions divided by the net sales to third parties. Unit of measure: scope 1 and scope 2 emissions in 1000 tCO₂e/ net sales to third parties in USD billions	Data on financial performance, e.g. net sales to third parties, has been taken from our Consolidated Financial Statements prepared in accordance with the International Financial Reporting Standards® (IFRS) Accounting Standards. Sandoz financial data is presented in US dollars (USD).	No exclusions

Reporting Criteria for ESG performance indicators *continued*

Environmental Sustainability

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Greenhouse Gas (GHG) Emissions (1000 tCO₂e) <i>continued</i>	• Scope 3 emissions (✓) Scope 3 emissions comprise CO₂e emissions across the Sandoz value chain reported for the following categories: Purchased goods and services, Capital goods, Fuel and energy-related activities, Upstream transportation and distribution, Waste generated in operations, Business travel, Employee commuting, Downstream transportation and distribution, Processing of sold products, Use of sold products, and End-of-life treatment of Sold products. Unit of measure: scope 3 GHG emissions by respective categories and total in 1000 tCO₂e Sandoz follows the GHG Protocol for the calculation and definitions of its scope 3 GHG subcategories. A mix of different calculation methods and assumptions have been used based on spend-based, volume-based, fuel-based and supplier actual data. • Purchased goods and services: Calculation based on a mix of volume and spend-based models. • Capital goods: Calculation based on spend-based methodology. • Fuel and energy-related activities: Calculation based on 2024 energy data. • Upstream transportation and distribution: Calculation based on spend-based model and suppliers' actual data. • Waste generated in operations: Calculation based on 2024 waste data. • Business travel: Calculation based on third-party data. Includes car travel and hotel stays. • Employee commuting: New category added in 2024. Calculation between employee permanent residence and place of work, based on most common modes of transport in each location, factoring Work from Home policies. Excludes home-working emissions. Calculation for Europe based on global average per employee. • Downstream transportation and distribution: New category in 2024. Calculation includes wholesale and retail channels' emissions based on Sandoz logistics data. • Processing of sold products: New category added in 2024. Calculation based on Active Pharmaceutical Ingredient (API) B2B antibiotic sales and in-house calculations (Sandoz own operations data) for energy use to turn to final product. • Use of sold products: Calculation based on propellant content in inhaler products from both B2B and B2C channels. • End-of-life treatment of sold products: New category added in 2024. Calculation based on product packaging per country and most common end-of-life destinations in each country.	Latest emission factors have been retrieved for performing the calculations based on the following public databases: EPA (Environmental Protection Agency), DEFRA (Department for Environment, Food, and Rural Affairs), Exiobase, ADEME (Agence de la transition écologique), Bilan Carbon, Base Empreinte, IEA (International Energy Agency), Thrust Carbon (DEFRA Plus), Aviation Methodology, Local Rail Factors, IPCC (International Panel on Climate Change), and custom-tailored factors based on Sandoz PCF (Product Carbon Footprint) Analysis where applicable. The methodology applied is determined based on data availability.	Upstream leased assets, Downstream leased assets, Franchises, and Investments categories were considered as not relevant based on Sandoz operations.

Reporting Criteria for ESG performance indicators *continued*

Environmental Sustainability

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Greenhouse Gas (GHG) Emissions (1000 tCO₂e) <i>continued</i>	• Scope 1 and Scope 2 GHG emissions (✓) • Scope 1, Scope 2, and Scope 3 emissions (✓) Scope 1 and Scope 2 GHG emissions is the sum of total scope 1 emissions and total scope 2 emissions from purchased energy (market based). Scope 1, Scope 2, and Scope 3 emissions is the sum of total scope 1 emissions, total scope 2 emissions from purchased energy (market-based) and total scope 3 emissions. Unit of measure: total in 1000 tCO₂e	As illustrated above under scope 1, scope 2, and scope 3 emissions.	As illustrated above under scope 1, scope 2, and scope 3 emissions.
Volatile organic compounds (VOCs) (metric tons)	• Nonhalogenated volatile organic compounds (✓) Amount of VOCs used in manufacturing and research facilities in metric tons segregated by nonhalogenated form (not containing any of the following substances: fluorine, chlorine, bromine and/or iodine). Unit of measure: VOCs emitted to the air in metric tons during the reporting period	Emissions of VOCs are estimated using a mass balance approach. VOCs which cannot be accounted for based on production and consumption information (e.g., stock counts, invoices, and consumption logs) are assumed to be released to the environment and are reported.	For de-minimis sites, this information is neither collected nor estimated.
Water (million m³)	• Water withdrawal (✓) • Water discharged (✓) • Discharged directly to aquatic environment (✓) • Water consumption (✓) Water is defined as fresh water (containing less than 1% salt), such as drinking water, ground water, rainwater, and water of natural water bodies (excluding sea water). Water withdrawal from all areas, including surface water, ground water, and third-party water, and water collected from rain. It also includes contact water and noncontact water (typically used for cooling). Unit of measure: water withdrawn from respective sources in million m³ during the reporting period Total water discharged encompasses the water discharged directly to aquatic environment and the water consumed. Unit of measure: water discharged during the reporting period in million m³ Water discharged directly to aquatic environment is the water leaving the premises i.e., water directly discharged to the aquatic environment (noncontact water), via treatment, or water lost. Unit of measure: water discharged directly to aquatic environment during the reporting period in million m³ Water consumed encompasses water that is discharged through on-site or off-site treatment processes, or lost via evaporation from cooling or heating systems, or output as product ingredients or other sources. This water can be sourced from surface water, ground water, third-party supplies, or collected from rainwater. Unit of measure: water consumed during the reporting period in million m³	Water withdrawal, discharges and consumption are measured based on meter readings and invoices. The amount of water reported represents nine months actuals plus the estimation for the last three months based on foreseen activity and prior year operating experiences.	De-minimis criteria have been established which includes sites and reporting units that has less than 500 FTE. Sites in scope are reviewed annually. Water for de-minimis sites is estimated based on the site's Full-Time Equivalent (FTE) data (Sandoz employees and third parties) multiplied by an average office use of water.

Reporting Criteria for ESG performance indicators *continued*

Environmental Sustainability

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Water Quality PEC/PNEC compliance	Sites that fulfil PEC/PNEC <1.0 for all APIs (%) The sites that comply with the PEC/PNEC ratio below 1 for all Active Pharmaceutical Ingredients (APIs). PEC refers to Predicted Environmental Concentration and PNEC refers to Predicted Non-Effect Concentration. Unit of measure: percentage of total manufacturing sites	PEC is the calculated concentration of a chemical in the environment typically using modelling and PNEC is the concentration of a chemical in the environment with no effect.	This applies only to manufacturing sites.
Waste Management (1,000t)	Operational waste generated (✓) Nonhazardous waste Hazardous waste Waste recycled (✓) Nonhazardous waste recycled Hazardous waste recycled Waste not-recycled (✓) Nonhazardous waste not-recycled Incineration Landfilling Other disposal options Hazardous waste not-recycled Incineration Landfilling Other disposal options Waste information is collected and split into hazardous waste and nonhazardous waste – both recycled and not-recycled. Operational waste generated is the sum of nonhazardous and hazardous waste. Hazardous waste means waste which displays one or more hazardous properties like explosive, flammable, irritant, ecotoxicity, etc. The properties are taken from Annex 3 of the Waste Framework Directive (2008/98/EC). The indicator is the sum of hazardous waste recycled and hazardous waste not-recycled. Nonhazardous waste is the waste that is not covered under hazardous waste according to Annex 3 of the Waste Framework Directive (2008/98/EC). The indicator is the sum of nonhazardous waste recycled and nonhazardous waste not-recycled. Waste recycled is the sum of nonhazardous waste recycled and hazardous waste recycled. Waste not-recycled is the sum of nonhazardous waste not-recycled and hazardous waste not-recycled. The different disposal options for waste not-recycled include Incineration, Landfilling and others disposal options like treatments.	Waste is measured based on weight receipts, e.g., waste transfer documentation, weighting logs, incineration memos, disposal documentation, etc. The amount of waste reported represents nine months actuals plus the estimation for the last three months of the year based on foreseen activity and prior year operating experiences.	Excludes nonoperational waste (e.g., debris). Includes both on-site and off-site waste. Excludes effluent (treated or untreated wastewater) reported under “Water”. De-minimis criteria have been established which includes sites and reporting units that has less than 500 FTE. Sites in scope are reviewed annually. Waste for de-minimis sites is estimated based on the site’s FTE data (Sandoz employees and third parties) multiplied by an average office amount of nonhazardous waste.

Reporting Criteria for ESG performance indicators *continued*

Environmental Sustainability

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Waste Management (1000t) continued	Both hazardous waste not-recycled and nonhazardous waste not-recycled are split according to their final disposal treatment applied. Incineration is the amount of particular waste type designated for incineration in facilities where the resulting energy is used on-site or is supplied to third parties for use and the amount of particular waste type designated for incineration in facilities where the resulting energy is not used. Landfilling is the amount of particular waste type designated for landfill. Other disposal options include treatment which is the amount of particulate waste type designated for treatment. Unit of measure: waste type during the reporting period in 1000 tons		

Reporting Criteria for ESG performance indicators *continued*

People

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
People and Organization	• Headcount (✓) • Full-time equivalent positions (✓) • New employee hires Headcount reflects the total number of employees on Sandoz payroll systems. Unit of measure: total number of employees Full-time equivalent (FTE) positions adjust headcount for employees working less than 100%. This is the ratio between the employee target working hours versus Sandoz target working hours. It is a unit that indicates the workload of an employee in a way that makes workloads comparable. Unit of measure: number of FTE New employee hires are the employees hired in the organization during a specific period. Unit of measure: number of new hires	Data was collected via Workday. Workday is a central HR system.	All employees on a payroll for a Sandoz legal entity that is within the Group's consolidation scope. The headcount and FTE data excludes third-party personnel and external employees.
	• Turnover: Voluntary / Overall (%) (✓) Share of employees leaving Sandoz during the reporting period. We distinguish between voluntary turnover and nonvoluntary turnover (including redundancies, divestments, retirements, and deaths). Unit of measure: percentage of employees leaving Sandoz overall and on a voluntary basis during the reporting period	The rate of turnover is measured as the number of employees who left Sandoz during the reporting period divided by the average number of employees (using a 13-month average).	The calculation includes permanent employees and excludes temporary, third-party associates and external employees.
	• Internal / External hires (%) Internal hires are Sandoz employees who moved from one position to another position within Sandoz. External hires are those hired from outside the organization. Unit of measure: ratio of internal and external hires	Data was collected via Workday. Workday is a central HR system.	No exclusions.
	• Annual learning hours per employee (✓) Annual training hours completed by Sandoz internal and external employees. Unit of measure: number of training hours completed during the reporting period per employee	Learning data was gathered from Up4Growth, Learnlight and Coursera. The overall headcount in the organization was considered for calculating the average learning hours.	It includes all training hours that represent a completed course during the reporting year. Training completed includes internal as well as external trainings, courses, etc.
	• Representation of nationalities: Overall / Management (✓) Nationalities employed by Sandoz, and nationalities represented in overall Sandoz management. Unit of measure: number of nationalities employed at the end of the reporting period overall and in management	Management is defined by Global Job Level Architecture and Sandoz Top Leaders designation. Information on nationalities is collected via Workday.	It represents the total number of nationalities as registered on the internal payroll registries during employees' onboarding (primary nationality). Double nationalities are not counted.

Reporting Criteria for ESG performance indicators *continued*

People

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Gender Representation (% female/% male)	• Headcount (✓) • Hires • Promotions • Overall turnover • Board of Directors (✓) • Executive Committee of Sandoz (✓) • Sandoz Top Leaders (✓) • Senior management (✓) • Middle management • Overall management (✓) • Entry-level positions • Revenue-producing roles (✓) • STEM roles (✓) Gender indicators are reported as the percentage split by gender between females and males. Unit of measure: female / male percentage over total headcount at the end of the reporting period Headcount: Representation of both female and male employees in the organization. Hires: Candidates filled into new positions in the organization. Promotions: Employees who moved from one job level to another job level. Overall turnover: % of employees who left the organization (multiple reasons for termination). Board of Directors: The Sandoz Board of Directors is responsible for the direction, strategy, organization and administration of Sandoz. Executive Committee of Sandoz: The Executive Committee is responsible for overseeing the business operations of Sandoz, including financial performance and fulfilment of Sandoz's purpose, strategic priorities, and targets. Overall management: This is defined by the Global Job Family Architecture. The following sub-groups are included in Overall management. • Sandoz Top Leaders comprise the most senior managers at Job Level 9 and 10 • Sandoz Senior management comprises all associates at Job Level 7 and 8 • Sandoz Middle management comprises all associates at Job Level 5 and 6 Entry-level positions: Those employees at Job level 1 & 2 (latest job level structure) Revenue-producing roles: This is defined as the sum of BD&L and strategy plan, commercial and general, market access, and marketing and sales job families. Science, Technology, Engineering & Mathematics (STEM) roles: This is defined as the sum of Research & Development, Technical Operations, and Information Technology & Technology Transformation job families. Unit of measure: female / male percentage over total headcount by each of the above indicated categories at the end of the reporting period	Gender information was collected during the employee onboarding process and is maintained in HR Core. This applies to all gender representation metrics. Revenue producing roles and STEM roles, are defined via the Global Job Family Architecture in Workday. Management, Senior Management and Sandoz Top Leaders level are defined by the Global Job Family Architecture.	The female / male gender representation percentage in the various categories do not include employees preferring not to disclose their gender ("unknown"). This applies to all gender representation metrics. The Sandoz Top Leaders group includes the Sandoz Leadership Team but excludes the Board of Directors.

Reporting Criteria for ESG performance indicators *continued*

People

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Gender representation by contract type (%female/%male)	• Permanent (✓) • Temporary (✓) • Full-time (✓) • Part-time (✓) We distinguish between full-time (100% employment) and part-time working contracts as well as permanent (working contract with no end date) and temporary (working contracts with an end date) positions. Unit of measure: female / male percentage by contract type at the end of the reporting period	Data was collected through Workday.	The female / male gender representation percentage in the various categories does not include employees preferring not to disclose their gender ("unknown").
Gender representation by age group (%female/%male)	• Employees aged < 30 (✓) • Employees aged 30–50 (✓) • Employees aged >50 (✓) We distinguish between these age groups, and we categorize each employee based on the age attained by December 31 of the calendar year: Unit of measure: female / male percentage by age group at the end of the reporting period	Data was collected through Workday.	The female / male gender representation percentage in the various categories do not include employees preferring not to disclose their gender ("unknown").
Our Sandoz Rewards Commitments (%)	• Headcount covered by annual pay equity studies • Headcount covered by annual living wage studies Pay equity is a fundamental principle of our employment policies and we measure the headcount covered by a regular pay equity and living wage study. Unit of measure: employees covered by regular pay equity study and living wage study over the reporting period in percent of total headcount at the end of the reporting period	Employee data is collected through the central HR system HR Core / Workday using current headcount data. The calculation for this metric is the number of headcounts as of December 31 with a percentage of total headcount being included.	All countries were included into the review scope where such a study is legally allowed. Population in scope for pay equity studies is all regular employees with a permanent contract and excludes the executive levels, inpatriates, expatriates, interns and country-specific employee groups based on local requirements.
	• Mean pay gap Mean pay gap is defined as the difference in average pay between men and women. Unit of measure: unadjusted mean pay gap in percent between males and females in percent of average salary mean during the reporting period	Employee data is collected through the central HR system HR Core / Workday using current headcount data. The calculation used for this metric is the unadjusted mean pay gap as of Quarter End. Positive % is in favor of men (higher mean pay for men vs women) while a negative % is in favor of women (higher mean pay for women vs men).	All countries were included into the calculation scope. Population in scope for calculation are: Employee Group – Regular, Inpatriates, Expatriates, Intern, Temporary, and Not Assigned HR Core Status – Active, Inactive, and Not Assigned

Reporting Criteria for ESG performance indicators *continued*

People

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Our Sandoz Rewards Commitments (%) continued	• Median pay gap Median pay gap is defined as the difference in midpoint pay of men versus midpoint pay of women, excluding the highest and lowest pay for both. Unit of measure: Median pay gap in percent between males and females in percent of median pay during the reporting period	Employee data is collected through the central HR system HR Core / Workday using current headcount data. The calculation used for this metric is the median pay gap as of Quarter End. Positive % is in favor of men (higher median pay for men vs women) while a negative % is in favor of women (higher median pay for women vs men).	All countries were included into the calculation scope. Population in scope for calculation are: Employee group – Regular, Inpatriates, Expatriates, Intern, Temporary, and Not Assigned HR Core status – Active, Inactive, and Not Assigned
	• Recruitment without using historical salary To remove bias, we eliminate historic salary data in preparing internal or external offers and measure recruitments no longer using historical salary data. Unit of measure: employees in countries no longer using historical salary data for recruitment over the reporting period in percent of total headcount at the end of the reporting period	Employee data is collected through the central HR system HR Core / Workday using current headcount data. The calculation for this metric is the number of headcounts as of December 31 with a percentage of total headcount being included.	All countries were included into the calculation scope. Population in scope for calculation are: Emp Group – Regular, Inpatriates, Expatriates, Intern, Temporary, and Not Assigned HR Core Status – Active, Inactive, and Not Assigned
	• Headcount covered by external pay transparency • Headcount covered by internal pay transparency To enable employees to know where they stand in terms of their compensation, we measure the number of employees with pay transparency to external and /or internal benchmarks. Unit of measure: employees having been provided transparency to either external or internal pay transparency in percent of total headcount at the end of the reporting period	Employee data is collected through the central HR system HR Core / Workday using current headcount data. The calculation for this metric is the number of headcounts as of December 31 with a percentage of total headcount being included.	All countries were included into the calculation scope. Population in scope for calculation are: Employee Group – Regular, Inpatriates, Expatriates, Intern, Temporary, and Not Assigned HR Core Status – Active, Inactive, and Not Assigned

Reporting Criteria for ESG performance indicators *continued*

People

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Health and Safety	• Lost-time injury and illness rate: Sandoz employees (✓) • Lost-time injury and illness rate: Third-party personnel (✓) • Total recordable case rate: Sandoz employees (✓) • Total recordable case rate: Third-party personnel (✓) Sandoz employees are individuals employed directly by Sandoz either on a full- or part-time basis. Third-party personnel refer to external individuals that are directly managed by a Sandoz employee on a day-to-day basis. A recordable work-related injury or ill health illness is one that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness. This is consistent with GRI standards. The lost time injury and illness case rate refers to the number of days away from recordable injuries or ill health illness. Unit of measure: lost-time injury and illness rate (per 200,000 hours worked as per GRI standard 403) split by Sandoz employees and third-party personnel over the reporting period The total recordable injury case rate refers to the number of recordable injuries or illness. Unit of measure: total recordable case rate (per 200,000 hours worked as per GRI standard 403) split by Sandoz employees and third-party personnel over the reporting period • Fatalities: Sandoz employees (✓) • Fatalities: Third-party personnel (✓) Fatality represents a work-related injury or illness leading to death. Unit of measure: number of fatalities during the reporting period split by Sandoz employees and third-party personnel.	Data was collected through our internal Health and Safety system (HSE net), and standard working hours per month were collected through our central HR system (HR Core).	Data for Lost-time injury and illness rate (LTIR) and Total recordable case rate (TRCR) includes Sandoz employees and third-party personnel directly managed by Sandoz employees. It does not include contractors if they are not directly managed by Sandoz personnel on a day-to-day basis. Working hours exclude overtime and vacation / public holiday benefits, which largely offset each other and include time worked from home. Aggravations of previously incurred or existing illnesses are considered as separate (new) cases, if work-related. Total recordable cases do not include near misses (i.e., an incident with the potential to have caused injury but did not).

Reporting Criteria for ESG performance indicators *continued*

People

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Grievance Indicators: SpeakUp Office – Number of central cases	• Central investigations (✓) • Central allegations (✓) • Central allegations substantiated (✓) Central investigations refer to the number of SpeakUp Office cases opened within the reporting year, assessed to be central matter cases. Unit of measure: total number of central cases opened at the SpeakUp Office during the reporting period Central allegations: This is the total number of allegations raised within the central cases. A central case can have multiple allegations. Unit of measure: total number of allegations raised in central cases opened with the SpeakUp Office during the reporting period Central allegations substantiated: This is the number of allegations within central cases which have been classified as “substantiated” after thorough investigation. Unit of measure: total number of allegations substantiated We classify the allegations under the following categories: • Bribery or kickbacks: Bribery is for example, an associate giving or offering an improper benefit to a third party (e.g., public official, doctor) with the intention to influence or reward its behavior. A kickback is a negotiated bribery in which a commission is paid to the bribe-taker in exchange for services rendered. • Conflict of interest: A conflict of interest is defined as a situation in which a person places their personal interests (e.g., family, friends, financial) before the interests of Sandoz and where such personal interests could or could be perceived to unduly influence their judgements, decisions, and/or actions. • Data privacy: Any intentional breach to the data privacy rules, policy and framework. • Discrimination: Discrimination is any allegation of unfair or unequal treatment of an individual (or group) (such as failure to hire or promote, unfavorable performance ratings or compensation decisions, termination of employment, unfair performance management, lack of training opportunities or anything else impacting any term or condition of employment) based on certain protected characteristics. • Employee relations: Any other Employee Relations concern (such as inappropriate behavior) which is not reflected in the “Discrimination”, “Sexual Harassment” or “Retaliation” category. • Fraud and asset misappropriation: Any wrongful or criminal deception intended to result in financial or personal gain (theft, financial statement irregularities, etc.). Any allegation of time recording fraud, theft, forgery (falsification of documents), embezzlement, false visit reporting should be recorded in this category. Any allegation of asset misappropriation e.g., misuse of company credit card (gas card where applicable) for personal benefit; use of work equipment (e.g., offices supplies, resources) for private use. Any allegation	Cases are handled in the Sandoz Case Management System EthicsPoint by Navex. Analysis for subsequent reporting is conducted based on a system extract.	A central matter is a case with either a high risk or high complexity, e.g. allegations against a senior leader, potentially causing disruptive reputational or significant financial impact, involving sexual harassment, discrimination or retaliation, among others.

Reporting Criteria for ESG performance indicators continued

People

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Grievance Indicators: SpeakUp Office – Number of Central Cases continued	of embezzlement e.g., withholding financial assets for the purpose of theft of such assets and for personal benefit (e.g., money in trust). • Health and safety: Any violation of law or noncompliance with Sandoz policies linked to an individual's health, safety and/or welfare not being protected. • Human and labor rights: Any violation of law or noncompliance with Sandoz policies linked to an individual's labor rights and/or human rights not already covered by the above categories. • Improper professional practices: Any unethical behavior related to the Professional Practices framework and wrongful interaction with HCPs to influence their decision-making process (attempt to improperly influence through inappropriate interactions or offering of benefits to HCPs, off-label promotion, falsifying meetings or events, etc). • Quality assurance or data integrity: A Data Integrity event arises whenever an associate does not respect the integrity of data (such as legible, recorded at the time the data was generated or observed), original (i.e., source data is available), accurate, complete, available, consistent, and enduring). This can apply in manufacturing but also in development, handling of adverse events or pharmacovigilance reporting as well as in warehousing and distribution (e.g., handling of temperature data). • Retaliation: Allegation of negative adverse actions against an employee resulting from participating in protected activities, e.g., raising a concern to the SpeakUp Office or participating in workplace investigations as a witness. • Sexual harassment: Sexual harassment is any allegation of unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature. • Technological compliance or data loss: Any intentional breach to the Information Governance Management (IGM) / Information Security Risk Management (ISRM) rules, policy, and framework (sharing passwords, extracting mass company data, etc.). • Other: Any items, which are not reflected in the above listed categories. This can include but is not limited to social media issues, clinical trials misconduct, and intentional deviation in the procurement process. Unit of measure: number of substantiated allegations per category in central matters closed during the reporting period		

Reporting Criteria for ESG performance indicators *continued*

Governance

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Product Quality and Patient Safety	Audits executed (✓) Total number of audits performed by internal or external auditors for Sandoz. Unit of measure: number of audits executed	Data was collected via the internal database GxQEM until end of the year.	Includes Sandoz quality audits completed during the reporting year, excludes any other type of audits such as financial or compliance audits. Includes total number of audits executed in Sandoz internal entities and audits executed in external vendors /service providers / CMO / other.
	GMP, GDP inspections (✓) GMP, GDP inspections without findings having business impact (%) (✓) Inspections at Sandoz (Authority and Certified Bodies), Regular GMP, GDP, ad hoc and product-specific audits are in scope. Unit of measure: number of executed inspections during the reporting period Regulatory inspections (known outcome) with no findings having business impact e.g. resulting in certificates or licenses suspension/withdrawal, market action or impacting Sandoz reputation. Unit of measure: percentage of executed inspections with outcome having no business impact during the reporting period (in %)	Data was collected via the internal database GxQEM until end of the year. GMP stands for Good Manufacturing Practices and GDP stands for Good Distribution Practices.	Total inspections do not include GVP (Good Pharmacovigilance Practices) and GCP (Good Clinical Practice) inspections. Includes all inspections executed by various health authorities at entities owned by Sandoz during the reporting year.
	US FDA inspections (GMP, GDP, GVP) (✓) US FDA inspections (GMP, GDP, GVP) finished with warning letter (✓) Inspections executed by the United States Food and Drug Administration (US FDA). Unit of measure: number of inspections executed by the US FDA in the reporting period Warning letters are issued by the US FDA only for violations of regulatory significance. Significant violations are violations that may lead to enforcement action if not promptly and adequately corrected. Unit of measure: number of inspections finished with warning letters	Data was extracted via the internal database GxQEM until end of the year. The inspection classification is provided in the Establishment Inspection Report issued by the US FDA. GVP stands for Good Pharmacovigilance Practices.	Includes all inspections executed by the US FDA at entities owned by Sandoz during the reporting year. Following an inspection, the agency evaluates the inspection findings and classifies the inspection.

Reporting Criteria for ESG performance indicators *continued*

Governance

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Product Quality and Patient Safety <i>continued</i>	• GVP inspections (✓) • GVP inspections without findings having business impact (%) (✓) Inspections in Sandoz (Authority and Certified Bodies), Regular GVP, ad hoc and product-specific inspections are in scope. Unit of measure: number of executed inspections during the reporting period, where the outcome is known Regulatory GVP inspections without business impact includes the inspections where the outcome is known (including where communication of the outcome was provided during close-out meeting). "Business impact" is considered to mean any inspection for marketed products where findings led to the compulsory withdrawal of licenses or financial penalties for Sandoz. Unit of measure: percentage of executed inspections with outcome having no business impact during the reporting period (in %)	Data was collected via the internal database GxQEM until end of the year	Includes: All PV inspections performed and completed by any health authority at facilities owned by Sandoz during the reporting year. Excludes: GMP (Good Manufacturing Practice), GCP (Good Clinical Practice) inspections and GDP (Good Distribution Practice).
	• Recalls (✓) • Class I recalls • Class II recalls Total Recalls are the sum of all recalls of Sandoz products from different markets. A recall can be triggered by various stakeholders and is classified according to the risk of the defected medicine to the patient: Class I: There is a reasonable probability that the use of, or exposure to, a defective product will cause serious adverse health consequences or death. Class II: Use of, or exposure to, a defective product may cause temporary or medically reversible adverse health consequences or where the probability of serious adverse health consequences is remote. Unit of measure: total number of recalls and recalls by classes I and II during the reporting period • US FDA (US Market) recalls (✓) US market product recalls are actions taken by Sandoz to remove a product from the US market. It may be conducted on a firm's own initiative or by FDA request. Unit of measure: number of recalls from the US market during the reporting period	Data was collected via the internal database GxQEM, until end of the year.	Number of market actions triggered due to product quality, safety or compliance issue, initiated by Sandoz or requested by respected Health Authority. Number includes the recall where Sandoz is Marketing authorization Holder (MAH), manufacturer or Batch releaser. Market actions executed by Sandoz where Sandoz is only distributor (neither MAH, manufacturer or Batch releaser) are out of scope.

Reporting Criteria for ESG performance indicators continued

Governance

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Third Party Risk Management (TPRM); Suppliers Assessed by Risk Area	• Suppliers risk-assessed (✓) • Suppliers assessed by risk areas (Anti-bribery; Animal welfare; Health, safety and environment; Information security and data privacy; Labor rights) • Suppliers audited (✓) • Suppliers with remediation action agreed (✓) • Supplier engagements stopped due to risk assessment outcomes (✓) During onboarding, new suppliers are subject to a risk assessment. This also applies to existing suppliers for new products, services and/or sites. The respective business owner fills out a questionnaire, and, based on the answers provided, a risk assessment is triggered according to an embedded risk matrix (i.e., type of spend and country). Unit of measure: number of risk assessments performed and closed on suppliers during the reporting period Suppliers assessed by risk areas: The assessments are done using these risk areas: anti-bribery, animal welfare, health, safety, and environment, information security and data privacy, labor rights. Unit of measure: number of risk assessments performed and closed on suppliers by risk area during the reporting period As part of due diligence, audits may be conducted to assess supplier's control environment and the same is recorded in the system. Unit of measure: number of suppliers audited during the reporting period Depending on the outcome of the risk assessment, an audit of the supplier might be triggered. In some cases, the risk assessment result requires remedial actions to be agreed. Unit of measure: number of suppliers with remediation action agreed during the reporting period Depending on the outcome of the risk assessment, if remediation is not possible the supplier engagement is stopped. Unit of measure: number of suppliers whose engagement stopped in the reporting period	The total number of risk-assessed suppliers is aggregated in the supplier onboarding system (TPRM) whereby one supplier can trigger more than one assessment depending on the risk areas involved. The same applies for new sites or new products of an existing supplier.	Not all suppliers trigger a detailed risk assessment. The trigger is based on the outcome of the suppliers' onboarding questionnaires.
Code of Ethics	• Employees trained and certified (%) (✓) Active Sandoz employees trained and certified on the Sandoz Code of Ethics once per calendar year. This is a mandatory global training delivered through an e-learning module solution including an assessment and certification. Unit of measure: percentage of active Sandoz employees who completed training on the Sandoz Code of Ethics over total active Sandoz employees registered for the training during the reporting period	Data was collected via the central Up4Growth (Cornerstone on Demand) learning management system. This indicator only contains active personnel.	All active Sandoz employees are in scope.

Reporting Criteria for ESG performance indicators *continued*

Governance

ESG category	Metric, methodology, definition	Assumptions, calculation, data collection	Scope and exclusions
Human and Labor Rights	• Nonconforming cases (✓) This metric tracks the number of nonconformance issues, related to human and labor rights, identified within Sandoz's internal operations and external third-party engagements. We categorize these issues as follows: • Wages and Benefits: Issues related to fair compensation and benefits. • Working Hours: Noncompliance with regulations or agreements on working hours. • Forced Labor: Instances of forced migrant and coerced labor. • Fair Treatment: Instances of harassment, discrimination, or unfair treatment. • NonDiscrimination: Discrimination based on protected characteristics (e.g., race, gender, religion). • Freely Chosen Employment: Concerns related to forced labor, human trafficking, or restrictions on employee movement. • Child Labor and Young Workers: Use of child labor or inadequate protection for young workers. • Freedom of Association and Collective Bargaining: Infringement on the right to form unions or engage in collective bargaining. Identification Process: Internal Operations: Nonconformance issues are identified through existing internal audit and reporting mechanisms. Third-Party Engagements: Human and labor rights risks are identified through Sandoz's third-party risk management process. This includes conducting screening and third-party questionnaires to evaluate the third-party's control environment. Unit of measure: number of nonconformance issues identified in internal operations and external third-party engagements	This indicator is a sum of: Third-Party Engagements: Number of High Risk Human Rights and Labor Rights third parties with remediation actions during the reporting period and, Internal Operations: Number of High-Risk Human Rights and Labor Rights issues identified through internal operations e.g., SpeakUp.	Third-Party Engagements: New or existing suppliers within scope of Sandoz's TPRM framework with Human or Labor Rights risk.

GRI and SASB reporting index

Global Reporting Initiative (GRI)

Our business

GRI index	Disclosure title	Page Reference
General disclosures		
The organization and its reporting practices		
2-1	Organizational details	Page 4–5, 45
2-2	Entities included in the organization's sustainability reporting	Page 172
2-3	Reporting period, frequency and contact point	Page 172
2-4	Restatements of information	Page 172
2-5	External assurance	Page 185
Activities and workers		
2-6	Activities, value chain and other business relationships	Page 6–7, 28
2-7	Employees	Page 37–40, 176–177
2-8	Workers who are not employees	Page 42, 177, 178
Governance		
2-9	Governance structure and composition	Page 44, 47
2-10	Nomination and selection of the highest governance body	Page 44, 48
2-11	Chair of the highest governance body	Page 47, 51
2-12	Role of the highest governance body in overseeing the management of impacts	Page 44
2-13	Delegation of responsibility for managing impacts	Page 44
2-14	Role of the highest governance body in sustainability reporting	Page 44
2-15	Conflicts of interest	Page 47, 177 Sandoz.com/corporate-governance
2-16	Communication of critical concerns	Page 39, 42, 59, 177
2-17	Collective knowledge of the highest governance body	Page 47, 51–52
2-18	Evaluation of the performance of the highest governance body	Page 49
2-19	Remuneration policies	Page 64–65
2-20	Process to determine remuneration	Page 64–68

GRI and SASB reporting index continued

Global Reporting Initiative (GRI)

Our business

GRI index	Disclosure title	Page Reference
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Page 27
2-23	Policy commitments	Page 29–42
2-24	Embedding policy commitments	Page 29–42
2-25	Processes to remediate negative impacts	Page 29–42
2-26	Mechanisms for seeking advice and raising concerns	Page 39, 42, 59, 177
2-27	Compliance with laws and regulations	Page 42, 44
2-28	Membership associations	Page 32, 42
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Page 61
2-30	Collective bargaining agreements	Page 42
Material topics		
3-1	Process to determine material topics	Page 173
3-2	List of material topics	Page 27, 174
3-3	Management of material topics	Page 27–42, 44

Our economic performance

GRI index	Disclosure title	Page Reference
Economic Performance		
201-1	Direct economic value generated and distributed	Page 7, 98
201-2	Financial implications and other risks and opportunities due to climate change	Page 180–184
201-3	Defined benefit plan obligations and other retirement plans	Page 130
201-4	Financial assistance received from government	Page 111
Market Presence		
202-2	Proportion of senior management hired from the local community	Page 53, 176
Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	Page 114
203-2	Significant indirect economic impacts	Page 1, 5, 7, 29, 175

GRI and SASB reporting index continued

Global Reporting Initiative (GRI)

Our supply chain

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308-1	New suppliers that were screened using environmental criteria	Page 35, 42, 178
308-2	Negative environmental impacts in the supply chain and actions taken	Page 35, 42, 178
Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	Page 42, 178
414-2	Negative social impacts in the supply chain and actions taken	Page 42, 178 Sandoz.com/corporate-assurance

Our governance

GRI index	Disclosure title	Page Reference
Anti-corruption		
205-1	Operations assessed for risks related to corruption	Page 39, 42, 59, 87–88, 178
205-2	Communication and training about anti-corruption policies and procedures	Page 39, 42, 65, 178 Sandoz.com/corporate-assurance
205-3	Confirmed incidents of corruption and actions taken	Page 177
Anti-competitive behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 126–129 All material provisions for product liabilities, governmental investigations and other legal matters are disclosed in note 23 (Provisions and other non-current liabilities) of the annual financial statements.
Tax		
207-2	Tax governance, control, and risk management	Page 59, 112

GRI and SASB reporting index continued

Global Reporting Initiative (GRI)

Our environmental impact

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Energy		
302-1	Energy consumption within the organization	Page 175
302-3	Energy intensity	Page 175
Water and Effluents		
303-1	Interactions with water as a shared resource	Page 28, 34
303-2	Management of water discharge-related impacts	Page 34
303-3	Water withdrawal	Page 176
303-4	Water discharge	Page 176
303-5	Water consumption	Page 176
Emissions		
305-1	Direct (Scope 1) GHG emissions	Page 175
305-2	Energy indirect (Scope 2) GHG emissions	Page 175
305-3	Other indirect (Scope 3) GHG emissions	Page 175
305-4	GHG emissions intensity	Page 175
305-5	Reduction of GHG emissions	Page 34
305-6	Emissions of ozone-depleting substances (ODS)	Not reported
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Only non-halogenated volatile organic compounds reported, Page 176
Waste		
306-1	Waste generation and significant waste-related impacts	Page 33, 35
306-2	Management of significant waste-related impacts	Page 33, 35
306-3	Waste generated	Page 176
306-4	Waste diverted from disposal	Page 176
306-5	Waste directed to disposal	Page 176

GRI and SASB reporting index *continued*

Global Reporting Initiative (GRI)

Responsible employer

GRI index	Disclosure title	Page Reference
Employment		
401-1	New employee hires and employee turnover	Page 176
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 38–39
401-3	Parental leave	Sandoz.com/Benefits
Training and Education		
404-1	Average hours of training per year per employee	Page 176
404-2	Programs for upgrading employee skills and transition assistance programs	Page 38
404-3	Percentage of employees receiving regular performance and career development reviews	Page 39
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Page 38, 47, 51–55, 176
Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	Page 39, 42, 177

GRI and SASB reporting index continued

Global Reporting Initiative (GRI)

Health & Safety

GRI index	Disclosure title	Page Reference
Occupational Health and Safety		
403-1	Occupational health and safety management system	Page 40 Sandoz.com/HSE
403-2	Hazard identification, risk assessment, and incident investigation	Page 40, 177
403-3	Occupational health services	Page 40
403-4	Worker participation, consultation, and communication on occupational health and safety	Page 40 Sandoz.com/HSE
403-5	Worker training on occupational health and safety	Sandoz.com/HSE
403-6	Promotion of worker health	Page 40
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 40 Sandoz.com/HSE
403-8	Workers covered by an occupational health and safety management system	Page 40
403-9	Work-related injuries	Page 177, takes into account Sandoz employees and third-party personnel
403-10	Work-related ill health	Page 177, takes into account Sandoz employees and third-party personnel
Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	Page 22, 42 Sandoz.com/manufacturing-quality-and-supply
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 178

GRI and SASB reporting index *continued*

Global Reporting Initiative (GRI)

Our social impact

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Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 39, 42, 178
Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	Page 42, 178 Sandoz.com/human-rights
Forced and Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 42, 178 Sandoz.com/human-rights
Rights of Indigenous Peoples		
411-1	Incidents of violations involving rights of indigenous peoples	Page 42 Sandoz.com/human-rights
Human Rights Assessment		
412-1	Operations that have been subject to human rights reviews or impact assessments	Page 42, 178 Sandoz.com/third-party-code
412-2	Employee training on human rights policies or procedures	Page 178 Sandoz.com/code-of-ethics
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Page 42, 178, Sandoz.com/third-party-code
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Page 28, 30–32, 34–35, 175–176
413-2	Operations with significant actual and potential negative impacts on local communities	Page 28, 34–35, 175–176

GRI and SASB reporting index continued

Global Reporting Initiative (GRI)

Marketing and communications

GRI index	Disclosure title	Page Reference
Marketing and Labelling		
417-1	Requirements for product and service information and labeling	Sandoz.com/P3
417-2	Incidents of non-compliance concerning product and service information and labeling	Page 178 All material provisions for product liabilities, governmental investigations and other legal matters are disclosed in note 23 (Provisions and other non-current liabilities) of the annual financial statements.
417-3	Incidents of non-compliance concerning marketing communications	All material provisions for product liabilities, governmental investigations and other legal matters are disclosed in note 23 (Provisions and other non-current liabilities) of the annual financial statements.

Information security

GRI index	Disclosure title	Page Reference
Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 177

GRI and SASB reporting index *continued*

Sustainability Accounting Standards Board (SASB)

Healthcare sector Biotechnology and pharmaceutical industry

The Sustainability Accounting Standards Board (SASB) Index aligns with the biotechnology and pharmaceutical industry guidelines. Data and information disclosed are sourced from the Sandoz 2024 Integrated Annual Report, our corporate website, and Sandoz public policies and positions.

SASB index	Disclosure title	Reference
Safety of clinical trials participants		
HC-BP-210a.1.	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	Pages 17, 20, 22 Sandoz.com/manufacturing-quality-and-supply
HC-BP-210a.2.	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	Page 178
HC-BP-210a.3.	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	Page 126–129 All material provisions for product liabilities, governmental investigations and other legal matters are disclosed in note 23 (Provisions and other non-current liabilities) of the annual financial statements.
Access to medicines		
HC-BP-240a.1.	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	Page 30–32
HC-BP-240a.2.	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	Extranet.who.int/prequal/medicines/prequalified-lists-medicines
Affordability and pricing		
HC-BP-240b.1.	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorised generic product to market for a defined time period	Not reported
HC-BP-240b.2.	Percentage change in: (1) average list price and (2) average net price across U.S. product portfolio compared to previous year	Not reported
HC-BP-240b.3.	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	Not reported
Drug safety		
HC-BP-250a.1.	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	Fda.gov/safety/medwatch-fda-safety-information-and-adverse-event-reporting-program
HC-BP-250a.2.	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	Not reported
HC-BP-250a.3.	Number of recalls issued; total units recalled	Page 178
HC-BP-250a.4.	Total amount of product accepted for take-back, reuse, or disposal	Not reported
HC-BP-250a.5.	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	Not reported

GRI and SASB reporting index continued

Sustainability Accounting Standards Board (SASB)

SASB index	Disclosure title	Reference
Counterfeit drugs		
HC-BP-260a.1.	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	Not reported
HC-BP-260a.2	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	Not reported
HC-BP-260a.3.	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products	Not reported
Ethical marketing		
HC-BP-270a.1.	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Page 126–129 All material provisions for product liabilities, governmental investigations and other legal matters are disclosed in note 23 (Provisions and other non-current liabilities) of the annual financial statements.
HC-BP-270a.2.	Description of code of ethics governing promotion of off-label use of products	Page 42 Sandoz.com/Code-of-Ethics, Sandoz.com/P3
Employee recruitment, development & retention		
HC-BP-330a.1.	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	Page 38–39
HC-BP-330a.2.	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) mid-level managers, (c) professionals, and (d) all others	Page 176
Supply chain management		
HC-BP-430a.1.	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third-party audit programs for integrity of supply chain and ingredients	Page 42, 178 Sandoz.com/third-party-code
Business ethics		
HC-BP-510a.1.	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	Page 126–129 All material provisions for product liabilities, governmental investigations and other legal matters are disclosed in note 23 (Provisions and other non-current liabilities) of the annual financial statements.
HC-BP-510a.2.	Description of code of ethics governing interactions with health care professionals	Sandoz.com/Code-of-Ethics, Sandoz.com/P3
Activity metrics		
HC-BP-000.A	Number of patients treated	Page 27, 29–30, 175
HC-BP-000.B	Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	Page 6, 13, 20