

SANDOZ



ESG FAQs

1. ESG FAQs

All information about Sandoz ESG activities, material topics, targets, and performance can be found in the [2025 Integrated Annual Report](#). For additional information or other frequently asked questions, please read below.

1.1 General

1.1.1 Has Sandoz conducted a materiality analysis, and what is the frequency at which this is conducted?

Yes. Sandoz conducted a group Double Materiality Assessment (DMA) in line with European Sustainability Reporting Standards (ESRS) guidelines in 2024. Detailed information about the process can be found on page 174 of our Integrated Annual Report ([IAR](#)) 2025. We aim to update our DMA every 3 years.

1.1.2 Does Sandoz have targets or metrics linked to material issues and disclose progress towards these? Is executive compensation linked with the targets or metrics?

Yes. Targets linked with material topics and their progress can be found in the IAR 2025 on page 33. Sandoz links executive compensation to ESG goals to ensure accountability and reinforce sustainability as a core pillar of our business. More information about executive compensation can be found on pages 2, 70, 75, and 79 in [IAR](#) 2025.

1.2 Access

1.2.1 Are there any targets associated with access to Sandoz products?

Yes. Sandoz has the following targets for Access:

- A mid-single digit net sales growth target. Increasing sales ultimately leads to more patient access. Please refer to page 14 of the [IAR](#) 2025 to see information regarding this target.
- A target for patient treatments provided with biosimilars, which is part of executive compensation. Please refer to page 79 of the IAR 2025 to see information regarding this target.
- The long-term annual incentive for our executives also includes a percentage sale from biosimilars target (10% of total LTPP performance metric) which emphasises our commitment to expand access to biosimilars for patients. Please refer to page 75 of the IAR 2025 to see information regarding this target.

1.2.2 Is Sandoz performing drug donations following the WHO guidelines?

Yes. Sandoz aligns all product donation decisions with the WHO guidelines, as well as national regulations on eligibility.

1.2.3 Does Sandoz have equitable pricing policies?

Providing accessible medications that are more affordable than originator products is at the core of our business. Sandoz generic and biosimilar medicines deliver significant cost savings to patients and healthcare systems when compared to prices of originator drugs. Increasing access and setting prices that meet market conditions is part of Sandoz day-to-day business. Please refer to the following link to learn more about strengthening healthcare systems through affordable medicines. ([ESG – Access](#))

1.2.4 Does Sandoz pursue drug donation initiatives?

Yes. Sandoz donates medicines annually to AmeriCares, Direct Relief and other partner organisations to help their work supporting communities in need. Over the past five years Sandoz has donated more than USD 45 million worth of medicines to support humanitarian and disaster

relief efforts around the world. Additional information on drug donations and partnerships can be found in the IAR 2025 page 37.

1.2.5 Does Sandoz have products to address the Top 10 causes of disability-adjusted life years (DALYs)?

Yes. Sandoz has several medications listed on the World Health Organisation's Essential Medicines list, including many that address the Top 10 causes of DALYs. Sandoz medicines include a range of anti-infectives, as well as generics and biosimilars in endocrinology, immunology, oncology, and respiratory categories that address multiple causes of DALYs. As of 2025, the WHO addressable portfolio coverage for Sandoz is 62%.

1.2.6 Does Sandoz provide assistance to local manufacturers to achieve international drug manufacturing quality standards in low- and middle-income countries?

All suppliers undergo our Sandoz supplier qualification process, and we routinely review their performance and quality. Sandoz provides assistance to local manufacturers, including training and technical assistance, when needed.

1.2.7 Does Sandoz support pharmacovigilance in low- and middle-income countries?

Sandoz operates a global pharmacovigilance (PV) system covering all countries where its products are marketed. The system is centrally overseen by the Qualified Person for Pharmacovigilance (QPPV), based within the Patient Safety organisation, who is responsible for establishing, maintaining, and continuously monitoring the overall PV framework and safety profile of all authorised products.

The PV system ensures that Sandoz:

- Fulfils all legal and regulatory pharmacovigilance obligations
- Continuously monitors the safety of its medicinal products
- Identifies and evaluates any changes in the benefit–risk balance

At the local level, pharmacovigilance activities are implemented by Country Patient Safety Responsible (CPSR) representatives. These representatives act as in-country subject matter experts, ensuring compliance with local regulatory requirements, overseeing execution of PV processes and serving as primary contact points for local health authorities. CPSRs work in close coordination with the central QPPV function to ensure consistent global oversight and effective management of safety-related matters across all markets.

1.2.1 Does Sandoz have capacity building actions of public health infrastructure, information, or health programmes in low- and middle-income countries?

Sandoz contributes to public health system strengthening through targeted partnerships with national health authorities, including a large-scale collaboration with the Egyptian health authority (2020–2026) that supports the screening of over 22 million school-aged children across approximately 30,000 schools. Through this initiative, Sandoz enabled the identification and treatment of previously undiagnosed conditions, including growth hormone deficiency disorders (GHDD) and malnutrition. As a result, Sandoz significantly expanded access to appropriate therapies, improving health outcomes for thousands of children.

Sandoz supports capacity building in public health programmes in a low- and middle-income country through MeducationMX, a structured, data-driven medical education initiative delivered via the SandozTV platform. Evolving between 2021 and 2024, MeducationMX provides an always-on digital learning environment aligned with national ENARM exam preparation, offering more than 150 academic topics across 20 medical specialties and supported by nearly 50 professors. The programme combines education, assessment, and long-term engagement through daily digital interactions such as quizzes, simulators, and social media, enabling measurable academic impact and strong connection with early-career physicians and future specialists. Through this approach, Sandoz contributes to strengthening medical knowledge, skills, and health system capacity in Mexico.

1.3 Environment

1.3.1 Does Sandoz strategy include a climate transition plan?

Yes. Sandoz made a commitment to work to achieve net zero carbon emissions by 2050, in line with the 1.5-degree scenario set by the Paris Agreement. Sandoz has also committed to submitting a near-term decarbonization target to the Science Based Targets Initiative (SBTi) by January 2026. For more information on our climate transition plan, please refer to page 44 in our [IAR 2025](#).

1.3.2 Is Sandoz monitoring the spending/revenue that is aligned with Sandoz climate transition plan?

Yes. The Sandoz SBTi commitment will include a corresponding plan for expected spending and revenue to be managed by the business.

1.3.3 Does Sandoz use an internal price on environmental externalities?

Yes. Sandoz monitors the financial impact of environmental externalities, such as a carbon tax.

1.3.4 Does Sandoz have measures to ensure effective implementation of its suppliers' ESG programmes?

Yes. As Sandoz sets out science-based targets, Sandoz will engage with our top emitting suppliers on their sustainability commitments and targets. Sandoz develops Joint Business Development Plans (JBDPs) with its top strategic suppliers to focus on issues such as packaging and energy use.

1.3.5 Does Sandoz conduct supplier screening to systematically identify significant suppliers to their business?

Yes. Sandoz identifies significant suppliers to our business, including the suppliers that are the source of the most carbon emissions.

1.3.6 Does Sandoz have a process for supplier assessment and development?

Yes. Sandoz has internal processes within Procurement and Third-Party Risk Management (TPRM) team that assess suppliers based on several ESG aspects. Sandoz has a Standard Operating Procedure (SOP) in place and follows the commitments of the Pharmaceutical Supply Chain Initiative (PSCI), of which we are a member.

1.3.7 Does Sandoz have any measures on the integration of social or environmental clauses into supplier contracts?

Yes. Our supplier contracts include a provision agreeing to our Third-Party Code, which includes environmental commitments that all suppliers must adhere to. In addition, our Master Services Agreement (MSA) and Transitional Services Agreement (TSA) templates contain specific clauses focused on management and reporting of CO2 emissions and compliance with environmental sustainability regulations.

1.3.8 Does Sandoz have any measures on supplier assessment (e.g. questionnaire) on environmental or social practices?

Yes. As part of the Sandoz TPRM process and supplier onboarding, we assess suppliers' environmental and social practices.

1.3.9 Does Sandoz have any measures on formal assessment of suppliers' progress on REACH requirements?

Yes. Sandoz monitors Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) regulations. For business continuity compliance, Sandoz evaluates suppliers for the use of substances of very high concern and issues Corrective and Preventive Actions (CAPAs) needed to address the risks, if any. REACH regulations are also part of our audits, as part of our Pharmaceutical Supply Chain Initiative (PSCI) commitments.

1.3.10 Does Sandoz assess and classify suppliers according to their dependencies and/or impacts on the environment?

Yes. Sandoz has a thorough environmental impact supplier mapping as part of its supplier engagement strategy.

1.3.11 Does Sandoz have a supplier segmentation/categorization in place?

Yes. Sandoz supplier segmentation categorises our suppliers into 4 categories. Sandoz applies different requirements to supplier categories based on risk, performance, maturity, and region.

1.3.12 Does Sandoz have any supply chain contingency plans?

Yes. Sandoz has a supply chain contingency plan as part of its global emergency management planning operations.

1.3.13 Does Sandoz have a policy covering biodiversity?

At Sandoz, biodiversity guidelines are considered in every new construction or site refurbishment. Broader biodiversity issues are addressed within our HSE policies.

1.3.14 Does Sandoz have a policy covering animal welfare?

Yes. Sandoz has a statement on animal welfare issues. Please refer to this link to learn about the Sandoz position on animal welfare.

1.3.15 Does Sandoz have a policy covering product end-of-life management issues?

Sandoz has initiatives in place to manage regulatory requirements regarding packaging, including end-of-life issues.

1.3.16 Does Sandoz have a policy covering materials?

Sandoz has SOPs in place that cover materials, including raw materials, APIs, Product in Bulk, and Final Dosage Form. We also have initiatives in place that addresses specific materials, including Per- and Polyfluoroalkyl Substances (PFAS).

1.3.17 Does Sandoz have a policy covering chemicals?

Yes. Sandoz has internal documents for chemical substance stewardship that include specific guidelines for the following:

- REACH regulations
- Safety data sheets
- Environmental risk assessments
- Health hazard assessments

1.3.18 Does Sandoz have a policy covering waste?

Yes. Sandoz has a [HSE policy](#) in place that addresses waste management. Sandoz also has a Standard Operating Procedure (SOP) for waste. Additionally, we have a specific chapter dedicated for waste management in the Sandoz HSE Environmental Compliance Handbook.

1.3.19 Does Sandoz have a policy covering air pollution issues?

Yes. Sandoz has a [HSE policy](#) in place that addresses air pollution. Sandoz also has a SOP for air management.

1.3.20 Does Sandoz have a policy covering sustainable procurement issues?

All supplier contracts have provisions agreeing to our Third-Party Code of conduct, which includes environmental concerns. Additionally, our Master Services Agreements (MSAs) and Transitional Services Agreements (TSAs) contain specific clauses focused on management and reporting of CO2 emissions and compliance with environmental sustainability regulations.

1.3.21 Does Sandoz have an environmental policy that addresses environmental issues?

Yes. Sandoz has a [HSE policy](#) that covers a wide range of environmental issues.

1.3.22 How are Sandoz Environmental Management Systems certified/audited/verified?

All manufacturing sites operate following the ISO14001 standard. As of 2025, eight of 16 Sandoz locations are ISO14001 certified. Sandoz aims to certify 100% of its remaining manufacturing sites by 2030. We have also been awarded LEED certification in Hyderabad, Madrid, Canada (Saint-Hubert) and Bulgaria (Sofia); BREEM certification in Prague, Brussels, Lisbon and Paris; and WELL certifications in Madrid and Hyderabad. Paris has also received HQE and R2S certifications.

1.3.23 Does Sandoz have energy management programmes?

Yes. Sandoz runs an energy audit programme where all manufacturing sites are reviewed based on large green or brownfield investments.

1.3.24 Does Sandoz have waste management programmes?

Yes. The Sandoz HSE Policy addresses waste management practices. All manufacturing sites are internally audited against Sandoz Management System documentation, including waste management, and they are externally audited if the site is ISO 14001 certified. Sites individually develop initiatives to reduce waste and increase recycling ratios (write-off reductions, organic waste composting to be re-used in green areas, etc.). The Sandoz HSE function provides quarterly trainings on environmental aspects, such as waste, water, and emission reduction to relevant employees.

1.3.25 Does Sandoz have water efficiency management programmes?

Yes. Sandoz has multiple water efficiency measures in place such as the reuse of rainwater for cooling towers, sanitary or other purposes; the use of climate-adapted landscaping to eliminate irrigation water; the development of activities aimed to increase the efficiency of water purification equipment; and the implementation of reverse osmosis systems.

1.3.26 How does Sandoz aim to minimize the adverse impacts of potential water pollutants on water ecosystems or human health?

Sandoz performs wastewater analyses on a regular basis at all manufacturing sites to ensure water quality standards are met before the water reaches public wastewater systems. Sandoz focuses on minimizing the risk of discharge of active pharmaceutical ingredients (APIs) into water systems. This is tracked by measuring the ratio of predicted environmental concentration (PEC) to the predicted no-effect concentration (PNEC), a standard measure of risk of harm from the presence of a given substance in the environment.

1.3.27 Is Sandoz monitoring and reporting on water recycled and reused metrics?

Yes. Sandoz monitors reused water and water recycled metrics. This can be found in page 178 of [IAR 2025](#).

1.3.28 Does Sandoz have a process for identifying, assessing, and managing environmental dependencies and/or impacts? What does the process look like?

Yes. Sandoz has a structured process for managing environmental dependencies and impacts. Sandoz leverages both its double materiality assessment (DMA) and its TCFD framework as part of its environmental risk management strategy.

- Sandoz evaluates both outside-in risks (environmental dependencies) and inside-out impacts. Sandoz engages stakeholders (internal and external) to ensure a holistic understanding of material environmental issues.
- Sandoz assesses the likelihood and magnitude of environmental dependencies and impacts using both quantitative data (e.g., emissions, energy usage) and qualitative insights (e.g., stakeholder expectations).
- Sandoz uses a scenario analysis aligned with TCFD guidelines to evaluate the resilience of its business strategy against different climate-related scenarios (including transition and physical risks). More information about our DMA and TCFD can be found in the [IAR 2025](#) pages 174 and 182-186.

1.3.29 Has Sandoz identified priority locations across your value chain regarding water-related issues? And how many facilities Sandoz has identified substantive water-related dependencies, impacts, risks and opportunities in its direct operations?

Yes. Sandoz performed a risk assessment on water scarcity based on Worldwide Fund for Nature (WWF) guidelines at our manufacturing sites. Sandoz identified only one out of 15 sites located in an area of water stress. Only 1% of our water consumption by volume took place in areas of water stress.

1.3.30 What proportion of water aspects (water discharged, consumption, withdrawal, and recycled) are regularly measured and monitored?

100% of Sandoz sites report on water discharged, water withdrawal, water consumption, water reused, water recycled, and other Water, Sanitation and Hygiene (WASH) metrics through direct meter readings.

1.3.31 Does Sandoz have targets relating to water pollution, water withdrawals, WASH, or other water-related categories?

Yes. Sandoz currently has two targets on water pollution: predicted environmental concentration / predicted no-effect concentration (PEC/PNEC ratio) <1 for manufacturing sites in scope by 2030, and PEC/PNEC ratio <1 for all API supplier sites in scope by 2030.

1.3.32 Does Sandoz board of directors and/or executive management carry oversight and management responsibility of climate-related issues?

Yes. The Human Capital and ESG Committee of the Board is ultimately responsible for overseeing all climate related matters. At a management level, the Sandoz Sustainability Committee is responsible for monitoring and managing progress on all sustainability topics (including climate, water, waste, and supplier ESG management). Sandoz also convenes multiple working groups around sustainability topics, such as an environmental regulation working group and a packaging working group.

1.3.33 Has Sandoz identified any climate change risks (current or future) that have potential to generate a substantive change in your business operations, revenue or expenditures?

Sandoz performed a TCFD-compliant impact assessment in 2023. More information about the risk assessment, identified risks and mitigation measures can be found in the IAR 2025 pages 182 to 186.

1.3.34 Does Sandoz have emissions reduction initiatives that were active within the reporting year?

Yes. Sandoz has several initiatives in place to reduce emissions, including:

- Sandoz conducts energy audits and implements changes to reduce emissions over time.
- Sandoz procures renewable electricity through onsite installations or power purchase agreements. The share of renewable electricity by consumption reached around 40% in 2025. Our facilities in Austria and Brazil use 100% renewable electricity, and India uses 65% solar. Through our partnership with Elawan Energy, we aim to reach nearly 90% coverage by renewable electricity in Europe by 2027. We have also installed on-site solar in Germany, Poland and Turkey to replace some of the energy we formerly bought from local grids.
- Sandoz conducts Product Carbon Footprint assessments to identify carbon emissions in specific product categories.
- Sandoz works on fleet optimization and electrification where possible.

1.3.35 Does Sandoz have any environmental/sustainability considerations in the development of new medicines?

Yes. Sandoz has a dedicated workstream called Design to Sustainable Value (D2SV) which focuses on cost optimization and sustainability of packaging. For more information on packaging and circularity, refer to page 44 in IAR 2025.

1.3.36 Does Sandoz have supplier engagement initiatives to address product safety and quality?

Yes. Sandoz actively monitors its suppliers through audits, product inspection and testing, and rigorous quality management. Health authorities also review quality standards through coordinated inspections, import authorizations, and other monitoring and control mechanisms ([Third Party Risk Management page](#)). For information about our Product Quality and Safety metrics, please refer to [IAR](#) page 178.

1.3.37 Does Sandoz have any complaint resolution mechanism for customer production, safety, and quality concerns?

Yes. Sandoz has a formal complaint mechanism on customer concerns, as part of its Ethics, Risk, and Compliance function. Please refer to the following link ([Adverse Event Reporting](#)) which gives detailed information about complaint mechanism for customers. Additionally, the Sandoz Speak Up office also has mechanisms in place to receive customer complaints. ([Sandoz Speak Up](#)).

1.3.38 Does Sandoz provide employee training on product safety and quality standards?

Yes. Sandoz employees are regularly trained on SOPs, guidelines and compliance policies. Sandoz keeps its employees informed about external changes in GxP and provides training on new requirements of Health Authorities. Employee training status is regularly monitored by the functional leads and reported to management. Sandoz documents all trainings in the company training platform.

1.3.39 Does Sandoz conduct product testing?

Yes. Sandoz is committed to ensuring that all marketed products meet the highest quality standards. All internally manufactured drug substance and drug product batches are tested to confirm they are safe and meet high quality standards. The same applies to batches that Sandoz sources from its supplier network.

1.3.40 Does Sandoz have any quality management certifications?

Yes. All facilities, including our development centres, operate under strict regulations from regulatory health authorities, and in compliance with the World Health Organisation's Current Good Manufacturing / Laboratory Practices (cGMP and cGLP). Sandoz has implemented a global quality system featuring the highest quality standards, as exemplified by its regulatory inspection success rate of 100%. Implementation of these standards across the organisation is certified with the success of internal global audits and monitoring of key quality indicators.

1.3.41 Does Sandoz track customer complaints?

Yes. Please refer to this link ([Adverse Event Reporting](#)) which gives detailed information about complaint mechanism for customers. Sandoz investigates every customer complaint to find the root cause, and, if necessary, implements corrective actions to solve the issue. In addition, Sandoz operates a corporate whistleblower programme, Speak-Up, which enables employees and third parties to report potential misconduct. All investigations are conducted confidentially, impartially, and based on facts. Findings are used to implement corrective actions and drive continuous improvement. The Board is updated on Speak-Up cases biannually or as needed.

1.3.42 Does Sandoz have a programme on Occupational Health and Safety (OHS)?

Yes. Sandoz monitors safe workplace conditions through our Health, Safety, and Environment (HSE) management system, which covers all the Sandoz sites and the people who work in them – Sandoz employees, contractors, and third-party personnel. It aligns with relevant international management system standards (e.g., ISO 14001 and ISO 45001) and industry guidance to drive good practice and regulatory compliance across our sites. ([Health, Safety, and Environment page](#))

1.3.43 Does Sandoz have any measures in place to address air pollution matters?

Yes. Sandoz carefully monitors air emissions (inorganic and organic pollutants). Key parameters monitored are emissions of SO₂, NO_x, particulates and non-halogenated VOCs.

1.3.44 What is Sandoz ISO 14001 certification coverage? Has Sandoz obtained any other relevant ISO certification?

As of 2025, 50% of Sandoz manufacturing sites are certified in ISO 14001. Additionally, 37.5% of our manufacturing sites are ISO 50001 certified, 12.5% are Responsible Care certified, and 12.5% are Eco-Management and Audit Scheme (EMAS) certified.

1.3.45 Does Sandoz have programmes to monitor, measure, and assess water risks across its operations?

Sandoz implements structured programmes to monitor, measure, and assess water-related risks across its global operations and systematically tracks water use at site level, evaluating it against site-specific baselines. Sandoz supports this approach through efficiency initiatives such as process optimisation, the use of water-efficient technologies, reuse of treated water, and employee awareness measures.

1.3.46 Does Sandoz have programmes to reduce water consumption in core operations?

Sandoz has implemented water efficiency programmes across all its core operations, including process optimisation, installation of water efficient technologies, reuse or recycling of treated water where feasible, and employee awareness initiatives. Water use is tracked annually, and reductions are measured against site specific baselines. Specific water reduction initiatives encompass more efficient infrastructure, osmosis plants, irrigation removal, etc.

1.3.47 Does Sandoz have programmes to reduce water usage in its supply chain?

Sandoz addresses water management within its supply chain through industry collaboration, supplier assessments, and targeted monitoring activities. As a full member of the Pharmaceutical Supply Chain Initiative (PSCI), Sandoz actively participates in PSCI discussions and continuous improvement initiatives, including environmental, health, and safety (HSE) topics where water management is addressed. Within the Sandoz Third-Party Risk Management (TPRM) programme, Sandoz conducts PSCI-aligned HSE audits at suppliers, covering environmental topics such as water management, and includes these audits in the PSCI Audit Sharing Programme. In addition, Sandoz conducts wastewater and effluent discharge assessments with direct Tier 1 API suppliers and reports this activity within the scope of ESG KPIs, including “Wastewater quality compliance on Pharmaceuticals in Environment (PiE) (%)”.

1.3.48 Does Sandoz have environmental audits across all locations of operations?

Sandoz conducts environmental audits across all operational locations on a regular basis, including both internal and third-party external assessments that cover key environmental risks and regulatory compliance. Sandoz integrates audit findings into site environmental corrective action plans. Currently, 50% of Sandoz sites hold ISO 14001 certification, which typically involves two audits per year. The Sandoz HSE management system typically covers 100% of internal sites within a three- to five-year period, unless special requirements necessitate a shorter audit frequency. The scope of environmental audits may include full-scope audits, combined environmental and health & safety audits, or themed audits that involve an in-depth review of specific environmental aspects such as Pharmaceuticals in the Environment (PiE) and waste management.

1.4 People

1.4.1 Does Sandoz have mechanisms in place to ensure effective implementation of its codes of conduct e.g., compliance linked to employee remuneration, integration into performance appraisal, or third-party certification?

Yes. Sandoz has a performance policy in place that follows and refers to the Code of Ethics policy. Details on the performance management appraisal can be found in the following link: [Personal Growth & Learning | Sandoz](#)

1.4.2 Does Sandoz have employee development programmes that have been developed to upgrade and improve employee skills?

Yes. Sandoz has several global programmes focusing on employee development and learning opportunities. Please refer to the following link: [Personal Growth & Learning | Sandoz](#). Sandoz associates at all levels can benefit from learning programmes, on-the-job training and experiences, coaching, mentoring and employee resource group exchanges. Sandoz provides free access to Skillssoft for all associates. Our Organisation & Talent Review (OTR) process enables Sandoz to build a strong talent pipeline to deliver against business plans and future organisational needs. Sandoz aims to develop strong leaders and build a deep talent pipeline to ensure Sandoz has the very best talent available when and where it is needed. For more, see the Talent page of our website. ([People and Culture](#))

1.4.3 Does Sandoz have employee support programmes to foster employees' health and well-being?

Yes. Refer to our approach to well-being here: [Well-being | Sandoz](#).

1.4.4 Does Sandoz conduct an employee survey to measure employee well-being? What's the level of employee engagement?

Yes. Sandoz conducts an employee engagement and well-being survey twice per year.

1.4.5 Does Sandoz provide employee escalation channels?

Yes. Please refer to the Sandoz SpeakUp policy. ([SpeakUp](#)). The KPIs Sandoz tracks on grievance mechanisms can be found in the IAR 2025 on page 177.

1.4.6 Has Sandoz received any external recognition as an employer of choice?

Yes. Sandoz has been named "[Global Top Employer](#)" for many years from the Top Employers Institute. It has been certified in 30 countries. Great Place to Work has certified Sandoz in India. Please see the [following link](#) for details.

1.4.7 Does Sandoz offer Variable pay (bonuses) or stock bonuses or long-term incentives or other benefits?

Yes. Sandoz offers a range of benefits to employees to incentivize performance. A detailed compensation report can be found in our [IAR 2025](#) from page 70. For more information, please see the People and Culture section of our website on our website. ([Rewards and Recognition](#))

1.5 Corporate Governance

1.5.1 Does Sandoz have a policy on non-discrimination and anti-harassment at a group level?

Yes. The Sandoz [Code of Ethics](#) includes non-discrimination and anti-harassment provisions.

1.5.2 Is there a policy in Sandoz dedicated to ethical matters?

Yes. The Sandoz [Code of Ethics](#) addresses ethical issues.

1.5.3 Does Sandoz have measures on anti-competitive governance practices?

Yes. Sandoz has several policies that highlight anti-competitive governance practices. Sandoz has a [Code of Ethics Policy](#), [CORE – Sandoz Global Policy for external professional interactions](#), and [Speak Up Policy](#). Sandoz also provides training to employees focusing on governance practices through its mandatory Code of Ethics trainings.

1.5.4 Does Sandoz perform anti-corruption audits?

Yes. The Sandoz Internal Audit team performs anti-corruption audits.

1.5.5 What is the internal audit process and who overlooks the implementation?

The Audit, Risk and Compliance Committee (ARCC) of the Board oversees the Internal Audit function ensuring its independence and endorsed the Internal Audit Charter. The Global Head of Internal Audit and Control is ultimately responsible for Internal audit-related activities. The Audit

Charter describes the purpose, position, authority, and responsibility of the Internal Audit function within Sandoz. The internal audit plan is approved annually by the ARCC, and the scope of each audit is defined based on a risk assessment performed at the planning stage. Any observations raised and follow-up remediations are recorded in the internal audit system.

1.5.6 Is there a policy in place within Sandoz to address bribery and corruption?

Yes. Please see the Sandoz anti-bribery and corruption policy ([Anti-Bribery Policy](#))

1.5.7 Does the company have a policy related to Anti-Money Laundering (AML)?

Yes. Anti-Money Laundering is part of our Third-Party Code. Additionally, Sandoz associates are trained regularly on a wide range of policies related to ethical business practices, including anti-bribery and anti-corruption. Policies are reviewed and updated on a regular basis. ([Sandoz Code of Ethics](#))

1.5.8 Did Sandoz make any contributions or expenditures to political campaigns or organisations, lobbying, trade associations, tax-exempt entities, or other groups whose role is to influence political campaigns or public policy and legislation?

Sandoz tracks the following activities for every country in which we operate: lobbying expenditures, political contributions, membership in trade associations, and healthcare advocacy. This data is not publicly disclosed unless it is mandatory to be disclosed.

1.5.9 Are the board of directors and executive management engaged in the information security/cybersecurity strategy and review process?

Yes. The Audit, Risk and Compliance Committee (ARCC) of the Board and the Chief Digital Information Officer overlook the Data Privacy and Cybersecurity strategies.

1.5.10 Has Sandoz implemented policies and procedures for all employees to ensure that they are aware of threat issues and the importance of information security/cybersecurity?

Yes. Sandoz acknowledges that it is critically important to promptly report any privacy-related or security incidents to its Security Operations Centre (SOC). To raise a security incident or if something suspicious is identified, one can call a 24/7 available emergency number [+420 229 010 093](tel:+420229010093) or send an email to the Security Operations Centre soc@sandoz.com. For additional information, please refer to the following link. ([Data privacy and Cybersecurity](#))

1.5.11 Does Sandoz have measures to mitigate and remediate the negative impacts of human rights risks?

Yes. Sandoz has a [Human Rights Commitment Statement](#) that details on our Human Rights strategy. Our Third-Party Code also requires commitments from suppliers to best practices in human rights.

1.5.12 Has Sandoz implemented a worldwide Marketing and Sales Practices code?

Yes. Sandoz has an overarching policy called CORE – Sandoz Global Policy for External Professional Interactions, which focuses on 4 principles:

- Clarify the need and objective
- Observe applicable internal and external requirements
- Recognize and manage risks
- Engage truthfully and transparently

The Sandoz enterprise risk management framework covers the identification of risks and potential impacts linked to commercial execution such as marketing and selling practices under the leadership of the General Counsel and Chief Compliance Officer. Sandoz also provides regular trainings and awareness programmes for sales representatives on ethical marketing and conducts regular internal and external audits to ensure adequate compliance.

1.5.13 Does Sandoz have a clinical trial programme in place?

Yes. Sandoz clinical trial management is designed to meet international best practice standards, reflecting its commitment to ethical and responsible research as a company operating in the generics and biosimilar industry. The programme includes clear managerial responsibility for overseeing ethical conduct, with full authority to approve, modify, or terminate trials as needed. Prior to initiating any study, thorough risk and impact assessments are conducted, and strict procedures are in place to ensure participants provide free, prior, and informed consent. Employees involved in clinical trials receive ongoing training and awareness support, and participants are offered access to post-trial medicines where relevant. Grievance mechanisms are also available to address concerns raised by trial participants. Furthermore, Sandoz regularly monitors all ongoing trials and maintains a strong commitment to monitoring outsourced trials to ensure they meet the same rigorous standards. Further information on the Sandoz Clinical Trial Management, please refer the following link. ([Clinical Trial Management](#))

1.5.14 Does Sandoz have a risk framework in place? What is the Sandoz risk management approach?

Sandoz takes an Enterprise Risk Management (ERM) approach to recognise, understand and manage risks so that we can minimize potential impact and capitalize on opportunities. A detailed risk report is presented to the Audit, Risk & Compliance Committee (ARCC) and Senior Leadership Team and disclosed in summary form in the IAR 2025 from pages 93 to 96, ensuring transparency and accountability. This report describes the most significant risks that have been confirmed throughout the ERM cycle, including both threats and opportunities, and that relate to future uncertainty over a three- to five-year horizon. These risks have been prioritized based on their potential impact and likelihood and are the focus of management's attention to ensure the organisation's resilience and success. In parallel, Sandoz is committed to evaluating issues that can positively or negatively impact society through a double materiality assessment based on the European Sustainability Reporting Standards.

1.5.15 Who oversees risk management in Sandoz?

The Board has ultimate oversight of the Enterprise Risk Management system and regularly reviews the most significant risks and how these risks are managed. In doing so, the Board is supported by its committees (Audit, Risk and Compliance Committee, a Human Capital and ESG Committee and a Science, Innovation and Development Committee). The Legal & Compliance function provides an integrated framework to obtain a holistic view of the Group's most significant risks and mitigation actions, under the leadership of the General Counsel and Chief Compliance Officer. In addition, the Internal Audit function conducts independent evaluations of risk management across the organisation, including targeted reviews of ERM team and operational domains, with KPMG providing external assurance as required.

1.5.16 Does Sandoz have risk management process in place?

Yes. The ERM process within Legal & Compliance is coordinated by the Chief Integrity Officer, in consultation with a dedicated ERM team and the respective risk owners. Enterprise Risk Management at Sandoz is an ongoing process that aims to identify risks that may have a material impact on strategic objectives on annual basis as well as continuously monitoring the risk dynamic and implementation of corresponding mitigation along the enterprise value chain to address material risks, such as:

- Manufacturing and supply chain topics
- Product development and portfolio
- Financial compliance and management aspects, such as tax, treasury and insurance
- Compliance, regulatory and legal aspects
- Technology and information security matters
- Commercial execution, such as marketing and selling practices
- Health, safety and environmental aspects
- People and organisation aspects
- External factors, such as the social, geopolitical and economic environment

The ERM Handbook is an internal reference document that governs risk assessments and outlines the key steps of the risk management process, aligned with the ISO 31000 standard.

1.5.17 What strategies are in place to promote an effective risk culture?

Sandoz promotes an effective risk culture through:

- Integrated Risk Committees to oversee and align risk activities: The Board is supported by its committees (Audit, Risk and Compliance Committee (ARCC), a Human Capital and ESG Committee (HC & ESGC) and a Science, Innovation and Development Committee (SIDC), each consisting of no fewer than three Board members with relevant qualifications, expertise, and skills. Additionally, the Global Compliance Forum and the Global Security Awareness Committee have been set up and functioning on a regular basis. The ARCC is responsible for oversight of the ongoing effectiveness of the Company's approach to risk management and for oversight of KPMG as the Group's external auditor.
- Risk Education, Awareness and Onboarding integration: Sandoz offers targeted training programmes across various domains, including cybersecurity, Data Privacy and AI compliance, Code of Ethics, Conflict of Interests, Health & Safety, Quality, crisis preparedness (including tabletop exercises with executive and local teams) and others.
- Open communication, safe reporting channels and SpeakUp Culture: Sandoz manages an end-to-end corporate whistleblower programme, "SpeakUp," enabling employees and third parties to report concerns confidentially and without fear. The People & Organisation function oversees the process, ensuring fair, timely, and impartial handling of cases, with appropriate actions taken when misconduct is substantiated. SpeakUp is also an integral part of onboarding training materials

1.5.18 Does Sandoz assess long-term (3-5 years+) emerging risks that could have a significant impact on the business in the future?

Yes. The 'ESG disclosures' section in the Sandoz IAR 2024 provides transparency around climate-related risks and opportunities as recommended by the Task Force on Climate-related Financial Disclosures (TCFD). This analysis follows the Intergovernmental Panel on Climate Change (IPCC) and the Task Force on TCFD recommendations and considers time horizons to 2030 and to 2050. Through proactive risk management efforts, we strive to minimize the likelihood and impact of emerging risks and enhance our overall resilience. Additionally, the internal risk report submitted to the Audit Risk & Compliance Committee highlights emerging risk areas as "watchouts" to support proactive oversight by the executive team and the Board of Directors.

1.5.19 Are Sandoz supplier facilities and processes certified by company employees or third-party auditors?

All suppliers, including Tier 1, Tier 2, and Tier 3 suppliers providing active pharmaceutical ingredients, medicinal products, or laboratory services, are required by regulation to maintain a Quality Assurance function, standard operating procedures, and formal workforce training processes, and the relevant regulatory authorities certify these requirements through the issuance of Good Manufacturing Practice (GMP) certificates. As part of its supplier qualification process, Sandoz conducts both initial and follow-up assessments to evaluate supplier capability and effectiveness, including verification of the validity of GMP certificates and assessment of training programmes and workforce adherence to defined procedures during audits, to confirm the supplier's suitability for the service or product provided.

1.5.20 Does Sandoz train employees in responsible marketing and advertising practices?

Responsible marketing and advertising practices are embedded in the Sandoz mandatory CORE (Professional Practices Policy) training framework. This training forms part of the global Ethics & Compliance curriculum, and Sandoz requires this training for 100% of employees. Sandoz provides enhanced, role-based training for higher-risk functions such as Commercial, Marketing, Medical, and leadership roles.

The training covers topics including ethical decision-making, integrity in interactions with healthcare professionals (HCPs, HCOs, patients) and third parties, anti-bribery and anti-corruption principles,

conflicts of interest, and the responsible promotion of products. It is supported by practical scenarios and clearly defined expected behaviours.

1.5.21 Does Sandoz have audit/control procedures on responsible marketing?

As part of the approved annual audit plan, the internal audit function performs periodic reviews of full country commercial activities, including responsible marketing policies, and focuses on adherence to internal and external policies, procedures, and applicable regulatory requirements. Through these reviews, the internal audit function assesses the design and operating effectiveness of key controls, such as approval processes, documentation standards, and monitoring activities, and identifies any control gaps or areas for improvement. The internal audit function documents audit results, reports them to management and the Board, and tracks them through formal remediation processes.

1.5.22 What is the scope of employee training on privacy and data security?

Privacy and Data Protection training forms a mandatory part of the global compliance curriculum and applies to all employees. Sandoz refreshes this training on a regular cycle and provides additional targeted modules for functions that handle personal data more extensively, such as HR, IT, Commercial, and Pharmacovigilance. The training scope covers data protection principles, lawful and ethical handling of personal data, information security basics, incident reporting, and individual accountability.

1.5.23 Does Sandoz perform regular audits of ethical standards?

As part of the approved annual audit plan, the internal audit function conducts regular internal audits covering functional and operational units, including country sales organisations, manufacturing plants, and development centres, with a focus on ethical standards such as the Code of Conduct and anti-corruption requirements. Through these audits, the internal audit function provides risk-based coverage across all units and geographies, evaluates control design and effectiveness, and identifies deficiencies or opportunities for enhancement. The internal audit function documents audit results, reports them to management and the Board, and tracks them through formal remediation processes.

1.5.24 Does Sandoz conduct anti-corruption audits in all operations?

Sandoz audits its anti-corruption policies through internal and, where applicable, external assurance activities and maintains an annual Anti-Bribery Risk Assessment and Monitoring process as a core component of its risk and compliance framework, covering all countries and activities. Through this process, Sandoz enables structured risk identification and assessment, risk-based control testing, monitoring, deviation management, and the definition and tracking of corrective action plans. Sandoz reports key results, risks, and remediation status to leadership and appropriate management and governance bodies, supporting effective oversight and continuous improvement of the anti-corruption framework.

1.5.25 Does Sandoz conduct audit of its anti-corruption policies?

Sandoz audits its anti-corruption policies through internal and, where applicable, external assurance activities and maintains an annual Anti-Bribery Risk Assessment and Monitoring process as a core component of its risk and compliance framework, covering all countries and activities. Through this process, Sandoz enables structured risk identification and assessment, risk-based control testing, monitoring, deviation management, and the definition and tracking of corrective action plans. Sandoz reports key results, risks, and remediation status to leadership and the appropriate management and governance bodies, thereby supporting effective oversight and continuous improvement of the anti-corruption framework.

1.5.26 What is the frequency of audits of information security system?

As part of the approved annual audit plan, the internal audit function conducts regular internal audits covering information security systems and policies. Through these audits, the internal audit function provides risk-based coverage, evaluates control design and effectiveness, and identifies deficiencies or opportunities for enhancement. The internal audit function documents audit results,

reports them to management and the Board, and tracks them through formal remediation processes.

1.6 Additional ESG KPIs

ESG Pillar	Key Performance Indicator	Value (FY2025)
Access	Number of diseases addressed by the company's research and development	35
Access	Number of diseases among the top 20 diseases in the world by Disability Adjusted Life Year (DALY) burden addressed by the company's research and development	10
Access	Number of diseases belonging to Key Orphan Diseases	1
Access	Number of diseases belonging to orphan/rare diseases	12
People	Average years employed by the company for male employees (years)	8.4
People	Average years employed by the company for female employees (years)	8.3
People	Number of women in senior management	189
People	More than 10% of workforce (M&A impact)	0
People	Number of women employees in workforce	12,368
People	Number of women employees among new hires	1979
People	Total number of employees in senior management	502
People	Number of full-time employees	22,356
Environment	Total amount of freshwater consumption (million m ³)	0.4

Environment	Freshwater consumption intensity (million m ³ /USD billions)	0.04
Environment	% water consumption in water-stressed regions	0,88
Environment	Total water consumption in water-stressed regions (m ³)	3,886.40
Environment	Total water withdrawal in high-stress regions (m ³)	37,369.33
Environment	Renewable Energy Consumption (MWH)	179,949.73