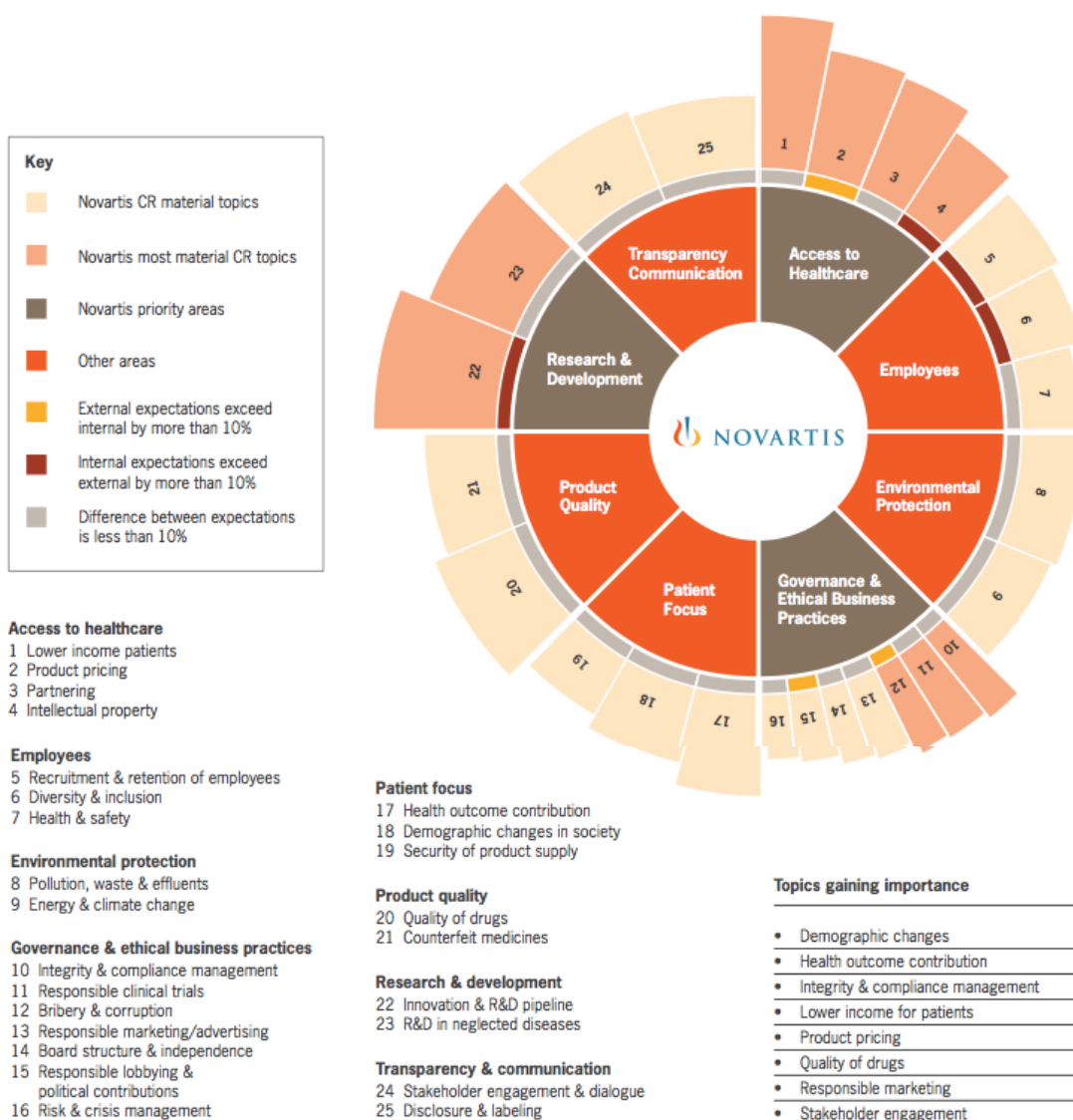


Company:	Novartis
Sector:	Health Care (pharmaceuticals)
Report Year:	2013
Headquarters:	Basel
Standard Application:	GRI G4
Format:	Circle graphic based on matrix analysis



Material Aspects identified in the process for defining report content

The following 25 issues, grouped into eight key clusters, consistently stood out as most material.





Process for defining the report content and the Aspect Boundaries

The content of this report is based on the issues identified through the CR materiality analysis Novartis conducted in 2013. This process is summarized below.

Identification

We evaluated a vast range of internal and external data, including analyst reports, media articles and stakeholder feedback, and identified more than 100 issues relevant to Novartis stakeholders.



representatives of patient organizations, NGOs, health institutions, customers, academics and other groups considered important to the industry and our business.

This list of stakeholders was reviewed and amended by three external CR experts – John Elkington from Volans, Mark Little from BSR and Kyle Peterson from FSG – all of whom have in-depth knowledge about our industry.

Of the 100 external stakeholders who were invited, more than 50 completed an online survey and were interviewed by phone.

We aggregated this list into 46 issues, which formed the basis of our CR materiality survey.

Prioritization and validation

We surveyed 43 internal stakeholders via an online questionnaire, then conducted one-on-one interviews to determine the issues they thought were most important and relevant to Novartis. The interviewees included senior executives from all Novartis divisions.

Based on input from internal interviewees, we completed an in-depth stakeholder mapping exercise and identified 100 key external stakeholders, including executives from across the company and

Review

We are using findings from the materiality analysis to guide our business strategy, track issues of concern, inform and prioritize our CR programs, and establish meaningful metrics against which to measure our performance. We also plan to use the analysis to strengthen the focus and content of our CR reporting.

For more about our materiality assessment process, see the [CR section](#) of the Novartis website.