



Novartis Pharmaceuticals Corporation

HR, D&I and A⁴ – A Framework for Shared Success

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Agenda for Today's Discussion

- Overview - Novartis Pharmaceuticals Corporation and Diversity & Inclusion
- Impediments to HR and D&I Success
- A⁴ - Factors for Shared Success
- Optimizing A⁴ - What Success Looks Like
- Case Studies - A⁴ Applied at NPC
- Questions??

Diversity & Inclusion at NPC

- In today's dynamic healthcare environment, diversity and inclusion are foundational to our business success, aligned with our strategic priorities, and central to meet the evolving needs of our patients and customers.
- As a recognized D&I leader, NPC aims to:
 - Drive business growth by serving and building valued relationships with patients, physicians, payers, suppliers and communities.
 - Create a high-performing team culture and an inclusive work environment that fosters innovation.
 - Attract, retain, develop and engage talented and committed individuals with diverse backgrounds and perspectives.
- NPC's D&I efforts are supported by our D&I Champion Network, which includes senior leaders, the D&I COE team, the Executive Diversity & Inclusion Council, D&I Councils from across the business, and Employee Resource Groups (ERGs).
- At NPC, D&I reports functionally to HR, and we strive to foster strong collaboration within our HR organization to achieve our business goals.



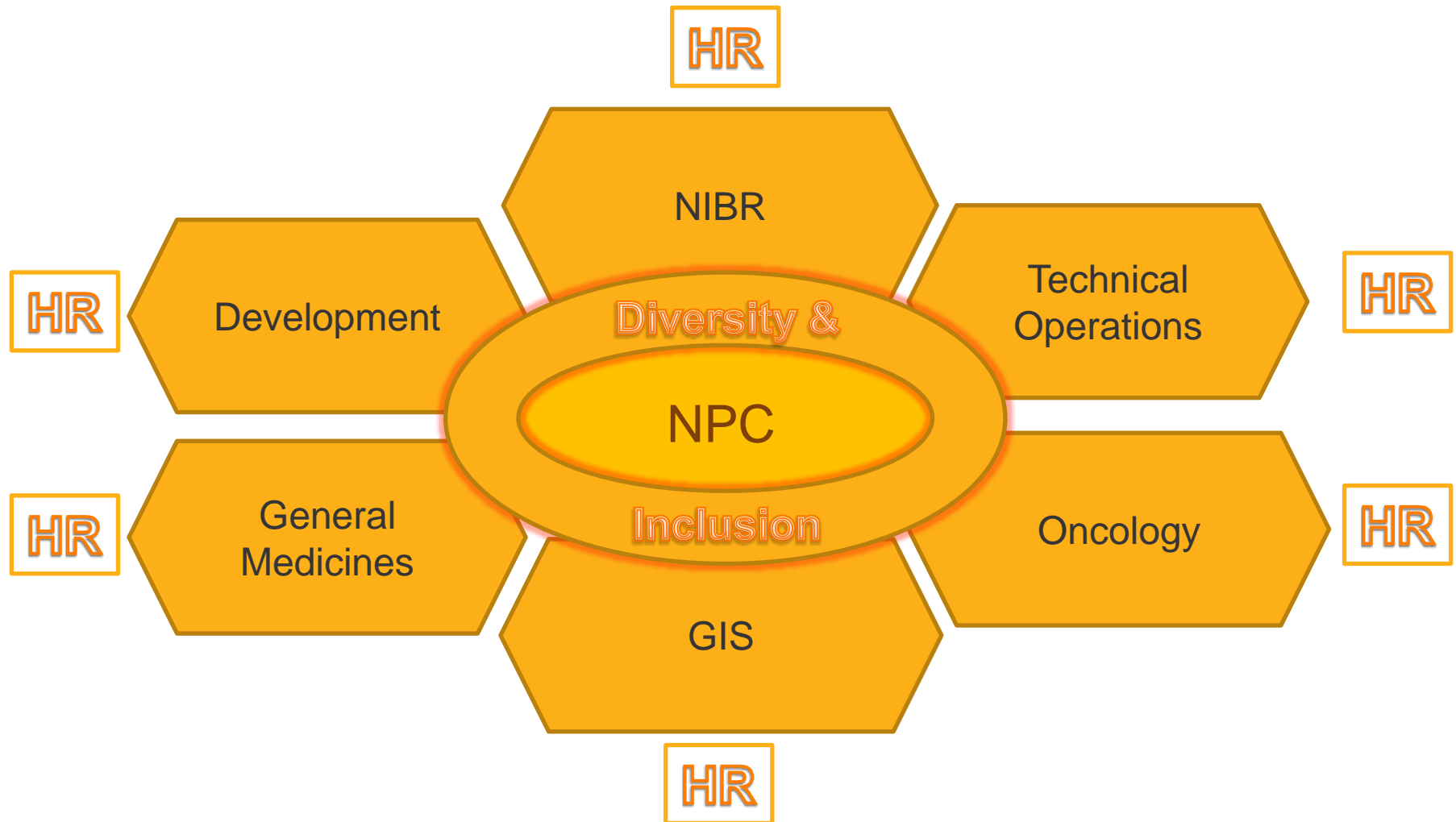
When It Comes to HR Service Delivery, D&I Is Just One of Several Areas of Focus . . .



But, in a D&I-Centric World, HR Represents One of Many Stakeholders Engaged to Drive D&I . . .

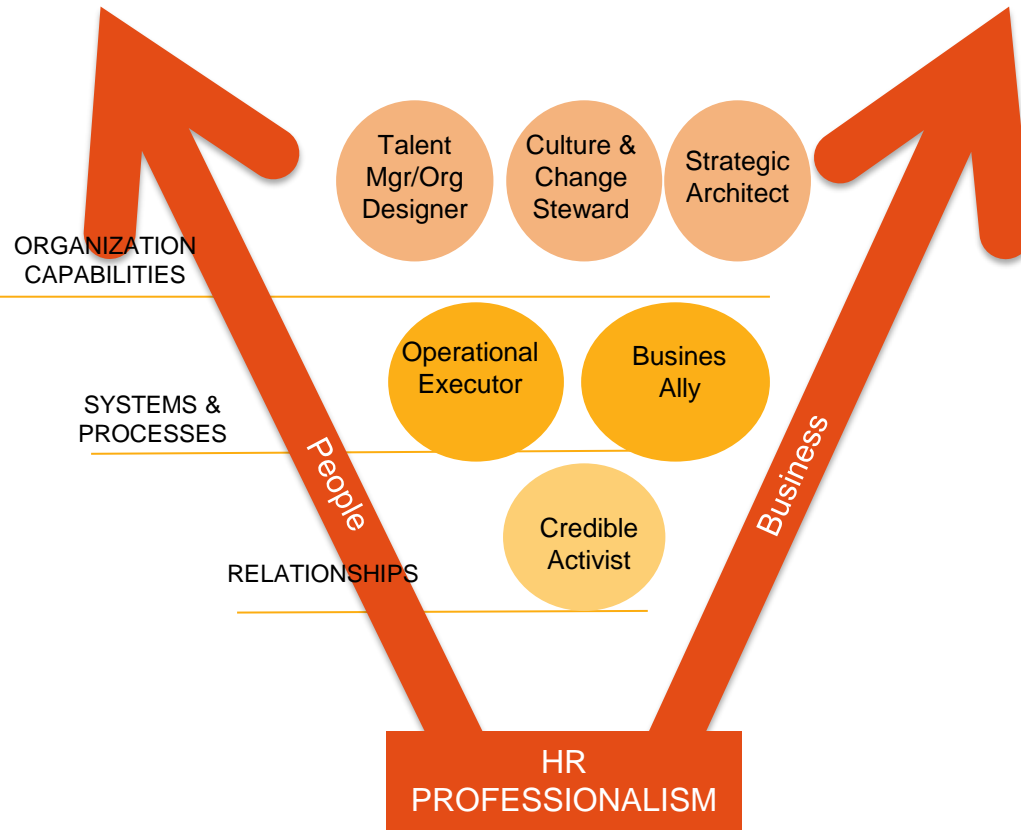


And, at NPC, there is also organizational complexity



HR and D&I Professionals Require Different Competencies, further challenging effective HR/D&I Collaboration

University of Michigan's School of Business: Human Resources Competency Model



Conference Board's Global Diversity and Inclusion Competency Model



Source: Conference Board, Council Perspectives – Creating a Competency Model for Diversity and Inclusion Practitioners

NPC's HR Organization utilizes the Ulrich Model, which aligns D&I and HR Competencies and Roles



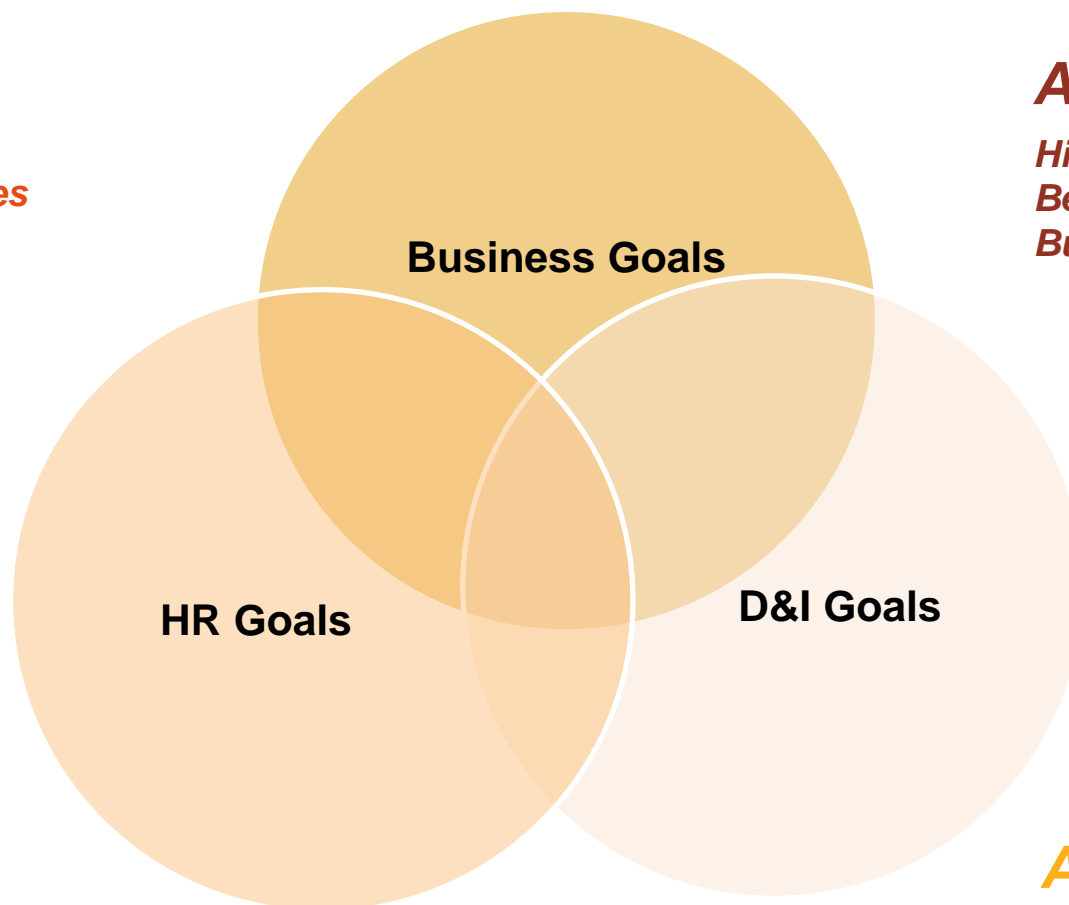
A⁴ - A Plan to Identify and Optimize Shared Goals and Objectives

Alignment

Creating Shared Goals and Priorities

Accountability

High Performing Team Behaviors to Drive Business Success



Assurance

Mutual Understanding that all Parties Operate with Trust, Candor, and Respect

Assessment

Gaps & Opportunities; Measuring Progress Over Time

Leveraging A⁴ for HR and D&I...A Perfect World

Comp & Benefits

- Equitable Compensation Planning Process
- Equitable Benefits (Health & Welfare, Retirement, Other)
- Support of Workplace Flexibility in All Policies/ Programs

Talent Management

















- Diversity Hiring Strategy
- Diverse Candidate Slates
- Inclusive and Representative Talent Review, Leadership Development and Succession Planning Processes
- Formal/informal mentoring programs
- Focus on Workforce Representation
- Focus on Inclusive Culture/Change (Survey/Metrics)
- Fair and Equitable Performance Management Process
- Recognition for Associate Participation in D&I Councils, ERGs, Activities, Etc.




Employee Relations

- Training to Support Concerns raised by Associates, Managers, Leaders
- Tools to Foster Inclusive Work Environment and High Performing Teams

Client/Stakeholder Engagement

HR and D&I – A Few A⁴ Case Studies

| Case Studies | Alignment | Accountability | Assurance | Assessment |
|--|---|---|---|---|
| Development of talent management tools/workshops |  |  |  |  |
| Re-launch of Workplace Flexibility |  |  |  |  |
| Dimensions Training |  |  |  |  |
| D&I Conference Focused on Innovation |  |  |  |  |

 = On Track
  = Some Work To Do
  = Areas of True Opportunity

A Few Final Thoughts...

- Apply the same visionary and strategic leadership used to support the business to cultivate stronger relationships within HR to drive organizational change
- View HR as a customer – ensure a firm understanding of what's important to each HR function, and the role D&I can play to drive HR success within your organization
- Discard the perception that the impediments discussed today (or other impediments) should preclude D&I from achieving its goals, but recognize that it will require more discipline to maximize mutual opportunities
- Utilize the A⁴ factors (Alignment, Accountability, Assurance, and Assessment) to promote high performing team behaviors; if one of the factors is missing, opportunities for shared success may be limited.

Questions?