

Novartis US Equal Employment Opportunity/Diversity & Inclusion Report 2021





Contents

OVERVIEW	3
EQUAL EMPLOYMENT OPPORTUNITY REPORTING	4
TALENT	6
SOCIETAL IMPACT	10
MOVING FORWARD TOGETHER	14



Overview

Novartis strives to achieve high standards of Diversity & Inclusion (D&I) in our culture and values, as embodied in our company's Code of Ethics. D&I is an integral part of our strong commitment to corporate responsibility and is fundamental to our inspired, curious and unbossed culture. It is endorsed at the highest level of the company and central to the way we run our business. As a diverse and inclusive organization, we are better positioned to drive innovation, get closer to patients and other stakeholders, and have a lasting impact on our world.

Our executive leaders take accountability for corporate responsibility and D&I efforts, led by Patrice Matchaba, Head of US Corporate Responsibility and President, Novartis US Foundation, and Marion Brooks, Vice President and US Country Head, Diversity & Inclusion. Together, they work with Novartis employees across the US business to implement a range of innovative programs designed to augment and support our diverse talent base and shape a more inclusive and equitable society.

Equal Employment Opportunity Reporting

As part of our ongoing commitment to D&I, Novartis is taking the initiative to publicly disclose the consolidated US EEO demographics that we prepared for the US Equal Employment Opportunity Commission. This is a government-required submission filed by all companies with 50 or more employees

in the US that provides demographic information related to gender, race and ethnicity of a company's US employee population.

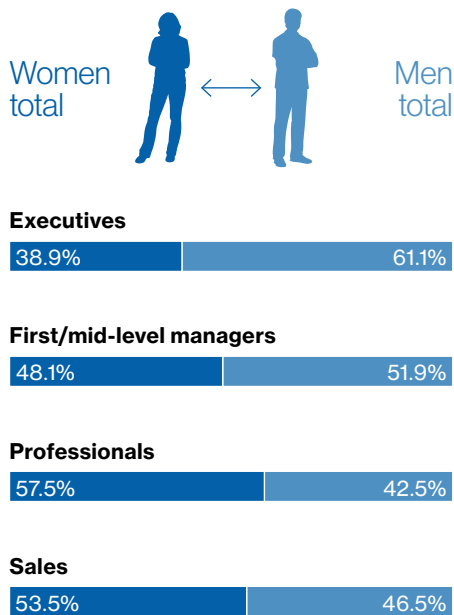
This report provides a summary of the data submitted to the government along with some context, including a

discussion of our many initiatives to further D&I at Novartis as well as make a positive impact on society. Our goal is to provide transparency and insights into our efforts to support continued progress on D&I.

Novartis total US EEO-1 data as of 12-31-20 with gender breakout

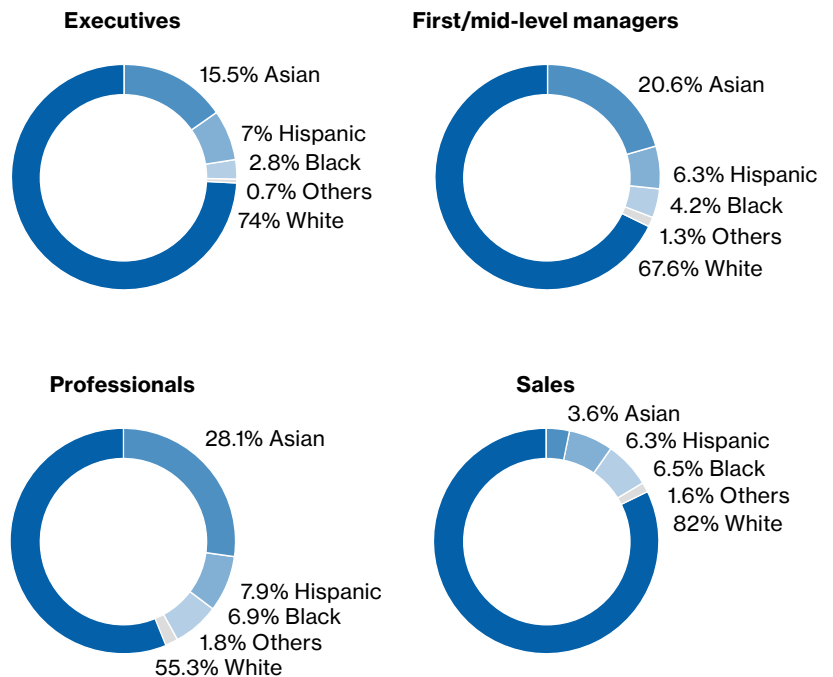
GENDER

Gender of Novartis US employees by job category



RACE/ETHNICITY

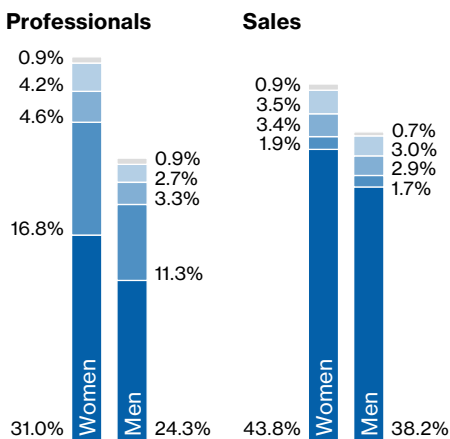
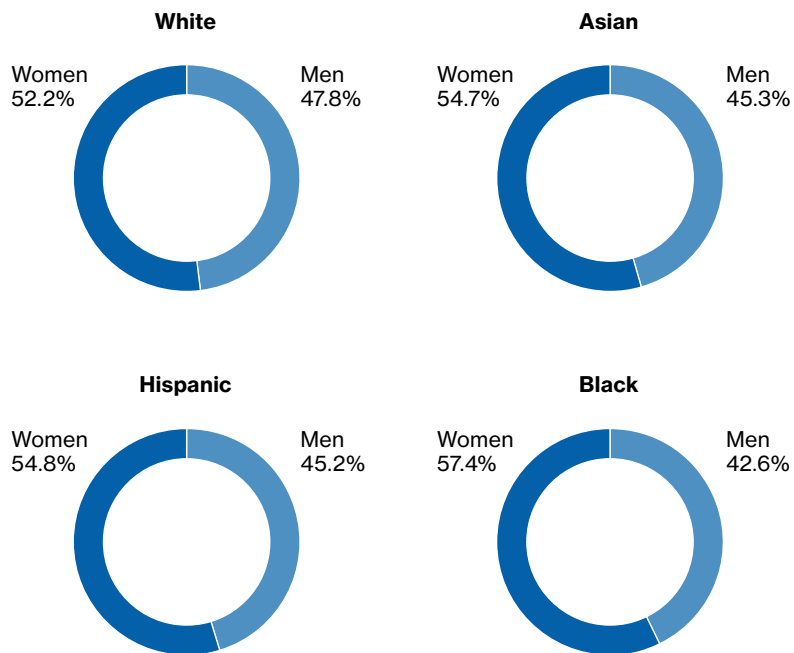
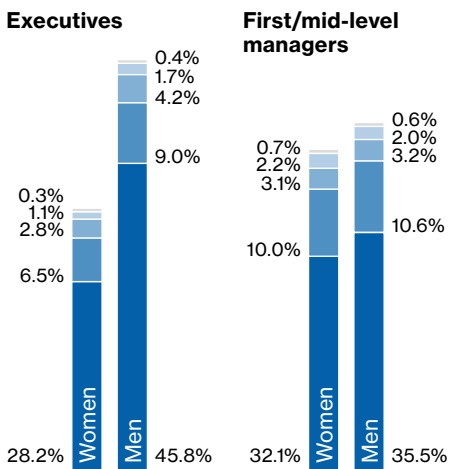
Race or ethnicity of Novartis US employees by job category



GENDER BY RACE/ETHNICITY

Race, ethnicity and gender of Novartis US employees by job category

Gender of all Novartis US employees by race and ethnicity – not divided by job category



■ White ■ Asian ■ Hispanic ■ Black ■ Others

US EQUAL EMPLOYMENT OPPORTUNITY COMMISSION JOB CATEGORIES

Executive/senior-level officials and managers are defined as VPs and above.

First/mid-level officials and managers are defined as all non-executive functional or people managers and supervisors.

Professionals are defined as non-managers whose roles typically require a bachelor's degree or equivalent – both exempt and non-exempt – excluding sales roles.

Sales workers are defined as all non-management sales positions.



Talent

At Novartis, we aspire to have an employee population that reflects the populations we serve in terms of the representation of women and people of color, particularly at the leadership level. To help us realize this important goal, we have designed and implemented a number of initiatives that already are yielding results.

Recruitment and retention

Diverse hiring panels and slates

In January of 2020, Novartis US implemented guidelines requiring gender and racial/ethnic diversity both in candidate slates as well as on the panels interviewing these candidates. Having diversity in both slates and panels is critically important to the success of this initiative. Since its launch fifteen months ago, more than 90% of our candidate slates are now gender diverse and more than 80% are diverse in their racial/ethnic representation.

In addition, Novartis hired a dedicated D&I talent acquisition team to help us identify and attract diverse talent to the company. Our Employee Resource Groups (ERG, discussed below) also play a vital role in our recruitment efforts.

Case study: Making a sales organization more diverse

In addition to corporate- and country-wide initiatives, individual business units at Novartis are embracing the benefits of diverse teams. In 2020, the Novartis sales organization for Cardiovascular, Renal and Metabolic (CRM) joined with our D&I talent acquisition team to develop and implement a comprehensive strategy to make the sales force more diverse and reflective of our customers and their patients. They used as their model a highly successful six-year old program that recruits military veterans for CRM sales positions.

CRM's Diversity Hiring Initiative takes a strategic and targeted approach to recruiting and developing talent. They work directly with a recruiter to put together diverse candidate pools and slates, in geographies across the country.

To assist in identifying new talent, CRM engages the company's ERGs, including the African Ancestry & Cultural Exchange, CapABLE (employees with visible and invisible disabilities), Chinese Cultural Community, Hispanic Latino Network, Military Affinity Group and Slavic Culture Club. They also leverage alumni networks from Historically Black Colleges and Universities. The program includes intensive training, mentoring and one-on-one engagement for participants.

Profile: Garrett Bryant

For Garrett Bryant, career advice always seemed to point in one direction. “People would always tell me I should go into sales,” he said. Today he is a Novartis virtual sales specialist based in Charlotte, NC. “I like connecting with doctors and other medical professionals who are directly helping patients,” he says.

After graduating in 2014 from North Carolina Agriculture and Technical University, one of the country’s Historically Black Colleges and Universities (HBCUs), Garrett began a career in healthcare. He held positions in manufacturing and customer service but really wanted to make the jump to sales, where he felt he could have the biggest impact helping people.

One day, a friend and former Novartis employee told him the company was actively looking for candidates to fill critical sales roles. Garrett was intrigued and learned about a Novartis program that hired graduates of HBCUs into sales positions. He applied and was accepted, joining the company at the beginning of this year.

Starting a new job in the middle of a pandemic has been a challenge, especially because so much of sales work requires face-to-face interaction. But Garrett jumped right in, immersing himself in intensive training in virtual sales as well as in the clinical profile of our product portfolio. “It’s been pretty intense since day one, but I get a high level of personal and professional support in the sales organization,” he says. “Novartis has a welcoming and family-oriented culture,



which I like, and also I can see plenty of opportunity here to grow and achieve my career goals.”



Profile: Ryan Demastus

When Ryan Demastus joined the Novartis sales force in 2015, he knew he was embarking on a very different journey than his previous nine-and-a-half year career in the Army. “I was used to highly structured environments in distant places like Korea, Iraq, Afghanistan and Kuwait,” he said. “Now I am

part of a three-person team supporting an important Novartis cardiovascular product in the Albany, Georgia, region, with a lot of autonomy and initiative in my work.”

Ryan credits his military service with helping him step confidently into a new role. “In the Army I learned how to adapt quickly to new situations, how to embrace different cultures and build trusting relationships between very different people, and how to function effectively as a team, thinking and operating as one,” he says. “I knew these skills would serve me well in my next career following the Army.” Sales seemed like a good fit for him, since he considered himself a “people person” who liked to channel his enthusiasm into something he believed in.

After being offered positions with many different companies, Ryan chose Novartis because of the company’s unique program that hires veterans without previous sales experience.

“I was impressed by the intensive training about the sales process as well as the products I would be supporting,” he says. “I also heard incredible stories about the difference our products were making in the lives of loved ones and friends, and that drove me even more to succeed.” Since joining the company six years ago, Ryan has been promoted twice and received three national sales awards.

Ryan credits mentors at all levels with helping him get off to a strong start in his sales career at Novartis. “People were so generous with their time and wisdom, and it made all the difference for me,” he says. Now he is working with colleagues to create a new mentorship program for future hires in the CRM sales force who are new to the pharmaceutical industry. “Mentoring and hands-on support will help ensure that people – including veterans – who join the sales organization will have the tools to reach their full potential here at Novartis,” he says.



Gender equity initiatives

In 2018, Novartis chose to directly challenge gender inequity by becoming the first pharmaceutical company to join the Equal Pay International Coalition (EPIC), a UN-sponsored initiative working to achieve equal pay for women and men worldwide. As a member of EPIC, we made a global commitment to achieve gender balance in management and further improve our pay equity and transparency processes by 2023. To date, we are making good progress toward this goal.

In 2020, the percentage of women in management globally at Novartis rose to 45%, and in the US the figure was slightly higher – 47.5%. To accelerate this momentum, we are pursuing various initiatives to improve gender balance. For example, our commitment to balanced candidate slates and interview panels is having a direct impact on the number of women joining the company. And in 2020, we launched a global Executive Sponsorship Program for

female leaders across five divisions to support our female talent in their career development. We are currently evaluating this program with a view toward expanding it going forward.

These initiatives build on ongoing company efforts to promote greater participation of women in leadership roles. They include Leading Up, a six-month development program specifically designed for emerging women leaders. Each participant engages in a comprehensive exploration of her career goals, personal development and the impact she has on the organization. A specific action plan is developed that focuses on development of important leadership skills and traits, including networking, persuasive communication and executive presence. Since the program's launch in 2008, 224 women have participated, with many moving into key leadership roles.

We also remain on track to meet our EPIC pay equity and transparency

commitments by 2023, both in the US and globally. In addition, in the US and several other countries, we no longer look at any candidate's prior salary when making internal and external offers, and we conduct regular pay equity analyses for each of our US-based companies and take remedial action as appropriate. In 2021, we are advancing pay transparency further by sharing with our employees their pay as compared to external benchmarks, and look to further expand this to internal benchmarks in 2022.

We have also adopted a number of family-focused initiatives that improve the lives of both women and men, such as Choice with Responsibility, which significantly increases flexible working opportunities and strengthens work-life balance, and our expanded Gender Neutral Paid Parental Leave, open to all employees globally, which provides a minimum of 14 weeks paid leave to all new parents following the birth or adoption of a child.

Fostering inclusion

Multicultural Engagement Program

In 2020, Novartis launched our Multicultural Engagement Program (MEP) to strengthen our inclusion efforts and ensure engagement – and improve retention – of ethnically and racially diverse employees. The one-year pilot program included African American/Black employees at the Associate Director and Director levels in the US Innovative Medicines organization. Participants were provided executive coaches, executive mentors and learning sessions to accelerate their personal and professional development and help prepare them for senior leadership roles in the company.

We are pleased with the results of the MEP pilot and are now expanding the program. More than 60% of the first class of participants have seen their careers advance, either through promotion or key assignments that strengthens their experience profile. Feedback has been extremely positive, with participants benefiting from network- and community-building along with direct, hands-on coaching, mentoring and sponsorship designed to further enhance personal development, professional development and leadership capabilities, and expand exposure and sponsorship across the organization. In 2021, the program was expanded to include Hispanic employees as well. We will stay involved with MEP participants for at least three years following their graduation, to track their careers and provide follow-up support.

MEP Profile: Charmaine Anthony

Charmaine Anthony is passionate about helping patients with sickle cell disease (SCD), an extremely painful and life-threatening blood condition primarily affecting individuals of African ancestry. As a Medical Science Liaison Director, supporting the Benign Hematology and Sickle Cell unit in the Novartis Oncology mid-Atlantic territory, Charmaine puts her extensive training as a pediatric sickle cell nurse practitioner and clinical educator to good use, helping healthcare providers understand SCD and make informed decisions on treatment options for their patients.

“One of the most important aspects of my job is making sure patients have access to therapies that can potentially benefit them,” she says. “SCD is a global disease and the majority of patients affected are in low-income and underserved communities. I am proud and humbled to do my part to advance education about the disease, reduce stigma and advocate for patients.”

Charmaine is also part of the first group of Novartis employees to participate in the company’s innovative Multicultural Engagement Program (MEP), which provides direct one-on-one coaching, training and executive mentoring for diverse talent, preparing them to assume critical leadership roles in the future. “MEP helped me grow personally and



professionally and acquire extremely valuable new skills,” she says. “The networking, mentorship and training opened my eyes to a leadership path forward for me, and also made me more confident and resilient.”

Charmaine received a promotion during the program and was one of the speakers at the graduation ceremony for the first MEP class. She remains an enthusiastic “ambassador” for the program. “This is a huge investment in people by Novartis and a commitment to helping employees realize their full potential,” she says.



Employee Resource Groups

Employee Resource Groups (ERGs) are employee-led groups that support our diverse and inclusive workplace at Novartis. Their activities align with our company purpose of reimagining medicine to improve and extend people's lives, and also with our US and global D&I priorities of Equity, Inclusivity and Society. ERGs play an important role in helping us live our values as a company, advance our business objectives, recruit and develop our talent, and increase employees' engagement.

There are currently 28 ERGs across Novartis US work sites totaling approximately 6 500 members. The groups are engaged in internal and external activities ranging from mentoring and networking, to developing programming for employees around heritage and special recognition months, to organizing community outreach events, includ-

ing underserved communities. Recently, Novartis D&I partnered with Public Affairs to connect several group Chairs with Members of Congress to discuss the value of ERGs to a global enterprise like Novartis and the positive role they play in furthering the company's D&I objectives and helping shape society.

For Melissa Patterson, co-chair of the PRIDE@East Hanover group for LGBTQIA+ employees at the company's East Hanover, New Jersey, US headquarters site, "ERGs are a great place to proactively further diversity and inclusion at Novartis and a community where we can share our own goals and needs in a safe and welcoming space." She notes that "ERGs can also foster allyship, which is so important to building broad support for D&I at Novartis." Executive Sponsors for PRIDE and other ERGs, as well as other company leaders, are all allies.

Teletha Brown, co-chair of the African Ancestry & Cultural Exchange (AACE) ERG, summarizes the value of ERGs in one word: community. "AACE provides opportunities to network and connect formally and informally, along with opportunities to give back to the community and provide information and resources to hundreds of colleagues across the organization," she says. For John Sun, lead of the Chinese Culture Community, "ERGs are a great platform to learn and expand our own leadership capabilities."





Societal impact

At Novartis, our commitment to furthering D&I extends beyond the workplace. We are also working to build a stronger, safer and more inclusive society. Through initiatives led by our company as well as the Novartis US Foundation, we are focusing on addressing persistent disparities of care that hit individuals, families and communities of color especially hard.

Meeting diverse patient needs

Novartis has a long history of pursuing novel treatments for diseases that affect diverse populations, including people in underserved communities and regions. We start by analyzing our early-stage pipeline to ensure our drug candidates have the potential to meet the needs of diverse groups, and continue this focus through the proof of concept stages and into later development.

Novartis also collaborates with other companies and organizations to support scientific research into genetic diversity. For example, in January 2021, Novartis and GlaxoSmithKline announced a joint effort to improve the efficacy and tolerability of current and future medicines among var-

ious African populations and those of African ancestry.

We also believe it is important to encourage diversity in science education to help build a broad-based talent pipeline in biomedical scholarship and training. In 2010, the Novartis Institutes for BioMedical Research established the Novartis PRISM (Postbaccalaureate Research InternShip & Mentoring) Program, targeting under-resourced recent college graduates – including women, first-generation college students, underrepresented minorities and others – from across the US and around the world.

Under the program, participants come to Novartis research facilities for intensive hands-on training, mentoring and development. Based on the ex-

periences of program alumni, PRISM participants have a high likelihood of successfully completing their studies and moving into meaningful careers in science and research.

Diversity in clinical trials

It is vitally important to have broad-based participation in pharmaceutical clinical studies, to help researchers find better ways to fight diseases, including those that disproportionately affect racial and ethnic minority groups. Currently, underrepresentation of diverse groups in clinical trials appears to be a key contributing factor to the disparity of care.

Novartis is active on a variety of fronts to further diversity and inclusion in clinical trials. For example, we are pur-

suings partnerships and other strategic relationships to enhance clinical trial accessibility and expand geographic reach. This includes exploring alternative recruitment models and aligning with trial centers and local hospitals in areas with diverse patient groups. Our goal is to increase our network of investigators and expand the overall number of locations offering trials.

In collaboration with physicians and clinical staff, we are also working to produce educational materials and toolkits to mitigate some of the attitudinal and language barriers to participating in clinical trials. In addition, we are incorporating the patient perspective to improve clinical trial designs, clinical trial access and participation, and recruitment, enrollment and retention of diverse populations. We are exploring ways to reduce practical barriers as well, such as transportation challenges and scheduling conflicts.

Separately, the Novartis US Foundation is committing USD 15 million to initiatives that address the vast underrepresentation of Black Americans, Native Americans, Hispanics, and other minorities in clinical trials.

Addressing disparities in care and health equity

Novartis believes an important way we can achieve greater health equity is to address persistent disparities in the way healthcare is approached, accessed and delivered. We are confronting these disparities in innovative ways, such as promoting greater diversity in pharmaceutical clinical trials (discussed above) and supporting education programs that raise awareness about diseases and treatments. Often, we work in partnership with patient and community organizations that share our commitment to health equity.

The Novartis US Foundation is very active in this effort as well, committing more than USD 12 million to promote greater health equity and lower barriers to care. These funds support projects like the Institute for Healthcare Im-



provement's Pursuing Equity Learning & Action Network, which brings together healthcare organizations to learn about and identify bias in the system. These learnings are used to shape policies to create more equitable care.

COVID-19 has shined a harsh spotlight on disparities of care and their impact on disadvantaged communities. The US Foundation's support of the New Jersey Primary Care Association's Telehealth Innovation Grant Program, initiated just before the onset of the pandemic, enabled five New Jersey Community Health Centers to rapidly launch telehealth services shortly after the pandemic began, ensuring continuity of care for some of the state's most vulnerable populations.

Education and awareness are an important part of our efforts to reduce disparities in care. For example, in 2020 Novartis launched The Legacy We Lead, a first-of-its kind community activation initiative that aims to stop the rise of cardiovascular disease mortality by rallying diverse stakeholders around

a pledge to lead a legacy of fewer lives lost to the disease. Working with advocacy groups and organizations like the Association of Black Cardiologists and the Black Heart Association, this initiative places special emphasis on raising awareness of the disproportionate impact of cardiovascular disease within Black and other minority communities.

Mentoring programs

For many years, Novartis has participated in mentoring programs designed to bring employee volunteers together with individuals who can benefit from direct, hands-on support. Since 2008, we have hosted a Disability Mentoring Day for New Jersey high school students as part of a nationwide initiative by the American Association of People with Disabilities to promote career development for students and job seekers with disabilities.

Novartis also invites New Jersey students in grades 8-12 from a wide range of cultural backgrounds to come to

our East Hanover campus for a three-day mentoring program focused on introducing them to the pharmaceutical industry and providing insights into various career opportunities. Launched in 1996, the Novartis Teen Corporate Mentoring Program has earned the praise of the New Jersey State Senate and General Assembly, which cited the program in naming Novartis the “Most Dedicated Mentor”. The program has been a huge success, inspiring many of the students to become first-generation college students.

Supplier diversity

Novartis believes that diverse suppliers provide unique expertise as well as innovative ideas, products and services to our businesses. Supplier diversity at Novartis has grown from a government reporting effort beginning

in the 1990s to a multifaceted initiative to include small and diverse suppliers in our extensive supply chain as a business imperative. Today, small and diverse companies deliver more than USD 400 million in goods and services to our company’s US operations.

Key to the initiative’s success is our focus on identifying, developing and mentoring small and diverse suppliers. Every year Novartis holds a Supplier Diversity Business Forum, where more than 100 strategically identified small and diverse suppliers meet with the US procurement team and others to learn about doing business with Novartis and the value of partnering with diverse companies. We are also aligned with five national and local business associations to help build capacity for small and diverse businesses through formal supplier mentoring programs.

External recognition

Our D&I achievements continue to be recognized outside the company. In 2020, we once again ranked among just seven companies in DiversityInc’s Hall of Fame, and also number one in our industry in the Refinitiv Diversity & Inclusion Index for the second consecutive year. In addition, we scored 100% on the LGBT Corporate Equality Index of the Human Rights Campaign and were named a Military Friendly Employer for 2020 by Victory Media, publisher of GI Jobs Magazine.





Case study: Addressing sickle cell disease

Novartis is pursuing a comprehensive approach to tackling sickle cell disease (SCD), a hereditary and life-threatening condition that causes ongoing vascular damage and repeated injury to blood vessels and organs. This lifelong illness – which disproportionately affects individuals of African ancestry and other people of color – often takes an extreme emotional, physical and financial toll on patients and their families. In the US alone, there are about 100 000 people living with SCD.

For more than a decade, Novartis has been seeking to better understand sickle cell disease and pursuing improved treatments for it. In 2019, the US Food and Drug Administration approved an important new Novartis treatment for SCD that is helping many patients.

We are also actively working to raise awareness about the condition and expand SCD patient access to treatment and care, partnering with patient groups and other organizations. In 2018, we joined with a number of patient advocacy organizations to launch Generation S, a national sickle cell storytelling project designed to encourage the SCD community to

break their silence about the impact and burden of the disease. Since the program's inception, people within the sickle cell community have shared more than 1 000 stories on the website, JoinGenS.com.

Novartis has also supported US nonprofits working with the SCD community as part of our STEP (Solutions to Empower Patients) Program. In 2019, we provided USD 250 000 in funding for innovative programs to help empower SCD patients with significant unmet needs to better navigate the healthcare system, and support them as they transition from pediatric to adult care. The diverse group of grant recipient organizations included patient advocacy groups and research institutions, reflecting the broad impact of the disease.

In addition, we are pursuing promising new pathways toward more effective treatments of SCD, including in the area of breakthrough gene therapies. In February 2021, we announced a collaboration with the Bill & Melinda Gates Foundation to discover and develop an accessible in vivo gene therapy for the disease. This agreement aims to address disparity in access to treatments and to prioritize populations and regions that bear the greatest burden of SCD.

Moving forward together

At Novartis, D&I is a constant work in progress, as we continue to seek new ways to make our company more diverse and inclusive and to help society move in a positive direction. We are con-

tinually assessing our progress toward achieving our D&I goals, and holding ourselves accountable to the highest standards. As we move forward, we are excited about the potential of our D&I

initiatives to continue to make a real difference for our employees and our patients, so that together we can discover more, reach underserved communities, and reimagine medicine.



