

Novartis Healthcare Private Limited

Corporate Social Responsibility Policy

This Policy provides guidance on the vision, principles and governance of Corporate Social Responsibility (“CSR”) initiatives to be implemented by the Company.

Our commitment: Improving health

We aim to improve the health of all people. Through our business, we make an important contribution to society, through our innovative healthcare products, targeting unmet medical needs.

CSR guiding principles:

Our Company's CSR efforts are at the core of our business and underscore our purpose of caring and curing.

- We apply our expertise in science and innovation to society's biggest health challenges.
- We take a long-term view and commitment to address health priorities where we can lead and make a significant impact.
- We are guided by a central philosophy and programs are conceived of and implemented where the required expertise and infrastructure is strongest.
- We apply business principles to investments — talent and capital — where the potential for joint value creation is the greatest; philanthropy plays a useful, but limited role.
- We understand that partnerships are key to success and improving health is a goal we share with all stakeholders including governments, international agencies, foundations and non-governmental organizations.
- We measure and communicate the results of our efforts and the impact on patient and societal health.

The focus areas of the Company's CSR program would mainly be on health, education and environment and sports. The CSR Committee may add other focus areas in compliance with Section 135 and Schedule VII of the Companies Act, 2013 (“Act”)

CSR governance:

- CSR is endorsed and ingrained at the highest level in our Company; it is central to how we run our business.
- The CSR Committee constituted by the Board of Directors will oversee our Company's strategy and governance of CSR. The details of the CSR Committee are as mentioned in Exhibit 1.

- The CSR Committee has taken on the mandate to advance strategy and programs in two key areas of CSR at Novartis: first, expanding access to healthcare and second, doing business responsibly. The CSR Committee will be responsible for administering the CSR activities in accordance with the directions laid down in the Act and the Rules for CSR promulgated thereunder, as in force from time to time.
- The CSR Committee will make recommendations to the Board on matters related to strategy, targets, policies, and stakeholder engagement in areas of CSR.
- The CSR Committee will formulate and recommend to the Board an annual action plan consisting of approved CSR projects for the year, the manner of their execution, modalities of fund utilization, implementation schedules, monitoring and reporting mechanism and details of impact assessment, if any and if applicable.
- Our Company's shared commitment to CSR rests with every Novartis associate. Across the Company, we aim for transparent reporting of annual targets and long-term objectives, as well as to incentivize management and associates to create sustainable value for Novartis in all areas of our business, including CSR.

Budgeting:

The overall budget for CSR shall be calculated as per the relevant provisions of the Act and the Rules promulgated thereunder, and shall be made available by the Finance function of the Company. The CSR Committee will allocate funds to individual projects within the overall budget.

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company and thereafter will be ploughed back into the projects or will be transferred to the unspent CSR account or to the fund specified under Schedule VII.

Any unspent CSR funds at the end of the financial year shall be allocated toward an ongoing project and will be transferred to the unspent CSR account or will be transferred to the fund specified under Schedule VII.

Any excess expenditure made over and above the prescribed CSR budget shall be utilized to set off the spending requirement in 3 subsequent years.

Identification of CSR initiatives:

Our Company aims to address needs of the community by adopting a long-term vision and commitment in areas where it has the ability to make a difference.

The CSR Committee shall identify projects that shall be implemented by the Company, taking into consideration the relevant portions of the Act as in force from time to time.

Execution of CSR initiatives and selection of partner(s):

The Managing Director of the Company shall be responsible for nominating one or more persons to lead the overall CSR initiatives of the Company, under the supervision and direction of the CSR Committee.

The approved CSR initiatives shall be implemented by the Company itself or through implementing partner(s) selected by the Company taking into consideration the eligibility criteria of the Act and any amendments introduced from time to time.

Evaluation, Monitoring and Reporting:

The CSR Committee shall set guidelines for each of the identified projects to ensure optimum results. Quarterly progress reports and an Annual project report shall be obtained from the implementing partner(s) with details of project activities completed, funds utilized and impact achieved.

The person(s) responsible for overseeing CSR initiatives at the Company shall prepare and submit an implementation report on a quarterly basis to the Managing Director. Reports for the quarter ending March 31, June 30, September 30 and December 31 shall be submitted within ten days of the quarter end in the format detailed as Exhibit 2 forming part of this policy.

The Managing Director shall circulate the quarterly report to members of the CSR Committee either at the CSR Committee or prior to / after the meeting using email or any other communication mode. The Chairman of the CSR Committee shall in turn update the Board on the status of the various CSR initiatives at each meeting of the Board.

The Directors' Report of the Company will include a section on CSR reporting as specified in the Companies (CSR Policy) Rules, 2021 and amended from time to time.

The CSR Committee Composition, CSR Policy, Approved CSR Projects (Exhibit 3) and Annual Report on CSR shall be displayed on the website of the Company.

Notes:

Approved by Board of Directors on September 30, 2014

*Reviewed and approved by the Board of Directors in its Meeting held on April 07, 2021
amendments effective from January 22, 2021.*

Exhibit 1

Composition of the CSR Committee

| Name of the Director | Category |
|-----------------------|---------------------|
| Mr. Sanjay Murdeshwar | Managing Director |
| Mr. Peter Kocur | Director |
| Mr. Naveen Gullapalli | Whole Time Director |

Exhibit 2

Quarterly Report Structure

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|---------|------------------------------------|--|--------------------------------------|------------------|---------------------------------|--|--|---|---|
| S. No . | CSR Project or activity identified | Sector in which the project is covered | Project Location: State and District | Project Duration | Amount Allocated (across years) | Amount spent during the reporting period | Cumulative CSR Spend up to the reporting period (across years) | Amount spent: Direct or through implementing partner(s) | Implementing Partner(s): Name and CSR Registration Number |
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Exhibit 3

List of Approved Projects for FY 2020-21

| CSR Project or activity | Focus Area | Description of the project |
|--------------------------------------|-----------------|---|
| Provision of Ration and Hygiene kits | Covid-19 Relief | Sanitation and hygiene kits were provided to front-line workers, the police and the army staff in the Maharashtra and Telangana. Dry ration kits were provided to affected backward communities in Odisha. |
| Establishment of a Covid-19 Ward | Covid-19 | The project involves establishment of a dedicated facility to provide care and cancer therapy to patients who develop COVID-19. This dedicated facility will not only improve the outcomes of COVID-19 patients but also impact other patients with cancer by allowing for timely admissions and initiation of therapy. |

| | | |
|---|-------------|--|
| Fighting NCD Project | Health | The project is aimed at reducing the dual disease burden among the urban poor of Mumbai with a focus on Malaria and Diabetes. Local health champions called as "Arogya Mitras" undertake awareness sessions and random blood sugar tests in six municipal wards of Mumbai. An eyecare pilot will also be initiated. |
| Mobile Medical Units (MMU) for screening of Sickle Cell Disease | Health | The project components include MMU based intervention for community-based screening of sickle cell disease, referral and connection of screened positive population with the health facility and health education and counselling on the disease in backward districts of Jharkhand and Chhattisgarh. |
| Migration of Leprosy Patients | Health | Three-year pilot to understand the impact of migration among people affected by leprosy and its consequences on treatment and other health seeking behavior in four states in India |
| Capacity building for non-profits | Health | Project aimed at building capacity for non-profits working in the healthcare space while leveraging skills and expertise of Novartis employees who work with the non-profits on short-term projects spread over two to three months. |
| Improving education in government schools | Education | The project provided students of government schools in Telangana with career counselling to enable them to make choices for further education. |
| Integrated Watershed Management Program | Environment | The program aims at inclusive development of villages by reinforcing the importance of watershed management program where land, plants, animals and human beings are interdependent and benefit in a sustainable manner. Water storage structures will be restored, along with certain Agri interventions such as tree plantation and soil health check-up in the selected need-based area of Telangana. |