

Novartis India 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 Company's CSR Program would mainly be on health, education, environment and sports. CSR Committee may add other focus areas in compliance with Section 135 and Schedule VII of the Companies Act, 2013.

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 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 Companies Act 2013 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.
- 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 Companies Act, 2013 and the Rules promulgated thereunder, and shall be made available by the Chief Financial Officer 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.

Identification of CSR initiatives and selection of partners:

The CSR Committee shall identify projects that shall be implemented by the Company, taking into consideration the relevant portions of the Companies Act, 2013 as in force from time to time.

Execution of CSR initiatives:

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.

Evaluation, Monitoring and Reporting:

The CSR Committee shall set guidelines for each of the identified projects to ensure optimum results. The person(s) responsible for overseeing CSR initiatives 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 1 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, 2014 and amended from time to time.

The CSR Policy and Annual Report on CSR shall be displayed on the website of the Company.

Exhibit – 1

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or others (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs subheads: (1) Direct expenditure on projects or program (2) overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency