

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.

Novartis’ purpose

To reimagine medicine to improve and extend people’s lives.

CSR guiding principles:

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

- We take a long-term view and are committed to address priorities where there is a need and we can 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 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 societal health.

The focus areas of the Company’s CSR program would mainly be on health, education, 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: health for all and environmental sustainability. 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.

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 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 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.

The Chief Financial Officer of the Company shall certify the utilization of the funds as approved by the Board of Directors of the Company.

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 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 a minimum twice a year to the CSR Committee in the format detailed as Exhibit 2 forming part of this policy. Additional updates will be provided when deemed necessary by the Managing Director or CSR committee.

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 August 19, 2014. Reviewed and approved by the Board of Directors in its Meeting held on May 10, 2018. Reviewed and approved by the Board of Directors through Circular Resolution, amendments effective from January 22, 2021. Reviewed and approved by the Board of Directors in its Meeting held on January 18, 2023.

Exhibit 1

Composition of the CSR Committee

| Name of the Director | Category |
|-----------------------|--------------------------------|
| Mr. Amitabh Dube | Member and Managing Director |
| Mr. Push Adhikary | Member and Director |
| Mr. Naveen Gullapalli | Member and Whole Time Director |

Exhibit 2

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 2022-23

| CSR Project or activity | Focus Area | Description of the project |
|---|------------|--|
| 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. |
| Tests for NCDs for urban slum communities | Health | This project aims to conduct HbA1c tests for those who have diabetes and lipid profile tests with the purpose of helping individuals manage their condition better, spreading awareness on the importance of regular testing and supporting beneficiaries with managing their condition independently. This will be done in the urban slums of Mumbai which is 118 community pockets from 6 municipal wards. |

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|---|-------------|--|
| 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 |
| Cancer awareness and detection programs | Health | The project proposes to mobilize socially and economically backward community members in the state of Telangana, especially women and create awareness of the causes and, symptoms of oral, breast and cervical cancer. |
| Integrated Watershed Management Program - Solakpally | 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 agriculture interventions such as tree plantation and soil health check-up in the selected need-based area of Telangana. |
| Integrated Watershed Management Program - Madhapur | 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 agriculture interventions such as tree plantation and soil health check-up in the selected need-based area of Telangana. |