



Novartis India Limited

Anti-Bribery and
Anti-Corruption Policy

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Anti-Bribery and Anti-Corruption Policy

Novartis India Limited

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1. Introduction

At Novartis India Limited, our purpose is to improve patients' lives by delivering trusted therapies, expanding access to quality healthcare, and creating enduring value for all stakeholders. Trust is the foundation on which we build our relationships with patients, healthcare professionals, business partners, governments, regulators, and the communities in which we operate. Bribery and corruption in any form erode that trust, harm patients and society, expose our people and our company to serious legal and reputational consequences, and are fundamentally incompatible with the Novartis Code of Ethics and our Values and Behaviors.

This Anti-Bribery and Anti-Corruption Policy (the "Policy") sets out the principles and minimum standards that every Novartis Subsidiary/Associate in India, and every third party acting for or on behalf of Novartis, must follow to prevent, detect and respond to bribery and corruption.

1.1 Purpose

The purpose of this Policy is to:

- Set out a clear, zero-tolerance position on bribery and corruption in all business dealings connected with Novartis;
- Support compliance with applicable laws, including the Prevention of Corruption Act, 1988 (as amended), the Bharatiya Nyaya Sanhita, 2023, the Prevention of Money Laundering Act, 2002, the Companies Act, 2013, the US Foreign Corrupt Practices Act (FCPA), 1977 and UK Bribery Act (UKBA), 2010, wherever applicable and other applicable anti-bribery and anti-corruption laws.
- Ensure alignment with industry codes relevant to our sector, including the Uniform Code for Pharmaceutical Marketing Practices 2024 (UCPMP) and the regulations of the National Medical Commission (NMC) governing the conduct of Registered Medical Practitioners.
- Define the commitments, risk areas, controls and responsibilities that enable Associates and third parties to recognize red flags and make the right decisions;

1.2 Scope

This Policy applies to all Novartis legal entity, divisions, functions and operations, and to all Associates regardless of level, location or tenure. It also applies, through appropriate contractual arrangements and due diligence, to third parties who act for or on behalf of Novartis, including but not limited to agents, distributors, contract sales organisations, consultants, service providers, clinical research organisations, suppliers, licensees and joint venture partners.

The Policy covers all interactions – direct or indirect – with Government Officials, Healthcare Professionals, Healthcare Organisations, patients, patient organisations, payers, customers, suppliers, and any other stakeholder whose decisions may affect Novartis' business.

1.3 Exceptions and Adaptations

No exceptions are permitted to the zero-tolerance commitments set out in this Policy. Procedural adaptations (for example, to monetary thresholds, approval workflows or documentation requirements) may be made only where they are stricter than, or fully aligned with this Policy.

1.4 Roles and Responsibilities

All Associates are responsible for:

- Reading, understanding and complying with this Policy;
- Completing mandatory anti-bribery and anti-corruption training;
- Identifying and escalating bribery and corruption risks in their day-to-day activities;
- Reporting, in good faith, any suspected or actual breach of this Policy.

People Managers are additionally responsible for:

- Setting the right tone, role-modelling ethical behaviour;
- Ensuring their teams understand the Policy and the specific risks in their area of work;
- Ensuring that controls are embedded and functioning in the processes they oversee;
- Responding appropriately to concerns raised and escalating them as required.

The Ethics, Risk and Compliance function is responsible for:

- Maintaining this Policy and aligning it with the applicable laws and codes;
- Providing guidance, training and advisory support to the business;
- Overseeing risk assessments, monitoring, controls testing and investigations;

Reporting on compliance with this Policy to leadership and, as appropriate, to governance bodies.

2. Our Commitments

2.1 Zero Tolerance to Bribery and Corruption

We do not tolerate bribery or corruption in any form. We do not offer, promise, give, request, agree to receive, or accept – directly or through any third party – anything of value with the intent or effect of improperly influencing a decision, obtaining or retaining business, securing an improper advantage, or rewarding improper conduct.

This commitment applies equally in the private and public sectors, and regardless of local practice, custom or the conduct of competitors.

2.2 Facilitation Payments

Novartis strictly prohibits facilitation payments – that is, small, unofficial payments made to secure or expedite a routine governmental action – in all circumstances. Under the Prevention of Corruption Act, 1988 (as amended in 2018), such payments are illegal in India, and no business justification, custom or local practice can override this prohibition.

2.3 Gifts, Meals, Travel and Hospitality

Gifts, meals, travel and hospitality may be legitimate ways to build business relationships, but they can also create, or appear to create an improper obligation. Associates must not offer, give, request or accept any gift, meal, travel or hospitality that:

- Is intended, or could reasonably be perceived as intended, to influence a business decision;
- Is given in cash, cash-equivalents (including gift cards, vouchers or similar instruments), or in the form of loans, discounts or personal services;
- Is extravagant, frequent, or disproportionate to the business context;
- Is offered or received in secret, outside normal business channels, or without proper documentation;
- Would breach the recipient's own organisation's policies or any applicable law or code.

All gifts, meals, travel and hospitality involving Novartis must be modest, occasional, transparent, properly approved in accordance with local procedures, and accurately recorded. Where the recipient is a Healthcare Professional, a Healthcare Organisation or a Government Official, the stricter requirements set out in Sections 2.4 and 2.5 apply.

2.4 Interactions with Healthcare Professionals and Healthcare Organisations

Interactions with Healthcare Professionals (HCPs) and Healthcare Organisations (HCOs) are central to our business. They must always be conducted with integrity, must have a legitimate scientific, educational or business purpose, and must never be used – or appear to be used – to induce, reward or influence prescribing, recommending, purchasing, dispensing, administering or supplying Novartis products.

Our interactions with HCPs and HCOs must comply with the Uniform Code for Pharmaceutical Marketing Practices, 2024 (UCPMP) and the National Medical Commission Registered Medical Practitioner (Professional Conduct) Regulations, 2023, in addition to this Policy.

2.5 Interactions with Government Officials and Public Servants

Interactions with Government Officials and public servants – including officials of public hospitals, regulators, tax and customs authorities, procurement officers, law-enforcement personnel, and elected representatives – carry heightened risk under laws.

Associates must:

- Ensure every interaction has a clear, lawful and documented business purpose;
- Treat physicians and other healthcare professionals employed by public hospitals or public health programmes as Government Officials, and apply the stricter of the HCP and Government Official standards;
- Obtain prior approval from the Ethics, Risk and Compliance function, in accordance with local procedures, before offering any gift, meal, hospitality, travel, sponsorship, grant, donation or other benefit to a Government Official;
- Never offer, promise or provide anything of value to a Government Official, directly or indirectly, to secure an improper advantage – including in connection with licences, approvals, registrations, inspections, tenders, pricing, tax assessments, litigation or investigations.

2.6 Patient Organisations and Patient Advocacy

Engagement with patient organisations must support, and must be seen to support, the independent voice of patients. Any funding, sponsorship, service agreement or in-kind support provided to a patient organisation must be transparent, have a documented legitimate purpose, comply with applicable laws (including, where relevant, the Foreign Contribution (Regulation) Act, 2010), and must never be used to influence the clinical, prescribing or purchasing decisions of patients, their families, HCPs or HCOs.

2.7 Sponsorships, Donations and Grants

Sponsorships, charitable donations, educational grants and research support can make a meaningful contribution to healthcare and society, but they can also be misused as a channel for improper payments. Associates must ensure that:

- Every sponsorship, donation or grant is supported by a legitimate purpose aligned with Novartis' mission;

- The recipient is a bona fide organisation, with appropriate legal status and a track record consistent with the intended purpose;
- There is no quid pro quo – express or implied – linking the contribution to prescribing, recommending, purchasing, dispensing, administering, supplying or formulary decisions;
- The contribution is approved through the applicable governance process, documented in a written agreement, and paid to the institution (not to an individual HCP);
- All applicable laws – including the Companies Act, 2013 (including the provisions relating to Corporate Social Responsibility), the Income-tax Act, 1961, and the Foreign Contribution (Regulation) Act, 2010, where relevant – are complied with.

2.8 Political Contributions

Novartis does not make political contributions – whether in cash or in kind, directly or indirectly through any third party, to political parties, party officials, candidates for public office, or organisations that are effectively controlled by them. Associates may not use Novartis funds, resources, premises, personnel or name to support any political campaign or party.

Personal political activity by Associates, in their individual capacity and in their own time, is their personal choice, provided it is lawful, does not involve Novartis resources, and is not presented as being on behalf of Novartis.

2.9 Third Parties and Business Partners

A significant share of bribery and corruption risk arises through third parties. Novartis can be held liable – under law, including Section 9 of the Prevention of Corruption Act, 1988, and under extra-territorial laws for improper conduct by third parties acting for or on its behalf.

Before engaging any third party who may interact with HCPs, HCOs, Government Officials or other stakeholders on behalf of Novartis, and on a continuing basis thereafter, Associates must ensure that:

- Risk-based anti-bribery and anti-corruption due diligence has been completed and documented;
- The engagement is supported by a legitimate business need, with clearly defined services and deliverables;
- Compensation is consistent with fair market value and the nature of the services;
- A written agreement is in place, containing Novartis' standard anti-bribery and anti-corruption representations, warranties, audit rights and termination rights;
- The third party has been made aware of – and, where appropriate, trained on – the Novartis standards, including this Policy;
- Performance is monitored, invoices are reviewed against deliverables, and red flags are promptly escalated.

2.10 Mergers, Acquisitions and Joint Ventures

Anti-bribery and anti-corruption risks must be specifically assessed as part of due diligence for any merger, acquisition, divestment, joint venture, collaboration or material investment. Post-closing, the Novartis ethics and compliance framework, including this Policy, must be integrated into the acquired or joint-venture entity within a reasonable period, with risk-based remediation and monitoring.

2.11 Books, Records and Internal Controls

Accurate books and records are a cornerstone of anti-corruption compliance. All payments, receipts, assets and transactions of Novartis – however small – must be recorded accurately, completely and on a timely basis, with sufficient detail to reflect their true nature and purpose, and must be supported by appropriate documentation.

Associates must not:

- Create off-book accounts, undisclosed funds or unrecorded assets;
- Record transactions in a false, misleading or incomplete manner;
- Use false invoices, inflated invoices, fictitious vendors, or sham consultancy or service arrangements;
- Structure transactions, split payments or use intermediaries to avoid controls, approvals or disclosure.

Internal controls over financial reporting and payment approvals must be designed, operated and tested to prevent and detect bribery, corruption and related financial misconduct.

2.12 Hiring and Human Resources

Hiring decisions – including the engagement of interns, consultants and contractors – must be based on legitimate business needs and objective qualifications. The hiring, or offer of employment, internship or other benefit, of a relative or close connection of a Government Official, HCP or other decision-maker must be reviewed and approved in advance by the Ethics, Risk and Compliance function, together with Human Resources, to ensure there is no actual or perceived improper advantage.

3. Risk Framework

Novartis operates a risk-based approach to anti-bribery and anti-corruption. The Ethics, Risk and Compliance function, working with the business, periodically assesses bribery and corruption risks across activities in India, taking into account factors such as:

- The nature of the counterparty (e.g. Government Official, HCP, HCO, patient organisation, commercial customer, supplier, distributor, agent);
- The nature of the interaction (e.g. tenders, pricing, licensing, approvals, promotional activities, scientific engagements, grants, sponsorships, donations, CSR);

- The use of third parties and intermediaries;
- The geography, channel and regulatory environment involved;
- Prior findings from monitoring, audits, investigations and SpeakUp reports.

The outcome of the risk assessment informs the design and prioritisation of controls, training, monitoring and assurance activities.

4. Monitoring, Audit and Controls

Compliance with this Policy is monitored through a combination of preventive and detective controls, including:

- Process-level controls embedded in the activities that present higher bribery and corruption risk (e.g. HCP engagements, sponsorships, donations, grants, tenders, third-party payments);
- Risk-based transactional monitoring and data analytics;
- Second-line compliance reviews and thematic assessments;
- Internal audit reviews and, where appropriate, external audits;
- Periodic certifications by business leaders on compliance with this Policy.

Findings are tracked to closure, with root-cause analysis and sustainable remediation.

5. Reporting Concerns and Non-Retaliation

Every Associate has a duty to raise concerns about any suspected or actual breach of this Policy. Concerns may be raised with:

- The Associate's line manager, HR Business Partner, or Legal contact;
- The Ethics, Risk and Compliance function;
- **Dedicated email:** ethics@nilpharma.co.in

Novartis does not tolerate retaliation – in any form – against any person who raises a concern in good faith, or who cooperates in an investigation. Any act of retaliation is itself a serious breach of this Policy, and will be treated accordingly.

6. Breach of this Policy

Breach of this Policy may expose Novartis, its Associates and its third parties to severe consequences, including criminal prosecution, civil penalties, debarment, reputational damage and loss of licences.

Associates who breach this Policy will be subject to disciplinary action, which may include termination of employment, in line with applicable law and internal procedures. Third parties who breach this Policy – or who

fail to comply with the anti-bribery and anti-corruption obligations in their agreements with Novartis – may have their engagements suspended or terminated, and may be reported to the relevant authorities.

7. Training and Awareness and Review

All Associates must complete the mandatory anti-bribery and anti-corruption training on joining Novartis and at the frequency defined by the Ethics, Risk and Compliance function. Additional role-based training is provided to Associates in higher-risk roles, such as those interacting with HCPs, HCOs, Government Officials, tender authorities, or third parties. Key third parties acting for or on behalf of Novartis are required to receive appropriate training or awareness communications, commensurate with their risk profile.

Review Frequency: Annual, or earlier on material change in applicable law, regulation, or enforcement guidance

8. Definitions

Anything of Value: Any item, benefit or advantage that has tangible or intangible value, including (without limitation) cash and cash-equivalents, gifts, meals, travel, hospitality, entertainment, sponsorships, donations, grants, fees, discounts, loans, employment or internship opportunities, business opportunities, and favourable terms or conditions.

Associate: Any employee, director, officer, intern, trainee or contingent worker of Novartis, regardless of level, function or location.

Bribery: Offering, promising, giving, requesting, agreeing to receive or accepting Anything of Value – directly or through a third party – with the intent or effect of improperly influencing a decision, obtaining or retaining business, securing an improper advantage, or rewarding improper conduct.

Corruption: The abuse of entrusted power or position for private gain, whether in the public or private sector.

Facilitation Payment: A small, unofficial payment made to a Government Official to secure or expedite a routine governmental action to which the payer is already legally entitled.

Government Official: Any officer or employee of a government (central, state or local) or of a government-owned or government-controlled entity (including public hospitals and public-sector undertakings); any person acting in an official capacity for or on behalf of a government or public international organisation; any political party, party official or candidate for political office; and any person performing a public function. HCPs employed by public hospitals or public health programmes are treated as Government Officials for the purposes of this Policy.

Healthcare Organisation (HCO): Any legal entity that is a healthcare, medical or scientific association or organisation (such as a hospital, clinic, foundation, professional association, university, research institution or medical society) or through which one or more HCPs provide services.

Healthcare Professional (HCP): Any member of the medical, dental, pharmacy or nursing professions, or any other person who, in the course of their professional activities, may prescribe, recommend, purchase, supply, dispense or administer a medicinal product or medical device.

Third Party: Any individual or entity that is not a Novartis legal entity, including (without limitation) agents, distributors, consultants, contractors, suppliers, service providers, contract sales organisations, clinical research organisations, licensees, collaboration partners and joint venture partners.

Reviewed by	Approved by
Name: Jason DSouza	Name: Bhagwat Deora
Designation: President – BD, IR	Designation: Chief Financial Officer