



Abbott India Limited

Corporate Social Responsibility Policy

(Required under the Companies Act, 2013 and Rules made thereunder)

Formulated and recommended by the Corporate Social Responsibility Committee (“CSR Committee”) on November 11, 2014 and approved by the Board of Directors of the Company at its meeting held on November 11, 2014

Amended at the CSR Committee meeting held on February 10, 2015 and approved by the Board of Directors on February 10, 2015

1. Policy Framework:

- 1.1 The President of India on August 29, 2013 provided assent to the Companies Act, 2013 (the “Act”).
- 1.2 Section 135 of the Act which stipulates the provisions relating to Corporate Social Responsibilities for companies was notified on February 27, 2014 and became effective April 1, 2014 (“CSR Provisions”). Abbott India Limited (“Abbott India” or “the Company”) falls within the scope of the aforesaid CSR Provisions.

2. Policy Statement:

- 2.1 At Abbott, we are committed to building awareness and improving diagnosis. With relentless focus and efforts, we strive to improve healthcare and drive awareness building and diagnosis improvement through education and diagnostic camps, addressing the need for better healthcare, diagnostic and sanitation facilities.
- 2.2 Through CSR, we work continuously towards health education, reaching out to the public at large through various channels. These initiatives are part of our continued focus and unflinching dedication to reaching out to the millions of unaware and unsuspecting patients.

3. Company Philosophy:

- 3.1 At Abbott, we believe that innovative, responsible and sustainable business plays an important role in building a healthy, thriving society. We leverage our knowledge of science and business acumen to provide lasting solutions to global health challenges. In India, the CSR philosophy of all of Abbott’s businesses, including Abbott India Limited, are aligned to Abbott’s Global Citizenship strategy, which is focused on responsible, sustainable and inclusive business, and addresses three priority areas that are most important to our stakeholders and to our growth:

- 3.1.1 **DELIVERING PRODUCT EXCELLENCE** - We are committed to continuously improve and innovate to address local and global health needs while ensuring high quality and manufacturing standards of our products.

- 3.1.2 **IMPROVING ACCESS** – We seek to work with all stakeholders to help ensure everyone can access and use our products and services improving health outcomes.
- 3.1.3 **SAFEGUARDING THE ENVIRONMENT** - We work to reduce our environmental impacts – from the sourcing of raw materials, to the manufacture and distribution of our products, to the use and disposal of our products by patients, consumers and health care providers.
- 3.2 As part of a global healthcare company, Abbott India continually strives to foster economic, environmental and social well-being as we pursue the work of discovering, developing, manufacturing and distributing products that enhance people’s health. Being a responsible corporate citizen extends beyond philanthropy. We apply our science, expertise and technology to address the urgent and unmet needs in our communities - often through collaborative partnerships. We seek to act responsibly in all of our markets on behalf of our patients, employees, consumers, customers, communities and all other stakeholders. Abbott India strives to implement sustainable practices to reduce the environmental impact of our products and operations. Every day, we put our unique talents to work toward building a strong business and a healthy, robust society.
- 3.3 In India, we intend to go about our work in a manner that is responsible, respectful and in keeping with the rich traditions of our operations in the country. At the same time, we look to leverage Abbott's global expertise and resources to steadily improve our product offerings in India, to make critically needed healthcare products and services accessible to more people and to maintain the highest standards of quality and safety. Dialogue and engagement also are vital to ensure our CSR strategy resonates with key external and internal stakeholders. Listening to our stakeholders and responding thoughtfully to their concerns and ideas is vital to our progress as a corporate citizen.

4. Normal Course of Business for the Company:

- 4.1 Abbott India’s core business is to manufacture, market, sell and distribute pharmaceutical products. Abbott India is one of the leading pharmaceutical companies in India. The Company provides quality healthcare through a mix of global and local products which directly impact the life of the common person in India and believes in enhancing shareholders/stakeholders value.

5. Scope of CSR for the Company

- 5.1 Projects undertaken by the Company over and above normal course of business and within the ambit of core areas are classified as CSR activities/projects.
- 5.2 Corporate Social Responsibility Projects (“CSR Project”) shall mean and include all programs, projects, activities, health camps, contribution to relief funds, charitable donations, and education grants, sponsorships that contribute to the overall sustainable development of local communities and thereby helps in welfare of the society at large.

6. CSR Governance

6.1 The Company has, in compliance with the CSR Provisions, constituted, the CSR Committee comprising of following Directors:

Mr Munir Shaikh (Chairman)
Mr Anil Joseph
Ms Anisha Motwani
Ms Shalini Kamath
Mr Rajiv Sonalker

6.2 The terms of reference of the CSR Committee shall include the following:

6.2.1 To identify the Corporate Social Responsibility projects/activities/ programs to be undertaken by the Company ("CSR activities"), in alignment with Schedule VII of the Act.

6.2.2 To formulate the Corporate Social Responsibility Policy ("CSR Policy") interalia, to include the CSR activities, specify the modalities of execution, implementation schedules and recommend the same to the Board of Directors

6.2.3 To recommend to the Board of Directors the amount of expenditure to be incurred on the CSR activities, for each financial year of the Company

6.2.4 To devise suitable transparent monitoring mechanism for monitoring progress/ status of implementation of the CSR activities

6.2.5 To monitor CSR Policy from time to time and revise the same as and when needed

6.2.6 To carry out such other functions, as may be prescribed by the Act or CSR Rules or as may be delegated by the Board, from time to time

6.3 The CSR Committee, in compliance with the statutory provisions and in terms of its Terms of Reference has formulated this Corporate Social Responsibility Policy on November 11, 2014.

7. Core CSR areas identified by the Company for CSR ("CSR Areas")

7.1 Section 135 of the Companies Act, 2013 and Rules made thereunder stipulates that the CSR Projects must fall within the purview of Schedule VII of the Act

7.2 In accordance with the statutory requirements and keeping the Company philosophy at priority, the CSR Committee identified the following thrust areas in line with our CSR goals:

7.2.1 Enhancing access to healthcare across the country for a healthy society; conducting wellness camps for improving lives of the underprivileged community.

7.2.2 Charitable donations and educational grants for serving the underserved sections of society;

7.2.3 Reaching out to Government to advance sound public policy and expand patient access to healthcare;

- 7.2.4 Disease awareness projects/activities that support for subsidised screening and treatment;
- 7.2.5 Product donations through trusted partners in the context of Abbott's global policies and international standards;
- 7.2.6 Extending support to various NGOs through monetary grants for education healthcare and livelihood of underprivileged children and women;
- 7.2.7 Environment protection measures;
- 7.2.8 Such other projects that fall within the purview of the activities included in Schedule VII of the Companies Act, 2013 and Rules made thereunder, as amended from time to time

8. Budget Allocation:

- 8.1 The Company will allocate minimum 2% of the average net profits for the preceding three financial years, for achieving its CSR objectives through spending in CSR. CSR Projects will be identified by the Company and approved by the CSR Committee and Board of Directors.
- 8.2 Proposals received from various agencies such as NGOs / Govt. / Semi Govt. / Peoples' representatives/ Trusts/ Societies/ CPSEs/ in-house ("Executing Partners") meeting the prescribed criteria under the Companies Act, 2013 and Rules made thereunder, shall be evaluated by the CSR Committee and amount as agreed by the CSR Committee, out of the annual budget, will be allocated for such activities which shall be executed in project mode.
- 8.3 Total spend on CSR Projects are inclusive of the administrative cost associated in implementation of CSR Project
- 8.4 Separate account will be maintained for actual spending on each of such CSR Projects.
- 8.5 Any surplus/benefit arising out of the approved CSR Projects will also be allocated to CSR Projects only. The Company will ensure that any surplus/ benefit, if any arising out of the CSR Projects shall not form part of the business profits of the Company

9. Identification and Implementation Process:

- 9.1 CSR Projects will be identified to the best possible extent within the ambit of the identified CSR Areas. Appropriate Need Assessment analysis will be done by the concerned functional heads.
- 9.2 CSR Project as may be identified will be required to be put up to the CSR Committee of the Board and the same shall be approved by the Board of Directors of the Company.
- 9.3 For each of the CSR Projects, the time period/duration of completion, purpose of Project, nature of spending, extent of coverage, modalities of execution and implementation schedules will be decided and approved in advance by CSR Committee.
- 9.4 CSR Projects can be undertaken through Executing Partners.
- 9.5 CSR Committee shall have absolute discretion to identify and recommend CSR activities/projects to the Board. The Committee shall allocate necessary funds to these

projects/activities. It shall also have powers to classify or ratify any of the ongoing projects/activities as CSR for the purpose of this Policy and submit the same to the Board for approval. CSR Committee can pass circular resolutions to approve any CSR related matters, on an urgent need basis, as and when required.

- 9.6 Any deviation from the approved activities, change in implementation timelines of the Project or change in intermediaries or any increase in total amount allocated shall be immediately reported to and approved by the CSR Committee and the Board of Directors of the Company.

10. Monitoring Mechanism

- 10.1 For ensuring effective implementation of each of the CSR Projects, suitable monitoring mechanism will be put in place.
- 10.2 A cloud-based IT platform will be used to track and monitor projects in real time.
- 10.3 For each CSR Project, timelines will be devised at the beginning of each such project.
- 10.4 Designated team will circulate Report on progress on each CSR Project at the regular intervals determined by the CSR Committee.
- 10.5 Appropriate documentation of each CSR Project, Executing Partners, and expenditure entailed will be undertaken on a regular basis and placed before the CSR Committee regularly at its scheduled meetings.
- 10.6 Project Completion Report will be prepared and submitted before the next CSR Committee meeting held after completion of each CSR Project.
- 10.7 Annual CSR Projects undertaken by the Company will be reported in the Annual Report of the Company.

Version: 1.1

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