

Fortis Healthcare Limited



Corporate Social Responsibility Policy

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BACKGROUND

Fortis Healthcare Limited (hereinafter referred as “Fortis”/ “Company”) is a health services company.

Fortis has grown from its first hospital in Mohali, established in 2001, to more than 45 healthcare facilities located across India and today also spans across allied healthcare verticals such as diagnostics, primary care, day care specialty besides hospitals.

Operating under the stated Vision of ‘Saving & Enriching Lives’, the organization has identified *patient centricity, integrity, teamwork, ownership and innovation* as its core operating Values.

Further in providing guidance on its conduct, the Company has chosen to articulate the following, amongst others, principles under its Code of Conduct–

- Conduct our operations in an honest and fair manner with integrity and openness;
- Respect human rights, dignity and legitimate interests of all individuals directly and indirectly associated with us;
- Provide a safe, healthy work and business environment to all persons directly and indirectly associated with us; and
- At all times ensure conduct, which sustains, enhances the global reputation and image of the organization.

In the context of the above and in order to bring clarity to its position vis-à-vis social activities, the company now wishes to formally communicate its position as a member of the community and establish for both internal and external stakeholders, its philosophy, guiding principles and areas of focus that it would as an organization seek to promote in the arena of Corporate Social Responsibility (CSR).

This document is in keeping with the current maturity of the organization and is expected to evolve with the growth of the organization, dynamic needs of society and the community in which the company operates.

This policy is a forward-looking aspirational document, which establishes the parameters and foundation upon which the CSR initiatives would be built:

- a. under the leadership and direction of the Company’s Board;
- b. with active participation of its Senior Leadership and all Employees; and
- c. in partnership under a spirit of “togetherness” with any such partner who shares a common vision and objective of making a positive impact on society, and wishing to leave this world and humanity in a better place than the one we inherited.

PHILOSOPHY

Fortis believes and strives towards a healthier humanity.

Fortis believes in sustainable development, growing our business in a socially and environmentally responsible way, while meeting the legitimate interests of our stakeholders.

Fortis believes it, along with all its employee members, is an important participant of society and as such has an obligation to participate and drive social change not only in the areas of its competence but also in such which impact its existence and sustainability.

Fortis believes in taking an active role and responsibility in empowering communities in which it operates through social development initiatives which drive positive change and support its objective in improving and sustaining the health and wellbeing of humanity.

Fortis's CSR aims at being linked to sustainable development; economic, social and environmental requirements of society as a whole and of future generations.

OBJECTIVE

As a healthcare provider, Fortis through this Policy and its initiatives under CSR aims at:

- Creating and driving positive impact and outcomes in social development;
- Working to increase expertise and advances in healthcare capacity building to serve society and the community it operates in and through their help improve the health and quality of life;
- Improving access to basic healthcare facilities for economically weaker sections of society and at times of disaster;
- Building awareness on health issues;
- Sustainable investment towards fulfilling its obligations as a member of society and enhancing its relationships with all its stakeholders and communities including its employees; and
- Fulfilling its social responsibilities alongside its normal business activities.

As stated earlier, our policies and objectives will evolve, and over time harmonize our long term and short-term goals in CSR. Our ultimate goal is to wholesomely and positively impact the communities we are associated with irrespective of linkage to our core operating areas of healthcare delivery. In the short term and consistent with that view we propose to utilize and leverage our competencies and work in areas associated with healthcare.

APPLICABILITY

This policy is applicable to Fortis and all its subsidiaries, subject to applicability of Section 135 of the Act read with relevant rules made thereunder and formal adoption by the respective Board of Directors of respective subsidiaries.

In an effort to maximize the impact of CSR activities as undertaken under the present policy, it is the stated intention to align such programs of group companies either by designating the Fortis identified vehicle as their special designated vehicle/s for CSR or by having them contribute and participate in the established programs.

It is the stated intention of Fortis also to align and partner with external partners in the true spirit of “togetherness” to maximize the impact and contribution to social development and change. In that regard while this Policy may provide a foundation and context for such alignments, the scope of this Policy is not meant to restrict opportunities for any such alliance which can be structured to meet the needs of the partner and its objectives.

LEGISLATION

While this Policy is the stated position of the Company in the area of CSR and finds its independent justification under the Philosophy and business objectives of the organization, it also has linkage to the regulatory requirements as prescribed under the Companies Act, 2013 and Rules established thereunder.

In that context the CSR Policy is aligned and subject to the following legislations and rules established thereunder:

1. Section 135 of the Companies Act, 2013;
2. Companies (Corporate Social Responsibility Policy) Rules 2014;
3. Companies (Corporate Social Responsibility Policy) Amendment Rules, 2014
4. Companies (Corporate Social Responsibility Policy) Amendment Rules, 2015
5. Companies (Corporate Social Responsibility Policy) Amendment Rules, 2016
6. Companies (Corporate Social Responsibility Policy) Amendment Rules, 2018
7. Schedule – VII of the Companies Act, 2013;
8. Companies (Amendment) Act, 2017; and
9. General circulars/notifications as issues by the Ministry of Corporate Affairs from time to time, *including:*
 - ⇒ *Circular dated June 18, 2014, January 12, 2016, May 16, 2016 and May 28, 2018 issued by Ministry of Corporate Affairs*

DEFINITION

1. "Act" means the Companies Act, 2013 (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force);
2. "Average Net Profit" means the profit calculated in accordance with the provisions of Section 135(5) of the Act.
3. "Company" means Fortis Healthcare Limited.
4. "CSR Committee" means the Committee as constituted by the Board of Directors of the Company in compliance with Section 135 of the Act and rules made thereunder;
5. "Net profit" means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:-
 - i) any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
 - ii) any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act:

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956, shall not be required to be re-calculated in accordance with the provisions of the Act.

6. "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
7. "Rules" includes the Companies (Corporate Social Responsibility Policy) Rules, 2014 or amendments thereof and any other relevant and applicable rules.
8. "Turnover" means the gross amount of revenue recognised in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by a company during a financial year.

Words and expressions used and not defined hereinabove but defined in the Act and / or Rules shall have the same meanings respective assigned to them in the Act and / or Rules, as the case may be.

POLICY STATEMENT

As a responsible company, saving and enriching lives, improving and managing the health of its customers and serving the community all converge to define the purpose of Fortis's core business.

Drawing from its vision and mission statement, through CSR Fortis seeks to proactively engage with society by working with communities to improve their well-being in a compassionate and sensitive manner. Fortis seeks to bring focus to community welfare in Healthcare.

Within this overarching Policy, the company will implement its CSR initiatives, under the following principles:

- Adopt "*Mother & Child*" as the primary focus for CSR intervention. Starting with healthcare, over time the areas could include education, environment and capacity building for sustained wellbeing.
- The initiatives will be targeted to the needs of the "disadvantaged, vulnerable and marginalized"¹ sections of society
- Efficiency, sustainability and relevance will be driving principles of all programs.
- Inclusive and collaborative participation (internal and external) would form the base of all CSR initiatives and programs. Includes the creation of employee engagement opportunities to support, encourage and embed social consciousness and develop a feel good factor in their professional life
- Build and leverage partnerships with likeminded Individuals, Corporates and Institutions for achieving positive change.

DELIVERY ORGANISATION

The composite CSR work, defined under the Framework of this Policy, may be done through:

1. Designated special purpose vehicle/s assessed as being competent to deliver expected outcomes and capable of being so designated under applicable regulations.
2. Fortis CSR Foundation - a Section 8 Company and a wholly owned subsidiary of the Company and / or
3. Point of Care Delivery Locations including Fortis Hospitals, Clinics and other establishments of the Company

¹ National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (MCA July 2011) Guiding Principle 4.

Cumulatively the objective would be to ensure compliance with Section 135 of the Companies Act 2013. Besides the same and to specifically clarify, the Company either by itself or in partnership with others may also initiate or continue to pursue such other social improvement initiatives whether fallen in areas or subjects specified under Schedule VII of the Act or not.

PROGRAMS

S.No.	Programs	Scope Applicability
1.	Education and Awareness	<ul style="list-style-type: none"> • Promoting preventive healthcare • Building a repository of health awareness and education content • Building relevant channels for communication of such content • Promoting public policy platforms to highlight health related issues.
2.	Target (Mother and Child) Centric Intervention Programs	<ul style="list-style-type: none"> • Promoting preventive healthcare • Design and execute intervention programs in areas assessed for impact where timely intervention can allow for a near normal return to health for recipient. • Rehabilitation programs to help medically assisted children enter back into society.
3.	Improving Access to Basic Healthcare Facilities	<ul style="list-style-type: none"> • Measures for improving access to basic healthcare facilities for socially and economically backward groups • Running Preventative and Diagnostic health check camps to raise awareness and ensure an early diagnosis. • Develop and support technology platforms that help improve access to basic healthcare services. • Support
4.	Disaster and Emergency Medical Assistance	<ul style="list-style-type: none"> • Help the public efforts in preparing for and responding too disaster situations with medical aid. • Promote training in basic and advanced life support. • Assess and equip trained people for timely response to medical emergencies • Develop and support technology platforms that support first responder programs
5.	Capacity Building in the arena of Health	<ul style="list-style-type: none"> • Employment enhancing Vocational skills • Livelihood enhancement • Empowering women • Promoting preventive healthcare • For armed forces veterans, war widows and their dependents • Rural development projects

The above list is illustrative and not exhaustive – the CSR Committee is authorized to consider activities that may or may not fall in this list and also consider the activities which may be specified by the Ministry of Corporate Affairs from time to time under the areas or subjects specified in Schedule VII of the Act in exercise of its power under Section 135 of the Act. All activities under the CSR activities will be environment friendly and socially acceptable. In order

to drive focus and maximize impact it is advisable to concentrate activities around 2 or 3 key areas.

Further, it is hereby undertaken that the surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

ROLES & RESPONSIBILITIES

Operational responsibility to the CSR Programs resides with the Company's Senior Management, championed and lead by the CSR Lead.

Others listed below are expected to give their full co-operation in ensuring that the company implements the approved annual plans, complies with any relevant change in legislation, meets new CSR requirements and identify areas in need of improvement.

A. The Board

- Constitution of the CSR Committee;
- Approval of the CSR Policy considering recommendations of CSR Committee; and
- Ensure that the activities as included in CSR Policy are undertaken by the Company
- Support the CSR Policy implementation by giving it visibility under adequate, timely and impactful communication

B. CSR Committee

- Formulation and recommendation to the Board, of a CSR Policy;
- Recommendation of CSR activities / programs to be undertaken by the Company under the Policy; reviewing and approving the annual budget thereon; and
- Monitoring the execution and adherence to the CSR Policy and annual plans on a continuous basis; and
- Institutionalizing a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

C. The Management

- Recommend the Annual Operating Plan (AOP);
- Propose the annual budgets (long term and short term);
- Report to CSR Committee as per the approved schedule; and
- Create CSR reports to be presented to the Board.

D. CSR Lead

- Formulate and propose the strategy for CSR activities as per the company's philosophy (in alignment with statute) and otherwise;
- Design and propose CSR Programs

- Design and propose the structure to support the designated SPV / Fortis CSR Foundation
- Ensure execution of CSR projects/programs as per the approved plan;
- Identify, build and leverage external partnerships towards common objectives in the arena of CSR
- Liaison with eligible agencies for smooth implementation of initiatives; and
- Supervise and manage the CSR teams and inter-dependencies in the area of CSR
- Report progress to Management and the CSR Committee
- Create project application and reporting formats.
- Create visibility of the policy and implemented initiatives

SOURCE OF SUPPORT

Financial Support:

- Allocation of budget on annual basis by the company
- Contributions from the employees and stakeholders
- Corpus contribution by the company
- External contribution from partners and stakeholders

Personnel Support

- Company employees as volunteers
- External volunteers
- Other like-minded corporates aiming to create a positive difference in the society

MONITORING

1. CSR activities will be monitored by the CSR Committee under a reporting and review structure created and approved by it.
2. The designated SPV / Fortis CSR Foundation, supported by a third Party Eligible Agency / Entity, wherever required, will prepare and submit report(s) periodically to the CSR Committee highlighting the outlays and outcomes of the programs/projects in specific details for review by the CSR Committee.
3. The Board of Directors of the Company will periodically review the reports of CSR Committee of the Company on implementation of CSR programs / projects.
4. The CSR Committee will evaluate, review, approve and monitor CSR projects on a Cost Benefit and Impact Analysis. The proposal would include details to the amount of financial involvement, indirect costs impact, detailed project report and plan.
5. External help for the development and execution of such programs may be sought per scale and need determined by the CSR Lead.

Apart from above mentioned reports, the designated SPV / Fortis CSR Foundation/ Third Party Eligible Agency/ Entity may also be called to submit the following to the CSR Committee on regular intervals:

- a. A Feasibility and Impact Assessment of continuing a particular program implemented through an external agency or via the internal CSR delivery vehicle; and
- c. Periodical report(s) to CSR Committee highlighting the outcomes and challenges of the program/projects in specific detail along with a financial report.
- d. Utilization certificate with statement of expenditure duly certified by a Chartered Accountant will be submitted by the such organization(s) / agency (ies); and
- e. Confirmation to compliance to other legal and statutory requirements as necessary

REPORTING / DISCLOSURE

Apart from the reporting requirement as mentioned hereinabove in the Policy, following regulatory disclosure requirements also need to be complied in relation to CSR activities:

- Composition of the CSR Committee shall be disclosed in the Board Report;
- The Board Report shall include an annual report on CSR activities in prescribed format (by MCA) containing specified particulars;
- If the company fails to spend the prescribed amount, the Board shall, in its report specify the reasons for not spending the amount;
- The content of CSR Policy shall be displayed on the company's website; and
- A comprehensive annual CSR Report detailing the initiatives with relevant annexures and photographs along with account statement (all inclusive) may be created and communicated for internal company records.

REPORTING FORMATS & TEMPLATES

Format of Reporting for Directors' Report: As per **Annexure – 1**

KEY CONTACTS

Contact following for queries related to:

- a. CSR Policy: CSR Lead jasrita.dhir@fortishealthcare.com
- b. Compliance: Company Secretary / secretarial@fortishealthcare.com

Annexure I

FORMAT

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
 - a. Total amount to be spent for the financial year;
 - b. Amount unspent, if any;
 - c. Manner in which the amount spent during the financial year is detailed below:

S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs: (i) Local area or other (ii) Specify the state and district where the projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount spent on project or programs: Sub head: 1. Direct expenditure on project or programs; 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agencies*
1							
2							
3							
Total							

**Give details of implementing agencies.*

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/-	Sd/-	Sd/-
Chief Executive Officer or Managing Director or Director	Chairperson CSR Committee	Person specified under clause (d) of sub-section (1) of section 380 of the Act
		(Wherever applicable)