

Fortis Healthcare Limited



Corporate Social Responsibility Policy

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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.

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. "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
3. "Average Net Profit" means the profit calculated in accordance with the provisions of Section 135(5) of the Act.
4. "Company" means Fortis Healthcare Limited.
5. "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-
 - i. activities undertaken in pursuance of normal course of business of the company;
 - ii. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;

- iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
 - v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India;
6. "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;
7. "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:
8. "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.
9. "Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;
10. "Rules" includes the Companies (Corporate Social Responsibility Policy) Rules, 2014 or amendments thereof and any other relevant and applicable rules for the time being in force.
11. "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, the Company 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:

- 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 MECHANISM

Whilst a large part of the CSR efforts of the Company will be implemented by an in-house CSR department and/ or through several Society/ trust promoted by the Company, the Company may also partner with credible organizations – individually or as a consortium – to design, fund, implement and review projects, as permitted under the Act.

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.

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

PROGRAMS & PROJECTS

In terms of the CSR rules issued by the MCA, the Company will be focusing on undertaking the project /programs /activities listed below, as specified in Schedule VII to the Act excluding activities undertaken in pursuance of normal course of business of a Company:

- i. Eradicating hunger, poverty and malnutrition, “promoting health care including preventive health care” and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- iv. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- v. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows
- vii. training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- viii. contribution to the prime minister's national relief fund or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix. (a). Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

- (b). Contribution to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs) .
- x. rural development projects
- xi. slum area development.
- Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- xii. disaster management, including relief, rehabilitation and reconstruction activities.

The above list may also include the activities to 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.

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 and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy.

ROLES & RESPONSIBILITIES

Operational responsibility to the CSR Programs resides with the Company's Senior Management.

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;
- 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; Satisfy itself that the funds so disbursed have been

utilised for the purposes and in the manner as approved by it and ensure that administrative overheads, if any, shall not exceed five percent of total CSR expenditure of the Company for particular financial year; and

- In case of ongoing project, monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

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 continues basis; and
- Formulation and recommendation to the Board, an annual action plan in pursuance of CSR policy. Provided that, the Board may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

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.
- Chief Financial Officer or the person responsible for financial management shall certify to the effect that the funds disbursed have been utilised for the purposes and in the manner as approved by the Board.

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, if any, 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.

Apart from above mentioned reports, the designated SPV Third Party Eligible Agency/ Entity, if any, 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

IMPACT ASSESSMENT AND TREATMENT OF UNSPENT AMOUNT

IMPACT ASSESSMENT

The Company will undertake impact assessment from an Independent agency, if the average CSR obligation is Rs. 10 Crores (Rupees Ten Crores) or more in the three immediately preceding financial years, for its CSR projects having the outlays of Rs. 1 Crore (Rupees one crore) or more and have been completed more than one year before undertaking the impact study. The impact assessment reports, if any, will be placed before the Board and annexed to the annual report on CSR.

The Company may book impact assessment expenditure towards Corporate Social Responsibility, which shall not exceed 5% of the total CSR expenditure for that financial year or Rs. 50 Lakh (Rupees Fifty Lakh), whichever is less.

TREATMENT OF UNSPENT AMOUNT

If the CSR amount remains unspent in a particular financial year, the treatment shall be as under:

(a) In case unspent amount not relating to ongoing Project:

- The Board of Directors in their Annual Report pertaining to that particular Financial Year will specify the reasons for not spending the amount; and
- The unspent amount will be transferred to a Fund specified in Schedule VII, within a period of 6 (Six) months of the expiry of the said financial year.

(b) In case unspent amount relating to any ongoing Project:

- The unspent amount will be transferred to a special account titled “Unspent Corporate Social Responsibility Account” maintained with any of scheduled bank, within a period of 30 (Thirty) days, from the end of that financial year;

- Such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of 3 (Three) financial years from the date of such transfer; and
- Post completion of third year if any amount remains unspent, the same will be transferred to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

REPORTING FORMATS & TEMPLATES

Format for Annual Report on CSR activities shall be in such form as prescribed under the Act and rules framed thereunder or any amendments thereof for the time being in force.

AMENDMENTS

The Board of Directors of the Company shall have powers to revise/modify/amend this Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSR Committee to confirm to the revision/amendment, if any, made in the CSR Rules under the Act.