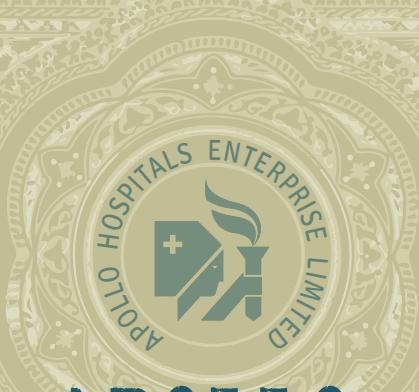


“ guardians of health and well-being ”



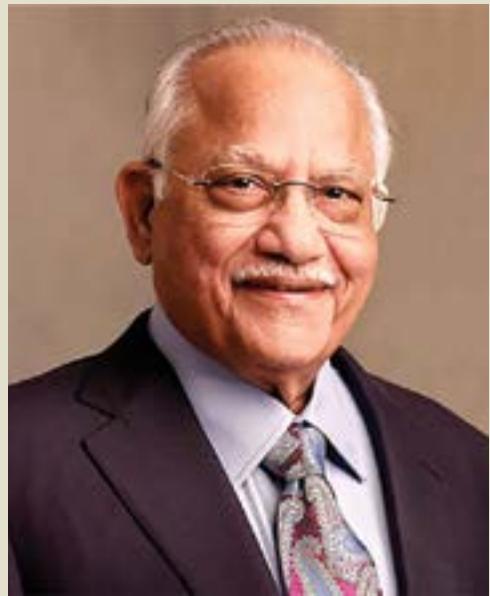
# THE APOLLO WAY

Apollo Hospitals Enterprise Limited



Business Responsibility Report  
2016-2017

## From the Chairman



*'Our mission is to bring healthcare of international standards within the reach of every individual. We are committed to the achievement and maintenance of excellence in education, research, and healthcare for the benefit of humanity.'*

Dear Shareholders,

We started our journey 34 years ago determined to build an institution that would offer to fellow countrymen, high quality healthcare at affordable prices right here in India. Healthcare that would be comparable to the best available in the West. I can look back today and say with satisfaction that we have accomplished that mission. We have earned the trust of millions of people over three decades at all our hospitals spread across the country. We have left no stone unturned during this time to provide them the appropriate care to ease their suffering and protect their well-being.

In a country like India where a large proportion of the population lives in rural towns and villages, innovation in healthcare delivery is critical. I have always said that the human body is priceless; that it is important to keep one's body healthy and pursue wellness in everyday life. In recent years, Non-Communicable Diseases have fast become a roadblock to wellness. This is India's biggest healthcare burden, and if neglected, can overwhelm the general population and become a severe threat to the country's productivity and socio-economic progress. As India's leading health services provider, we believe we have a responsibility in fighting this menace. We have already differentiated ourselves at every touch point

of the Patient Care cycle and our patient outcomes are comparable to the best in the world. We now want to revolutionize the healthcare eco-system through newer ways of reaching India's masses in order to put them on the road to wellness. We want to create and implement a strong digital strategy to enhance patient outreach and access, customer experience and loyalty. We want to deploy high-tech equipment to further improve outcomes while enabling patients to recover faster, thereby cutting short their stay in the hospital. We also want to strengthen consultant engagement, focus on specialty forays and achieve distinction through advanced medical treatments.

We have taken some steps in this regard. We have partnered with the State Government of Andhra Pradesh in a PPP model to set up 164 Electronic Urban Primary Health Centers that will address the healthcare needs of over 60,000 Panchayats. The first such center was set up in November 2016 and will enable poor and marginalized patients to access specialists through telemedicine facilities. We are making great effort to increase awareness in these areas for early detection and screening and have provided high quality diagnostic facilities in their own neighbourhoods. This first of its

kind initiative will leverage the benefits of digitalization of healthcare and render hope to rural India.

Moving forward with the conviction that our efforts at innovation, clinical expertise, medical excellence and tender loving care are not just restricted to treating a particular symptom, disease or patient but rather to holistically improving the overall health quotient of our patients, we have consolidated all our clinical assets in oncology into an independent integrated specialty practice under Apollo Cancer Institutes. These institutes will function from a common platform based on standard protocols which will ensure uniform quality of care for patients while elevating the track record and knowledge bank for specialists across the network. We are also now well poised to become the first provider of the revolutionary Proton Beam Therapy treatment for cancer cure in India. The machine is with us and we will launch the centre in 2018. This will serve patients in the UK, Europe, the Middle East, Australia, Singapore, Malaysia, and other countries in South and South East Asia, as it will be the only one of its kind in this region. This initiative exemplifies our Mission and our commitment to provide the best possible healthcare to put people on the road to recovery.

I would like to share with you our joy and pride in Apollo Hospitals, Greams Lane, Chennai receiving the #1 Top Super Specialty Hospital in India ranking in India, followed by Apollo Indraprastha, New Delhi, in the #2 spot. Our hospitals were also ranked #1 Multi Specialty Hospitals in Chennai, Hyderabad, and Bangalore. I am also pleased to state that Apollo Hospitals, Greams Lane, Chennai, won the best Multi-Specialty Hospital Megapolis in the country award at the ICICI Lombard & CNBC TV18 India Healthcare Awards 2016.

We launched our 480-bed hospital in Mumbai in November 2016. It is one of the most advanced Multi-Specialty Tertiary Care Hospitals in the region and effectively represents the final leg of our current expansion plan which has resulted in an increase of capacity by 30% with the addition of ~2,500 beds over the last 3 years. We are pleased to share that we have now crossed the milestone of 10,000 beds capacity across our pan India network. Our focus is to have a dominant market presence in all these locations over the next 2 years by delivering superior clinical outcomes and service standards.

Growth in our Healthcare Services has been led by strong momentum at several of the newer facilities as new hospitals have reported 51% growth in revenues on a year on year basis driven by strong growth in volumes.

The International Finance Corporation, Washington DC, along with its associates acquired a 29% stake in Apollo Health and Lifestyle Limited (AHLL). AHLL will expand its network of clinics, cradles and diagnostics centers all across India. It has recently introduced clinics specializing in stroke and elder care, setting new path breaking trends in the retail health landscape.

The Standalone Pharmacy business revenues grew by 24% with EBITDA growth at 53%. Last year we added 285 stores and closed 55 stores for a net addition of 230 stores. The total number of stores in our network is now 2,556 on a pan India basis.

Despite some external setbacks, the group had another good financial year with consolidated annual revenues growing 17% to ₹ 73 billion and consolidated net profits of ₹ 2 billion. Consolidated EPS for the year stood at ₹ 15.9. We are happy to declare a dividend of ₹ 6 per share for the fiscal year 2017.

Our journey is not yet over. We have a long way to go to achieve our vision of bringing quality health care to India's masses. But I am confident that we have made a good start and our fundamentals are robust enough to deliver that goal.

I thank you all for the trust you have reposed in our hospitals and thank each and every stakeholder for their continued support in our journey.

I wish you and your families all the very best of health and wellness.

With warm personal regards,

**Dr. Prathap C Reddy**  
Executive Chairman  
Apollo Hospitals Group

## About Us

**A**pollo Hospitals Enterprise Limited (AHEL) founded by Dr. Prathap C. Reddy is widely recognised as the pioneer of private healthcare in India. We have a total of 10,084 beds across 70 hospitals (63 through wholly owned/subsidiaries/JVs/Associates and 7 under management contracts & franchise arrangements) under our management apart from operating 2556 pharmacies. We also provide projects and consultancy services to third party organizations. We are headquartered in Chennai with a pan India presence in addition to facilities and telemedicine units overseas.

Over 33 years ago when Apollo Hospitals was first conceptualized, the vision was to make it a multi-specialty institution, capable of providing integrated care to Indians for all health problems – high quality outstanding care right here in the country at affordable Indian prices. The aim was to make the multi-specialty a Centre of Excellence where the deep knowledge and skills of an expert doctor fraternity could be harnessed, and patients treated with a loving, healing touch. 33 years on, this still remains our driving principle.

We put ourselves at the cutting edge of healthcare delivery innovation in order to make 'every patient interaction clinically and experientially wonderful' starting with early and expert diagnosis. We harness the latest technology in delivering care; from around the world, we bring the best minds in medicine together in a world class environment to find antidotes for peoples' suffering - be it through a procedure, surgery, or change in lifestyle. Whether through our clinics, birthing centres or pharmacies, be it via Personalized Health Checks, tele-medicine, or eDocs, we put the patient at the core to put them on the road to wellness. Through pathways and protocols, clinical excellence, uncompromising and superior quality standards, experienced doctors and caring nurses, we are committed to protecting the well-being of generations of people here in India and in the rest of the world.

Over the past three decades the Apollo Hospitals group has forged a transformative journey in the Indian healthcare sector, with the adoption of clinical excellence standards, acquiring international quality accreditations like JCI and monitoring adherence to global best healthcare practices. Our group has also pioneered the Tender Loving Care (TLC) concept through which hospital processes are continuously improved to ensure maximum patient centricity.

### The Apollo Way of Life



In medicine, experience is the most important contributing factor for superior clinical outcomes. Medical practice is referred to as practice for this reason, as doctors acquire superior knowledge and mastery of this field through years of practice which exposes them to varied clinical situations and problems, honing their clinical prowess with time. Experience of a healthcare institution comprises of the years of actual practice of medicine by its doctors and supporting staff; their exposure to a large number of cases which directly depends on the footfalls received by any healthcare provider over a long period of time.

In the Indian healthcare ecosystem, Apollo Hospitals Group is the only corporate healthcare provider with experience of more than three decades

### FY17 at Apollo Hospitals

"The highest rated hospitals in the US are also likely to be high-volume institutions"—*US News and World Report*. Our FY17 statistics demonstrates our volumes and vast experience in healthcare.

<b>400,000+</b>	<b>In Patient Admissions</b>	<b>14,000</b>	<b>Neuro Surgical Operations</b>
<b>3,500,000+</b>	<b>Out Patients</b>	<b>190</b>	<b>Bone Marrow Transplants</b>
<b>300,000+</b>	<b>Preventive Health Checks</b>	<b>5,600+</b>	<b>Total Joint Replacements</b>
<b>60,000+</b>	<b>Cardiac Procedures</b>	<b>1,250</b>	<b>Solid Organ Transplants</b>
<b>50,000+</b>	<b>Chemotherapy Sittings</b>	<b>900+</b>	<b>Robotic Surgeries</b>
<b>150,000</b>	<b>Radiotherapy Sessions</b>		

**We have touched patients from 121 Countries and earned the trust of over 45 million patients over 34 years**

Skills and knowledge constitute expertise. In a hospital setting, expertise represents the collective skills and knowledge of all care givers.

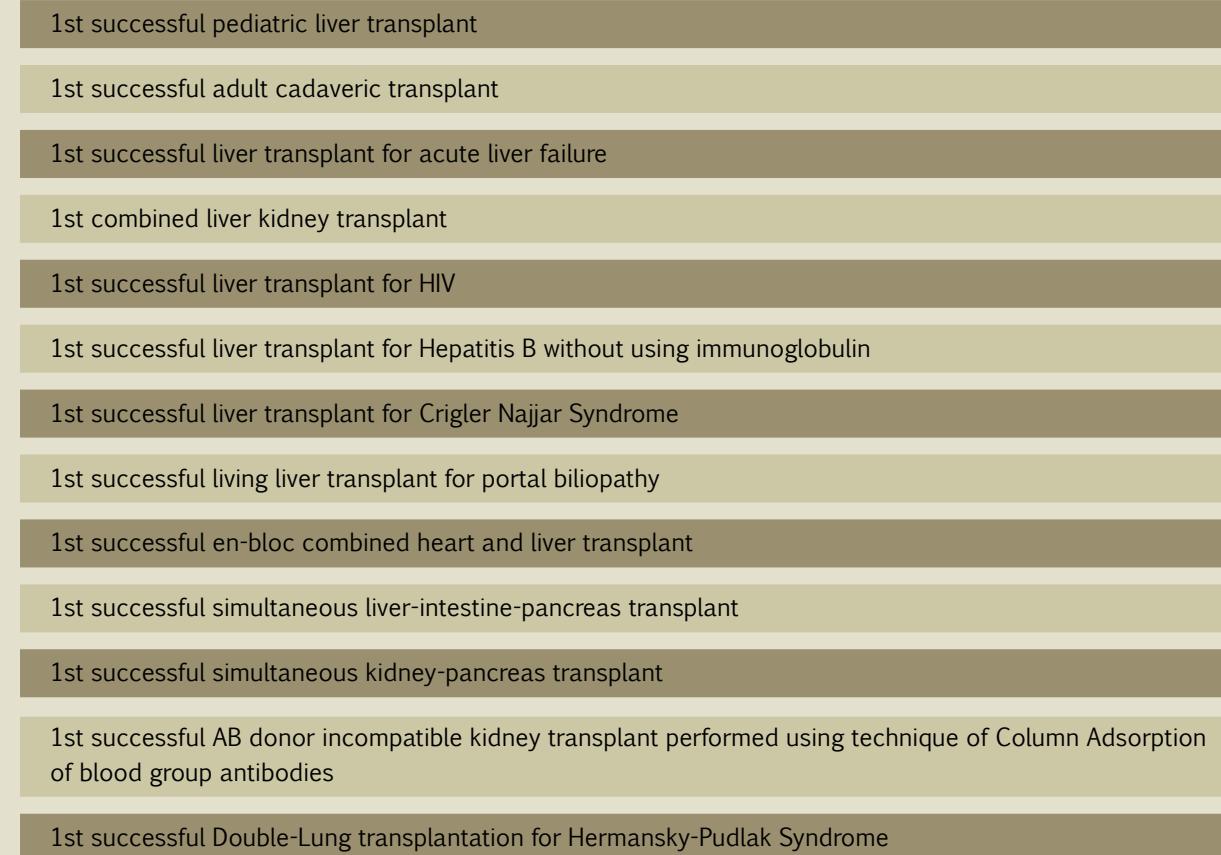
The Apollo Hospitals Group has a remarkable pool of eminent clinicians who come from a varied background – reputed overseas institutions, top academic centres, premier public hospitals and those trained within the Apollo system. The unique Apollo milieu gives clinical teams an unmatched edge as specialists with exposure to large volumes, rare, complex and difficult cases support each other in a spirit of multispecialty collaboration to achieve the best clinical outcomes.

The Apollo Hospitals Group promotes the acquisition of new skills and augmentation of knowledge for clinicians to enhance their expertise.

1. Apollo Hospitals has 55 specialties covering the complete spectrum of care. To give one example, in Neurosciences, the subspecialties are: neurology, pediatric neurology, stroke services, neurosurgery, pediatric neurosurgery, neurophysiology, interventional neuroradiology and functional neurosurgery (deep brain stimulation).

2. The expertise available at the Apollo Hospitals Group has over the years resulted in the emergence of an institution which can treat all conditions from a normal delivery to an en-bloc transplant.
3. Excellent coordination between the clinical specialties, laboratory and radiology services, facilitates multidisciplinary care for complex cases.
4. Multispecialty multidisciplinary collaboration has resulted in several firsts in India.

In Transplantation, for example:



5. To provide clinicians with the latest equipment, Apollo has invested in state of the art technology over the years.

Novalis CLINAC 600 SR Gamma knife Cyber knife  
3T MRI  
640 slice CT PET-CT PET-MRI Telemedicine eICU

Dedicated stroke units Air ambulance TrueBeam  
Robotics

6. Clinical expertise is supplemented by expertise across healthcare services – specialised nursing, physiotherapy, rehabilitation and dietetics.

## Centres of Excellence

### Apollo Heart Institutes

Over 170,000 cardiac surgeries

99.6% success rate in cardiac bypass

Introduced off-pump & beating heart surgeries

### Institutes for Orthopedics

TKR, Ilizarov procedure and hip resurfacing- high success rate

Congenital spine problems, ceramic coated knee replacements

### Institutes of Neurosciences

Transsphenoidal surgery for pituitary tumors, spinal fusions, x-knife for fractionated treatment of benign and malignant tumors

Supported by modern neuro radiology services, neuro-intensive care facilities and oncology services

### Emergency

Well-equipped ambulances

Air ambulance services for remote areas

Effective communication system between ambulances and emergency facilities

### Cancer Institutes

First in India to introduce Stereotactic Radiotherapy and Radiosurgery for cancer treatment

Introduced the most advanced Cyberknife Robotic Radio Surgery System in Asia Pacific Region

First in India to introduce Proton Beam Therapy

### Institutes of Transplant

1,250 solid organ transplants during FY 2016-17

Services offered include liver and kidney transplants, heart transplants, intestinal & GI transplants & paediatric transplants

### ICU Management

Infection control protocols developed jointly with intensivists and anesthetists

Standardized procedure for clinical handover

**Section A: General Information about the Company**

CIN	L85110TN1979PLC008035
Name of the Company	Apollo Hospitals Enterprise Limited
Registered Address	No. 19, Bishop Gardens, Raja Annamalaipuram, Chennai – 600 028
Website	www.apollohospitals.com
E-mail ID	investor.relations@apollohospitals.com
Financial Year Reported	2016-17
Sector(s) that the Company is engaged in (industrial activity code-wise)	Healthcare Sector
List three key products/services that the Company manufactures/provides (as in the Balance Sheet)	Healthcare services Drugs & Medicines
Total Number of locations where the business activity is undertaken by the Company	AHEL's business operations are spread across various locations in India. AHEL's business activities includes operating hospitals and pharmacies and it has a presence in Chennai, Hyderabad, Bengaluru, Mumbai, Aragonda, Bhubaneshwar, Bilaspur, Karur, Karaikudi, Madurai, Mysore, Nashik, Nellore, Trichy and Visakhapatnam.
Markets served by the Company	Apollo has an international hospital located in Dhaka. India, Bangladesh, Africa and Burma

**Section B: Financial Details of the Company**

Paid up Capital (INR)	₹695.63 million
Total Turnover (INR)	₹64,417 million
Total Profit After Tax (INR)	₹2,851 million
Total Spending on Corporate Social Responsibility (CSR) as a percentage of Profit After Tax (%)	3.06%
List of Activities in which CSR expenditure has been incurred	1. Rural Development 2. Education 3. Healthcare and 4. Research in Healthcare

**Section C: Other Details**

Does the Company have any Subsidiary Company/Companies?	Yes. The details of subsidiary companies are available in the Annual Report FY 2016-17 (please refer page 59).
Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Companies:	Subsidiaries maintain policies relevant to their business operations. However, AHEL always encourages its subsidiary companies to run their businesses in a socially and environmentally responsible manner.
Do any other entity/entities (e.g., suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity /entities? [Less than 30%, 30-60%, More than 60%]	No. However, AHEL intends to extend its applicable environment, social and governance policies to cover major stakeholders.

**Section D: Business Review Information**

1. Details of Director/Directors responsible for BR	DIN Number	00001873										
Name	Name	Smt. Suneeta Reddy										
Designation	Designation	Managing Director										
Telephone number	Telephone number	+91-44-28290956										
E-mail ID	E-mail ID	suneetareddy@apollohospitals.com										
2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)												
S. No	Questions	Business Ethics P1	Product Responsibility P2	Well Being of Employee P3	Stakeholder Engagement P4	Human Rights P5	Environment P6	Public Policy P7	CSR P8	Customer Relations P9		
1	Do you have a policy/policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y		
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y		
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	AHEL conforms to the following national and international standards:		1) NVG Guidelines issued by the Ministry of Corporate Affairs, GOI 2) Environment and Social Guidelines issued by IFC. 3) Quality of healthcare guidelines issued by JCI and NABH. 4) Environment Guidelines as per ISO 14001 and Ministry of Environment and Forest.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Yes, all the policies have been approved by the Board.										
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes, the Board has nominated a Director to oversee the implementation of the policy.										
6	Indicate the link for the policy to be viewed online?	<a href="https://www.apollohospitals.com/apollo_pdf/code-of-conduct-directors.pdf">https://www.apollohospitals.com/apollo_pdf/code-of-conduct-directors.pdf</a> <a href="https://www.apollohospitals.com/apollo_pdf/code-of-conduct-sm.pdf">https://www.apollohospitals.com/apollo_pdf/code-of-conduct-sm.pdf</a> <a href="https://www.apollohospitals.com/apollo_pdf/whistle-blower-policy.pdf">https://www.apollohospitals.com/apollo_pdf/whistle-blower-policy.pdf</a> <a href="https://www.apollohospitals.com/apollo_pdf/csr-policy.pdf">https://www.apollohospitals.com/apollo_pdf/csr-policy.pdf</a> <a href="https://www.apollohospitals.com/apollo_pdf/board-familiarisation-policy.pdf">https://www.apollohospitals.com/apollo_pdf/board-familiarisation-policy.pdf</a>										

S. No	Questions	Business Ethics P1	Product Responsibility P2	Well Being of Employee P3	Stakeholder Engagement P4	Human Rights P5	Environment P6	Public Policy P7	CSR P8	Customer Relations P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?									
	The policies have been formally communicated to internal and external stakeholders. It has been communicated to the external stakeholders through <a href="http://www.apollohospitals.com">www.apollohospitals.com</a>									
8	Does the Company have an in-house structure to implement the policy/ policies?									
	Yes, we have a well defined governance structure with clear roles and responsibilities within the organization.									
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?									
	All the policies have been formulated in consultation with various stakeholders, however the Company plans to carry out an internal/external assessment in due course of time.									
2a.	If answer to Section 2 against any principle, is 'No', please explain why: (Tick up to 2 options) –									
	Not Applicable									
3.	Governance related to Business Responsibility (BR)									
1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year									
	The Board of Directors assess the BR performance of the Company annually.									
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?									
	Annually. <a href="https://www.apollohospitals.com/apollo_pdf/brr-2017.pdf">https://www.apollohospitals.com/apollo_pdf/brr-2017.pdf</a>									

## Principle 1: Ethics, Transparency and Accountability

As we continue to grow and evolve to meet the needs of our consumers one thing that has not changed in the last 30 plus years, is our adherence to the highest ethical standards. Corporate governance has a broad coverage and encompasses how an organization is managed, its corporate and other structures, its culture, its policies and strategies and the way it deals with its various stakeholders. It embraces authority, accountability, stewardship, leadership, direction and control exercised within the organization.

Our Hospitals are founded on a commitment to ethical principles, transparency, and leadership in applying the highest standards of corporate governance in our day to day operations and in creating long term sustainable value for all our stakeholders including our shareholders, patients, employees, and the communities we operate in. High standards of corporate governance, we believe is key to our strategy and future growth and will always remain the bedrock of our business.

**Our sound governance practices which are underscored by strong accountability and have effective oversight by our Board members. They percolate to every level of the organization right from the very top starting with our diverse Board of Directors.**

Our governance structure is robust. Our policies are transparent with systems and processes that support strong internal controls. On-going oversight by the Board members, and periodic review of our strategy and policies by the Board of Directors, ensures that all systems are working well and that we are compliant with all applicable laws, rules and regulations. We have a sound and effective risk management framework which the Board also reviews on a periodic basis to ensure we are well prepared to face various risks inherent in our business.

### Organizational / Governance Structure

The Board of Directors consists of a combination of executive and Independent Directors who provide leadership and strategic direction to our business. All sub-committees of the Board as required under statutory regulations & guidelines have been constituted by the Board to facilitate smooth & efficient review of governance, and ensure effective flow of the decision-making process. Our Board of Directors plays a pivotal role in the implementation of sound and ethical principles across the organization and in ensuring integrity and transparency in the Company's dealings with its stakeholders.

To increase the efficiency and effectiveness of governance, board members have been designated into various committees - the Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Share Transfer Committee, Stakeholders Relationship committee, Risk Management Committee and the Investment committee. These specific functions come under the purview of the concerned board members who have oversight on its workings.

### Our Code of Conduct

Our Code of Conduct for Board Members and Senior Management Personnel sets forth the standards by which we conduct our business. The Code, which has been approved by the Board, covers a range of subjects from the use of funds to conflict of interest. It also covers systems and processes for proper operation of internal controls for the organization, general moral imperatives, specific professional responsibilities, and additional duties / imperatives for Board Members and Senior Management

Personnel. The Code is founded on our core principle of maintaining the highest standards of ethics in conducting our business; it takes into account our business performance and the impact we make on the larger society.

The Company Secretary has been appointed as the Compliance Officer and is responsible for ensuring adherence to the Code by all concerned individuals. All members have affirmed compliance to the Code during the reporting period. Besides being available on our website, copies of the Code are circulated to all individuals concerned.

The Code of Conduct can be referred to at

[https://www.apollohospitals.com/apollo\\_pdf/code-of-conduct-directors.pdf](https://www.apollohospitals.com/apollo_pdf/code-of-conduct-directors.pdf) and  
[https://www.apollohospitals.com/apollo\\_pdf/code-of-conduct-sm.pdf](https://www.apollohospitals.com/apollo_pdf/code-of-conduct-sm.pdf)

#### Conflict of Interest

A conflict of interest is a transaction or arrangement that might benefit the private interest of a board member or employee. Identification, resolution and striving for avoidance of a situation that can give rise to a conflict of interest is critical for good governance and maintaining trust in organizations.

At AHEL, the Code of Conduct has specific clauses, adherence to which ensures nil cases of conflict of interest. Steps taken to avoid and manage conflict of interests at the Board level include:

- Directors give the disclosure of their concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals by giving a notice in writing and the same is put up to the Board. In case a Director is directly or indirectly interested in a particular agenda/ matter, he abstains himself from participation in the discussion of such agenda item.
- Related party disclosure(s) is made as per the applicable Accounting Standards as well as under the Companies Act, 2013 and Rules made thereunder.
- As per the requirement of the Companies Act, 2013 and Listing Agreement, approval of the Audit Committee and/or Board and/or Shareholders as required is taken for Related Party Transactions.

#### Risk Management

Our Risk Management strategy seeks to identify, assess and prioritize risks (the effect of uncertainty on our business objectives), followed by effective steps to minimize, monitor, and control the probability and impact of negative events, and to maximize the realization of opportunities.

Risk management is one of the key aspects of Corporate Governance. Most prominent of these is the Organization of Economic Co-operation & Development (OECD) principles of corporate governance and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 21 of which integrates risk management to corporate governance. In compliance with the Companies Act 2013, the Board of Directors has developed and implemented a risk management policy to identify critical risks which may impede the functioning of the Company.

While it may be impossible to eliminate all risks, we take utmost care to mitigate and reduce our risk exposure as best as possible. As part of our risk management approach and also in pursuance to the requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Risk Management Committee. We have also developed a robust Business Risk Management framework to identify and evaluate business risks & opportunities. This framework seeks to create transparency, minimize adverse impact on our business objectives and enhance the Company's competitive advantage.

The business risk framework defines the risk management approach across the enterprise at various levels. The framework has different risk models which help in identifying risk trends, exposure and potential impact at a Company level as well as for individual business segments.

#### Internal Control Systems and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit function carries out risk based auditing as per the annual audit plan approved by the Audit Committee.

The Internal Audit function audits financial, commercial, technical and other business activities of the Company besides reviewing the adequacy of internal control systems and risk management framework. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

#### Ethics and Integrity

**At AHEL, we believe the best way to build and to maintain trust is to conduct every aspect of our business according to the highest standards of ethics and integrity, the cornerstones of performance and sustainability.**

We therefore believe in adhering to all applicable statutes in letter and spirit and endeavor to adopt best practices that go beyond adherence of statutory frameworks to bring transparency and accountability in all facets of our operations. We have thus developed and implemented internal controls at all levels of the organization.

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has formulated internal procedures for Prevention of Insider Trading in dealing with the securities of AHEL. The Company also ensures that all applicable rules, regulations, laws and bye-laws, are adhered to.

#### Anti Corruption and Bribery

Besides strengthening the risk management framework and building strong internal controls, AHEL also has a robust vigilance mechanism with which to curb corrupt practices that may arise in the course of its business for which we have zero tolerance.

In addition to the Code of Conduct, the Company also has a Whistle Blower policy ([https://www.apollohospitals.com/apollo\\_pdf/whistle-blower-policy.pdf](https://www.apollohospitals.com/apollo_pdf/whistle-blower-policy.pdf)) in line with the requirements of Section 177 of the Companies Act, 2013. The policy enables all employees to report to the Company management, concerns of unethical behavior, actual or suspected, fraud, or violation of the Company's Code of Conduct without fear of reprisal or victimization. Our intent behind the whistle blower policy is to identify potentially serious concerns which could have a long-term impact on the operations and performance of AHEL.

#### Grievance Redressal

Founded on our core organizational values, AHEL is committed to transparency in all its operations and in the services it provides in accordance with the highest standards of corporate governance and business

ethics. However, if due to any unpreceded reason, stakeholders find that there is / are reason(s) to improve, they are encouraged to report the same.

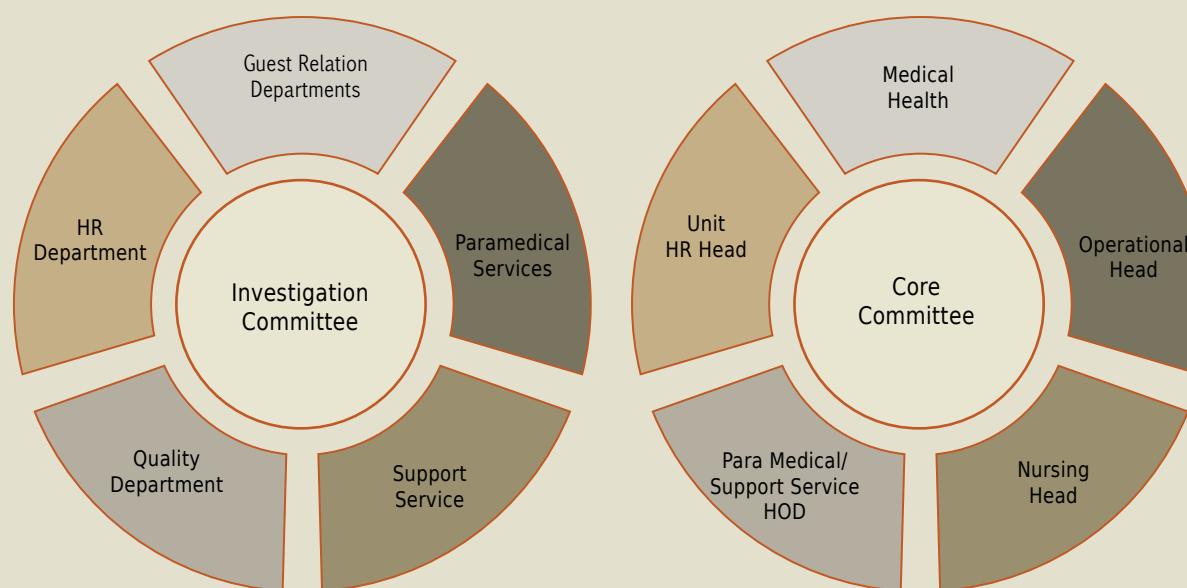
The 'Stakeholders Relationship Committee' formulated by the Company, specifically looks into issues such as redressal of shareholders' and investors' complaints; transfer of shares; non-receipt of shares; non-receipt of declared dividends; expeditious share transfers; and the redressal of the grievances of deposit holders, debenture holders and other security holders. The status on complaints and share transfers is reported to the Committee periodically.

AHEL consciously aims to provide a supportive and enabling work environment for its employees to keep them motivated and immune to disruptions that may de-motivate them. The Company has in place an Employee Grievance Redressal System (EGRS) to primarily address all concerns and grievances from employees. The underlying purpose behind this system, is to quickly identify, address, and resolve employee grievances and to support a robust organizational framework which can successfully anticipate, identify and set right flaws in the operational procedures and services of AHEL. The investigating committee and the core committee play a vital role in ensuring the effectiveness of the EGRS system.

In the financial year 2016-17 we have provided services to around 4 million patients. The feedback of our internal and external stakeholders is important for us to strengthen the relationship with the stakeholders. During the year more than 95% of the consumers'/stakeholders' concerns/complaints were resolved. We also received 251 concerns/complaints from our shareholders and all of these concerns have been resolved. This is testimony that we look at and take up all complaints conscientiously and meticulously work on resolving them on a priority basis.

Our commitment to the best practices of corporate governance, our dedication to the areas of sustainability, ethics and fiscal transparency, and our relationship with our shareholders is the hallmark of the Apollo Way and has helped us earn the trust of the community.

#### Departmental & Unit Representatives



## Principle 2: Product Life-Cycle Sustainability

At AHEL we are conscious of and care about the potential impact our operations may have on the environment and on people's health. We have consequently implemented safeguards at every stage in the life cycle of our products and services which we examine every year to ensure they are working as needed. Each year, we also evaluate, monitor and seek to reduce waste from our operations. We have undertaken several initiatives for the reduction of energy and water consumption to conserve and protect the environment.

We also have a Sustainable Sourcing and Purchase Policy to ensure good Environmental, Social and Governance (ESG) practices in our entire value chain. The focus is on conducting business in an ethical manner and abiding by all legal and regulatory requirements and other applicable best practices. All our purchases and contracts are executed in compliance with our procurement policy. We endeavour to develop the capacity of local suppliers while ensuring there is no compromise on quality so as to promote local sourcing and reduce our carbon footprint.

The 'Guiding Principles' of our Sustainable Sourcing/Purchase Policy include the following:

#### Enable high patient care standards

To procure quality goods and services which enable the highest standards of patient care.

#### Encouraging Competitive Process

To support and encourage meaningful participation of suppliers in a competitive process prior to the establishment of a business relationship or the awarding of contracts.

#### Process for awarding contracts

Founded on the highest standards of professionalism and ethical conduct, to invite tenders or proposals to help a choice for award of a purchase order or contract. The process of competitive bidding, negotiation and the awarding of contracts will be made without bias and the most appropriate for the related requirement will be chosen. The process will be auditable.

#### Risk Management

Transparent risk management policies which can reduce or mitigate business risks and potential internal and external conflicts of interest.

#### Dealing with Suppliers

- To treat suppliers with courtesy, fairness, respect, honesty and professionalism and to ensure that no supplier has an unfair advantage over his competitors.
- To respect and not disclose suppliers' confidential information.

### Our Strategy (Sourcing - Disposal)

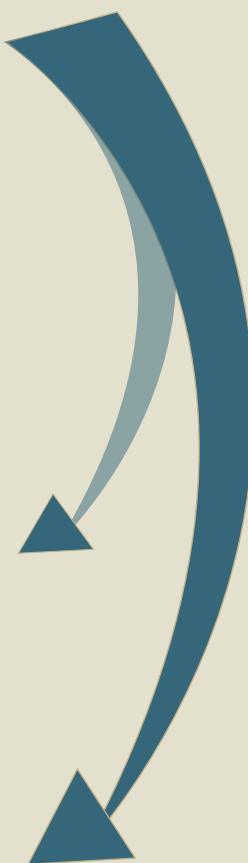
Our Purchase / Sustainable Sourcing policy clearly defines the environmental and social risks to be considered during the procurement of any products/ materials. Before purchase, each product is given an environmental significance rating (ESR) based on environment and safety parameters

AHEL follows a strict scrap disposal policy whereby we ensure that all medical and non-medical scrap which is generated inside the hospital are collected, stored responsibly and disposed at regular intervals in compliance with all necessary rules and regulations.

AHEL has a strong buy back policy with its suppliers when it comes to purchasing medical equipment.

We ensure safety and optimal use of our resources over the life-cycle of our equipments and services in all our day-to-day operations. We also ensure that all our suppliers, employees, recyclers, and others, are aware of their responsibilities.

We encourage our suppliers to adopt processes and technologies that are resource efficient and sustainable. We regularly review and support new technology development so as to deliver the best quality treatment to our patients but we stay committed to social, ethical and environmental considerations in pursuit of this goal.



### Principle 3: Employee Well Being

As said, "To win the market place, we must first win in the work place". And the workplace means family members. Hence, family members become our first customer. We believe that our family members are our first customer and we want to focus on them as they are the key contributors to the success of our organization. Our family members are the gateway to our customer satisfaction. We believe, if we take care of our family members then they take care of our customers and in turn it leads to customer delight and results in increased business which makes everyone happy. Our family members are the key touch-points to know the customer better so as an organization we can provide quality healthcare services that are relevant as per customers' needs and expectations.

Apollo Family Member – Our First Customer concept will help in creating an environment where the family members are excited to come to work. A synergistic effort of family members' work effort, along with the HR strategy and business strategy would yield a positive result for the organization.

The alignment of our HR strategy to family member happiness stimulates family members' creativity so that they can perform more effectively to realize the organizational goals. HR strategic planning will enable the organization to identify and respond to the HR function, which inhibit successful execution on strategic priorities.

Strategic HR planning is an important component of HR management. It links HR management directly to the strategic plan of the organization. The strategic plan helps in guiding decisions about the future and showing the path about the direction in which we are moving.

#### Our Holistic Strategy:

- Ensuring that we have the right people with the right skills at the right time
- To keep up with technological trends that impact on human resources in our organization
- To remain flexible so that our organization can manage change, if the future is different than anticipated

Total number of on roll employees	35,961
Total number of contract employees	6,666
Total number of male employees	22,598
Total number of female employees	13,346
Number of permanent employees with disabilities	60

#### Recruitment Strategy:

Strategic HR planning helps in predicting the future HR management needs of the organization after analyzing the organization's current human resources, the external market and the future HR environment that the organization will be operating in.

The most important guarantee for the long term success of the organization is a "Strong Culture". It is one of the vital aspects of a successful organization.

A Strong positive culture will help our organization to provide a great environment which will motivate our employees to contribute positively towards the growth of the organization and in turn, will strengthen relationships with our customers. Culture needs to be monitored and nurtured to ensure that it reflects our organization.

Training programs will help us to drive culture in our organization. This will help us in the following ways:

- Understanding the current culture
- Setting the required expectation
- Aligning with business
- Focussing on driving culture
- Managing Culture
- Constant Communication

We are a leading healthcare provider having huge responsibility in energising the Nation and playing a vital role in providing excellent healthcare services.

We have an opportunity to make a real difference. Each and every day, we contribute to the organization and in turn the organization contributes to the society in a meaningful way.

We are proud to possess a very strong ownership culture which helps us in creating an environment of business success. The role of HR has become very crucial as people driven processes are the critical success factors for the organization to succeed.

#### Awards and Recognitions:

Apollo Hospitals-Chennai	National Awards for excellence in healthcare	CMO Asia	Best Practices in HR	Jun-16	Mumbai
Apollo Hospitals-Chennai	Benny Awards	World HRD Congress	Compensation & Benefits Lender in Healthcare Industry	Feb-17	Mumbai
Apollo Hospitals-Chennai	Time Ascent Awards	World HRD Congress	Dream Company to work for in Healthcare Industry	Feb-17	Mumbai
Apollo Hospitals-Chennai	Global HR Excellence Awards	World HRD Congress	Awards for Managing Health at Work	Feb-17	Mumbai
Apollo Hospitals-Chennai	ABP News- HR & Leadership Awards	World HRD Congress	HR Excellence for Innovation	Feb-17	Mumbai
Apollo Hospitals-Chennai	Global Best Employees Awards	World HRD Congress	Awards for Excellence in HR through Technology	Feb-17	Mumbai
Apollo Hospitals-Chennai	Time Ascent Awards	World HRD Congress	Fun at Work	Feb-17	Mumbai
Apollo Hospitals-Chennai	Time Ascent Awards	World HRD Congress	Rank 47 in Dream Company at work	Feb-17	Mumbai
Apollo Hospitals-Mysore	Best Employee Engagment Award	Apollo Awards	SS silver Awards	Feb-17	Apollo-Chennai, Founder's Day
Apollo Hospitals-Hyderabad	CII-Strong Commitment to HR Excellence	CII	HR Excellence	Nov-16	Delhi
Golden Peacock Awards	National Training Award- Healthcare	Institute of Directors	Training & Development Excellence	Apr-17	Dubai-UAE
Apollo Hospitals-Ghantinagar	3rd Prize – Visibility in Individual Training Record	VII Apollo Innovation & Quality Awrads	Excellence in HR Practices	Feb-17	Apollo-Chennai, Founder's Day

#### Employee Health & Safety:

As part of the employee welfare program, 93% of our employees went through an Annual Health Check.

Our Chairman, Dr. Prathap C Reddy has expressed serious concern over the spread of Non-Communicable Diseases (NCDs) which poses a great challenge to India's socio economic development as it is estimated that NCDs will cost India USD 6 trillion by 2030.

He said, "The new challenge that we will face in terms of NCDs – Diabetics, Heart Disease and Cancer are severe and we at Apollo Hospitals will take several steps in the coming years to address it."

The process for the Annual Health Check Program is as follows:

Step 1: Health-check screening for Diabetes, BP, BMI, CBP and Cardiac ailments

Step 2: Categorize employees as per the parameters mentioned above.

Step 3: Make a schedule for employees to give their samples

Step 4: Make bills with UHID No. for each employee

Step 5: Share the UHID No. and the schedule with the employees

Step 6: Ensure that the logistics to give samples are in place.

Step 7: During the sample collection, get the employees to fill the Health Check questionnaire on their life style.

Step 8: Get the summary template to make a consolidated report of all employees as per the guidance (normal range, border line, critical) given.

Step 9: Categorize the employees (as per the consolidated report) as per the colour codes mentioned. Red indicates Need Attention, Yellow indicates Border Line cases and Green indicates Healthy.

#### Post Investigative Interventions:

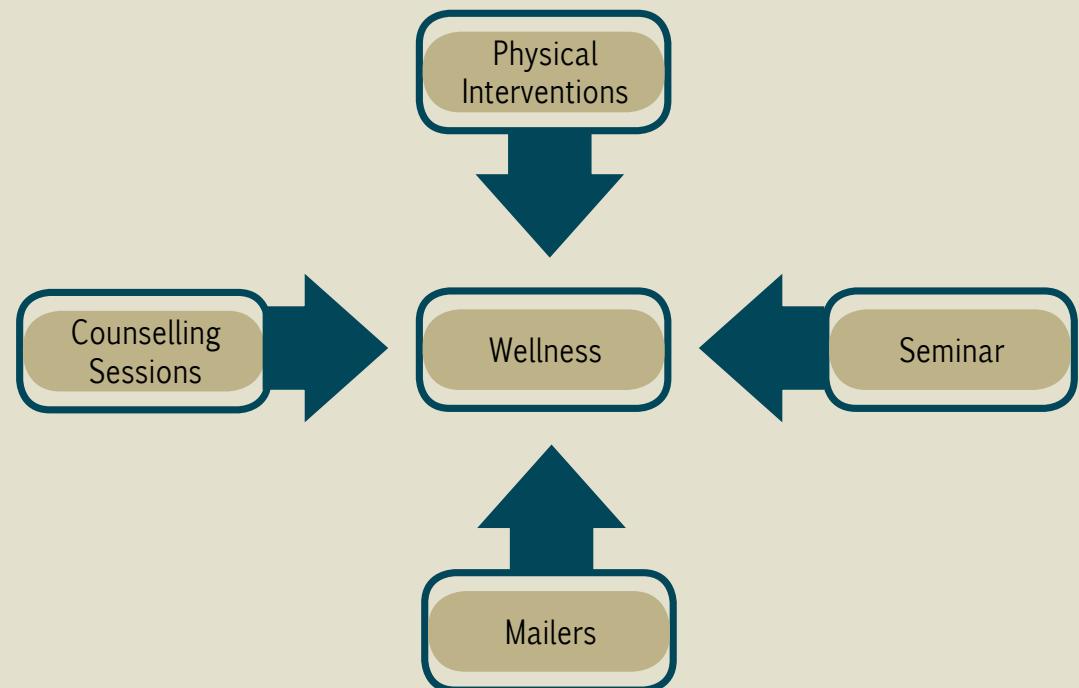
- One-on-one with Consultants
  - o HR to arrange one-on-one sessions with the required Consultants for the employees falling into the Red band & Yellow band
  - o Employees to be made aware of their existing health conditions, and counselled on necessary medications, possible invasive interventions and preventive mechanism for further deterioration

Retention of prognosis by HR for future reference:

- The HR needs to retain a copy of the prognosis (prescription) and create an individual Health dossier for every Apollo Family member
- The individual dossier to be checked every six months to evaluate the respective family member's health status

**Wellness Drivers:**

Wellness Drivers defining the calendar are as below:


**Performance Appraisal:**

Promotion system in AHEL is systematic. The KRAs based on the Unit / Organizational Goals are drawn and submitted in the beginning of the financial year. The employees undergo a half-yearly and annual appraisal system based on the KRAs agreed upon. We believe in keeping the appraisal system very transparent and reward & recognize the deserving employee.

Every unit makes an Annual Operating Plan for the year, based on the Annual Operating Plan of the respective unit the KRAs of the employees are derived. The KRAs are discussed and agreed with the Reporting Manager/HOD at the beginning of the year. A half-yearly and Annual review is done as per the PMS plan.

Rating for the employees is totally based on the individual's performance. Based on the Unit Performance and normalization of the ratings, increments are rolled out.

**Technology**

**New Hires in FY 2016-17**

Total No. of New Hires (2016 -17)	16,024
Total No. of New Hires - Female	5,831
Total No. of New Hires - Male	10,193

**Employee Turnover:**

Total No. of Separated Employees (2016-17)	13,504
Total No. of Separations - Male	8,830
Total No. of Separations - Female	4,674

**Learning & Organizational Effectiveness:**

We believe that continuous knowledge, competency and skill development is vital for all employees. We hone the talents of our employees by exposing them to diverse competency enhancement platforms. We keep a monthly & yearly tracker of all internal and external training programs. All our employees (permanent, casual, temporary & contract) undergo safety and skill up-gradation trainings on a regular basis based on their role, domain and individual needs. All new incumbents undergo comprehensive orientation programs for familiarization with organizational work culture. Our talent management team collaborates with various functional heads to identify need based and focused training programs for every employee. Senior experienced personal from established hospitals are located in newer hospitals to ensure effective implementation of corporate standards across different hospitals. On the job training is conducted to ensure that employees perform their job safety and efficiently in their respective work environments.

**Clinical Training & Quality of Education:**

## ▪ Superior Quality of Apollo Nursing care:

We differentiate ourselves on the quality of our nursing and the tender loving care our nurses provide is possible because of the in-depth training we provide them. Our nurses focus on patient safety and the prevention of any harm to patients

This is evident by the metrics in the ACE and RACE surveys where parameters like Infection Rates and Medication Errors, Falls and VOC are captured and benchmarked with the best hospitals globally. This is a standardized practice across all our hospitals & is critical to clinical outcomes. In-service Education is a pillar of our nursing department which allows our fresh recruits to acclimatize and adapt to a complex clinical set up. The training is standardized across the group. Apollo pursuits of JCI accreditations and NABH certifications further strengthen our service delivery and brings rigour into the processes on the floor. Superior nurses training combined with employee welfare schemes have drawn many an aspiring nurse to the Apollo Hospitals fold.

## ▪ Providing Learning Environment for our Staff:

It is imperative for every employee to go through relevant development interventions to broaden their skills and competencies and to help them further in their career development. Our innovative and flexible trainings and development approaches have continued to ensure that we have highly competent staff consistently delivering high quality care.

Apollo's motto of Tender Loving Care (TLC) translates into clinical and operational excellence – processes that deliver value to stakeholders. These processes are documented through manuals and training is imparted to staff to help them deliver service standards that meet and enhance patient requirements.

Shadowing and handover processes help ensure that knowledge is transferred from departing employees. Employees in critical positions and those with critical skills and competencies, regularly conduct training sessions mitigating the possible loss of skills and knowledge.

**WARD – We All Render Delight**

Key to health care excellence is by delivering better value and quality care to patients. This can be achieved by embedding the right processes and handling day-to-day concerns in clinical care, being time bound and becoming more patient focused by ensuring that quality and safety is of utmost priority.

The level of care should make patients feel safe, boost confidence and contribute to good patient experiences. Healthcare is a service for patients that works best when it is structured around the needs of the patients.

The complexity of health care services presents different challenges which impact the results and effectiveness. It is known that improving the quality of Healthcare Delivery is always subject to some reformation. Hence, the purpose of healthcare quality initiatives is to ensure patient safety, improve clinical effectiveness and promote accountability

WARD is a unique concept, where it will function as an individual unit and is self-centric ensuring effective coordination and administration to deliver high quality patient care.

It is about bringing teams together to deliver care with the best possible outcomes and in turn boost the reputation of the organization and enhance the productivity of the unit. This is an endeavour to make the members of the ward accountable for the provision of care expected of the Apollo brand.

In this model the patient can benefit from more structured care and the care can be tailored as per the needs of the patient.

Well-designed organizational structures will enable efficient communication channels and encourage fast and right decisions. A good ward management is multi-dimensional; it is the service provided by a coordinated group of professionals i.e. technical, supportive and other workers under the direction of the In-charge doctor.

In the ward different segments are split to provide specific services to patients – for example, clinical support, dietetics, pharmacology, billing, insurance etc. where it is important to have one representative for each segment to handle and in return each of these representatives will report directly to the In-charge Doctor administratively to execute as a team and impart best service to the patient. The ultimate goal of this structure is to avoid clogging and overlap and to eliminate redundancies.

The principle of Ward as a Unit is to plan the services and understand the importance of effective administration. The WARD In-charge doctor administers the Ward as an individual unit by itself. He would be responsible for all the end to end operations of the respective ward with the support of the other stakeholders. He shall execute a process and adopt steps and methods in dealing with patient needs and complaints through other health team members of the ward.

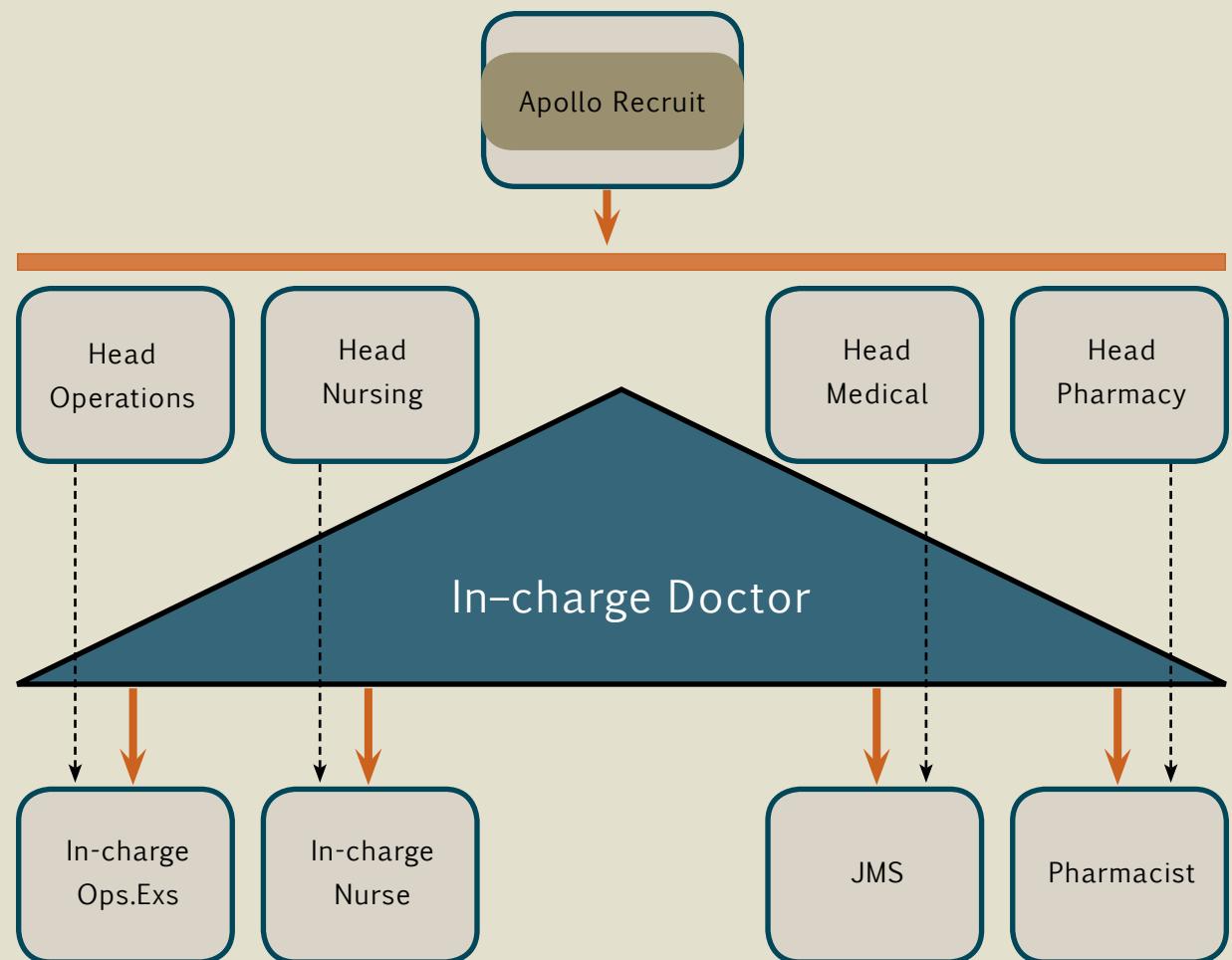
At the same time to make it functionally effective all the stake holders would have a dotted line reporting to their respective Functional Heads / HODs besides an administrative reporting to the In-charge doctor.

The Key Personnel of WARD are as follows:

- In-charge Doctor
- In-charge-Nursing
- In-charge operations
- Pharmacist

Every 40 beds will constitute 1 WARD

Scope: All floors, wards and ICUs

**Reporting Structure of a WARD**

**Protecting Human Rights:**

We are committed to Human Rights and the prevention of issues like Child Labour and Forced Compulsory Labour in our network. Our HR department ensures the process of document verification, medical fitness, address and age verification, together with compliance to other statutory requirements. The Company is further committed to being proactive in eradicating child labour by actively contributing to the social upliftment of children. We also encourage our suppliers to adopt a 'No Child Labour' policy.

Protection of Human Rights is central to good corporate citizenship and to a healthy bottom line. Our induction program introduces our employees to the relevant policies including the Code of Conduct and the Whistle Blower policy, and trains them to deepen their understanding of these aspects.

We are committed to the safety and protection of our women employees across the organization, and to ensure them top security, we have a well-defined Sexual Harassment Policy in place. The policy has a mechanism for resolution of complaints and conducting mandatory training programs for all employees to create awareness on the subject.

Our company has a Sexual Harassment redressal committee with four members and a presiding officer who is a woman. Complaints are resolved within 15 days of receipt of the complaint following a thorough enquiry together with the Unit Head. In-case of dissatisfaction with the solution proposed by the Apollo Sexual Harassment Redressal committee, the complainant is free to approach the corporate committee for redressal. In FY 2016-17, we received one case of sexual harassment from our hospital in BG Road, Bengaluru. The case was presented to the unit sexual harassment redressal committee and satisfactorily resolved.

The Employee Association and Unions are also given due importance; employees are encouraged to communicate their grievances and needs under the code of discipline.

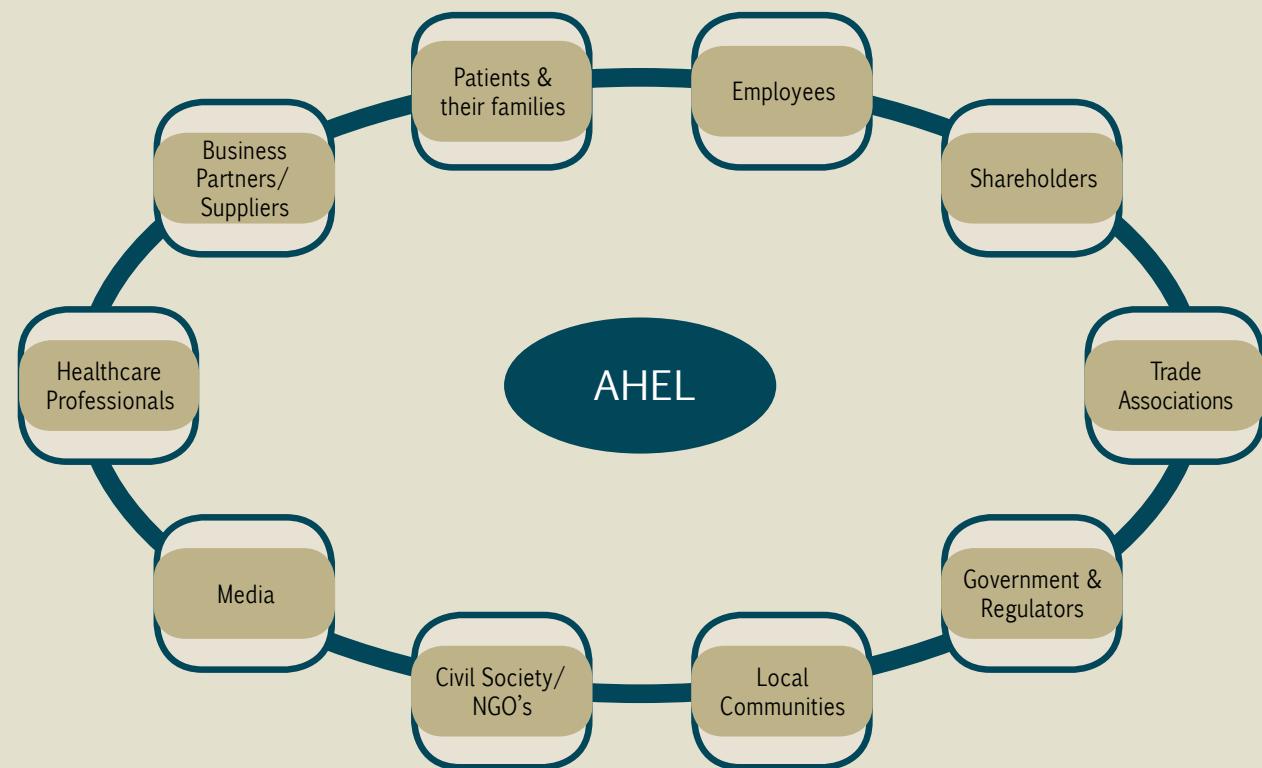
## Principle 4: Stakeholder engagement

**At AHEL, we remain committed to our stakeholders with the aim to grow in a transparent and accountable manner. Engaging with our key stakeholders and materiality process helps us in deciding on issues to focus on in order to mainstream sustainability into our decision making.**

AHEL aims to measure its performance based on the value that it brings to its stakeholders. For us, Stakeholder engagement is about managing relationships with our stakeholders in an efficient and an effective manner. This not only helps us in identifying opportunities but also in assessing emerging risks which may increase in magnitude at a later stage in future.

These stakeholders include individuals, groups and organizations that affect or are affected by our business. We have defined specific roles and responsibilities of the key departments in AHEL to address these concerns, monitor, and ensure that they are addressed in a timely and efficient manner.

### Our Key Stakeholders



### Mode of engagement with key stakeholders

Stakeholder	Engagement Team	Mode of engagement	Description
Patients & their families	Guest Relation Department	VOC process, which measures patient experience rather than satisfaction among both in-patients and outpatients	Structured in partnership with Gallup World Wide
			It captures qualitative & quantitative feedback on 27 attributes across all patient touch points in all the units
Employees	Human Resource Department, Corporate Operations & Maintenance team	Satisfaction surveys, Grievance Redressal, Open house, Various committees, Emails, Journals, Meetings with employee associations and unions; Various Events including employee open forum every month, celebration of department day etc.	
Investors	Company Secretariat, Finance & Investor Relations	Annual General Meeting, Investor Meets, Investor Conferences, Conference Calls	
Business Partners/ Suppliers	Contracts & Procurement Department, Projects Department	Supplier meet, Emails, One-to-one meetings	
Local Communities	CSR Committee, Corporate Social Responsibility team, HR Department	Community Meetings, Project Meetings, Conducting awareness program, Free camps, Impact assessment, skill development etc.	
Government & Regulators	Legal Department, Project, Company Secretariat	Hearings and other Meetings, MoU's, Interaction with Regulatory, Initiatives for Public private partnership with regulators, etc.	

We believe it is our corporate responsibility to not only to protect the environment, but to uplift the lives of the marginalized sections of the communities we operate in. We are engaged in many initiatives in this regard.

Our work in rural development is carried out through Total Health, a non-profit organization incorporated under Section 8 of the Companies Act, 2013 by AHEL. Total Health provides holistic healthcare for the entire community in Thavanampalle Mandal in the Chittoor district of Andhra Pradesh. The activities carried out include the provision of safe drinking water, establishment of sanitation facilities, the set-up of nutrition centers, vocational training centers and mobile clinics.

In the field of education, the Aragonda Apollo Medical Educational Research Foundation (AAMERF) has been running a primary school under the name of "Apollo Isha Vidhya Niketan" at Aragonda village, Chittoor District, Andhra Pradesh, in association with the Isha Foundation since June 2012. The school is recognized as one of the best schools in Chittoor district and provides quality education to the rural community.

We have healthcare initiatives in place to provide free medical treatment to the needy and poor in the community. Apart from this, we have undertaken certain special initiatives such as **Saving a Child Heart Initiative** (SACHI) (for pediatric cardiac care and child heart surgery), and SAHI for the hearing challenged children.

A detailed description of our community development initiatives appears under Principle 8.

At AHEL, we also provide equal employment opportunities to all without any discrimination, thereby ensuring inclusion of vulnerable and marginalized citizens. We have employed 60 differently abled people in our hospitals.

## Principle 5: Advocating for Human Rights

**The human right to 'Health'** means that everyone has the right to the highest attainable standards of physical and mental health, which includes access to all medical services, sanitation, adequate food, decent housing, healthy working conditions, and a clean environment.

**The human right to 'Health Care'** means that hospitals, clinics, medicines, and doctors' services must be accessible, available, acceptable, and of good quality for everyone, on an equitable basis, where and when needed.

Apollo respects and is committed to supporting human rights, and the dignity of India's diverse populace, as detailed in the Company's Human Rights Policy.

In particular, we believe our most significant opportunities to uphold human rights and therefore our greatest areas of responsibility-are in the areas of Human Rights in the Workplace and access to Health Care.

### Human Rights in the Work Place

Our employees are the backbone of our commitment to human rights practices and performance. We respect the dignity and human rights of our employees as well as those working in our external supply chain. In addition to the UNGC principles on Human Rights, we also follow the principles in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, including non-discrimination, freedom of association and collective bargaining, and freedom from forced and child labour. Our commitments are detailed in our Code of Business Conduct and our Human Resource manual. Our workplace practices and policies on providing fair compensation, equal opportunity, a safe and healthy workplace and other commitments to human rights, reflect our belief that the success of our Company is directly linked with employee satisfaction and well-being. We foster compliance with these policies on a continuing basis through our internal training and audit programs.

As a healthcare Company, we have a long-standing commitment to improve and sustain the health of our workforce.

In accordance with laws and regulations, we have formal mechanisms for employees to raise grievances and to file complaints and violations without fear of reprisal.

### Access to Healthcare

We believe that effective, compassionate health care systems are critical for a nation's well-being and for achieving better health for people around the world. Such systems are centered on the needs of individuals, and offer equitable access to quality health care for all.

Our Chairman first set up Apollo Hospitals with the firm conviction that every person has an undisputed fundamental right to quality healthcare regardless of geographic location or economic status - a principle that is stated in the Universal Declaration of Human Rights. Providing health care services is only part of that commitment. We are constantly working with all our partners and stakeholders to improve the availability, accessibility, affordability and quality of care nationwide and also globally to help as many people as possible live their lives to the full.

We ensure commitment to human rights in all our operating units through strong governance policies. Responsibility for human rights is the DNA of our management structure and resides at the core of our operating units. Oversight of the Human Rights policy and practices is managed by the relevant corporate and business group functions.

We encourage our business partners to commit to respecting human rights as outlined in our policies, and also motivate them to develop similar standards of their own. We follow a tender process to provide quality goods and support services at cost-effective prices. Suppliers are screened for compliance with relevant legislations including environmental and human rights legislations. Multi-disciplinary consultative forums and various doctor interactions form the framework for decision making. The process is finalized with approvals from senior management and procurement executives. The Procurement Policy and processes are reviewed regularly and endorsed by the procurement executives.

In FY 2016-17, there were no complaints of Human Rights violation reported relating to child labour / forced labour / involuntary labour and discriminatory employment in our Company.

## Principle 6: Care for Environment

Apollo is committed and pro-active when it comes to managing the environmental impact caused by its operations. Responsible disposal of different categories of waste including bio-medical waste generated from our premises, is a key focus area of our environmental strategy and provides impetus for a number of action plans as well as industrial and scientific partnerships.

We support and sustain a culture of awareness and sensitivity towards conserving and preserving the environment. Protection and preservation of the environment is not only restricted to legal compliance but is a matter of priority for the Company.

To achieve this, we are involved in a range of initiatives such as:

- analyzing waste water effluents at our hospitals and assessing their impact on the environment
- using state-of-the-art technologies to treat waste water discharge from our hospitals
- limiting the environmental impacts of our business operations
- carrying out environmental risk assessments
- encouraging and supporting the proper use of medicines
- contributing to 'take-back' programs for the collection and safe disposal of unused medicines

### Environmental risk assessment

Our commitment to preventing environmental risks is central to our Quality Health Safety and Environment policy (QHSE). Guided by our inhouse experts, we have established a sound governance system for assessing the potential impact of our services on the environment.

### Waste Management System

The commitment towards waste management is reflected in our waste disposal policy that lays emphasis on improving waste management practices with a focus on bio-medical waste management across all our operations. We adhere to all statutory compliances and environmental clearance parameters as stipulated by the relevant authorities. Regular renewal of consents to operate hazardous waste and authorizations are ensured. We also have well established environment management systems which are dedicated to function beyond laid down compliance levels.

Our 'Hazardous Materials and Waste Management Plan' applies to all staff in the hospitals and defines the responsibility of all healthcare personnel for identification, storage, handling, disposal and transportation of hazardous materials in accordance with regulatory requirements. All chemicals used for our operations are properly labelled and hazard ratings are identified. The Operations Head along with the Safety and Hazmat Committee has the responsibility for handling hazardous materials and administering the waste management policy. For e-wastes and old medical equipments, we follow a stringent "Buy Back policy" with vendors.

The Human Resources department and Hazmat team members in co-ordination with the radiation safety officer are responsible for the orientation and training of staff handling hazardous material and waste.

Appropriate type and adequate number of personal protective equipment have also been made available for personnel who are handling waste and disposal.

The Hazmat team carries out internal inspections and evaluations to review the effectiveness of the waste management plan and disposal practices followed at our facilities across India.

During the last financial year, there were no major chemical spills reported at any of our hospitals.

### Water Harvesting

Water for all the hospitals is sourced from local municipal sources. The water quality is tested to ensure that it is potable. Few of the key initiatives taken by us to conserve and re-use water, include the following:

- Rain water harvesting - Increasing the ground water level by channeling the excess rain/storm water into harvesting pits across the premises; and effective utilization with proper filtration.
- Conservation of water by reuse of dialysis RO rejected water and drinking RO rejected water.
- Water conservation in western toilets by removing single push button.
- Reuse of water generated from sanitary and house-keeping for gardening purpose.

### Energy Efficiency

Energy conservation has been adopted as an integral part of our Operations and Maintenance philosophy. Adherence to efficient operations and quality maintenance practices in O&M has resulted in optimizing energy consumption. Our O&M department further endeavors to continuously improve its performance in this area.

AHEL sources electricity for hospitals from the grid. However, diesel generators are provided as back-up in case of grid power cuts.

The important factors contributing to reduction in energy consumption and internal consumption apart from reduction in carbon footprint are:

- Phase out of CFL lamps to LED lights.
- Procurement of electricity from alternative source - WEG.
- Optimization of fuel consumption in boiler operations.
- Introduction of timer based operation of Air Handling Units to reduce power consumption.
- Introduction of micro processing energy saver for AHU Motors.
- Implementation of energy optimization practices in Transformer operation.
- VFD installation for AHU motor in a phased manner.
- Operation of all Lifts and OT AHUs with VFD panels.
- Introduction of timer control for AHU motors to reduce running hours.
- Phase out of split air conditioner units with chilled water FCU to reduce power consumption and capital cost.

### Management Systems:

We have developed and demonstrated our expertise in managing hospitals over the years and have been recognized for best practices in hospital management on par with international standards. We have implemented international certifications such as ISO 9001 at Chennai and Joint Commission International (JCI), for 8 hospitals including the hospitals at Delhi, Chennai, Mumbai, Hyderabad, Bangalore, Kolkata, Ahmedabad and Dhaka.

Apollo Hospitals, Chennai, has been accredited in accordance with the Standard ISO 15189:2003 "Medical Laboratories - particular requirements for Quality & Competence" for its facilities in the field of Medical Testing. The Chennai Hospital was also the first to be awarded the ISO 9001:2008 certification. The ISO 22000 - HACCP certification by the British Standards Institution has recognized Apollo's high standards of quality and food safety measures. In addition, many hospitals have been accredited by the National Accreditation Board for Hospitals (NABH) and the laboratories by the National Accreditation Board for Laboratories (NABL). Even in those hospitals, which are not yet certified for an accreditation, we ensure that the requirements for these systems are integrated into the design and operations. Corporate level policies, guidelines, checklists and MIS have been developed and implemented for this purpose.

AHEL has not received any show cause / legal notice from the CPCB / SPCBs. This is testimony to the fact that we approach the aspect of environmental safety with utmost seriousness and commitment.

### Principle 7: Public Advocacy

We believe that actions brought about through strategic alliances and public advocacy must be done so in a responsible manner. We participate in several industry associations - national and international advocacy organizations - to influence positive sustainability actions. To the extent possible, we utilize the trade and industry chambers and associations and other such collective platforms to undertake such policy advocacy.

AHEL being a benchmark name in the hospital industry has a say while pursuing public advocacy in the healthcare sector. We ensure that our policy positions are consistent with the Principles and Core elements contained in these guidelines.

In-depth insights and strategic inputs forms the core of our approach towards policy formulations. We collaborate with numerous trade and industry associations and organizations, as a member.

#### Collaborations

- ‡ Accredited Member Organization of Indian Society For Clinical Research (ISCR)
- ‡ Confederation of Indian Industry (CII)
- ‡ Federation of Indian Chambers of Commerce and Industry (FICCI)
- ‡ Indian Pharmaceutical Association (IPA)

#### Accreditation

- ‡ Association for the Accreditation of Human Research Protection Programs (AAHRPP)
- ‡ Joint Commission International Accreditation (JCIA)
- ‡ National Accreditation Board for Hospitals and Healthcare providers (NABH)
- ‡ National Accreditation Board for Testing and Calibration Laboratories (NABL)
- ‡ The International Organization for Standardization (ISO)

In addition, we also have ongoing collaborations with the following entities:

SL.No.	Centres	Area of Collaboration
1	University of Hyderabad	Academic collaboration
2	Guru Nanak Institutions	Validation study on developed image fusion protocols
3	International Clinical Epidemiology Network (INCLEN)	Research Collaboration
4	Pfizer	Apollo sites as part of their global INSPIRE program
5	Henry Ford Health System	Research Collaboration
6	Mitra Biotech	Research Collaboration
7	Credence Genomics	Business Collaboration and Validation study
8	USV	Clinical Research - Investigator Initiated Research (Diabetes Study)
9	N-care	Research Collaboration
10	Sigtuple	Clinical Validation of AI based microspoe
11	iFeel Labs	Clinical Validation of Israeli Technology for asthma patients
12	Current Medical Concepts	Clinical Study for evaluation the risk factors for acute haemorrhagic stroke in Indian population
13	Mobile ODT - Tech Emerge	Validation study for a digital, portable colposcopy device
14	Queensland Institute of Medical Research (QIMR)	Research Collaboration
15	Stem Cyte Inc.	Cord blood banking Stem Cells research

Sl.No.	Centres	Area of Collaboration
16	Sanofi	Preferred partner for clinical studies and education
17	Sapien Biosciences	Collaboration for bio-banking and patient faced research activities
18	Vayyar Imaging	Clinical Validation of POC Breast cancer screening technology
19	Fio	Validation study for POC Malaria diagnostics
20	NAWA Woundcare	Validation Study for wound care products
21	Jamia Hamdard University, New Delhi	Academic collaboration
22	Anna University, Chennai	Clinical Research Course
23	IGNOU, New Delhi	Hospital Administrative, paramedical and online courses
24	Institute of Genomics and Integrative Biology, New Delhi and Institute of Bio Medical and Genomics, Kolkata	Research study Myocardial infarction in Young Indian adults- Genetic Risk factors
25	Health Net Global	Information on Drug interactions through mobile phones
26	MTESC- NGO, District Collector's office, Sivagangai	Epidemiological screening study on Prevalence of anaemia and obesity in 20,000 adolescent and adult girls and women
27	Kasturba Hospital, Gandhigram, Madurai	Screening camp to evaluate the Healthcare status by HoW with transmission of data through telemedicine.
28	West Bengal Government	Mobile medical unit to provide healthcare to the rural population in 24 Parganas
29	Puttur Bone setters	Scientific validation of traditional PBS system
30	Sciformix corporation	Pharmacovigilance workshops and programs
31	University College, London	Collaborative research studies
32	Analytics for Life, Canada	Validation of cardiovascular diagnostic software
33	Merck Sharp Dome	Clinical studies
34	Nestle Health Services	Clinical and validation studies in nutrition products
35	Philips India Limited	Research studies
36	Indian Pharmaceutical Association	Internship for D Pharm students

**Completed Collaborations**

Sl.No.	Centres	Area of Collaboration
1	Early Sense	Validation for a continuous monitoring system
2	Sight Diagnostics	Validation study for 2min Malaria diagnostics
3	DGL DNA+	Scientific due diligence and commercialization support for genetic pre-disposition gene test
4	Ossur	Validation study of knee brace for OA patients
5	Bynet	Validation study for tracking and monitoring of baby movement to prevent any kind of unauthorised access
6	Eris	Clinical Research - Hypertension study
7	D-Genomeres	Validation study for Fat tolerance test
8	Control-H	Validation Study
9	Analytics 4 Life	Validation study of cardio vascular software
10	Harmann UK	Validation of digital technology versus manual

Sl.No.	Centres	Area of Collaboration
11	Microsens Technologies UK	Evaluation of screening technology in TB diagnosis
12	Mann India Technologies	Information on drug interactions through mobile phones
13	International Centre for Genetics engineering and Biotechnology and Kalawati Saran Children's Hospital, New Delhi	Pathogen detection and discovery using high throughput platforms
14	IIT Madras	MoU for collaborative research

The expertise of the above entities and AHEL is being leveraged for mutual benefit in the areas of medical sciences and clinical research

**Major Collaborations:**

- Mobile ODT: Apollo is conducting a validation study to evaluate the benefits of Mobile ODT's digital colposcope. The low-cost, portable, Enhanced Visual Assessment (EVA) system can enable effective cervical cancer screening in India. The sites chosen cover a rural area (Aragonda), semi-urban areas (Apollo Vanagaram, Apollo Madurai, Apollo Bilaspur), urban areas (Apollo First Med, Apollo Tondiarpet) and a high-income group (Bangalore).
- Apollo has also entered into collaboration with a Sri Lankan based company to introduce diagnosis of bacterial and fungal infections by Next Generation Sequencing (NGS) technology. With the introduction of this noble technology, the turnaround time for diagnosis of bacterial and fungal infections will reduce to 48 hours from what usually takes up to 7 days.
- Apollo in collaboration with Datar Genetics Limited (DGL) introduced liquid biopsies as part of its Precision Oncology Program – designed specifically for diagnosis of different types of cancer. The Precision Oncology Program is Apollo's unique approach to diagnosing, treating and monitoring cancer in as precise a way as possible. Apollo researchers along with clinicians from Apollo have amalgamated their knowledge and clinical expertise to establish a liquid biopsy assay for non-invasive diagnosis for brain tumour. Liquid Biopsy has been rated as one of the top 10 ground-breaking technologies in the world by MIT Technology Review in 2015.

## Principle 8: Equitable Development

We focus on bringing quality healthcare to all citizens regardless of geographic location or economic status. Apollo Hospitals aspires to be one of the most respected companies in India and be recognised as a socially responsible corporate citizen delivering superior and sustainable value to all our customers, business partners, shareholders, employees and host communities.

We have classified CSR activities under the following broad themes:

- Rural development - Initiatives include the provisions of safe drinking water, sanitation facilities, setting up of nutrition centers, vocational training centers, facilitating skill development training, Mobile Medical Units - primary & preventive, healthcare including diagnostics awareness promotion and revival of rural sports. "Total Health", a not-for-profit organization, incorporated by the Company carries out the activities.
- Healthcare - AHEL has conducted medical camps at various places and the number of beneficiaries touched is 55,192. Free medical treatment for children ailing from heart diseases is also provided through Save a Child Heart Initiative (SACHI). The total spend has been INR 42.76 million in 2016-17.
- Education and skill development - The Aragonda Apollo Medical Educational Research Foundation (AAMERF) runs a primary school under the name of "Apollo Isha Vidhya Niketan" at Aragonda village, Chittoor District, Andhra Pradesh, in association with the Isha Foundation for academic delivery, since June 2012. The school has been set up with a vision to shape the future of these children and give them a strong foundation for higher education so as to enable them to become professionals and contribute positively to the society. Currently the school has classes from LKG to 9th Standard with 600 students and is affiliated to the Andhra Pradesh State syllabus. The plan is to expand the school up to the 12th standard with a minimum of 2 divisions each, over a period of the next 3 years.

### Unique Initiatives

**SACHI** (Saving a Child's Heart Initiative): This is dedicated to pediatric cardiac care and child heart surgery for underprivileged children, in order to combat the escalating problem of congenital cardiac issues in children. Established in 2002, SACHI aims to provide early diagnosis, treatment, surgery, post-operative care and financial support to children from the economically weaker sections of the society. SACHI has till date touched over 50,000 lives. Our goal is that every child irrespective of community or economic background, should be provided cutting edge treatment and operative care when needed.

**SAHI** (A Society to Aid the Hearing Impaired): SAHI seeks to identify hearing impaired children, mainly in rural areas, with little or no access to modern medical facilities and provide treatment.

### Goals:

- Conducting camps in rural areas for the hearing impaired
- Identifying children with hearing problems
- Providing quality hearing aids
- Conducting surgeries with the help of Apollo Hospitals, Hyderabad
- Bringing about awareness for prevention through health education

### Activities:

- Organizing periodic awareness programs for the general public, school children and school teachers.
- Conducting periodic check-up programs for the benefit of the children belonging to the lower socio-economic background.
- Providing hearing aids to improve hearing ability.
- Providing state-of-the-art medical and surgical aid including micro ear surgeries and cochlear implants to treat hearing disabilities.
- Partnering with other Governmental and Non-Governmental organizations to improve public awareness about hearing problems.
- Helping these children medically, socially and financially.
- Raising funds for treatment of children with hearing disabilities.

### Total Health

Our Chairman Dr. Prathap C. Reddy launched the "**Total Health**" Foundation, in 2013. The Foundation aims to provide "Holistic Health Care" starting for the entire community in Thavanampalle Mandal of Chittoor District, starting from their birth, through their journey into childhood, adolescence, adulthood and in the latter years of their life. In other words, "Total Health" connotes "total wellbeing" of an individual, inclusive of physical, mental, social, ecological and spiritual health. More importantly, it transcends economic barriers and caters to the health care requirements and aspirations of the entire community from "womb to tomb". Total Health provides integrated comprehensive health care services to 54,000 people across all age groups in the Mandal, the birth Mandal of Dr Prathap C Reddy.

This program has been launched as a pilot in this district. Total Health aims to promote a healthy and happy living environment through the promotion and protection of health, prevention of diseases, and the provision of hygienic and sanitary living conditions. This program will help identify diseases in the early stage through screenings and will facilitate timely treatment to save lives. The program started by conducting a door-to-door baseline household survey to study the health, social and economic status of the community. The health survey is based on the World Health Organization's STEPs Approach.

It has thus far covered 29,196 people and classified them according to a ten-year risk of getting a non-communicable disease (NCD), into three basic groups - low risk, moderate risk and high risk. Follow up investigations, counseling and distribution of medication through "Mobile Health Clinics of Total Health" have been arranged. If needed, experts are brought in from Apollo Hospitals, Aragonda. The program also envisages providing health related infrastructure development - provision of Purified Potable Water of high standards; Individual Sanitation Latrines (ISLs); distribution of nutritious food supplements to cater to the needs of pregnant and lactating mothers; and periodic Medical Checks and Health Education at the "Nutrition Centers"; and "Kitchen Gardens" to promote easily available, unadulterated nutritious food. Special care is also given to "Tiny Tots" at the anganwadies. Total Health also focuses on School Health and Hygiene. Skill based vocational training centers have also been set up. Total Health has also introduced Yoga to the residents and built a community Meditation Centre and Gymnasium on the premises.

## Healthcare awareness programs conducted by Total Health during 2016-17



## Principle 9: Meeting Customer Expectations

We value our patients the most. They are at the core of our operations, and safeguarding their health is our priority. That is the Apollo Way. Pharmacies form an important part of ensuring patient care. AHEL follows stringent protocols when it comes to the stocking of drugs for its pharmacies. We ensure that all our unused drugs are sent back to suppliers three months before expiry. We follow a unique five pronged customer centric approach as follows:

**Guest Relations**

1. Apollo has adopted the engagement pathway for Voice of Customer (VOC)
2. Partnered with Gallup to benchmark e-customer feedback with best in class hospitals globally
3. In-house framework captures VOC from interactions and converts them into qualitative and quantitative feedback for quick follow up action

**Tender Loving Care**

1. Core training module for all nurses
2. Inspires the conversion of daily interactions into memorable experiences for patients, resulting in an enhanced courtesy index for nursing
3. Tender Loving Care (TLC) training for frontline staffs

**Human Sigma**

1. Apollo Hospitals is the first in India to adopt Human Sigma by mapping customer engagement to the Gallup "S" Methodology

**Admissions**

1. Minimizes waiting time for planned admissions
2. Dedicated rooming experience that orients patients and attendees to various hospital services

**Discharge**

1. Post discharge calls to patients for suggestions and feedback 72 hours after discharge
2. Speedy discharge summary for planned discharges

### Measuring Customer Expectation

In the financial year 2016-17 we have provided service to around 4 million patients. We have an exclusive online customer redressal mechanism, "Voice of Customer" (VoC). A dedicated team "Guest Relations" addresses all concerns/complaints of the customers, through this system. This is evidence that we take complaints seriously and work on resolving them on a priority basis. In our endeavour to digitize the customer-feedback process, we have launched the Apollo Instant Feedback System. Our pharmacies ensure that all medicine packaging has relevant labelling as required under relevant regulations. No case has been filed by any stakeholder against our Group regarding dishonest trade practices and/or anti-competitive behaviour during the last five years.

We have instituted a stringent feedback mechanism for our patients to enable continuous improvements. The feedback is collected post discharge also.

High quality Patient Care is possible in Apollo Hospitals because of an engaged workforce that takes pride in its day-to-day responsibilities. They are able to alleviate feelings of stress and fear in patients while instilling in them a positive approach towards treatment. Through small acts of kindness, they create a superior patient experience.



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