



**Global Health Limited**

**Risk Management Policy**



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**February 2024**

**Document Control**

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## 1. Context:

A comprehensive risk management framework plays a vital role in supporting organization objectives, protecting staff, business assets and ensuring financial sustainability. The purpose of this policy is to establish a systematic approach for implementing a structured and all-encompassing risk management process. This approach aims to create a shared understanding, language and methodology for identifying, assessing, monitoring and reporting risks that may emerge across various aspects of hospital operations, including patient experience, facility management, information security, and more.

Along with this context, the Companies Act 2013, Securities and Exchange Board of India (Listing Obligation Disclosure Requirement) (SEBI-LODR), Committee of Sponsoring Organization (COSO) Framework and ISO frameworks mandate organizations to have a robust risk management framework in place to ensure that the Company is acting in line with its objectives and manages risk in an effective and timely manner.

In the view of the above stated circumstances, this Risk Management Policy has been developed to elaborate on different components of the integrated risk management framework that has been adopted at Global Health Limited (GHL) and group companies.

## 2. Objective:

Primary goal of the Risk Management Policy is to ensure that key risks are identified and mitigated timely & effectively. Therefore, it is important that the Company adopts the following steps:

- Ensure that a risk-based approach is embedded in business processes, communicated to the staff, and is responsive to emerging risks.
- Assign accountability for managing risks within agreed boundaries (risk appetite).
- Report the results of assessments regarding the effectiveness of the risk management program, including identified weaknesses or incidents, to Risk Management Committee or Board of Directors.

## 3. Policy Scope and Applicability:

The policy guidelines are defined considering the organization's growth objectives, goals and opportunities including new projects. This policy is aligned with emerging global standards and leading practices in similar organizations. This policy covers all businesses, functions, processes, and departments of Medanta Hospitals run by GHL, its Subsidiaries and Joint Ventures. The policy is applicable to all the office locations of Medanta and covers both, external and internal events, which could impact the business objectives of the GHL Group.

The policy will be effective after approval by the Risk Management Committee and Board of Directors of Medanta.

- **Review and Amendment to Risk Management Policy:** The Risk Management Committee (RMC) will conduct a review of the Risk Management Policy once in two years. If the RMC recommends adjustments to specific aspects of the policy to align better with the business environment and the evolving risk landscape, the policy must be amended accordingly. The Chief Risk Officer (CRO) is responsible for updating the policy. The revised policy should then be submitted to the Risk Committee and Board of Directors for review and approval.
- **Caution:** This Risk Management Policy is the governing document for the overall risk management across Medanta. This is not a procedural document for Business Continuity and Disaster Recovery Plan or any other function. Any such policies and procedures have been developed separately and are governed and implemented by respective functions.

#### 4. Fundamental Concepts:

##### 4.1 Definition of Risk:

Risk can be defined as an event that has the potential to impact on the achievement of specific objectives. Such events can result in loss of reputation, financial resources, human capital and investment value. Some of the risks that could adversely impact the achievement of Medanta's objective include staffing challenges particularly with the medical staff, emerging diseases, cyber threats, supply chain disruptions, infrastructure and operational disruptions, financial sustainability and more.

The risks for Medanta have been categorized into strategic, people, reputational, technology, regulatory & compliance, financial and operational risks.

##### 4.2 Significance of Risk Management:

To safeguard the business (to the extent possible) from the consequences mentioned in the above section, it is important to understand what can go wrong and formulate a strategy to manage the risk in case of its occurrence.

##### 4.3 Who is responsible for Risk Management:

As per legal requirement, Board of Directors are responsible for different aspects of risk management in an organization. However, today's business environment is dynamic and new risks emerge frequently. Therefore, it is important that every person in the organization is aware of risks, understand the level of risk acceptance in the organization, procedures to highlight such risks for a timely action and work on mitigating the risks as per agreed action plan.

##### 4.4 Legal Requirements

Companies Act 2013 and Securities & Exchange Board of India (Listing Obligation Disclosure Requirement) (SEBI-LODR) mandate organizations to have a robust risk management framework in place to ensure that the Company is acting in line with its objectives and manages risk in an effective and timely manner.

###### **Section 134 (3) N of the Companies Act 2013**

The board of directors' report must include a statement indicating development and implementation of a risk management policy for the company including identification of elements of risk, if any, which in the opinion of the board may threaten the existence of the company.

###### **Regulation 21(4) and Schedule II Part D of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Prescribes the following roles of Risk Management Committee:

- 1) To formulate a detailed risk management policy which shall include:
  - Framework for identification of internal and external risks specifically faced by the listed entity, including financial, operational, sectoral, sustainability (particularly, environment social governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity Plan
- 2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- 3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- 4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

**Regulation 17(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Regulation 17 (9) requires that the Company set out procedures to inform the Board of risk assessment and minimization procedures and makes the Board responsible for framing, implementing, and monitoring the risk management plan of the Company.

#### 4.5 Guidance on Risk Management – COSO framework:

Various frameworks guide organizational risk management, such as The Companies Act 2013 and ISO 31000, outlining program scope and expectations. Globally, the COSO framework, established in 1985 by five private sector organizations, is renowned for its leadership in risk management practices. COSO's supporting organizations are the Institute of Internal Auditors (IIA), the American Accounting Association (AAA), the American Institute of Certified Public Accountants (AICPA), Financial Executives International (FEI), and the Institute of Management Accountants (IMA).

The latest framework of 2017 has been developed by a committee comprising of prominent international industry representatives including US Department of Commerce and Big 4 professional services firm. which consists of 5 components that align to business lifecycle supported by 20 principles that collectively describes the ERM Framework.

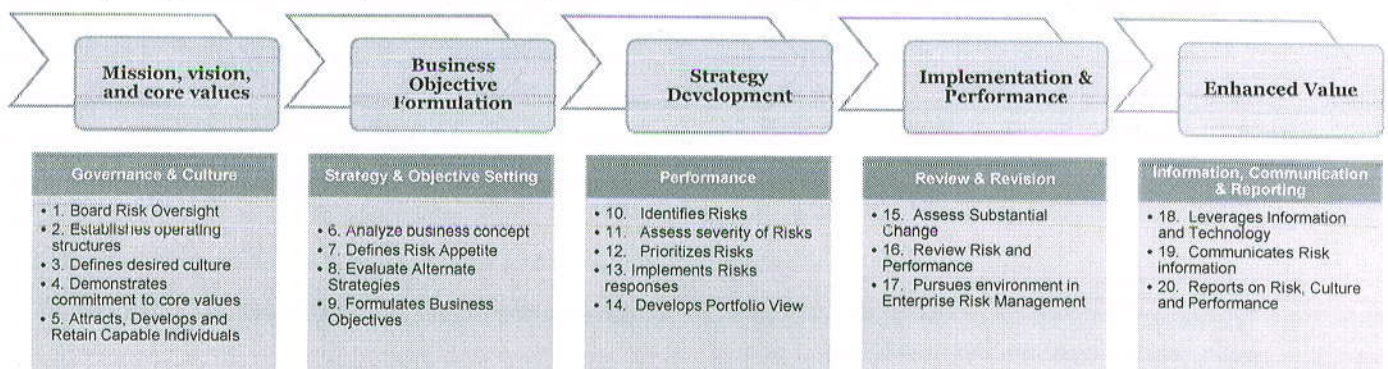
The COSO framework of 2017 have been divided into five components:

1. **Governance and Culture** Governance sets the organization's tone, reinforcing the importance of, and establishing oversight responsibilities for, enterprise risk management. Culture pertains to ethical values, desired behaviors, and understanding of risk in the entity.
2. **Strategy and Objective-Setting:** Enterprise risk management, strategy, and objective-setting work together in the strategic-planning process. A risk appetite is established and aligned with strategy; business objectives put strategy into practice while serving as a basis for identifying, assessing, and responding to risk.
3. **Performance:** Risks that may impact the achievement of strategy and business objectives need to be identified and assessed. Risks are prioritized by severity in the context of risk appetite. The organization then selects risk responses and takes a portfolio view of the amount of risk it has assumed. The results of this process are reported to key risk stakeholders.
4. **Review and Revision:** By reviewing entity performance, an organization can consider how well the enterprise risk management components are functioning over time and in light of substantial changes, and what revisions are needed.
5. **Information, Communication, and Reporting:** Enterprise risk management requires a continual process of obtaining and sharing necessary information, from both internal and external sources, which flows up, down, and across the organization.

These five components are further supported by a set of principles. These principles are the practices that can be implemented in various manners as per organization's size or sector. Adopting these principles can provide management and the board with a reasonable assurance that the organization understands and strives to manage the risks associated with its strategy and business objectives. These principles have been defined in brief, below:

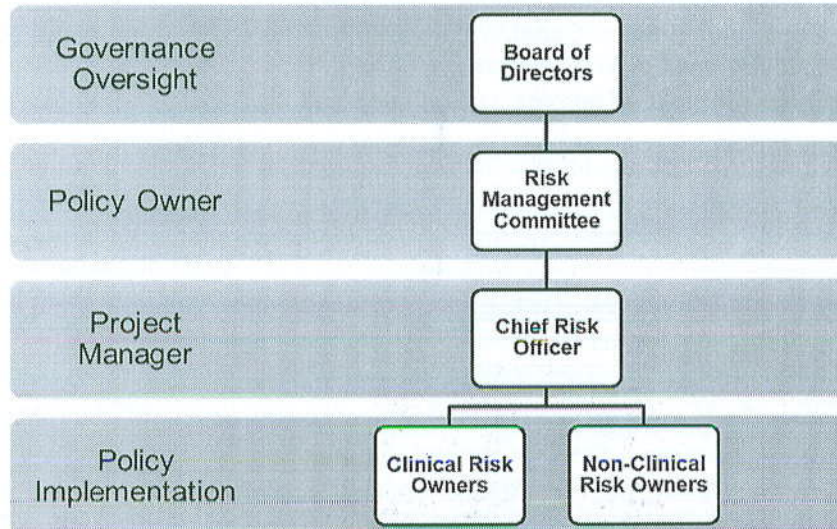
1. **Board Risk Oversight**—The Board of Directors is responsible for oversight of the strategy and bear governance responsibilities to guide and support the Company management in achieving its objectives.
2. **Establishes Operating Structures**—The Company creates operational structures that are suitable for the achievement of its strategy and business objectives.
3. **Defines Desired Culture**—The organization clearly sets out the desired behavior action that creates the Company's desired culture.
4. **Demonstrates Commitment to Core Values**—The organization is committed to its values.
5. **Attracts, Develops, and Retains Capable Individuals**—The organization builds adequate human capital that can help in achievement of its objectives.
6. **Analyzes Business Context**—The organization assesses the impact of changing business context on its risk profile.
7. **Defines Risk Appetite**—The organization defines risk appetite with an objective of creating, protecting, and realizing value.
8. **Evaluates Alternative Strategies**—The organization evaluates alternative strategies and potential impact on risk profile.
9. **Formulates Business Objectives**—Risk is well-considered at the time of creating the business objectives.
10. **Identifies Risk**—Risks that impact the performance of its strategy are identified.
11. **Assesses Severity of Risk**—Severity of risk is assessed to allow for adequate management attention.
12. **Prioritizes Risks**—Risks are prioritized for finalizing responses against such events.
13. **Implements Risk Responses**—The organization identifies and selects appropriate risk responses.
14. **Develops Portfolio View**—The organization creates a portfolio view of risk. This allows for better prioritization of risks and respective action plans.
15. **Assesses Substantial Change**—The organization keeps track of changes that may affect strategy and achievement of business objectives.
16. **Reviews Risk and Performance**—Risk is a part of review of entity performance.
17. **Pursues Improvement in Enterprise Risk Management**—Risk management program is assessed, and any potential improvement is implemented.
18. **Leverages Information Systems**—Entity's information and technology systems are optimally utilized to support risk management program.
19. **Communicates Risk Information**—A robust communication plan ensures that the risk information is disseminated to the relevant stakeholders.
20. **Reports on Risk, Culture, and Performance**—A formal reporting mechanism on risk, culture, and performance exists at relevant levels and across the organization

These principles have been presented hereunder:



5. Medanta’s Risk Management Organization:

The COSO framework emphasizes that effective organizational risk management relies on a strong and independent oversight mechanism at the Board level. Communication of risk-related information and monitoring the performance of risk management initiatives are crucial components. In this regard, Medanta has established an organization-wide risk management structure to ensure oversight, implementation, and reporting. The current risk management structure is outlined below:



The Risk Management Committee (RMC) reports to the Board of Directors for guidance on risk management practices and reporting on various aspects of risk management. Chief Risk Officer (CRO) and Clinical/ Non-Clinical Risk Owners, report to the Risk Management Committee. CRO and Clinical/ Non-Clinical Risk Owners support the RMC in implementation of risk management program across the organization.

5.1 Risk Management Organization Structure:

The roles of different members of risk management organization can be summarized as below:

Sr. No.	Organization	Risk Management related responsibility
1	Board of Directors	Governance Oversight
2	Risk Management Committee	Policy owner
3	Chief Risk Officer	Project Manager
4	Clinical and Non-Clinical Risk Owners	Operationalizing the policy on ground

A more detailed description of specific areas of influence of the above committees and teams are mentioned hereunder:

a. **Board of Directors:**

The Board of Directors of Medanta is responsible for governance oversight for effective risk management policy implementation and monitoring.



The Board also periodically reviews the progress of priority areas highlighted in the risk management program and suggest any changes to make it more effective. Some of the key responsibilities of the Board of Directors with relation to Risk Management at Medanta include:

- Overall responsibility to oversee the process of Risk Management, as well as forming its own opinion on the effectiveness of the Risk Management framework and the efficiency of the Risk Management process by engaging in substantive dialogue around key risks.
- Discuss key risks and performance indicators affecting Medanta's strategic objectives.
- Ensure that appropriate systems are in place to identify risks, measure the impact and proactively manage it, to safeguard assets and reputation.
- Review the minutes and reports from the Risk Management Committee and implement the risk management plan across Medanta.
- Ensure that the Risk Management Committee periodically reviews Medanta's Risk Management Policy to ensure alignment with the business objectives and vision of the Company.
- Suggest and approve changes (as may be proposed by the Risk Management Committee) in the Risk Management Policy and composition of Risk Management Committee.
- Call upon the Risk Management Committee in case of any unforeseen event, to develop mitigating strategies and implement effective strategies as per the Company's Risk Appetite and organizational objectives.

**b. Risk Management Committee:**

The Risk Management Committee is the owner of the Medanta Risk Management Policy. This Committee comprises of the members as approved by the Board of Directors from time to time.

This committee works as a bridge between the Medanta' Board of Directors and the rest of the organization with respect to implementation of the Risk Management Policy. Key responsibility areas of Risk Management Committee include (but are not limited to) the following:

- Overall responsibility to implement the process of Risk Management at Medanta.
- Finalize key risks and performance indicators affecting the ability of the Medanta to achieve its strategic purpose and objectives.
- Define key parameters in relation to risk management policy. These include but are not limited to risk appetite and scale for risk measurements.
- Define procedures and timelines in relation to Medanta Risk Management program.
- Formalize key formats for risk management activities. Some of the examples include risk register, mitigation plan handover and monitoring, changes in risk profile/ portfolio due to a specific event and reporting formats for the Board presentation and communication with the other stakeholders with respect to Risk Management policy and procedures.
- Ensure that clinical and non-clinical Risk Owners are taking the right approach in identifying key risks that could impact the business performance of Medanta.
- Discuss, minute, and finalize the key risks in discussion with Chief Executive Officer and Risk Owners, for development of mitigation plans with timelines.
- Apprise the Board with the progress on risk management program, mitigation plan, highlight any challenges and discuss changes in the risk landscape since last meeting.
- Review the performance of Chief Risk Officer and Risk Owners in respect of risk management and suggest improvement areas for the next Risk Management Cycle.

**c. Chief Risk Officer:**

The Chief Risk Officer (CRO) works with the Risk Management Committee in establishing effective risk management. Key responsibilities of CRO include the following:

- Enabling the Risk Management Committee to fulfill its responsibilities.
- Communicating and overseeing the development and continuous upkeep of risk management procedures, following the organization's risk management framework.
- Appointment and release of new risk owners for clinical / clinical areas (if any) and ensure their Key Performance Indicators (KPIs) are updated in line with risk management.
- Compiling risks and mitigation plans reported by the Risk Owners and presenting them to Risk Management Committee.
- Keeping track of mitigation plans basis their due dates, follow up with the risk owners regarding implementation of mitigating controls and communicate status of mitigation plans to the Risk Management Committee.
- Ensuring that the risk mitigation plan for each function/department is monitored and reviewed regularly.
- Communicate any changes in the risk management policy to the Risk Owners.
- Maintain all the records pertaining to risk management policy and practices within the organization. As a minimum, this should include the latest risk registers, minutes of respective meetings, mitigation plan progress reports and reports to the Board of Directors.
- On behalf of the Risk Management Committee, seek feedback from various stakeholders on adequacy of risk management policy and practices.
- In summary, the role of Chief Risk Officer is that of a project manager with respect to the Risk Management framework implementation at Medanta without assuming responsibility and mitigation of all risks.

**d. Risk Owners (Clinical and Non-Clinical):**

Risk Owners are the operational owner of risk management policy and are responsible for ensuring that the policy is implemented consistently, and all the risks are identified and managed in line with the limits defined by the management. Risk owners should also ensure that the risk identification and risk measurement activities are inclusive of diverse views.

As of today, Medanta has identified the following Risk Owners:

- Chief Finance Officer (CFO),
- Chief Marketing and Growth Officer,
- Chief Procurement Officer,
- Chief Strategy Officer,
- Chief Information Officer,
- SVP and Head HR,
- Project Head
- Company Secretary,
- Hospital Directors
- Medical Directors of various units

These Risk Owners are responsible for the following actions with respect to risk management at Medanta:

- Identifying and compiling individual function's/ department's risks.
- Conducting the first level assessment of risks identified within the department.
- Measuring risks in terms of potential impact and likelihood of occurrence.
- Preparing mitigation plan in discussion with the process owners.
- Reporting any new risk events to Risk Management Committee.
- Ensuring functional risk registers are maintained and updated on a periodic basis.
- Ensuring that identified risks are mitigated as per agreed plan.

### 6. Key Components of Risk Management:

This policy section outlines the fundamental components of the risk management policy, guiding the management in adopting a structured approach to identify and manage risks effectively. It focuses on the "what" part of risk management policy. The policy guides the management in performing following activities in an effective manner, within the organizational context:

- Risk Identification:** Risk identification is the process of identifying and documenting risks that could hinder Medanta from achieving its objectives. This initial step helps understand and plan for potential risks based on their impact on Medanta's business. Some events may not be material individually but may be found to be material collectively, some events may have a material impact qualitatively instead of quantitatively and some events may not be material at present but may have material impacts in the future. Risk identification activities allow Medanta to prepare for potentially adverse events and minimize their impact on the organization.
- Risk Measurement:** Risk Measurement denotes an activity aiming to quantify (produce numerical measures) risks shortlisted in the risk identification process. Various methods can be used to measure risks. One of the accepted methods is to measure the risk on two scales of potential impact and likelihood of the risk event occurring. Organizations define their own scales for these parameters to prioritize risk. Medanta has defined the scales for these parameters in Section 8 of this Policy document.
- Risk Prioritization:** Risk prioritizing is the process of identifying the most critical risks for prioritized attention, considering the likelihood and potential impact on Medanta. Prioritization should align with business needs to optimize resource utilization.
- Risk Response:** Risk response is the process of planning for high impact events and reduce the negative impacts. Although the principle of risk response is to prepare a strategy for all potential risks, a proper risk mitigation plan will prioritize risks based on their impact, focusing on unavoidable threats. It prepares for disasters, dealing with their effects and taking preemptive measures to reduce adverse and long-term effects.
- Risk Monitoring:** This step of risk management involves re-evaluating the response strategy's effectiveness in identifying risk and improving as needed. Regular testing ensures the mitigating plan remains up-to-date and functional, adapting to evolving risk factors.
- Reporting and Escalation:** Reporting progress periodically at the highest organizational level is essential for any governance initiatives. The risk management program requires defined reporting protocols from bottom to top levels, with clear periodicity. The Chief Risk Officer monitors and reports non-compliance with reporting procedures.

7. Risk Management Methodology:

This section outlines the operational steps within the Medanta risk management framework, focusing on the "How" aspect. The specific procedures for implementing the risk management policy are detailed below:

- The Risk Management Committee will initiate the risk management assessment process as needed, with a minimum frequency of once every two years.
- Under the guidance of the Risk Management Committee (through the Chief Risk Officer), Risk Owners conduct risk assessments for their respective areas and present the findings to the Risk Management Committee.
- RMC will review and approve the identified risks. Based on the priority areas, response strategies are developed by Risk Owners along with clear steps, designated response owners and defined timelines for completing the response plans.
- RMC will present the identified priority risk areas to the Board of Directors.
- RMC (through CRO) will update the risk register and communicate the changes to the Risk Owners for any necessary update in response plan, plan ownership or timelines.
- Comments/ suggestions if any of the Board of Directors will be appropriately addressed by RMC/ CRO/ Risk Owners as the case maybe.

8. Key Parameters for Risk Measurement:

8.1. Risk Appetite:

Risk Appetite refers to the predetermined level of risk that an organization is willing to accept or tolerate in pursuit of its objectives. It represents the boundary within which the organization operates, balancing the potential benefits of taking risks against the adverse consequences. Establishing a clear risk appetite helps guide decision-making, aligns with organizational goals, and ensures a consistent approach to risk management. At Medanta, risk tolerance for broad categories of risks is as follows:

#	Risk type	Risk Appetite level	Description
1	People risks	No tolerance	Anything that threatens the safety and well-being of any person associated with Medanta, is not tolerated.
2	Reputational risks (due to misconduct, media coverage)	Low tolerance	The Company may take calculated risks in the campaigns for brand building, public relations, and social media.  However, any actions that are not in line with the values and ethics of the Company and could severely hamper Medanta's reputation, are not acceptable.

#	Risk type	Risk Appetite level	Description
3	Technology risks	Low tolerance	<p>Medanta frequently invests in technological improvement. The tolerance towards technology incidents that could adversely impact the business operations is low.</p> <p>Adequate mitigation plans will be in place before taking these decisions, they will not be avoided completely.</p>
4	Regulatory compliance risks and	Low tolerance	<p>Medanta is committed to be compliant with all the applicable regulatory and legal compliances, as they are intended to.</p> <p>Medanta weighs cost-benefit in case of implementation and adoption of legal framework of all the geographies that Medanta operates/ will operate in.</p>
5	Operational risks	Moderate tolerance	<p>The management will continue to explore opportunities in process optimization, technological improvement, or supply chain management. Even though adequate mitigation plans will be in place before taking these decisions, they will not be avoided completely.</p>
6	Strategic risks	Moderate tolerance	<p>Medanta takes calculated risks when it comes to strategic risks. This implies that the organization is willing to take risks in the areas of market expansion, adoption of technology, and mergers &amp; acquisition of new companies.</p> <p>The Management understands that some of these might not always be as successful as anticipated. However, the Management of Medanta will continue to explore strategic options.</p>
7	Financial Risk	Moderate tolerance	<p>Any event that results in losing money on a business or investment decision is referred to as Financial Risk.</p> <p>Medanta makes investment decisions based on market scenarios. These decisions are finalized based on Management's review as per defined authority matrix.</p> <p>At times, such decisions might not result in desired returns/ results.</p>

8.2. Risk Score:

Risk Score is a numerical assessment that combines the likelihood and impact of a risk event to quantify its overall risk level to prioritize and compare risks, aiding in decision-making and resource allocation for risk management. The score provides a concise representation of the potential harm and probability associated with a specific risk, allowing organizations to focus efforts on addressing the most significant threats.



		Impact Rating				
		1	2	3	4	5
Likelihood Rating	1	1 Low	2 Low	3 Moderate	4 Moderate	5 Moderate
	2	2 Low	4 Moderate	6 Moderate	8 Moderate	10 High
	3	3 Moderate	6 Moderate	9 Moderate	12 High	15 High
	4	4 Moderate	8 Moderate	12 High	16 High	20* Severe
	5	5 Moderate	10 High	15 High	20* Severe	25* Severe

8.3. Risk Event Likelihood of Occurrence:

Risk Likelihood means the possibility of a potential risk to occur. To assess the likelihood, the following classification matrix should be considered:

Likelihood Rating		
Risk Measurement Score (Likelihood)	Classification	Likelihood
1	Unlikely	Management does not expect this event to occur in the next 2 years.
2	Low Likelihood	There is a low probability of this event occurring in the next 1-2 years.
3	Likely	This event could be triggered in the next 12 months.
4	Highly Likely	It is more likely than not that this event will take place in the next 12 months.
5	Near Certain	Management is almost certain that this event will take place in the next 12 months.

## 8.4. Risk Event Impact:

Risk Impact means the extent to which a risk event might affect the enterprise. To assess the impact, the following classification matrix should be considered:

Affected Business Dimension	Impact Rating				
	1 Insignificant	2 Low	3 Moderate	4 High	5 Severe
Strategic	Consequences or event, which can be readily absorbed under routine operating conditions without any visible impact on the project/ initiative.	Consequences or event, which can be managed under normal operating conditions without additional resources & management effort	Consequences or event, which can be managed; but, requires additional resources & management effort which might result in delays in achievement of KPIs	Consequences or event which can be endured; but, which may have a prolonged negative impact / delay in the KPIs realization / strategic objectives of the organization.	Consequences with potential to challenge the sustainability of the organization and erosion of its value.
Cyber Security/ Technology	Minor operations interruptions	Operations interrupted over several days	Week-long operations interruptions	Two-week long operations interruptions	Confidential data leakage Extended cessation of business
Reputation	Local public awareness; but, no public concern/ no Media coverage.	Local public concern. Attention of local media.	Statewide public concern. Attention of regional media.	Nationwide public concern. Attention of national media.	Potential restrictive measures and/or impact on strategic objectives.
Operational Efficiency & Effectiveness	Insignificant impact/ delay in achievement of projects/ KPIs	Minor impact/ delay in achievement of projects/ KPIs	Moderate impact/ delay in achievement of projects/ KPIs	Major impact/ delay in achievement of projects/KPIs	Significant impact/ delay in achievement of projects/ KPIs
Financial	EBITDA impact below INR 75 lacs	EBTDA impact of INR 75 Lacs to INR 1.5 Crores	EBITDA impact of INR 1.5 to INR 7.5 crores	EBITDA impact of INR 7.5 to INR 15 Crores	Any impact above INR 15 crores

Affected Business Dimension	Impact Rating				
	1 Insignificant	2 Low	3 Moderate	4 High	5 Severe
Healthcare quality	Circumstances or events that have the capacity to cause error	An error occurred but the error did not reach the patient  An error occurred that reached the patient but did not cause patient harm	An error occurred that reached the patient and required monitoring to confirm that it resulted in no harm to the patient and/or required intervention to preclude harm  error occurred that may have contributed to or resulted in temporary harm to the patient and required intervention	An error occurred that may have contributed to or resulted in temporary harm to the patient and required initial or prolonged hospitalization	An error occurred that may have contributed to or resulted in permanent patient harm/  An error occurred that required intervention necessary to sustain life  An error occurred that may have contributed to or resulted in the patient's death
Fraud	-	-	-	-	Rated Severe irrespective of impact
Regulations	Minor compliance failures detected but waived / condoned	Compoundable payments up to INR 5 Lacs  Penalty up to INR 1 Lacs	Penalty between INR 1 Lacs to 5 Lacs	Penalty between INR 5 lacs – INR 50 lacs	Penalty of more than INR 50 lacs.  Financial impropriety / Fraud potentially resulting in termination / criminal proceedings  Partial /complete prohibition of carrying out initiatives/ projects



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Affected Business Dimension		Impact Rating				
		1	2	3	4	5
		Insignificant	Low	Moderate	High	Severe
Patient Experience		Patient Satisfaction Score between 7-8	Patient Satisfaction Score between 5-6	Patient Satisfaction Score between 3-4	Patient Satisfaction Score between 0-2	Patient Satisfaction Score between 0-2
		Peripheral element of treatment or service suboptimal	Overall treatment or service suboptimal	Treatment or service has significantly reduced effectiveness	Multiple complaints/ independent review	Totally unacceptable level or quality of treatment/ service
		Informal complaint/ inquiry	Formal complaint - Local resolution	Formal complaint - Local resolution (with potential to go to independent review)	Low performance rating	Gross failure of patient safety if findings not acted on
			Single failure to meet internal Standards	Repeated failure to meet internal standards	Critical report	
			Minor implications for patient safety if unresolved	Major patient safety implications if findings are not acted on		
Reduced performance rating if unresolved				Gross failure to meet national standards		
People	Senior Doctors & Corporate Function Owners	-	-	Key position vacant for more than 3 months	Key position vacant for more than 6 months	Key position vacant for more than a year
	Key Management Personnel	-	-	Key position vacant for more than 3 months	Key position vacant for more than 6 months	Key position vacant for more than a year
	Junior Doctors, Nursing Staff & Other Staff	Attrition less than 15%	15 -25% attrition	Attrition of 25-35 %	Attrition of 35-50 %	Attrition of more than 50%

## 8.5. Risk Response Strategies:

Following the determination of risk scores, Risk Owners formulate response strategies. Four common risk treatment strategies exist, and the choice depends on each risk's specific characteristics. Certain risks may necessitate a mix of strategies and multiple responses, while others may require a single strategy with a singular response. These strategies are elaborated below:

### MITIGATE

Mitigate strategy focuses on reducing the likelihood or impact of a risk. It involves taking proactive measures to minimize the potential harm or negative consequences associated with a risk. Risk management strategies should be regularly reviewed to ensure their effectiveness and make necessary adjustments.

### AVOID

Avoid strategy involves eliminating risk or avoiding the activity or situation that poses a potential risk. Avoiding risk can be a proactive approach to risk management, as it focuses on preventing potential harm or negative outcomes.

### ACCEPT

Acceptance strategy involves knowingly tolerating a certain level of risk when its impact or likelihood is deemed acceptable, or when mitigation costs outweigh potential consequences. This doesn't mean ignoring risks; but requires periodic monitor and reassessment and taking action if circumstances change. Embracing certain risks enables focusing resources on higher-priority concerns.

### TRANSFER

Transferring risks can be an effective strategy to minimize the impact of potential risks on the hospital by shifting the responsibility to other parties. Transferring a risk provides a level of protection but it does not eliminate the risk entirely hence it's essential to carefully evaluate the terms and implications of such transfer to ensure comprehensive risk management.

## 9. Policy Limitation:

While risk management aims to identify and mitigate potential risks through effective controls, it is crucial to acknowledge the inherent limitation of predicting all future events with absolute certainty. New and unexpected risks can arise, and even the most comprehensive risk management strategies might not cover every eventuality. Further for the identified risks as well, the agreed mitigation action may reasonable assurance on risk mitigation only and not an absolute assurance. Accordingly, there will always be a need for ongoing monitoring and adaptive risk management processes.

### *Annexures:*

1. Risk Register Format
2. Risk Register Related Term Definitions

## Annexure 1: Risk Register Format



Format - Risk Register

## Annexure 2: Risk Register related terms

Field name in Risk Register	Description
Sr. No.	Risk should be sequentially numbered to allow for ease of reading and tracking the progress
Risk Type	Categorization as per Risk Management policy of Medanta
Risk definition	Detailed description of the risk in Medanta's business context
Risk description	A broad description (one line) describing the risk.
Impact score	Scores to be assigned as per Risk Management policy of Medanta
Impact rationale	Objective assessment and description of reasons behind the impact score
Likelihood of occurrence	Scores to be assigned as per Risk Management policy of Medanta
Rational for Likelihood	Objective assessment and description of reasons behind the likelihood score
Overall Risk Score	A product of impact and likelihood score
Risk Owner	Position in Medanta responsible for management of the risk. There can be more than one owner of a response plan.
Risk Response strategy	This is one of the broad categories of mitigation plan as defined in Risk Management Policy (Mitigate, Avoid, Accept or Transfer)
Response plan details	Details of specific steps to be taken to manage the identified risks.
Response plan owner(s)	Position in Medanta responsible for driving the mitigation plan. There can be multiple owners of the mitigation plan.
Response plan completion date	Mitigation plan completion date is the date by which agreed action steps would have been completed.
Due/ Not due for follow up	Tracker to identify due mitigation plans and follow up for its status.

