

**HOSPITAL ALEMÃO
OSWALDO CRUZ**
2016
SUSTAINABILITY
REPORT





INTEGRATED ATTENDANCE -
BLOCK A RECEPTION

Hospital
Alemão
Oswaldo
Cruz

2016 SUSTAINABILITY REPORT

WELCOME

As part of the institution's commitment to its stakeholders and to transparency in the work it does, the Hospital Alemão Oswaldo Cruz is publishing its first Sustainability Report.

Based on Global Reporting Initiative (GRI) guidelines, this edition refers to 2016, presenting the hospital's social, economic and environmental indicators and highlights for the year. Priority was given to matters identified as being relevant from the standpoint of the institution's stakeholders – such as patients, employees, medical staff and business partners.

In addition to this document, there are digital and summarized versions of the Sustainability Report, outlining the main highlights of the year. See them on the website www.hospitalalemao.org.br.

ENJOY READING IT!

SUMMARY

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HOSPITAL COMPLEX



Block A

Diagnostic Imaging Center, Oncology Center, Orthopedics Center, Orthopedic Emergency Unit, Nephrology and Dialysis Center, Specialty Outpatient Care, Clinical Neurophysiology, Cardiology and Clinical Medicine

Block B

Surgical Center, Cardiovascular Intervention Center, internment units, non-invasive cardiology, Day Clinic, endoscopy and colonoscopy, specialties and check-up center

Block C

Emergency Care Unit

Block D

IECS, Institute of Education and Healthcare Sciences (Instituto de Educação e Ciências em Saúde), FECS or Healthcare Sciences Education Faculty (Faculdade de Educação em Ciências da Saúde) and ETES, Healthcare Education Technical School (Escola Técnica de Educação em Saúde), Prostate and Urinary Diseases Institute, Employee Health and Safety Center (CASSC), Oncology / Hematology Unit, employees' restaurant (Restaurante Quintal) and leisure area

Block E

Internment, ICU, surgical center and Premium apartments



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF TRUSTEES

120 YEARS OF DEDICATION AND CARE G4-1

In 2017, the Hospital Alemão Oswaldo Cruz, a high performance institution, completes 120 years of activities, accompanying the Brazilian population in the integrated evolution of medicine and healthcare, providing services that position it among the major hospitals in Latin America.

I am certain when I state that we have a lot to celebrate this year – and many opportunities to capture, guaranteeing the continuity of services that save lives, advance science and education and generate well-being, employment and income for our employees and partners.

The healthcare market in Brazil and worldwide is undergoing significant transformations, which place hospitals of our size in a challenging position. On the one hand, the increase in life expectancy boosts the demand for services, in particular highly complex ones – an area our business model embraces –, but which generates increasing pressure on public and private healthcare.

On the other, we find ourselves in a complex equation of financing treatments and procedures involving our accredited doctors and healthcare insurance operators, constituting a constant challenge to provide quality care and safety for our patients and their family members, while ensuring profitability and economic-financial sustainability for the different parties.

Finding a balance between these variables is fundamental for the hospital, as it is for its peers and competitors who want to be in the forefront of innovations and changes in the sector. In function of this, in 2016 we consolidated our new strategic planning, reviewed our Mission, our Vision and our Values, defining two focus areas – oncology and digestive diseases –, that represent our perspective for the future of healthcare.

We also defined clear strategies for areas such as relations with doctors and operators, enhancement of the patient experience and sustained, responsible growth – areas in which we had already been progressing and which we prioritized in 2016, with a series of accomplishments presented throughout this report.

It should be noted that during the year we conducted our first materiality process, mapping social, environmental and economic topics of great relevance from the standpoint of the hospital's stakeholders - ranging from the executive board, through healthcare insurance operators, medical staff, employees to suppliers. This advance is reflected in this document, our first *Sustainability Report* prepared in accordance with Global Reporting Initiative (GRI) methodology, which establishes internationally recognized standards for communicating results.

Precision Treatment and Vocation for Care are key terms that reflect where we stand at the moment and the direction in which we intend to proceed. The Hospital Alemão Oswaldo Cruz wishes to be recognized for its excellence in medical practice and admired by patients and their families in function of the integral care, humanized attendance and constant innovation it offers in its operations.



Marcelo Lacerda

“We are experiencing significant transformations in the healthcare market in Brazil and worldwide, which place hospitals of our size in a challenging position.”

MESSAGE FROM THE EXECUTIVE SUPERINTENDENT

GROWING WITH EXCELLENCE G4-1

With a solid reputation and growth plans drafted for the coming years, like everyone in Brazil, the Hospital Alemão Oswaldo Cruz faced an extremely challenging 2016, with yet another cycle of economic retraction, which directly or indirectly impacted the healthcare sector, its users and operators. Even so, efficiency measures and strategic alignment based on growth and cost discipline enabled the institution to record the best year in its recent history, with a net revenue in excess of R\$ 694.7 million and Ebitda of R\$ 109.9 million.

In the operational segment, there was a series of accomplishments. Our Oncology Center, expanded and modernized following the definition of this area as one of our focus specialties, recorded an increase of over 62.7% in the number of outpatients, encompassing chemotherapy, radiotherapy and consultations in the Oncology Center. In other areas, such as the Intensive Care Unit (ICU) we

reached an occupancy rate of 85.7% and in the Obesity and Diabetes Center we had a 72% increase in the number of consultations.

This expansion was accompanied by diverse investments: in 2016 a total of R\$ 69.6 million was invested in the acquisition of equipment and the modernization of installations. More than R\$ 2.1 million was spent on training our work force, of whom we will demand increasing engagement in Precision Treatment and Vocation for Care – hallmarks of the attendance we provide, expressed in our care model and in our strategy.

In relations with doctors, we strengthened our development program, encouraging world class scientific production, quality and safety among the more than 1,700 physicians on our staff. In the Education and Science area, 13 research protocols were conducted, and we advanced in the preparations

for a degree course in Nursing in the Healthcare Sciences Education Faculty (FECS), as a means of disseminating our care practices, recognized as among the best in the country.

As a philanthropic institution, this robust performance enables us to invest more in technology, infrastructure and assets, which will boost revenues and profitability – generating a virtuous circle of growth, aligned with our 2016-2020 strategic planning. We took two important steps in this direction in 2016: the opening of the Vergueiro Reference Unit in downtown São Paulo, and our Instituto Social Hospital Alemão Oswaldo Cruz won the tender conducted by the Santos Municipal Government to manage the Complexo Hospitalar dos Estivadores for the next five years.

These are events that reaffirm our belief in the need to grow and to expand the offer of healthcare services, both in the private and in the public sector - in which we will now work as a social organization through the Instituto Social Hospital Alemão Oswaldo Cruz. This represents continuity of the partnerships initiated in 2008 by the Hospital Alemão Oswaldo Cruz with the Ministry of Health in the Unified Health System Institutional Development Program (Programa de Desenvolvimento Institucional do Sistema Único de Saúde), known as Proadi-SUS.

In spite of the many challenges and uncertainties besetting our sector of activity, we are confident about the consistency of our proposal, the strength of the hospital's brand and its relevance in providing the best possible experience and outcomes for patients and their families, employees, physicians and other stakeholders. In this *Sustainability Report* I invite you to examine our performance during the year and our short, medium and long-term prospects. Enjoy!

Paulo Vasconcellos Bastian



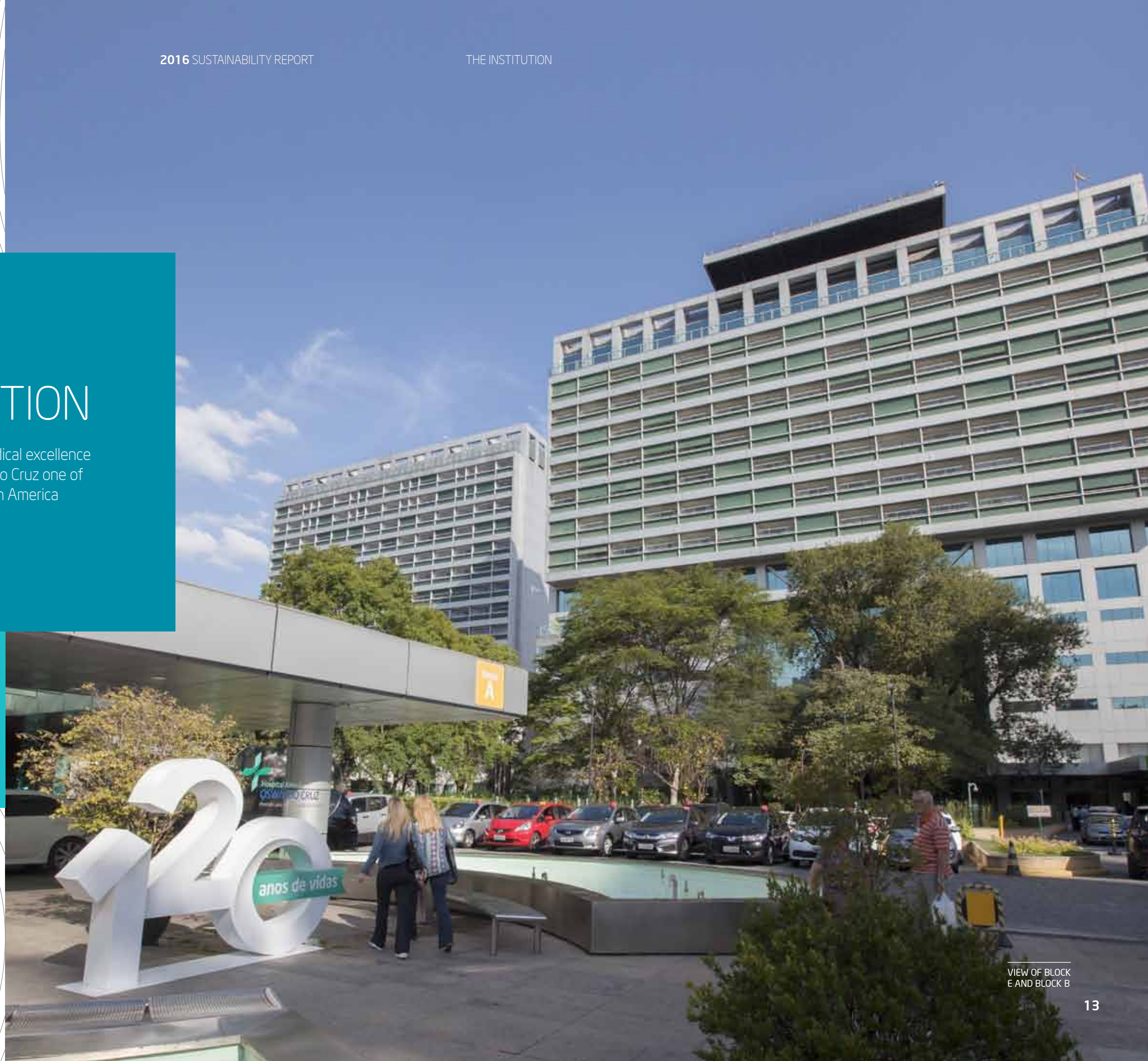
In spite of the many challenges and uncertainties besetting our sector of activity, we are confident about the consistency of our proposal.”

THE INSTITUTION

120 years experience in care and medical excellence have made Hospital Alemão Oswaldo Cruz one of the main hospital centers in Latin America

IN THIS CHAPTER

—
Tradition and excellence
Corporate governance
Ethics, conduct and integrity



TRADITION AND EXCELLENCE G4-9

Founded at the end of the 19th century by a group of German speaking immigrants, the Hospital Alemão Oswaldo Cruz is today one of the largest hospital centers in Latin America, a benchmark in high complexity services and specialized in oncology and digestive diseases. About to complete 120 years of activities in 2017, the work force numbers more than four thousand employees, with an accredited body of active physicians totaling 3,732. **G4-3, G4-4**

The institution's headquarters are located in the hospital complex of over 96 thousand square meters in the region of the city of São Paulo's Avenida Paulista. This unit has 306 beds, 22 operating theaters, 44 beds in the Intensive Care Unit (ICU), 24-hour Emergency Care and centers providing specialized solutions in fields such as cardiology,

geriatrics, hernias, neurology, nephrology, orthopedics, obesity and diabetes and urology, as well as two focus specialties, oncology and digestive diseases. **G4-5, G4-6, G4-8**

The same complex houses the IECS, Institute of Education and Health Sciences (Instituto de Educação e Ciências em Saúde), the FECS or Health Sciences Education Faculty (Faculdade de Educação em Ciências da Saúde), and the ETES Health Education Technical School (Escola Técnica de Educação em Saúde), which offer technical and non-degree graduate and postgraduate courses.

Other units are located in the São Paulo districts of Campo Belo (for consultations, procedures and examinations) and Mooca – the latter being a Sustainability Unit for attendance and qualification programs.

Since 2008, the institution has been one of the six reference hospitals in the Ministry of Health's Proadi-SUS Unified Health System Institutional Development Support Program. **G4-6, G4-8**

In 2016, by means of the Instituto Social Hospital Alemão Oswaldo Cruz, the institution won a public tender to assume management of the Complexo Hospitalar dos Estivadores in Santos – the first phase of which went into operation in 2017. The initiative is aligned with the institution's strategic planning and its purpose of driving a positive impact in public healthcare.



Working on the fronts of private health-care, contributing to the improvement of public healthcare administration and fomenting research and education in health-care, in the last two years Hospital Alemão Oswaldo Cruz has consolidated its new strategic planning. With its Mission, Vision and Values updated, the institution is investing in Precision Treatment and Vocation for Care as competitive advantages to ensure operational efficiency, the best possible patient experience, high quality treatment and the generation of robust financial results, which are fully reinvested in the operation.

In addition to the expansion initiated in 2016, the institution invested in other projects, such as the consolidation of

the Oncology Center, the acquisition of robotics and diagnostic medical equipment and programs to reinforce employee well-being and relations with the medical staff.

In the beginning of 2017, the hospital also conducted its first materiality process, using the Global Reporting Initiative (GRI) guidelines to map the social, economic and environmental topics of greater relevance to its internal and external stakeholders, directly impacting the contents and indicators in this report – the first to formally adopt GRI methodology (*read more in About this report*).



ACTIVE PHYSICIANS

During the year, a lease was signed with the Fundação Zerrener for the operation of the structure of the former Hospital Santa Helena, on Rua Vergueiro in downtown São Paulo. With investments of R\$ 140 million between 2016 and 2017, the new Vergueiro Reference Unit will add a total of 232 beds (of which 30 in the ICU) to the hospital infrastructure, with an innovative business model focused on offering the patient the best possible experience and health outcomes (*read more in Projects & perspectives*).



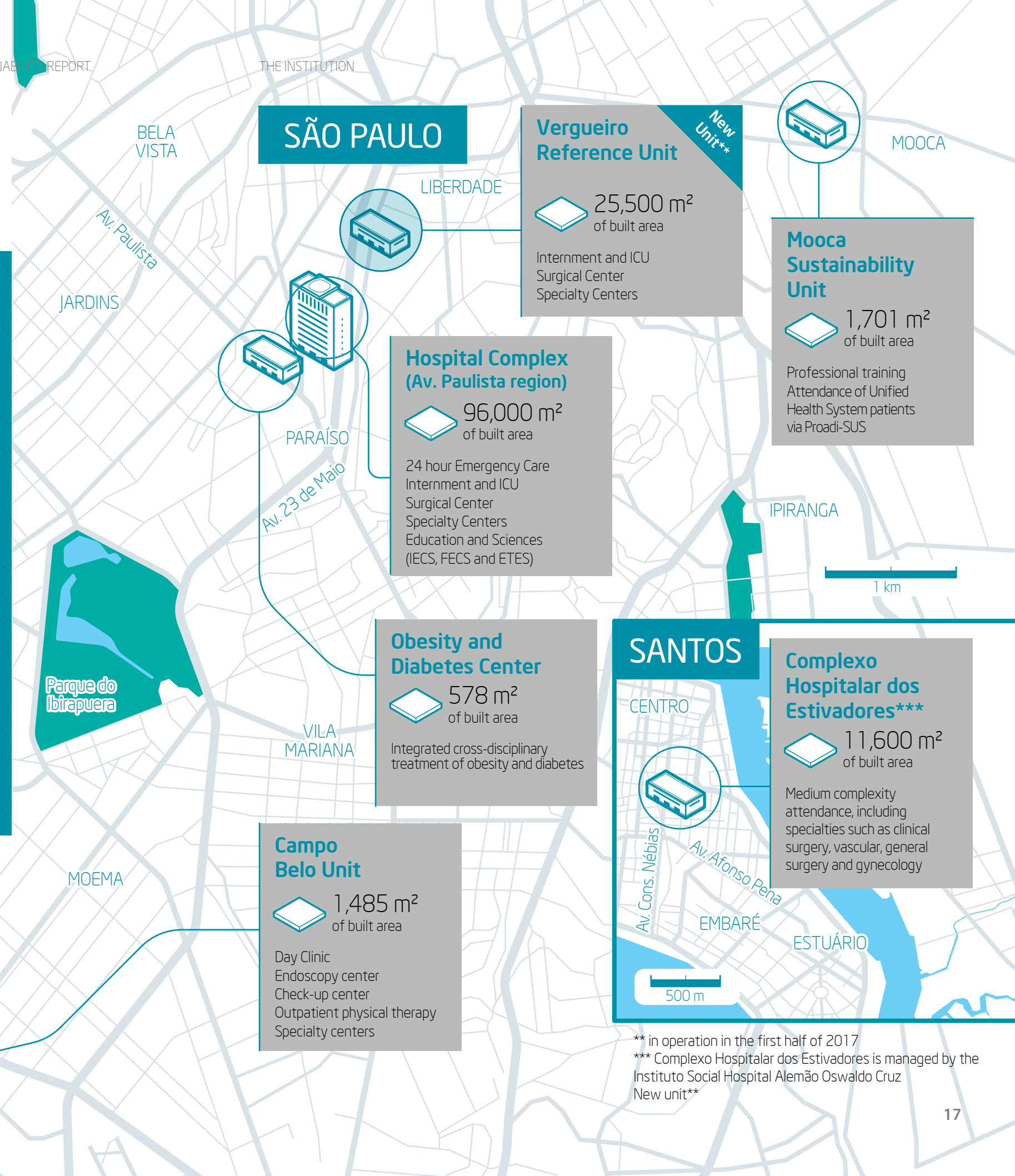
HOSPITAL ALEMÃO OSVALDO CRUZ*

Main specialties attended In consultations, centers and emergency care

G4-9

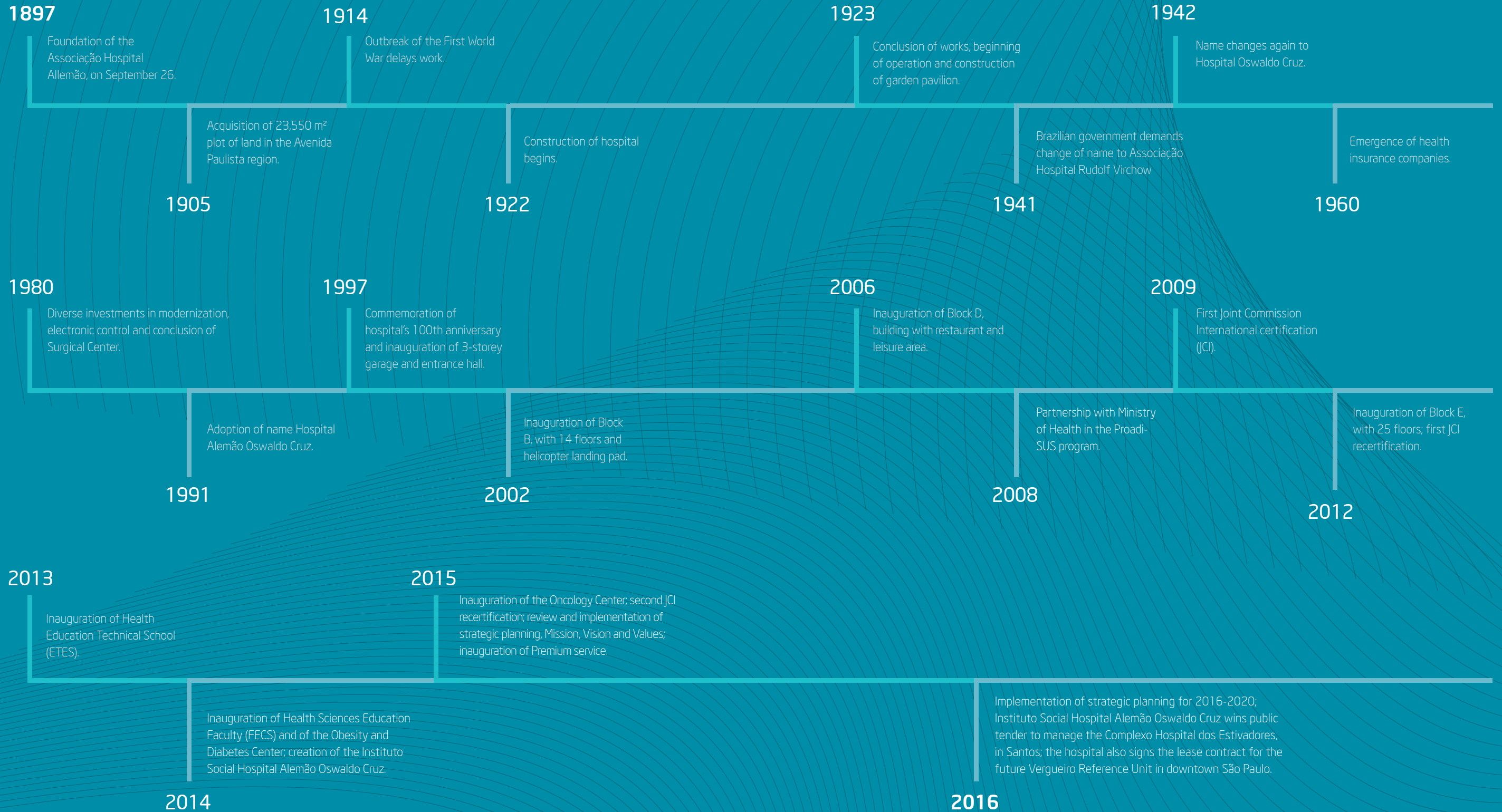
- | | |
|--------------------------------|--|
| Cardiology | Neurology |
| Bariatric surgery | Neurosurgery |
| Oral and maxillofacial surgery | Nutrition |
| Head and neck surgery | Nutrology |
| Plastic surgery | Ophthalmology |
| Thoracic surgery | Oncology |
| General practice | Orthopedics |
| Robotic surgery | Ear, nose and throat |
| Dermatology | Pulmonology |
| Digestive | Minimally invasive procedures
for the spine |
| Endocrinology | Proctology |
| Gastroenterology | Nephrology |
| Geriatrics | Urology |
| Gynecology | Vascular |
| Hematology | |
| Hernia | |

* Data for the Hospital Complex in the Avenida Paulista region



** in operation in the first half of 2017
 *** Complexo Hospitalar dos Estivadores is managed by the Instituto Social Hospital Alemão Oswaldo Cruz
 New unit**

TIMELINE



CORPORATE GOVERNANCE

Constituted as a non-profit association, the Hospital Alemão Oswaldo Cruz today has some 70 members linked with the families that founded and built up the institution's reputation over the course of 120 years. Corporate governance practices have evolved constantly and are aimed at consolidating the institution's reputation as a benchmark in the sector, capable of making it fully self-sustaining and reinvesting income in order to enhance the hospital's structure. **G4-7**

The hospital's governance principles include agility, transparency, efficiency and professional management. The main management bodies have the responsibility of elaborating, implanting, reviewing and managing the execution of long-term strategy, as well as defining the action focuses and validating the organization's Mission, Vision and Values.

The main decision making and highest governance body is the Members' General Meeting, responsible for electing the chairmen and vice chairmen of the Board of Trustees and the Fiscal Council.

70

MEMBERS LINKED WITH THE FAMILIES THAT FOUNDED AND BUILT UP THE INSTITUTION'S REPUTATION OVER THE COURSE OF 120 YEARS

Management of operations and the diverse hospital areas is the responsibility of the Executive Superintendency area, which oversees the five functional areas responsible for implementing and monitoring strategy: Care; Medical; Human Development; Education and Sciences; and Operations, the latter having been restructured in 2016. In line with Brazil's Federal Medical Council (CFM) rules, there is also a clinical director and vice director, elected by the clinical staff.

Particularly worthy of note in governance last year was the implementation of the hospital's new strategic planning. With support from a specialized consultancy the Executive Superintendency area and the Board of Trustees debated and validated projects underway and drivers up to 2020 (*read more in Strategic model*).

The hospital's new strategic planning sets forth guidelines for the sustainability and robust growth of the operation.

THE 10

MEMBERS OF THE BOARD OF TRUSTEES MEET ON A MONTHLY BASIS TO DEBATE STRATEGY

ATTRIBUTIONS

The Board of Trustees comprises ten members, who meet on a monthly basis to discuss strategic planning, assess results and appraise the performance of the executive managers. Additionally, since 2016, two members of the group have been involved in approval of the annual budget prepared by the executive teams. The six-member Fiscal council is responsible for overseeing the organization's accounting and financial statements.

As a philanthropic institution, the board members are not remunerated. In recent years, the focus has been on professionalizing governance, with the development of selection and appraisal processes based on specific criteria.

On an annual basis the Board of Trustees undertakes an assessment of the results achieved, supported by the Human Development area. A reformulation of the board is planned for 2017. This will involve the selection of new members based on market benchmarks, in particular the management principles set forth by the Joint Commission International (JCI).



+PERFORMANCE

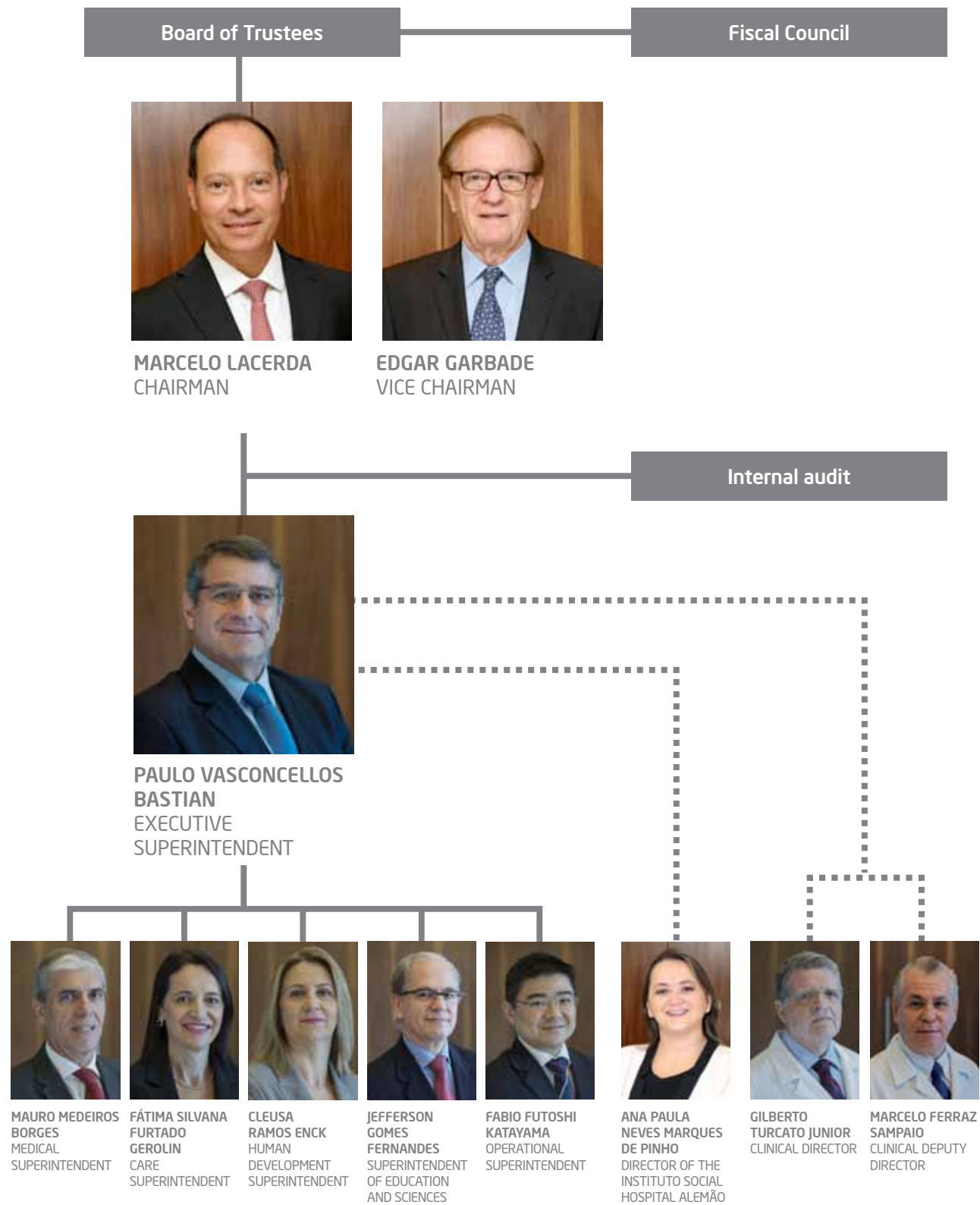
MONTHLY MEETING DEDICATED TO BOOSTING PERFORMANCE INVOLVES EXECUTIVES AND MANAGERS

MANAGEMENT RITUALS

The Board of Trustees meets once a month, with the participation of the Executive Superintendent and, depending on the agenda, the superintendents of specific areas. The functional areas meet weekly to evaluate the institution's performance.

Moreover, an Operational Performance Meeting is held monthly. This involves the executive body and selected managers, supervisors and coordinators, responsible for monitoring strategic projects and the hospital's annual budget.

GENERAL MEETING G4-34



BOARD OF TRUSTEES G4-34

MARCELO LACERDA
CHAIRMAN

EDGAR GARBADE
VICE CHAIRMAN

BERNARDO WOLFSON
MEMBER

DIETMAR FRANK
MEMBER

JULIO KAMPFF
MEMBER

KLAUS VON HEYDEBRECK
MEMBER

LIDIA GOLDENSTEIN
MEMBER

MARIO PROBST
MEMBER

MARK ESSLE
MEMBER

RONALDO LEMOS
MEMBER

FISCAL COUNCIL

G4-34



MICHAEL LEHMANN
CHAIRMAN



WEBER PORTO
VICE CHAIRMAN



BEATE BOLTZ
MEMBER



CHARLES KRIECK
MEMBER



ERNESTO NIEMEYER FILHO
MEMBER



KURT HUPPERICH
MEMBER

ETHICS, CONDUCT AND INTEGRITY

G4-56

All employee and management relationship practices at the Hospital Alemão Oswaldo Cruz are aligned with rigorous ethical and compliance guidelines, based on the Manual of Ethical Conduct – available to all employees and addressed in periodic training courses.

By means of its Integrity Program the hospital established different action fronts, including the Confidential Channel for receiving reports of breaches via

a system managed by a specialized company, with a guarantee of confidentiality; the Conduct Committee, responsible for managing the Ethical Conduct Manual and the Confidential Channel; face-to-face and digital training programs; and the Internal Audit area, responsible for verifying risk factors and incidents in the diverse areas and in key activities.

After organizing training on the Ethical Conduct Manual for more than 2,000 employees in 2015, the institution promoted specific training programs on ethical behavior and Brazil's Anti-Corruption law, mobilizing more than 2,000 employees in 2016.

Another tool used to ensure ethical conduct in relations and practices is the adoption of standard compliance clauses in all contracts between the hospital and its partners, in addition to making the Manual of Ethical Conduct available on the intranet and internet.

For next year, the target is to formulate management policies to reinforce the hospital's Integrity Program and implement ongoing training in ethical conduct.

More than 2,000 employees were mobilized in a training program on the Brazilian Anti-Corruption law.





IN THIS CHAPTER

—
Sights on the future of healthcare
Strategic Planning
Projects and perspectives

STRATEGIC MODEL

Attuned to the opportunities and challenges in the Brazilian healthcare sector, the hospital invests in indicators and key projects for its future

INTRABEAM® - INTRAOPERATIVE
RADIOTHERAPY EQUIPMENT

POSITIONING AND DRIVERS



2016-2020

18 PROJECTS WILL BE DEVELOPED DURING THIS PERIOD TO DRIVE THE HOSPITAL'S GROWTH

Given the transformations experienced by the healthcare sector in Brazil in recent years, the Hospital Alemão Oswaldo Cruz has sought to evaluate trends, capture opportunities, mitigate risks inherent to the business and consolidate its positioning as a hospital for cases of high complexity, a benchmark in care and medical excellence.

Diverse current and future aspects will be decisive for this. Technological development, with new therapies and new forms of treating patients; the growing influx of foreign capital in private health institutions; changes in patients' profiles and demands for hospital services; and the economic-financial challenges shared by hospitals, health insurance operators and patients are just some of the factors to which the hospital is attentive.

Throughout 2015 and 2016, the Board of Trustees and the functional areas

worked on developing and implementing the institution's strategic planning for the period from 2016-2020.

Combining analysis of the legal, economic, social and political scenarios related to the healthcare sector and a broad-based consultation process encompassing employees, executives and key stakeholders – such as patients, competitors, physicians, sector specialists, representatives of public authorities and health insurance plan operators –, the process resulted in the definition of a positioning that is underpinned by eight drivers:

- Strengthening the Brand;
- Expansion and Capillarity;
- Human Development;
- Operational Efficiency;
- Relations with Doctors;
- Relations with Operators;
- Social Responsibility; and
- Education and Research.

NEW MEASURES

Beyond the definition of priorities, this work resulted in fundamental transformations in the institution's business model. Firstly, it led to the decision to ensure business expansion based on gains in capillarity and on fronts that include not only private healthcare, but also the extension of activities into the public healthcare system (by means of the Social Responsibility pillar and the Instituto Social Hospital Alemão Oswaldo Cruz) and the area of Education and Sciences.

Furthermore, as a result of the new strategic planning, the Hospital Alemão Oswaldo Cruz adopted the positioning of a high complexity hospital center focused on the specialties of oncology and digestive diseases – fields intimately linked with health trends in Brazil and worldwide, in which there is great potential for innovation, growth and gains in operational performance.

Another important renovation took place in the hospital's Vision, Mission and Values, reinforcing their alignment with the institution's purpose and operational model (*see below*).

VISION

G4 56

Complete healthcare happens when knowledge and compassion are in harmony.

VALUES

G4 56

PATIENT SAFETY

Attention and precision to deliver what is essential for our patients: safety.

COMPASSION

The most profound medicine occurs in the touch and the look of human relationship.

MISSION

G4 56

Being precise and human to ensure the best experience and health outcomes for the patient.

TRUTH

Confidence is our means, and credibility, our end. Integrity is key within the hospital and in the world around us.

PROACTIVE COLLABORATION

The hospital is a living organism. Each individual must exercise his role, but, above all, demonstrate initiative, see himself in the other and work as a team member.

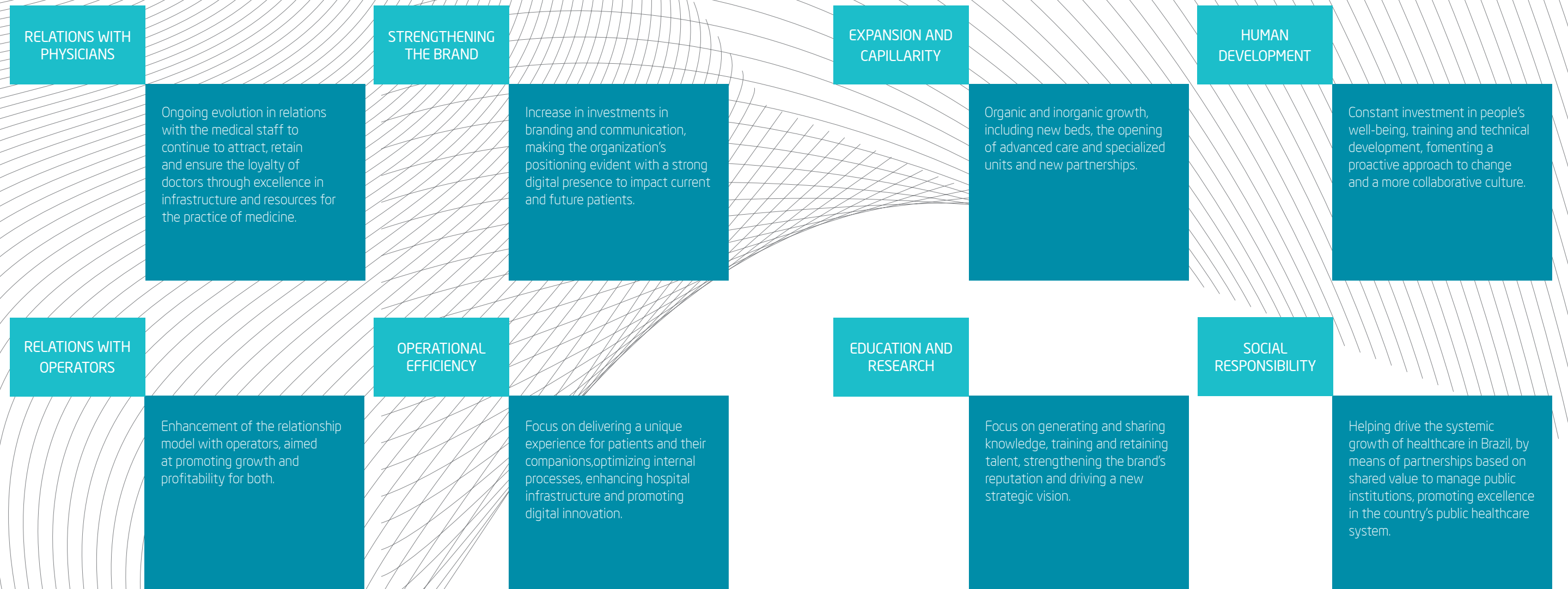
INNOVATIVE TRADITION

Preservation of the culture and landmarks of a hospital aged over a hundred years, but that knows how to reinvent itself in order to evolve continuously.



STRATEGIC PLANNING

Our focus: a high complexity hospital focused on oncology and digestive diseases



PROJECTS AND PERSPECTIVES

A total of 15 indicators and 18 projects were defined to support the eight strategic drivers. These are overseen by the specific areas of the hospital and run directly by the teams associated with each.

For the driver Strengthening the Brand, for example, the familiarity of the general public with the hospital is one of the aspects to be monitored. Regarding Expansion and Capillarity, the projects are concentrated on new business fronts (such as the product Population Health Management – *read more in* Human Development) and growing the

operations. In Human Development, ensuring employee health and qualification are priorities, monitored by specific metrics.

In Operational Efficiency, diverse indicators, ranging from patient satisfaction to account management, are monitored. In the area of Relations with Doctors, worthy of note are the institution's professional development and performance programs. With respect to the driver Relations with Operators, forging closer relations and risk management are key aspects. Under Social Responsibility, the number of persons attended in the

partnership between the Instituto Social Hospital Alemão Oswaldo Cruz and the Ministry of Health in the Proadi-SUS program is a key consideration. And, in the Education and Research pillar, both the number of studies under development and the number of students concluding the courses are addressed.

Among these activity fronts, the hospital has brought some of the targets forward, putting projects related to expansion and medical excellence and excellence in care into practice. In 2016, two cases are especially worthy of note:

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INDICATORS ARE USED TO MONITOR THE SUCCESS OF THE STRATEGY

VERGUEIRO REFERENCE UNIT

As part of its growth plan, based on driving increased revenues while controlling risks and promoting gains in efficiency and profitability, the Hospital Alemão Oswaldo Cruz signed a leasing contract with the Fundação Zerenner to operate the former Hospital Santa Helena on Rua Vergueiro in downtown São Paulo.

Located close to the Oswaldo Cruz Complex, the new unit goes into operation in the first half of 2017 and will receive R\$ 140 million in investment during the 2016 and 2017 period. This will go towards remodeling the installations, acquiring technology and preparing the building – which will function as a specialized medium to high complexity hospital, with an innovative model fo-

cused on ensuring the best experience and health outcomes for patients, while maintaining price predictability. When it is fully operational, the Vergueiro Reference Unit should reach an annual revenue of R\$ 350 million and account for approximately 30% of the institution's turnover. It will have 232 beds, 30 of which in the Intensive Care Unit (ICU), and 13 operating theaters, consulting clinics and diagnostic centers. The building has a built area of 25,500 m² and should employ up to 1,216 people in the administrative and care areas.

The plan for the unit was brought forward by senior management and is one of the main fronts for driving the hospital's gain in scale, ensuring continuity and financial sustainability in the medium and long term.

SOCIAL ORGANIZATION IN SANTOS

The Hospital Alemão Oswaldo Cruz created the Instituto Social Hospital Alemão Oswaldo to expand its activities in the area of social responsibility.

In the second half of 2016, the Instituto Social initiated its activities as a social organization assuming the management of the Complexo Hospital dos Estivadores, in Santos (São Paulo) for a period of five years.

Focused on medium complexity care, this hospital will attend cases referred by the municipal health authorities in the maternal-infant, surgical and surgical-clinical areas. The Hospital Alemão Oswaldo Cruz Care Model, based on full, cross-disciplinary, individualized, humanized patient and family-centered care will be implemented in the Complexo dos Estivadores.

EDUCATION AND SCIENCES: NEW PLANNING

As part of the process of strategy modernization, the institution identified opportunities to boost its plans for growth and consolidation in the Education and Science area (*read more in the chapter* Education and Research). From 2017, executive management will develop specific strategic planning for this area with support from a specialized consultancy with a view to consolidating goals, indicators and projects in the areas of teaching and foment for research, in line with the hospital's vision for the future.

In the first year of the contract, a budget of R\$ 68 million is projected for the Instituto Social to manage the hospital, which started attendance in February 2017. The implantation will occur in three phases. In the first phase, the Obstetrics Emergency Care unit will come into operation, with a theater for caesarian sections and pre-delivery, delivery and post-delivery facilities -, mother-baby couplet care units and a neonatal ICU. In the second phase, attendance will be extended to include clinical medical, clinical surgical, adult ICU services and the capacity of the maternity unit will be expanded. Lastly, capacity will be increased in these areas with further mother-baby couplet care units, a neonatal ICU, an obstetrics center with five pre-delivery, delivery and post-delivery facilities, two caesarian theaters, clinical medical/surgical facilities and an adult ICU with practically double the number of beds. This implantation is scheduled to be concluded by the end of the second half of 2017.

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BEDS WILL BE IN OPERATION IN THE FINAL STAGE OF THE COMPLEXO HOSPITALAR DOS ESTIVADORES

Through the work done by the Instituto Social Hospital Alemão Oswaldo Cruz, the institution's impact on public healthcare will be expanded, boosting public access to excellent treatment.

ECONOMIC AND FINANCIAL RESULTS

The consistency and growth in the hospital's indicators demonstrate its capacity to generate value – which is fully reinvested in the operation

IN THIS CHAPTER

–
Robust growth
Management indicators

ROBUST GROWTH

Financial sustainability is a highly relevant question for the Hospital Alemão Oswaldo Cruz. In function of its legal form, a non-profit institution, 100% of income is reinvested in the hospital. In practical terms, guaranteeing the future of the operation means investing in the continuous improvement of the installations, technologies, care and medical practices in benefit of the community. In 2016, revenue generation continued to grow, maintaining the trend over recent years. Net revenue totaled R\$ 694.7 million (further information on page 37). In parallel, strategic projects linked with the improved calculation of operating costs, hiring and procedures inside the

hospital enabled the efficient execution of the budget, without significant gains in expenditures – even in a conjuncture characterized by elevated increases in the prices of inputs and technologies. As a result, the net surplus in 2016 reached R\$ 78.6 million.

To drive improved results, the institution has concentrated on its focus areas – oncology and digestive diseases – and on other specialties with positive margins and higher quality results in therapies and treatments. Also worthy of note in 2016 was the implantation of a new electricity contracting model (migration to auctions), with a positive effect on cost reduction.

R\$ 491 million

INVESTED IN EQUIPMENT, TECHNOLOGIES AND INFRASTRUCTURE MODIFICATIONS FROM 2010 TO 2016

R\$ 140 million

FOR INVESTMENT IN THE NEW VERGUEIRO REFERENCE UNIT (2016-2017)

This robust performance ensured a year of significant investments. These totaled around R\$ 69.6 million in 2016, without counting the R\$ 140 million to be invested in the new Vergueiro Reference Unit in 2016 and 2017. From 2010 to 2016, a total of approximately R\$ 491 million was invested in the acquisition of equipment, technologies and modifications to infrastructure – an example being the new electricity substation in the Hospital Complex in the region of Av. Paulista, built to support the growth in attendance in 2016.

Progress was also made in risk management. During the year, a specialized consultancy was contracted to conduct a survey and carry out formal monitoring of the risks associated with the hospital's activities. This work should be completed in 2017 and will underpin a new risk analysis.

SUMMARY OF MAIN FINANCIAL STATEMENTS

MAIN INDICATORS (R\$ THOUSANDS)						GROWTH % 2012-2016
	2016	2015	2014	2013	2012	
Net revenue	694,728	589,635	557,223	493,504	410,129	69.39%
Operational surplus	80,251	54,714	33,983	35,361	24,294	230.33%
Ebitda	109,973	81,353	58,647	55,952	39,501	178.41%
Net surplus	78,689	48,411	22,842	26,160	27,377	187.43%
Total assets	1,043,069	948,735	906,809	907,702	854,969	22%
Net equity	820,985	742,296	693,885	671,043	644,883	27.31%

	2016	2015	2014	2013	2012	TOTAL
Investments	69,600	40,374	28,984	43,834	155,266	338,058

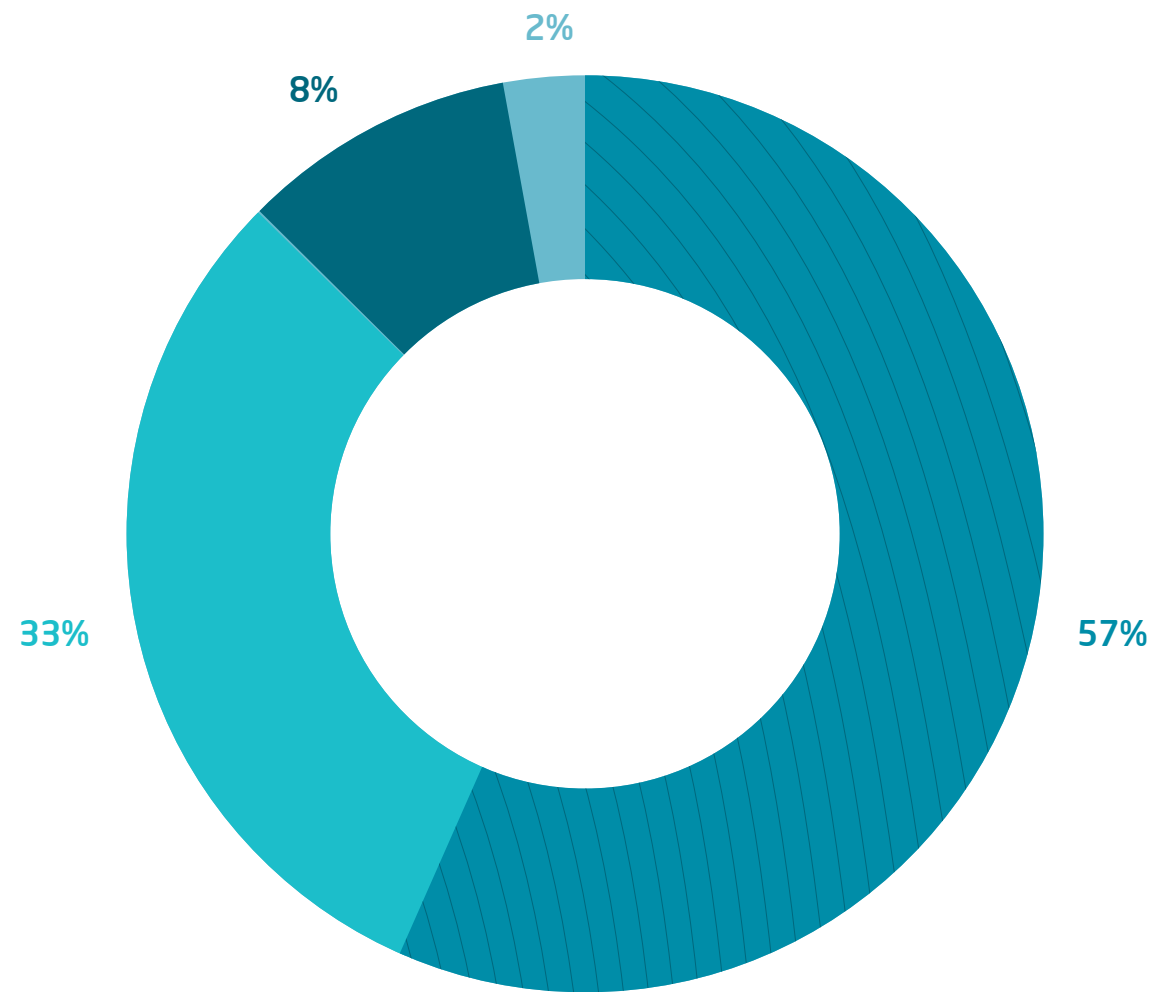




VALUE ADDED STATEMENT* IN R\$ THOUSANDS	DIRECT ECONOMIC		
	2016	2015	2014
DIRECT ECONOMIC VALUE GENERATED	R\$ 726,112	R\$ 614,310	R\$ 577,496
Revenue	R\$ 726,112	R\$ 614,310	R\$ 577,496
ECONOMIC VALUE DISTRIBUTED	R\$ 621,029	R\$ 541,651	R\$ 507,864
Salaries and benefits	R\$ 207,022	R\$ 182,410	R\$ 148,534
Other operating expenses	R\$ 353,611	R\$ 310,932	R\$ 284,086
Proadi-SUS investments	R\$ 48,469	R\$ 42,694	R\$ 58,940
Financial expenses	R\$ 11,927	R\$ 13,615	R\$ 16,304
ECONOMIC VALUE RETAINED	R\$ 105,083	R\$ 64,659	R\$ 69,632

*Value Added Statement prepared based on GRI methodology

ECONOMIC VALUE DISTRIBUTED (%) 2016



- SALARIES AND BENEFITS
- OTHER OPERATIONAL EXPENSES
- PROADI-SUS INVESTMENTS
- FINANCIAL EXPENSES



MANAGEMENT INDICATORS

Following are some indicators monitored regularly to assess fulfillment of the Hospital Alemão Oswaldo Cruz Strategic Planning

2014
NET REVENUE (R\$ THOUSANDS):
557,223

2015
NET REVENUE (R\$ THOUSANDS):
589,635

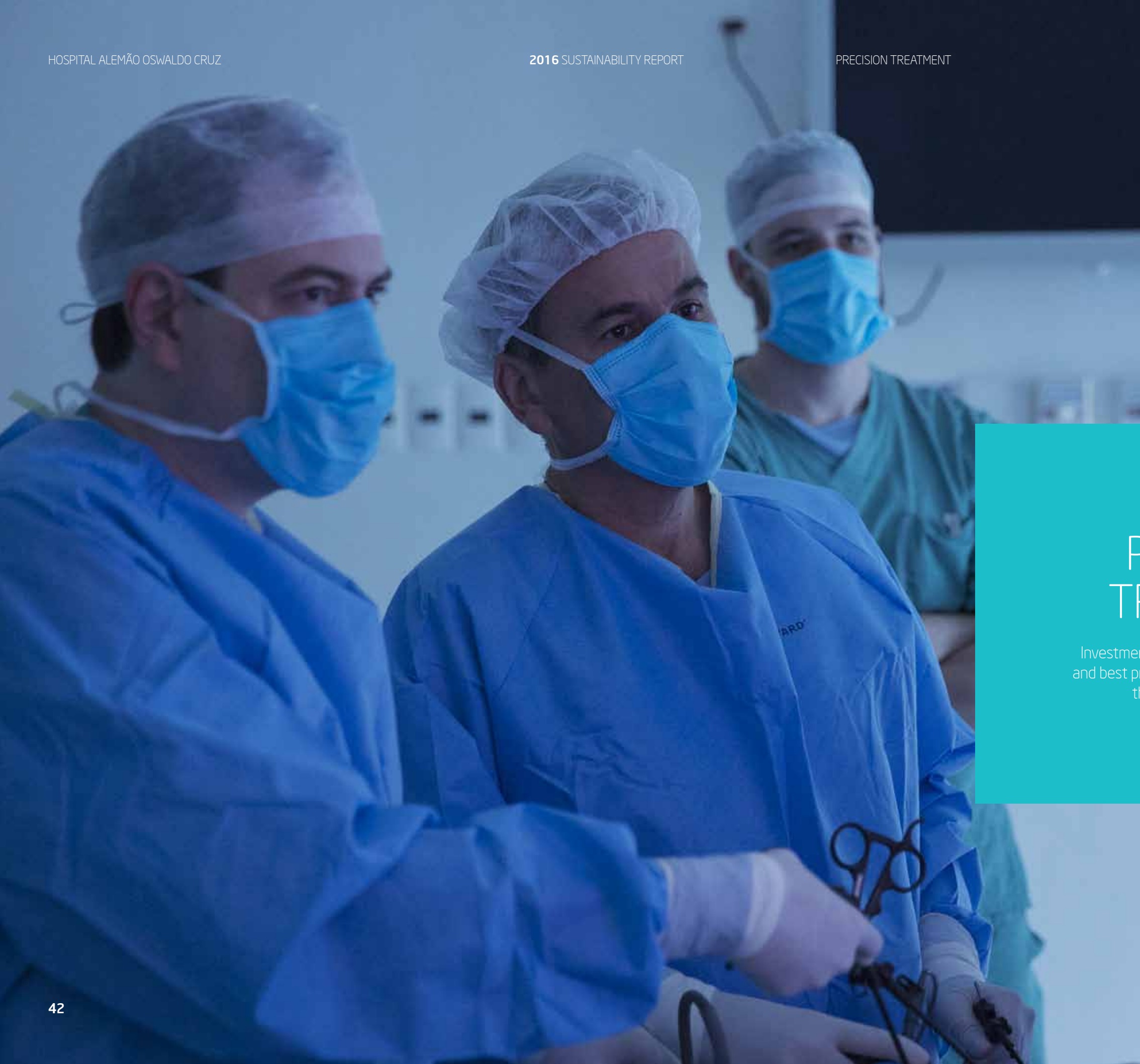
2016
NET REVENUE (R\$ THOUSANDS):
694,728

BED TURNOVER 2014

BED TURNOVER

The calculation methodology for the indicator is: number of discharges x number of months / number of beds

Beds	361
Number of discharges	20,350
Bed turnover (annual average)	4.70
BED TURNOVER 2015	
Beds	359
Number of discharges	20,816
Bed turnover (annual average)	4.96
BED TURNOVER 2016	
Beds	350
Number of discharges	21,962
Bed turnover (annual average)	5.23



IN THIS CHAPTER

- From tradition to innovation
- Attendance structure
- Managing the medical staff
- Quality and patient safety

PRECISION TREATMENT

Investments in modernization, process quality and best practice in doctor relations are some of the hospital's strategic fronts

FROM TRADITION TO INNOVATION

Precision Treatment is one of the reflexes of the course adopted by the Hospital Alemão Oswaldo Cruz, marked by the pursuit of balance between compassion, a robust care model and excellence in medical practice.

On the private healthcare front, which represents its core business, the institution currently operates based on a general hospital model with focus areas – oncology and digestive diseases – and specialty centers in fields such as cardiology, orthopedics, neurology, obesity and diabetes, as well as emergency care and diagnostic services.

In addition to the Hospital Complex in the Avenida Paulista region, the units in

the Campo Belo district, and from 2017, on Rua Vergueiro, offer integrated solutions for patients, with a focus on the high complexity segment.

To ensure positive treatment and clinical outcomes for patients, a number of initiatives are essential. These include investment in infrastructure and technology for the hospital installations. Another key area is ensuring patient safety, with closely observed protocols that drive quality in all processes. The relationship with the accredited medical body is also strategic, ensuring the engagement of professionals with national and international reputations in the clinical, surgical and research areas of the hospital's operations.

In 2016, the upward trend in the volume of attendance and procedures was maintained, with an operating income aligned with the institution's growth strategies. Worthy of note was the growth in the focus areas set forth in the strategic planning: the Oncology Center, for example, grew 62.7% in the number of external patients attended.

ATTENDANCE STRUCTURE

Throughout its 120 years of existence, the institution has modernized and enhanced its infrastructure to provide patients and their families with greater comfort and convenience, as well as fulfilling its expansion plans. With the new strategic planning, growth is focused on gains in installed capacity, combined with the more efficient use of existing installations.

Between 2010 and 2016, investments in infrastructure, installations and equipment for the surgical centers and the specialized centers exceeded R\$ 491 million. The major part of these investments has been in the Hospi-

tal Complex in the Avenida Paulista area because it is where most of the services are concentrated. Worthy of note in recent years have been the inauguration of Block E in 2012, and investments in the new Oncology Center, which came into operation in 2015.

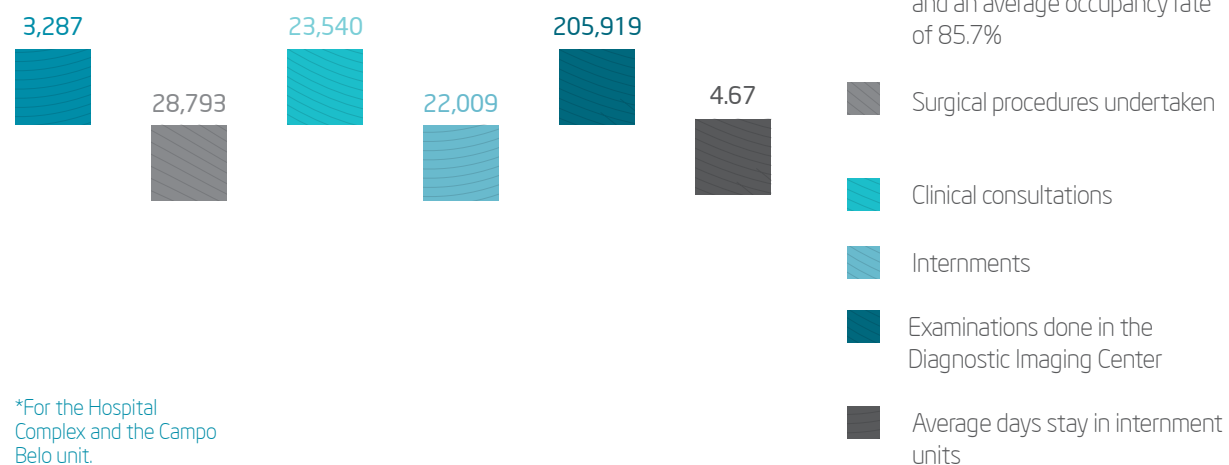
In 2016, investments totaled R\$ 69.6 million. These benefited principally the Oncology Center, the Intensive Care Unit (ICU), the Robotic Surgery Center and the Emergency Unit, which was reformulated. There follows a description of some of the highlights and performance indicators for the main units and areas during the year.

R\$69 million

INVESTED IN THE ACQUISITION OF EQUIPMENT AND THE MODERNIZATION OF INSTALLATIONS IN 2016

HEALTH IN MOVEMENT

Summary of the hospital's* attendance indicators during the year



*For the Hospital Complex and the Campo Belo unit.



INTERMENT UNIT



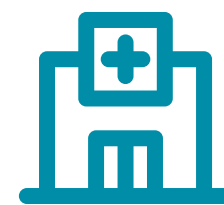
ICU - INTENSIVE CARE UNIT

INTENSIVE CARE UNIT (ICU)

Aligned with the growing demand for highly complex treatment, attending general patients and those in the specialty centers and focus areas, the Intensive Care Unit reached its full capacity at the end of 2016, with 44 beds available and an occupancy rate of 85.7% for the year.

As part of its goal of facilitating interaction between intensivists and the doctors responsible for primary care of interned patients, the hospital acquired two telepresence robots which came into operation during the year.

This technology enables the discussion of cases when the doctor responsible for the patient is not in the ICU. The doctor may control the robot using mobile devices and adaptable screens. The hospital is the only private healthcare institution in the country that has this telemedicine technology available to reinforce patient care.



77,516

CASES ATTENDED IN THE EMERGENCY UNIT IN 2016

EMERGENCY UNIT

Since 2015, the hospital's Emergency Unit has been undergoing remodeling and adaptations aimed at improving attendance. This includes adoption of the Manchester Risk Classification Protocol, optimizing the prioritization and flow of cases in accordance with the degree of seriousness. In 2016, procedures in the Emergency Room were reviewed with a view to improving patient satisfaction rates, implanting a more agile, customized model in accordance with the medical specialties required and the level of urgency. Among the novelties, participation in the Doctors' Development Program (*read more in Managing Doctors*) was adopted as a criterion for the choice of standby doctors.

High performance, humanized ICU

CROSS-DISCIPLINARY TEAM SPECIALIZED IN INTENSIVE THERAPY WITH THE COMMON GOAL OF MEETING THE NEEDS OF PATIENTS AND THEIR FAMILIES IN A HUMANIZED WAY.

PATIENTS MAY BE ACCOMPANIED BY PARTNERS/ FAMILY MEMBERS 24 HOURS A DAY.

ULTRASOUND - CAMPO BELO UNIT



ONCOLOGY CENTER

Defined as a focus area for the hospital, oncology was reorganized into common areas, operating theaters and internment areas designed to offer the patient integrated, cross-disciplinary treatment, comprehending clinical and surgical aspects, as well as chemotherapy and radiotherapy services.

Also worthy of note was the recruitment of a highly specialized support and medical team to provide the patients with exclusive solutions and foment clinical research activities within the institution. In 2016, a partnership was initiated with one of the largest groups of clinical oncologists in the country to

staff the team operating in the hospital. During the year, some 190 oncologists were active in the institution.

Also a specific cross-disciplinary group dedicated to integrative medicine was set up to provide palliative care.

The goals for 2017 include the segmentation of the approach to the patient in accordance with the oncological subspecialty; evolution in the development of oncological research protocols; and expansion of the team of oncologists working exclusively for the hospital, strengthening its strategic positioning in this specialty.

4,610

CONSULTATIONS IN THE ONCOLOGY CENTER IN 2016

57.6%

INCREASE IN ONCOLOGY CENTER REVENUE IN 2016

12,618

ENDOSCOPES CONDUCTED IN THE CAMPO BELO UNIT AND THE HOSPITAL COMPLEX IN 2016

9,848

COLONOSCOPES CONDUCTED IN THE CAMPO BELO UNIT AND THE HOSPITAL COMPLEX IN 2016

DIGESTIVE DISEASES

Defined as a focus area for the coming years, the field of digestive diseases is focused on clinical, surgical and therapeutic solutions for treatment in diverse specialties, such as gastroenterology and surgery of the digestive apparatus. In 2016, the hospital initiated the establishment of a specialized area with a dedicated team and integrated solutions – along the same lines as the investments made in the Oncology Center. This model will be consolidated during the course of 2017.

Both in the Hospital Complex and in the Campo Belo unit, there are endoscopy centers specialized in diagnostics and examinations to detect digestive diseases, such as echo-endoscopy, ligation of esophageal varices, upper gastrointestinal endoscopy, passage of intragastric balloon and gastrostomy tube exchange.

CAMPO BELO UNIT

Available for examinations, clinical consultations and procedures, the unit has undergone a series of enhancements – such as the extension of opening hours on working days until 9 p.m., and an increase in the number of units for diverse examinations, such as check-ups, endoscopies and colonoscopies.

In 2016, particularly worthy of note was the inauguration of the Immunobiological Infusion Center and other infusion therapies, focused on treating autoimmune diseases, which include

rheumatoid arthritis, lupus, psoriasis, ankylosing spondylitis, multiple sclerosis and Crohn's disease. The new service is operated by doctors and nurses with experience in monoclonal and infusion therapy, ensuring observance of all patient quality and safety protocols. At the end of the treatment, the center provides the patient with a full record of the treatment undertaken to be delivered to the referring doctor.

1,886

CHECK-UPS PERFORMED IN THE UNIT, WITH MORE THAN 20 ASSESSMENT TYPES AND CRITERIA IN 2016

1,876

CLINICAL CONSULTATIONS UNDERTAKEN

The growth in attendance and procedure indicators in focus areas is a reflex of the hospital's strategy.



294

OPERATIONS PERFORMED
IN THE OBESITY AND
DIABETES CENTER

OBESITY AND DIABETES CENTER

Inaugurated in 2014, in a location close to the Hospital Complex, this is the only center fully dedicated to these diseases in Latin America.

The center comprises eight consulting rooms and an area for the collection of examinations and body composition analysis, with a team of bariatric and metabolic surgeons, endocrinologists, cardiologists, nephrologists, orthopedicians, nurses, ophthalmologists, psychologists, psychiatrists and nutritionists, as well as the hospital nursing team.

The center maintains partnerships with four internationally recognized institu-

tions: the Cleveland Clinic in the United States; King's College in England; the University of Dublin in Ireland; and the University of Barcelona in Spain. By means of scientific agreements, there is a permanent channel for the interchange of knowledge related to techniques, technologies and therapies available for patients. The center also undertakes surgeries associated with projects to support the public healthcare system via Proadi-SUS.

In 2016, the hospital was recertified by the Surgical Review Corporation (SRC) attesting to its excellence in bariatric and metabolic surgery. Integrated cross-disciplinary attendance for obesity and diabetes is incorporated into the institution's growth strategy: in 2016, there were approximately 300 operations related to research, treatment of patients at the center and via Proadi-SUS.

HERNIA CENTER

To ensure the best outcomes for patients, the Hernia Center is manned by the excellent Hospital Alemão Oswaldo Cruz medical team and a care team recognized as one of the best in the country. This team of nurses, physiatrists and physiotherapists assists the surgeons in pre-operative evaluations as well as post-operative accompaniment after abdominal wall hernia surgery.

When necessary, professionals from the cardiology, endocrinology and bariatric surgery teams also accompany the patients. This is because the preparation of patients, from both a pulmonary and cardiological standpoint, is very important for their recovery, since it reduces the chances of complications.

In addition to surgical treatment, which may include open, videolaparoscopic and robotic surgery, the center offers all the examinations necessary for abdominal hernias, such as ultrasound, tomography, magnetic resonance of the abdominal wall. All of the necessary examinations may be done by appointment on the same day.



ROBOTIC SURGERY

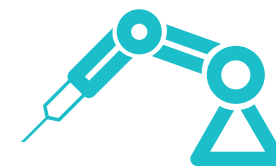
In 2016, the hospital performed the first single-port robotic surgery ever in Latin America using the Da Vinci SI robot. The procedure was a radical nephrectomy, the removal of a kidney due to a tumor, with access via the umbilical region using a single 2.5 centimeter incision. The benefits for the patient include the reduction of muscular lesions, reduced intraoperative bleeding and shorter internment.

ROBOTIC SURGERY CENTER

Enabling the execution of procedures using leading edge technology, the center was inaugurated in 2008 and is currently one of the Hospital Alemão Oswaldo Cruz's innovation hubs. Some 1,700 procedures have been performed since the center was inaugurated, with a 10% growth in volume in 2016.

The center has one robot: the Da Vinci SI, which since 2015 has enabled Single Port technology for operations involving a single incision.

The specialties which use the center include urology, gynecology, gastroenterology, ear, nose and throat, digestive surgery and transoral procedures (removal of mouth and throat tumors) and treatment of sleep apnea, with 80% of the volume accounted for by urology.



AROUND
1,700

PROCEDURES HAVE BEEN PERFORMED
SINCE THE CENTER WAS INAUGURATED

OTHER SPECIALTIES

Cardiology

In addition to emergencies, covered by the Emergency Unit, ICU and surgical center, the hospital maintains other services including general cardiology, cardiovascular intervention, non-invasive diagnostics, arterial hypertension, cardiac insufficiency, pacemakers and arrhythmic cardiomyopathy, on the surgical, interventional, clinical and field diagnostic fronts.

Nephrology

This area provides services for inpatients and outpatients, including conventional and daily hemodialysis, peritoneal dialysis and hemodiafiltration. Patients are accompanied by a cross-disciplinary team comprising doctors, nurses, nutritionist, social assistant and psychologist. For interned patients, the hospital also provides a mobile dialysis service with portable machines for use in the bedroom, as well as the nocturnal dialysis service.

Neurology

The institution has a specialized facility and team to deal with cerebrovascular accidents (CVA), with an Acute CVA unit in the Neurological ICU. There is also an exclusive internment unit for this specialty, with neurological, neurosurgical and interventional neuroradiology standby teams.

Orthopedics

This is a traditional area in the hospital. The institution provides a variety of treatments for the spine, hand, hip, foot, ankle, knee, elbow and diverse arthroscopic techniques, as well as arthroplasty and cellular therapy, with a specialized emergency room.

Prostate and Urinary Diseases

The diseases treated include benign prostatic hyperplasia, prostatitis, prostate cancer, urinary and sexual dysfunctions, urinary tract diseases, and kidney stones.

MANAGING THE MEDICAL STAFF

The construction of transparent relations based on mutual trust and development between the hospital and its medical staff is considered fundamental for the fulfillment of the institution's strategic planning.

The active medical staff numbers 3,732. These doctors are responsible for referring and treating patients and performing procedures on the hospital premises. The Medical Relationship area, overseen by the Medical Superintendency area, is responsible for managing, monitoring, supervising, approving the registration and assessment of these professionals, based on the Medical Relationship Policy and on a set of programs aimed at understanding the demands of the medical staff, qualifying it and engaging

it in the hospital's strategy and priorities, as well as forging closer relations with the care staff and stimulating scientific production.

Directives such as precise communication, conformance and quality are considered fundamental in relations with these doctors. In 2016, one of the focuses of the dialogue with the doctor network was developing greater efficiency – understood as delivering the best possible outcome for the patient in the best possible manner, both in the use of materials and technologies and in the definition of procedures.

Work was also done on driving agility and greater efficiency in approval of admissions and authorization of

procedures, consultations and exams, in line with the goal of improving relations between Hospital Alemão Oswaldo Cruz, the doctors and the health insurance operators.

The strategy for the focus areas of Oncology and Digestive Diseases resulted in a number of enhancements in 2016. Particularly worthy of note was the definition of Medical Relationship professionals dedicated to determined specialties, such as oncology – which enables a speedier response to doctors' requests and demands with absolute focus on the patient experience.



ONCOLOGY CENTER

MEDICAL
RELATIONSHIP
INITIATIVES

Managing the Medical Staff

This program tracks the documentation and registration of the physicians, recording their training and professional activities within the institution. In 2016, interactions with the Medical Accreditation Commission and the Clinical area were boosted, with periodic meetings to improve the approval of registrations and discuss the entry of new doctors on the staff.

Medical Ombudsman

The Ombudsman area receives reports from doctors, patients and employees. These range from complaints, praise and any other kinds of comments related to the institution and the conduct of its medical staff. Cases deemed critical - such as questions of ethics or inadequate conduct - are forwarded to the pertinent superintendent areas and committees.

**Performance Appraisal
Program for Doctors**

This initiative aims to systematize the hospital's medical performance records, based on a set of indicators encompassing attendance (productivity); quality and safety (prescription, filling out records, infections and complications in surgical procedures etc.); and teaching and research (titles, participation in scientific events and publications). In 2016, 3,732 doctors were appraised. The number of appraisal indicators used increased from 44 in 2015 to 51 at the end of the period. Additionally, a computerized platform was developed on the Doctors' Portal in which the professionals may monitor their performance and confidentially measure it against the averages for their specialty. This tool should be finalized in 2017.

Doctor Development Program

Based on a merit system and the offer of benefits and incentives, in its third year this initiative involved more than 1,700 doctors. The components of the program are Teaching and Research, Care and Quality and Safety in Medical Practice, using criteria such as the number of publications, quality indicators and behavioral aspects. The program adopts the same criteria as the performance appraisal process.

QUALITY AND PATIENT SAFETY G4-PR1

The patient experience, ranging from reception in the internment units, specialty centers and emergency unit to the treatment received from doctors, is a fundamental management requirement at Hospital Alemão Oswaldo Cruz. In addition to the focus on care (*read more in Vocation for Care*), the institution adopts protocols aimed at ensuring quality and safety, in pursuit of performance on a par with the best hospitals in the world.

Training, the monitoring of indicators, the adoption of internationally recognized protocols and campaigns to engage doctors and care staff are some of the measures adopted, both

in the private healthcare area and in the institution's social responsibility activities – such as the Restructuring of Public Hospitals Project, conducted via Proadi--SUS, as well as by the Instituto Social Hospital Alemão Oswaldo Cruz in the operation of the Hospital Complexo dos Estivadores in Santos.

A total of around 130 institutional process indicators are monitored, ranging from the average length of stay of patients, response speed in emergency/urgent cases and accuracy of medical prescriptions, as well as control of infections and hospital complications and the correct filling out of patient records.

MANAGEMENT CONTROL

The Quality Management Area, linked with the Medical Superintendency area, is responsible for analyzing the data which are discussed in the monthly management meetings and which influence the key performance indicators for area leaders and executives. Every effort is also made to ensure that clinical protocols are applied in medical and care activities to guarantee the patients' well-being.

This work is based on the Quality and Safety Improvement Program. The work done by the Quality and Safety team is integrated in a collaborative manner with that of all the commissions, areas and services in the hospital. Management by indicators is one of the key activities. The actions and the results of

11% SEVERE SEPSIS AND SEPTIC SHOCK MORTALITY RATE

What it measures: percentage of patient deaths due to severe generalized infection and septic shock

Highlight: the global average is substantially higher, at 37%.

Source: Crit Care, 2010.

74% ADHESION OF DOCTORS TO THE VENOUS THROMBOEMBOLISM PROPHYLAXIS PROTOCOL (VTE)

What it measures: percentage of doctors in the hospital team adopting the VTE protocol to reduce avoidable deep venous thrombosis events in inpatients

Highlight: The hospital's rate is higher than the American average as measured by the National Healthcare Safety Network

the diverse areas and services involving questions of quality and safety are monitored by means of metrics available in a computerized system and on the management panel, which is visible to the units.

The hospital also manages Clinical Protocols with a view to qualifying processes and standardizing concepts and approaches based on evidence. Currently, the institution manages seven clinical protocols: treatment of sepsis and septic shock; venous thromboembolism prophylaxis; thoracic pain; **acute coronary syndrome with ST-segment elevation**; acute ischemic cerebral vascular accidents; rapid response team: codes yellow and blue; and assistance for patients presenting risk of aggression to self and/or others.

ONGOING ACTIONS

Since 2015, a project to analyze patient attendance cycle costs has been under development with the purpose of combining efficiency and quality criteria and driving improved results after treatments and procedures. The hospital also organizes periodic events on quality, such as Quality and Safety Tuesday and the Quality Journeys, with the participation of renowned Brazilian and international specialists.

The Quality and Safety Tuesdays are held every two weeks and include internal audits involving measures such as observing attendance, interviews with patients and employees and analysis of indicators.

RECOGNITION OF EXCELLENCE

The Hospital Alemão Oswaldo Cruz has been accredited by the Joint Commission International (JCI), the main international healthcare quality seal, since 2009. The third certification took place at the end of 2015, with the next renewal scheduled for 2018.

The JCI assessment system was developed in the United States in the 1950s and since then has encouraged the in-depth analysis of hospitals with respect to process quality, risk reduction practices and safety improvements in the services provided for patients. The assessment also takes into account governance and operational management.

In the hospital's last assessment in 2015, the compliance rate was close to 99%. The analysis takes five requirements and more than 1,200 items into account.

In 2016, the hospital received another quality and safety-related recognition: in the second edition of the Latin America Excellence in Hand Hygiene Award, it was the only one of the winning institutions from Brazil. The award is promoted by the World Health Organization Collaborating Center for Patient Safety Solutions, University of Geneva Hospitals in Switzerland, jointly with European infection control societies.



NURSING TEAM - INTERNMENT UNIT

130

PROCESS INDICATORS MONITORED BY THE HOSPITAL

100%

IS THE ONGOING TARGET FOR THE APPLICATION OF THE CLINICAL PROTOCOLS ADOPTED



RISK CONTROL G4-PR2

The safety culture in place in the institution determines that employees assume responsibility for their own safety, that of their colleagues and of the patients and family members, with the aim of preventing damages.

The hospital maintains a risk management system that provides warnings of adverse events and near misses and that enables the mapping of any required improvements. The tool permits communication with employees, third-parties, partners and users.

Worthy of note in 2016 was the execution of a new safety culture questionnaire aimed at identifying and carrying out improvements in the institution's processes. During the year, more than 800 care and administrative employees filled out the questionnaire, representing a very significant sample. The result of this study enables Hospital Alemão Oswaldo Cruz to compare its results with those published by the Agency for Healthcare Research and Quality (AHRQ). This represents a transparent mindset which seeks to mitigate each and every circumstance notified in the hospital, elevating the maturity of the institution's safety culture.

HIGHLIGHT

At the beginning of 2016, the electronic channel "Notify Here" was made available at all the hospital's work stations. The tool permits employees to inform the Quality area of any adverse events or situations offering potential threats to patient safety.

OUTCOME: POST-TREATMENT QUALITY OF LIFE

A global vision of healthcare quality requires that hospitals analyze results beyond the walls of the institution. In international medical reference literature, the study of outcomes has been observed to be an important indicator of the effectiveness and accuracy of the treatment given to patients.

To progress in this area, the Hospital Alemão Oswaldo Cruz introduced the Patient Reported Outcome Measures (Proms) methodology to assess outcomes. In 2016, the institution initiated a number of pilot projects in fields such as bariatric surgery, inguinal hernias and lumbar spine pathologies. The method seeks to understand the treatments' effects on quality of life from the standpoint of the patients. In this experimental stage, some 120 patients are being monitored in order to evaluate the impact of the treatment received in the hospital from the patient's perspective.

The institution is also participating in a global consortium – International Consortium for Health Outcomes Measurement (IcHom) – to exchange knowledge and research in this area and, together with other members of the Brazilian national private hospital association Anahp (Associação Nacional de Hospitais Privados), is implanting tools to analyze outcomes. **G4-16**



APPROXIMATELY
120

PATIENTS MONITORED IN THE EXPERIMENTAL PHASE OF A PROJECT THAT MEASURES THE IMPACT OF THE TREATMENT PROVIDED IN THE HOSPITAL.

STANDARDS AND POLICIES G4-PR3

Hospital Alemão Oswaldo records, systematizes and adopts tools to ensure clear communication between employees, doctors, patients and their families with respect to the products and services provided in its operations. Worthy of note among the practices adopted are:

Audits of processes and records

These are carried out periodically and encompass support and administrative processes considered to be strategic, with emphasis on verifying adhesion to international quality and safety standards (based on references such as the Joint Commission International Accreditation Standards Manual).

Document management

All the hospital's documents are recorded in a specific tool (Tasy), based on the NRO01 base standard for institutional documents. In 2016, there were 2,017 documents registered in the system, including policies, programs, plans, protocols, internal rules, standards, routines, manuals and process mapping.

CONTROLLING INFECTIONS

Measurement of quality and safety levels in the institution's medical and hospital practices is based on diverse indicators – including efficiency in controlling infections in patients who are interned, submitted to treatment or to surgical procedures.

Monitoring, recording and analyzing this kind of data is the responsibility of the Hospital Infection Control Service. Historically, the results for Hospital Alemão Oswaldo Cruz have been comparable with those of the best hospital centers in the world.

Some significant results:

77% adherence to hand hygiene among healthcare professionals, leading to the award of the Latin American Excellence in Hand Hygiene Award

Reduction in pressure-related injuries and improvements in preventive practices.

Certification in Skin Injury Prevention – 3M.

NOTEWORTHY INDICATORS IN 2016

0.78%

GROSS HOSPITAL INFECTION RATE

What it measures: it indicates the frequency of occurrence of hospital infection in patients interned and / or submitted to surgical procedures in the hospital

0.42

PER 100 CATHETERS-MONTH THE PERMANENT DIALYSIS CATHETER-RELATED INFECTION RATE

What it measures: occurrence of permanent catheter-related infections among patients in the Nephrology and Dialysis Center

Highlight: the rate is better than the average for North American hospitals

77%

ADHESION OF HEALTHCARE PROFESSIONALS TO THE HAND HYGIENE PROTOCOL

What it measures: percentage of healthcare professionals adhering to the protocol, which reduces the risk of hospital infections. The proportional adherence to hand hygiene by healthcare professionals among 1,900 cases observed

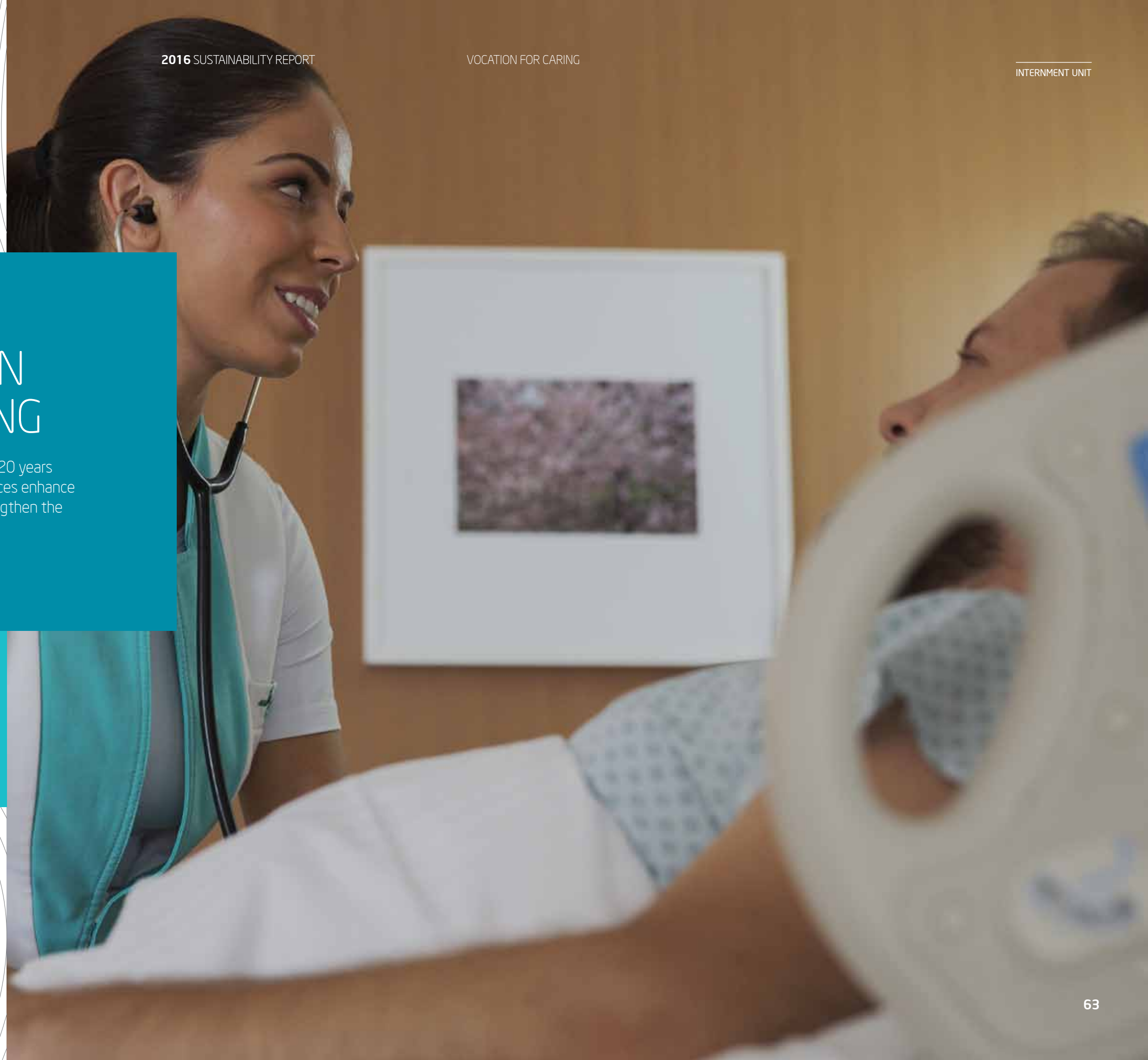


VOCATION FOR CARING

The product of the hospital's 120 years of experience, care-oriented practices enhance the patient experience and strengthen the business's reputation

IN THIS CHAPTER

Care as a management requirement
The patient experience: a strategic focus
Human development



CARE AS A MANAGEMENT REQUIREMENT

With excellence in compassion and care as one of its competitive advantages, Hospital Alemão Oswaldo Cruz invests in generating synergy among its cross-disciplinary team to guarantee the quality of care in its different areas, prioritizing rapid recovery and patient well-being.

2016 saw the consolidation of the Hospital Alemão Oswaldo Cruz Care Model, disseminated among staff from the end of the previous year after two years of discussion and collaborative construction overseen by the Care Superintendency area. The hospital is the only one having its own care model.

The model systematized the different approaches to hospital patients, working

on aspects such as recovery and social reinsertion, dialogue with families and establishing bonds of trust between the patient and the healthcare professionals, from internment to the post-discharge phase.

The initiative, already in place in areas such as the Surgical Center, Emergency Unit, Internment Units, Outpatient Unit, ICU and the Oncology Center, is underpinned by the principles of Communication; Management; Patient Education; Quality and Safety; and Professional and Personal Development. The main inspirations for the initiative are concepts such as Relationship Based Care (RBS) and Primary Nursing – which addresses the responsibility of the entire care team in decision making –, encouraging educa-

tion for self-care and close relations between the family, patient and team.

Awarded in 2015 by the Consórcio Brasileiro de Acreditação (CBA), the exclusive representative of the Joint Commission International (JCI) in Brazil, the construction of the model is being recorded in a book, to be launched in 2017, aimed at disseminating the differentials and the innovative care structure in place in the hospital, which may be replicated in the sector as a whole. A series of adaptations were undertaken in the hospital routine based on the new model.

THE PATIENT EXPERIENCE: A STRATEGIC FOCUS

Among other aspects, the introduction of the new model allowed the hospital to progress in integrating patients' families into the institution's routines, promoting more direct dialogue with the teams responsible for care and well-being and engagement initiatives. Additionally, it drove the enhancement of mechanisms to assess the satisfaction of people using the institution's services and an overall review of processes.

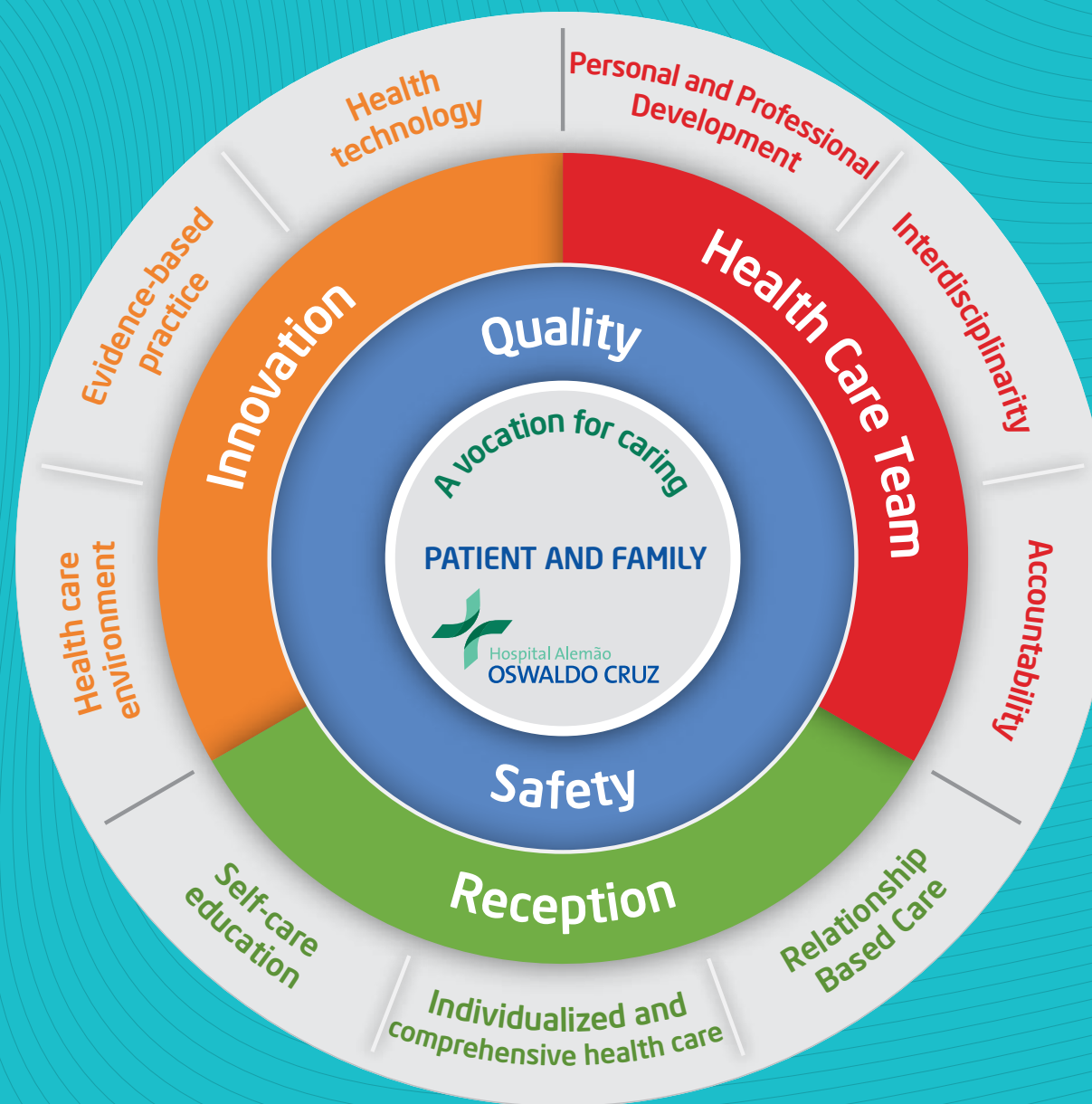
The Integrated Patient and Family Care Unit, located in the Hospital Complex in the Avenida Paulista region, offers a series of activities for the family members of long-term stay patients – such as yoga, music therapy, reflexology and emotional and spiritual well-being workshops.

In 2016, there were around 300 participations in the unit's activities.

Also aimed at family members' perceptions of the services provided, since 2013, the hospital has conducted a Family Companion Satisfaction Survey, using a questionnaire which is applied in all the outpatient and internment units, as well as the ICU. The results are compiled in monthly reports sent to the superintending areas.

Patients are invited to give their opinion on the staff engaged in their treatment through the Employee Recognition Program, initiated in 2015, and in the Patient Satisfaction Survey.^{G4-PR5}

Care Model Hospital Alemão Oswaldo Cruz®





ACTIONS AND RESULTS

Over the last two years other measures have been implanted to enhance the patient experience, encompassing innovation in products and services. In 20 apartments in Block E, for example, a Premium service was implanted with a series of items designed to ensure convenience and well-being, such as doctor relationship agents, automated equipment operation, larger room area and a concierge service. Another highly significant initiative and one of the hospital's main investments in 2016, was the storage area automation project. Scheduled to come into operation in the beginning of 2017, the new area will have automated processes for controlling and distributing

medication, enabling precise controls from the product's entry into stock until its use.

The system also comprises an exclusive elevator, conveyor belts for distributing the materials throughout the hospital complex and a medication storage robot, in addition to materials for organizing stocks in the individual areas of the complex. The new technologies should drastically reduce the average waiting times for fulfilling medication requisitions, driving a better patient experience, as well as enhanced management of the control and supply of the products used. R\$ 7 million was invested in 2016, from a projected total of R\$ 20 million for the entire project.

Recently improvements were introduced in the protocol for accompanying post-discharge patients with a specific clinical profile to ensure their well-being and adaptation upon returning home; changes in visiting hours in the ICU and in the shift changeovers; sunbathing in the garden for eligible patients; authorization for visits by pets in the case of extended internments; and the updating of the reference notice boards located in all the hospital rooms listing all the professionals responsible for patient's care, care-related targets and tips to ensure patient safety.

Other noteworthy care measures in 2016 were:

Development of a new check-list for the Care Model in the diverse areas of the complex.

Remodeling of the Emergency Unit, improving comfort and reducing waiting times.

An increase in the number of cross-disciplinary visits to the patients, with meetings involving the entire medical and support team, initially in the Medical Clinic and in Oncology.

Introduction of a direct telephone line to the nursing staff in the surgical center, enabling family members to monitor the progress in procedures.

Greater flexibility in allowing companions in the ICU during the day, as well as encouraging them to witness procedures carried out by the team.

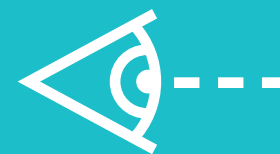
Application of the concept of Care Reference, with a designated individual responsible for the patient's care in the Endoscopy Center and the Oncology outpatient unit.

SATISFACTION RATE G4-PR5

Since 2014, the hospital has systematically achieved its patient satisfaction targets. Up until 2016 these were calculated based on the institution's own indicator via the filling out of forms in the diverse centers, areas and units. In 2016, the target was to reach a 97% satisfaction rate; at the end of the year the rate recorded was 98%.



PATIENT SATISFACTION RATE



FUTURE

For 2017, one of the priorities in the Care area will be the establishment of the Patient Experience Center. Aligned with hospital strategy, this unit is being built with support from a specialized consultancy to map different profiles and establish processes for a segmented approach to the users of healthcare services.

HUMAN DEVELOPMENT

In accordance with its expansion plan the Complex in the Avenida Paulista region ended the year with a 6.79% increase in its headcount – encompassing nurses, physical therapists, pharmacists and doctors, as well as employees in the support areas.

In 2017, with the entry into operation of the Complexo Hospitalar dos Estivadores in Santos and the Vergueiro Reference Unit, the institution should see a significant increase in its work force, reaching almost 4,000. Aware of the associated challenges and opportunities for engagement, in accordance with strategic planning, the Human Development area has initiated a series

of projects aimed at reinforcing the engagement, qualification and growth of the people working in the institution.

Human capital management is underpinned by three principles: organizational culture, developing people and enhancing the patient experience. The education and qualification front, identified as highly relevant both in strategic planning and in the materiality process (*read more in About this report*) led to investments of over R\$ 2 million in 2016.

Face-to-face and online training, realistic simulations and the Learning and Development Incubator Unit are some of the

means adopted to qualify employees in the hospital's key competencies. The institution also provides support for participation in congresses, events and technical, graduate and postgraduate courses.

The institution provides new employees with all the necessary training before they are permitted to come into contact and assume direct responsibility for patients. Existing employees undergo ongoing technical and behavioral training aimed at strengthening the organizational culture.

NUMBER OF HOURS TRAINING IN 2016 G4-LA9	Employees	Hours	Hours per employee
Administrative	568	2,735.08	4.82
Care	1,179	4,315.64	3.66
Service	141	612.66	4.35
Operational	382	1,302.06	3.41
Leaders	146	918.19	6.29
TOTAL	2,416	9,883.63	4.08

VOCATION FOR CARING

R\$ 2.1 million

TOTAL INVESTMENT IN EDUCATION AND QUALIFICATION



48.9

HOURS TRAINING PER EMPLOYEE

3,082

HOURS TRAINING IN THE SIMULATION CENTER



270

STUDY SCHOLARSHIPS GRANTED FOR TECHNICAL, GRADUATION, SPECIALIZATION AND LANGUAGE PROGRAMS

EMPLOYEE INDUCTION

OUR HUMAN CAPITAL

EMPLOYEES BY FUNCTIONAL LEVEL G4-10	2014		2015		2016	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Board	11	1	14	2	14	2
Director level	3	2	3	2	4	2
Management	7	16	7	18	9	17
Heads/coordination	15	55	15	55	13	58
Technical/supervision	9	20	7	19	7	18
Technical	94	121	98	142	111	191
Administrative	174	302	177	311	180	332
Operational	513	874	531	912	554	948
Trainees	0	0	0	0	2	4
Apprentices	15	21	14	26	12	35
Interns	3	28	3	35	7	41
Total by gender	844	1,440	869	1,522	913	1,648
TOTAL	2,284		2,391		2,561	

*All employees work in the Southeast region

EMPLOYEES BY TYPE OF WORK CONTRACT G4-10	2014		2015		2016	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Fixed term	18	49	17	61	19	76
Permanent	815	1,390	838	1,459	880	1,570

EMPLOYEES BY TYPE OF EMPLOYMENT	2014		2015		2016	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Full-time (up to 8 hours)	387	693	394	736	422	791
Part-time (up to 6 hours)	446	746	461	784	477	855
Total by gender	833	1,439	855	1,520	899	1,646
Total	2,272		2,375		2,545	

* Numbers do not include board members.

TOTAL WORK FORCE G4-10	2014		2015		2016	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Total employees	833	1,439	855	1,520	899	1,646
Contract workers (third-parties)*	1,471		194		194	
Total work force	3,743		2,569		2,739	

*The calculation method was altered in 2015, not taking into account employees of partnering companies.

STAFF TURNOVER AND ADMISSIONS G4-LA1

Number of terminations by gender	2014	2015	2016	Number of admissions by gender	2014	2015	2016
Men	152	257	127	Men	142	178	153
Women	296	157	258	Women	299	335	320
Number of terminations by age group	2014	2015	2016	Number of admissions by age group	2014	2015	2016
Under 30 years	212	216	192	Under 30 years	260	308	259
Between 31 and 50 years	213	170	168	Between 31 and 50 years	181	203	207
Over 50 years	23	28	25	Over 50 years	0	2	7
Number of terminations by region	2014	2015	2016	Number of admissions by region	2014	2015	2016
Southeast region	448	414	385	Southeast region	441	513	473
Termination rate	2014	2015	2016	Admission rate	2014	2015	2016
Men	0.067	0.108	0.050	Men	0.063	0.075	0.060
Women	0.130	0.066	0.101	Women	0.132	0.141	0.126
Termination rate by age group	2014	2015	2016	Admission rate by age group	2014	2015	2016
Under 30 years	0.093	0.091	0.075	Under 30 years	0.114	0.130	0.102
Between 31 and 50 years	0.094	0.072	0.066	Between 31 and 50 years	0.080	0.085	0.081
Over 50 years	0.010	0.012	0.010	Over 50 years	0.000	0.001	0.003
Termination rate by region	2014	2015	2016	Admission rate by region	2014	2015	2016
Southeast region	0.197	0.174	0.151	Southeast region	0.194	0.216	0.186

PERFORMANCE AND RECOGNITION

Attracting and retaining talent is a major challenge for healthcare institutions because of the shortage of qualified professionals, principally in specialized areas.

To mobilize its human capital around the hospital's commitments and targets, the institution's Variable Remuneration Program establishes institutional, sector and individual targets for its teams.

Institutional targets employ diverse indicators, whereas the sector and individual targets are related to each employee and/or his/her area. All employees contracted under Brazil's CLT labor legislation participate in the vari-

able remuneration program.

Another significant factor in ensuring the satisfaction of those working in the hospital is the ongoing appraisal and recognition of their performance. Currently, all employees, from the operation to the Board of Trustees, are submitted to an annual performance appraisal process, involving self-assessment, appraisal by the direct manager and consensus for the joint elaboration of development and growth plans. Managers are appraised directly by the superintendent areas to which they are linked.

BENEFITS G4-LA2

Hospital Alemão Oswaldo Cruz provides its employees with a series of benefits, such as meal and food allowances, transportation allowance, life insurance, health plan, coverage for incapacity or invalidity, paternity/maternity leave, retirement fund, restaurant, well-being program, discounts in the Healthcare Technical Education School (ETES), in the Health Sciences Education Faculty (FECS), education and nursery allowances (for employees with children aged from 0 to 6 years).



EMPLOYEE HEALTH AND SAFETY

Concern for the health and safety of each person working in the hospital stimulated the creation of specific programs run by the Employee Health and Safety Center (CASSC in the Portuguese acronym). The most significant, implanted in 2010, whose relevance and potential for innovation were recognized by Stanford University, is the Well-Being Program which, based on the slogan "People who are well cared for take better care", is aimed at preventing, mitigating and overcoming risks to employees' health.

Under the initiative, employees and in some cases, their family members, have access to preventive medical services, workshops on healthy eating habits,

anti-stress activities, health and well-being coaching, a gym on the premises of the Hospital Complex and support for pregnant employees or employees' whose wives are pregnant.

The program also administers the Bem Estar Woods, a 2,000 square meter leisure area for physical exercises and relaxation activities.

The Well-Being Program is based on concepts proposed by Stanford University to implant innovative population health management measures based on key indicators, health monitoring activities and customized work in accordance with the employee's specific activities.

GLOBAL HEALTHY WORKPLACE AWARDS

Hospital Alemão Oswaldo Cruz was the only Brazilian hospital in the finals of the Global Healthy Workplace Awards, the most important global award dedicated to promoting health and well-being in the work environment, in the category Large Enterprises. The institution reached the finals as a result of its Well-Being Program.

WELL-BEING IN FOCUS

The platform offers online services such as the Well-Being and Health Assessment System (Sabes), which encourages employees to adopt a healthier lifestyle and streamlines communication with care teams. The data gathered generate the periodic scheduling of examinations (Well-Being Consultation).

In addition to being available to employees, since 2015 the Well-Being program has been a product in the Hospital Alemão Oswaldo Cruz portfolio. The methodology is offered as part of occupational medicine services for enterprises and organizations in diverse sectors. In the 2016-2020 strategic planning, population health management is featured as a means of leveraging revenue generation for the institution.

PARTNERSHIP WITH SUPPLIERS

To ensure excellence in the care and treatment offered on its premises, the Hospital Alemão Oswaldo Cruz has a base of approximately 800 suppliers, of whom around 100 have regular product and service supply contracts during the course of the year. Around 7,000 products are delivered and used in the hospital's daily operations, from hospital materials to inputs, medicines, food and other consumer goods for the specialty centers, outpatient and internment units and support areas. **G4-12**

The supply chain is divided into the following categories: Medications; Medical-Hospital Materials; Orthotic, Prosthetic and Special Materials (OPSM); Food; Equipment; Maintenance Materials; and Services. Relations with suppliers are based on ethics, transparency, quality and punctual delivery, stock control and cost reduction. **G4-12**

From the approval process, suppliers are provided with orientation on the hospital's practices and policies. They must present standard documents and agree to a specific clause on compliance and to the terms of the Manual of Ethical Conduct. Supplier contracts also contain clauses prohibiting degrading working conditions and the use of child labor. Any proven irregularities or substantial indications of irregularities result in the immediate termination of the commercial relationship.

The Supply area and the Safety Engineering and Occupational Medicine service provide an Orientation Manual for all the companies that work on the premises of the Hospital Alemão Oswaldo Cruz, outlining expected labor and safety practices. The Internal Audit area also carries out periodic checks to ensure that internal processes are

compliant with stipulated standards and procedures.

As a result of the assessment of risks and opportunities for efficiency gains in supply processes, the Medical Superintendency area, with support from some leaders, initiated a project to create an OPSM Committee in the hospital, with a view to implanting a standardization process for the supply of orthotic, prosthetic and other special materials.

7,000

PRODUCTS DELIVERED AND USED ON A DAILY BASIS IN THE HOSPITAL

PROCUREMENT PRACTICES: EFFICIENCY AND QUALITY AT THE LOWEST COST **G4-16**

In pursuit of greater efficiency, the hospital has invested in building long-term relationships with its business partners. In the medication segment, for 15 years the institution has been buying materials in conjunction with a group of around 40 hospitals linked with national private hospital association Anahp (Associação Nacional de Hospitais Privados).

In parallel, projects that the hospital conducts directly with the companies with which it does business ensure mutual benefits and gains in efficiency

and quality, driving the fulfillment of institutional strategy. In 2016, worthy of note was the primary carton project developed in partnership with a major supplier. This avoids the entry of containers with the potential to cause contamination into the hospital premises through the use of internal packages which are safer and are manipulated exclusively inside the institution.





SURGICAL CENTER

RELATIONS WITH HEALTH INSURANCE OPERATORS

With private healthcare as its core business, the Hospital Alemão Oswaldo Cruz considers good relations with health insurance operators fundamental for the maintenance and future of its operations. The Market Relations, Operator Relations, Financial and Product areas maintain communication and dialogue channels through which relations with the health insurance operators are conducted.

For a high complexity hospital center, balance and transparency in relations with these organizations are fundamental both in terms of the operation, due to the impact of approvals/authorizations and analyses on the speed

with which processes are executed, and financial considerations, since these organizations are key players in the supplementary healthcare sector.

In recent years, projects have been developed to study, map and improve comprehension of prescription cycles of each patient entering the institution. This work, in addition to ensuring greater clarity in communication with the health insurance companies, enables the hospital to find efficient solutions offering mutual gains for both parties, without compromising the patient's safety and treatment quality. In 2016, a Product area was created to format, accompany, monitor

performance and oversee the pricing of the solutions offered to patients. Also during the year, a business model was defined for the future Vergueiro Reference Unit, based on a relevant and innovative proposition in the health sector.

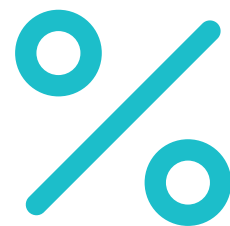
Facilitating relations between its doctors and the operators is another important opportunity for the institution. By means of relationship programs, measures such as intermediation by relationship agents have been implemented to streamline the approval of procedures by patients' health insurance plans.

IMPACT ASSESSMENT G4-PR1

Within the healthcare sector, compliance with quality and patient safety criteria begins when a material, medication or input arrives at the institution.

Prior to the adoption of a determined material it is subject to documentary assessment, testing and approval processes. In the Supply area, Nursing, Pharmaceutical and Nutrition specialists are designated to analyze each and every product to be used by the medical and care teams. The Clinical Engineering area also oversees assessment of the standardization of the goods and services supplied.

Quality is one of the main criteria in the supplier assessment system, which takes into account aspects such as terms, punctual delivery; cases of non-conformance and variations in products.



100%

OF THE MATERIALS AND INPUTS USED IN THE HOSPITAL ARE SUBJECT TO QUALITY AND SAFETY RELATED ASSESSMENTS



ANATOMY LABORATORY - FECS



IN THIS CHAPTER

—
Driving the development of healthcare
Higher education in healthcare
Brazilian and international partners

EDUCATION AND RESEARCH

With education and research as one of its pillars, the Institution is attuned to opportunities for growth based on innovation and the dissemination of knowledge in the healthcare area

DRIVING THE DEVELOPMENT OF HEALTHCARE

Being a hospital center specialized in high complexity cases with focus areas that drive transformations in medicine - such as oncology and digestive diseases - provides the Hospital Alemão Oswaldo Cruz with important opportunities for innovation.

The pillar Education and Research, part of strategic planning and the organizational structure, is linked with the ambition of positioning the institution in the forefront not only of medical practice and care, but also in the production and dissemination of knowledge, generating a positive impact on healthcare in Brazil.

Based in the Hospital Complex in the Avenida Paulista region, three units are dedicated to strengthening this area:

the IECS, Institute of Education and Health Sciences (Instituto de Educação e Ciências em Saúde); the ETES Health Education Technical School (Escola Técnica de Educação em Saúde) and FECS or the Health Sciences Education Faculty (Faculdade de Educação em Ciências da Saúde), recognized as a higher education institution by the Ministry of Education in Ruling 797, dated September 11, 2014.

Within this structure, the objective of the IECS is to stimulate international level scientific production within the hospital by means of research conducted by its health professionals. The Health Research Unit centralizes clinical studies in accordance with external demands, in addition to conducting its own projects and diverse epidemiological and

technological investigations. The Health Education Unit develops the hospital's continuing education programs, such as congresses, courses, symposiums, workshops and scientific events.

The Healthcare Technologies Assessment Unit operates as a center for analyzing the economic, clinical and social impacts of healthcare technologies, considering the safety, effectiveness and the cost effectiveness of all the new therapeutic possibilities adopted by the institution. The unit supports decisions involving investments and the incorporation of leading edge technology into healthcare processes, with analyses that reflect concern with the hospital's potential for innovation and the safety of its patients, employees and doctors. **G4-14**

The IECS also coordinates the Scientific Commission, the body responsible for supporting, analyzing and authorizing research conducted on the organization's premises. In 2016, five new research protocols were approved and a further three are at the approval phase, having been submitted by doctors at the institution and analyzed by the Hospital Alemão Oswaldo Cruz Research Ethics Committee.

The institute also conducts the Medical Residency Program, with courses in the areas of Intensive Care Medicine and Anesthesiology, accredited by Brazil's Comissão Nacional de Residência Médica.

The activities of the IECS are aligned with the strategy of boosting scientific production and innovation among doctors and other healthcare professionals in the institution. In 2016, incentives were stepped up for studies in the hospital's focus areas of oncology and digestive diseases. During the year, 38 papers by accredited doctors were published in high impact international journals, and a further 10 in Brazilian publications.

FOCUS AREAS: ONCOLOGY AND DIGESTIVE DISEASES

The hospital periodically monitors the number of students concluding courses in its focus areas (Oncology and Digestive Diseases) and the number of research studies underway, reinforcing the link between educational activities and the hospital's projected route to growth.

In 2016, six students were registered in the specialized courses High Technology Radiotherapy and Bariatric and

Metabolic Surgery. New courses are scheduled to be opened in the focus areas in the coming years, including a specialized Oncology Nursing course and a Radiotherapy program. The target is to reach 50 final year students in 2018, 70 in 2019 and 90 in 2020. The number of scientific research projects in these key areas will also increase.

5

NEW RESEARCH PROTOCOLS APPROVED AND ANOTHER 3 UNDERGOING APPROVAL

48

PUBLICATIONS IN IMPORTANT SCIENTIFIC JOURNALS





LABORATORY - FECS



NEW GRADUATION COURSE ON THE HORIZON

In line with its expertise and reputation in the nursing area, in 2016 the institution proceeded in the accreditation process for its future Nursing graduate course, having received a score of five in the Ministry of Education assessment process. At an advanced stage of preparation, the first selection process for the course should take place in the second half of 2017.

TECHNICAL EDUCATION

Within the Health Education Technical School (ETES), the hospital offers Licensed Practical Nursing courses. In 2016, thirteen groups took the course. There is also one group on the Radiology Technician course, which began in September 2016. After the publication of the authorization by the São Paulo Teaching Directorate, the new post practical nursing courses in Gerontology and Intensive Therapy should begin at the end of the first half of 2017.

1,800

HOURLY COURSE LOAD ON THE LICENSED PRACTICAL NURSING COURSE

13

TOTAL NUMBER OF GROUPS TAKING THE LICENSED PRACTICAL NURSING COURSE IN 2016

HIGHER EDUCATION IN HEALTHCARE

Since 2014, Hospital Alemão Oswaldo Cruz has maintained the Health Sciences Education Faculty, an institution authorized by the Ministry of Education to offer graduate and postgraduate programs. The faculty comprises 109 professionals, 75% of whom hold masters' degrees or doctorates. The courses currently on offer are:

- Graduate program in Technology in Hospital Management: two groups are currently taking the course.
- Postgraduate level non-degree courses: in diverse medical areas (bariatric and metabolic; robotic surgery in urology, echo-cardiography, clinical medicine and high technology radiotherapy), in addition to the courses Intensive Therapy Nursing, Oncology Nursing, Surgical Center and Sterile Material Center Nursing, Hospital Nutrition, Hospital Physical Therapy, Hospital Psychology with emphasis on Cognitive Therapy, Clinical Research and Gerontology.
- MBA: today the faculty offers courses on Hospital Administration and Healthcare Management; Quality in Healthcare: Management and Accreditation — developed in partnership with the accreditation consortium CBA (Consórcio Brasileiro de Acreditação) —; and on Economics and Evaluation of Healthcare Technologies, the latter the result of a partnership between FECS and Fundação Instituto de Pesquisas Econômicas (Fipe).



75%

OF THE FECS TEACHING FACULTY HAVE MASTER'S OR DOCTORAL DEGREES

ETES CLASSROOM



BRAZILIAN AND INTERNATIONAL PARTNERS G4-15

In addition to its educational activities, knowledge exchange in the hospital takes place via contacts with institutions having recognized expertise in research and healthcare management both in Brazil and in other countries. Worthy of note is the agreement with the Stanford University School of Medicine which, by means of the concepts in its Health Improvement Program (HIP), inspired the development of the Well-Being Program organized by the Employee Health and Safety Center and which is now part of the hospital's product portfolio.

This university also collaborates with the IECS in regular knowledge exchange activities – such as teleconfer-

ences to debate current questions in medicine. These activities are communicated by the Education and Science area and are open to all doctors and support staff.

To map best practices, the hospital benchmarks its practices, projects and management models against those of diverse North American hospitals, such as the MD Anderson Cancer Center, Houston Methodist, Stanford Hospital and El Camino Hospital. Other partnerships include Saint Thomas Hospital in England and the Hamburg-Eppendorf University Medical Center in Germany.

As part of this ongoing dialogue, the Medical, Care and Operational areas

visited partnering hospitals in the United States in 2016 to identify strategic planning related best practices - such as doctor relations and the application of care models.

Another key project that was maintained during the year was the partnership between Hospital Alemão Oswaldo Cruz and the Portuguese company Coimbra Genomics. In the medium term, this work will enable the implantation of an unprecedented personalized medicine model in Brazil, offering integrated treatment for patients based on genomic mapping tools.

BRAZILIAN PARTNERS

Universidade Anhembi Morumbi

Universidade de São Paulo (USP)

Universidade Federal de São Paulo (Unifesp)

Universidade São Camilo

Hospital Igosp

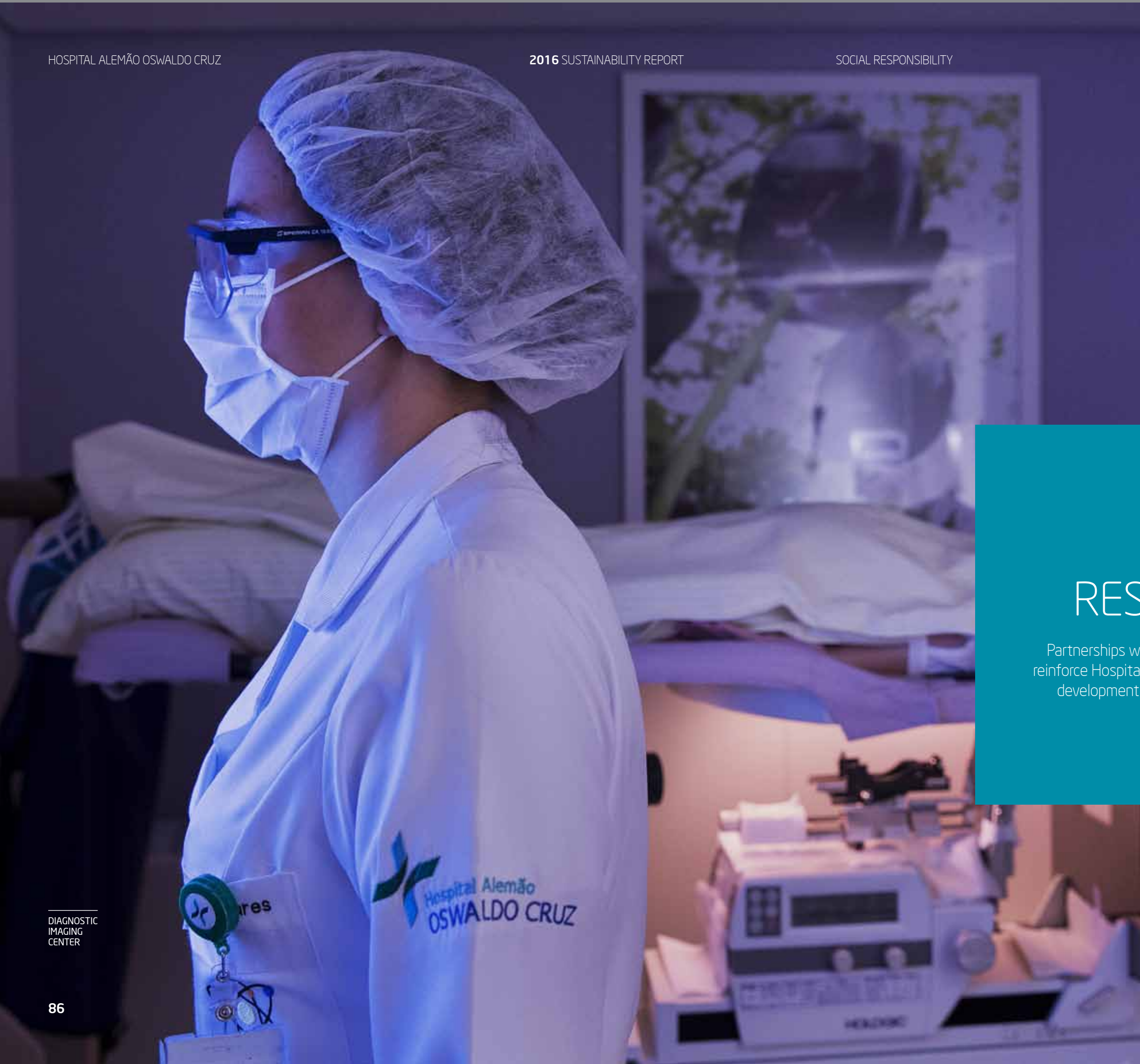
GLOBAL PARTNERS

Stanford Hospital & Clinics, Stanford University

Stanford University School of Medicine

Coimbra Genomics





IN THIS CHAPTER

Promoting health in the country
Proadi-SUS projects

SOCIAL RESPONSIBILITY

Partnerships with public authorities and training projects reinforce Hospital Alemão Oswaldo Cruz's contribution to the development of public and private healthcare in Brazil

PROMOTING HEALTH IN THE COUNTRY

The Social Responsibility pillar at Hospital Alemão Oswaldo Cruz has gained importance in the institution's long-term strategy as a key area positioning the institution as a driver of innovation and systemic progress in healthcare in Brazil.

In addition to community support and assistance, the hospital partners in projects with the federal and local governments. Worthy of note in 2016 were the assumption of control of the operation of the Complexo Hospital dos Estivadores in Santos via the Instituto Social Hospital Alemão Oswaldo Cruz, and the continuation of the initiatives in the Proadi-SUS institutional development program and in the Mooca Sustainability Unit.

Currently, 100% of the Hospital Alemão Oswaldo Cruz operations have com-

munity engagement programs, taking into account Proadi-SUS projects and partnerships with the Ministry of Health and with the São Paulo and Santos local governments. **G4-S01, G4-EC8**

UNIFIED HEALTHCARE SYSTEM (SUS OR SISTEMA ÚNICO DE SAÚDE)

Since 2008, Hospital Alemão Oswaldo Cruz has been one of the benchmark hospitals linked with the Ministry of Health's international Proadi-SUS reference program aimed at strengthening Brazil's public healthcare system with support from six philanthropic hospital institutions.

KNOWLEDGE EXCHANGE

The program is based on a list of topics defined as priorities by the Ministry of Health. Each reference hospital should address these areas in a series of projects developed over a three-year period. The areas covered include assessment and incorporation of technologies; research of interest to public health; and the development of techniques and management in these areas in healthcare services.

This knowledge exchange has enabled Hospital Alemão Oswaldo Cruz to forge closer relations with highly important

100%

OF THE HOSPITAL ALEMÃO OSWALDO CRUZ UNITS HAVE COMMUNITY ENGAGEMENT PROGRAMS

hospital centers nationwide, replicating processes, protocols and procedures which boost the effectiveness of operations and resource allocation in public healthcare. The hospital provides funding for the execution of these projects via tax incentives.

Funds totaling R\$ 161 million are scheduled to be invested in projects with the Ministry of Health in the period 2015-2017. In 2016, 16 projects were initiated, three were concluded and another two were being evaluated by the Ministry of Health. In 2015 and 2016 alone, the institution invested R\$ 91.1 million in Proadi-SUS initiatives.

R\$161 million

INVESTED IN PROADI-SUS OVER A THREE-YEAR PERIOD

PROADI-SUS PROJECTS IN THE PERIOD 2015-2017

Aimed at diverse fronts in the SUS service, the projects executed with support from the Hospital Alemão Oswaldo Cruz have common goals: to optimize processes, increase the qualification of staff in the service network, professionalize management, evaluate innovative technologies and disseminate indicators and protocols for public equipment, hospital centers and the regulatory centers of the system. Below there is a description of the purpose of each project and the main accomplishments in 2016:

HEALTH TECHNOLOGY ASSESSMENT DEVELOPMENT PROJECT - DATS IN THE PORTUGUESE ACRONYM

Goal:

To contribute to the qualification, training and updating of Unified Health System professionals and workers, in particular those engaged in priority diseases and questions of epidemiological interest: women, children, the elderly, urgencies and emergencies, mental health, crack addiction, health of the disabled, workers' health, chronic diseases, patient safety, clinical research and technology assessment in healthcare and sanitary and health control. The initiative consists of six sub-projects:

- Intermediate level training in HTA
- Introductory level training in HTA
- MBA in Economy and Health Technology Assessment
- Training and updating - congresses
- HTA studies
- Training in GRADE system methodology

Main accomplishments in 2016:

Provision of courses, ranging from introductory level to MBA, in assessment for the incorporation of technologies in healthcare; preparation of HTA guides, information sheets and technical reports.

MANAGING ONGOING EDUCATION FOR URGENT CARE NETWORK PROFESSIONALS

Overall goal:
Focus on mass distance and face-to-face training programs in three areas: Management of Urgent Care Networks and Services, The Patient in Urgent Care and Management of Ongoing Education in Urgent Care. Additionally, it aims to provide support and contribute to the implantation of up to 60 Urgent Care Education Centers (NEU).

Main accomplishments in 2016:
Networked training in urgent and emergency care in 8 regions of Brazil up to 2016. Development of a mobile application; organization of courses and workshops on specific subjects.

EQUIPMENT MANAGEMENT

Overall goal:
Review of technical specifications and indication of parameters for equipment financed by the Ministry of Health, providing decision making support for public healthcare managers.

Main accomplishments in 2016:
Exploratory visits, workshops and conclusion/finalization, development of new specialist area study groups. Establishment of parameters for technical specifications for 204 pieces of healthcare equipment to assist decision making related to incorporation or not of these technologies.

TRAINING, COMMUNICATION AND DEVELOPMENT IN CPTG AND MONITORING OF TECHNOLOGY HORIZON

Overall goal:
To develop actions in support of the SUS National Commission for the Incorporation of Technologies - CONITEC, as part of the hospital's attribution of assisting the Ministry of Health in decisions related to introducing, excluding or altering new medications, products and procedures in the public health system, as well as establishing or changing clinical protocols and therapeutic guidelines (CPTG).

The project is divided into four sub-projects: Clinical Protocols and Therapeutic Guidelines, Monitoring of Technology Horizon, Managing Technology in Healthcare and Effective Communication in Healthcare Technology Assessment.

Main accomplishments in 2016:
Review of more than 30 protocols, delivery of new protocols, clinical protocols and therapeutic guidelines in priority areas for the Ministry of Health and the production of institutional videos.

TRAINING AND QUALIFICATION IN CLINICAL RESEARCH

Overall goal:
Training aimed at the integration of healthcare professionals and the definition of research projects related to key priorities in Brazilian public health policy, including new healthcare technologies and treatments for neglected diseases.

Main accomplishments in 2016:
Finalization of first clinical research group with students from all over Brazil.

MEDICAL RESIDENCE PRECEPTORSHIP TRAINING PROGRAM

Overall goal:
Support for qualifying teachers and preceptors to work in the healthcare networks and preparation of managers for the network of healthcare-focused teaching institutions.

Main accomplishments in 2016:
Conclusion of first group of 500 medical preceptors, with participants from all over Brazil. The course is focused on preceptorship in family and community health, gynecology and obstetrics, psychiatry, general surgery and clinical medicine.

ASSISTANCE PROJECT

Overall goal:
To support the Municipal Health Department in reducing the repressed demand for diagnostic imaging and lower endoscopy in outpatient units with the offer of bowel preparation in the home; to be a reference in tertiary attendance for registered users in overweight and obese care in the municipality of São Paulo, as well as patients awaiting elective orthopedic or rehabilitation treatment.

Main accomplishments in 2016:
Continuation of mammography tracking control of users registered in a prior project (Integrated Breast Cancer Control Program), finalized in 2014; continuation of mobile unit, ongoing diagnostic and surgical attendance; and monitoring of eligible patients.

RESTRUCTURING PUBLIC HOSPITALS

Overall goal:
Support for restructuring management of SUS public health service attendance, in line with the National Patient Safety Program and the SUS humanization policy, aimed at fomenting quality and safety for patients and driving a culture of quality for employees in public hospitals.

Main accomplishments in 2016:
Work undertaken in 18 public hospitals aimed at driving quality and safety in patient care.

SOS EMERGENCIES PROGRAM

Overall goal:
Support for hospitals indicated by the Ministry of Health in the urgent and emergency care areas, aimed at improving internal work flows and knowledge management, fomenting institutional comprehension of the fact that hospitals are key components in providing care for SUS public healthcare system patients.

Main accomplishments in 2016:
Visits to monitor the hospitals, workshop on indicators, monitoring of discharged patients and visits to hospitals in the states of Amapá, Piauí, Distrito Federal and Pernambuco.

HEALTH MAP PROJECT

Overall goal:
Geo-referenced analysis and consultation system for users, managers and healthcare professionals. This permits access to information about the location and offer of healthcare services registered in the country (CNES), with social, demographic and census data (consumption habits and standards, indicators of income, among others).

Project concluded and delivered in 2015.

CEREBRAL VASCULAR ACCIDENT TELEMEDICINE PROJECT

Overall goal:
Provision of support for public hospitals to provide qualified attendance for patients suffering from acute cerebral vascular accidents through the provision of a specialized second opinion via telemedicine.

Project finalized and delivered in 2015.

INVASIVE MECHANICAL VENTILATION IN THE HOME PROJECT

Overall goal:
Provide support for the Ministry of Health for the incorporation of invasive mechanical ventilation in the Home Care Service (SAD in the Portuguese acronym), by means of healthcare technology assessments to verify viability and to train the SAD team in the event of a positive assessment

Main accomplishments in 2016:
Survey of services providing invasive mechanical intervention in the home, delivery of financial viability assessment, technical scientific report and a dossier to the Ministry of Health and planning for an international symposium on the subject.

COMPLEXITY IN HOME CARE PROJECT

Overall goal:
To train the staff in the Home Care Service to work in a linear manner, adopting safe clinical practices based on user needs and the diverse technologies available, reducing the fragmentation of care as well as the demand for hospital care.

Main accomplishments in 2016:
Training of around 210 people working with Home Care and home visits

QUALIFIED MANAGEMENT OF STRATEGIC SANITARY CONTROL MEASURES IN THE BRAZILIAN NATIONAL SANITARY CONTROL SYSTEM - SNVS - INTEGRAVISA

Overall goal:
To support knowledge production, to develop and propose strategies and / or methodologies to qualify the execution of sanitary control measures in the National Sanitary Control System.

Main accomplishments in 2016:
Survey of critical components in sanitary control: the production and distribution of diagnostic reports on measures in the National Sanitary Control System.

APPROPRIATION, IMPLEMENTATION AND GOVERNANCE OF CLINICAL TERMINOLOGIES PROJECT (CENTERMS)

Overall goal:
To build, distribute, implement and support the governance process for Healthcare Information and Terminology Models, within the context of the construction and implementation of the National Healthcare Terminologies Center.

Main accomplishments in 2016:
Implantation of governance model, development of business cases and technological integration for the SUS public healthcare system.

DEVELOPMENT OF INDICATORS FOR ASSESSING SANITARY CONTROL MEASURES PROJECT

Overall goal:
To assess and propose improvements to the information gathered, analyzed and used in decision making, effectively contributing to the SUS Public Healthcare System and its actions.

Main accomplishments in 2016:
The project was initiated in 2016 with a workshop to ensure alignment with the sanitary authority ANVISA in elaborating indicators of effectiveness. Benchmarking visits were also organized on a national level in the states of Goiás, Minas Gerais, Paraná, Santa Catarina and São Paulo and in the municipal districts of Belo Horizonte-MG, Curitiba-PR and Florianópolis-SC.

MOOCA SUSTAINABILITY UNIT G4-S01, G4-EC8

Since 2009, the hospital has maintained its Mooca Sustainability Unit in the city of São Paulo, dedicated to training and developing healthcare professionals and attending Unified Health Service (SUS) patients.

The social responsibility projects include measures such as the Breast Cancer Diagnostic Service (SDM), developed based on the Integrated Breast Cancer Control Program organized in two stages by Proadi-SUS from 2009 to 2011 and from 2012 to 2014. This provides systematic support for the public in the prevention, treatment and accompaniment of cases of breast cancer. In 2016, 21,525 attendances were carried out by the cross-disciplinary team (mastology, nursing, nutrition, psychology and social assistance), in addition to 21,282 diagnostic examinations (percutaneous biopsies) and 23 complementary procedures. Additionally, the Mobile Mammogram Service – “Mama Móvel” (a mobile unit with mammography equipment) –, benefited women in the north of the municipality of São Paulo, performing 9,753 mammograms.



21,525

CROSS-DISCIPLINARY ATTENDANCES AT THE MOOCA SUSTAINABILITY UNIT IN 2016

2016 RESULTS OF THE MOOCA SUSTAINABILITY UNIT

Consultations, diagnostic examinations and surgical procedures offered in diverse areas:

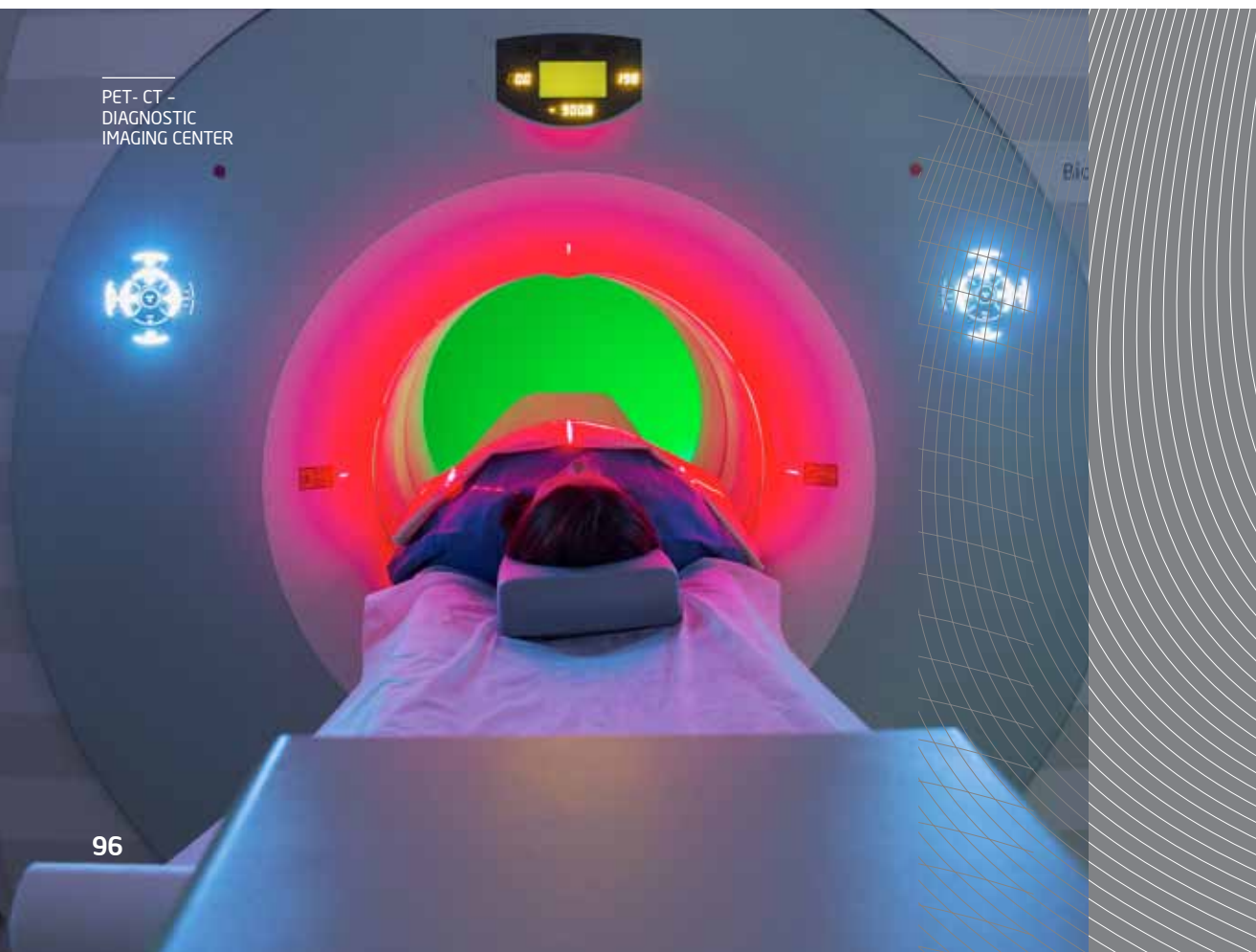
939	bone density tests	
1,026	computed tomography tests	
1,670	colonoscopies	
200 operations, including	118 bariatric surgeries	32 hip arthroscopies
	30 digestive system surgeries	20 urological surgeries

PARTNERSHIP WITH THE CITY OF SÃO PAULO GOVERNMENT

The Mooca Sustainability Unit also provides services under the auspices of the Diagnostic and Surgical Procedure Treatment Project, a partnership initiated with the São Paulo government in 2014 to reduce the repressed demand for medium and high complexity services in the city.

At the end of 2016, Hospital Alemão Oswaldo Cruz entered into a new agreement with the city of São Paulo government to provide services under the Corujão da Saúde program. In January 2017, the institution started providing imaging examinations for patients referred by the public health system (Siga Saúde), helping to reduce the municipal healthcare system queue.

These SUS patients can do a variety of tests, including computed tomography, magnetic resonance and ultrasound breast examinations, both in the Hospital Complex and in the Mooca Sustainability Unit (breast ultrasound), and collect the results from the same units. The hospital should carry out 7,530 tests under this local government program.



PET- CT - DIAGNOSTIC IMAGING CENTER



COMPLEXO HOSPITAL DOS ESTIVADORES

The Instituto Social Hospital Alemão Oswaldo Cruz, the hospital's social responsibility arm, took over administration of the Complexo Hospital dos Estivadores in Santos, on the southern coast of São Paulo state.

Services for patients referred by the Santos municipal authorities were initiated in February 2017.

This service, aligned with the 2016-2020 strategic planning (read more in Strategic Model), marks the institution's entry into the administration of public hospitals under the social organizations model – a type of public-private partnership in which the organization is responsible for administering state resources, ensuring professional, efficient, high quality services in the SUS system.

Read more
about the Complexo Hospitalar dos Estivadores in the sub-chapter Projects and perspectives

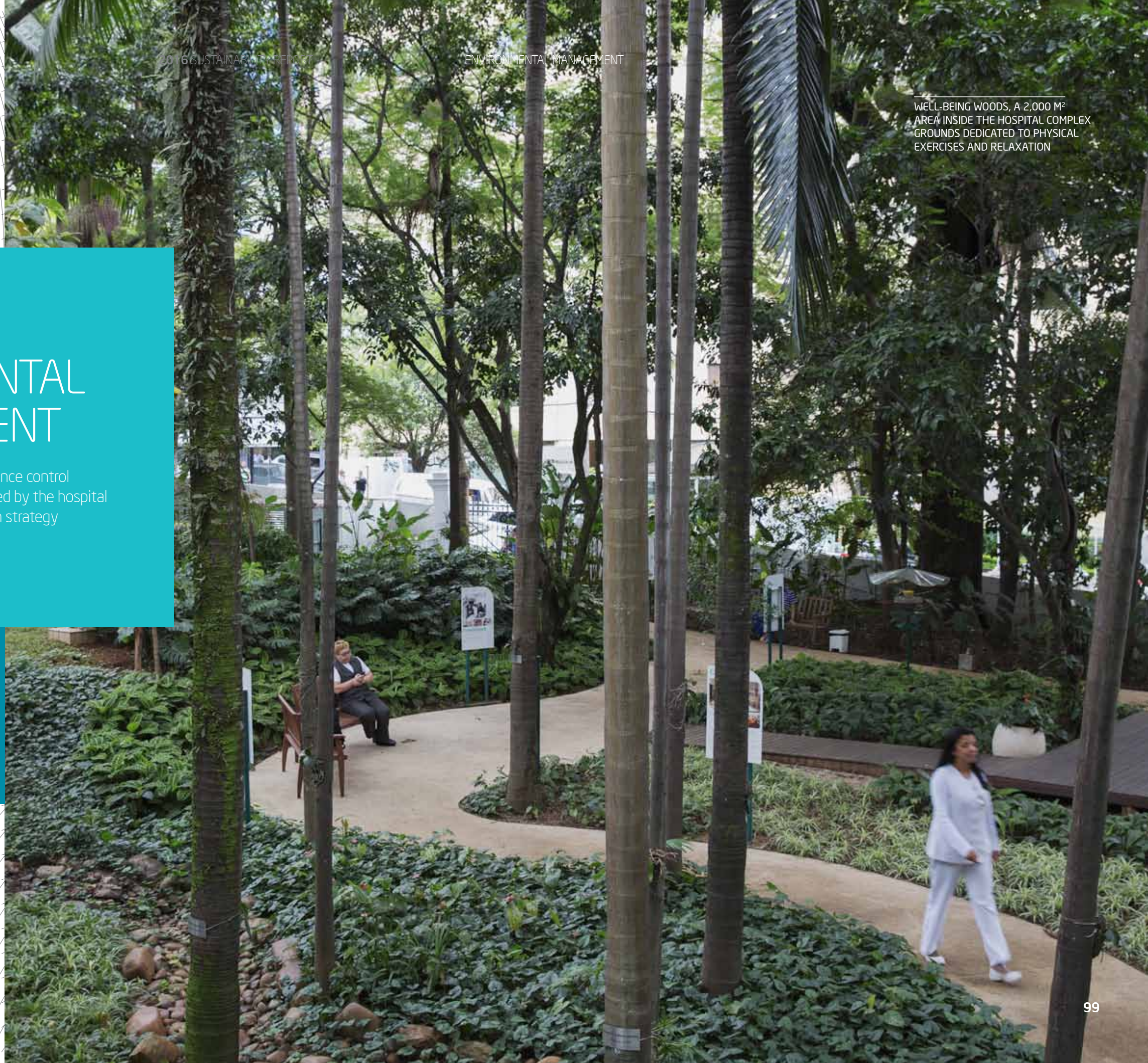
WELL-BEING WOODS, A 2,000 M² AREA INSIDE THE HOSPITAL COMPLEX GROUNDS DEDICATED TO PHYSICAL EXERCISES AND RELAXATION

ENVIRONMENTAL MANAGEMENT

The institution has sought to enhance control over the environmental impacts generated by the hospital operations, in line with its growth strategy

IN THIS CHAPTER

The challenge of eco-efficiency



THE CHALLENGE OF ECO-EFFICIENCY

The different hospital operations generate diverse environmental impacts, ranging from the use of materials in surgical, clinical and support procedures to the consumption of natural resources – energy and water. Fully aware of these challenges, Hospital Alemão Oswaldo Cruz strives to enhance efficiency in all its processes, from construction to the daily routines in its business units.

Diverse environmental aspects are addressed by the Clinical Engineering, Procurement and Safety areas. Particularly worthy of note was the rational use of natural resources during the construction of Block E of the Hospital Complex,

which resulted in LEED (Leadership in Energy and Environmental Design) certification for the building.

Block E, which houses internment services, the ICU and the Premium service, was designed based on diverse efficiency requirements, such as water heated by solar energy and the consumption of harvested rainwater in the bathrooms and the gardens. The design specifications included maximized natural illumination, high-efficiency air conditioning and a bicycle rack and specific parking slots for low emission and low energy consumption vehicles, such as hybrids, in the parking lot.

To obtain the LEED seal, the plans were filed with the Green Building Council (GBC) and the building was subjected to an audit to ensure compliance with the eco-efficiency specifications in the certification manual.

Although not specifically linked with the certification, the works and modifications for the future Vergueiro Reference Unit also incorporate the efficient use of natural resources.

Recycling

THE INCREASE IN THE AMOUNT OF WASTE RECYCLED REAFFIRMS THE HOSPITAL'S COMMITMENT TO ENVIRONMENTALLY APPROPRIATE DISPOSAL ALTERNATIVES.

WASTE MANAGEMENT

The hospital is fully compliant with its obligations related to the disposal of conventional and hospital waste. Due to the elevated use of diverse kinds of materials and the generation of biomedical and non-biological waste (from hospital procedures), the institution applies rigorous disposal guidelines in accordance with the standards established by the national sanitary control agency Anvisa, the Ministry of the Environment, as well as state and municipal regulatory authorities.

In 2016, there was an increase in the volume of waste forwarded for recycling. This was the result of a change in the company responsible for the collection and disposal of regular waste, which provided the hospital with paper shredding equipment. Additionally, there was a financial incentive due to the

remuneration received per kilo of material recycled. Regarding material sent for incineration, there was a year on year increase due to revision of the classification of chemical waste by the group responsible for the Healthcare Waste Management Program (PGRSS). Another factor was the systematization of the collection of batteries (including those discarded by employees and visitors).

Regarding waste disposed of in landfills, the change in the company responsible for collection enabled more precise measurement of waste volume due to electronic control of the receipt of waste at the dump site.

Another factor which contributed to increased waste generation in 2016 was the increase of approximately 6% in the hospital's occupancy rate, from 75% in 2014 to 79.45% in 2016.

ENVIRONMENTAL MANAGEMENT

Total non-hazardous waste generation (metric tons)* G4-EN23	2014	2015	2016	Types of waste
Recycling	146.52	144.48	176.28	Cardboard, shredded paper, metal scrap and glass
Landfill	901.20	917.76	1,064.52	Class D, waste considered regular
Total	1,047.72	1,062.24	1,240.80	-

Total hazardous waste generation (metric tons)* G4-EN23	2014	2015	2016	Types of waste
Incineration (mass burn)	984	26	48.96	Chemical medical waste, batteries
Landfill after treatment	441	540	547.08	Biological, infectious waste and sharps
Others	5,655	4,577	3,200	Light bulbs
Total	6,105.84	5,143.88	3,796.04	-

Total water withdrawn by source* G4-EN8	2014	2015	2016
Ground water	-	-	1,648
Harvested rain water	11,850. m³	12,654. m³	12,478. m³
Effluents from other organizations	-	-	-
Utility	144,947. m³	126,745. m³	140,672. m³
Total	156,797. m³	139,399. m³	154,798. m³

The hospital does not use surface water

Energy consumption inside the organization (scopes 1 and 2) G4-EN3

Non-renewable sources (GJ)	2014	2015	2016
Gas supplied by utility	7,513.24	7,637.4	8,219.42
Diesel oil	837.94	1,036.77	1,079.38
Renewable sources (GJ)	2014	2015	2016
Hydraulic	71,886.77	69,286.98	69,477.82

LOGISTICS EFFICIENCY

The hospital strives continually to improve efficiency in contracting and materials procurement. In the logistics area, in 2016, a reverse logistics project was initiated with companies that deliver certain materials, such as uncontaminated clothes and certain items which may be recycled.

ABOUT THIS REPORT

For the first time, the hospital is presenting indicators elaborated based on Global Reporting Initiative (GRI) methodology

IN THIS CHAPTER

- Open doors
- Our Materiality
- Summary of GRI content
- Certifications and Awards



OPEN DOORS

For the first time, the Hospital Alemão Oswaldo Cruz is summarizing its environmental, social and economic performance by means of this Sustainability Report. In continuation of the institution's previous annual reports, the document presents indicators, projects and information on strategy and management for 2016, prioritizing the most relevant topics for the organization and for its stakeholder groups. [G4-28](#), [G4-29](#)

The report was planned and produced in line with the guidelines elaborated by the Global Reporting Initiative (GRI) – a methodology used internationally for this type of report. Using the Core

In line with the hospital's 2016-2020 strategic planning, the materiality addresses subjects such as enhancing the patient experience, guaranteeing quality in hospital processes, innovation and excellence and the institution's contribution to improving public healthcare in Brazil. [G4-27](#)

In addition to the GRI indicators reported, which cover the hospital units in operation in 2016 (Hospital Complex, Mooca Sustainability Unit and the Campo Belo Unit), with certain exceptions mentioned throughout the text, the management opted to present determined data on the healthcare sector which are highly relevant for its positioning. This is the case with the infection rates and the numbers related to attendance and operational infrastructure. Any differences in relation to previous years and changes in metrics to adapt the former reports to GRI standards are described in the document. [G4-17](#)







option of the GRI G4 framework, the hospital presents a set of general and specific disclosures that describe its management, its strategies, its environmental initiatives and its practices as they relate to quality and safety for patients, contribution to the development of public healthcare and valuing the institution's human capital. [G4-32](#)

To adapt to the GRI guidelines, at the end of 2016 and the beginning of 2017 the institution undertook a materiality process – which involves the direct consultation of internal and external stakeholders - in order to identify its main impacts and the social, environmental and economic/financial topics which should be addressed by management.

By adopting benchmark practices for communicating financial and non-financial results, the Hospital Alemão Oswaldo Cruz believes it is reinforcing its commitment to ensuring efficient, responsible operations focused on driving the development of healthcare in Brazil and of its stakeholders. Any doubts or comments on the content of this report may be addressed to marketing@haoc.com.br. [G4-31](#)

The list of material topics, which influenced the definition of the GRI indicators and the contents of this report, was elaborated based on sector studies, an online consultation that engaged groups such as suppliers, specialists, employees, journalists, healthcare insurance operators, medical staff and competitors (total of 1,111 participants), as well as interviews with specialists, sector representatives and the superintendent areas, as well as other key areas of the hospital. [G4-18](#), [G4-24](#), [G4-25](#), [G4-26](#)

OUR MATERIALITY

Material topics G4-19	Focus and approach	Extension of impacts* G4-20, G4-21	GRI Aspects	Strategic topics for the Hospital	Sustainable Development Goals
Quality and safety in care	Differentiated, individualized, integral and humanized care for patients, focused also on their and their families' satisfaction; types of services provided, outcomes of treatment and security of patients' data, medical records and other tools that ensure patient well-being	Managers Employees Patients Health Insurance Operators Doctors Press Suppliers Competitors	PR – Client health and safety PR – Product and service labeling PR – Client privacy PR – Compliance	- Operational efficiency - Social responsibility	
Talent development and retention	Training, professional and academic qualification of employees and performance appraisal	Board Managers Employees Patients Health Insurance operators Suppliers	LA- Employment LA- Training and education	- Human development - Education and research	
Development of healthcare systems and initiatives to promote access to treatment	Offer of quality services to low-income groups, in addition to attendance and contribution to development of the SUS public health service	Board Specialists Press Suppliers Health Insurance operators	EC- Indirect economic impacts SO-Local communities	- Social responsibility - Education and research	  
Efficient economic performance in the use of resources	Business model and revenue in the light of the growth in operations and the need to maintain service quality	Board Specialists	EC- Economic performance SO- Anti-corruption SO- Compliance	- Expansion and capillarity	

Material topics G4-19	Focus and approach	Extension of impacts* G4-20, G4-21	GRI Aspects	Strategic topics for the Hospital	Sustainable Development Goals
Relations with operators	Operators' share of hospital revenue and maintenance of commercial relations	Specialists Doctors	PR- Compliance	- Strengthening brand - Relations with operators	
Engagement of medical staff	Promoting loyalty, benefits offered, career plan and performance appraisal tools for doctors	Doctors	EC-Economic performance LA-Employment	- Relations with doctors - Strengthening brand	  
Education, research and innovation	Valuing production, management and dissemination of knowledge, driving process innovation and healthcare technologies	Board	LA- Training and education SO-Local communities	- Education and research - Strengthening brand	 
Environmental sustainability	Efficiency in use of natural resources and control over impacts, focused on emissions /energy, waste and water	Board Specialists	EN-Energy EN-Water EN-Waste	- Operational efficiency - Strengthening brand	

*The extension of the impacts indicates the main internal and external stakeholder groups that emphasized the relevance of the topics during the consultation and prioritization process.

SUMMARY OF GRI CONTENT

GENERAL STANDARD DISCLOSURES		
Standard disclosures	Page/response	External assurance
Strategy and analysis		
G4-1 Declaration from key decision maker in the organization (e.g.: CEO, chairman of board of directors or equivalent) about relevance of sustainability for the organization and its sustainability strategy.	8	—
Organizational profile		
G4-3 Name of organization	14	—
G4-4 Primary brands, products, and services	14	—
G4-5 Location of organization's headquarters	14	—
G4-6 Number of countries where the organization operates, and names of countries where either the organization has significant operations or ones that are specifically relevant to the sustainability topics covered in the report	14	—
G4-7 Nature of ownership and legal form	20	—
G4-8 Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	14	—
G4-9 Scale of the organization	14 and 16	—
G4-10 Total number of employees UNGC	70	—
G4-11 Percentage of total employees covered by collective bargaining agreements UNGC	All employees are covered by the collective union readjustment, regardless of whether they belong to their own specific category or the preponderant one	—
G4-12 Description of organization's supply chain	75	—

GENERAL STANDARD DISCLOSURES		
Standard disclosures	Page/response	External assurance
G4-13 Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	There were no significant changes	—
G4-14 Whether and how the precautionary approach or principle is addressed by the organization	80	—
G4-15 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	84	—
G4-16 Participation in associations (such as industry federations) and/or domestic/international advocacy organizations	58 and 75	—
Material aspects identified and boundaries		
G4-17 List of all the bodies included in the organization's consolidated financial statements or equivalent documents	105	—
G4-18 Explanation of process for defining the report content and the boundaries of aspects	105	—
G4-19 List of material aspects identified in the process of defining the report content	106	—
G4-20 Boundary, within organization, for each material aspect	106	—
G4-21 Boundary, outside the organization, for each material aspect	106	—
G4-22 Explanation of consequence of any restatements of information provided in previous reports and the reasons for such restatements	Any reformulations are explained in the response to the indicator	—

GENERAL STANDARD DISCLOSURES

Standard disclosures	Page/response	External assurance
G4-23 Significant alterations in scope and boundaries of aspects in relation to periods covered by previous reports	Any reformulations are explained in the response to the indicator	—
Stakeholder engagement		
G4-24 List of stakeholder groups engaged by the organization	105	—
G4-25 Basis for identification and selection of stakeholders with whom to engage	105	—
G4-26 Approach to stakeholder engagement, including frequency of engagement discriminated by type and group, indicating whether any engagement was promoted specifically as part of preparing this report	105	—
G4-27 Key topics and concerns raised through stakeholder engagement and the measures adopted by the organization to address these topics and concerns, including the process of reporting them. List which stakeholder group raised each topic and concern	105	—
Report profile		
G4-28 Reporting period (e.g. fiscal or calendar year)	105	—
G4-29 Date of most recent previous report, (if this is the case)	The institution's last report was published on April 25, 2016. This content was not elaborated in accordance with GRI guidelines	—

GENERAL STANDARD DISCLOSURES

Standard disclosures	Page/response	External assurance
G4-30 Reporting cycle (annual, biennial, etc.)	Annual	—
G4-31 Point of contact for questions regarding the report or its content	105	—
G4-32 "In accordance" option chosen by organization	105	—
G4-33 Policy and current practice adopted by Organization with regard to seeking external assurance for the report	The social and environmental indicators were not subject to external assurance	—
Governance		
G4-34 Governance structure in the organization, including the committees of the highest governance body. Identify any committees responsible for advising the highest governance body on economic, environmental and social topics	22	—
Ethics and integrity		
G4-56 Values, principles, standards and norms of behavior in the organization, such as codes of conduct and ethics	25	—

SPECIFIC GENERAL DISCLOSURES			
Aspect	DMA and indicators	Page/response	External assurance
ECONOMIC CATEGORY			
Economic performance UNGC	G4-DMA Management approach		—
	G4-EC1 Direct economic value generated and distributed		—
	G4-EC4 Financial assistance received from the government	The government does not sponsor the institution's operations either directly or indirectly	—
Indirect economic impacts	G4-DMA Management approach	88 and 95	—
	G4-EC8 Significant indirect economic impacts, including extent of impacts	88 and 95	—
ENVIRONMENTAL CATEGORY UNGC			
Energy	G4-DMA Management approach	101	—
	G4-EN3 Energy consumption within the organization	101	—
Water	G4-DMA Management approach	101	—
	G4-EN8 Total water withdrawn by source	101	—
Effluents and waste	G4-DMA Management approach	101	—
	G4-EN23 Total weight of waste, discriminated by type and disposal method	101	—

SPECIFIC GENERAL DISCLOSURES			
Aspect	DMA and indicators	Page/response	External assurance
SOCIAL CATEGORY - LABOR PRACTICES AND DECENT WORK UNGC			
Employment	G4-DMA Management approach	72 and 73	—
	G4-LA1 Total number and rates of new employee admissions and employee turnover by age group, gender and region	72	—
	G4-LA2 Comparison of benefits for full-time and part-time and temporary workers, discriminated by important operational units	73	—
Training and education	G4-DMA Management approach	68	—
	G4-LA9* Average number of hours training per employee per year, discriminated by gender and functional category	68	—
SOCIAL CATEGORY - SOCIETY			
Local communities UNGC	G4-DMA Management approach	88 and 95	—
	G4-S01 Percentage of operations with local community engagement, impact assessment and development programs implemented	88 and 95	—
Anti-corruption UNGC	G4-DMA Management approach	25	—
	G4-S05 Confirmed cases of corruption and measures taken	There were no cases in 2016	—
Compliance	G4-DMA Management approach	25	—
	G4-S08 Monetary value of significant fines and total number of non-monetary sanctions applied due to non-compliance with laws and regulations	There were no cases in 2016	—

* The number refers to the average number of hours training per employee





















SPECIFIC GENERAL DISCLOSURES

Aspect	DMAs and indicators	Page/response	External assurance
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SOCIAL CATEGORY - PRODUCT RESPONSIBILITY

Client health and safety	G4-DMA Management approach	56, 59 and 76	—
	G4-PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	56 and 76	—
	G4-PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcome	59	—
Product and service labeling	G4-DMA Management approach	59, 64 and 66	—
	G4-PR3 Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	59	—
	G4-PR5 Results of surveys measuring client satisfaction	64 and 66	—
Compliance	G4-DMA Management approach	25	—
	G4-PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	There were no fines and/or sanctions in 2016	—

CERTIFICATIONS AND AWARDS

2003	2005	2007	2008
 Level 2 ONA Certification (Integrated management)	 Level 3 ONA Certification (Excellence)	 Temos Certification	 Level 3 ONA Recertification (Excellence)
2009	2010	2011	2012
 Bariatric Surgery Center Certification	 JCI Accreditation	 Temos Certification	 Quality Management Award
 SOBED Endoscopy Center Certification	 JCI Re-accreditation	 ABVQ Well-Being Program National Quality of Life Award	
2013			
 Temos Certification	 Green Kitchen Nutrition Service Green Kitchen Seal	 Health Award Well-Being Program	
2014	2015		
 JCI: Assessment of Block E extension	 SOBED Endoscopy Center Certification	 JCI Re-accreditation	 LEED Gold Certification
2016			
 Bariatric Surgery Center Recertification	 Latin American Hand Hygiene Excellence Award	 JCI	

2016 Sustainability Report
Hospital Alemão Oswaldo Cruz

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