

Transforming Healthcare, Touching Lives

QUADRIA
CAPITAL

Quadria Capital Social Impact



About Quadria Capital

We are an independent healthcare-focused private equity firm, with assets under management exceeding US\$1.6 billion and investments in 20 companies across Asia since inception. We focus on partnering with promising regional healthcare companies and helping them grow into regional leaders through an active and collaborative investment strategy, while generating outstanding returns to our investors.

At Quadria, we believe that positive investment returns and constructive social impact can be mutually inclusive. Hence, we complement our investment objectives with a progressive philosophy of creating positive impact on environment, society, and governance. Our goal is to empower our companies and the communities they serve with better healthcare for all.

Quadria centers its investment activities around the South and Southeast Asian region, where we are proud to be championing efforts to bring affordable and quality healthcare to a population of more than two billion people.

We acknowledge the potential positive impact Quadria can achieve through our investment decisions. We are firmly committed to creating value through adherence of well defined social impact policies. Connecting private capital to market orientation can bring efficiency to healthcare provision while delivering high quality, affordable healthcare to those that are most vulnerable.

Over

US\$1.6 billion

in managed capital

20

Investments
Across Asia

Asia's Leading

Specialist Healthcare Private Equity Firm



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“ We believe that access to healthcare is an important human right and should not be based on where you are born. ”

Sharing our Motivation

Positive social impact factors are fundamental in our decision making process at Quadria. The many issues affecting population health outcomes, environment and society are at the top of our investment agenda, alongside the desire to invest in companies with scalable solutions to resolve these problems.

Large parts of the South and South East Asian region, are faced with some of the world's most complex socio-economic problems, compounding widespread gaps in access to high quality, affordable healthcare. The result of this is sub optimal outcomes at the levels of individual and population health and of the overall health systems.

Quadria Capital is proud to invest in businesses that are proactively working to address these pressing challenges around healthcare provisioning in the region. We believe that responsible and impact oriented investment is critical to long term, sustainable value creation in the region.

Quadria is committed to generating value while benefitting the greater good of regional development through improved access to healthcare services. To achieve this, we exercise diligent impact screening of potential investments and mandate close adherence to our environmental, social, and governance principles.

Abrar Mir
Founder & Managing Partner

Dr. Amit Varma
Founder & Managing Partner



Doing Well by
Doing Good

The Opportunity for Social and Financial Returns

South and South East Asia are complex regions comprising a diverse and fragmented healthcare sector. Most countries in the region follow a mixed system of healthcare provisioning which includes both public and private healthcare services. Regulation varies across countries but is largely either inadequate or absent.

Based on current trends from the Global Burden of Diseases data, Asia is expected to bear nearly half of the global burden of chronic diseases by 2030. The existing burden of communicable diseases has seen a steady yet slow reduction over the past few decades. Despite this, World Bank data indicates that most governments in the region spend disproportionately low on healthcare (between 1 to 4 percent of the annual GDP.)

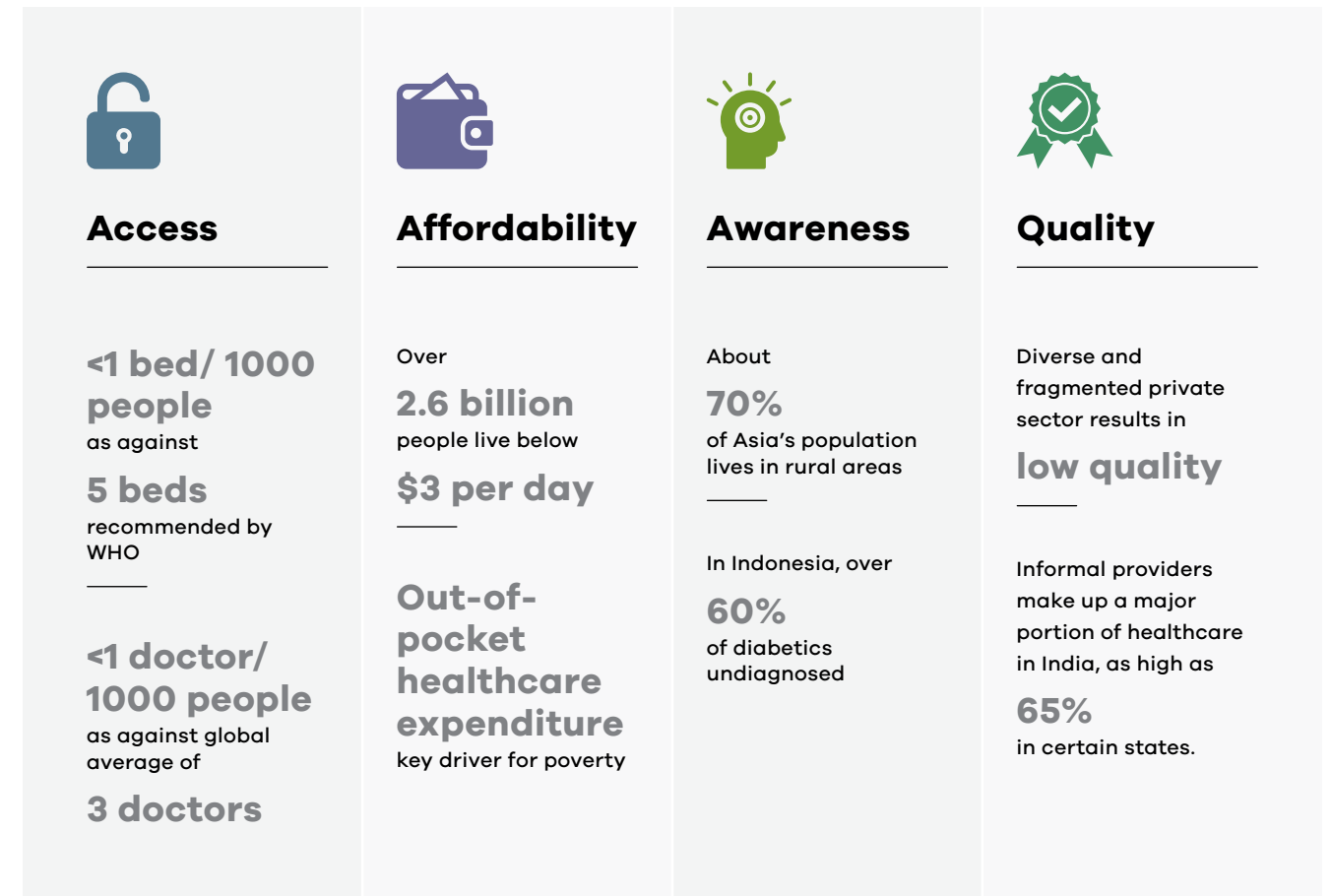
As a consequence, there is widespread presence of private sector healthcare in the region. And yet, a lot is still to be achieved in the pursuit of high quality, affordable, and equitable provisioning of healthcare.

As per World Health Statistics, countries in the region rank among the lowest in the world in the number of

hospital beds per thousand population. Based on the World Health Organization's recommended norm of 5 beds per 1000 persons, close to 3.4 million additional hospital beds will be needed in the region by 2018.

As against the world average of 2.7 nurses and 2.9 physicians per 1000 people, most countries in the region have a density of less than one nurse and one physician (Global Health Observatory, WHO, 2018).

To reduce the growing pressure on public resources and to meet the increasing requirement for capital and resources, governments are becoming increasingly open to partnering with the private sector in a necessary and growing effort to bridge the supply gap in the delivery of healthcare in the region.



Striving to enable access to high quality, affordable healthcare in the region

We strongly believe that well intentioned private investments in healthcare can play a crucial role in addressing these gaps by providing capital to enterprises that operate in critical sectors such as healthcare and many others such as environment conservation, agriculture, livelihoods, education, and housing.

As a healthcare-focused investor in a highly underserved region, Quadria aims to make a positive impact through its portfolio companies. By investing in highly scalable businesses, Quadria strives to achieve sustainable regional development by ultimately improving population health outcomes.

Today, Quadria's portfolio investments serve over 800,000 patients annually, having added close to 2,500 beds across Asia and employing 2500 medical staff. One third of those who use services of our companies are low income beneficiaries. Our investee hospitals constantly seek to increase the affordability of healthcare by pricing services at 25 % below peer pricing. With these and other such efforts, Quadria's Fund has been rated amongst the top quartile globally in social impact ratings by the Global Impact Investment Ratings System.

Quadria Capital believes that its investment activities can steer the following community development initiatives in the region:

- | Better access to quality healthcare for the underserved
- | Creation of employment opportunities
- | Building of higher quality companies that raise overall industry standards
- | Transfer of management skills across the industry
- | Diversification of financial sources for regional healthcare companies
- | Other indirect effects and positive externalities

Even as we continue to work towards our definitive mission, we are conscious of the challenges in demonstrating the viability of impact oriented investments. We strive towards continuous betterment of our investment strategies and evaluation methodologies that help us overcome these challenges and pursue investments that provide equal opportunity for both social impact and financial return. In the process, we hope to promote the larger objective of mainstreaming impact oriented investments within the wider capital markets spectrum.





Why Invest
in Healthcare
in Asia?

Why Invest in Health?

- | Good health has a universally acknowledged intrinsic value and is a basic human right.
- | It is a prerequisite for achieving universal health coverage and promoting equity.
- | Investing in healthcare has the potential to generate social and economic returns. The impact is seen at both the micro and the macro economic level.
- | Some of the most economically effective development investments are in the treatment of non-communicable diseases and surgery which are specialties dominated by the private sector in low and middle income countries.

To achieve Universal Health Coverage

Most developing and many developing countries today are striving to achieve the urgent health systems goal of universal health coverage for its population. Universal health coverage is about ensuring that all people are able to access healthcare without suffering financial hardship.

The Sustainable Development Goals for health attach high importance on achieving UHC to enable countries to make the most of its human capital. But achieving UHC requires significant financial investment.

For most countries in South and South East Asia, achieving UHC means substantial expansion of the the existing care provisions. Along with increased government spending on healthcare, the contribution of private sector investment will also be essential.



For higher economic growth

In addition to creating jobs in the healthcare and allied sectors, investing in health has the potential for greater impact on the economy as a whole. Reductions in mortality accounted for about 11 percent of recent economic growth in low-income and middle-income countries as measured in their national income accounts. (Jamison et al, 2013).

The Lancet Commission on Global Health 2035, found that every \$1 spent on lowering avoidable maternal and child mortality, and deaths from infectious diseases

down to universally low levels from now to 2035 would yield a return of \$9–\$20.

As per WHO's Partnership for Maternal, New born and Child Health, for every dollar spent on key interventions for reproductive, maternal, newborn and child health, about US\$ 20 in benefits could be generated. GDP per capita is increasing by 1.0% per year in China and 0.7% per year in India as a result of the effect of lower fertility on age structures. PMNCH lists the key pathways from improved health to economic growth as follows:



Educational Attainment

from improved cognitive development and learning, increased school attendance and performance.



Productivity

Fewer work days lost to illness, increased output when at work.



Savings and Investment

As health-care costs are reduced, households tends to invest more; as people live longer, they have more incentive to save for education and retirement.



Labour force

Lower mortality and subsequent lower fertility increases the size of the labour force and decreases the dependency ratio.

The Role of the Private Sector in Healthcare

Private sector healthcare is already of high prevalence in the region and is comprised of formal and informal providers.

The private sector in the region can contribute to significant expansion of care provision, required for achieving UHC.

The private sector is a pioneer in bringing innovative approaches to the health system, both product and service delivery innovations.

A well defined partnership between the public and the private sector through alignment of mutual strengths and shared goals of health outcomes can help mitigate the risks posed by the private sector.

Can the private sector help achieve UHC in the region?

Major countries in the region such as India, Philippines, and Indonesia see significantly high out of pocket health expenditure. In addition to the need for additional public spending on healthcare provisioning, the practical applicability of UHC requires access to high quality services and capacity building across the health systems. The private sector has a vital role to play in helping fill the financing and access gap to achieve UHC. Universal health coverage in large emerging markets fuels overall industry growth, leading to increased healthcare consumption and private sector participation.

The United Nations Conference on Trade and Development states that achieving the Sustainable Development Goals will require between US\$5 to \$7 trillion, with an investment gap in developing countries of about \$2.5 trillion.



A look at the UHC service coverage index of South and South East Asia in comparison to the global, Europe and North America scores points to the considerable work that is left to be done, especially with regard to increasing service capacity and access.

The UHC service coverage index, developed by the WHO and the World Bank, published as a joint report titled, "Tracking Universal Health Coverage:

2017 Global Monitoring Report" is a single indicator computed from tracer indicators of coverage of essential services with available country data.

The most recent studies on the projected cost of the SDG for health estimate that the annual funding gap for 2015–2035 will be between \$69–89 billion (Schmidt-Traub & Shah 2015; Jamison et al. 2013; WHO 2011). There could certainly be a role for the private sector to help fill this gap, provided that its services are well regulated. Some high income countries that have managed to achieve UHC have done so with a significant proportion of healthcare services coming from the private sector.

Area	UHC Service Coverage Index	RMNCH	Infectious Diseases	NCDs	Service Capacity and Access
Global	64	75	54	63	71
South Asia	53	66	41	64	47
South East Asia	59	78	45	59	63
Europe and Northern America	77	88	73	58	96

What is the current scale and nature of private sector healthcare in the region?

Inadequate public health service delivery in many countries in the region has resulted in the booming of a large and diverse private sector. The private sector plays a critical role in delivering health services to the bottom of the pyramid populations and underserved, remote areas in many of these countries. This is because of the travel distance and waiting times for treatment in public facilities, or because patients

believe that the quality of services is better at private facilities. Barring a few exceptions such as Thailand, most countries in the region see a significantly high private healthcare expenditure as a percentage of the GDP. As per World Bank data, among the highest in the region are India (70%), Philippines (66%), and Indonesia (62%).

How can private sector health play a positive role?

The private sector can help close the gap in high quality affordable healthcare. There are adequate examples of low cost high quality solutions that have brought about improvements in health outcomes in resource constrained settings.

The private sector is a pioneer in bringing innovative approaches to the health system, both product and service delivery innovations. The private sector has shown replicable examples of low cost technological and business model innovations. Telemedicine and digital health are good examples of this.

The private sector can contribute to larger health systems goals by working with the government. Involvement through public private partnerships can significantly augment public sector efforts and strengthen the government's service delivery.

The private sector has an undeniable role to play in creating state of the art infrastructure within specialty and super specialty care. This has traditionally been the stronghold of the private sector and is expected to grow further in the times to come.





South and South East Asia: Hotspots for Investments in Health

The region has more than a third of the world's population with forty percent of the population living in urban areas.

The region has a wide range of healthcare systems. A majority of people in the region depend on private healthcare services. This trend is accompanied by low public investments in health.

Economic and population growth coupled with growing affluence and awareness are leading to sharp escalations in healthcare demand and private expenditure on health.

Private sector healthcare is largely unorganized and fragmented. The organised private sector, primarily the hospital sector, is mostly located in large towns and cities. However, private facilities are now expanding to smaller towns and cities. Currently 48% of all private hospitals and two thirds of corporate hospitals are in smaller cities.

Most out of pocket expenditure is incurred on the purchase of drugs.



South and South East Asia regions present a unique growth opportunity for impact investment led private healthcare industry. Among the many contributing factors to this are a burgeoning population, growing income levels, rapid urbanization, a growing aspirational middle class, rising prevalence of chronic diseases, low government spending, and a flailing public health infrastructure. The region's significant needs for accessible, affordable and high quality healthcare service delivery make it an extraordinary case for investments targeting both social impact and substantial financial returns.

Despite increased spending in recent years, the average healthcare expenditure per capita in the region still remains far below the OECD average, signifying high growth potential for the region. Governments in South and South East Asia region spend disproportionately low on healthcare. The result of this low spending directly manifests in the acute inadequacy of healthcare infrastructure in the region.

Compared with the average of around 50 hospital beds per 10,000 people for members of the Organization for Economic Cooperation and Development (OECD), South and South East Asian countries range between 2 and 25 beds per 10,000 people. This highlights the urgent need for more private sector investment in healthcare in the region.

In addition, many South East Asian countries are coping with a lack of sufficient medical personnel: the average number of physicians in the region being 0.6 per 1,000, much lower than that in developed economies such as the UK (2.8), Germany (3.7), and the U.S. (2.4).

The low per capita health expenditure in the region represents a great opportunity for the private sector to step in. Quadria Capital believes that increased catch-up spending can increase access to healthcare and significantly improve health outcomes for the underserved populations across the region.

Demand embedded in demographics	1/3rd of the total world population	40% live in urban areas	Share of middle class population to rise to over 50% in 2030
Disease burden shift driving the need for private medicine	65% of mortality caused by NCDs	Close to half of global burden of chronic conditions by 2030	Over 30% of the world's elderly driving the demand for geriatric care
Private sector an important player in care access	More than half of healthcare services accessed from the private sector	Weak primary healthcare infrastructure of the government	Private sector is a major provider of tertiary care
Low public spending in healthcare driving the need for higher private investments	Less than 2% of GDP spent by governments on health	2/3rd of total health expenditure accounted by private expenditure	3.4 million additional hospital beds and 1.5 million doctors needed in the region
The quest for financial protection against healthcare expenditure	Over 2 million private health insurances purchased across Asia in 2017	Governments targeting UHC through national health insurance programs	

Growth of the Asian Healthcare Industry

36%

share in Global Medicine Spending in 2018

US\$20 billion

Indian drugs exports forecast by 2020

7 million+

Medical tourists visited Asia in 2016

US\$4.2 trillion

Asia Healthcare Market by 2024

12%

Healthcare Industry growth in Asia as against global rate at 5%

US\$12.7 billion

Asia's Digital Healthcare market size in 2018

2 million

New purchases of private health insurance

20%

growth in clinical trials market driven by digital platform

Government policies that drive expansion of private healthcare

Countries in the region are striving to provide universal healthcare coverage for all their citizens. Tax funded health insurance schemes have become a recent mechanism for transferring public funds to strengthen private facilities. India recently announced an ambitious health care plan to cover half a billion people with low-cost insurance.

To expand healthcare offerings beyond the public sector, governments are providing incentives such as tax holidays, and raising the caps for foreign equity ownership to encourage private healthcare providers to fill the demand/supply gap. Central and state governments in India are providing several forms of input subsidies to private providers in land, electricity, import of capital goods, and technologies. Moreover, Foreign Direct Investment norms in the hospital sector in India (100% FDI permitted under the automatic route) led to an increased FDI inflow to the sector from \$6.93m (£5.52m; €6.39m) in 2001-02 to \$684.58m in 2013-14.





Our Impact
Focus and
Strategy

Our Dual Focused Approach

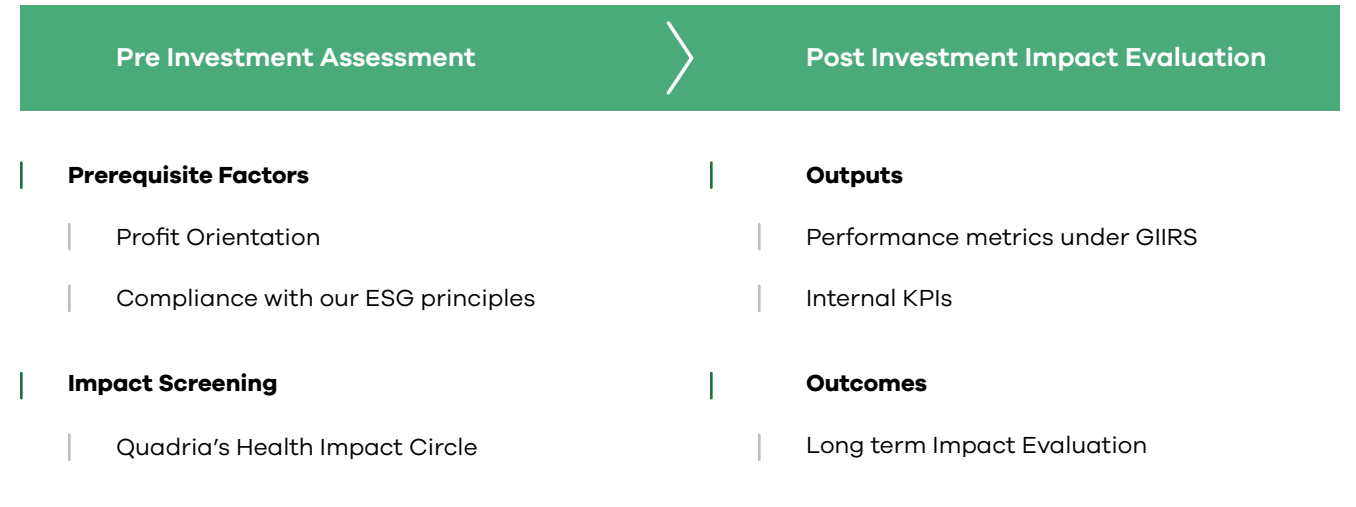
Quadria’s investment approach hinges on the symbiosis of our two primary objectives, social benefits and financial returns. Quadria believes that its goals of both “doing good” and “doing well” are not just compatible but also mutually reinforcing.

South and South East Asia are a complex region comprising exceptionally diverse markets. At Quadria, we believe that the key to understanding healthcare in this region lies in having a first hand appreciation of country-specific market drivers and being acquainted with on ground challenges and opportunities to create impact. Our established networks and business relationships, coupled with sound strategies that foster sustainable value creation and long-term profitability, are the hallmarks of our success.

At Quadria, we believe that positive investment returns and constructive social impact can be mutually inclusive.

We complement our investment objectives with a progressive philosophy of creating positive impact.

Our goal is to empower our companies and the communities they serve with better healthcare for all. As a South and Southeast Asia healthcare investor with a long term time horizon, Quadria believes its investment decisions can have significant positive impact on our shareholders, portfolio companies and the local communities.



Pre Investment Assessment

In this phase, potential investments are assessed for the following two interlinked perspectives.

Prerequisite Factors

Profit Orientation

Quadria's financial commitment to our investors is absolute. Our objective of generating financial returns stems from this strong resolve. Profit orientation is a key component of our strategy to generate and accelerate social impact. In fact, we strongly believe that scalable social impact and growing financial returns go hand in hand. Profit orientation of impact investments is what differentiates it from philanthropy and a salient feature that makes it a scalable and sustainable solution to pertinent developmental challenges.

Compliance with ESG principles

Being a responsible investor is about separating financial success from environmental and social degradation, and mitigating potential negative externalities. Our investments are based on strong ESG principles that closely look at an investment's environmental and social externalities as well as the strength of its internal governance systems. Our ESG policies are adopted from international standards and routinely followed through the investment lifecycle.

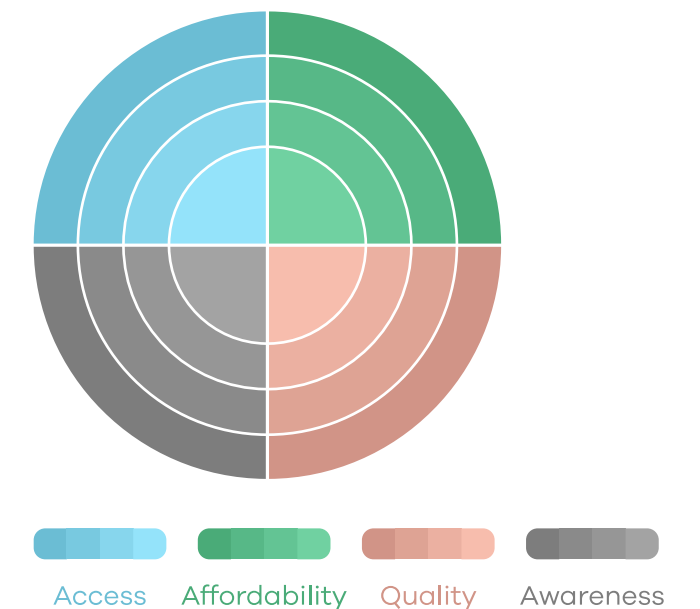


Impact Screening

How do we define impact? What is the framework we use for impact screening? To achieve this, we have developed a robust, multidimensional methodology that marries our approach to creating impact to a well articulated and effective investment strategy. Our approach to impact investment consists of two stages.

Quadria's Health Impact Circle

Quadria has developed a clear and tangible approach to profile investments for their potential to generate impact. Intrinsic to this approach is the idea of value creation: developing and implementing solutions that create value for the target communities. Fundamental to our idea of impactful healthcare are the following four dimensions, represented through the Quadria Health Impact Circle.



Aligning to this approach, we screen investment opportunities for their potential to increase access to high quality and affordable healthcare while generating awareness about preventive health measures and healthy living in the communities they serve. Each of the dimensions are explained below.

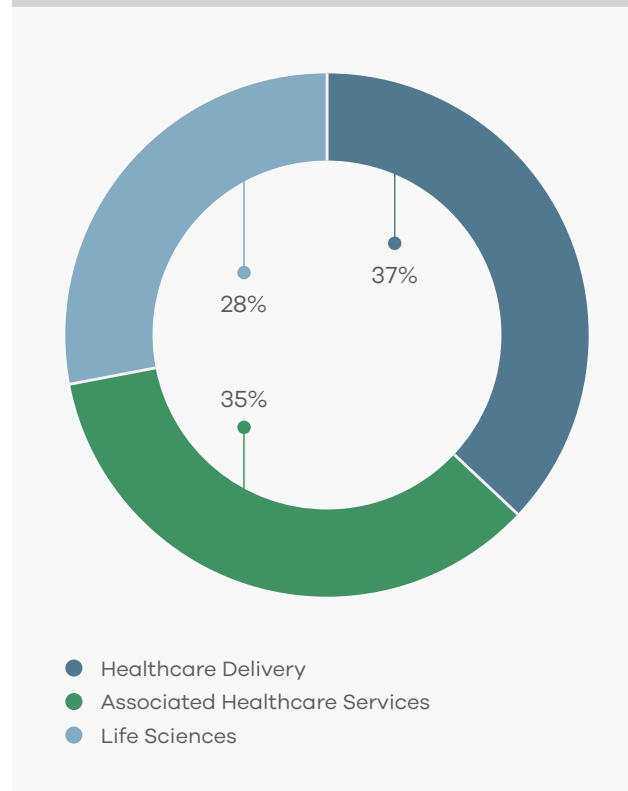


1. Access

This dimension measures the potential of the investment to improve access to healthcare by minimizing financial, organizational, geographical, and cultural barriers. Quadria's investment is deployed into adding more hospital beds and introducing critical drugs. Large parts of the South and Southeast Asian region are faced with challenges of access to healthcare. Our investment decisions are driven by the intention of investees to increase availability of healthcare services in underserved areas. Investments must identify and address unmet demands for healthcare provisioning.

Quadria's investment in Medica Synergie Hospitals is an example of an investment that aims to improve access to high quality care in the eastern and north eastern part of India, which owing to geographical and topographical barriers has seen persistent challenges in access to and availability of healthcare services. The chain has hospitals in tier two and tier three cities such as Kalinganagar (Odisha), Siliguri (West Bengal), and Tinsukia (Assam). These rapidly growing urban centers are seeing an urgent need to address the demand supply gap in healthcare

Portfolio of Quadria's investments diversified across sub sectors.



services. Moreover, Assam and Odisha lag most other states on basic health indicators. Assam has the highest maternal mortality in India at 300 deaths per 1,00,000 live births. Assam and Odisha are in the bottom three when it comes to life expectancy. These numbers are indicative of the need to improve the provision of healthcare drastically in these states.

An investment that improves access to healthcare is one that caters to all socio economic quintiles of the population and works towards offering equal access to equal care for those who are need. 20% of the beneficiaries of Medica Synergie Hospitals are from the lowest economic quintile.

The Impact Intent

At Quadria, impact is not a secondary consideration or an after thought in the investment decision. The intent to generate sustainable impact has to be internal and present at every stage of planning and execution. In the investment process, the impact intent is an inherent consideration right from the initial screening till the time of exit. Below is the impact measurement practices used at each stage of the investment process.



2. Affordability

The business model of Quadria's portfolio companies is driven by higher volumes and affordable pricing; leading to a substantial return on deployed capital while generating large scale impact. We actively look for investments that provide affordable services and solutions and strive to provide cost efficient alternatives to expensive procedures and treatment.

South and Southeast Asian countries possess natural competitive advantages of access to low cost materials, manufacturing, and clinical research. A number of Indian hospitals have devised ways of providing world class healthcare at affordable rates and to scale. Their inherent purpose to provide a proportion of their services to low income patients puts pressure on the organization to lower costs dramatically.

Quadria actively seeks to invest in organizations that offer a segment of the services designed specifically to cater to the financially weaker sections through differential pricing strategies such as cross subsidy. We also support financial protection and other explicit strategies to minimize out of pocket expenditure for patients.

Our investment into SOHO, one of Indonesia's largest domestic pharmaceutical manufacturers and healthcare products distributors is indicative of our intent to increase affordability of essential drugs. In 2017, SOHO in-licensed over 15 innovative drugs that treat critical illnesses, many of which were previously not available in Indonesia. These drugs were also made available to the lower income groups, at lower prices, by selling through the public channel of the Social Insurance Administration Organization.



Higher Demand for Affordable Healthcare by the Rising Middle Class

The middle class is growing everywhere in the developing world, but the numbers are by far the greatest in Asia. Studies estimate that an overwhelming majority of new entrants into the global middle class will be from Asia. By 2030, it is forecast that two-thirds of the global middle class will be living in Asia. In contrast, North America and Europe will together account for only a fifth of the world's middle-class population, down from more than half in 2010.

The sustained rise of the middle class population has increased overall health seeking behavior at the population level and the consumer base of those who are willing to pay for healthcare. Healthcare spending is increasing rapidly as governments try to upgrade the underdeveloped infrastructure needed to support the rising demand for healthcare.

However, a large part of this Asian middle class belongs to the lower middle class segment. This segment barely remains above the poverty level and is in a vulnerable position, facing the constant possibility of dropping back into poverty in the event of any exogenous shock, such as catastrophic health expenditure which is among the leading drivers of poverty in the region.

This points to an inevitable need for provisioning good quality and affordable healthcare services in the region. It is Quadria's constant endeavour to help meet this gap between demand and supply by channeling its investments in organizations that are committed to high quality low cost alternatives through innovative clinical and governance processes and business models.



3. Awareness

Health systems in South and South East Asian countries are often fragmented, lacking a well defined continuum of care. According to the WHO, integrated service delivery is “the organization and management of health services so that people get the care they need, when they need it, in ways that are user-friendly, achieve the desired results and provide value for money.”

Awareness or appropriate health seeking behaviour is a critical component of a comprehensive healthcare system. At Quadria, we promote the use of preventive health measures that address potential health complications at the right stage. Our investments, Medica Synergie and the Asian Gastroenterology Institute organize regular health screening camps in remote and rural areas.

Quadria’s investment FV Hospital, a super specialty facility in Ho Chi Minh city in Vietnam plays an active

role in promoting community health awareness. In addition to providing high standard clinical consultation, diagnosis, and treatment, the FV Hospital has raised general health awareness in Ho Chi Minh City and the surrounding areas, including the neighbouring countries of Cambodia, Laos and Myanmar. With Quadria’s investment and strategic support, FV intends to upgrade its clinical offerings and geographic coverage, and in doing so, continues to improve healthcare awareness across Vietnam. In 2017, FV launched a series of antibiotics awareness initiatives targeting patients during the World Antibiotics Awareness Week.

Lablink Medical Laboratory in Malaysia has helped address the issue of the lack of affordable and timely diagnosis. By providing all kinds of medical diagnostic services at an affordable rate, Lablink is running 14 million tests annually through its 26 centres across Malaysia.

4. Quality

At Quadria, quality is a highly intrinsic consideration in evaluating a company’s impact. Quality, for us, is not limited to clinical and hospital infrastructure standards alone but entails the entire ecosystem right from environment friendly waste disposal and high hygiene standards to quality in governance structures. Our investment, Lablink Central is the first private laboratory in Malaysia to comply with the Bio-Safety Level 3 Laboratory standards. for testing of highly infectious diseases. Our robust ESG principles have a direct influence of increasing the overall standards in the organizations we support. Governance practices such as constituting a sexual harassment committee or compliance with minimum wages norms carry high weightage for us to gauge the overall impact.

All of our hospitals hold or are in the process of acquiring national or international level quality

accreditation. The Medica Synergie hospital in Kolkata holds accreditation by the National Accreditation Board for Hospitals and the National Accreditation Board for Laboratories. The FV Hospital in Vietnam holds the prestigious Joint Commission International accreditation. The Asian Institute of Gastroenterology in India is in the process of getting JCI accreditation. HCAH staff is trained to follow clinical standards that are adopted by Care Quality Commission UK, which is the highest regulatory body for home care in the UK. They have hired ex-Compliance Inspector and Service Advisor of Care Quality Commission UK as Head, Clinical Excellence of HCAH, whose role is to lay down clinical protocols and audit clinical processes, ensure quality and standard processes of training for Nursing Services.

Using Quadria’s Health Impact Circle to measure the impact profile of potential investments:

Quadria’s impact model is applicable for a wide range of social impact investment strategies. It is designed to identify the impact profile of an investment. The Health Impact Circle is tailored to Quadria’s unique approach to impact investing. Investments are screened for their impact generation for each of the above explained dimensions, reflecting our focus on companies where impact is integrated in the core business and the drivers for financial and impact generation are correlated.

Investments are given a rating between 0 and 4 according to how well they satisfy each dimension. Quadria aspires to invest in companies that score highly in each dimension.



Post Investment Impact Evaluation

Quadria is committed to impact evaluation and understands the importance of a transparent and systematic impact measurement mechanism. Additionally, we also assign high importance to the study of individual case outcomes and to sector-specific internal key performance indicators. In order to measure these KPIs, Quadria has developed internal tools, inspired from and aligning with internationally recognized measurement and reporting methods.

Internally we work on two aspects: tracking critical output and pre-defined key performance indicators and developing the investees’ capacity to track and report impact. This effort is also focused on actual outcomes and community impact assessment.

Outputs

Performance metrics under GIIRS

Quadria is a part of the Global Impact Investing Ratings System network and undergoes annual GIIRS assessment at both fund and portfolio level to assess the impact of the fund’s policies and practices and identify key gap areas to be addressed in the following year. GIIRS is a ratings and analytics platform for impact investing that provides comparable and verified social and environmental performance data on high impact funds and companies. Quadria seeks to train portfolio companies to proactively collect ESG impact data based on the detailed framework and metrics developed in adherence with the GIIRS.

Quadria Capital also encourages portfolio companies to report data to the GIIRS repository with the larger goal of contributing to the global effort of creating meaningful benchmarks for impact investing.

We acknowledge the importance of evaluating social and environmental performance based on credible, third-party verified standards. We study our impact over time, constantly benchmarking our performance relative to other funds operating in our sector and geography.

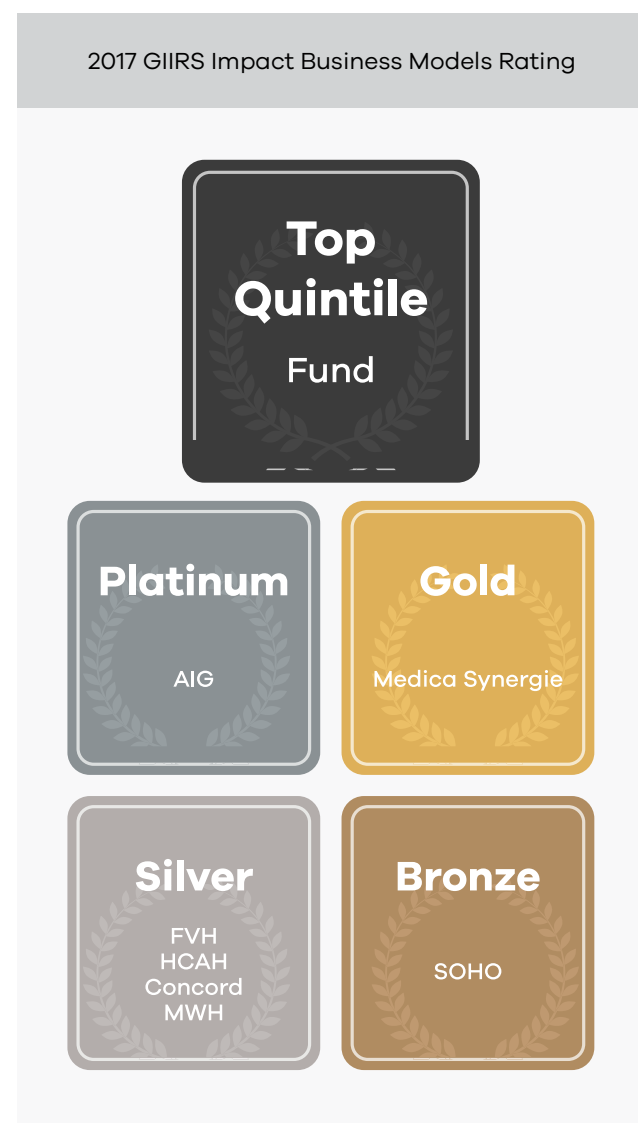
GIIRS Company Assessment:

The overall GIIRS Company Assessment score is a combination of the Operational Rating and the Impact Business Models Rating. The Operational Rating is composed of four categories: community, environment, workers and governance. Each investment receives a maximum of five stars in each category, which are then aggregated to form the operational rating. The Impact business Models Rating assesses the specific models implemented to solve social and/or environmental problems through a company’s products or services, target customers, value chain, ownership or operations. Scores are then translated into bronze, silver, gold or platinum rating.

Quadria Fund 1 is rated amongst the top quintile globally in social impact ratings by GIIRS in 2017.

Internal project Key Performance Indicators

Corresponding and complementary to the GIIRS rating, Quadria defines and tracks key performance indicators specific to each portfolio company, and on a cross-portfolio level, for indicators that are applicable regardless of sector. Internally we work on two aspects: tracking critical output and these pre-defined KPIs and developing investees' capacity to track and report impact. This effort is also focused on actual outcomes and community impact assessment. Quadria's companies commit themselves to ESG compliance which is measured and reported on a regular basis.



Quadria's Impact

800,000

patients treated annually

Serving a catchment population of

1.1 billion

people

Close to

17.5 million

patients treated till date, of which

850,000

are underprivileged

US\$ 2.3 million

spent on CSR

2,450

hospital beds under our management

1,750

new beds added

25%

below peer pricing in select hospitals

120,000

annual home healthcare visits

Quadria Capital named

Best for the World Fund

by **B the Change Media** in 2016. Among the 50 funds globally and the only healthcare-focused fund to achieve this recognition.

Over

20,000

health camps conducted

2,500

doctors and clinical staff

14,000

jobs created till date

50%

female employees

5,500

road accident victims rescued free of charge

US\$ 132 million

new capital deployed in emerging markets

Outcomes

Long term impact assessment:

Creating value is about changing people's lives, developing solutions and measuring their realization. Potential improvement is represented by outputs and performance measurements. However, in order to reflect tangible improvements in wellbeing, at all levels, comprehensive, qualitative research is necessary. For example, 'number of people employed' is an output, but the influence being employed has on a worker's life such as enabling him to enjoy economic welfare, send his kids to school and renew his self-confidence is an outcome, a long term impact.

Recognizing the importance of capturing the true value our investments generate, Quadria is already in the process of conducting outcomes surveys on the ground. Naturally, outcomes and long term, sustainable impact can be measured only after implementation is established and perspective is gained. As part of our commitment to continuously improving our practices, we will continue to develop our outcomes measurements methodologies and aspire to capture Quadria's impact fully.



Integrating
Positive Change
in the Investment
Process



Our Environment, Social and Governance Principles

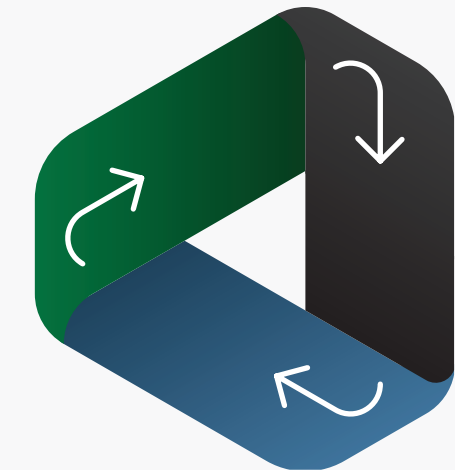
Quadria follows a detailed environmental and social policy to track and address ESG impact, issues, and risks across the entire investment life cycle. We believe that a persuasive business case must integrate its impact on the environment and society, and internal governance structures, in its core strategy and business goals.

At Quadria, we understand that a commitment to responsible investing based on robust environmental, social, and corporate governance (ESG) principles is essential to building sustainable businesses. We believe in exercising socially responsible investing coupled with high ethical standards to ensure long

term value creation. ESG is important in the valuation of prospective investments as well as on the path to value creation. We perceive ESG as much more than compliance focused efforts. We think of it as a source of strategic advantages.

Our ESG Policy mandates Quadria Capital to:

- | Act as a responsible owner that seeks to create value through implementation of ESG principles
- | Consider ESG factors in all stages of the investment process
- | Communicate expectations to our portfolio companies so that they understand and manage their ESG challenges and opportunities and eventually improve their long term sustainability
- | Apply governance structures that provide required levels of oversight in audit, risk management and potential conflicts of interest
- | Help set, and comply with, higher standards of local labor and human rights laws
- | Maintain strict internal policies prohibiting improper payments and bribery
- | Provide transparency and timely communication of progress.



Environmental Impact Principles

- | Ensure efficient use of natural resources
- | Practise recycling and re-use for preservation
- | Reduce negative carbon footprint by checking all types of pollution
- | Practise responsible waste disposal
- | Refrain from the use of hazardous materials

Social Impact Principles

- | Increase access and affordability of healthcare
- | Serve the underprivileged sections of the population
- | Engage in community service initiatives
- | Contribute to employment generation
- | Promote and enforce gender equality
- | Follow labor laws and employee welfare

Governance Impact Principles

- | Ensure transparency, ethics and integrity in governance and operations.
- | Ensure checks on corruption, money laundering and other financial malpractices.
- | Strengthen compliance and reporting via board and committees
- | Put internal controls in place
- | Acquire requisite approvals and licenses

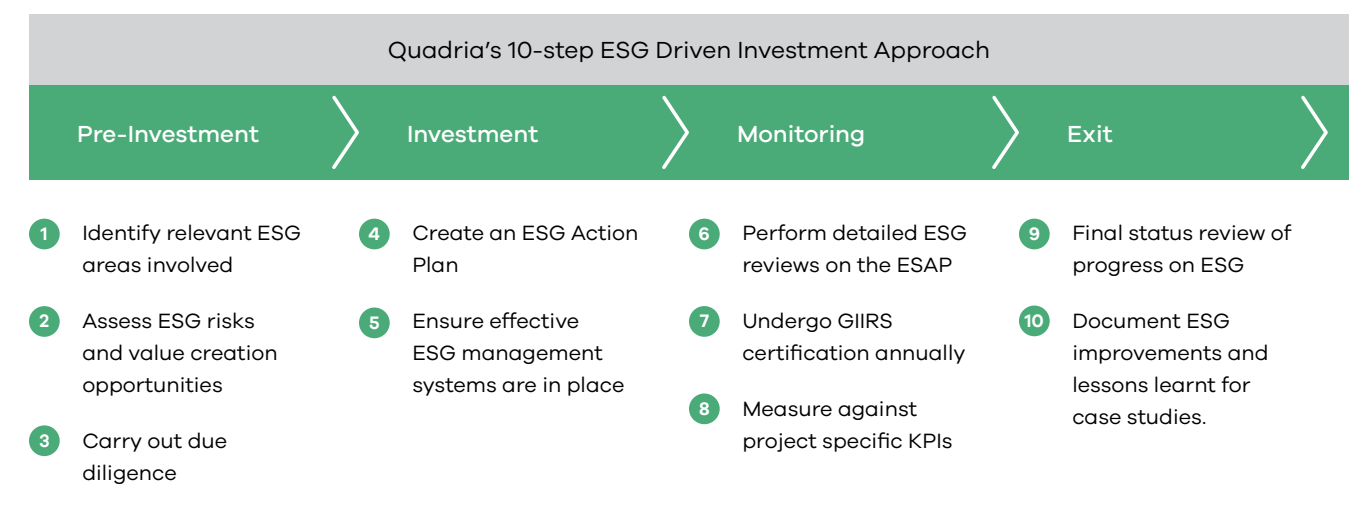


Integrating ESG Principles in the Investment Processes

We at Quadria integrate our ESG policies throughout the investment process, from deal origination to exit, with a greater focus on due diligence and stewardship. We incorporate responsibility and sustainability aspects into our investment thesis, thereafter ensuring that sufficient resources are channeled into our portfolio companies to realize our ESG initiatives.

Quadria Capital believes that responsible investment is not only the right thing to do, but also critical to sustainable, long term value creation. Above and beyond significant financial returns, Quadria Capital aims to integrate a consideration of ESG impact into investment decisions and portfolio company management at every stage of our investment life cycle. An ESG manager is appointed on each deal by the company and Quadria to ensure comprehensive ESG management throughout the life of the investment. To promote our ESG objectives,

we develop an Environmental Social Action Plan that outlines our goals in producing tangible environmental, health, safety and social outcomes. Creating sustainable Environmental and Social Action plans together with our portfolio companies will ensure that they remain are part of the ESG journey for a long time. Our 10-step ESG driven, impact oriented approach keeps us focused and disciplined from the investment phase all the way to the exit.



Pre-Investment

- 1 Identify relevant ESG areas involved
- 2 Assess ESG risks and value creation opportunities
- 3 Carry out due diligence

ESG in the Pre-Investment Phase

At Quadria, we make a continuous effort to ensure that the investments we make are aligned with our ESG policy, starting already in the screening and pre investment phase. We are selective of the investments we choose and never diverge from our clear investment criteria.

We have developed an ESG assessment process, which is actively used when considering new potential investments. The purpose is to identify Environmental, Social and Governance related risks and key value drivers of the investment. The process is structured to support us in understanding and evaluating the complex challenges and opportunities. This indirectly helps us develop further industry and company insight. The findings are an integral part of our decision making process.

Within the ESG assessment process, we start by carrying out the following screening activities:

1 Identify relevant ESG areas involved

It is important to identify the potential ESG attributes of individual companies and confirm compliance with Quadria's ESG policy. It is also important to consider how these attributes impact relative value and the long-term sustainability of company earnings. ESG areas are identified, taking into account the company's particular characteristics including scale, location, sub sector, sponsors, governance and business integrity, and supply chain among others. This helps minimize exposure to reputational or legal risks.

Some of the common ESG aspects of companies we invest in include:

- | Pollution prevention and resource efficiency
- | Management commitment, capacity and track record
- | Community health, safety and security
- | Biodiversity and ecosystems services.
- | Labour standards
- | Occupational health and safety
- | Governance and business integrity
- | Gender
- | Anti corruption and anti money laundering legislation
- | Supply chains

2 Analyze risks and opportunities

Once ESG areas are identified, related risks and value creation opportunities are assessed using three perspectives that collectively provide insight into risks and value drivers. These are:

- | Sociopolitical developments
- | Operational effectiveness
- | Strategic positioning

The focus areas listed within each of the three perspectives are not meant to be exhaustive but rather a guidance. Individual assessments are required for each perspective.

3 Carry out due diligence

Findings of the first two steps are used to guide the scope of due diligence with a view to ensuring that key ESG aspects are well understood, and ultimately, managed.

Quadria consults specialist advisors for comprehensive due diligence for each potential investee. We also engage with limited partners to align ESG impact objectives from the investment. Companies with incorrigible issues are rejected. For all others, a comprehensive ESG Action Plan is created.



Investment

- 4 Create an ESG Action Plan
- 5 Ensure effective ESG management systems are in place

ESG in the Investment Phase

We focus on ESG matters throughout our entire investment period. We have a proactive dialogue with the management and board of directors at our portfolio companies in order to better develop value driven initiatives as the investment period kicks in.

We appreciate that ESG challenges can vary between sub sectors and companies. Thus, we emphasize the importance for each company to understand its own environmental and social impacts, stakeholders expectations, related risks and value drivers. We believe that it is crucial for our portfolio companies to have a view on their most visible sustainability risks. To ensure that ESG risks and opportunities are measured and appropriately handled during the investment period, we take the following major steps in the early phase of the investment stage.

4 Create an ESG Action Plan

A key output of the due diligence process is the ESG Action Plan that addresses any ESG improvements that are required to bring the company into compliance with our ESG Policy and standards and to capitalise on ESG opportunities. Action Plans are discussed with the management to ensure that the ESG manager and the company have a clear understanding of

what needs to be achieved. The ESG Action Plan is included in transaction documents to secure company's commitment towards its implementation. The ESG Action Plan helps identify specific actions for the management to undertake.

We believe that by the time the investment agreement comes in to force, the company should already have a good understanding of what we require from an ESG perspective. For this purpose, we define ESG impact metrics to be tracked and reported by the company during the entire investment lifecycle. Before signing the investment agreement, our ESG manager ensures that the company understands and has planned for the necessary financial and human resource to comply with the terms of the legal agreement. The Action Plan consists of an agreement that includes appropriate ESG clauses for the company and clearly outlines how ESG matters will be handled during the life of the investment in order to meet our requirements and expectations.



5 Ensure effective ESG management systems are in place

Good ESG performance is achieved when effective ESG management systems are established and put in to practice. Robust ESG management systems ensure effective implementation of the Action Plan. Our ESG manager assesses the adequacy of the company's ESG managements system and discusses with the company any improvements/amendments that may need to be made. The ESG manager and his team play an active role in helping the company improve these systems. The ESG Management system ensures compliance in the following ways:

- Provides a framework to manage ESG risks at both the fund and portfolio company level.

- Creates a framework to identify and realize value creation opportunities in portfolio companies, and integrate these into plans for organizational and operational business support.

- Provides clarity for all stakeholders on the ESG standards that we intend our portfolio companies to meet.

- Offers a framework to engage with key external stakeholders on ESG matters.

- Helps us capture the financial value of ESG factors, record the lessons and demonstrate this ESG track record to new investors or new portfolio companies.

Monitoring

- 6 Perform detailed ESG reviews on the ESAP
- 7 Undergo GIIRS certification annually
- 8 Measure against project specific KPIs

ESG in the Monitoring Phase

We monitor the financial performance of our portfolio companies as well as assess the developments related to their identified ESG risks and opportunities. We have a holistic view and adjust our course based on facts and new insights to stay in line with predefined targets.

Quadria Capital seeks to train and encourage portfolio companies to proactively collect ESG impact data based on the detailed framework and metrics developed within the ESAP and in adherence with the Global Impact Investing Rating System and internal KPIs. The data from all portfolio companies is aggregated on a quarterly basis to report fund level performance on financial and ESG impact, to investors. We mandate our portfolio companies to follow ESG compliance by reporting data at the board level and through annual ESG audits.

6 Perform detailed ESG reviews on the ESAP:

A periodic review process is established whereby each company's ESG performance to date is reviewed as outlined and specified in the ESAP and any necessary changes are considered and implemented. Regular ESG review meetings involving partners, investment officers, and ESG managers can enable insights to be shared, priorities for closer monitoring agreed, and collaboration where a company is not making adequate progress.

Typically, ESAPs need to be amended at some point during the investment period to reassess for new ESG risks and opportunities. This is due to issues such as occurrence of unplanned events, changes to the business plan or underestimation of the time and resources needed to implement certain actions. ESG managers closely monitor the implementation of the ESG Action Plan and discuss any relevant amendments with the company.

7 Undergo GIIRS certification annually

Quadria trains staff at portfolio companies to proactively collect ESG impact data in adherence with the Global Impact Investing Rating System. It is of absolute importance for us to ensure that our portfolio companies undergo annual assessment of its intended positive social impact and identified ESG criteria.

GIIRS ratings are established as the gold standard for impact measurement in impact investing. They are rigorous, comprehensive, and comparable ratings of a company or a fund's ESG area. Quadria also encourages portfolio companies to report data to the GIIRS repository with the larger goal of contributing to the global effort of creating meaningful benchmarks for impact investing.

8 Measure against project specific KPIs

Our ESG sub committee carries out regular audits for each of our portfolio companies to measure performance against project specific key performance indicators developed in the pre investment process. Some of the commonly applied KPIs across our portfolio companies include Code of Conduct, Revenues, Gender Distribution, Employee Satisfaction, Customer Satisfaction, Number of underprivileged customers served.



Exit

- 9 Final status review of progress on ESG
- 10 Document ESG improvements and lessons learnt for case studies.

ESG in the Exit Phase

We focus on, and address, visible ESG risks and opportunities throughout our ownership period, including the realization phase. In order to be prepared for the optimal exit we spend time on relevant ESG value drivers.

We apply equal consideration to ESG when planning for an exit. Exits represent an opportunity to demonstrate the value add in ESG both at the fund level and especially at the portfolio company level. We believe this helps in maximizing the contribution that good ESG performance can make to the return on investment and in ensuring that the company's ESG management system is self sustaining. A complete exposition of our company's ESG impact and steps taken to enhance or mitigate these have the potential to instill confidence in potential buyers, facilitating a smooth exit process and supporting a strong valuation for the asset.

9 Final status review of progress on ESG actions

Prior to exit, we expect companies to make a full disclosure of how they dealt with ESG risks and enhances ESG opportunities are laid out through our ESG assessment tools discussed earlier. A final status review on the progress of ESG actions is sought at



this point. We seek to understand how the company monitored its ESG issues on an ongoing basis and how its approaches to ESG issues helped mitigate the risks. We also help companies lay down their post exit future ESG roadmap to ensure that they continue on the ESG journey even after our ownership period has ended.

10 Document ESG improvements and lessons learnt for case studies

Documenting ESG actions and improvements facilitates attracting potential buyers for whom good ESG performance would be a priority and/or a legal requirement. This is done by preparing credible ESG materials for exit. The following ESG documentations are used:

Monitoring reports that track the ESG performance of the company based on the ESG Action Plan and internal KPIs. These are prepared on a regular basis during ownership, and key issues are summarized with important progress highlighted.

Quarterly/annual reports prepared by the company for the ESG manager, as well as public reports such as sustainability reports.

Reports on serious accidents, incidents or fatalities over the life of the investment together with the remedial actions implemented.

All relevant ESG permits, licenses, accreditations or certifications, including any records of fines for non-compliances and associated remedial action.

Evidence of an effective ESG Management System, including minutes of company meetings at which ESG is addressed (Board or management committee), policies and operational procedures.

Any certifications to ESG standards, particularly internationally recognized industry benchmarks.



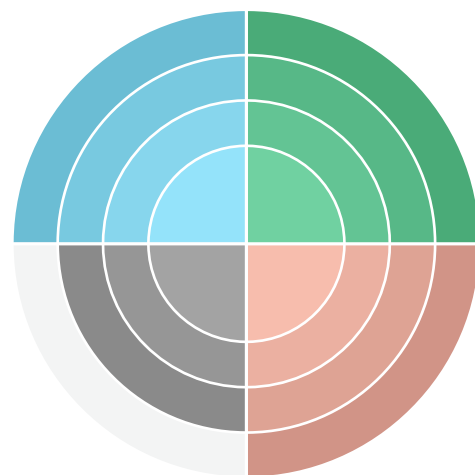


Touching Lives Each Day

Case Studies

Case 1

Asian Institute of Gastroenterology



Access Affordability Quality Awareness

GIIRS Rating **PLATINUM**

The Need:

Gastric Sciences have a strong latent demand in India, with 360 million Indians suffering from some form of GI diseases. Rising income levels, increasing affluence and changing lifestyles is leading to increase in gastro related disorders. India is experiencing exceptionally high demand for minimally invasive surgical procedures, but the relative lack of doctors who have experience with endoscopic procedures in addition to a lack of proper medical equipment has created an imbalance between supply and demand.

The Solution:

AIG came up as one of South Asia's leading referral centers for gastric sciences. The hospital serves over 150,000 patients annually and performs the highest number of endoscopic procedures globally in a year. AIG has trained over 500 doctors from some of the leading healthcare chains across the globe. The institute is in the process of building the world's largest single site gastric sciences hospital with state-of-the art facilities and top-end medical equipment. It serves by increasing the affordability of healthcare services, furthering the cause of education and training and ensuring environmental sustainability.

Company Outline:

Located in Hyderabad, India, it is among 14 centers recognized globally as a Center of Excellence by the World Gastroenterology Organization. It is affiliated with reputed global institutes such as the Imperial College of London, John Hopkins Hospital and National University Hospital Singapore,

Location	India
Sector	Healthcare Delivery
Investment Date	2015



Serves over
150,000
patients annually

Performs highest number of
endoscopic procedures globally in
a year

500
doctors trained

INR
12 million
earmarked for CSR spending in
2017-18

Prices for key procedures
20-30%
lower than competition

Case 2

Medica Synergie



Access Affordability Quality Awareness

GIIRS Rating **GOLD**

The Need:

Northeast and parts of Eastern India are some of India's most underserved and underpenetrated regions in terms of access to high quality healthcare services. Furthermore, low healthcare spend by the government has made the region largely dependent on private healthcare infrastructure which is fragmented and unregulated and is comprised of a significant proportion of informal providers.

The Solution:

Medica Synergie ("Medica") is the largest hospital chain in eastern India, operating over 1,200 beds across four provinces and seven cities. Medica hospitals are mostly situated in tier 2 and tier 3 cities/towns in the regions. With a catchment population of more than 500 million people and over 450,000 patients treated each year, the company plans to strengthen its brand and leadership by leveraging technology and benefits of scale to further consolidate its leadership position. Medica Superspecialty Hospital, Kolkata serves as the hub for its chain of hospitals.

Company Outline:

Medica Synergie Pvt Ltd is a body of healthcare professionals providing integrated healthcare solutions along various verticals – hospital architectural planning & building, managing hospitals, public health, quality accreditations and retail pharmacy. The Medica Superspecialty Hospital at Kolkata is the hub offering tertiary care with state-of-the-art facilities in across superspecialties, and one of the country's largest and most advanced Dialysis facilities, among a host of all other support services under the same roof.

Location	India
Sector	Healthcare Delivery
Investment Date	2014



Over
450,000
patients treated annually

Operates
1,200
beds across 9 hospitals

Operational in
4 provinces & 7 cities

Serves a catchment population of more than
500 million

Won the
"Healthcare CSR of the Year 2017"
award by Healthcare Summit

Won the AHPI Award 2017 for
"Excellence in Community Engagement"



Case 3

Concord Biotech



Access Affordability Quality Awareness

GIIRS Rating **SILVER**

The Need:

In the current cancer care system, many patients lack access to affordable, high-quality cancer care. There are major disparities in cancer outcomes among individuals who are of lower socioeconomic status, and who are underinsured or lack health insurance coverage. Oncology is the largest pharma segment globally. The increase in organ transplantation is driving demand for immunosuppressant. This points to the need for an affordable high-quality care delivery system.

The Solution:

Concord Biotech is a fully integrated biopharmaceutical company that develops, manufactures and supplies advanced life-saving biopharmaceuticals for immunosuppressive conditions, cancer, and infectious agents. It is one of the world's largest suppliers of bio-pharmaceutical Active Pharmaceutical Ingredients for immunosuppressive conditions. It is focused on reducing the cost of healthcare, especially for specialty services such as oncology and immunotherapy. It works on complex generic drugs which are usually sold by MNCs at much higher prices.

Company Outline:

The company is a global leader in immuno-suppressant and holds between 15 % to 40 % global market share for some of the largest immunosuppressants. The company has a strong global presence across 70 countries in regulated markets such as the US, EU and Japan, as well as semi-regulated markets such as LATAM, Africa, CIS and MENA. Concord Biotech is accredited by various regulatory authorities such as US FDA, EU GMP, Japanese AFM, Korean FDA and Australian FDA.

Location	India
Sector	Lifesciences
Investment Date	2016



Holds **15-40%** global market share in various immunosuppressants.

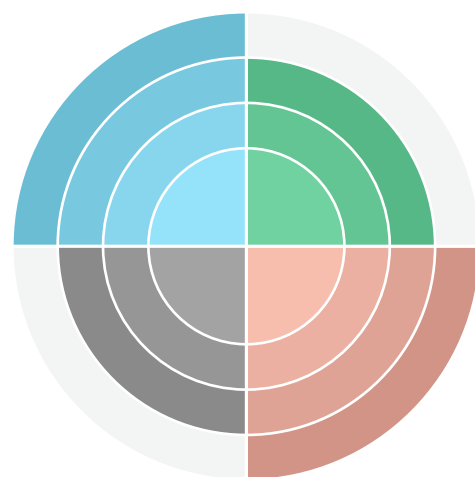
Presence in **70 Countries**

US\$ 1.53 million spent in CSR



Case 4

FV Hospital



Access Affordability Quality Awareness

GIIRS Rating **SILVER**

The Need:

Despite having the highest healthcare spending in the Southeast Asian region at 7 percent of the GDP, a large gap still exists in Vietnam’s hospital infrastructure. According to WHO, the average number of healthcare workers and hospital beds per 10,000 of the population are still significantly lower than the regional average –8 healthcare workers and 25 hospital beds for every 10,000 Vietnamese compared to the regional average of 15 healthcare workers and 30 hospital beds.

The Solution:

Located in the burgeoning District 7 of Ho Chi Minh City, FV Hospital is a full-service, one stop provider of quality care serving more than 22,000 patients annually. FVH currently offers oncology treatment to social insurance patients and is looking to expand their coverage of social insurance patients to other specialties, in line with the Vietnam government’s goal to provide social health insurance to 80% of the population by 2020.

Company Outline:

As one of the pioneers in the private hospital sector in Vietnam, FV Hospital was founded with the mission of providing world class medical expertise to the people of Vietnam. FV Hospital blends the best of French and Vietnamese medical expertise, delivering cutting edge services with dedicated and compassionate patient care. It provides care across more than 30 medical specialties at its 220-bed hospital. It also operates an outpatient clinic at the heart of District 1, Ho Chi Minh City’s traditional business district. In addition to catering for the local Vietnamese population, FV also receives patients from neighbouring countries of Cambodia, Laos and Myanmar.

Location	Vietnam
Sector	Healthcare Delivery
Investment Date	2017



Serves more than
22,000
patients annually

Only
JCI
Approved hospital in
South Vietnam

Special foundation set up
to provide
Pro Bono
medical treatment to under
privileged patients.

Created
950
jobs since inception

Almost
70%
of the total work force is women
and more than
80%
of the senior management
team are female



Case 5

HealthCare atHome



■ Access
 ■ Affordability
 ■ Quality
 ■ Awareness

GIIRS Rating SILVER

The Need:

Rapid urbanization and the increasing burden of chronic diseases are growing concerns across the South and South East Asian regions, especially so in India where challenges around access and affordability of healthcare services further compound the problem. While the demand is ever increasing, the supply infrastructure is constrained, both in terms of quality and quantity.

The Solution:

Healthcare atHome is an integrated platform providing healthcare services and pharma fulfillment services to patients at affordable pricing (between 40 and 50 % below average hospital bills) and at the convenience of their homes. Patient-centered care is an important principle around which the services operate. It provides acute and chronic clinical care and pharmaceutical delivery services to patients in their homes.

Company Outline:

As one of the leading integrated home healthcare player in the country, HCAH plays a pivotal role in alleviating the overburdened public and private healthcare sectors in India, especially in specialized services such as ICU and high end nursing services. HCAH's competitive edge lies in its focus on high-skill services such as ICU at Home and outcome-driven pharmaceutical services that yield quantifiable returns to pharmaceutical companies. The company also has a joint venture with M3 Japan, one of the world's largest doctor engagement platforms with access to over 3.5 million doctors across 24 countries, to establish a doctor engagement platform in India.

Location	India
Sector	Associated Healthcare Services
Investment Date	2017



Presence in
40
cities in India

1,20,000
home visits per year

Over
10,000
visits monthly

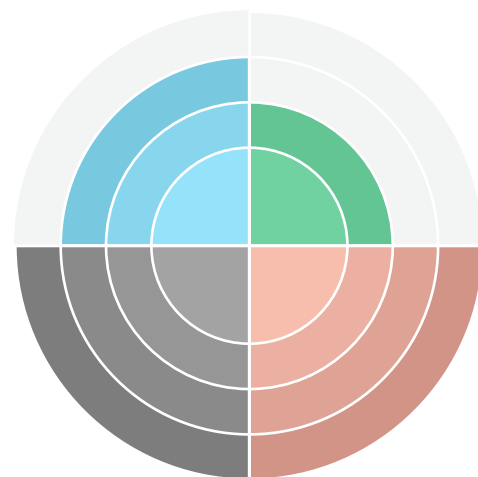
Operates over
22
high end infusion
pharmaceutical projects

Generated
986
new jobs in 2017 of which women
were hired for 425 positions



Case 6

MWH Holdings



Access Affordability Quality Awareness

GIIRS Rating SILVER

Location	Southeast Asia
Sector	Associated Healthcare Services
Investment Date	2017

The Need:

Growing healthcare demand in Southeast Asia is being driven by secular mega-trends. Many of the region's budget constrained governments are finding it difficult to manage spiraling healthcare costs. Further, most countries in the region lack specialist doctors to treat the rising chronic disease burden. For example, there is one cardiologist per 330,000 people in Indonesia, per 70,000 people in the Philippines and per 50,000 people in Vietnam.

The Solution:

Having established a strong base in Singapore with more than half of its patients already coming from abroad, MWH plans to bring its brand of multi-specialty care to surrounding countries through partnerships with local operators, allowing them to operate with a lower cost structure which translates to lower prices for local patients without comprising the quality of care delivered.

Company Outline:

MWH Holdings Private Ltd owns and operates a chain of diagnostics and multi-specialty care centers in Asia with core expertise in cardiology, ENT, gastroenterology, interventional radiology, internal medicine, orthopedics, ophthalmology, urology, and aesthetics, amongst others.



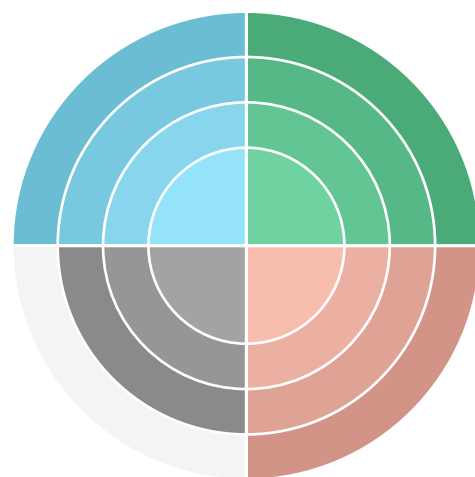
100,000
patients treated

100+
jobs created



Case 7

SOHO Global Health



Access Affordability Quality Awareness

GIRS Rating **BRONZE**

Location	Indonesia
Sector	Lifesciences
Investment Date	2015

The Need:

Indonesia is the fourth most populous country in the world with and despite a rapidly expanding economy, over 40 percent of the population still earns less than US\$2 a day. The share of out of pocket health expenditure to the total expenditure is as high as 50 percent and a significant portion of it is spent on expensive drugs. With limited public healthcare spend and the widening demand-supply gap for healthcare, the private sector plays and will continue to play a critical role in creating affordable healthcare that is accessible to all.

The Solution:

Soho Global Health is a generic drugs manufacturer that focuses on bringing medicines and supplements that are affordable and accessible to the masses. In 2017, it secured over 15 in-licensed pharma products that treat critical illnesses and were previously not available in the Indonesian markets. These drugs were also made available to the lower income groups, at lower prices, by selling through the public BPJS channels. It brought in a full range of hepatitis drugs from a leading global pharma to Indonesia, potentially denting mortality rates to a great extent.

Company Outline:

As one of Indonesia's largest domestic pharmaceutical manufacturers and healthcare products distributors, SOHO is well - positioned to create significant, sustainable social impact. SOHO owns one of the largest healthcare drug distribution companies in Indonesia covering over 95 percent of hospitals and pharmacies nationwide through its 28 centers, supplemented by its sub distributor network.



Over **15** in-licensed pharma products secured in 2017

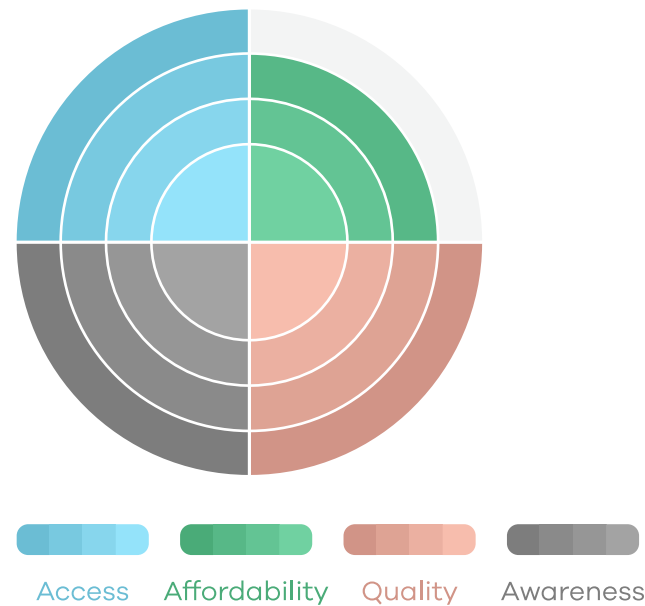
2,500+ jobs created

37% of current workforce represented by women

Provided **free medical treatment** at the community level in **8 districts** in 2017



Case 8 LabLink



The Need:

Malaysia provides universal healthcare access to its citizens. As per capita GDP rises, demand for private healthcare consumption is expected to increase. There has been a shift in healthcare expenditures from public toward private. Executive health screening service is increasingly popular as a pre-emptive approach. As a result, the demand for clinical diagnostics services has been on the rise. Moreover, the lack of timely and diagnosis is a major reason for deaths from infectious and chronic diseases in the country.

The Solution:

Headquartered in Kuala Lumpur with over 400 service staff, Lablink offers high quality comprehensive diagnostic services through operating its central laboratory, as well as managing the hospital laboratories for KPJ Group hospitals. In line with its commitment to elevating clinical standards in Malaysia, Lablink operates international standard laboratory facilities across the country.

Company Outline:

Lablink is a subsidiary of Malaysia’s leading private healthcare provider KPJ Healthcare Berhad. Most distinctively, Lablink Central is the first private laboratory in Malaysia to comply with the Bio-Safety Level 3 (BSL3) Laboratory for testing of highly infectious- diseases. The company is currently accorded with DIN EN ISO 9002 and is working towards attaining the MS ISO 15189 Medical Laboratory Accreditation this year.

Location	Southeast Asia
Sector	Lifesciences
Investment Date	2018



Largest

Hospital Lab Operator in Malaysia

Over

14 million

tests run annually

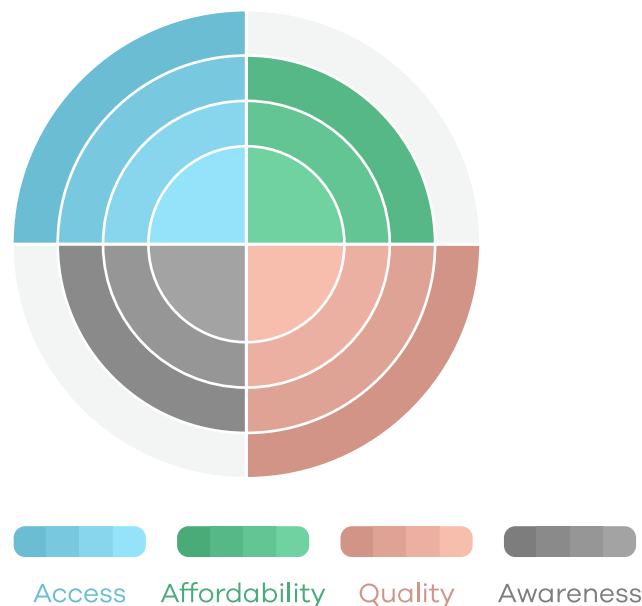
Over

400

full time employees

Case 9

Strand Lifesciences



The Need:

The increasing shift towards evidence-based treatment and preventive healthcare packages and the rising incidence of chronic conditions due to changing lifestyles are driving the growth in the overall pathology market in India.

The Solution:

Strand is a unique integrated specialized diagnostic company with a focus on next generation precision medicine. The major focus areas of its services include clinical diagnostics, bioinformatics, and CRO services. The diagnostics services focus on oncology, genetics, fertility, women’s health, infectious diseases and wellness. Strand is accredited by the National Accreditation Board for Laboratories.

Company Outline:

The company has its labs in six tier 1 and seven tier 2 cities in India. It has strong research and development capabilities in developing proprietary high-end NGS based genetic tests. The company has an experienced management team with deep domain expertise in bioinformatics and application of big data and AI tools to genomics. Strand Center for Genomics and Personalized Medicine and Strand’s laboratory in HCG’s Center of Excellence in Bangalore are accredited by College of American Pathologists.

Location	India
Sector	Lifesciences
Investment Date	2018



18+ years
of expertise

600,000+
tests done annually

15+
laboratories

220+
scientists, engineers and pathologists

27,000+
peer reviewed citations





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Appendix

Appendix 1: Quadria's Impact Measurement Metrics

This table contains indicators and other kinds of evidence that we apply while assessing the impact measure of our portfolio companies. These are taken as a guide – the indicators and processes set out below may not be applicable for every provider. Portfolio companies are assessed for their existing social impact and the potential to further expand their social impact based on the following metrics:

Access

Areas to Assess	Metrics
Presence in/ Expansion to underserved urban, and peri urban areas	Project specific assessment of overall availability of good quality healthcare in the region.
Number of Patients That Have Gained Access to Healthcare Delivery	Actual numbers and performance based KPIs
Number of Consumers Who Have Gained Access to Drugs / Therapies	Actual numbers and performance based KPIs
Introduction of new drugs (in case of a life sciences company)	Project specific KPIs
Extent to which an unmet need is addressed	Project specific KPIs
Whether the investment has any local community impact	Assessment of local community social and environmental impacts
Innovative Practices to Increase Accessibility	Project specific KPIs
Availability of female doctors or chaperones	Ratio of female doctors
Use of mobile units and health kiosks	Actual numbers (Ratio of mobile units) based KPIs
Services available for lesbian, gay, bisexual, trans, queer patients in a way that is sensitive and without stigma	Presence of the clause in the company policy
Availability of translators and information available in multiple languages	Project specific KPIs
Extended opening hours	Project specific KPIs

Affordability

Areas to Assess	Metrics
Increasing access for the economically weaker sections	Proportion/percentage of below poverty line patients (World Bank poverty line of below 1.9 \$ a day). Project specific assessment of the number of patients who fall below the poverty line after treatments.
Number of Beds Reserved for Poor Patients	Actual numbers and performance based KPIs
Total Discounts to Need-Based or Poor Patients	Actual numbers and performance based KPIs
Aggregate value of discounts given to need-based or poor patients: On subsidized drugs	Actual numbers and performance based KPIs
Value of discounts given on subsidized medical equipment/supplies	Actual numbers and performance based KPIs
Aggregate value of discounts given to need-based or poor patients: On wellness programs	Actual numbers and performance based KPIs
Number of physician consultation service hours for need-based or poor patients at subsidized prices	Actual numbers and performance based KPIs
Commitment to providing cost efficient alternatives to expensive drugs, procedures and treatment.	Project specific KPIs
Commitment to furthering innovation through research and development activities, resulting in potential discovery of high quality, cost effective alternatives to current products and procedures.	Project specific KPIs
Use of differential pricing strategies to serve low income patients	Project specific assessment of the total discount given to low income patients in \$
Positive participation in government subsidy programmes	Project specific KPIs
Positive participation in financial protection schemes	Project specific KPIs
Service provided to governments and non profits	Actual numbers
Medical Devices & Supplies sold to Organizations Mandated to Treat Need-Based or Poor Patients	Actual numbers and performance based KPIs
Percentage of profits / sales to be donated for social healthcare initiatives	Actual numbers and performance based KPIs

Quality

Areas to Assess	Metrics
Use of recognised and evidence-based clinical practice guidelines, such as checklists; infection prevention and control guidelines	Overall Mortality rates. Surgical mortality rate. Percentage of post-surgical complications. Increased life expectancy for patients suffering from terminal illnesses. Reduction in complication rates for patients suffering from infectious diseases.
Reporting of adverse incidents	Robust incidence and adverse reporting systems. Change in incidence reporting over time. Project specific evidence of response to incidence reports.
Regular reviews of guidelines and processes	Introduction of quality standards and guidelines and training of medical and paramedical staff to follow them
Ensuring quality services across departments, clinical and non clinical	Checking professional qualifications of staff
Clinical audits, regular mortality and morbidity reviews, including appropriateness of care	Frequency of audits and review meetings conducted and follow-up action taken
Incorporating patient feedback	Existence and use of robust patient feedback mechanism such as satisfaction surveys Patient reported outcomes measures
Effectiveness of care administered	Readmission rates Lower number of returns to higher level of care (e.g. from acute to intensive care) following discharge
Appropriate use of medical informatics and electronic medical records and internationally recognised coding for collecting patient data	Project specific KPIs about presence and use of Hospital Information Systems
Local/ global quality certification at key facilities	Holding or having applied for quality certification from nationally and globally recognized standards.
Local/ global quality accreditations at key facilities	Holding or having applied for quality accreditation nationally and globally recognized standards.

Awareness

Areas to Assess	Metrics
Use of preventive health measures that address potential health complications at the right stage	Project specific KPIs
Health Screening Camps	Actual numbers measured annually
Promotion of community health awareness	Actual numbers measured annually
Improvement in access to affordable and timely diagnosis.	Project specific KPIs for diagnostic labs and hospitals
Total Preventative Medicine Campaign Hours	Actual numbers and performance based KPIs
Amount Allocated to Preventative Medicine Campaign	Actual numbers and performance based KPIs

Appendix 2: Toolkit for Quadria's ESG Managers

Quadria's Assessment of ESG (Environmental Social Governance) risk and opportunities, developed using IFC's and CDC's vast literature available in this field.

Pre Investment Questionnaire for Potential Investees:

Compliance/ESG Reporting		2017
Policy/Reporting	Yes/No	If No, Describe Why
Have you properly implemented and maintained an ESG compliance policy and programme? [Please list the elements [company's] in the compliance programme]		
Do you have any plans to develop other compliance- or ESG polices/initiatives or measures relevant to your business?		
Has there been any promotional work related to compliance or ESG during the quarter? (If yes, please attach example)		
Have you identified particular compliance- or ESG risks or opportunities relevant to your business?		
Does your company include compliance- and ESG elements in annual reports?		
How your company monitored compliance with laws and internal policies (e.g testing, internal audit, spot checks)? And what were the findings?		

Policies and Procedures in place in the company			
Policy/Reporting	Implemented on	Last Revision Made on	Planned implementation
Company's Corporate Governance Policy On Anti-Fraud and Anti-Corruption			
Company's Corporate Governance Policy Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT)			
Environmental and Social Action Plan			
ESG Management Systems			

Training and communication – please describe how the above policies are communicated		
Policy/Reporting	Nature of Training/ Communication	Number of employees
Company's Corporate Governance Policy On Anti-Fraud and Anti-Corruption		
Company's Corporate Governance Policy Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT)		
Environmental and Social Action Plan		
ESG Management Systems		

Risk Assessment – (The company's) policies and procedures ensure that the company proportionately addresses and manages risks associated with its business operations. Please identify risk areas related to the compliance program		
Type of Risk	Level of Risk	Strategy for Improvements
EXAMPLE: [The employees are not familiar with the Corporate Governance Policies]		
Please insert a description of any whistle-blowing or non-compliance issues which have arisen during the quarter		

Key Performance Indicators	2016	2017
Number of FTEs		
Number of female FTE's		
Sick leave (short term) %		
Sick leave (long term) %		
Employee satisfaction (if measured)		
Customer satisfaction (if measured)		
Number of reported employee injuries		
Number of reported employee accidents		

Insert a description of next year's priorities in relation to compliance and ethics

Post Investment ESG Compliance Assessment:

TOOL A: Environmental, Social and Governance Performance Assessment Based on IFC Developed Formats			
	At Acquisition	Mid Way	Exit
Environmental and Social Category: (Category A = Significant, Category B = Limited, Category C = No Impact, and Category FI = Financial Intermediary).			
Assessment of Investee Company ESG Management System:			
Environment Risk Rating (High/Medium/Low):			
Social Risk Rating (High/Medium/Low):			
Governance Risk Rating (High/Medium/Low):			
Serious Incidents in Year (Y/N):			

	At Acquisition	Mid Way	Exit
Improvements made to company's ESG Management System: Improvements might include formalisation (to be identified) of processes to manage ESG risks and opportunities, training courses attended and outcomes identified, revised performance indicators or improved communication lines to report ESG issues within the fund			
ESG Issues and Opportunities for Improvement at the Time of Investment:			
Has Due Diligence been Completed? (Y/N): <i>(Whether the deal team has performed E&S due diligence on the investee company's operations)</i>			
Is a detailed ESG DD Report available? (Y/N):			
Has Corrective Action Plan been Identified? (Y/N): <i>(Whether Corrective Action Plan was identified at acquisition)</i>			
Is the Corrective Action Plan agreed with the target company?			
What is the Overall Status of the Corrective Action Plan?			
Has deal team Obtained an Investment Undertaking from the Investee Company? (Y/N): <i>If No, Please Explain</i>			
ESG Improvements Achieved (Year Achieved) / Updates to Corrective Action Plans: <i>(Describe how environmental, social and governance issues has been solved, provide the year the improvement has been achieved, and provide supporting information on the updates to corrective action plans.)</i>			
Status/Further Actions to be Undertaken, with Timeframe:			
Which of the Following IFC Performance Standards (PS) are Triggered by the Investee Company's Operations? (Y/N): <i>(Select the IFC Performance Standards that are triggered by the Investee Company's operations by choosing "Yes" or "No" from the drop down list)</i>			
For details of each performance standard, see www.ifc.org/ifcext/sustainability.nsf/Content/Publications_ByPerformanceStandard PS 1: Social and Environmental Assessment and Management Systems PS 2: Labor and Working Conditions PS 3: Pollution Prevention and Abatement PS 4: Community, Health, Safety and Security PS 5: Land Acquisition, and Involuntary Resettlement PS 6: Biodiversity Conservation and Sustainable Natural Resource Management PS 7: Indigeneous Peoples PS 8: Cultural Heritage			

TOOL B: Rating the ESG Risks		
1. Environment		
Risk Category	Description of Category	Examples
Category A High risk	A proposed investment is classified as Category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse or unprecedented.	<ul style="list-style-type: none"> Projects that include the manufacture, use or disposal of environmentally significant quantities of pesticides or herbicides Projects that include the disposal of environmentally significant quantities of biomedical waste Manufacture, transportation and use of hazardous and/or toxic materials Domestic and hazardous waste disposal operations
Category B Medium risk	A proposed investment is classified as Category B if its potential adverse impacts on environmentally important areas including wetlands, forests, grasslands and other natural habitats are less adverse than those of Category A investments but more adverse than Category C investments. These impacts are site-specific; few if any of them are irreversible and in most cases mitigating measures can be designed more readily than for Category A investments.	<ul style="list-style-type: none"> General manufacturing that involves biomedical waste
Category C Low risk	A proposed investment is classified as Category C if it is likely to have minimal or no adverse environmental impacts.	

TOOL B: Rating the ESG Risks		
2. Social Matters		
Risk Category	Description of Category	Examples
Category A High risk	A proposed investment is classified as Category A if it is likely to have significant adverse impacts on human populations that are sensitive, diverse or unprecedented.	<ul style="list-style-type: none"> Project that involve disposal of biomedical waste that can be toxic for workers and surrounding human habitations. Industrial operations (large-scale) that involve machinery or substances that can be hazardous for workers from a health and safety perspective Projects affecting indigenous or tribal populations Manufacture, transportation and use of hazardous and/or toxic materials Domestic and hazardous waste disposal operations Any projects which pose serious health and safety risks Any projects which pose serious socio-economic concerns
Category B Medium risk	A proposed investment is classified as Category B if its potential adverse impacts on human populations are less adverse than those of Category A investments but more adverse than Category C investments. These impacts are site-specific; few if any of them are irreversible; and in most cases mitigating measures can be designed more readily than for Category A investments.	<ul style="list-style-type: none"> Rural water supply and sanitation Rehabilitation, maintenance and modernisation projects Manufacture of construction materials General manufacturing Greenfield projects in existing industrial estates
Category C Low risk	A proposed investment is classified as Category C if it is likely to have minimal or no adverse impacts on human populations.	

TOOL B: Rating the ESG Risks

3. Governance & Business Integrity

Risk Category	Description of Category	Examples
Category A High risk	A proposed investment is classified as Category A if it is likely to have significant risks for corruption or other issues related to business integrity	<ul style="list-style-type: none"> Investments in countries classified as lower than 2 by Transparency International's Corruption Perceptions Index Investments in countries classified 2-4 by Transparency International's Corruption Perceptions Index and in sectors which involve large contracts, including with public sector entities or the government, such as construction; public works contracts; companies with significant state ownership interests; privatisations; and/or investments which involve politically exposed persons.
Category B Medium risk	A proposed investment is classified as Category B if the risks for corruption or other issues related to business integrity are less than for Category A investments but nevertheless a concern.	<ul style="list-style-type: none"> Investments in countries classified as 2-4 by Transparency International's Corruption Perceptions Index in the pharmaceutical and medical care industry. Investments in countries classified as 4-7 by Transparency International's Corruption Perceptions Index and within the sectors and with the characteristics listed in Category A above, for countries classified as 2-4.
Category C Low risk	A proposed investment is classified as Category C if it is likely to have low risks for corruption or other issues related to business integrity.	<ul style="list-style-type: none"> Investments in countries classified as higher than 7 by Transparency International's Corruption Perceptions Index. Investments in countries classified as 2-4 by Transparency International's Corruption Perceptions Index in industries that are usually not prone to corruption.

TOOL C

Questions to assess a company's ESG management systems

The management systems of companies should be proportional to the level of ESG risks that their operations involve (see Tool B). The questions provided opposite can be used to help a fund manager assess the quality of a potential investee company's management systems to integrate ESG matters into its operations in a systematic manner.

Using the answers to these questions, the fund manager can decide whether the current ESG management systems of a potential investee company merit a good, moderate or poor rating.

Many companies, most particularly small and medium sized enterprises (SMEs), may not have sophisticated ESG management systems. If they are not operating in a high-risk sector, they may not need to. It is nevertheless useful for the ESG manager to obtain a sense of the ESG management systems of any potential investee company, and the willingness of company management to improve matters by raising these questions.

Where the current ESG management systems of a potential investee company are deemed by our fund manager to be less than good, he/she should consider how these management systems could be improved and add such improvements to the action plan to be discussed and agreed with the company's management.

Policy and processes

1. Policy: Are there formal policies and systems to manage ESG?
2. Identifying opportunities: Does the company pro-actively identify opportunities for ESG improvements?
3. Risks: Does the company provide an appropriate risk assessment for its operations which can be used as a basis for on-going monitoring?
4. Action plans: Are formal action plans drawn up to address ESG issues?
5. Monitoring: Are there defined processes in place to manage / monitor ESG matters and the implementation of action plans?
6. Sector initiatives (if applicable): Is the company involved in relevant sector initiatives, e.g. the Extractive Industries Transparency Initiative (EITI) for mining?

Roles and responsibilities

7. ESG resources: Does the company have an allocated ESG professional on staff?
8. Top level responsibility: Has ESG responsibility been established at all levels up to the company's board?
9. Specialists: Are specialist consultants / external technical experts used to assess and monitor ESG issues (particularly for high risk companies)? If so, when and who?
10. Training: Does the company organize training for its staff on ESG?

ESG performance management

11. Performance indicators: Are there key performance indicators in place to measure and track ESG performance?
12. Track record: Does the company have a good safety record? Have there been accidents? Were issues subsequently addressed?
13. Serious incidents: Is there an established procedure to follow up any serious incidents to prevent their reoccurrence?

Reporting

14. Communication lines: Are there defined lines of communication in place to report ESG issues to the company's management and board?
15. Reporting to investors: Is ESG performance reported on to investors at least annually?

Stakeholder management

16. Local community: Does the company have a good relationship with the local community?
17. NGOs: Does the company have a constructive dialogue with NGOs (where NGOs are interested in engagement)?
18. Employees: Does the company have good labour relations (e.g. have there been strikes)?

Appendix 3

Quadria Capital's Corporate Governance Policy on Anti-Fraud, Anti-Corruption, Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) 2018 for its Investee Companies

Preface by the Managing Partners

This Policy is oriented to the best interests, purposes and objectives of the investee companies of Quadria Capital (referred to as "Company" henceforth). Implementation of the best corporate governance practices consistently and continually in running the Company is a full commitment of the Board of Directors.

Through adoption and implementation of this Policy Quadria intends to put in place a system that is inseparable from the existing tools in the Company in order to realize a prudential, established, controlled operational management, and considering balanced fulfillment of the interests of all stakeholders.

Quadria shall monitor the relevant affairs of the Company in accordance with this policy. The Board shall encourage the key management team to manage dealings with all external and internal stakeholders using this policy as a guide. This Policy will be implemented with full sense of responsibility and spirit of mutual stewardship in the best interests of the Company.

Delhi, April 2018

Dr. Amit Varma
Founder & Managing Partner

Abrar Mir
Founder & Managing Partner

Anti Fraud & Anti Corruption

Introduction

The Anti-Fraud and Anti-Corruption Policy (hereinafter "the Policy") of Quadria Capital sets out Company's policy and procedures relating to fraud and corruption.

Fraud and corruption are contrary to Quadria Capital core values. Company recognizes the adverse effect that such practices have on its activities and operations, and is committed to preventing them and taking robust action where they are found to occur.

Objectives

The objectives of the policy are:

- Optimizing the Company's value for shareholders by taking into account the interests of stakeholders and encourage the achievement of sustainable growth of the Company by applying good principles of transparency, accountability, responsibility, independence, and fairness;
- Identify, develop and implement appropriate procedures for the prevention, detection and treatment of fraud and corruption in the Company
- Ensuring that the Company personnel adhere to the highest standards of integrity;
- Maintaining appropriate channels to communicate matters of Fraud & Corruption
- Investigate all allegations or fraudulent or corrupt acts as soon as possible and ensuring the confidentiality of the investigations carried out.
- Develop attitudes and behavior in accordance with the demands of the development of the Company and changes in the business environment towards a better company culture.

If there is any provision under this Policy which may conflict with the contractual obligations where the Company is a party, then prevailing laws and regulations, Articles of Association and any agreements that were approved by the Board and/or the General Meeting of Shareholders (as applicable) shall prevail.

Measures to Prevent Fraud and Corruption

Company shall not tolerate any fraud and corruption in the course of its operations and is committed to transparency and accountability in the management of its resources. To this end, the Policy seeks to prevent fraud and corruption through: i) appropriate internal checks and balances; ii) staff training and awareness; and iii) effective internal auditing controls.

Principle of Accountability

The Company works with high accountability for all of its actions in a transparent and fair manner for the interests of the Company in order to achieve the Company's performance on an ongoing basis. Accountability is a necessary prerequisite for achieving continuous performance.

Implementation of the accountability principle includes

- The Company specifies description of jobs and responsibilities of each of Company's management departments so as to create a balance of power and the effective management of the Company;
- The Company implements the accountability principle by focusing on improving the function and role of each of Company's management departments so that the Company's business can be run in the most efficient manner;

Internal Control systems

All offices of the Company, shall contribute to preventing and detecting fraud and corruption by:

- Identifying areas of operations that are more vulnerable to the risks of fraud and corruption;
- Implementing and monitoring risk management and internal control systems.
- Monitoring risks on an ongoing basis and regularly assessing the effectiveness of the internal controls;
- Conducting training of Company personnel on internal control systems to prevent, detect and report fraud and corruption.

Preventing Conflict of Interest

A conflict of interest is an incompatibility between an employee's private interest and either his/her official duties or the interests of Company. It includes circumstances in which an employee benefits improperly, directly or indirectly, from his/her association with an entity that engages in any business or transaction with Company. Company personnel in carrying out their duties and obligations, must prioritize the economic interest of the Company above the personal economic interests as well as that of any other internal or external party;

Company personnel shall not engage in any outside occupation or employment unless authorized. In addition, Company personnel may not be actively associated with the management of, or hold financial interest in, any business concern if it were possible for them to benefit from such association of financial interest by reason of their official position within Company

Preventing Conflict of Interest

Employees or members of their immediate families should not provide, solicit or accept cash or its equivalent, entertainment, favors, gifts or anything of substance to or from competitors, vendors, suppliers, customers or others that do business or are trying to do business with Company. Loans from any persons or companies having or seeking business with Company except recognized financial institutions, should not be accepted. All relationships with those who Company deals with should be cordial, but must be on an arm's length basis. Nothing should be accepted, nor should the employee have any outside involvement, that could impair, or give the appearance of impairing, an employee's ability to perform his/her duties or to exercise business judgment in a fair and unbiased manner.

This Policy does not prohibit normal and appropriate gifts, hospitality, entertainment and promotional or other similar business expenditure, such as calendars, diaries, pens, meals etc. to or from Third Parties. However, the key-determining factor for appropriateness of the gift or hospitality and/or its value would be based on facts and circumstances under which such gift or hospitality is provided.

The practice of giving gifts and hospitality is recognized as an established and important part of doing business. However, it is prohibited when they are used as bribes. To avoid committing bribery offence, the gift or hospitality must be:

- Reasonable and justifiable in all the circumstances
- Intended to improve the image of Company, better present its products and services or establish cordial relations

The giving or receiving gifts or hospitality is acceptable under this Policy if all the following requirements are met:

- It is not made with the intention of influencing a Third Party to obtain/ retain business or a business advantage or to reward the provision or retention of business or a business advantage or in explicit or implicit exchange for favors/ benefits or for any other corrupt purpose
- It complies with local laws and customs
- It is appropriate in the circumstances. For example, in U.S. it is customary for small gifts to be given at Christmas time
- Taking into account the reason for the gift or hospitality, it is of an appropriate type and value and given at an appropriate time
- It is given openly, not secretly and in a manner that avoids the appearance of impropriety.

Charitable Donations

A donation made by the Company or the giving of the Company's asset to a political party or a member of the legislative or executive body may be done only in accordance with prevailing laws and regulations. Within the appropriate limit as stipulated by the Company, a donation for charity may be justified;

If in doubt whether or not the activities fall under the aforementioned categories, it is recommended to seek advice from the Compliance Committee

Training of employees

Company shall ensure that employees are aware of the risks of fraud and corruption and shall also provide training to employees for developing skills for understanding, detecting, preventing and reporting such practices and compliance to the Policy.

Roles and Responsibilities of Employees

- Act at all times in accordance with the highest standards of integrity
- Detect, prevent and report any fraud and corruption, or any attempts thereof, in accordance with the Policy
- Avoid any situations of actual or perceived conflict of interest, or which may otherwise impair their judgment, in relation to the responsibilities assigned to them, and promptly report any such conflict of interest or other impairment to their supervisors;

- Avoid any use of the funds, resources and/or assets of Company that is contrary to the Policy
- Promptly report any practice contrary, or reasonably suspected of being contrary, to the Policy, or any attempts thereof, to the Compliance Committee.

Compliance Committee

Composition: The Compliance Committee would consist of the CFO, CEO & Director Administration.

Functions: The functions of the Committee are defined hereunder:

- Guide Company personnel when in doubt whether or not the activities fall under Conflict of Interest.
- Act on reports of any practice contrary, or reasonably suspected of being contrary, to the Policy.
- Provide advice in the event of uncertainty as to whether any act or omission constitutes fraud and/or corruption.
- Recommend appropriate administrative, legal and/or disciplinary action against person or entity that is found to have violated the Policy and provide the investigation report to the management.

REPORTING PROCEDURES

All persons to whom the Policy applies shall promptly report any action or practice that is or may be in breach of the Policy, in accordance with the procedures outlined in the Policy.

All Company personnel are required to report promptly any reasonably suspected case of fraud and corruption, or any related attempts of such practices, to his/her manager or to the Compliance Committee if confidentiality is desired. All managers shall report any such cases promptly to the Compliance Committee.

In the event of uncertainty as to whether any act or omission constitutes fraud and/or corruption, the Compliance Committee should be contacted for guidance.

Presumption of Good Faith: As a general principle, it is presumed that all employees and all third parties related to Company acts in good faith. When a person presents a report of fraud or suspected fraud, he or she presumably does so in good faith and based on reasonable indications or elements.

Absence of Retaliation: The person reporting any real action or potential occurrence, which goes against guidelines laid down in this Policy should not be subject to retaliation, threats, discriminatory measures or sanctions of any kind. However, when it is established that the complainant acted maliciously and based on false facts, in order to harm the accused, the Company reserves the right to apply the measures and sanctions intend for such actions.

Confidentiality: Any employees who, because of the process or other circumstance, participates in or learns of any investigation that is taking place or has taken place within Company has the duty to treat the information confidentially and to protect the anonymity of those who have submitted any reports. In this regard, the results of the investigation may not be disclosed by or discussed with anyone who does not have a legitimate need to know or by officials who are not authorized to do so.

Actions Following Breach of Policy

The Compliance Committee may recommend that appropriate administrative, legal and/or disciplinary action be taken against any person or entity that is found to have violated the Policy. Any such recommendation shall be included in the investigation report issued to management,

Company personnel should be aware that fraud and corruption constitute serious misconduct for which Company has zero tolerance, and which may lead to the imposition of disciplinary measures up to and including summary dismissal.

Anti Money Laundering and Combating Financing For Terrorism

Objectives of the Policy

- To lay down policy framework for Preventing, Detecting and Reporting Anti Money Laundering & Combating the Financing for Terrorism.
- To prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities.
- To enable the Company to know / understand its suppliers and customers better, which in turn would help it to manage its risks prudently.
- To put in place appropriate controls for detection and reporting of suspicious activities in accordance with applicable laws / laid down procedures and regulatory guidelines.
- To take necessary steps to ensure that the relevant staffs are adequately trained AML procedures.
- The policy would be implemented prospectively.

Scope of the Policy

This policy is applicable across all units of the Company

Procedure

Policy Framework to Prevent Anti Money Laundering (AML) & Combating the Financing for Terrorism (CFT)

In order to Prevent the occurrence of AML & CFT, Company needs to develop a clear understanding of a customer relationship, including all relevant parties, in order to effectively understand and manage the risks stemming from that relationship. Know Your Client (KYC) is an effective measure to mitigate money laundering and risk associated with Financing of Terrorism.

Anti Money Laundering and Risk of Money Laundering and Financing of Terrorism is assessed by the Company in accordance with the risk-based approach. Entities, which do not meet the requirements of Know Your Client or raise Red Flags get classified as High Risk entities.

Criteria where KYC is not required

- Minimum transaction thresholds, under which KYC is not required: INR 50,000.
- If the entity is listed on stock exchange of the country where it is registered or incorporated.

TRAINING OF EMPLOYEES: One of the important Criteria to prevent AML & CFT is training of employees. The Company defines categories of the employees that require training in the internal control procedures for the purposes of AML & CFT and imparts training to them.

Policy Framework to Detect AML & CFT

AML & CFT is assessed by the Company in accordance with the risk-based approach. Entities, which do not meet the requirements of Know Your Client or raise Red Flags as listed below get classified as High Risk entities.

Red flags are circumstances that should alert a reasonable person that illegal or improper conduct is substantially likely to occur and, therefore, further inquiry is necessary. Red flags reflecting possible violations of anti-money laundering laws and regulations include:

- Legitimacy of the party cannot be determined through due diligence or independent verification;
- The party proffers false, misleading or substantially incorrect information and documentation;
- The party suggests transactions involving cash or insists on dealing only in cash equivalents;
- The party refuses to disclose or to provide documentation concerning identity and nature of business.
- The party requests that funds be transferred to an unrelated third party and is unable to provide sufficient legitimate and independently verifiable justification for such request;
- The party requests a wire transfer to a jurisdiction other than the one in which the party is located and is unable to provide sufficient legitimate and independently verifiable justification for such request, particularly if located in an "off shore" bank secrecy or tax haven;
- The party requests that a transaction be processed in a manner that circumvents a company procedure or avoids company documentation requirements;

If any of the Red flags are raised, the Individual and the Head of concerned department should immediately report to the Anti-Money Laundering Committee.

Policy Framework to Report AML & CFT

Company has an Anti Money Laundering Committee (AMLC) which has the below composition and functions.

Composition: The AMLC is hereby created and shall be composed of the Nominated Officer, CFO & CEO as the members.

Functions: The functions of the AMLC are defined hereunder:

- To Act upon any Red Flags raised by the Individual and the Head of concerned Department on the entity, and further investigate the matter before taking a decision on whether to proceed with any transaction with the entity.
- To further investigate the legitimacy of the entity, which does not provide sufficient KYC information before proceeding with any transaction with such entity.
- To actively investigate all breaches or suspected breaches of this policy and, if appropriate, invoke disciplinary measures against any employee that fail to follow AML/CFT procedures and take prompt action to remedy the breach and prevent any repetition;
- To cause the filing of complaints with the Relevant Government Law enforcement Authorities for the prosecution of money laundering offenses;

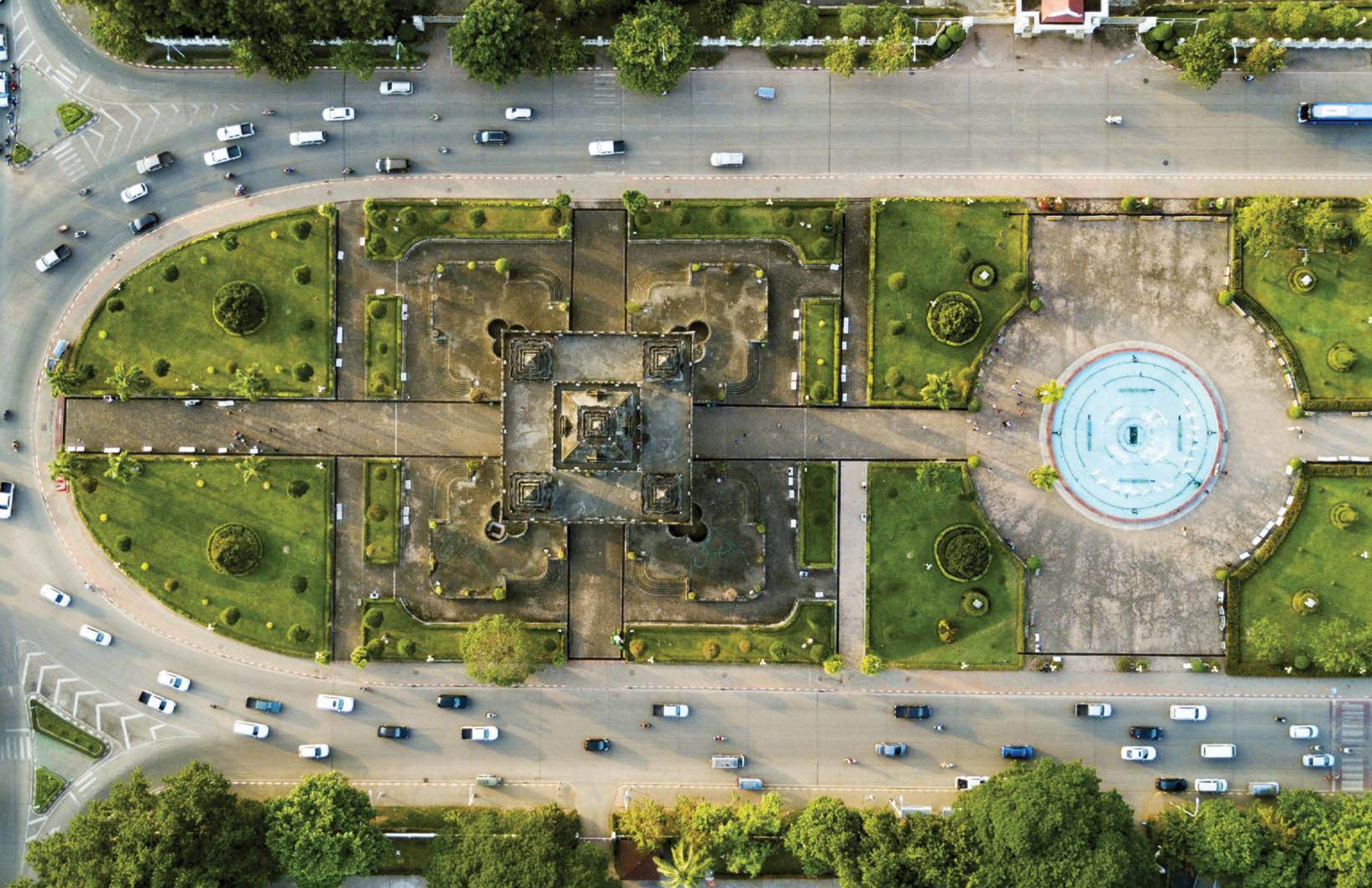
Meetings: The AMLC shall meet every first Monday of the month, or as often as may be necessary.

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