OPERATING PRINCIPLES FOR IMPACT MANAGEMENT: DISCLOSURE STATEMENT

February 2023
28 February 2023

Operating Principles for Impact Management – Disclosure Statement

1. Foundation Corporation Holdings (the “Signatory” and or “Foundation”) hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the “Impact Principles”).

2. This Disclosure Statement serves to fulfil Foundation’s obligations pursuant to Principle 9 of the Impact Principles.

3. This Disclosure Statement applies to the following Covered Assets that align with the Impact Principles:
   a. Foundation Corporation Holdings
   b. Shifa Al Munthaza Polyclinics
   c. Right Health Holdings
   d. Ryan EduNation
   e. ProMedEx
   f. ASG Eye Hospitals
   g. Byju’s (Think and Learn Private Limited)
   h. GrayQuest
   i. AlTibbi Ltd

4. The total value of the Covered Assets in alignment with the Impact Principles is US$ 150 million as of 31 December 2022.

Abhishek Sharma
Chief Executive Officer
Foundation Holdings

Important Information

This statement is not intended as, nor should it be construed as, an offer of interests (or an offer to subscribe for interests) in any product which is managed by Foundation Holdings.

This document has been approved by Foundation Holdings solely for the purposes of the Operating Principles for Impact Management. Readers should not treat these materials as advice in relation to legal, taxation or investment matters and are recommended to consult their own advisers in relation to any such issues.

The information contained herein may not be relied on by any person for any purpose and no responsibility is accepted by any person for the accuracy or completeness of such information.
Principle 1 – Define strategic impact objective(s), consistent with the investment strategy. The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

Foundation is a global investment firm focused on building sustainable, industry defining companies in India and GCC’s healthcare and education sectors. Foundation has spearheaded 10 acquisitions leading to the creation of 8 portfolio companies and several more in the pipeline. Foundation believes in driving change that matters, and moving towards a more positive future by finding innovative solutions. In the last five years, Foundation has completed US$ 150 million worth of private investments, impacting 28.0 million lives and employing over 12,000 employees.

Our objective is to deliver social, environmental impact and market rate returns.

In Healthcare This Means:
- Care and service models promoting accessibility and affordability

In Education This Means:
- Service delivery systems across all grades of education and financing solutions to make education affordable

The strategic impact objective forms part of the investment criteria ensuring investments are only made into companies that meet our objectives in either healthcare or education as detailed above.

Principle 2 – Manage strategic impact on a portfolio basis. The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

Process
Foundation Holdings has built up the majority of its eight portfolio companies over the last 12 – 48 months. As the investments are still fairly nascent, the process to establish and measure impact is as follows:
1. Define strategic impact objective
2. Launch the 2-stage framework for strategic impact
3. Utilize the 4 key pillars to measure strategic impact

Strategic impact objective
Define the strategic impact objective for each portfolio company upon completion of the investment by Foundation.

Framework
The 2-stage framework for strategic impact is as follows:
- **Stage 1 (during first 18 months post-investment)**: Establish measures for strategic impact specific to the portfolio company and commence data collection to measure results
- **Stage 2 (18 – 60 months post-investment):** Standardize strategic impact processes and systematize processes and drive tangible action

As the majority of the investments have been made in the last 12 – 48 months, Foundation is still in the early days of establishing measures for strategic impact and commencing data collection to measure results.

**Measurement**
Foundation approaches the measurement of strategic impact with four key pillars (detailed below) which are applicable to both its healthcare and education portfolio companies:

4 Key Pillars to Measure Strategic Impact:
1. Increased access to healthcare and/or education
2. Improved quality of healthcare and/or education
3. Improved affordability of healthcare and/or education
4. Strengthened human capital

As an example, the strategic impact objective and four key pillars to measure strategic impact for AlTibbi Ltd (“AlTibbi”), a digital health platform and publisher of Arabic medical content, focused on teleconsultations in KSA, Egypt, Jordan and UAE, are as follows:

**Strategic impact objective:** Helping 400 million people in the Arab world access essential medical services, medical information and advice, thus reducing the number of unnecessary doctor visits and lessening the pressure on the healthcare system.

4 Key Pillars to Measure Strategic Impact:
1. Increased access to healthcare
   a. Number of teleconsultations
   b. Number of lives impacted
   c. Number of Arabs impacted
2. Improved quality of healthcare
   a. Number of active licensed doctors on virtual primary care
   b. Quality of healthcare content and free FAQs
3. Improved Affordability of healthcare
   a. Price benchmarking v. competition
   b. Percent of patients by payment mechanism
4. Strengthened human capital
   a. Number of Arabs employed
   b. Total jobs created
   c. Total females employed

As an example, in early 2022, AlTibbi expanded its operations to Egypt with the launch of a hot-line accessible anywhere in the country. The new service seeks to connect patients with certified doctors directly. By providing a simple hot-line service, accessible to all, AlTibbi is enabling fast, easy and affordable access to healthcare services throughout the country. The service was launched in collaboration with the Jordanian and Egyptian authorities through their respective national Covid-19 hot-lines.

Staff incentives at AlTibbi Ltd for adhering to the above 4 key pillars will be considered as best practices emerge with time.
Principle 3 – Establish the Manager’s contribution to the achievement of impact. The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

Foundation acts as the Management Shareholder for each of its portfolio companies. Foundation is focused on the identification of education and healthcare opportunities which combine market returns on investment with improvements in access, affordability, and quality of education and healthcare to the mass market.

Foundation’s investment team engages with portfolio companies as detailed above in respect to establishing and implementing a framework for strategic impact over a 36 – 60 month horizon.

Foundation’s contribution to impact is achieved through the provision of capital as well as through Management support in the form of strategic impact framework establishment, monitoring and assessment of portfolio companies through the life of the investment.

As an example, Foundation Holdings invested into AlTibbi, a digital health platform in the Middle East and Africa, that offers telemedicine consultation services, allowing patients to connect directly with doctors via audio calls and chats. AlTibbi impacted the lives of over 20 million in 2022. Over a period of 9 months post investment, Foundation worked with AlTibbi to increase access to quality healthcare via helping AlTibbi to grow its B2B sales funnel through new wins in insurance. AlTibbi renewed a contract with Tawuniya in KSA resulting in access to an additional 500,000 insured members. AlTibbi is now in the process of rolling out additional similar contracts with four other leading insurance players in the region which will provide access to a further 1.5 million – 2.0 million insured members that can access AlTibbi’s services.

Foundation is also actively working with AlTibbi on securing B2G (Business to Government) contracts. AlTibbi are currently in discussions with the Omani government to roll-out their digital platform in Oman. The overall benefits to the Omani population are summarized below:

- **Access to healthcare**: AlTibbi’s remote healthcare services will provide citizens and residents of Oman with increased access to medical consultations and advice, particularly in remote areas where access to healthcare is limited.
- **Improved health outcomes**: By providing remote consultations and ongoing support, AlTibbi can help individuals manage chronic conditions and prevent them from developing complications, leading to better health outcomes.
- **Increased efficiency**: The remote consultations and digital health services provided by AlTibbi can help reduce the burden on traditional healthcare systems, freeing up resources and improving efficiency.
- **Cost savings**: Remote consultations can be more cost-effective than in-person consultations, which can help reduce healthcare costs for individuals and the Ministry of Health.
- **Data analysis**: AlTibbi can use data analysis to identify trends and patterns in healthcare needs, which can help the Ministry of Health to better target its resources and improve its overall healthcare strategy.

Foundation is therefore actively working with AlTibbi to provide increased accessibility, affordability and quality healthcare via a digital health platform that aims to reduce the number of unnecessary doctor visits and lessening the pressure on the healthcare system.

Principle 4 – Assess the expected impact of each investment, based on a systematic approach. For each investment the Manager shall assess, in advance and, where possible, quantify the concrete,
positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment’s expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager’s strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, align with industry standards and follow best practice.

Foundation tracks the achievement of impact in line with its defined set of four key pillars which are drawn from the Joint Impact Indicators to measure strategic impact. These include:

1. Increased access to healthcare and/or education
2. Improved quality of healthcare and/or education
3. Improved affordability of healthcare and/or education
4. Strengthened human capital

The four key pillars have been selected and aligned with Foundation’s strategic impact objective.

As Foundation’s portfolio has been built up in the recent past over the last 12 – 48 months, Foundation is still in the stage of building the four key pillars into usual data collection and generating insights to drive tangible actions.

As an example, Foundation invested into AlTibbi, a digital health platform with 30 million monthly visits by users, 2 million pages of health content in Arabic, over 5 million teleconsultations to date, over 2,000 free questions asked daily, over 1,000 active doctors on virtual primary care, and 3 million app installations till date. During the course of 2022, Foundation has worked with Management to enable AlTibbi to enhance and broaden its reach to an existing user base via partnerships (B2B) with major insurance providers in KSA and Jordan thereby extending its quality affordable healthcare teleconsultations to an additional 500,000 users with a pipeline of 1.5 million – 2.0 million additional users in the pipeline via discussions with additional major insurance providers in the region.

The methodology used in the above example is detailed below:

<table>
<thead>
<tr>
<th>Key Pillar</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased access to healthcare</td>
<td>• Review and assess gaps by geography (city and country)</td>
</tr>
<tr>
<td></td>
<td>• Review and assess gaps by specialty or service offering</td>
</tr>
<tr>
<td></td>
<td>• Review and assess physician requirements</td>
</tr>
<tr>
<td></td>
<td>• Identify the service offering required in a specific geography along with physician requirements (target stakeholder demographic)</td>
</tr>
<tr>
<td></td>
<td>• Number of female patients served</td>
</tr>
<tr>
<td>Improved quality of healthcare</td>
<td>• Provision of accurate diagnosis</td>
</tr>
<tr>
<td></td>
<td>• Provision of accurate and timely test results via diagnostics partnerships</td>
</tr>
</tbody>
</table>
Retention of the user as a subscriber to the platform

**Improved affordability of healthcare**
- Review and assess potential for product-led improvements
- Review and assess competitor’s offering of similar service
- Develop budget and business plan for sustainability of revenue amid cost optimization

**Strengthened human capital**
- Direct jobs created by the investment
- Female doctor direct jobs supported
- Review number of hours of training received in one year per physician

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**Principle 5 – Assess, address, monitor, and manage potential negative impacts of each investment.**

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees’ ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

As Foundation’s investment into its portfolio companies are still in nascent stages (between 12 – 48 months) the formal process to assess, address, monitor and manage potential negative impacts is in process.

Foundation has reviewed international best practice in respect to ESG risks including:
- The Principles for Responsible Investment (PRI) ([https://www.unpri.org/about-us/what-are-the-principles-for-responsible-investment](https://www.unpri.org/about-us/what-are-the-principles-for-responsible-investment));
- IFC Performance Standards ([https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies- Standards/Performance-Standards](https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards)); and
- UN Global Compact ([https://www.unglobalcompact.org/what-is-gc/mission/principles](https://www.unglobalcompact.org/what-is-gc/mission/principles)).

Foundation has tailored its approach to assess, address, monitor and manage potential negative impacts in relation to ESG based on the above international best practice principles through its four key pillars framework for strategic impact:

1. Increased access to education and/or healthcare
2. Improved quality of education and/or healthcare
3. Improved affordability education and/or healthcare
4. Strengthened human capital and/or healthcare

These four pillars enable us to assess any negative impacts and measure risk through the lens of each one of these pillars which then leads to the formulation of action plans to implement across each of our portfolio companies. For example, in healthcare a high return patient visit rate would be classified a social negative impact and mitigants would need to be implemented to rectify the issue. In education, as an example, a low attendance rate amongst pupils would be classified as a social negative impact and accordingly actions would be put in place to increase the attendance rate.
Over the next 12 – 36 month period, Foundation will conduct a comprehensive annual data collection and review of ESG performance in all of its portfolio companies. Foundation will assess its portfolio companies in terms of whether they are:

i) Aware of material ESG risks

ii) Have action plans in place to mitigate the risks

iii) Adopting any innovative and leadership practices when it comes to ESG

Initial impact measurement has commenced across all of our portfolio companies. As an example, in the case of investment in Byju’s, Education is considered one of the fundamental needs for the well-being and development of an economy. Providing education at scale at an affordable cost in underserved locations within India which do not rely on the supply of teachers in person has opened up learning to millions. Byju’s caters to over 43% of students that are learning on the platform from outside of India’s key metropolitan cities and this is expected to increase to over 60% in the next few years. Byju’s has over 115 million registered students till date demonstrating an increasing reach and access to its customer base.

**Principle 6 – Monitor the progress of each investment in achieving impact against expectations and respond appropriately.** The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

Impact measurement (via our four key pillars and drawn from the Joint Impact Indicators) is discussed with our portfolio companies at the outset of the investment process and is often a core part of their business model. This sets the alignment of expectations at the outset. Throughout the life of the investment, Foundation works closely with portfolio companies to obtain data to help analyse impact measurement and drive tangible actions and outcomes.

**Scoping for the impact measurement framework is as follows:**

<table>
<thead>
<tr>
<th>Scoping</th>
<th>Measurement</th>
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</thead>
<tbody>
<tr>
<td>How often will data be collected</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Method for data collection</td>
<td>Portfolio companies’ submission of quarterly operational and financial performance update</td>
</tr>
<tr>
<td>Data sources</td>
<td>Portfolio companies’ quarterly operational and financial performance data</td>
</tr>
<tr>
<td>Responsibilities for data collection</td>
<td>Rests with each portfolio company</td>
</tr>
<tr>
<td>Who is data reported to</td>
<td>Foundation Holdings</td>
</tr>
<tr>
<td>Stakeholder engagement</td>
<td>Quarterly board and management meetings/calls to assess financial and operational performance</td>
</tr>
</tbody>
</table>

The impact measurement framework is illustrated below:
In order to monitor and evaluate the results framework, the portfolio companies report quarterly to Foundation Holdings which helps to assess and understand any required adjustments to the strategy to ensure the expected impact strategy is on track to being met each fiscal year.

As of the last reporting cycle Foundation Holdings has completed USD 150 million worth of private institutional investments, impacting 28.0 million lives across the GCC and India and employing over 12,000 employees. Foundation Holdings via its portfolio companies has developed care and service models which promote accessibility and affordability to healthcare and education.

As Foundation has majority of its portfolio of companies that have been invested into over the last 12 – 48 months these are still at early stages. Foundation intends to measure impact data alongside financial performance data when monitoring the performance of an investment and any requirements for intervention.

As an example, during 2022, both impact and financial performance expectations were adjusted with our two technology companies, Byju’s and AlTibbi, in light of the macro impact to technology companies globally. The projections for each company were adjusted and a focus on monetization, sustainable growth and cost optimization came to the forefront for each of these portfolio companies.

Foundation has been focused on further developing its healthcare ecosystem. Foundation currently has a Memorandum of Understanding (MOU) in place with a 50-bed hospital operator in Jeddah, Kingdom of Saudi Arabia with a view to merge the hospital with its existing primary care provider network in Jeddah, Shifa Al Munthaza Polyclinics. Foundation’s objective is to expand access to affordable healthcare in KSA and improve the quality of life across the KSA. The Jeddah Municipality Redevelopment Programme, regulatory reform within Vision 2030 and increasing insurance penetration have created structural challenges to smaller, standalone hospitals. However larger chains are focused on catering to the higher income patient segment, creating a significant supply gap in the underserved but fast growing “affordable” income segment. The MOU between the companies will soon formalize into an investment being made by Foundation into the digital healthcare provider.

The above reflects Foundation’s commitment to building the healthcare eco-system with a focus on its four key pillars for strategic impact:

1. Increased access to healthcare (number of female patients served, target stakeholder demographic)
2. Improved quality of healthcare
3. Improved affordability of healthcare
4. Strengthened human capital (female doctor direct jobs supported, direct jobs created by the investment)

This is Foundation’s third example of creating an integrated omni-channel ecosystem with a focus on our four key pillars for strategic impact. The above example demonstrates how we are taking a similar approach in GCC healthcare to the online/offline hybrid omni-channel model we have successfully implemented in India education as described in the 2021 disclosure letter and to the integration of digital health with our brick and mortar primary care network in the UAE and KSA as described in the 2022 disclosure letter.

**Principle 7 – Conduct exits considering the effect on sustained impact.** When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

Foundation’s investment policy includes provisions for assessing and considering ESG performance and impact at exit.

Foundation Holdings has not yet conducted an exit.

At exit, Foundation would measure the status of impact achieved against its four key pillars for strategic impact and consider the effect on the portfolio company when making exit decisions to its investment portfolio:

1. Increased access to education and/or healthcare
2. Improved quality of education and/or healthcare
3. Improved affordability education and/or healthcare
4. Strengthened human capital and/or healthcare

Foundation intends to document exit decisions, rationale and measurement against the four key pillars for strategic impact through a memo approved by its Investment Committee.

**Principle 8 – Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.** The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

Foundation has overall responsibility and is actively involved in establishing the Impact Principles, monitoring the ESG and impact performance of its portfolio companies. ESG performance and impact potential are explicitly considered prior to the investment being made into a portfolio company, e.g. the lives impacted is a measure used for the provision of affordable, accessible and quality healthcare and or education. Based upon the data collection from the strategic impact framework established at each portfolio company Foundation intends to gain insights and turn these into actions to drive greater impact.

The data analysis for each portfolio company intends to be actively considered as part of ongoing portfolio review and engagement with portfolio companies.

As an example, for our portfolio company Promedex, the company initially intended to impact the lives of people only in KSA, however, with Foundation’s financial support and guidance to Management, Promedex has expanded its geographic presence to an additional country - UAE and thereby offering quality medical solutions and devices that now impact additional people’s lives in another country. Therefore, based on the achievement of the impact, Promedex is now considering a further geographic expansion to Bahrain.
This ecosystem touches on every one of the four key pillars for strategic impact:

1. Increased access to healthcare
2. Improved quality of healthcare
3. Improved affordability of healthcare
4. Strengthened human capital

Upon the first formal independent verification being conducted, the formal results of the impact realized from investments held over 36 – 60 months will be shared in reports to shareholders and will be utilized in making adjustments to the investment strategy.

**Principle 9 – Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.** The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for an independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

This Disclosure Statement confirms the alignment of Foundation’s policies, procedures, and practices with the Impact Principles. The independent verification will be conducted by December 2023, and thereafter every five years.