



Quadriga Capital Principal Adverse Sustainability Impacts Statement

Date: February 2022

1. Summary

Quadriga Capital acknowledges the responsibility of the asset management industry towards climate change risks and other principal adverse impacts on sustainability factors through the investment decisions that we make and the contact we have with investee companies and other institutions. The concept of Principal Adverse Impacts (“PAI”) is as follows:

Negative effects on sustainability factors that are caused or directly linked to investment decisions and advice performed by the legal entity.

As part of Quadriga Capital’s approach to sustainable investing we aim to mitigate the negative impacts of our investment decisions on sustainability factors while creating a positive impact for society. PAI on sustainability factors are considered throughout the entire investment process, as described in Quadriga Capital’s ESG & Sustainability Policy.

Quadriga Capital’s PAI reporting will be presented via the template related to PAI reporting in accordance with the requirements under the EU Sustainable Finance Disclosure Regulation (“SFDR”) Regulatory Technical Standards (“RTS”).

2. Description of the Principal Adverse Sustainability Impacts

Quadriga Capital has a long history of ESG integration and the use of ESG data in its investment processes and has due diligence policies in place to identify and prioritize relevant adverse impacts and indicators on sustainability factors which are reported within the Quadriga Capital ESG Impact Monitor.

The indicators that Quadriga Capital intends to report against are the indicators on greenhouse gas emissions, biodiversity, water, waste, social indicators applicable to companies, climate and other environment-related indicators, as well as additional indicators related to social factors and employees, respect for human rights, anti-corruption and anti-bribery matters as defined in the draft SFDR RTS.

Climate and other environment related indicators

1. GHG emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production Energy consumption intensity per high impact climate sector
6. Activities negatively affecting biodiversity sensitive areas
7. Emissions to water

8. Hazardous waste ratio
9. Investing in companies without carbon emission reduction initiatives
10. Natural species and protected areas

Social and Employee, Respect for Human Rights, Anti-corruption and Anti Bribery matters

1. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
2. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
3. Unadjusted gender pay gap
4. Board gender diversity
5. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)
6. Excessive CEO pay ratio

3. Description of Policies to Identify and Prioritise Principal Adverse Sustainability Impacts

Quadriga Capital's ESG & Sustainability Policy defines how Quadriga Capital approaches the integration of ESG and sustainability opportunities and risks into its decision-making process. Throughout the investment lifecycle, Quadriga Capital reports - internally and externally - on ESG and sustainability topics of its investee companies. Additionally, the policy guides Quadriga Capital in supporting investee companies to create value for stakeholders, society, and/or the environment, while enhancing investment returns in line with its fiduciary duty and return generating goals. The policy also contains Quadriga Capital's list of investment exclusion criteria.

4. Engagement Policy

Quadriga Capital's ESG and sustainability engagement approach is based on active ownership and the close collaboration with all parties involved. This includes the consideration of PAIs. Quadriga Capital's representatives on the supervisory board of an investee company collaborate with the investment teams of the German Adviser and the ESG/Impact team to formulate and implement ESG initiatives by leveraging Quadriga Capital's ESG and sustainability experience and due diligence findings. Post-acquisition, the investment team of the German Adviser conducts an ESG and sustainability onboarding with the senior management of the investee company that covers (i) an introduction to sustainability, ESG and impact, (ii) standard ESG and sustainability practices, (iii) case studies of ESG and sustainability value creation, (iv) risk management projects and (v) relevant reporting requirements. In collaboration with the investee companies' management, the investment team of the German Adviser and the

ESG/Impact team create an ESG and sustainability roadmap. The progress is monitored with the Quadriga Capital ESG Impact Monitor. Based on the results ESG and sustainability improvement measures are adjusted. The ESG/Impact team conducts periodic checks of the ongoing ESG and sustainability projects of investee companies and assesses whether adequate resources are being devoted to the material ESG and sustainability opportunities and risks. The ESG/Impact team ensures that the relevant Quadriga Capital bodies are informed and ESG and sustainability performance indicators are reported.

5. References to International Standards

Quadriga Capitals's commitment as a responsible investor is demonstrated by its longstanding status as a signatory of the UN Principles for Responsible Investment (UN PRI), the application of the Quadriga Capital ESG Impact Monitor and its signing of the IFC Operating Principles for Impact Management ("Impact Principles"). In the course of operationalizing the Impact Principles, in particular Principle 5 "Assess, address, monitor, and manage potential negative impacts of each investment" Quadriga Capital has adapted its processes so that potential negative impacts are also taken into account, including the above-mentioned PAIs.