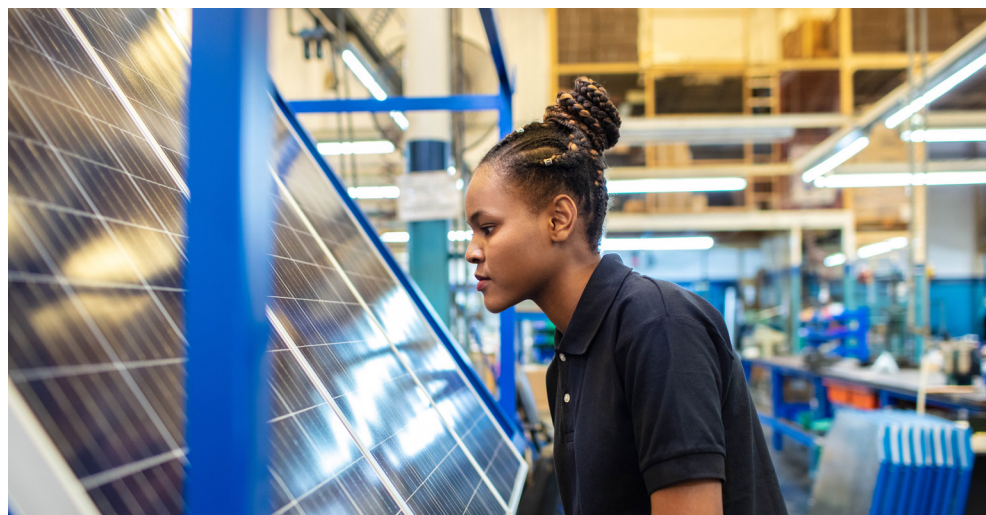


Quadriga Capital Annual ESG Report 2020/21



Editorial

Over the last years the relevance of ESG in private equity has significantly increased. One of the key take-aways of the COVID-19 pandemic is that sustainability considerations are more important today than ever before. ESG's focus on issues such as health and safety, sustainable supply chains and stable employment are at the centre of the COVID-19 crisis. Last year has shown that integrating sustainability considerations into operations and investment processes is key to creating a lasting positive impact. Quadriga Capital has been aware of its significance for a long time.

Quadriga Capital has been one of the ESG pioneers in the DACH mid-cap private equity market. ESG has been part of Quadriga Capital's investment process and value creation approach since 2007. As a UN PRI signatory since 2012, Quadriga Capital has always achieved A/A to A+/A+ ratings. In 2014, the development of the Quadriga Capital ESG Impact Monitor commenced. The Impact Monitor was created to measure ESG impact and enable a continuous improvement of ESG performance of the investee companies over the course of Quadriga Capital's holding period. As the Quadriga Capital ESG Impact Monitor is a dynamic tool, it is updated and expanded with the latest sustainability developments and KPIs. More than a decade of ESG experience is the cornerstone of Quadriga Capital's approach with the current advanced version of the ESG Impact Monitor being the data base of this ESG report.

With the experience gained during these years, the investee companies of Quadriga Capital were able to build the necessary capabilities to navigate through the many challenges of the COVID-19 pandemic in 2020. During this year, Quadriga Capital's key sustainability priority during the year was to support the investee companies, their management and stakeholders with a strong focus on ensuring health and safety as well as uphold business continuity in all relevant areas.

Despite these multiple challenges, Quadriga Capital was again able to take its portfolio to a new level of excellence across all ESG criteria making it Quadriga Capital's best year yet in terms of ESG performance and ratings. By increasing the ESG efforts despite the ongoing pandemic, each single investee company improved its overall rating, some of them even significantly. While ESG was perceived as an administrative burden by some companies a decade ago, today they are all proactively pushing the topic and recognising the intrinsic value of ESG.

Interestingly, ESG is not only an equity topic anymore. It has also become a topic for debt providers, for example by offering and applying ESG margin ratchets in many credit facilities. We are convinced that the ESG and sustainability trend will continue to enter all areas of business activity. This development goes hand-in-hand with Quadriga Capital's primary objective: sustainable value enhancement.

Over the last 12 months Quadriga Capital has invested significant resources to advance and transform its investment policy from a fund with strong ESG performance to a fund with sustainable impact. As part of this evolution, the ESG programme has been further enhanced with an impact toolbox. Advised by a renowned external impact adviser, the new impact framework has been integrated into Quadriga Capital's standard operating procedures to enhance competitiveness as well as social and ecological responsibility. To further underline this commitment, Quadriga Capital became a proud signatory of IFC's Operating Principles for Impact Management in February 2021 – pledging to create positive impact with the next fund generation. We are excited to continue on our strategic path of sustainable value creation and transformation with a strong focus on ESG, impact and sustainability.

The Quadriga Capital ESG team would like to express its gratitude to the management teams, ESG managers and employees of the investee companies for their continuous cooperation and congratulate them on improving the ESG performance of their companies. We look forward to the ongoing joint creation of positive impact in the future.



Jörg Mugrauer

Managing Partner, Quadriga Capital Eigenkapitalberatung GmbH

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1 Introduction

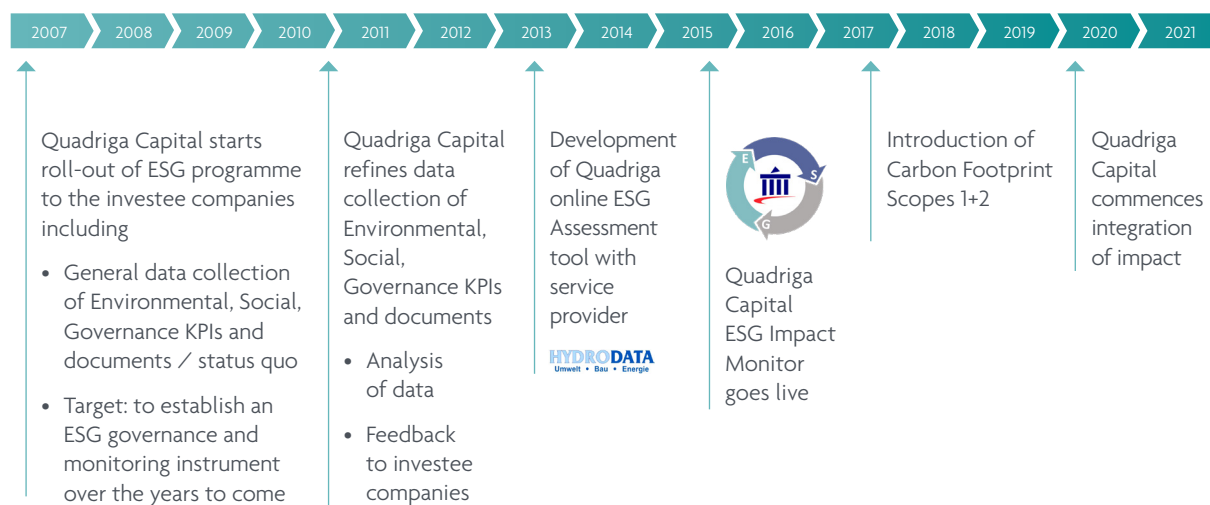
Quadriga Capital's ESG Report focuses on four main aspects – the governance of sustainability, the ESG performance across the portfolio, the ESG performance within the investee companies and Quadriga Capital's philanthropic activities.

As an expression of its commitment, Quadriga Capital introduced its ESG efforts in 2007, has been a signatory to the United Nations Principles for Responsible Investment since 2012 and established the **Quadriga Capital ESG Impact Monitor** in 2015.

Last year, the ESG performance of Quadriga Capital's portfolio exceeded all previous results. Although 2020 has been full of challenges with the COVID-19 pandemic being an omnipresent threat, Quadriga Capital improved the portfolio level performance for all three ESG factors, environment, social and governance. In 2020, two new investee companies were acquired, while two companies left the portfolio accounting for a level of variation in the scores. Aspire Education became the 2020 ESG champion of Quadriga Capital's portfolio.

In 2020, Quadriga Capital began to expand its sustainability approach into the area of impact investing. From this point on, Quadriga Capital intends to work with its investee companies to both avoid negative impacts, act for the benefit of its stakeholders and actively contribute to the solution of global challenges.

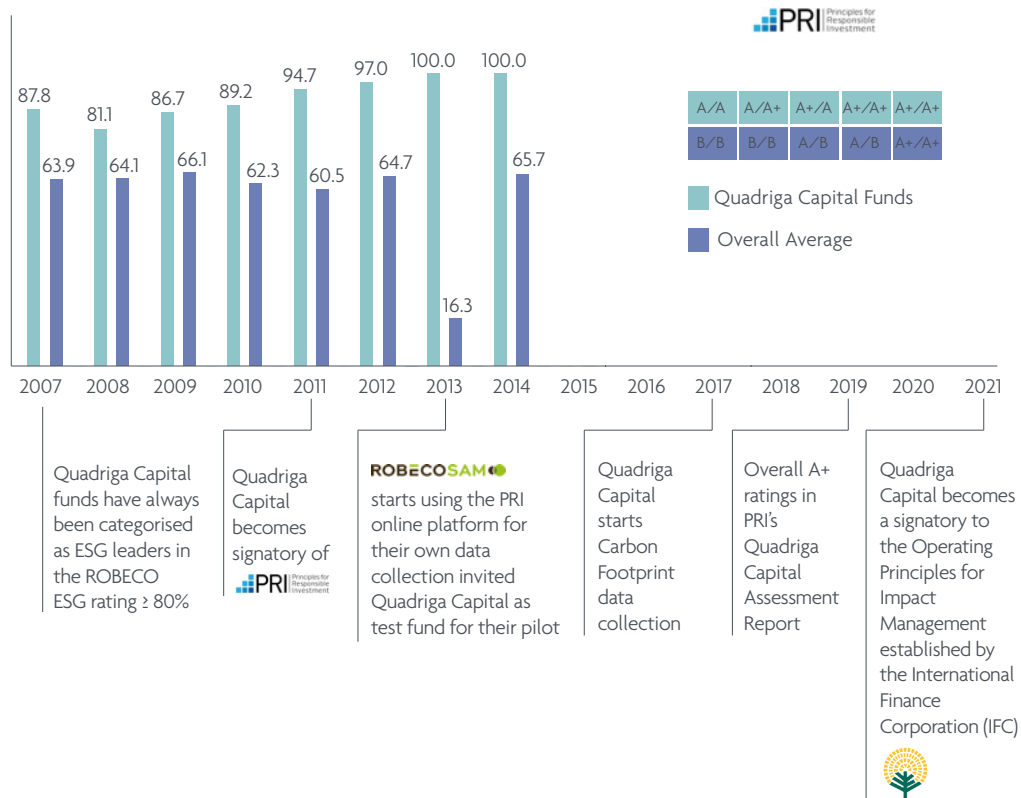
1.1 Timeline & Milestones



1 Introduction

1.2 Signatories & Scoring

Figure 1. Quadriga scores vs. overall average (in %) of peer signatories¹



The Quadriga Capital funds have maintained an above-average score since 2007, with the ESG performance scores increasing by 18.9% since 2008.

The submission and assessment of the United Nations Principles for Responsible Investment (UN PRI) Reporting are delayed due to the COVID-19 crisis. The results of the 2020 assessment are not expected before the end of the second quarter of 2021. Therefore, Quadriga Capital's UN PRI rating for 2020 could not be included in this report. Quadriga Capital is going to publish its score on its webpage as soon as it is made available by the UN PRI council. Quadriga Capital did not report to ROBECOSAM last year as Robeco is no longer invested in Quadriga Capital's Funds.

Quadriga Capital's ESG achievements and practices have often been acknowledged through excellent external ratings. Quadriga Capital had been nominated for the third time by SWEN Capital's "ESG Best Practises Honours" through its ESG initiatives and performance over the last years.



¹ UN PRI rating system changed in 2015

1 Introduction

Since February 2021, Quadriga Capital has been a signatory to the Operating Principles for Impact Management (Impact Principles). The Impact Principles were launched by the International Finance Corporation (IFC) in April 2019. Quadriga Capital has been among the first 120 signatories and is the first DACH mid-cap private equity fund to commit to the Impact Principles. By becoming a signatory, Quadriga Capital made a binding commitment to integrate impact factors across the entire investment value chain. To maintain the status of a signatory, compliance with the principles must be externally verified annually.

The Impact Principles are intended to be a framework for investors for the design and implementation of their impact management systems, ensuring that impact considerations are integrated throughout the investment lifecycle. The Impact Principles consist of nine individual principles providing an impact operationalization framework for the investment value creation chain. Quadriga Capital uses the Impact Principles as a guideline for the implementation of its impact management system.

Quadriga Capital is going to publish a disclosure statement outlining the application of the nine impact principles over the course of the year.

INVESTING FOR IMPACT:

Operating Principles for Impact Management



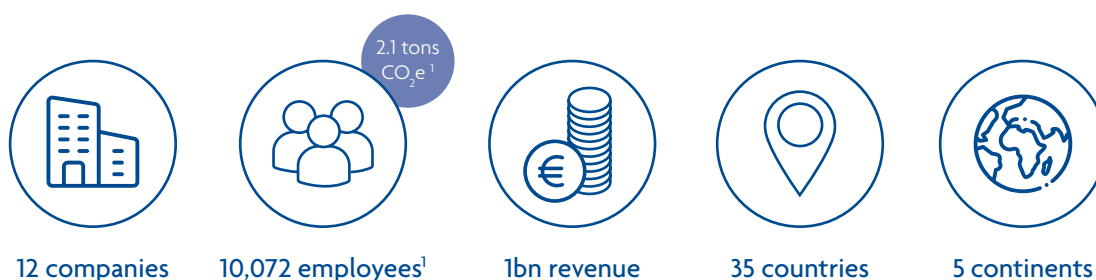
2 Governance of Sustainability

ESG standards are imperative in protecting the investee companies, management and employees.

Well established ESG tools create more transparency, strengthen the trust of customers and stakeholders while increasing company values.

Quadriga Capital ensures that all ESG values and sustainability standards are integrated across the entire portfolio. It remains a core responsibility to maintain these in a transparent and diligent manner. A shared mission and common goal between fund managers and the investee companies is crucial for success and growth. Since the publication of the last ESG report 2019/20, two new investee companies have joined the Quadriga Capital portfolio while two have been exited. The wecare Group and the GIG Group have become part of the Quadriga Capital portfolio. They completed the questionnaires underlying the ESG Impact Monitor for the first time this year. The reporting was started and the first measures were developed. At the same time, Quadriga Capital divested two investee companies after a successful cooperation, particularly with regard to ESG.

Portfolio:



2.1 Quadriga Capital ESG Impact Monitor

The **Quadriga Capital ESG Impact Monitor** is a programme designed to adopt ESG standards and continuously improve ESG performance. The **Quadriga Capital ESG Impact Monitor** is mandatory for all investee companies.

With more than **400 performance indicators**, the tool provides comprehensive information on the status of planned, ongoing or recently completed ESG-related improvement measures. Based on this, it is possible to actively manage ESG performance. Following the extraction and benchmarking of quantitative ESG data, each invested company can formulate its environmental, social and governance action plans. Quadriga Capital thereafter fully supports the investee companies in the implementation of the derived actions.

Examples of ESG indicators:

Environmental	Social	Governance
<ul style="list-style-type: none"> Emissions reduction Carbon offsetting programmes Energy efficiency Renewably sourced energy Responsibly sourced materials Waste Management Supply chain transparency 	<ul style="list-style-type: none"> Compliance with strong code of ethics Employee training Labour practices Occupational health & safety Diversity Gender equality Terms of employment 	<ul style="list-style-type: none"> Company guidelines Company rules & regulations Internal control principles risk management Strict application of α-System Responsible engagement Corporate citizenship ESG policies

¹ No. of employees are per Q4/2020, emission of tons are based on Scopes 1+2

2 Governance of Sustainability

For the development of the **Quadriga Capital ESG Impact Monitor**, Quadriga Capital teamed up with sustainability data specialist Hydrodata in order to draw on their expertise in ESG content as well as their knowledge of processing large amounts of data. Hydrodata is an ISO-certified environmental consultancy with a focus on energy efficiency, environmental due diligence and compliance, based in Germany.

The **Quadriga Capital ESG Impact Monitor** also serves as a scoring model to measure and compare ESG performance and to provide systematic recommendations for action. Each investee company is assessed in all three areas and then compared with a benchmark. The general average of the ESG performance scores for 2020 can be found in the following sections of this report.

2.2 ESG Policy

Quadriga Capital adjusts its policy regularly in order to adapt to environmental, social and governance issues. The policy contains ESG implementation strategies through the **Quadriga Capital ESG Impact Monitor**, a code of conduct and an exclusion policy. These are continuously adapted to reflect up to date opportunities and risks Quadriga Capital is exposed to. This dynamic system enables Quadriga Capital to prioritise the most crucial risk mitigation strategies to protect itself and the investee companies.

Examples of ESG aspects which are deeply embedded within the policy are the following:

Environmental	Social	Governance
<ul style="list-style-type: none">• Lowering emissions and further negative impact on climate• Responsible & sustainable use of resources• Decreasing energy consumption & increasing energy efficiency• Increasing effective waste management & recycling• Decreasing toxic- & hazardous waste• Research on eco-friendly chemicals for processing and production• Supervision & transparency of supply chains	<ul style="list-style-type: none">• Human rights adherence & avoidance of child labour• Fair treatment of employees• Prevention of racism & discrimination• Foster diversity & gender equality• Increase health & safety of employees• Terms of employment and working environment	<ul style="list-style-type: none">• Abide by the Code of Conduct and/or Code of Ethics• Avoid corruption & bribery• Increase effectiveness & accountability• Implement Internal & external reporting / risk management / internal control principles, audits• Improve employee relations and remuneration• Improve stakeholder- & shareholder relations• Compliance with laws and regulations and internal business guidelines

Quadriga Capital ensures that these aspects are abided by through its ESG Impact Monitor. Engaging each investee company on the different KPIs to be able to swiftly find solutions for any associated issues or threats.

The most vital guidelines of the ESG policy remain transparency, ethical methods of conducting business and honest reporting.



ESG Areas
Covered in policy



Quadriga Capital's Policy
Dynamic & Adaptable

3 ESG Performance

The collection of quantitative ESG performance data within the private equity industry has evolved significantly in recent years. Since the inception of its ESG engagements, Quadriga Capital has been convinced that the measurement, reporting and development of this data is the key to success in addressing environmental, social and governance issues on a global scale. The data is not only valuable for reporting to limited partners, but also provides investee companies with the opportunity to develop internal ESG action plans to improve their performance and meet global accountability criteria.

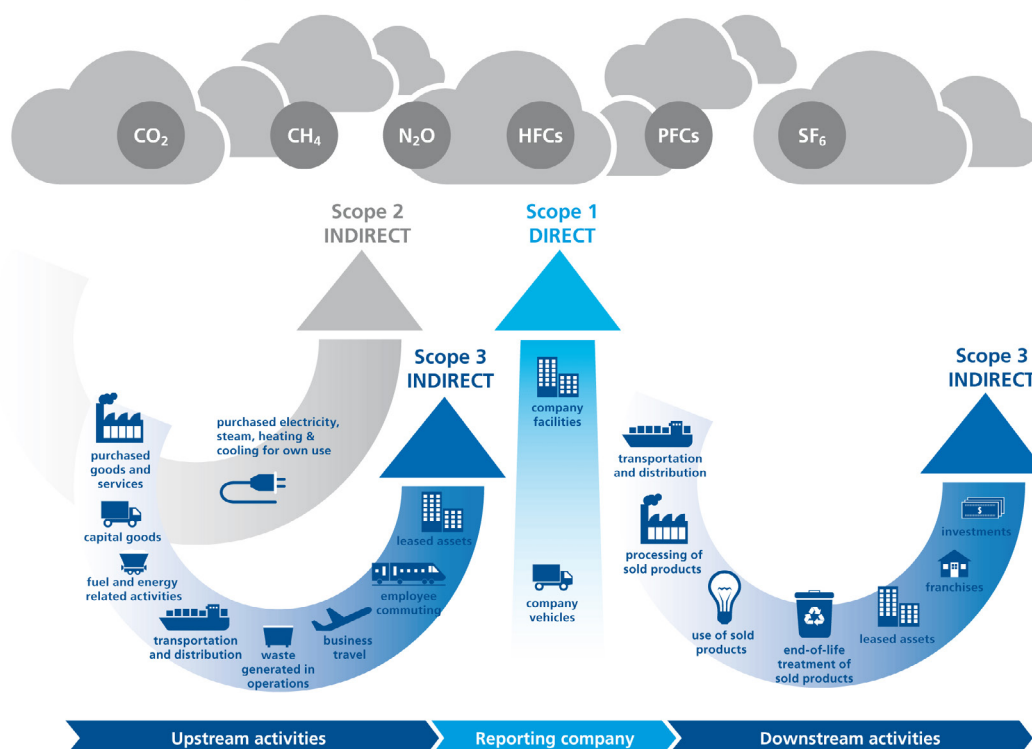
The following section discloses the ESG performance of Quadriga Capital itself, followed by the performance of all investee companies. For Quadriga Capital, transparent communication of the **Quadriga Capital ESG Impact Monitor** scores is an important concern. It offers the opportunity to share the successes of the investee companies and to obtain suggestions for improvement at the same time.

3.1 Results Quadriga Capital

Quadriga Capital (together with its advisers and sub-advisers) is a private equity firm with more than 30 employees and the environmental and social impact remains relatively low.

Since 2018, Quadriga Capital has been measuring the **Carbon Footprint** Scopes 1, 2 + 3 for the Fund Administration in Jersey, its Investment Adviser in London as well as the German Adviser in Frankfurt.

Figure 2: Methods of emission measurements Scopes 1,2 + 3

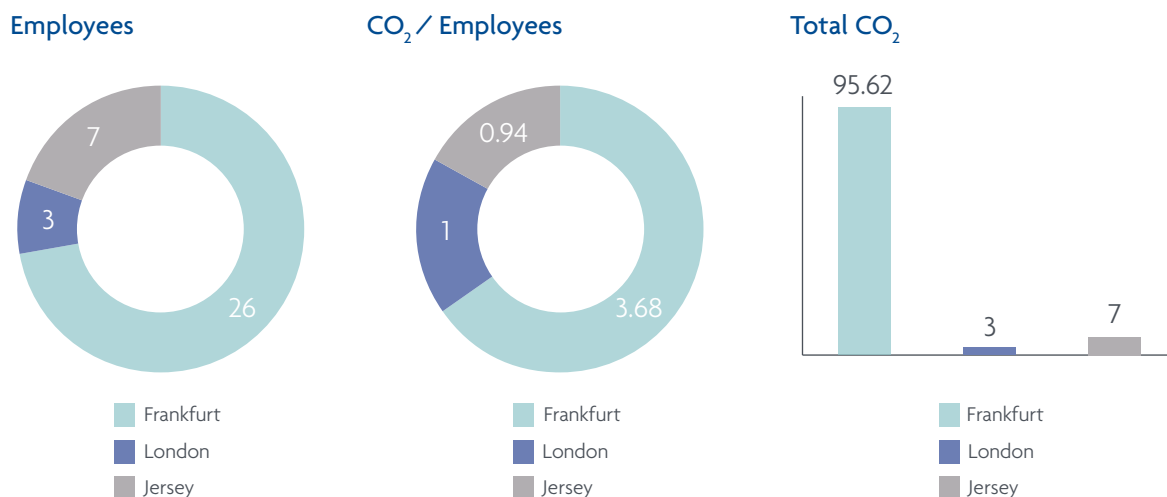


Source: myclimate.org - World Resources Institute & World Business Council for Sustainable Development, 2011.

(<https://compareyourfootprint.com/difference-scope-1-2-3-emissions/>)

3 ESG Performance

Figure 3: Carbon footprint results 2020 - Quadriga Capital



Quadriga Capital → Total = 105.21 tons CO₂ → Employee 2.92 tons CO₂



Between 2019 and 2020 offices reduced their CO₂ footprint by

66%



Between this period, emission per employee reduced by

5.68 tons CO₂

In 2020, Quadriga Capital was able to drastically reduce its carbon footprint. For the three Quadriga Capital offices, greenhouse gas emissions could be reduced from 309.69 tons of CO₂ in 2019 to 105.21 tons of CO₂ in 2020. This is a very welcome development which can partly be attributed to internal measures, but is primarily the result of the COVID-19 pandemic and the associated lower mobility level. Quadriga Capital introduced internal policies to reduce air travel and increase video conferencing. For domestic travel regular flight routes were partly replaced by train alternatives. COVID-19 has rendered these measures largely obsolete. As a result, Quadriga Capital has exceeded its 2020 target – 20% reduced emissions since initial measurement in 2018 – many times over. The challenge now is to maintain and further reduce this level even as travel activity increases again. Quadriga Capital's new goal is to maintain this level until 2022 and to become completely CO₂ neutral by 2025.



Target: Maintain reduced rate of CO₂ emissions until 2022



Become CO₂ neutral by 2025

Quadriga Capital will continue to report on their CO₂ emissions in a transparent manner and on a yearly basis, taking every relevant criterion into account in its calculation.

3 ESG Performance

3.2 Results Investee Companies

The following section displays the ESG performance data of the Quadriga Capital investee companies over the past seven years. The data is collected within the **Quadriga Capital ESG Impact Monitor**. The quantitative data is measured and compared on a year to year basis, revealing the numerous improvements while simultaneously disclosing areas of underperformance.

As of 2020, the portfolio comprises the following companies:



White Group is the holding company for both Zahnärztliche Tageskliniken and Kaiserin-Auguste- Victoria-Krankenhaus.

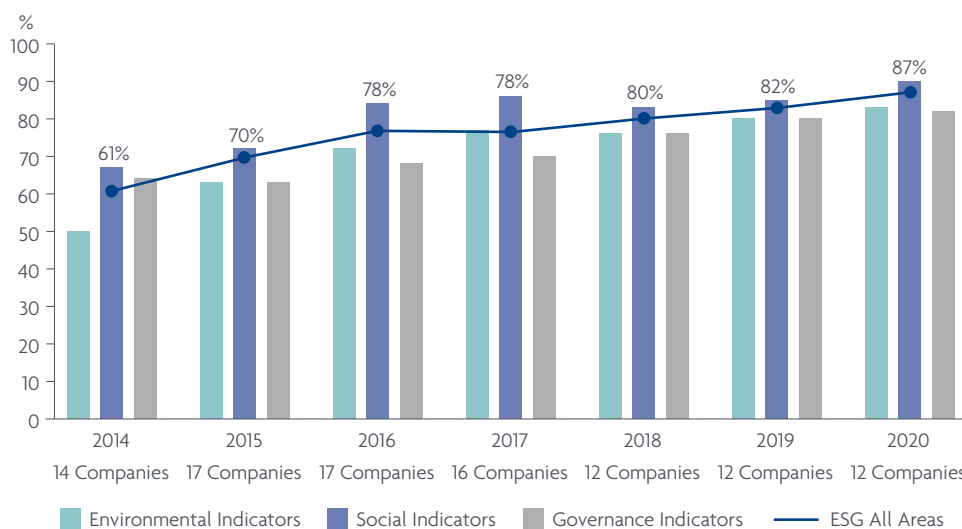
The insights from the **Quadriga Capital ESG Impact Monitor** are very valuable to Quadriga Capital as a fund management company in ensuring strong environmental, social and governance performance of the companies in which it invests. Maintaining a strong sustainability performance is essential to the success and value creation of any business. The investee companies are surveyed on their performance results and ESG action plans are prepared on the assessment.

Tab 1. Average ESG performance scores of investee companies in % (2014 – 2020)

ESG Performance - Portfolio Average						
Reporting Period	No. of Investee companies	General ESG Indicators	Environmental Indicators	Social Indicators	Governance Indicators	Average ESG All Areas
2020	12	91%	83%	90%	82%	87%
2019	12	82%	81%	85%	80%	82%
2018	12	80%	76%	83%	76%	80%
2017	16	81%	77%	86%	70%	78%
2016	17	85%	72%	84%	68%	78%
2015	17	81%	63%	72%	63%	70%
2014	14	61%	50%	67%	64%	61%

3 ESG Performance

Figure 4. Average ESG performance scores of investee companies in % (2014-2020)



The average ESG performance scores are portrayed between the years 2014 and 2020. Evidently, the investee companies have significantly improved their performance over the years. Factors which influence the average score are the number of companies assessed and the portfolio constellation. Since the initial assessment in 2014, the average ESG performance of the Quadriga Capital portfolio has increased significantly. The strongest improvement between 2014 and 2020 can be seen in environmental performance with an astonishing increase of over 60%. Every year of the assessment, the social indicators rank highest of the three, achieving a record 87% in 2020. Performance scores for governance indicators have been rising steadily since 2015.

In 2020, the Quadriga Capital funds have again achieved a high scoring balance between the three ESG indicator groups and are, thus, equally weighted.



Quadriga Capital portfolio
ESG performance increase

+30%



Highest ESG performance
score for the year

2020

3 ESG Performance

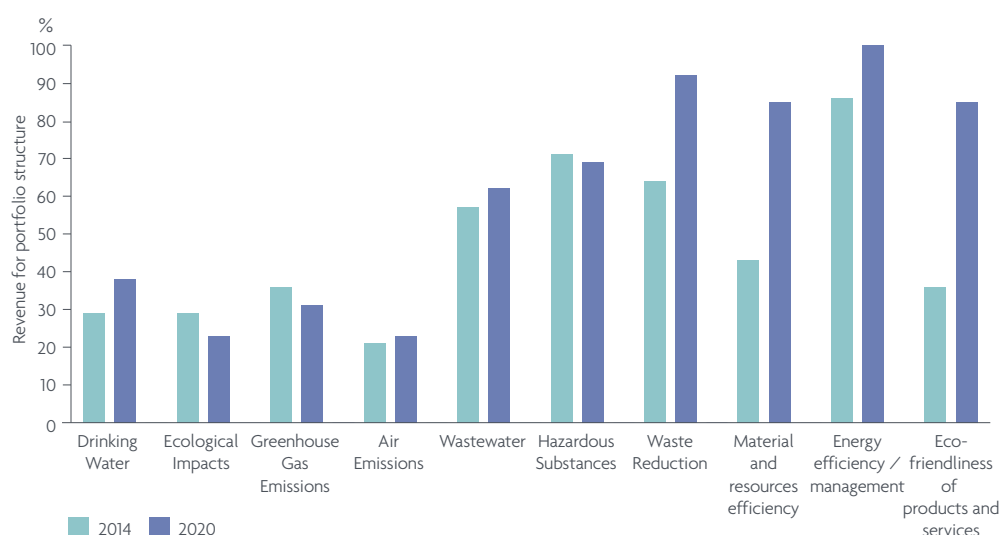
The following pages show a detailed evaluation of the performance for the individual ESG components. The data of the individual investee companies has been aggregated and analysed at the portfolio level.

3.2.1 Environmental Performance

For each of the three ESG factors, the **Quadriga Capital ESG Impact Monitor** is based on many KPIs. The following figure provides an overview on selected areas measured through the monitoring tool within the environmental sector.

Environmental criteria have significantly increased and become of higher importance over the past seven years with the rising pressure of climate change and pollution. Quadriga Capital values the commitment of the investee companies and therefore enquires which environmental areas are most important to them. This method allows them to focus on developing an environmental action plan that is aligned with their individual environmental goals.

Figure 5. Environmental areas covered by the Quadriga Capital ESG Impact Monitor



In 2020, Quadriga Capital and its investee companies have put a greater focus on environmental friendliness of products and services, energy efficiency, material and resource efficiency as well as waste reduction. Compared to the first assessment year in 2014, these areas have greatly increased in importance.



3 ESG Performance



Highest increase 2014-2020 area:
Eco-friendliness of products and services

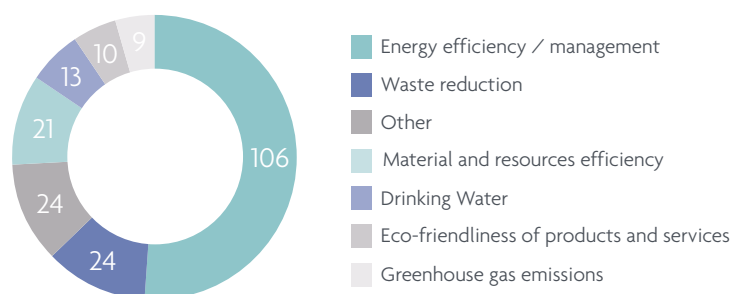


Most valued area 2020:
Energy efficiency / management

The cost saving potentials led to energy, material and resource efficiency being the most valued topics of the investee companies, closely followed by waste reduction. Since 2014, the importance of material and resource efficiency has risen by 49% whereas energy efficiency management has been valued almost equally important over the years.

The following figure indicates where environmental improvements are ongoing or planned. The improvement measures cover many environmental topics.

Figure 6. Areas of environmental improvement measures



With 106 improvement measures for energy efficiency planned or ongoing in 2020, this area was the most valued by all investee companies. Waste reduction and resource efficiency seem to be showing potential, yet do not come close to energy efficiency management.



Top priority
Energy Efficiency Management

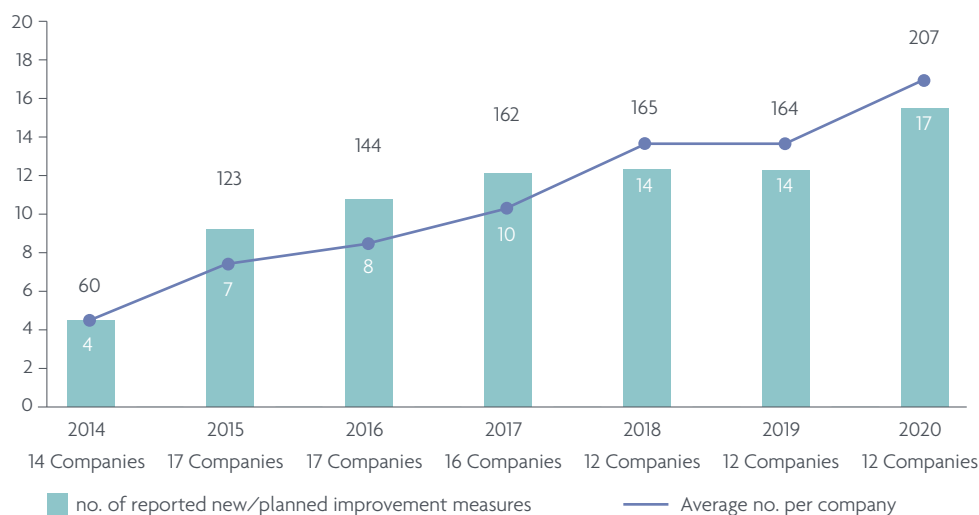


106 Planned & Ongoing
Improvement Measures



3 ESG Performance

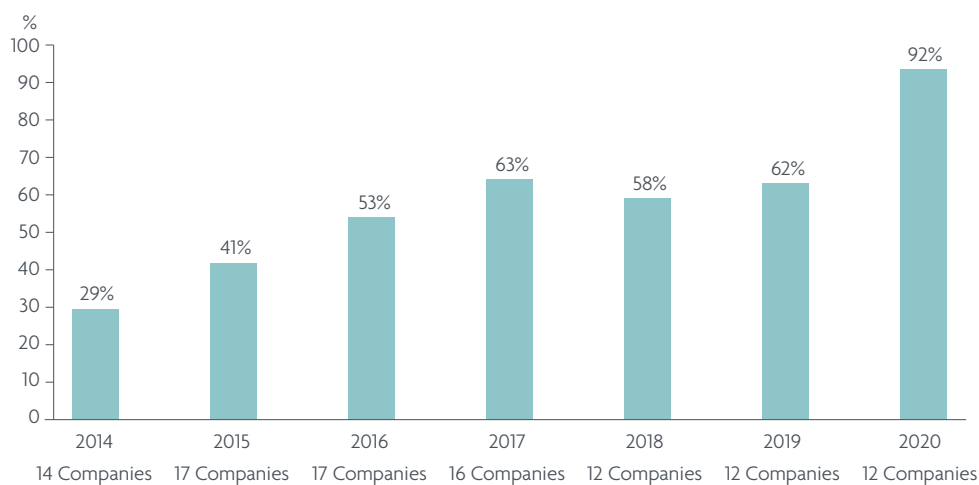
Figure 7. Average environmental improvement measures per investee company



The development of planned and ongoing improvements regarding environmental areas between 2014 and 2020 is displayed in the figure above. Since 2014, for all investee companies the total number of improvement measures has increased by 147 while the average number of measures per investee company has increased by 13. This indicates that environmental areas have become more important over the years and that the investee companies are rapidly changing their strategy.

The following graph shows the number of investee companies using renewable energy while also providing the amount which is used every year in %. These numbers vary due to the turnover within in the portfolio. 2020 was the year with the highest amount of renewable energy used. 11 of the 12 investee companies use either eco-power, photovoltaics, wood or solar thermal energy.

Figure 8. Number of investee companies using renewable energy and amount in %



3 ESG Performance

Multiple investee companies switched to green electricity in 2019, accounting for a considerable amount of CO₂ savings. In 2020, the emissions were lowered even further. On average, the CO₂ emissions of the investee companies were reduced by 16.2 % per company. As there have been some changes in the Quadriga Capital portfolio over the last year - two companies have joined, two have left the portfolio - the total CO₂ emissions of the previous year 2020 cannot be compared with those of 2019. No reliable figures could yet be collected for two investee companies. The CO₂ emissions for the ten investee companies which have been part of the Quadriga Capital portfolio for more than a year amount to 9,304 tons.

The following table shows the performance of 10 out of 12 investee companies for CO₂ emissions. For two of the companies there is no CO₂ emission data available. The data is extracted from the **Quadriga Capital ESG Impact Monitor**. The tool measures the CO₂ emissions through:

- Scope 1 – Direct emissions -> reporting company
- Scope 2 – Indirect emissions -> upstream activities

The scores are broken down into the minimum and maximum achieved scores followed by the average CO₂ emissions. All metrics are in tons and the employee average is calculated followed by the total amount of emissions measured for each scope.

Tab 2. CO₂ emissions of portfolio in 2020

Categories in CO ₂ -Equivalent	Minimum tons CO ₂	Maximum tons CO ₂	Average tons CO ₂	Total tons CO ₂
Scope 1	54	1,769	430.4	4,734
Scope 2	46	1,009	415.5	4,570
Scopes 1 + 2	94	2,194	845.8	9,304
Tons CO ₂ per employee	0.4	4.8	2.1	1.9

The intensity of the total direct emissions of Scope 1 are slightly higher than the total indirect emissions of Scope 2 by 164 tons CO₂. The direct emissions show a higher maximum and higher minimum than the indirect emissions. For the Quadriga Capital portfolio in 2020, the average employee emits a total of 2.1 tons CO₂.



3 ESG Performance

There are numerous factors influencing these performance scores which must be considered during this assessment. As with Quadriga Capital's carbon footprint, COVID-19 and the associated reduced mobility also had a significant impact on the portfolio's CO₂ emissions. Over the course of 2020, Quadriga Capital has been actively working with each investee company to reduce greenhouse gas emissions quantified in tons of CO₂. However, a large part of the savings are likely to be due to the reduced mobility due to the various COVID-19 restrictions. The extent of this has varied across the different global production sites in which Quadriga Capital's investee companies operate.

Quadriga Capital is committed to engage each investee company on developing industry tailored strategies to keep emissions at a lowest possible rate while promoting the use of renewable energy. Quadriga Capital is currently evaluating strategies with various portfolio companies on how they can become CO₂ neutral.

3.2.2 Social Performance

The following figure shows selected social areas measured by Quadriga Capital's ESG Impact Monitor, providing an insight into the social indicators. Quadriga Capital collects information on social areas that is most important to investee companies. This allows them to develop a social action plan that is aligned with their individual social objectives. The importance of social areas has increased significantly over the last seven years.

Figure 9. Social areas covered by the Quadriga Capital ESG Impact Monitor



Of the social issues covered by the **Quadriga Capital ESG Impact Monitor**, the investee companies selected workforce health and safety as the top priority, followed by work environment and employment conditions.

Compared to the initial assessment in 2014, these areas have greatly increased in importance. Customer and product responsibility, for example, received more than double the recognition in 2020 compared to 2014.



Highest increase 2014-2020 area:
Customer and product responsibility



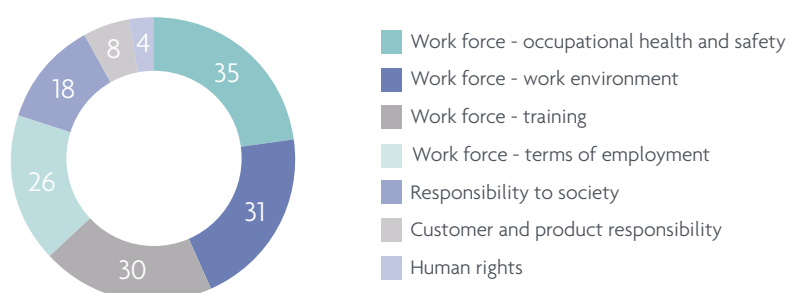
Most valued area 2020:
Workforce - occupational health and safety

3 ESG Performance

Since the onset of the COVID-19 pandemic, workforce and occupational health and safety have been the most important category for investee companies at 85%. To ensure that robust health and safety measures are in place to ensure resilience to the potential risks, Quadriga Capital continuously engages with the investee companies.

The following chart shows the numerous topics where social improvements are underway or planned.

Figure 10. Areas of social improvement measures



In addition to the 207 environmental improvement measures, 152 improvement measures were implemented in the social area in 2020. Most of the planned or ongoing improvement actions in 2020 were related to employee health in the workplace with a total number of 35, followed by improvements in the work environment, training and working conditions with a total number of 31, 30 and 26 respectively.

Figure 10 shows that the investee companies are currently taking many measures in the area of health and safety. In the medium to long term, other measures are likely to come back into focus.



Top priority:
Workforce - occupational health and safety



35 Planned & Ongoing
Improvement measures



3 ESG Performance

Figure 11. Average social improvement measures per investee company between 2014 and 2020

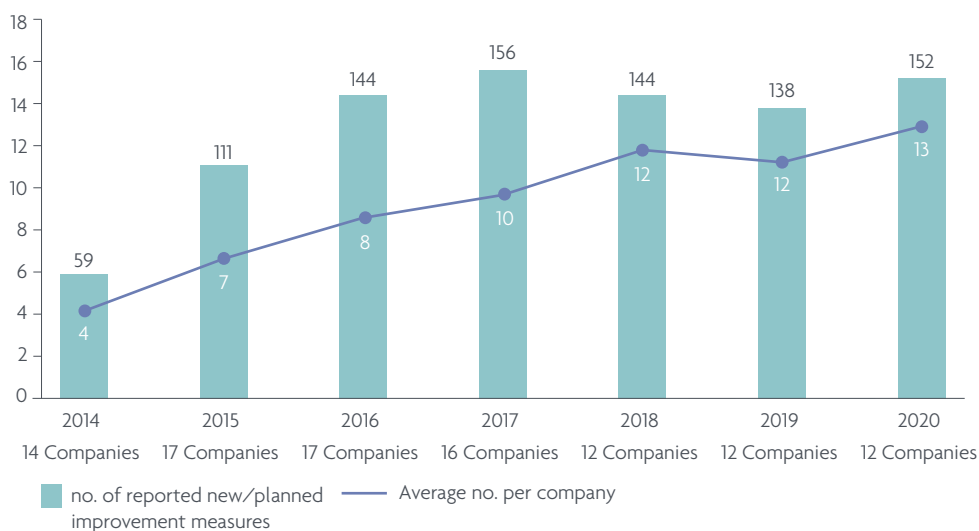


Figure 11 shows how the planned and ongoing social improvement measures have changed over the past seven years. Since the first assessment in 2014, the number of measures has increased significantly until 2017, when the number decreased. In 2020, the trend has reversed again. More measures were taken than in the previous two years.

Since 2014, the investee companies have increased the number of improvement actions by 93, while the average number of actions per investee company has increased by 8. The average number of planned and ongoing improvement measures to address social issues has increased significantly in recent years.



3 ESG Performance

3.2.3 Governance Performance

The figure below shows the development of selected governance indicators from the **Quadriga Capital ESG Impact Monitor**.

The trend that can also be observed in the other ESG areas continues here. The governance area has also gained in importance for the investee companies. Quadriga Capital's data collection revealed that it continues to be very important to the investee companies to ensure sound governance structures within their company and to provide resilience to future ESG risks. The data collected by Quadriga Capital indicates in which areas the investee companies have already been successful with their efforts and in which areas these efforts need to be further expanded.

Figure 12. Governance areas covered by Quadriga Capital the ESG Impact Monitor



Governance topics covered by the **Quadriga Capital ESG Impact Monitor** that were particularly important to the investee companies in 2020 are IT improvements and management systems, reporting and transparency. For the current portfolio, the bylaws category achieved the highest score in 2019, which was maintained throughout 2020.

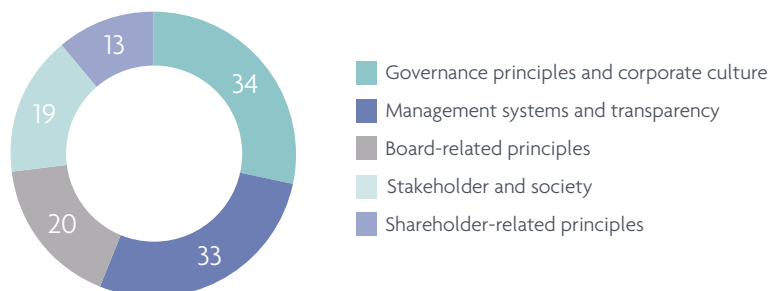
The importance of the governance area and especially the two top categories have increased significantly compared to 2014, when the assessment was conducted for the first time. IT improvements, management systems as well as reporting and transparency have gained importance.

In 2015, the data collection of risk management data as well as classification and regular updating of risk reports data started. The risk management function category has increased insignificantly since 2015, showing room for improvement. Compliance systems and code of conduct have remained stable since the first assessment year, as it has always been an important issue.

3 ESG Performance

Figure 13 shows the ongoing or planned governance improvements. The improvement actions cover a wide range of governance issues, from organisational to compliance aspects.

Figure 13. Areas of governance improvement measures



In addition to the 207 environmental and 152 social improvement actions, a total number of 119 improvement actions were implemented in the governance area in 2020.

Most of the planned or ongoing improvement actions in 2020 were related to governance principles and corporate culture with a total of 34, followed by management systems and transparency with 33 actions.



Top Priority:
Governance principles and corporate culture



34 Planned & Ongoing
Improvement measures



3 ESG Performance

Figure 14. Average governance improvement measures per investee company 2014 - 2020

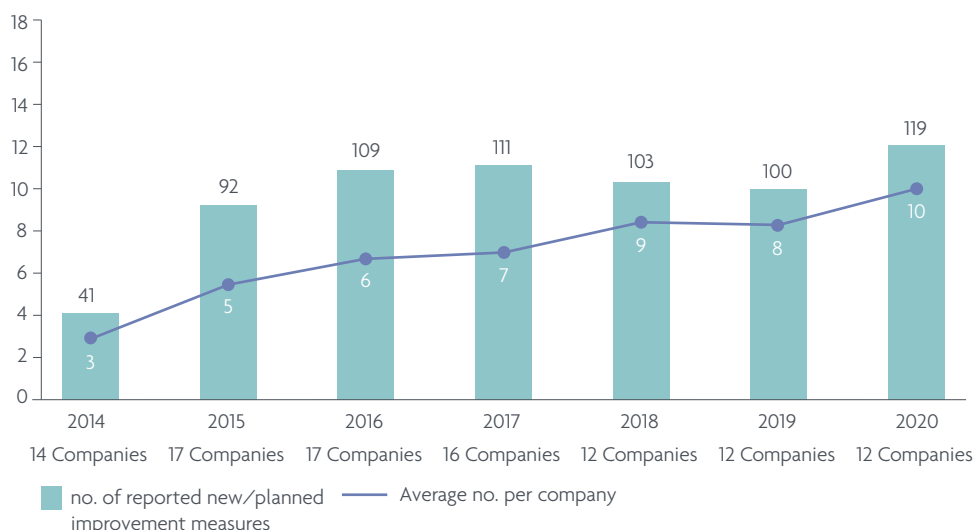


Figure 14 shows the development of planned and ongoing improvement measures in the governance area between 2014 and 2020. Since 2014, when the numbers were collected for the first time, the amount of measures has increased significantly until 2017. The decrease until 2020 can be attributed to the fact that new companies have been added to the portfolio while others have left. This factor causes the number of planned and ongoing governance improvement measures to vary. In 2020, the trend has reversed and more measures have been implemented than in 2019.

Since 2014, the number of improvement actions in investee companies has increased by 78, while the average number of actions per investee company has increased by 7. The increasing adaptation of internal structures and policies in investee companies indicates that governance has become more important over the years.



4 ESG Best Practices - Investee Companies

The following section of Quadriga Capital's annual ESG report highlights the ESG performance of each investee company. The data on which the scoring is based is not published and remains visible only to the limited partners. Transparency towards the limited partners is of high importance to Quadriga Capital, however, on the other hand the privacy of the investee companies should not be jeopardised by the publication of internal information. This is particularly true for those companies that have only recently joined the portfolio and have just started to improve their ESG performance.

For each investee company, there is a brief description of its activities, as well as a classification in its core industry group. In addition, their aggregated ESG performance per ESG factor is shown and ESG-related best practices are explained.

Healthcare



Smart Industries

Tech-Enabled Services

Investee companies in Healthcare	Investee companies in Tech-Enabled Services	Investee companies in Smart Industries
<ul style="list-style-type: none"> • White Group • wecare Group • GIG Group 	<ul style="list-style-type: none"> • Aspire Education • GBA Group 	<ul style="list-style-type: none"> • Ipsen • Kinetics • Hedrich • SCIO Automation



Consumer Sector

The former consumer core sector with consumer goods and food industry consists of the following investee companies:



- Burgerista
- ETERNA
- LR Health & Beauty

4 ESG Best Practices - Investee Companies



White Group is the holding company for both ZTK Zahnärztliche Tageskliniken (ZTK) and Kaiserin-Auguste-Victoria-Krankenhaus (KAV). The White Group was formed in 2015 with the aim to create a leading group of dental clinics in the German market. The dental services sector has historically been highly fragmented and is characterised by steady growth. The White Group is pursuing an active patient-centric roll-out strategy based on three elements: opening of new clinics, organic growth of existing clinics and increasing prominence of its brand and marketing presence.

The holistic approach to treating patients with all conventional and specialist dental services under one roof, combined with the latest treatment techniques and technology, ensures a successful treatment for patients and an attractive place to work for medical staff. White Group currently runs fifteen locations and is one of the leading dental clinic groups in southern Germany.

Best Practice: Corporate Governance & Patient Safety.

- IT Security & Data protection
- Reporting & Transparency
- Compliance System & Code of Conduct
- Social Principles
- Internal & External audits
- Regular employee training on safety measures & IT security
- Own podcast accessible on website
- Recommended by Focus Gesundheit periodical
- Set up of Quality Management Committee, consisting of executive board, clinic and materials management



www.z-tagesklinik.de, www.kav-krankenhaus.de

4

ESG Best Practices - Investee Companies



The wecare Group was formed in 2020 with the aim to build a qualitatively and conceptually leading company in the steadily growing market for care services in Germany. As part of a corporate succession solution, the Medical Senioren-Park Group with six locations as well as an additional six operations of the Convivo Group were acquired at the beginning of 2020. Since then, additional homes have become part of the wecare family. As part of a buy-and-build strategy, the portfolio of the newly formed nursing home operator shall be continuously expanded with integrated nursing facilities and services. Currently, the wecare Group employs around 1,444 staff, caring for 1,464 people in need at 14 facilities. As a first-time participant in the **Quadrige Capital ESG Impact Monitor**, it has not yet been possible to collect carbon footprint data for the wecare Group.

Best Practice: sustainability program “wecare4future”.

In progress of being implemented throughout the Group during 2021 covering sustainability goals and measurements in the areas:

- People
- Staff
- Food
- Nature
- Waste
- Health
- Facilities
- Communication



www.wecare-gruppe.de

4 ESG Best Practices - Investee Companies



With the goal of ensuring the treatment of cardiovascular diseases at the highest medical standard throughout Germany, the Gesellschaft für integrierte Gesundheitsversorgung mbH (GIG) was founded in 2020 as a growing group of outpatient care centres and day-care centres. The cross-sectoral treatment offering includes specialties such as cardiology, angiology, pneumology, vascular surgery and pain therapy.

To make this set of services available to all patients throughout Germany, the Algesiologikum Group in Bavaria and the DEGEDI Group have become part of the GIG Group. By offering attractive succession solutions that secure patient care, the GIG Group intends to continue its regional growth in the coming years.

Due to its establishment in 2020 and as a first-time participant in the **Quadriga Capital ESG Impact Monitor**, the results are not very meaningful. A comprehensive ESG strategy is under development.

Best Practice: Delivering the best possible patient care.

- Creation of inter-disciplinary and cross-sectoral treatment possibilities
- Development of integrated care contracts with payors to expand service offering to patients and establish new structures in outpatient care

Best Practice: Using digitalisation to improve medical care.

- Smart Reha - project on digitally monitored cardiac rehabilitation in home environment
- Atrial fibrillation screening apoplexy - programme for new monitoring techniques and AI analytics to identify atrial fibrillation and prevention for stroke risk patients
- Sleep Well - project to digitally monitor sleep apnoea a significant risk factor for cardiovascular events
- Telemedicine@NRW - project to test and promote expansion of telemedicine by providing technical solutions for integrated day-to-day medical care systems



www.gig-med.de

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ESG Best Practices - Investee Companies



Service provider in education

Aspire Education is a leading platform for professional qualification and training in the DACH region consisting of the strong brands ibis acam, KAOS, ETC (Enterprise Training Center), Fast Lane, ARS (Academy for Law, Taxes and Economics), and Stepin. The group focuses on lifelong learning as an essential pillar of society addressing a broad range of upskilling needs from qualification and placement of job seekers to advanced programs for IT professionals. Hybrid and digital learning formats effectively support closing the skill gap. These trainings can be customized to achieve the best learning success based on the group's more than 20 years of experience. Aspire is continuously investing in digital learning tools, innovative format such as Hire-Train-Deploy and has expanded its geographic and product coverage through strategic acquisitions.

Best Practice: Prioritisation and consequent implementation of ESG.

Aspire Education is the 2020 ESG portfolio champion. This achievement is based on the systematic planning and consistent implementation of a comprehensive ESG strategy. When Aspire became part of the Quadriga Capital portfolio they already had a strong ESG performance. At that time, however, social factors were more prominent than environmental and governance factors. Over the holding period, Aspire Education, under Quadriga Capital's guidance, has also managed to increase its environmental and governance performance to top levels. This has been achieved through the introduction of a set of measures, e.g., Go Green certifications, energy efficiency management and the plan to become CO₂ neutral by 2030, as well as the introduction of a complete corporate governance programme.



www.aspire-education.com

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ESG Best Practices - Investee Companies



Laboratory Services

Throughout Germany, GBA is one of the leading independent laboratory groups with a focus on environmental, food and pharmaceutical analysis. Since its acquisition in 2016, the group has acquired and integrated further companies growing into a medium-sized group with currently 39 locations in Germany, Austria, Belgium, Poland, Turkey and India and around 1,300 highly qualified employees.

For consistent high quality analysis, GBA relies on the latest technologies and equipment in the laboratories as well as on the targeted use of scientific know-how in the various disciplines. Building on its technical expertise, GBA pays attention to customer proximity, reliability and transparency in all service areas.

Best Practice: Comprehensive environmental protection programme.

- Environmental protection and prevention of environmental pollution
- Continuous improvement of environmental practices regarding the environment by setting quantifiable objectives
- Anchoring of principles within the organisation
- Proper management and reduction of hazardous substances usage

Best Practice: Products for environmental protection.



- IVARIO, a B2C E-Commerce platform offering GBA's services such as consumer water quality tests to the broader public, thereby increasing security and access to clean water within homes



- NUTIQ, a digital food platform, collecting quality control data along the entire food supply chain (e.g., tracking the raw material from the area of origin until the end product), thereby also helping to reduce CO₂ emissions by lowering the need for unnecessary transportation early on



www.gba-group.de

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ESG Best Practices - Investee Companies



Vacuum Process Engineering

HEDRICH is regarded as a global market leader in engineering and production of insulation equipment and systems and is known for its high level of innovation.

During acquisition, it became apparent that the company's core technological expertise could be rolled out to related markets. Accordingly, the vacuum casting technology traditionally used in the electrical industry was applied to new markets such as wind energy and e-mobility. The blades of a wind turbine are much more efficient and reliable with vacuum casting "Made by HEDRICH", while electric motors have a significantly longer lifespan. HEDRICH also sets market standards regarding digitisation.

Best Practise: Implementing Code of Conduct.

"Compliance with all applicable laws is a mandatory foundation for all actions of the company worldwide. The present Code of Conduct, apart from other subjects, refers to areas of law that are of special relevance to the commercial conduct of all HEDRICH GROUP companies and their employees."

- Compliance with applicable laws
- Commitment to free and fair competition
- International trade
- Environmental protection
- Our products
- Safety at work
- Privacy
- Ban on discrimination and personal interaction
- Protection of business secrets
- Protection of company assets
- Behaviour in case of conflicts of interests
- Integrity in relations to suppliers, customers and official authorities
- International business activity
- Communication and transparency
- Social commitment
- Realisation of the code of conduct
- Increased prioritization of environmental issues
- Management of energy efficiency



www.hedrich.com

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ESG Best Practices - Investee Companies



Best Practice: Contributing to the German energy transition, how HEDRICH's technological innovations enable major efficiency gains for its customers.

This is how HEDRICH makes a real environmental impact, says Wolfgang Weiß, managing director at HEDRICH.

How is the sustainability concept incorporated into HEDRICH's strategic thinking? More precisely, in the development of new products which play an important role in generating a positive ecological impact for the society.

WW: Sustainability, specifically, environmental aspects are a very important component of our strategic business model. HEDRICH manufactures products that enable its customers to work more efficiently and thus more sustainably. The HEDRICH MBT Resin Casting Equipment – for example – lowers our customers costs of energy by 30% with its efficient and precise preparation of the fed quantity as well as an “on-demand” system. In addition, the technologies we develop actively promote the German energy transition towards a higher use of energy from renewable sources. Generally speaking, there are three main areas of environmental relevance for which HEDRICH develops the technology and assembles the applicable solutions: wind power, e-mobility and smart grids. In total, 20 million tons of CO₂ are saved through the installation of our equipment.

Regarding the German energy transition, could you go into more detail on HEDRICH's contribution?

WW: HEDRICH's technologies and products are needed to build the necessary infrastructure and thus accelerate the energy transition in two ways. On the one hand, the processes and solutions we develop are used to generate “green” energy. HEDRICH's Vacuum Shot Dosing Equipment for the optimum casting of electronic components is used in the manufacturing process of solar power plants and wind turbines. Secondly, electricity can

be transported over long distances with lower losses. Without electricity transport, it would not be possible to use the electricity generated in offshore wind farms on land. Energy would have to be consumed very close to where it is produced which is not possible for many sustainable energy sources.

Can you explain some of the technologies developed by HEDRICH and in which step, from “green” energy generation to energy transport, they are used?

WW: Let us start at the beginning, the green power generation. One example here is the HEDRICH Vacuum Casting more specifically the Vacuum Shot Dosing Equipment, it is required to build solar plants. Or the HEDRICH Vacuum Pressure Impregnation (VPI) which is used to manufacture the generators installed in wind turbines and the HEDRICH Low-Frequency Drying Equipment which is used for the required transformers.

To stay with the example of wind energy, the next step for an offshore wind farm, for instance, is then the high voltage power distribution. HEDRICH's Low-Frequency Drying technology as well as the Vacuum Cable Casting technology are used for the required offshore transformer stations. The HEDRICH LSR Silicone Processing is used for the submarine cable sleeves. Then once the energy reaches the land, the HEDRICH Vacuum Resin Casting equipment is required to manufacture the high voltage bushings. The new generation Vapour Phase equipment is then used to produce power transformers.

Within the next step – the medium voltage energy distribution – HEDRICH's MTB Technology can be used for more efficiency in the transformer stations.



www.hedrich.com

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ESG Best Practices - Investee Companies



This technical excursion shows how HEDRICH's technology is truly integrated into the entire process from the generation of "green" energy to its delivery to the end consumer, which makes us a key player in the German energy transition.

Where do smart grids come into play?

WW: In a smart grid, modern communication technology connects the different parts of the energy system, such as power generation and power consumption, and coordinates them with each other. In this way, renewable energy can be better integrated into the power grid and the grid can be optimally utilised. HEDRICH develops the required Low-Frequency Drying equipment as well as the Vapour Phase Equipment for the efficient production of the individual components.

How about HEDRICH's contribution to e-mobility?

WW: Due to the high performance density of electric motors for automotive applications, perfect insulation of the individual components is crucial for their production. In addition, these motors must withstand high physical loads. Modern high-performance traction motors often rotate at more than 20,000 rpm. The heart of an electric motor consists of the stator and a rotor. Depending on the design, different processes are used for insulation – impregnation or vacuum casting of the motor components. HEDRICH can offer equipment designs for both processes. Lifecycle analysis of electric cars show that they emit on average 50% less CO₂ than cars with combustion powered engines. For electric cars produced within the EU the CO₂ saving can even reach 80% due to more resourceful manufacturing technics. This proves that efficiency focused manufacturing innovations can make a large impact on the overall sustainability a product. For electric motors and battery

modules HEDRICH is on the forefront of that as we are one of the leading suppliers for the vacuum-based manufacturing of insulations for stators and rotors. Additionally, the HEDRICH portfolio also covers the casting of battery modules and power electronics.

How has HEDRICH's approach to sustainability changed over time?

WW: Quadriga Capital has been monitoring and actively managing our ESG performance for years. With the increased presence of sustainability and environmental awareness in the collective consciousness, the subject has also gained a higher significance at HEDRICH. Instead of simply addressing our own footprint with a series of cost-saving initiatives aimed at decreasing consumption and reducing carbon emissions HEDRICH has evolved to really see sustainability as value creation driver which should be integrated into every aspect of entrepreneurial action. HEDRICH's technological innovations enable major efficiency increases for its customers that is how HEDRICH makes real environmental impact. Our future sustainability strategies will aim to increase this leverage.



www.hedrich.com

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ESG Best Practices - Investee Companies



Integrated heat treatment solutions

Ipsen is the world market leader of integrated heat treatment solutions. Since acquisition, Ipsen has evolved into a global player with sites in Germany, US, China, Japan and India. This footprint enables international relationships with blue-chip customers from the automotive and aerospace, medical technology and the mechanical and plant engineering industries.

Ipsen is a leader regarding innovation, digitisation and customer focus. The company's service portfolio and network provide effective support for its strong market position.

Best Practice: Ipsen is constantly optimising the energy efficiency of its equipment and products.

Advanced Efficiency

For Ipsen, an important factor in product innovation is energy efficiency. Ipsen constantly advances to more efficient heat treatment solutions.

Endo Save

Ipsen EndoSave system for efficient closed-loop generator control.

EcoFire

Ipsen EcoFire burns natural and protective gas more efficiently, allowing to optimise processes, reduce costs and protect the environment.

Blue Competence

Ipsen supports the initiative to conserve energy and resources and consequently sustain the natural environment, of the VDMA (Verband Deutscher Maschinen-und Anlagebau - German Engineering Federation).

HybridCarb 2

Ipsen HybridCarb 2 is improving the ecological equation of atmospheric furnaces with up to 90% less CO₂ emissions.

VacuProf®

Ipsen VacuProf® control software reduces process gas consumption and thereby increases productivity and reduces energy consumption.



www.ipсен.de

4

ESG Best Practices - Investee Companies



Provider of high-purity process systems

With backing from Quadriga Capital, Kinetics has emerged as a global provider of high-purity process systems. As a system provider, Kinetics is capable of handling everything from design and construction through installation, to equipment and technical feasibility management. It offers its international and cross-sector customers an extensive range of services for producing, treating and distributing high purity gases, chemicals, slurries and water. The company also develops complex process piping systems which are essential for supplying ultra-clean rooms.

As part of an international growth strategy Kinetics has expanded its service portfolio. Main industries are the semiconductor and biopharmaceutical sectors. Currently, the company has locations across the USA, Europe and the Middle East, Singapore, Malaysia and China.

Best Practice: Safety value and environmental awareness.

Safety value role model

Kinetics has built an environment, health and safety (EHS) platform for creating, maintaining and rightfully modifying procedures. For Kinetics safety is both a journey and a destination. Kinetics is committed to providing safe working conditions and injury free operations for its employees, clients and subcontractors.

Beyond Zero safety programme

Reducing physical and environmental risk factors by integrating safety aspects into end-to-end process requirements as well as dedicated training:

- Defensive driving skills
- Fall prevention
- Line break & pressure testing safety procedures
- Supervisor safety training
- Safety audits by safety and supervisory personnel

Environmental Management

In addition to compliance with environmental laws, regulations and requirement, Kinetics is continuously replacing its factory vehicles with electric vehicles.

Certifications

- ISO 9001
- ISO 14001
- ISO 14000
- OHRIS (Occupational Health and Risk Management System)

Certifications

- Global Code of Conduct
- Anti-Corruption Policy
- Anti trust and Competition Guidelines
- Export and Trade Compliance Policy



www.kinetics.net/about-us/environmental-awareness

4

ESG Best Practices - Investee Companies



Automation

SCIO Automation is an automation platform covering advanced automated intralogistics, comprehensive intelligent automation solutions and innovative services. The group serves a diverse range of international blue-chip customers from sectors including automotive, warehouse and intralogistics, electronics, process and chemicals, life science as well as well as energy. SCIO's Automation and Intralogistics solutions naturally utilise the latest sensor and robotic technologies, generating a myriad of data points per second. Leveraging this wealth of data in real-time, SCIO is at the forefront of industrial IoT, working towards interlinking physical equipment with information technology to cyber-physical systems.

Best Practice: Social and environmental business.

Social engagement and employee care

SCIO subsidiary VESCON's commitment to the health and well-being of its employees is exemplary. VESCON meets the dedication and hard work of their employees is met with an extensive employee care programme including corporate e-bikes, a health initiative, flexible working hours, multiple company events as well as the Vitamin V health initiative "Stronger Together – for you". The production is currently rolled out globally.

Transformation of the Global Energy Generation Landscape

Facing global warming and climate change, the global landscape of energy generation is steadily moving towards renewable, clean energy. SCIO through its subsidiary VESCON Energy, supports the design, expansion and modernisation of complex energy grids in Germany. This ensures the transport of sustainably produced energy over long distances and thus directly supports the German energy transition.



920 GW
New renewable power
capacity to be installed by 2022



20%
Increased expansion of global
renewable energies by 2023



www.scio-automation.com

4

ESG Best Practices - Investee Companies



Food service

BURGERISTA is a “Better-Burger” restaurant chain operating in the premium segment, an area of the market which is experiencing continuous growth. The regionally sourced beef is processed into burger patties within the individual store making BURGERISTA burgers a truly regional product. BURGERISTA currently operates eight restaurants in Austria. Four other branches are operated by franchisees, one of which was only opened at the end of 2020. The opening of further franchise restaurants in cooperation with local development partners will further boost the spread of the BURGERISTA brand in the coming years.

BURGERISTAS’ pursuit of the vision - to simply make better burgers - is paying off: The currently 12 restaurants have won many awards. How does the BURGERISTA team manage that? They love what they do and put the guest at the centre of attention! And the open show kitchen and the regional beef that is processed into burger patties in each store every day make the experience and the taste of BURGERISTA burgers so special. The guests evidently appreciate that.

Best Practice: Winners of awards for fairness and sustainability.

BURGERISTAS’ pursuit of the vision - to simply make better burgers - is paying off. Their 12 restaurants in Austria and Germany have won many awards. How do they manage that? Because they love what they do and the guest is in the centre of attention. Their open show kitchen and the regional beef that is processed into burger patties in their store every day make your experience and the taste of their burgers so special. The customers evidently appreciate that.

BURGERISTA was selected as fairest company in the FOCUS MONEY industry check within the burger restaurant category.

Customers were asked to choose the fairest company based on service, goodwill, competence, pricing policy and other criteria. Thanks to its strong corporate values, which include aspects such as transparency and appreciation of its employees, BURGERISTA was able to prevail over the competition and convince customers with its offer.

BURGERISTA was selected as most sustainable company in the FOCUS MONEY industry check within the burger restaurant category

In the survey, customers were asked to choose the most sustainable company within the respective industry. Due to the transparent value chain and the high quality of the ingredients - especially the beef - customers choose BURGERISTA as champion in the burger restaurant category.



www.burgerista.com

4 ESG Best Practices - Investee Companies

ETERNA



Manufacturing and retailing of shirts and blouses

ETERNA is a leading European brand for non-iron shirts, blouses and accessories. Since its foundation in 1863, ETERNA has developed into a strong brand with a reputation for quality, innovation, trust and craftsmanship, committed to accelerate its future growth through digital transformation of its own controlled sales channels. In addition, the entire value chain is certified under the “Made in Green” label.

Prior to acquisition, sales were focused on wholesale in Germany. Today, ETERNA shirts and blouses are sold across Europe through the company’s own online and retail stores. Specialist retailers and department stores bring the total points of sale to more than 3,600. E-commerce sales are being developed via the expansion of online marketing, viral campaigns, cross-channel strategies and CRM activities. A brand relaunch has helped both the company-managed and franchisee stores as well as the online presence to further improve the market position. The goal is to continuously expand the customer base nationally and internationally through marketing and product innovation.

Best Practice: Compensation for climate neutrality.

As early as 2000, the ETERNA brand was the world’s first manufacturer of men’s shirts, businesswear and blouses to receive the highest OEKO-TEX® Standard 100 plus certification, which today corresponds to the product label MADE IN GREEN by OEKO-TEX®. OEKO-TEX® tests environmental and social aspects such as fair production and working conditions along the entire supply chain.

Since 2015, ETERNA has also disclosed its entire value chain. By applying an EAN Code the entire value creation chain can be documented, from raw materials, fabrics, production, logistics to trade.

The #naturally label attests to ETERNA’s convictions and values: impeccable quality, sustainability, and fair production. For its premium product line 1863 by ETERNA, the custom-made shirts, and WE CARE, casual shirts and blouses, ETERNA reduced its already low carbon footprint to zero net through compensation payments. ETERNA’s financial contribution supports two climate protection projects in Kenya & Madagascar. The focus is on the distribution of efficient stoves and solar cookers which counteracts the rapid deforestation, resulting in a better air quality.

¹ The result has already been adjusted by 800.08 tons CO₂ compensated for climate protection projects



www.eterna.de

4

ESG Best Practices - Investee Companies



Social Selling

LR Health & Beauty Systems is a leading European social selling company for high-quality nutritional supplements and cosmetic products. Building on the quality of the company's products and its dynamic sales structures, Quadriga Capital supports the management team's expansion strategy. This includes entering new regions and stepping up the development of existing markets.

LR currently operates in 29 countries. With around 1,200 employees and thousands of independent sales partners, it is one of the leading players in Europe.

Best Practice: LRGKF – LR Global Kids Fund.

In Germany, 2.8 million children live in poverty. Roughly 90 million children worldwide are malnourished and live on the margins of society without hope of improvement. The LR Global Kids Fund gives children in numerous countries around the world a better future. Founded by LR Health & Beauty in 2009, the association is based on the collective involvement of the company, the employees and the sales representatives.



1,003 Sponsoring
Members



430,430€
donated in 2019



17 Countries



19 Projects

All donations go in full to local projects as LR covers any administrative costs.



www.LRworld.com

4

ESG Best Practices - Investee Companies



HEALTH & BEAUTY



Best Practice: From benefiting the community to making an environmental contribution.

At LR Health & Beauty we have always seen ourselves as a very strongly stakeholder focussed community. But especially in the environmental field we see potential to increase LR's contribution, says Andreas Friesch, CEO at LR Health & Beauty.

How is sustainability integrated into LR's strategy? More specifically, how is the role in creating a positive environmental outcome for society considered in the development of new products?

AF: Our innovative, highly effective health and beauty products are "made in Germany" with natural ingredients. As a product driven organisation LR adheres to highest product quality standards with experience of more than 35 years. Our products are designed to improve the health and well-being of our customers. They are developed according to the latest scientific research and made with the best natural ingredients.

What makes LR stand out from the crowd is not just the products, but the overall concept. We at LR believe in MORE! Besides more health and beauty, this means for us: more freedom, more community, more family, more opportunities. So, when we talk about sustainability, it is not only ecological sustainability that is important to us. But social and governance aspects also play a crucial role for us. By connecting closely with all our stakeholders, we can make a positive difference.

Could you go into more detail on LR's plans and their contribution to the different aspects of ESG?

AF: We have been monitoring our ESG performance for the last 8 years. We take part in the annual Quadriga Capital ESG Impact Monitor tracking over 400 ESG related KPIs. The detailed insights created with this data are very valuable and help with the targeted

improvement of the individual ESG criteria. At LR we have used this as an opportunity to identify our key fields of development and thereby managed to consistently improve LR's ESG score since 2017.

Which ESG factors are LR's strengths?

AF: Given the holistic approach our business model and the close relationship with our distribution partners, our Social Score has been very high to begin with. LR's social initiatives mainly focus on preventive measures to reduce risks and accidents as well as fostering diversity, equality and "more quality for your life". Providing everyone a fair income opportunity is a cornerstone of LR's social selling concept and especially attracts women. More than 75% of the sales partners are female due to the flexible, self-determined working time and fully transparent career plan. LR's diverse corporate culture attracts employees from international backgrounds and over 60% of the staff in LR's headquarter in Ahlen is female. We also founded the LR Global Kids Fund in 2009. The fund especially promotes national and international children's aid projects in the fields of health and education.

Our creed is unbureaucratic, transparent and sustainable support. Directly where it is needed. To this end, we cooperate with reliable aid organisations. 100% of the donations reach the local projects, because administrative costs of the fund are covered by LR's company donation.



www.LRworld.com

4 ESG Best Practices - Investee Companies



In which ESG areas has LR improved the most?

AF: In both the governance and environment area LR has achieved a 24 percent point increase in terms of governance factors, LR has strongly enhanced its performance over the last years. Apart from tight internal governance structures, LR is also a member of Direct Selling Europe and the German Direct Selling association Bundesverband Direktvertrieb Deutschland (BDD), which promote sustainable, ethical and consumer oriented social selling.

We also significantly improved LR's environmental score. LR continuously re-evaluates its production to identify potential reductions of waste and energy consumption. As of today, LR already uses renewably sourced energy in its headquarters and production facilities. We have set ourselves the ambitious goal of having climate-neutral production by the end of 2021. LR has the largest e-fuelling station in Germany on its premises in Ahlen, with a total of 28 charging points for its electric and hybrid fleet. LR also aims to reduce packaging waste, mainly by eliminating unnecessary packaging inserts and using recycled materials where possible (secondary packaging of LR is certified by the Forest Stewardship Counsel). We focus on "Made in Germany" to reduce transport emissions.

How has LR's approach to sustainability and ESG changed over time?

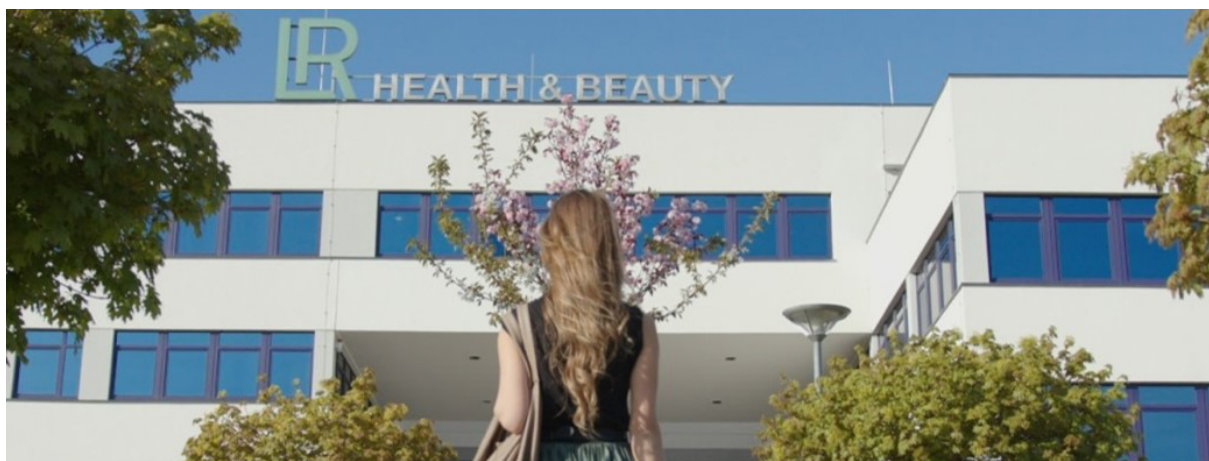
AF: The intrinsic motivation behind our ESG activities has not changed. We have always seen ourselves as a very strongly stakeholder focussed community. But especially in the environmental field we have not yet exhausted our full potential. The public attention the

issue has received recently has also made us aware that we need to do even more. That is why we have appointed and empowered Christoph Blaue – the head of LR's international project management – as responsible for ESG.

Can you explain some of the measures LR is thinking about when it comes to improving environmental impact?

AF: LR has started a collaboration with the organisation ClimatePartner aiming at a climate neutral production. ClimatePartner is going to help us calculate and understand our carbon footprint. They are going to advise us on the measures that must be taken to reduce our CO₂ emissions and how they engage in carbon offset projects so LR can compensate its unavoidable emissions. The result is a climate neutral product that stands for climate protection – clearly labelled and traceable.

Furthermore, LR is converting the primary packaging of its products to sustainable alternative. We are already in the sourcing process for potential biodegradable or recycled alternatives for parts of our product portfolio.



www.LRworld.com

5 Philanthropy

Since its foundation, Quadriga Capital and its Partners have actively been engaged in philanthropy and community activities. From active donations to NGOs towards engaging local communities, Quadriga Capital has committed itself to further uphold its corporate social responsibility, fighting social issues not only locally but globally. The key areas Quadriga Capital lays its focus on are education, health and poverty.



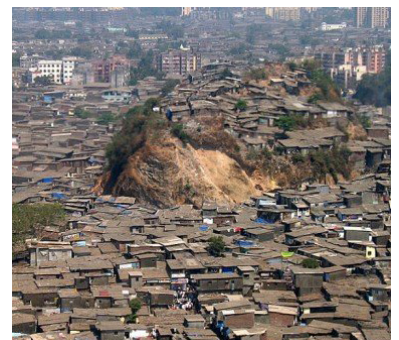
Health



Education



Poverty



5 Philanthropy



5.1 Community Engagement

The Order of St. Johns operates a wide range of charitable facilities including day care centres and schools, hospitals and rehabilitation clinics, care facilities and hospices as well as emergency services, accident assistance and foreign aid. Max Römer is the Treasurer of the Order of St. Johns in the federal state of Hesse.

As of 2019:



40,000 active volunteers +
25,000 full time employees



1.25 million
registered members



Germany, Austria
& Poland



Medical care,
humanitarian relief &
youth programmes

Tasks for St. John Accident Assistance:

- **Provide training:**
Public first aid training, driving license, companies & special emergency medical technicians
- **Emergency medical service:**
210 fully equipped ambulance stations
- **Social care:**
Social centres, childcare & sanitary institutions for children, the disabled and the elderly
- **Civil defence & disaster relief:**
Crisis intervention and response to natural disasters - worldwide
- **International aid:**
Technical assistance and support team for people affected by disease or political unrest



©Die Johanniter

5 Philanthropy



Quadriga Capital donations since 2017

Tafel e.V. is an organisation providing food supplies to those in need throughout Germany. It aims to tackle poverty and support low-income families, the elderly struggling with low pensions as well as single parents. The organisation comprises of 200 centres where thousands of tons of food is donated yearly. With around 5,000 volunteers, Tafel e.V. manages to support over 100,000 people with food supplies.



5,000 active
volunteers



Provides support to
100,000 people



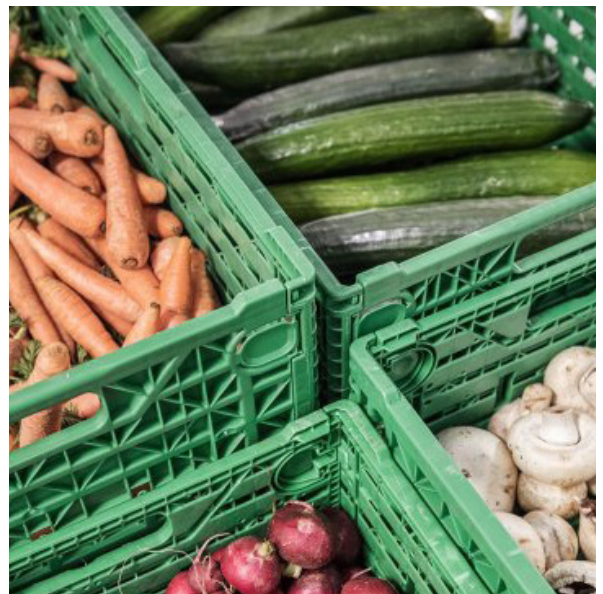
57 locations in
Germany



Provides food to
people in need

Tasks for Tafel Hessen:

- **Provide enough food:**
Support people in poverty and hunger
- **Maintain a solid partnership:**
Secure a future of care
- **Schooling and education:**
Promote the common goal
- **Sponsoring and advertising:**
Making sure that funding remains solid to keep providing enough food
- **Logistics and locations:**
Ensuring effectiveness and capacity of current and potentially new locations



©Hessische Tafel

5 Philanthropy



5.2 Education for a better world

Quadrige Capital donations since 2015

Family Service Centre (FSC) is a family run NGO founded in 1955. It is a community-oriented programme which covers the areas of sponsorship, foster care, adoption and community development. It therefore enhances individual, family and community empowerment by reaching out to families in difficult circumstances through preventive non-institutional services. FSC is committed to provide support and empowerment to the underprivileged sections of society.



13,000 children
taken care of



1,100 children placed
with families



Mumbai
India



Provide a home for
children in poverty

Tasks for Family Service Centre:

- **Foster care:**
Provide foster care for children in poverty
- **Education:**
Provide education to give them a future
- **Empower Society:**
Empower families as core unit of society
- **Child orientation programmes:**
Study classes for adolescent groups
- **Capacity building initiatives for women:**
Provide vocational training, income generating programmes, job training & community health workers
- **Health interventions:**
HIV outreach programmes, medical camps, coastal clean-up, awareness rallies & information dissemination on Reproductive and Child Health



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5 Philanthropy



PROBONO

PROBONO School Partnerships for One World e.V. is a charitable organisation which has been supporting school partnerships between schools in Germany and Tanzania, Uganda and Kenya since 2004 to promote education in Eastern Africa. PROBONO was founded in 2004 by Andrea Alleker-Fendel. The mother of three children and political scientist with a background in development cooperation sought an answer to the question of how development aid can have a sustainable effect.



Over 400
Educational projects



30 School partnerships



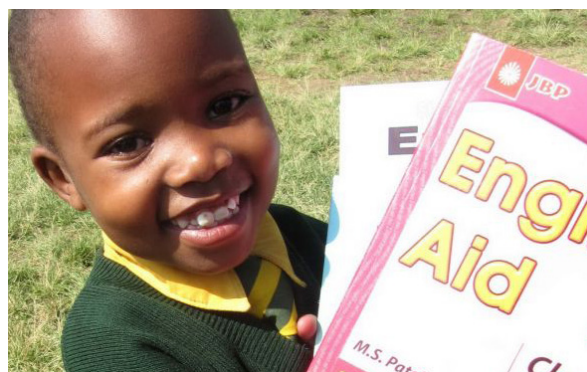
East Africa
(Kenya, Uganda,
Tanzania)



Provides school
partnerships and
promote education

Tasks for PROBONO:

- **Overcoming poverty:**
Long term approach through education
- **Promoting education:**
Partnering schools in Germany and Tanzania, Uganda, Kenya
- **Encouraging intellectual dialogue:**
Culture exchange between children and youths from Germany and East Africa
- **Promote global learning:**
Improving social skills on both sides
- **COVID-19 Aid:**
Provision of hygiene material and improvement of sanitary facilities to continue teaching during the pandemic



5 Philanthropy



NPH - Nuestros Pequeños Hermanos

Children supported by NPH who live in one of its homes are not available for adoption. Instead they are welcomed with their brothers and sisters and become a part of the larger, stable NPH family environment. This gives them a chance to focus on education and personal growth, knowing that a loving support system will always be in place for them. The children grow and learn in their culture and language and become contributing citizens in their own countries. In doing so, they become a model for others to follow and they nurture a more caring society. Children are not asked to leave NPH programmes at the age of 18, they can leave when they are ready to be on their own and ready to live independently. Some may leave before, but many leave much later after finishing their studies and family year of service. Before leaving an NPH home, the young adults give a year of family service, typically working in a home to support the NPH family that has allowed them to grow so well. This is a very important part in their formation and strengthens their self-esteem. It is important that each NPH family member can contribute something back to the community. Children with chronic health conditions may remain their entire life in an NPH programme.



3,639 fully supported children and youths



44 full-time skilled volunteers



Nine countries across Central and South America



Provides homes to children and families in need

Tasks for NPH - Nuestros Pequeños Hermanos:

- **Overcoming poverty:**
Long term approach through education
- **Promoting education:**
Supporting children in need throughout their entire childhood and adolescence
- **Creating an environment of security:**
Providing a stable NPH family environment and loving support system
- **Providing healthcare to the children in their custody:**
Children with chronic health conditions may remain their entire life in an NPH programme



©nph-kinderhilfe.org

5 Philanthropy



ATELIERFRANKFURT

The art center ATELIERFRANKFURT e.V. (AF) in Frankfurt's Ostend houses 140 studios on 11.000 square meters for over 220 artists and creatives. Being one of the largest art centres in Germany, the AF offers individually and cooperatively usable spaces. The AF creates the conditions for art school graduates to carry out their creative and artistic production at a professional level. AF enables young artists to work in the studios and creates venues for experimentation with the goal of strengthening interdisciplinary collaboration and artistic diversity. Furthermore, AF functions as an intermediary between the public interest, the local art scene, and the global art world, being in contact with hundreds of artists and art enthusiasts. As a patron, AF contributes significantly to the cultural landscape of Frankfurt am Main, the larger Rhein-Main metropolitan area as well as the international art scene. The nonprofit association AF e.V. is the sole bearer of the art centre, funded primarily through donations, both private and public from companies, institutions, foundations and endowments.



Appr. 220 artists
(art school graduates)



Provides 11.000m²
space for studios
and exhibitions



Located in
Frankfurt am Main



Strengthening
interdisciplinary
and artistic diversity

Tasks for ATELIERFRANKFURT:

- **Creation of 140 studios:**
Provide room for young artists and their artistic production in supporting them via subsidised studios in an environment of steadily increasing rental cost
- **Promoting 220 artists with interdisciplinary collaboration and artistic diversity:**
Combination of visual artists, designer, performing artists, sculptors, musicians, film- and theater makers and dancers
- **Over 1.200m² exhibition space:**
The house is characterized by changing curated exhibitions, projects and events that offer an insight into artistic work processes of the local and international art scene
- **Exchange:**
Guest studio programmes, international scholarships for visiting artists, exchange between schools and communities



©ATELIERFRANKFURT

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Quadriga Capital ESG Team

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