



## Quadriga Capital Fund VI SFDR Article 8 Disclosures

Date: February 2022

Quadriga Capital Fund VI (“QCVI” or the “Fund”) is a financial product that promotes environmental and social characteristics but does not have sustainable investment as its objective and does not invest in sustainable investments. No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by QCVI.

Quadriga Capital'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 recent signing of the IFC Operating Principles for Impact Management (“Impact Principles”).

## 1. What environmental and/or social characteristics are promoted by this financial product?

QCVI aims at creating long term positive impact. We have adopted environmental, social and governance (ESG) standards as a key plank of our business model. ESG standards are crucial: they protect companies, management teams and employees, create transparency, engender trust among customers and stakeholders and strengthen corporate culture and enterprise value, thereby helping to reduce risk. At the same time, social responsibility becomes the guiding principle for the company's long-term development and the people who enable it. We therefore conduct all our investment activities in line with the guidelines and principles of our ESG & Sustainability Policy.

Building on our many years of experience with responsible investments, we want to make an even greater contribution to sustainable development in the future. We therefore support the companies we advise in making more proactive contribution to solving global challenges through their corporate actions, thereby generating a positive impact that goes beyond conventional ESG standards.

We focus on companies whose core products and services contribute to the achievement of the UN Sustainable Development Goals or, alternatively, demonstrate the potential to become such a company with our support through transformative improvement or impact expansion.

In doing so, we focus on eight of the 17 Sustainable Development Goals: Good health and well-being, Quality education, Clean water and sanitation, Affordable and clean energy, Decent work and economic growth, Industry, innovation and infrastructure, Sustainable cities and communities, Responsible consumption, and production.

## What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The following ESG criteria are evaluated as part of the due diligence process and then tracked throughout the holding period (ownership).

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

## 2. 2. What investment strategy does this financial product follow?

### 2.1 What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

We focus on long-term, responsible, and value-creating investments in promising mid-market growth companies that are seeking sustained growth, operational excellence and market leadership while having a positive impact on the environment and society.


### 2.2 How is that strategy implemented in the investment process on a continuous basis?

The ESG/Impact team of the German Adviser coordinates the integration of ESG and sustainability across all investee companies and provides advice to Quadriga Capital. It develops and shares best practice across the portfolio and helps to systematise ESG in the investment process.

For its impact strategy Quadriga Capital has established an external Impact Advisory Board (“IAB”) consisting of three external board members, who advise on and monitor ESG and impact in the investment process as well as during the entire holding period of an investee company.

Quadriga Capital's investment process is divided into three phases: (i) the lead phase where potential investments are sourced;(ii) the execution phase where the due diligence is conducted and – after acquisition – (iii) the value creation phase. The table below illustrates how ESG and sustainability factors are integrated across these phases.

## ESG and sustainability factors considered in the investment process and holding period

	Investment Process		Holding period
Investment Process	Lead Phase	Deal Phase	Value Creation Phase
			
Sustainability, ESG and Impact Integration	<ul style="list-style-type: none"> <li>• Application of ESG exclusion criteria</li> <li>• Identification of ESG themes</li> <li>• Identification of thematic impact alignment</li> </ul>	<ul style="list-style-type: none"> <li>• Due diligence on material sustainability and ESG factors to identify risks and opportunities</li> <li>• External ESG due diligence, questionnaire based on 85 ESG indicators</li> <li>• Identification and assessment of impact themes</li> <li>• Assessment of key impact metrics/KPIs</li> </ul>	<ul style="list-style-type: none"> <li>• ESG Impact Monitor</li> <li>• Monitoring of &gt;400 ESG indicators</li> <li>• ESG analysis by sustainability expert Hydrodata</li> <li>• Monitoring of impact metrics/KPIs based on relevant impact theme for investee company</li> <li>• Active ownership, sustainable ESG and impact value creation</li> <li>• ESG risk management</li> <li>• ESG incident</li> <li>• reporting</li> </ul>
Responsible Parties	<ul style="list-style-type: none"> <li>• QC ESG/Impact team, investment team</li> </ul>	<ul style="list-style-type: none"> <li>• QC ESG/Impact team, investment team, external advisor, QC IAB</li> </ul>	<ul style="list-style-type: none"> <li>• QC ESG/Impact team, investment team, external advisor, QC IAB</li> </ul>

For further information please see the Quadriga Capital ESG & Sustainability Policy.

The Policy explains 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.

### 2.3 What is the policy to assess good governance practices of the investee companies?

To enable the Fund to be an active owner and drive the implementation of the value creation plan, Quadriga Capital will mainly pursue investments where it can reasonably expect either to acquire a position of significant influence or otherwise ensure it has enough control to effect changes. Having the right management team and board of directors is central to Quadriga Capital’s investment strategy and approach.

Before making an investment decisions two sustainability related due diligence assessments are conducted by separate external advisory firms: (1) ESG due diligence, (2) Impact due diligence.

- 1) An ESG due diligence assessment on material sustainability and ESG factors is conducted to identify risks and opportunities by an external advisor. The sector specific ESG due diligence questionnaires based on more than 85 ESG indicators. An action plan to mitigate ESG risks and increase positive ESG impact are created based on the ESG criteria under 1.1.
- 2) An Impact due diligence assessment is conducted by an external adviser for the identification and assessment of key impact themes for each investment opportunity. Key impact metrics/KPIs are defined and an action plan to increase the specific positive impact over the holding period is developed.

### 3. Does this financial product take into account principal adverse impacts on sustainability factors?

Quadriga Capital considers principal adverse impacts. The Principal Adverse Impact Statement can be found on the Quadriga Capital Website ([direct link](#)).