

Verifier Statement

Independent Verification Report

Prepared for Quadriga Capital: July 12, 2023

Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)¹, Quadriga Capital engaged BlueMark to undertake an independent verification of the alignment of Quadriga Capital’s impact management (IM) system with the Impact Principles. Quadriga Capital’s assets under management covered by the Impact Principles (Covered Assets) totals \$170 million², as of April 2023.

Summary assessment conclusions

BlueMark has independently verified Quadriga Capital’s extent of alignment with the Impact Principles. Key takeaways from BlueMark’s assessment are as follows:

Principle 1: Quadriga Capital’s strategy identifies its goal of creating social and ecological impact alongside top-tier financial returns through investment in three impact themes human well-being and personal growth, preservation of our environment, sustainable transformation, and associated sectors, each of which is tied to the SDGs. The Fund’s impact claims are substantiated by supporting evidence.

Principle 2: Quadriga Capital’s Impact Assessment and Impact Management Tools, used ex-ante and ex-post respectively, allow comparability across the portfolio. To further align, Quadriga Capital should explore options to align staff incentives not only with the management of impact processes but also with impact performance.

Principle 3: Quadriga Capital identifies opportunities to contribute to the impact of each investment as part of its α -System value creation framework. To further align, Quadriga Capital should systematically monitor its investor contribution activities to endorse the effectiveness of its approach.

Principle 4: Quadriga Capital has a structured approach for evaluating the expected impact of prospective investments, including developing impact theses and theories of change for each investment. Impact metrics are aligned with IRIS+.

Principle 5: Quadriga Capital assesses the ESG risks of each investment ex-ante and monitors these as part of annual investment reviews. The firm’s approach is aligned with industry standards. To further align, Quadriga Capital should develop a process to identify and address new or unexpected ESG risks arising during the investment period.

Principle 6: Quadriga Capital develops investment-specific impact indicators and intends to track them through its Impact Management Tool. To further align, Quadriga Capital should set impact targets for all companies and over time monitor progress toward them, while also formalizing a policy for managing impact underperformance.

Principle 7: Quadriga Capital intends to assess the impact of each investment ahead of exit, reviewing the current state and ongoing impact potential, key impact metrics and proposed next steps to drive further impact. To further align, Quadriga Capital should incorporate additional impact at exit considerations into its approach.

Principle 8: Quadriga Capital’s impact review process evaluates impact progress for each investment. Learnings are identified and discussed during impact advisory board meetings. To further align, Quadriga Capital should review the unintended impacts of its investments.

¹ Principle 9 states that signatories “shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.”

² Assets under management figure as reflected in Disclosure Statement 2023 equivalent to approximately EUR 160 million or US\$ 170 million as of April 18, 2023. BlueMark’s assessment did not include verification of the AUM figure.

Verifier Statement

Independent Verification Report

Prepared for Quadriga Capital: July 12, 2023

Assessment methodology and scope

Quadriga Capital provided BlueMark with the relevant supporting documentation for the policies, processes, and tools related to the IM system applicable to the Covered Assets. The scope of BlueMark’s work was limited to processes in place related to the Covered Assets as of July 12, 2023. BlueMark’s assessment of the IM system included an evaluation of both the system itself and supporting documentation, as well as the consistency of the draft disclosure statement with the IM system. BlueMark believes that the evidence obtained in the scope of its assessment is sufficient and appropriate to provide a basis for our conclusions.³

BlueMark’s full assessment methodology, based on its professional judgment, consisted of:

1. Assessment of the IM system in relation to the Impact Principles, using BlueMark’s proprietary rubric, and examining processes and policies against the following criteria:
 - *Compliance* of the IM system with a threshold level of practice;
 - *Quality* of the IM system’s design in terms of its consistency and robustness; and
 - *Depth* of sub-components of the system, focused on completeness
2. Interviews with Quadriga Capital staff responsible for defining and implementing the IM system;
3. Testing of selected Quadriga Capital transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to Quadriga Capital, outlining areas of strong alignment and recommended improvement, as well as BlueMark’s proprietary benchmark ratings on the extent of alignment to each of the Impact Principles.

Permissions

This statement, including our conclusions, has been prepared solely for Quadriga Capital in accordance with the agreement between our firms, to assist Quadriga Capital in fulfilling Principle 9 of the Operating Principles for Impact Management. We permit Quadriga Capital to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate Quadriga Capital’s alignment with the Operating Principles for Impact Management. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Quadriga Capital for our work or this statement except where terms are expressly agreed between us in writing.

About BlueMark

BlueMark, a Tideline company, is a leading provider of impact verification services in the impact investing market. BlueMark was founded with a mission to “strengthen trust in impact investing” and to help bring more accountability to the impact investment process. BlueMark is a wholly owned subsidiary of Tideline Advisors, LLC, a certified women-owned advisory firm in impact investing. Since its founding in 2014, Tideline has become a recognized leader in impact measurement and management, working with leading asset owners and managers to design and implement impact management systems.

BlueMark has conducted this verification with an independent and unconflicted team experienced in relevant impact measurement and management issues. BlueMark has implemented a Standard of Conduct requiring our employees to adhere to the highest standards of professional integrity, ethics, and objectivity in their conduct of business activities.

BlueMark has office locations in London, UK; New York, NY; Portland, OR; and San Francisco, CA and is headquartered at 915 Battery St, San Francisco, CA 94111, USA. For more information, please visit www.bluemarktideline.com.

³ The scope of BlueMark’s assessment procedures does not include the verification of the resulting impacts achieved. BlueMark’s assessment is based on its analyses of publicly available information and information in reports and other material provided by Quadriga Capital. BlueMark has relied on the accuracy and completeness of any such information provided by Quadriga Capital. The assessment results represent BlueMark’s professional judgment based on the procedures performed and information obtained from Quadriga Capital.