

Sustainability Report 2022-2023

Outperformance through sustainability.

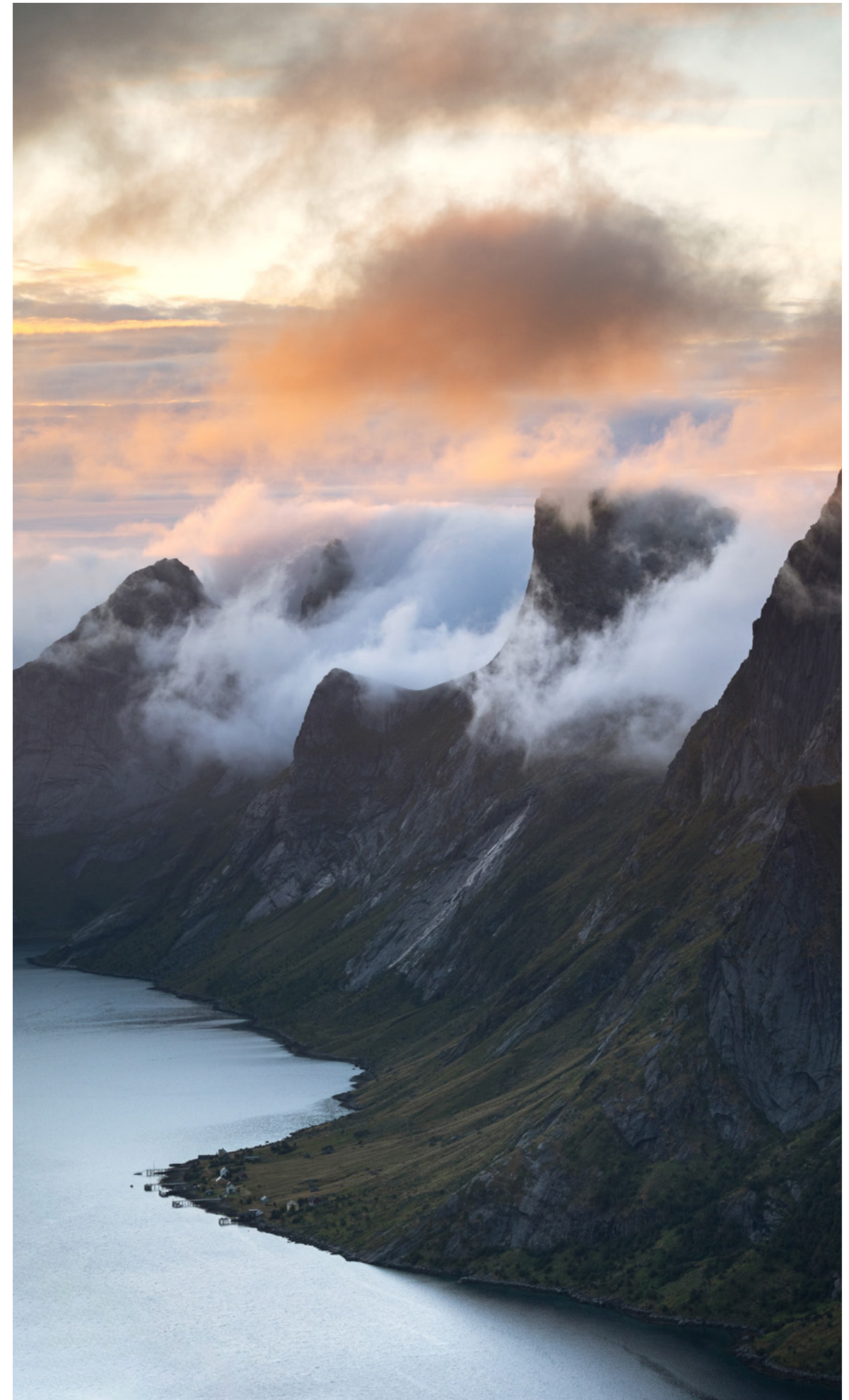
Sustainability at Quadriga Capital

At Quadriga Capital, we have long recognized that attaining a measurable, positive impact on the environment and society is essential for entrepreneurial success. This is why we have been pursuing an ESG-integrated investment strategy for many years and have decided in our latest fund generation to primarily pursue investment options that create a positive impact. We are committed to supporting all of our portfolio companies in their journey towards sustainability through our QC-Sustain system and with our dedicated Impact & ESG Team.

QC-Sustain is a proprietary, modular platform of measures, processes and management tools that can be used to strategically integrate ESG and impact factors across the entire value creation process. Our goal is to create sustainable corporate values that integrate „Environmental, Social, and Governance“ (ESG) standards and generate lasting positive effects on the environment and society.

Our investment strategy focuses on companies whose core products and services can also contribute to the achievement of the UN Sustainable Development Goals (SDGs), or which demonstrate the potential to become such a company through a corresponding transformation or impact expansion. We address three impact areas where our experience and industry knowledge can have the greatest impact: Human Well-Being & Personal Growth, Preservation of our Environment and Sustainable Transformations. To reaffirm our commitment, Quadriga Capital's Fund VI became a signatory of the Operating Principles for Impact Management in February 2021 and completed its first externally certified verification process in July 2023.

All portfolio companies of the Quadriga Capital funds have implemented ESG standards in their business model since 2010. Beyond risk identification and avoidance, we support them with our QC-Sustain system. Driven by dynamic discussions with our impact advisory board and our sustainability ecosystem, we are constantly evolving our approach to meet the latest developments in the sustainable investing market as well as regulatory requirements.



The Funds

2022-2023 at a glance.

Assets under
Management (AUM)
> 1 billion (EUR)

Type of most recent fund
EU SFDR Art. 8+ ESG Fund with Impact

Equity Capital Investment per transaction
between 20 and 60 million (EUR)

Impact Themes
Human Well-Being & Personal Growth, Preservation of
our Environment, Sustainable Transformations

Core Sectors
Healthcare, Tech-Enabled Services, Smart Industries

Region
Germany, Austria and Switzerland

1 Exit

11 Total Portfolio Companies

28 Team size

23% Portfolio average revenue growth

24 New investments
(2 primary investments; 22 add-ons)

30% Gender diversity at Quadriga Capital
is female

54% Portfolio companies' employees
Headcount growth in FTE

Signatory of



Operating Principles for
Impact Management





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01 Welcome

To the Quadriga Capital Stakeholders

2022/23 marked yet another transformative year for Quadriga Capital in its progression towards sustainable and impact investing. Quadriga Capital experienced conceptual advancements, including ongoing enhancements and integration of the QC-Sustain system. The year saw heightened engagement with portfolio companies and the establishment of a new software partnership. Notably, the year culminated in the successful verification of our commitment as signatories to the Operating Principles for Impact Management in 2023. These accomplishments have paved the way for the execution of our QC-Sustain strategy in close collaboration with our Portfolio Companies.

The investment industry is currently experiencing an increasing emphasis on sustainability, propelled by social and political pressures that are leading to regulatory shifts. At Quadriga Capital, we acknowledge the significance of assuming a leadership role for the German Mittelstand (mid-sized companies). Nearly all of Quadriga Capital's portfolio companies will soon fall under the scope of the Corporate Sustainability Reporting Directive („CSRD“). Our task here involves translating the requisites for mid-sized companies into an easily understandable format and modularizing as many facets as feasible within our QC-Sustain system.

This aligns closely with our own commitment to achieving an improved accuracy and transparency concerning our influence on the environment and society. We want to support our portfolio companies in formulating sustainability strategies rooted in a durable business model, encompassing measures to prevent adverse effects on both the environment and society. Especially for small and medium-sized enterprises, the establishment of sustainability-focused knowledge and capabilities is frequently a challenging step. Alongside a multitude of positive outcomes, this insight also emerges from our survey of portfolio sustainability data for the year 2022.

Following the extensive overhaul of our QC-Sustain system, we have amassed a considerably larger number of quantitative data points. Through our inaugural collaboration with the software service provider Reporting21, we have attained a heightened understanding of the sustainability data pertaining to our portfolio companies. With the newfound granularity we are now equipped with precise directions how to move forward and where we need to improve.

Nonetheless, all of our companies remain engaged in a substantial sustainability transformation journey. Our 2022 Sustainability Data Survey further revealed that a significant number of them encounter notably similar challenges. As a response, we are consolidating this knowledge within our QC-Sustain Toolbox and providing support across our portfolio. While progress has already been made through training initiatives in 2022 and 2023, a multitude of questions still remain unanswered, necessitating a more profound integration of this knowledge within the companies. For instance, in early summer 2023, we successfully conducted sector-specific sustainability workshops for Quadriga Capital's healthcare portfolio companies discussing common challenges.

We take pride in our QC-Sustain Team lead by Jörg Mugrauer, managing partner of our German Advisor. The team consists of Violetta Sulzbach, Impact and ESG manager, and Mayte Luterbacher, ESG officer, who actively engage in impact investing conferences, workshops, and training sessions to stay abreast of developments within the evolving impact investing community. This dedication is a driving force behind our endorsement of the Operating Principles for Impact Management and the creation of the independent Quadriga Capital Impact Advisory Board. These initiatives have not only guided Quadriga Capital along its path toward sustainable investment but will also persistently shape our journey moving forward.

Kind regards,
Clive Chaplin
Director

About this Report

Quadriga Capital publishes a sustainability report every year. This report contains information on our impact, strategy, performance, and how we created sustainable value with the portfolio companies of the Quadriga Capital Funds. Impact and ESG related data points related to Quadriga Capital, and the portfolio companies refer to the reporting year that started on 1 January 2022 and ended on 31 December 2022.

Selected strategic achievements mentioned in this report have taken place in 2023, this is then explicitly mentioned.

We have received the data on which this report is based from our portfolio companies. The publication of this data is voluntary. Some of the data is incomplete. The data has not been audited. Together with the portfolio companies, we are working on improving the data situation over the next few years to a format that is reportable in accordance with the EU CSRD.



/ 02 Sustainability Approach

Timeline & Milestones

Sustainable investing with a dynamic ESG implementation strategy will be a necessity for a viable economy. Since 2007, Quadriga Capital has continuously been enhancing its ESG performance and impact demonstrating its full commitment as a long-term responsible investor.

2007

Quadriga Capital starts rollout of its first ESG programme to the Portfolio Companies including general data collection of Environmental, Social, Governance KPIs and documents, and status quo.

2011

Data collection of Environmental, Social, Governance KPIs and documents refined to include feedback loop with Portfolio Companies.

2015



Quadriga ESG Impact Monitor goes live.

2008



Quadriga Capital is a signatory to the UN PRI and reports on the activities and progress made on ESG and sustainability integration in the annual UN PRI report.

2013



Development of online ESG Assessment tool with service provider Hydrodata.

Timeline & Milestones

2017

Introduction of Carbon Footprint Scopes 1+2.

Introduction Quadriga Capital ESG Policy.

2020

Start for impact integration.

Upgrade Quadriga Capital Code of Ethics.

2021

Introduction of Fund VI classified as Article 8+ under the SFRD. For Fund VI Quadriga Capital conducts full ESG integration and sets environmental and social impact investment objectives.



Operating Principles for Impact Management

Quadriga Capital becomes Signatory to the Operating Principles for Impact Management established by the International Finance Corporation (IFC)
Establishment of external Quadriga Capital Impact Advisory Board.

2023



First official verification as a Signatory to the Operating Principles for Impact Management.



2022

ESG Best Practice Honours award by SWEN Capital Partners in the category Private Equity.
Introduction of modularised QC-Sustain System used to strategically integrate ESG and impact factors across the entire value creation process.






Introduction of Reporting21



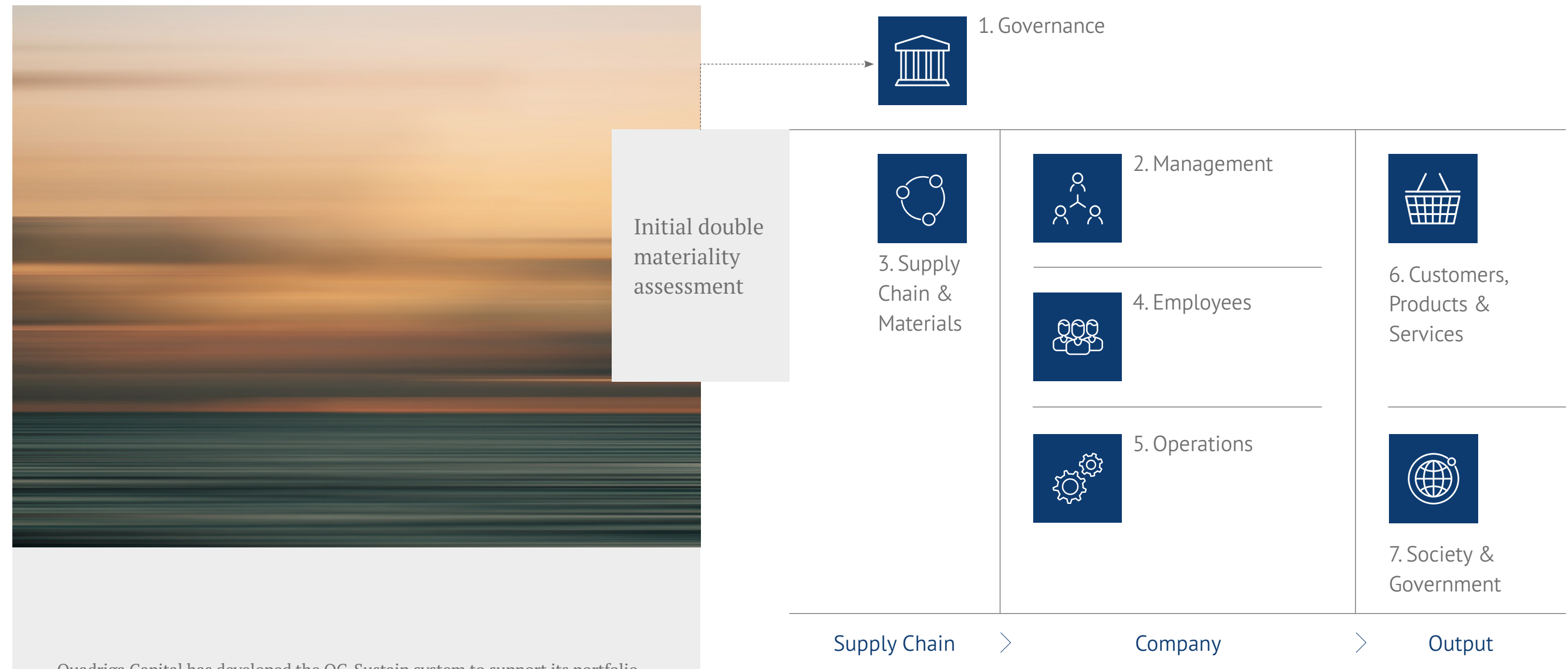
Quadriga Joined the ESMT Berlins Sustainable Business Round Table as active member.

Impact Investment Strategy

In 2021 Quadriga Capital introduced Fund VI classified as Article 8+ under the SFRD and signatory to the Operating Principles for Impact Investing. For Fund VI, Quadriga Capital set an environmental and social impact investment objective along our three impact themes in addition to the full ESG integration that is also partially conducted with the Portfolio Companies of the previous fund generations. The strategic impact objectives were chosen in line with Quadriga Capital's record of investing in the sectors Healthcare, Tech-Enabled Services and Smart Industries on the assumption that Quadriga Capital can provide an effective contribution ("additionality") to positive impact generation. Quadriga Capital intends to support companies creating a positive impact for society and the environment, also by providing access to financial and non-financial resources that they would not have otherwise.

Asset selection driven by three Impact Themes			
Quadriga Capital sectors	Human Wellbeing & Personal Growth	Preservation of our Environment	Sustainable Transformation
	<p>Actively promote social change and support an aging and migrant population with healthcare and education.</p> 	<p>Improve the ecosystem by innovating and enhancing business models which positively impact the environment.</p> 	<p>Apply digitalisation and innovative technologies to accelerate resource efficiency and enable the transition to sustainability.</p> 
	Healthcare Tech-Enabled Services	Tech-Enabled Services Smart Industries	Tech-Enabled Services Smart Industries
	Acquisitions since 2021		
			salestech group
Key societal challenges the companies address:	» Need for preventive as well as therapeutical healthcare that promote mental health and wellbeing for all individuals especially for yet underserved groups in rural areas or through language barriers.	» Need for protection from harm from contaminants through testing services especially regarding the food value chain, water quality, soil and air protection, pharmaceuticals, quality of drinking water and impact of pesticides on biodiversity.	» Need for information on energy and resources savings to significantly improve efficient resources use for many companies through energy efficiency monitoring based on predictive models

QC-Sustain System



Quadriga Capital has developed the QC-Sustain system to support its portfolio companies in their sustainability efforts and to ensure impact generation across the portfolio. QC-Sustain is a proprietary, modular platform of measures, processes and governance tools that can be used to strategically integrate ESG and impact factors across the entire value creation process. In 2022, Quadriga Capital further developed QC-Sustain in consultation with the Impact Advisory Board. QC-Sustain covers a wide range of sustainability standards: both mandatory standards and voluntary standards. It thus meets the highest norms in terms of double materiality analysis, data collection, and reporting. QC-Sustain now captures over 200 datapoints which are collected with the software and services provider Reporting21.

QC-Sustain Process

The QC-Sustain process covers our entire value chain and incorporates sustainability into both our business and investment activities. Beyond negative screening, we assess ESG impacts, management engagement and the sustainable value we create and report on over the holding period.

Sustainable Sourcing

01 QC-Sustain Sustainable Sourcing Strategy: 3 Themes

1. Human Wellbeing & Personal Growth
2. Preservation of our environment
3. Sustainable transformations

02 Sustainability Considerations Early in Transaction

Early double materiality (impact and financial materiality)
Consider potential impact themes

03 Use QC-Sustain to “Attract Targets” (and Create Impact)

Pro-actively use QC-Sustain as pitching argument for both QC but also, to promote impact.

04 Early Sustainability Due Diligence

Before acquisition: application of QC-Sustain content already early during due diligence with QC-Sustain Team and IAB-Members.



QC-Sustain Implementation

01 Clear QC Sustainability Strategy, Sector Basis (Intention)

HC, TS & SI Strategic ESG & impact positioning incl.
Target setting for clustered topics (IRIS+)
Identification of risks
Linking material topics with strategic objectives

02 Full Impact Contribution by QC-Sustain Team & IAB

- » IAB: Advises on impact target setting, monitoring
Input on regulations and further development of the sustainability strategy and individual companies
- » QC-internally: Full leverage of QC-Sustain-Team
- » Additional: OPIM and similar standards

03 Measurement

Challenge, Input, Output, Outcome: IRIS+, Impact Frontiers, etc.

QC-Sustain Toolbox

Fund Reporting

01 Software Reporting

Portfolio-wide ESG questionnaire
Ca. 140 KPIs (ESG + Carbon + Impact)
ESG reporting framework and process (yearly and quarterly)
Individual/Sector specific Impact KPIS

02 Portfolio Analysis

Custom sustainability scorecard
Analysis tool for target setting and best practices

03 Portfolio Reporting

Annual and quarterly reporting
Including SFDR, PAI, DNSH KPI requirements
LP questionnaires and reporting

Revise & repeat

EU and other disclosure requirements

Frameworks, SFDR Art. 8+ & Recognitions

Quadriga Capital has launched its latest fund with an impact component, committed to the Operating Principles for Impact Management and further developed the QC-Sustain system to incorporate multiple frameworks for responsible investing.



Signatory and cooperation – impact and ESG frameworks and organization

Awards

Signatory of

Application of

Member of

Compliance with



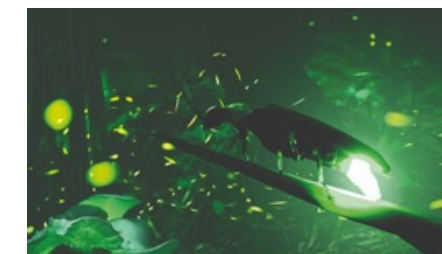
Sustainable Finance Disclosure
Regulation (SFDR)



SWEN Capital ESG Award



Future 40 ESG Innovators



Software used Reporting21

Impact verification

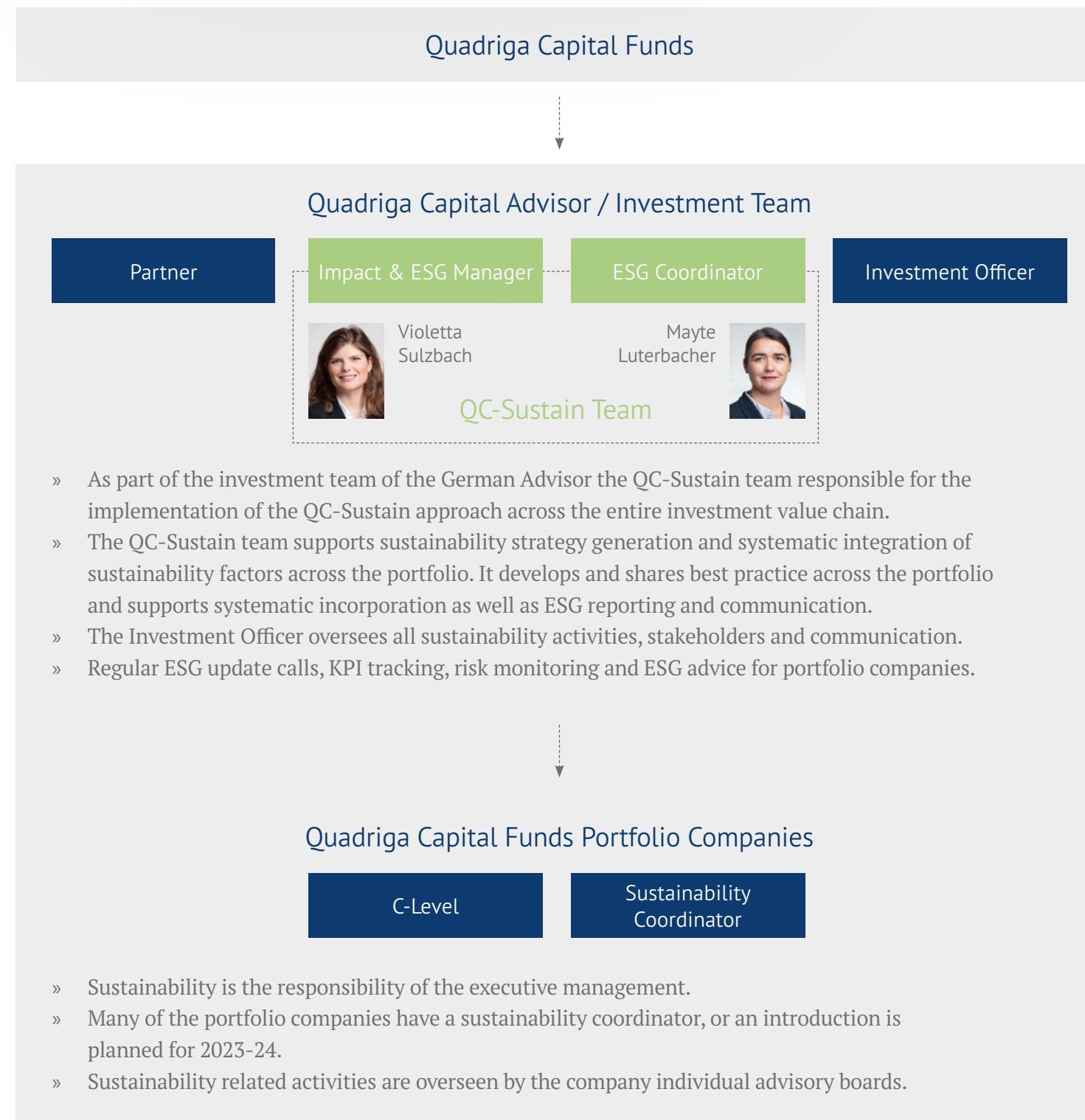
Quadriga Capital Fund VI is an SFDR Art. 8+ Fund. It does not only consider environmental and social characteristics but actively seeks to make a positive impact by applying processes, standards and tools of an Art. 9 fund.



BlueMark, independently verified the alignment of Quadriga Capital's impact management practices with the Operating Principles for Impact Management in June 2023.

Governance

Sustainability responsibility is vested at the highest management level, encompassing both Quadriga Capital and our portfolio companies. This crucial aspect is directed and overseen by an autonomous board.



←

QC Impact Advisory Board

We firmly believe that individuals constitute the most significant catalyst for building exceptional enterprises. Hence, assembling winning teams comprising dedicated employees, management and boards stands as a key focal point for us.

A key lesson from the past year is the need to empower sustainability within our portfolio companies. While executives receive sustainability training, we need to expand our efforts to include a much broader range of employees. Our aim is to cultivate a sense of ownership throughout the organization by providing knowledge, tools, and services to drive sustainability progress.

The QC Impact Advisory Board

Quadriga Capital Impact Advisory Board.

The Quadriga Capital Impact Advisory Board, established in 2021, operates as an independent entity. Its primary focus is to provide support and ensure impactful outcomes throughout the investment lifecycle. This includes overseeing the sourcing of sustainable investments, conducting ESG/impact due diligence, facilitating sustainable value creation, and managing exits to maintain a consistently high-quality sustainability approach. The Board convenes for four official meetings annually and also holds virtual informal meetings at least on a monthly basis. It offers guidance on the sustainability due diligence process for potential target companies concerning the

identified impact themes. Additionally, it addresses challenges posed by external impact due diligence providers. Throughout the holding period, the Impact Advisory Board lends its expertise to enhance the impact generated by portfolio companies, including the development of an impact roadmap. It further aids the QC-Sustain and the investment teams in monitoring the investment portfolio to ensure alignment with the established impact requirements. Another responsibility of the Board involves evaluating the compliance of the impact system with the Operating Principles for Impact Management.



Prof. Dr. Herwig Buchholz

Herwig is Chairman of the Quadriga Capital Impact Advisory Board. He has held various management positions at the chemical and pharmaceutical group Merck since 1996, most recently holding Group-wide responsibility for sustainability and sustainability strategy as Global Head Corporate Sustainability. Since 2022, Herwig has been advising companies and public institutions on sustainability and innovation topics. He is also a managing partner of ELCH consulting. With his knowledge of sustainability strategy development and innovation, he is available to Quadriga Capital Funds and its Portfolio Companies in an advisory capacity.



Alice Drooghmans

Alice is a member of the Quadriga Capital Impact Advisory Board. As Managing Director of Drooghmans International, she has been advising companies and organizations nationally and internationally on business development and sustainable growth for more than 25 years. Her focus is on the 17 global sustainability goals of the United Nations as well as on „Sustainable Finance“. With her expertise in the areas of sustainable business development, EU regulations and digitization, Alice supports the Quadriga Capital funds and their Portfolio Companies.



Joanna Radeke

Joanna is a member of the Quadriga Capital Impact Advisory Board. She is Executive Director of the FUTURE Institute for Sustainable Transformation at ESMT Berlin and leads the Sustainable Business Roundtable. She is also responsible for the Climate Governance Initiative Germany, which was founded by ESMT together with other institutions. Joanna advises the Quadriga Capital funds and its Portfolio Companies on the implementation of their sustainability strategies and initiatives that contribute to solving climate change and other societal problems.

03 Sustainability at Quadriga Capital

Sustainability Achievements 2022-2023

In 2022 and the first half of 2023, we continued to strengthen our QC-Sustain approach, fulfilled our stewardship role and initiated a number of changes with our portfolio companies.

1. **Quadriga Capital successfully completed its first verification as a Signatory to the Impact Principles** in July 2023. Quadriga Capital engaged BlueMark to undertake an independent verification of the alignment of Quadriga Capital's impact management (IM) system with the Impact Principles. BlueMark is a leading provider of independent impact verification and intelligence for the impact and sustainable investing market. For Quadriga Capital, the verification procedure was particularly helpful in identifying areas for improvement and discussing actionable recommendations for the coming months and years, to be discussed with the Impact Advisory Board, the Investment and Operating Team and the Fund's portfolio companies.
2. **Mayte Luterbacher complemented the QC-Sustain Team as ESG Coordinator.** Mayte has been working in related areas in advising portfolio companies of the Quadriga Capital funds since 2017. Since 2022 she coordinates all ESG relevant topics of the portfolio companies, in particular the implementation of ESG roadmaps.

3. **The QC-Sustain content, ESG and Impact target setting procedures and the resulting data monitoring were revised** to improve our internal requirements and the growing regulatory demands. Our goal was to include all upcoming regulatory requirements from the EU CSRD to make the transition into mandatory reporting as smooth as possible for our Portfolio Companies. Building sustainability-liked capabilities and knowledge now will empower the firms to make the right strategic decisions in the coming years. To cover the amount of datapoints Quadriga Capital collaborated with a leading international sustainability software provider Reporting21 for the first time for the 2022 sustainability data collection.
4. **Early summer 2023, Quadriga Capital held an internal sector-specific sustainability workshop for Quadriga Capital's healthcare portfolio companies.** Our goal was to create a platform to exchange ideas, share best practices, and explore innovative solutions for a more sustainable future. Many companies in the healthcare sector encounter similar challenges and share material sustainability topics around their employees and patient care. At Quadriga Capital we recognise the importance of using these insights to improve our QC Sustain system and strengthen our contribution to health and wellbeing.

Sustainability Achievements 2022-2023

In 2022 and the first half of 2023, we continued to strengthen our QC-Sustain approach, fulfilled our stewardship role and initiated a number of changes with our portfolio companies.

5. The investee company LR Health & Beauty published a stand-alone Sustainability Report that highlights the various aspects of their sustainability activities. In preparing their report, they have been guided by the United Nations Sustainable Development Goals (SDGs) the Non-Financial Reporting Directive (NFRD) as well as the Corporate Sustainability Reporting Directive (CSRD).
6. **Quadriga Capital Fund VI is part of the Real Deals Future 40 ESG Innovators** leading the way in transforming the industry's approach to environmental, social and governance (ESG). The jury was especially impressed by the interesting and differentiating sustainable value creation system "QC-Sustain". The QC-Sustain toolkit supports the portfolio with specific modules around governance, supply chain and materials, management, employees, operations, customers and products and services. QC-Sustain embeds Quadriga's sustainability objectives and impact themes and accelerates the rate at which they are implemented within the portfolio.

7. **Quadriga Capital joined the ESMT Berlin's Sustainable Business Roundtable (SBRT)**, a peer-to-peer learning network for a group of excellent companies that have a global footprint and that are leading the sustainability revolution. In June 2022 we participated in the Annual Forum 2022 at ESMT Berlin to discuss this year's topic "Sustainable transformation – leading change for business and society with CEOs of leading global companies, academics and politicians. This active exchange helps us to pick up on the important sustainability issues and translate them for our portfolio companies.
8. **In order to fulfil our stewardship role and act as a voice to drive sustainability for the German medium-sized companies, we have spoken on several events about the relevance of sustainability** in the private equity business. Managing Partner Jörg Muger, for example, spoke on the ESG panel at the Private Equity industry conferences SuperReturn in Berlin and Zero One Hundred DACH in Vienna. He was also a guest at Finance Magazine to discuss the far-reaching implications of the tightening ESG regulation in the Mittelstand. Managing Partner Philipp Jacobi was interviewed by the German Private Equity and Venture Capital Association („BVK“) on the relevance of ESG. Impact & ESG Analyst Violetta Sulzbach actively engaged in multiple sustainable and impact investing networking events like the Impact Principles Signatory Workshops, GIIN Annual Meeting and impact investing round table.

ESG at Quadriga Capital

Quadriga Capital is committed to the highest ESG standards.

		2021	2022
Environmental	Scope 1	112 tCO ₂	34.56tCO ₂
	Scope 2	2606 tCO ₂	1650.31 tCO ₂
	Total/ FTE	97.86 tCO ₂	65.36 tCO ₂
	Total energy consumption	293 283.52 kWh	224 203.62 KWh
Social	Female staff	39%	32%
	Women on board	25%	25%
	Permanent FTE recruitments	2	2
	Number of voluntary redundancies	2	2
Governance	CSR Policy	Yes	Yes
	ESG representative	Yes	Yes
	Principles and guidelines for good governance	Yes	Yes

Key achievements 2022/2023

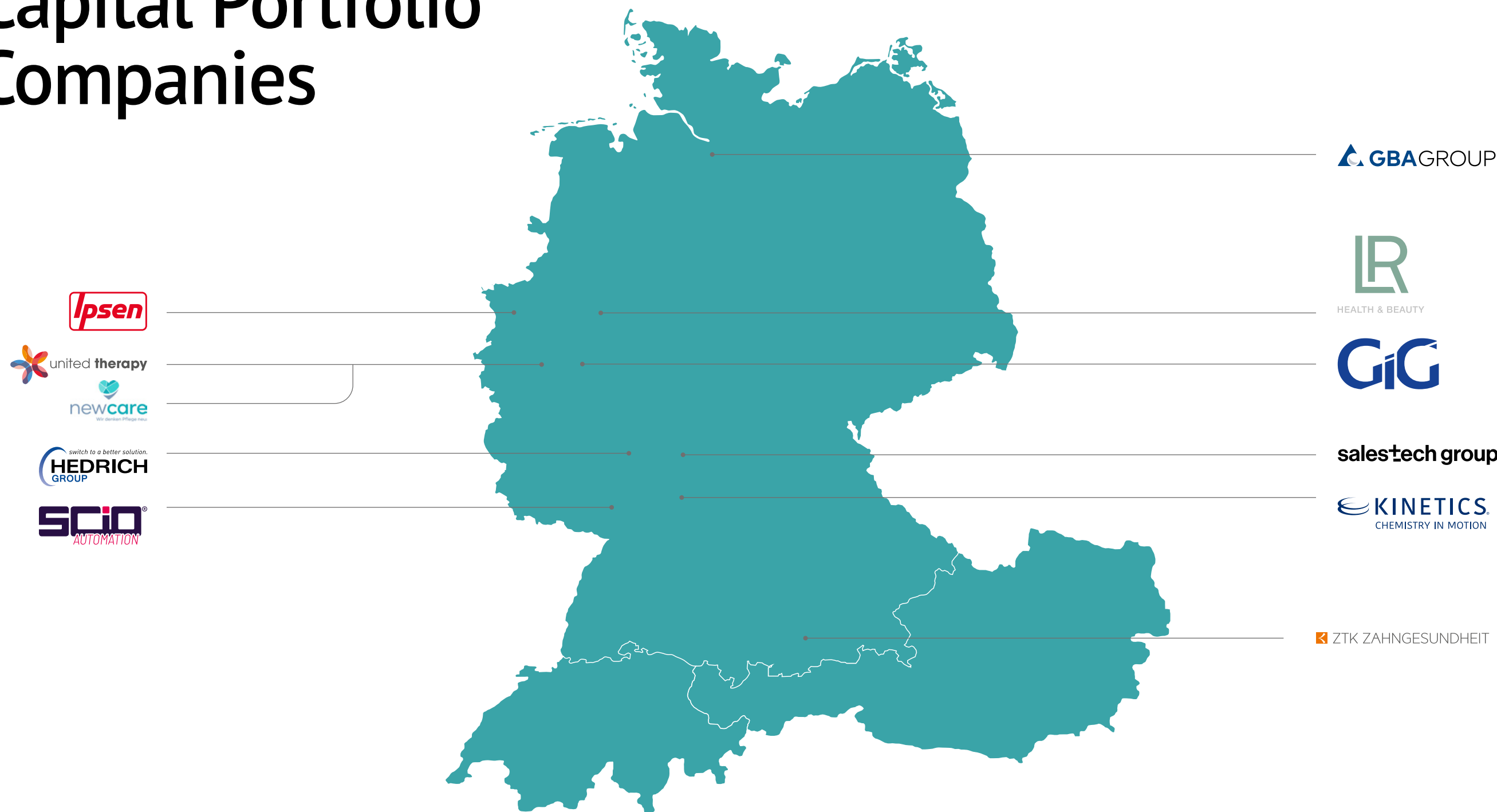
- » Strengthened the QC-Sustain team by appointing an ESG Coordinator
- » Winner of the SWEN Capital Partners ESG Best Practices Honours
- » Selected as Real Deals Future 40 ESG Innovator
- » First independent verification as a Signatory to the Impact Principles
- » Further improvement to the QC-Sustain toolbox to include future EU CSRD requirements
- » Successful implementation of third-party software Reporting21 and onboarded portfolio companies
- » Joined the ESMT Berlin’s Sustainable Business Roundtable (SBRT)
- » Rising attention for sustainability topics at various panel discussions and PE-forums
- » Established first sector-specific sustainability workshop for healthcare portfolio companies

Goals for 2023/2024

- » Revise portfolio wide targets
- » Increase data quality and introduce GHG Scope 3 reporting
- » Include diversity policy in the QC-Sustain toolbox
- » Strengthen stewardship role









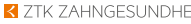
04 Portfolio Companies

The Quadriga Capital Portfolio Companies



¹ Acquired in 2023
² No. of employees (FTE) are per Q4 2023, emission of tons are based on Scopes 1+2 and per employee

The Quadriga Capital Portfolio Companies

Portfolio Company	QC Sector	QC-Sustain Investment Theme	Emissions in tonnes CO ₂			Energy consumption in kWh		Diversity			Employees					Governance			
			Scope1	Scope2	Total/FTE	Total Energy Consumption	Renewable Energy Consumption	Female Staff	Woman on Board	Gender Paygap	Permanent FTE recruitments	Voluntary redundancies	Employee survey	Number of work-related accidents	Number of work-related fatalities	CSR Policy	ESG representative	Guidelines for good governance	QC compliance package
 GBA GROUP	Tech-Enabled Services	Human Well-being & Personal Growth	515	0.45	0.45	6,052,249	5,523,573	60%	17%	21%	18%	9%	No	4	0	No	Yes	Yes	Yes
 GIG GESELLSCHAFT FÜR INTEGRIERTE GESUNDHEITSVERSORGUNG	Healthcare	Human Well-being & Personal Growth	188	415	2.29	1,043,000	90,000	79%	25%	59%	5%	7%	No	0	0	No	Yes	Yes	Yes
 LR HEALTH & BEAUTY	Consumer	Preservation of our Environment	1,320	387	5.59	3,466,671	2,692,028	61%	0%	-	2%	5%	No	17	0	Yes	Yes	Yes	Yes
 HEDRICH GROUP switch to a better solution.	Smart Industries	Sustainable Transformation	250	187	3.11	1,194,333	231,420	20%	0%	39%	9%	16%	No	1	0	No	Yes	Yes	Yes
 Ipsen	Smart Industries	Sustainable Transformation	875	2,254	5.08	8,567,551	478,645	19%	0%	-	8%	9%	Yes	15	0	Yes	Yes	Yes	Yes
 KINETICS CHEMISTRY IN MOTION	Smart Industries	Sustainable Transformation	14,658	5,357	8.16	10,084,928	-	13%	0%	-	56%	22%	No	7	0	Yes	Yes	Yes	Yes
 newcare Wir denken Pflege neu.	Healthcare	Human Well-being & Personal Growth	12,101	-	7.13	6,308,700	6,308,700	82%	0%	-	33%	17%	No	0	0	No	Yes	Yes	Yes
 united therapy	Healthcare	Human Well-being & Personal Growth	157	296	0.73	1,543,000	405,000	69%	20%	9%	23%	22%	Yes	8	0	No	Yes	Yes	Yes
 ZTK ZAHNGESUNDHEIT	Healthcare	Human Well-being & Personal Growth	48	802	2.50	2,247,770	-	84%	33%	-	32%	4%	Yes	0	0	No	Yes	Yes	Yes

Environmental Performance

Our most significant environmental impact is through minimizing energy and resource consumption, and we are committed to continuously improve in this area. Quadriga Capital intends to reduce GHG emissions across the portfolio companies by 50% by 2030, aiming for net-zero by 2050. By 2024 we are going to measure the Scope 3 GHG emissions of the portfolio companies.

We know that the data provided by our portfolio companies for the year 2022 is not yet complete and does not represent a fully accurate carbon footprint. Nevertheless, they do provide an indication of the largest emission factors across the portfolio and in each individual company. This is where we start and will systematically reduce emissions through the drivers of energy source, workplace, fleet and behaviour. The quota of companies with renewable energy increased steadily.

Greenhouse gas emissions are not the only relevant environmental issue. We also address biosphere or biodiversity issues, water use and the responsible use of resources. We want to work more on these topics, further advising Quadriga Capital's portfolio companies going forward. Many of the portfolio companies are already using circular production models, have initiatives in place to improve waste management/recovery and improve material/resource efficiency.

In the future, we want to raise awareness of biodiversity issues and topics such as land degradation, desertification and soil sealing in order to become more active in these areas together with our portfolio companies.

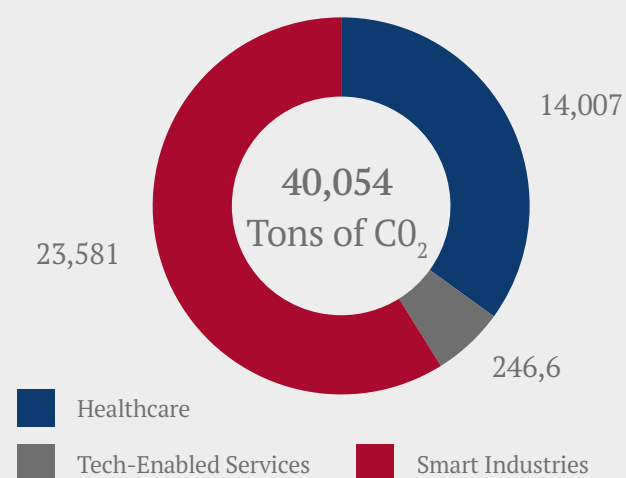
Objectives for 2023 - 2024

- » Receive assurance of Scope 1-3 GHG emissions
 - » Increase renewable energy targets
 - » Systematically reduce emissions through the drivers of energy source, workplace, fleet and behaviour
 - » Increase share of portfolio companies with biodiversity policy
-

Environmental Performance

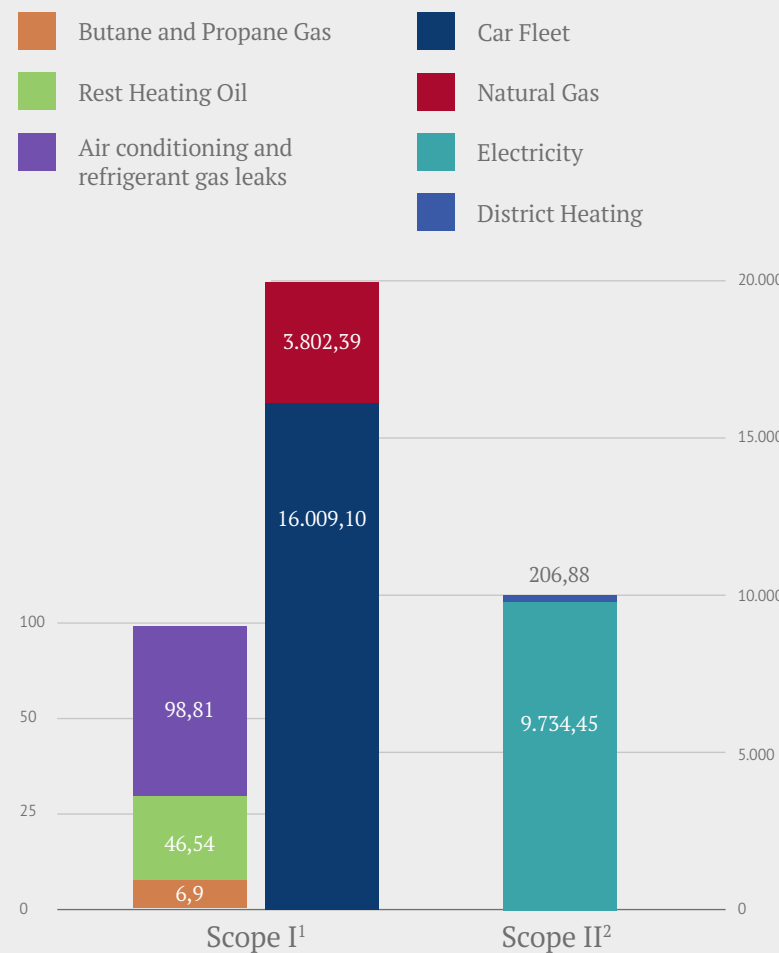
Portfolio companies CO₂ emissions and footprint. Total GHG emissions Scope 1 and 2 in Tons of CO₂ equivalent.

Total GHG Footprint by sector

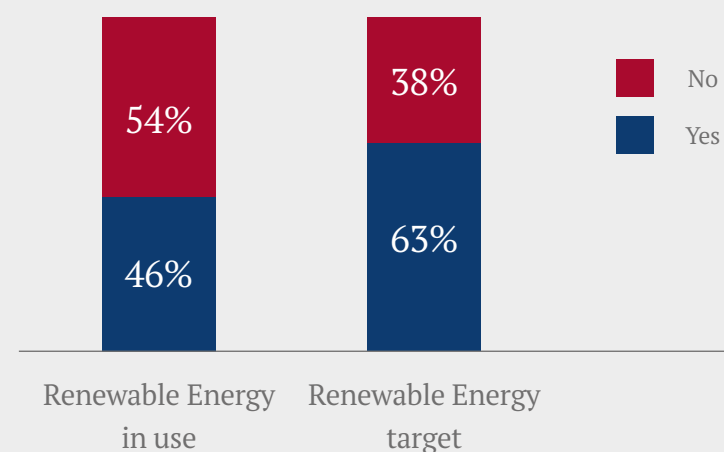


3.89
Tons of CO₂ per FTE

Total GHG Footprint by Source



Renewable Energy use & prospects



63%
of portfolio companies have an externally implemented certified environmental management system

¹ Scope 1: Direct emissions according to Greenhouse Gas Protocol.
² Scope 2: Indirect emissions according to Greenhouse Gas Protocol.

Social Performance

Quadriga Capital strives to be a competent, reliable and fair partner, always behaving correctly, protecting the shareholders' and stakeholders' interests, respecting general social as well as local rules and regulations, adequate business practices and the protection of the environment.

Within the Quadriga Capital team we believe in

- » People: drive for agility and competency, foster ownership mentality and care for a strict customer focus
- » Passion: advise with purpose (creating visions, values, sustainable sense, ambitious goals), foster decent atmospheres (supporting recognition, fellowship, fairness, freedom of thoughts, direct communication, pride)
- » Performance: meet ambitious, clear, specific and measurable goals
- » Trust: integrity, transparency and respect are our key values

We transfer these values to the portfolio companies we advise. The employees of the portfolio companies are the driving force behind our success. We recognise diversity and equality as a strength, and our goal is to have a balanced representation of gender and different experiences. Employees are treated with respect and may in no way be harassed or discriminated. We respect dignity, privacy and personal rights of all employees. We do not tolerate any discrimination based on skin colour, gender, religion, age, nationality, social or ethnic background, disability, belief, sexual orientation or political or union activity.

Objectives for 2023 - 2024

- » Include diversity & gender equality policy and action plan in the QC-Sustain toolbox
 - » Introduce employee surveys portfolio wide
 - » Provide sustainability related training material and workshops
-

Social Performance

Portfolio companies social indicators.

With our QC-Sustain system, we take an active approach in measuring and improving the following indicators within the portfolio companies:

- » Adherence to a strict code of ethics
- » Human rights adherence & avoidance of child labour
- » Fair treatment of employees
- » Prevention of racism & discrimination
- » Diversity & gender equality
- » Employee training
- » Health and safety in the workplace
- » Working conditions in supply chain

Diversity & gender equality

5/9

of portfolio companies realised equal pay

54%

female staff across all portfolio companies

3/9

have women on their management board

Staff development & employee engagement

255

new jobs created

9/9

corporate training programme

EUR 200,829

corporate training programme

3/9

conducted employee survey



Governance

Ethical business conduct is Quadriga Capital's guiding principle. Governance is one of the first areas Quadriga Capital works on with its portfolio companies.

In our QC-Sustain system, we have developed templates and processes to support the implementation of strong governance mechanisms by the companies in the funds' portfolio. As a result, we adhere to recognised industry standards and promote the implementation of risk analysis, compliance and IT security policies and robust reporting structures.

Over the last years, we continually improved our QC-Sustain system to support and monitor the portfolio companies' progress and publicly disclose sustainability risks and results. In 2022, we collaborated for the first time with the sustainability software provider Reporting21 for the data collection process.

At every portfolio company there is at least one person at C-level who is responsible for sustainability measures. In many companies, there is also a manager who drives the issues forward. This is what we have learnt as the biggest lever for driving sustainability issues forward in companies. Another relevant factor for the success of sustainability initiatives is performance-related remuneration.

In some of our portfolio companies we have already seen great success with sustainability targets as part of the objectives in the variable remuneration package, which is why we now want to introduce this portfolio-wide.

Sector-specific sustainability workshops provide our portfolio companies with a space to exchange information on sustainability initiatives. We actively promote exchange between portfolio companies. A successful project we conducted in 2023 was our sustainability workshop in the healthcare sector. Our goal was to create a platform to exchange ideas, share best practices and find innovative solutions for a more sustainable future across the healthcare portfolio companies.

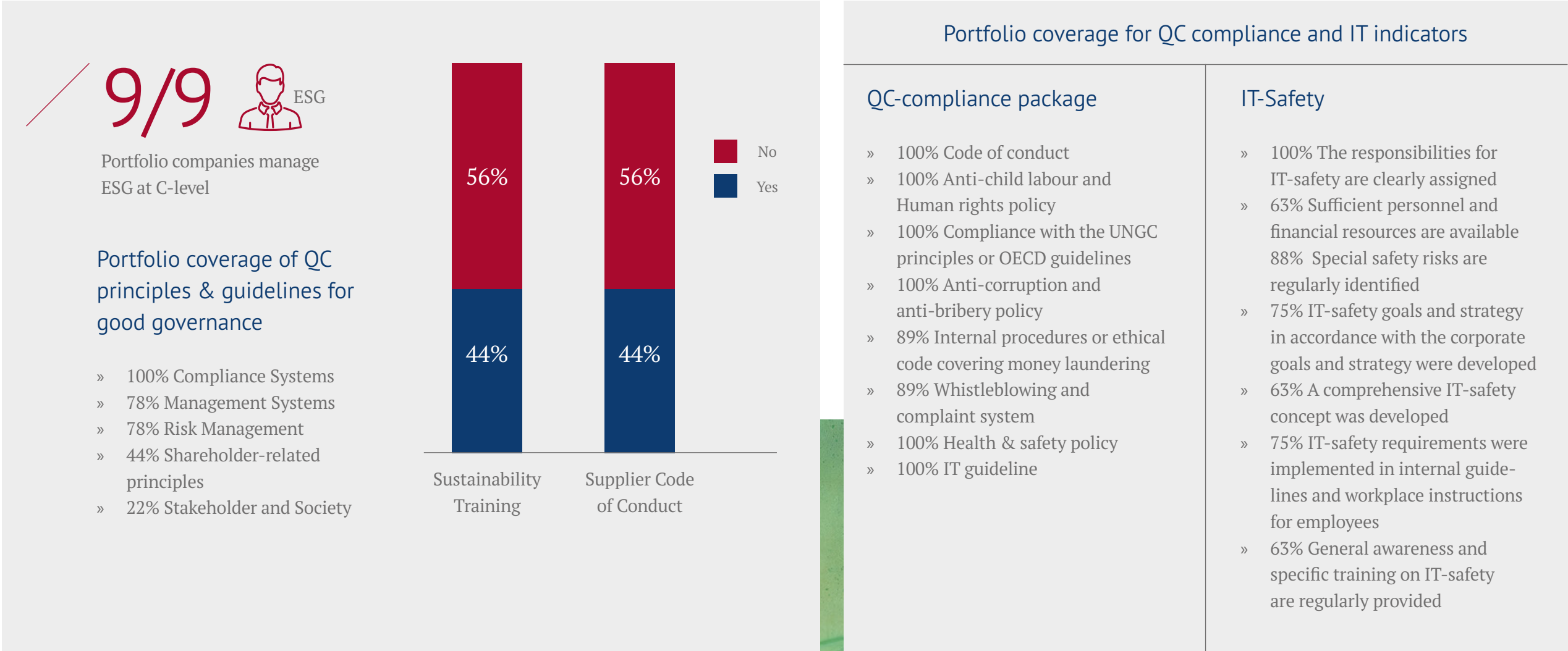
Many companies in the healthcare industry face similar challenges and share important sustainability issues with their employees and patient care. At Quadriga Capital, we recognise the importance of using these insights to improve our QC-Sustain system and strengthen our contribution to health and wellbeing. We want to replicate this success for our Tech-Enabled Services and Smart Industries sectors.

Objectives for 2023 - 2024

- » Increase supplier code of conduct coverage
- » Portfolio-wide appointment of operational sustainability officer
- » Portfolio-wide introduction of sustainability linked incentivisation

Governance

Portfolio companies governance indicators.



Portfolio coverage for QC compliance and IT indicators

QC-compliance package

» 100% Code of conduct

» 100% Anti-child labour and Human rights policy

» 100% Compliance with the UNGC principles or OECD guidelines

» 100% Anti-corruption and anti-bribery policy

» 89% Internal procedures or ethical code covering money laundering

» 89% Whistleblowing and complaint system

» 100% Health & safety policy

» 100% IT guideline

IT-Safety

» 100% The responsibilities for IT-safety are clearly assigned

» 63% Sufficient personnel and financial resources are available

» 88% Special safety risks are regularly identified

» 75% IT-safety goals and strategy in accordance with the corporate goals and strategy were developed

» 63% A comprehensive IT-safety concept was developed

» 75% IT-safety requirements were implemented in internal guidelines and workplace instructions for employees

» 63% General awareness and specific training on IT-safety are regularly provided



Our sector impact thesis

Quadriga Capital focuses 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. In our focus sectors Healthcare, Tech-Enabled Services and Smart Industries, we develop market leaders – both organically and through acquisitions.

Healthcare



Human Wellbeing

Actively promote social change and support an aging population with **healthcare**.

We limit the negative impact of demographic change, which is causing the rising demand for health services and increasing pressure on health systems by investing in **innovative and cost-effective healthcare solutions**.

References



united **therapy**



 ZTK ZAHNGESUNDHEIT



Tech-Enabled Services



Preservation of our Environment



Sustainable Transformation

Apply digitalisation and innovative technologies to accelerate **resource efficiency** and enable the transition to **sustainability**.

We shape the future of our economy by investing in **global sustainability enablers** such as energy efficiency and **environmental awareness**, **digitalisation**, **urbanisation** and **mobility**.

References



salestech group

Smart Industries



Preservation of our Environment



Sustainable Transformation

Improve the ecosystem by innovating and enhancing business models which positively impact the **environment**.

We aim to create opportunities for **resource efficiency** by supporting sustainable and smart industries, such as **renewable energy generation**, **transport and storage**, **sustainable materials** and **infrastructure** with our investments in **automation**, **industrial IoT** and **smart mobility concepts**.

References



Healthcare

Industry Trends

Ageing population

Demographic change is driving the rising demand for healthcare and intensifying pressure on healthcare systems which will require innovative and cost-effective solutions.

Consumerisation

Consumers are becoming increasingly knowledgeable and informed about their health as they have easier access to vast amounts of information. This is creating new global market opportunities as patients are demanding more convenient, affordable and personalised healthcare services.

Increasing expenditure

The above trends are driving the demand for healthcare services, leading to significant investment in the industry. Healthcare spending in Germany continues to rise above GDP, after growing at a 3% CAGR since 2000. The need to improve cost management is also driving dynamics of several subsectors such as ambulatory services, process management technologies etc.

Quadriga Approach

Buy & Build

A high number of the health-related businesses are need-based and should remain steady despite cyclical ups and downs. Organic growth opportunities in combination with buy & build strategies in an often-fragmented environment offer value enhancement potential.

Sourcing

With the support of its extensive network, Quadriga Capital is constantly generating proprietary leads based on investment theses within a variety of pre-identified sub-sectors. Through this institutionalised sourcing approach all recent deals like ZTK Zahngesundheit, newcare Group and United Therapy have been sourced proprietarily.

References



“ In order to mitigate the impact of demographic change and the simultaneous shortage of skilled healthcare professionals, massive investments in our healthcare system are necessary. Digitized process and product innovations are essential to maintain and improve the system’s high standards. Our proven playbooks focus on building scalable healthcare platforms and supporting them in their growth – for the benefit of patients and healthcare professionals. This makes us the best partner for those who want to make our healthcare system future-proof and sustainable. ”

Dr. Philip Matlachowsky
Partner
Sector Head Healthcare



United Therapy



At a Glance

Main country of operations: Germany

FTE: 456

Business activity: Provision of physio therapy services

United Therapy, a leading provider in the German physiotherapy landscape, has been formed of NOVOTERGUM and Deutsche Arzt Management, supported by Quadriga Capital Funds. The group aims to combine in-person physiotherapy with digital telemedicine services in order to establish an innovative ecosystem for interconnected and holistic care solutions.

As of September 2023, United Therapy employs approx. 800 people across more than 70 centres in Germany.

SDG Alignment



Initiatives achieved

Top 3 ESG/Sustainability topics achieved during last year

- 1. Conducted employee survey and received Top Employer 2023 Certificate
- 2. Saved 900 KG of CO₂ and planted 100 trees
- 3. Expansion of renewable energy at the sites

Initiatives planned

Top 3 ESG/Sustainability topics planned during next year

- 1. Expansion of electric mobility in the vehicle fleet
- 2. Expansion of the 1 & 2 range of sustainable products in the web shop
- 3. Digitisation of the patient satisfaction survey



Environmental

Carbon intensity: Tons CO ₂ (per EUR revenue ¹)	9.96
Total CO ₂ Emissions /FTE	0.73
Tons CO ₂ (emitted from 2020-2022 ²)	
2022	453.26
2021	– ³
2020	– ³

Social

Employees	827
Gender balance % females	
Board	20%
Management	38%
All employees	69%
Unadjusted gender pay gap	9%

Governance

Code of conduct:	Yes
Operations and suppliers at significant risk of incidents of child labour:	No
Cyber Security Policy:	No
QC-Compliance Toolbox:	Yes
Compliance manual:	Yes
Compliance Officer (CCO):	Yes
Compliance report:	Yes
Compliance trainings:	Yes

¹ Full-year carbon emissions (scope 1) according to GHG protocol in entry year per 31 December.
² In 2022, with the implementation of the external ESG software, we conducted a recalculation of the carbon footprint for prior years to ensure data harmonisation and quality.
³ In 2022, with the implementation of the external ESG software, we conducted a recalculation of the carbon footprint for prior years to ensure data harmonisation and quality.

Best Practice – United Therapy

Impact Roadmap

United Therapy was acquired with the latest fund generation, in which not only ESG integration but also the impact objective play a role. Prior to the investment, an impact hypothesis was developed. As part of the onboarding process, an impact strategy and a resulting impact roadmap were created and implemented. The implementation of the roadmap is carried out in close cooperation between the management of United Therapy and the QC-Sustain Team.



GIG – Gesellschaft für integrierte Gesundheitsversorgung



At a Glance

Main country of operations: Germany
FTE: 266
Business activity: Specialist medical practice activities

With the goal of ensuring the treatment of cardiovascular diseases at the highest medical standard throughout Germany, the GIG Group was founded in 2020. GIG is today a leading integrated outpatient provider of treatments in the area of cardiology, angiology, pneumology, vascular surgery and pain therapy. The group is led by an experienced management team with medical background and operates a growing number of outpatient care centres and practices.

SDG Alignment



Initiatives achieved

Top 3 ESG/Sustainability topics achieved during last year

- 1. Briefing on practices to save energy (electricity/gas)
- 2. Company vehicles electric/hybrid
- 3. Introduced initiative to save materials

Initiatives planned

Top 3 ESG/Sustainability topics planned during next year

- 1. Analysis of the extent to which the practices have saved energy
- 2. Implement CSR policy
- 3. Implement diversity plan



Environmental		Social		Governance	
Carbon intensity: Tons CO ₂ (per EUR revenue ¹)	15.32	Employees	266	Code of conduct:	Yes
Total CO ₂ Emissions /FTE	2.29	Gender balance % females		Operations and suppliers at significant risk of incidents of child labour:	No
Tons CO ₂ (emitted from 2020-2022 ²)		Board	25%	Cyber Security Policy:	Yes
2022	608.13	Management	60%	QC-Compliance Toolbox:	Yes
2021	157.00	All employees	79%	Compliance manual:	Yes
2020	94.00	Unadjusted gender pay gap	59%	Compliance Officer (CCO):	Yes
				Compliance report:	Yes
				Compliance trainings:	Yes

¹ Full-year carbon emissions (scope 1 & 2) according to GHG protocol in entry year per 31 December.
² In 2022, with the implementation of the external ESG software, we conducted a recalculation of the carbon footprint for prior years to ensure data harmonisation and quality.

newcare Group



At a Glance

Main country of operations: Germany

FTE: 1,696.0

Business activity: Residential nursing care activities

The newcare Group, newly founded by an experienced management team with the support of Quadriga Capital Funds, aims 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 became part of the newcare family. As part of a buy-and-build strategy, the portfolio of the newly formed nursing home operator will continuously expand with integrated nursing facilities and services at attractive locations.

The newcare group has grown to around 2,800 employees by September 2023, providing care for more than 3,000 people in need of care at a total of 37 facilities.

SDG Alignment



Initiatives achieved

Top 3 ESG/Sustainability topics achieved during last year

1. Sustainability workshops at various corporate levels including stakeholder dialogue and materiality analysis
2. Conclusion of framework agreement with refood: organic waste is processed into Bio Gas
3. Company-wide introduction of ecological cleaning agents

Initiatives planned

Top 3 ESG/Sustainability topics planned during next year

1. Sustainability strategy development with the involvement of all stakeholders
2. Establishing a roadmap to address material topics
3. New conclusion of framework agreement for electricity procurement from renewable energy sourcess



Environmental

Carbon intensity: Tons CO ₂ (per EUR revenue ¹)	115.06
Total CO ₂ Emissions /FTE	7.13
Tons CO ₂ (emitted from 2020-2022 ²)	
2022	12,100.71
2021	-
2020	-

Social

Employees	2,453
Gender balance % females	
Board	0%
Management	76%
All employees	82%
Unadjusted gender pay gap	-

Governance

Code of conduct:	Yes
Operations and suppliers at significant risk of incidents of child labour:	No
Cyber Security Policy:	Yes
QC-Compliance Toolbox:	Yes
Compliance manual:	Yes
Compliance Officer (CCO):	Yes
Compliance report:	Yes
Compliance trainings:	Yes

¹ Full-year carbon emissions (scope 1 & 2) according to GHG protocol in entry year per 31 December.

² In 2022, with the implementation of the external ESG software, we conducted a recalculation of the carbon footprint for prior years to ensure data harmonisation and quality.

Best Practice – newcare Group



Interview – For newcare, the focus is on making its residents and employees happy, says CEO Markus Mitzenheim.

How are sustainability and the responsibility you have for your residents integrated into newcare's strategy?

MM: As a nationwide care provider with over 2,400 care places and 2,400 employees in more than 25 facilities, we have a great responsibility towards many stakeholders. However, our residents are at the centre of all of our activities. Our residents are our most important stakeholder group to which we feel most committed. It is of utmost importance to us not only to enable our residents to live in dignity, but also to inspire enjoyment through our services.

In addition to the residents, our employees and the residents' relatives are also important stakeholders. This became clear during the COVID-19 pandemic. We would not have come through the pandemic so well without committed staff who had to be even more sensitive to the issue of protecting our residents in this extraordinarily difficult situation. In addition, the group of relatives also came more into focus. For a long time, they were not allowed to visit their relatives due to official measures or avoided visits for fear of spreading the virus. Without them, our residents were missing an important part of their lives. We felt that clearly.

In its strategy, newcare considers all stakeholder groups. We apply a clear stakeholder approach. We are driven by the topics digitalisation, employee recruitment, employee retention, employee development, flexible working time models and energy-saving processes. Those topics are directly related to our business activities as well as to our ESG performance.

Therefore, ESG factors are fully integrated into our business strategy. Our industry-leading sustainability programme „newcare4future“ covers the eight most material areas for us: People, Staff, Food, Nature, Waste, Health, Facilities and Communication. It is one component of our efforts to have a positive impact on our stakeholders and directly support our business success.

In which areas is newcare already well positioned in terms of sustainability, and where do you still see potential for improvement?

MM: We do not focus on only one of the three ESG dimensions environment, social and governance. The newcare4future programme already mentioned includes social and environmental aspects as well as good corporate governance. When we launched the programme, it was clear to us that we wanted to make our entire value chain ESG-compliant. That is why we see ourselves as strongly positioned in each of the three dimensions.

In the environmental dimension, we have set ourselves targets on topics such as nature, waste, and facilities, which we will adhere to and strive to continue to improve. One example of the implementation of these goals is the new nursing home in Leer. There are 92 barrier-free single rooms available on four floors, all of comfortable size. These can be equipped with the residents' own furniture. For the building, we applied high standards in terms of embodied carbon emissions, operational carbon emissions, renewable electricity, efficient use of water, waste reduction and biodiversity. For every new project, we set high standards and measure the concept against them.

In the social dimension, we have formulated goals in the areas of people, employees, food, and health via newcare4future. I would like to emphasise, that there are overlaps in the goals we have set. This is illustrated by our facilities. They are not only an environmental issue, but also touch on the social dimension. We make sure that the facilities are not only suitable for the residents, but also for our employees. When we move into a new building, we take into account how a 108-year-old person - that's how old our current oldest resident is - would feel in that building. We want to enable interaction for

our residents and ensure they live with dignity. At the same time, we involve our employees in the planning process of a new move into a new facility. They should be able to move around the building as effortlessly as possible to minimize their physical exertion. This way of thinking embodies our stakeholder approach, which we consistently pursue.

The fact that we had a total of more than 1,400 net new hires last year confirms that we are generally on the right track with our sustainability concept. This figure is difficult to achieve in the care sector. The average age of our employees is 40. Our youngest employee - an apprentice - is 16 years old. For us, flexible working hours are not just a marketing slogan, it's a standard. Many of our employees can organise their working time individually - and they do. The average working time of our employees is 28.6 hours per week.

Best Practice – newcare Group



Interview – For newcare, the focus is on making its residents and employees happy, says CEO Markus Mitzenheim.

You no longer see newcare as a seniors' facility or rehabilitation provider, but as a home provider. What is the added value in terms of impact creation?

MM: Our name newcare is our motto. We care for people. At the same time, we have also seen that caring alone does not make people happy. People have needs and wishes and we want to fulfil them as best as we can, both for our residents and for the employees. For us, that means newcare. About a year ago, we launched the newcare moments of happiness and have been fulfilling (perhaps last) wishes of our residents' hearts ever since. It was time for the next step because we also know the value of happy employees. Every one of our employees contributes to our success as a company - without our employees we would not be where we are today. That is why we are now also giving our employees personal moments of happiness.

Every employee, from apprentice to manager, from part-time to full-time, can submit his or her personal heart's desire - and the community decides which wishes we will fulfil first: the TOP 3 with the most votes every month. Furthermore, it is particularly important

for us to be a digital pioneer - we do a lot to achieve this. Comprehensive Wi-Fi in all facilities is a matter of course for us, but unfortunately a rarity in care in general. However, this step is not the end of the story. We want to bring digitalisation into care. We are working closely with the Fraunhofer Institute on the topic of „digitalisation in care“ and are being accompanied and advised by experts in our steps towards digitalisation. The joint development of a camera-based and sensory system with the Adesso Group is also particularly exciting. We are empathetic, courageous, and innovative in our approach. By considering the desires of our residents and employees, we create a spirit of unity and well-being. In this way, we significantly promote social cohesion not only in our companies but in general. We believe that this approach is good for society.



ZTK Zahngesundheit



ZTK ZAHNGESUNDHEIT

At a Glance

Main country of operations: Germany
FTE: 364
Business activity: Dental practice activities

ZTK Zahngesundheit was formed in 2015 with the vision of establishing a leading group of dental centers in Germany. The dental services sector has a highly fragmented market structure and offers attractive growth opportunities for dental service organisations with a broad service offering such as ZTK. ZTK is pursuing a dedicated rollout strategy based on the opening of new practices and the organic growth of existing centers. The objective is to offer patients high-quality, innovative and comprehensive dental care based on the latest technology. A team of highly qualified dentists, oral surgeons and other dental professionals attaches great importance to patient-centred treatments. With currently 14 locations, ZTK Zahngesundheit is one of the leading dental groups in southern Germany. All data also include the Kaiserin-Auguste-Victoria Krankenhaus (KAVK), which is also part of the group.

SDG Alignment



Initiatives achieved

Top 3 ESG/Sustainability topics achieved during last year

1. Introduction of whistleblower system
2. Update of compliance manuals
3. Sustainability and enrgy efficieny audit in Nürnberg practice

Initiatives planned

Top 3 ESG/Sustainability topics planned during next year

1. Replacement of conventional light sources with LEDs
2. Use of photovoltaic system at KAVK
3. Increased use of environmentally friendly / regenerative materials



Environmental

Carbon intensity: Tons CO ₂ (per EUR revenue ¹)	21.53
Total CO ₂ Emissions /FTE	2.50
Tons CO ₂ (emitted from 2020-2022 ²)	
2022	850.03
2021	926.00
2020	989.00

Social

Employees	376
Gender balance % females	
Board	33%
Management	50%
All employees	84%
Unadjusted gender pay gap	-

Governance

Code of conduct:	Yes
Operations and suppliers at significant risk of incidents of child labour:	No
Cyber Security Policy:	Yes
QC-Compliance Toolbox:	Yes
Compliance manual:	Yes
Compliance Officer (CCO):	Yes
Compliance report:	Yes
Compliance trainings:	Yes

¹ Full-year carbon emissions (scope 1 & 2) according to GHG protocol in entry year per 31 December.
² In 2022, with the implementation of the external ESG software, we conducted a recalculation of the carbon footprint for prior years to ensure data harmonisation and quality.

Tech-Enabled Services

Industry Trends

The dynamic of this sector is driven by a number of global megatrends such as:



Energy Efficiency and Environmental awareness



Digitalisation and Individualisation



Internationalisation



Social and Demographic Change



Urbanisation and Mobility

Quadriga Approach

Attractive Targets

High recurring revenues, scalability and asset light operations – partly with links to the sectors Healthcare and Smart Industries – characterise attractive targets.

Quadriga Digital Ecosystem

Technology based services and software companies offer unexplored opportunities. A dedicated group of experts has been built to support Quadriga Capital to build-up expertise and identify attractive sub-sectors in these fields. These efforts are supported by networks (the “Quadriga Digital Ecosystem”) formed around existing Portfolio Companies.

Fragmented market

Sub-sectors include segments which are run by operating companies in a fragmented market.

References



salestech group

“ Tech-Enabled Services offer substantial potential on the road to resource efficiency and net zero. They are the enablers of change. With the energy efficiency tool developed by the last acquisition, the salestech group, for example, energy usage data can be collected and displayed, but more importantly, with ai-based predictive modelling, different usage and consumption scenarios can be simulated. We need such tools to change our behaviour in the long term. ”

Thomas Render
Partner

Sector Head Tech-Enabled Services



¹ the salestech group was acquired in 2023

GBA Group



At a Glance

Main country of operations: Germany
FTE: 1,862
Business activity: Technical testing and analysis

Throughout Germany, GBA is one of the leading independent laboratory groups with a focus on environmental, food and pharmaceutical analysis. Since 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 2,202 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.

SDG Alignment



Initiatives achieved

- Top 3 ESG/Sustainability topics achieved during last year
1. Achieved zero-accident rate
 2. Created more transparency with regard to sustainability topics and increased external presentation through newsletters and other measures
 3. Adaptation and improvement of employee training for 14001/45001 guideline

Initiatives planned

- Top 3 ESG/Sustainability topics planned during next year
1. Prepare supplier code of conduct, establish supply chain due diligence law and appropriate reporting
 2. Address biodiversity especially with regards to site in UNESCO World Heritage area
 3. Integrate sustainability KPIs into existing integrated management systems



Environmental

Carbon intensity: Tons CO ₂ (per EUR revenue ¹)	4.21
Total CO ₂ Emissions /FTE	0.45
Tons CO ₂ (emitted from 2020-2022 ²)	
2022	846.89 ³
2021	465
2020	480

Social

Employees	2,202
Gender balance % females	
Board	14%
Management	37%
All employees	60%
Unadjusted gender pay gap	21%

Governance

Code of conduct:	Yes
Operations and suppliers at significant risk of incidents of child labour:	No
Cyber Security Policy:	No
QC-Compliance Toolbox:	Yes
Compliance manual:	Yes
Compliance Officer (CCO):	Yes
Compliance report:	Yes
Compliance trainings:	Yes

¹ Full-year carbon emissions (scope 1, 2 and 3) according to GHG protocol in entry year per 31 December. Carbon emissions for 2022 contain limited GHG Scope 3 data.
² In 2022, with the implementation of the external ESG software, we conducted a recalculation of the carbon footprint for prior years to ensure data harmonisation and quality. The 2023 increase is due to the inclusion of Scope 3 GHG data.
³ Increase explained by tracking Scope 3 in 2023 for the first time.

Best Practice – GBA Group



Knowledge about the components can enable more sustainable business behaviour in the future.

From food, pharma, water, soil, sediment, sludge, waste and asphalt to air and gas, GBA Group covers a broad spectrum of analytics, making it a strong partner for many industries and businesses, says Steffen Walter, CEO at GBA.

What is the role of GBA Group in the field of sustainability?

The GBA Group is one of the leading laboratory and consulting service providers in Europe. Our core competencies lie in environmental, food and pharmaceutical analytics. We are a sustainability enabler for all industry sectors in which we are active. With our services, we lay the foundation for sustainable action for our clients. We are aware of this responsibility and therefore see sustainability as the core of what we do. That is why we have set up a comprehensive environmental protection programme to ensure that our services have a positive benefit for the environment and society. In the environmental protection programme, we have formulated specific goals for our business conduct such as (1) environmental protection and prevention of environmental pollution, (2) continuous improvement of environmental practices regarding the environment by setting quantifiable objectives, (3) anchoring of principles within the organisation, and (4) proper management

and reduction of hazardous substance usage. This comprehensive canon of goals and behaviours guides us in our everyday activities.

What impact do GBA's services have on the environment and society? To be more specific, how can GBA Group's services support firms in becoming more sustainable?

The construction industry is a good example. With our environmental analysis services GBA supports clients from the construction sector to comply with legal and environmental standards. We analyse samples of the soil on the construction site, even before the first truck rolls up to pour the foundation for a new building.

Numerous laws and regulations on the national and regional level define how to process excavated or pumped sediment, excavated soil, and sludge (including sewage sludge) in an environmentally conscious manner. It is only possible to evaluate the potential threat to the environment and people when the material is examined and analysed by an accredited laboratory – such as ours – for environmental analysis. Subsequently, an assessment is made as to whether the material can be used or if it must be disposed of appropriately.

With over 30 years of experience in the field of declaration analysis, and using state-of-the-art and accredited methods, we can analyse all the established parameters that are legally required.

To stay with the example from the construction industry. Our services do not end with the completion of a construction project. Our services help to protect people and the environment from hazards over the entire lifespan of a building. Materials that are now banned as hazardous materials in construction – such as asbestos – were a common insulating material used between 1960 and 1990. Today we know that asbestos is highly carcinogenic and must be replaced by other materials during renovation. This is where our analysis comes into play again. The GBA Group offers asbestos analysis with scanning electron microscopy at two sites in Germany.

In this way, we can make a significant contribution to detecting asbestos in existing buildings. This protects the people who regularly spend time in these buildings and construction workers who may come into contact with asbestos during renovations.

Basically, our services accompany clients, architects and other groups of people involved in the construction of a building to ensure environmental standards throughout the life cycle of the building. At the end of a building's life, we help to integrate waste generated during building demolition, for example rubble or wood waste, into a resource-conserving circular economy.

GBAs contribution in the construction industry is particularly relevant, because construction is among the most rapidly growing and resource-intensive economic sectors. Sustainability and the protection of resources are gaining more importance in this field. Every one of our business practices and services is designed to be in line with the Sustainable Development Goals. Our services support the UN Sustainable Development Goals 3.9: Good Health and Well-being; 9.4: Industry, Innovation and Infrastructure and 12.6: Responsible Consumption and Production.



Best Practice – GBA Group

Knowledge about the components can enable more sustainable business behaviour in the future.

Can you give examples of other sectors where GBA's services are an impact enabler?

We conduct food analytics, in nearly all food industry related sub-areas. Our activity ranges from baby food over meat and fish processing companies to water suppliers. GBA's services support our clients in the food industry in maintaining quality standards, ensuring consumer safety and securing yields, thus providing sufficient food and water for our population. In this way, we enable our clients to support the SDG3.9: Good health and well-being and SDG 6.3: Clean water and sanitation.



In the field of pharmaceutical analytics, we have a strong presence in the European market. GBA Group Pharma is one of the largest and most experienced service providers in the European pharmaceutical and biotechnology sector. The well-known companies

Pharmacelsus, ABF Pharmaceutical Services, LKF Central Laboratory and GBA Pharma GMP Labs operate under the roof of GBA Group Pharma.

From early lead optimisation and early pre-clinical stage to global clinical studies, with our services we support our clients throughout the entire lifecycle of pharmaceutical products. The central GBA laboratory is accessible worldwide. We offer GMP depots, an EU GMP manufacturing site for labelling and packaging and QP services, as well as late drug development and analytical services including import testing and QP batch release.

Which role does sustainability play internally for the GBA Group in addition to the impact of services already explained?

In addition to the impact of our services we place great emphasis on the sustainability of GBA's internal activities. Here we have access to Quadriga Capital's proprietary sustainability system QC-Sustain, which enables us to incorporate environmental, social and governance factors into decision-making processes along our value chain. QC Sustain covers a wide range of sustainability standards: both mandatory standards and voluntary standards.

We are convinced that sustainability, and in particular impact, must be understood as a comprehensive concept for action that does not see a company as a black box, but can also create impact within the organisation itself. With over 250 indicators provided to us by Quadriga Capital, we measure our internal processes along the entire value chain and constantly set ourselves new goals to improve our process performance in terms of sustainability. To be more specific, this means that we support our clients in achieving SDG 7.2: Affordable and Clean Energy for All; SDG 8.8: Decent work and economic growth; and SDG 5.5: Gender Equality.



How has GBA's approach to sustainability evolved over the years?

ESG and impact have become increasingly important for companies in recent years. We as GBA Group make a positive contribution to the environment and society with our economically sustainable service portfolio. However, with the SDGs and emerging actions at EU and national level, it has become clearer in recent years that companies must disclose their ESG-related actions. The EU's CSRD directive is of great importance to us as a SME and with our experience with Quadriga Capital's ESG reporting we feel confident about the upcoming directive. For us, it is important not only to report in the medium term, but also to set ourselves ambitious targets and permanently review the alignment of our activities with the targets we have set. We want to ensure that we achieve our targets. With our actions, we want to set industry standards and thus serve as a role model for others.

Smart Industries

Industry Trends

B2B Smart Industrial Manufacturing

Driven by decentralisation of manufacturing and corresponding industrial networks

Automation

Fuelled by the need to become more cost effective, further individualisation of production concepts and customisation of production

IoT (Internet of Things)

Where the IoT market is demonstrating significant growth as businesses increasingly recognise its ability to reduce costs and optimise the production flow and overall equipment effectiveness

Smart Mobility Concepts

Arising from transformation of the automotive industry, particularly driven by e-mobility and autonomous driving

Sustainable Industries

Generation, transport and storage of renewable energy; sustainable materials and urbanisation/infrastructure topics

Quadriga Approach

Sourcing

Smart Industry companies are specialised in industrial niches in a variety of industries. Within its investment focus and proactive sourcing, Quadriga Capital concentrates on selected “smart” sectors, which are characterised by innovative and technology-driven attributes and drivers (listed in Industry Trends) leading to above average expected growth rates. Within these sectors, Quadriga Capital is constantly working on a number of subsectors which have led to proprietary investments in the past such as are M&R Automation, Alicona Imaging and SCIO Automation.

Quadriga Digital Ecosystem

The Quadriga Digital Ecosystem also supports this sector with an exclusive group of functional and industrial experts for sourcing and value creation purposes.

References



“ The introduction of new digital components has the potential not only to increase the efficiency and global competitiveness of German SMEs, but also to streamline complicated, energy-intensive processes. We believe that smart industries offer multitude of opportunities for SMEs to differentiate with sustainable approaches, with a wide variety of attractive business models driven by the high demand for digitalisation as well as the pressure to achieve net zero. ”

Jörg Mugrauer
Managing Partner
Sector Head Smart Industries



Hedrich Group



At a Glance

Main country of operations: Germany
FTE: 219
Business activity: Manufacture of other special-purpose machinery

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

During a succession solution, 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. The Group has 228 employees world-wide thereof 162 in its European entities.

In addition to plants in Germany, Switzerland and China, the international sales network currently comprises of 30 local offices and is constantly being expanded.

Initiatives achieved

- Top 3 ESG/Sustainability topics achieved during last year
- 1. Implementation of new, more environmentally-friendly technology (metering pumps)
 - 2. Implementation of metering pumps
 - 3. Recognised again as TOP employer

Initiatives planned

- Top 3 ESG/Sustainability topics planned during next year
- 1. Environmental measurements including GHG emission reduction targets and GHG Scope 3 measurement
 - 2. Replacement of conventional light sources with energy-saving LEDs
 - 3. Prepare supplier code of conduct, establish supply chain due diligence law and appropriate reporting



Environmental	
Carbon intensity: Tons CO ₂ (per EUR revenue ¹)	14.48
Total CO ₂ Emissions /FTE	3.11
Tons CO ₂ (emitted from 2020-2022 ²)	
2022	437.44
2021	297.00
2020	297.00

Social	
Employees ³	162
Gender balance % females	
Board	0%
Management	0%
All employees	20%
Unadjusted gender pay gap	40%

Governance	
Code of conduct:	Yes
Operations and suppliers at significant risk of incidents of child labour:	No
Cyber Security Policy:	Yes
QC-Compliance Toolbox:	Yes
Compliance manual:	Yes
Compliance Officer (CCO):	Yes
Compliance report:	Yes
Compliance trainings:	Yes

¹ Full-year carbon emissions (scope 1 & 2) according to GHG protocol in entry year per 31 December.
² In 2022, with the implementation of the external ESG software, we conducted a recalculation of the carbon footprint for prior years to ensure data harmonisation and quality.
³ European entities only.



At a Glance

Main country of operations: North America, Europe, India
FTE: 616
Business activity: Manufacture of heat treatment systems, technologies and related aftermarket services.

Ipsen is the world market leader offering a broad portfolio of integrated heat treatment solutions. Since the investment by the Quadriga Capital funds, Ipsen has evolved into a global player with production sites in Germany, the US and India and sales and aftermarket service centres in Sweden, Italy, China and Japan. This footprint enables international relationships with blue-chip customers from the automotive, aviation and aerospace industries, commercial heat treatment, medical technology sector and the mechanical and plant engineering space. Ipsen is an industry leader with regard to innovation, digitisation and customer focus. The company's product and service portfolio and service network provide effective support for its strong market position.

SDG Alignment



Initiatives achieved

- Top 3 ESG/Sustainability topics achieved during last year
- 1. Developed and started marketing of a new and unique burner technology which materially reduces energy consumption and carbon footprint.
 - 2. Executed a wide variety of health and safety activities, e.g., safety trainings, health days in collaboration with health insurances and medical doctors, smoke cessation courses, town hall meetings and celebrations.
 - 3. Further developed the compliance system to reflect latest developments.

Initiatives planned

- Top 3 ESG/Sustainability topics planned during next year
- 1. CSRD readiness project including stakeholder, materiality and gap analysis
 - 2. Analysis of material impacts, risks and opportunities and their interaction with strategy and business model
 - 3. Environmental measurements including GHG emission reduction targets and GHG Scope 3 measurement



Environmental		Social		Governance	
Carbon intensity: Tons CO ₂ (per EUR revenue ¹)	19.78	Employees	622	Code of conduct:	Yes
Total CO ₂ Emissions /FTE	5.08	Gender balance % females		Operations and suppliers at significant risk of incidents of child labour:	No
Tons CO ₂ (emitted from 2020-2022 ²)		Board	0%	Cyber Security Policy:	Yes
2022	3,128.53	Management	13%	QC-Compliance Toolbox:	Yes
2021	1,670.00	All employees	19%	Compliance manual:	Yes
2020	1,918.00	Unadjusted gender pay gap	-	Compliance Officer (CCO):	Yes
				Compliance report:	Yes
				Compliance trainings:	Yes

¹ Full-year carbon emissions (scope 1 & 2) according to GHG protocol in entry year per 31 December.
² In 2022, with the implementation of the external ESG software, we conducted a recalculation of the carbon footprint for prior years to ensure data harmonisation and quality.

Kinetics



At a Glance

Main country of operations: North America, Europe, Malaysia, Singapore
FTE: 2,453
Business activity: Turnkey provider of engineering, installation, equipment & facility management solutions for high-tech end-markets

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 all value-chain steps 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.

SDG Alignment



Initiatives achieved

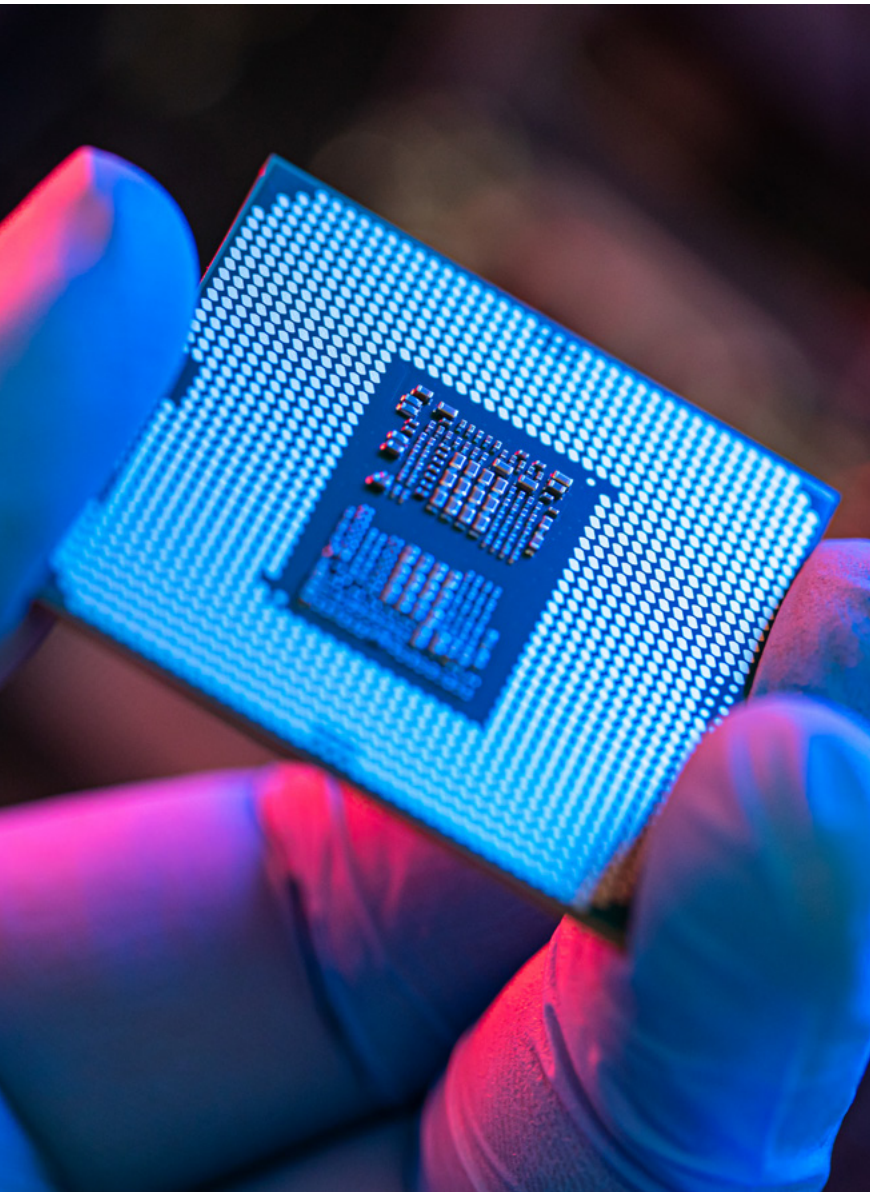
Top 3 ESG/Sustainability topics achieved during last year

- 1. Established sustainability strategy with dedicated project
- 2. Developed dilution plant solutions that are de- signed to supply various chemicals in different concentrations
- 3. Conduct daily EHS meetings and weekly Continuous Education Programs (CEP)

Initiatives planned

Top 3 ESG/Sustainability topics planned during next year

- 1. Ensure resources efficiency and pollution prevention throughout our value chain
- 2. Introduce impact measurement to demonstrate a positive sustainability impact for our clients
- 3. Establish the system to collect, quantify, and analyze the product sustainability impact globally



Environmental		Social		Governance	
Carbon intensity: Tons CO ₂ (per EUR revenue ¹)	44.48	Employees	2,133	Code of conduct:	Yes
Total CO ₂ Emissions /FTE	8.16	Gender balance % females		Operations and suppliers at significant risk of incidents of child labour:	No
Tons CO ₂ (emitted from 2020-2022 ²)		Board	0%	Cyber Security Policy:	Yes
2022	20,014.88	Management	8%	QC-Compliance Toolbox:	Yes
2021	456.00	All employees	13%	Compliance manual:	Yes
2020	509.00	Unadjusted gender pay gap	-	Compliance Officer (CCO):	Yes
				Compliance report:	Yes
				Compliance trainings:	Yes

¹ Full-year carbon emissions (scope 1 & 2) according to GHG protocol in entry year per 31 December.
² In 2022, with the implementation of the external ESG software, we conducted a recalculation of the carbon footprint for prior years to ensure data harmonisation and quality.

Best Practice – Kinetics

Sustainability Kinetics – Enabling sustainable performance.

It is a new context in which our industry operates today. The semiconductor industry is experiencing a profound shift, as social, economic, and environmental sustainability factors are increasingly integrated into decision-making processes at all levels. Until recently, sustainability was reduced to ESG and only marginally considered by companies as a risk factor, or not considered at all. Under the influence of stakeholders and societal pressures, as well as the rapidly growing awareness that a positive social and environmental contribution can increase shareholder value, the inclusion of ESG factors has evolved.

Environment

Pollution prevention

Kinetics tracks the number of pollution incidents and the number of trainings specified to preventing pollution incidents. They conduct daily EHS meetings and weekly Continuous Education Programs (CEP) at all our project sites to ensure measures for pollution prevention are taken.

Resource efficiency

Kinetics will implement a waste scoring system and identify key areas for waste reduction and recycling initiatives. Key indicators like percentage of waste to landfill, incineration and recycling rate serve to measure progress in achieving their goal. Furthermore, there are individual measures implemented by Kinetics monitored through an annual Sustainability Report to Quadriga Capital (GHG-Emissions, carbon footprint, etc...).

Social

Workplace safety

Kinetics will ensure zero workplace accidents, through the provision of high training standards. Currently, they provide training for employees under our supervision in nine areas: life and ergonomic safety, administration, fire safety, space and energy, elevated work, excavation, OSHA, hand tools, and equipment. Out of a total of 3.84 million hours worked in 2022, resulted in an incident rate of 0.57.

Human rights

In all the locations in which Kinetics operates, we ensure that all workers involved in our projects are treated with the highest standards for human rights. Despite this, Kinetics ensures that their supply chains are free from human rights violations and environmental damage.

Economics

Innovation and technology

Kinetics has developed dilution plant solutions that are designed to supply various chemicals in different concentrations. The laser scanner technology enables optimal space and material usage. They are currently evaluating all products and service impact at the customer with regards to parameters about waste and efficiency. Our facility management processes are based on optimizing and preventing failures that lead to significant downtime and related losses for our customers.

Governance

Business ethics

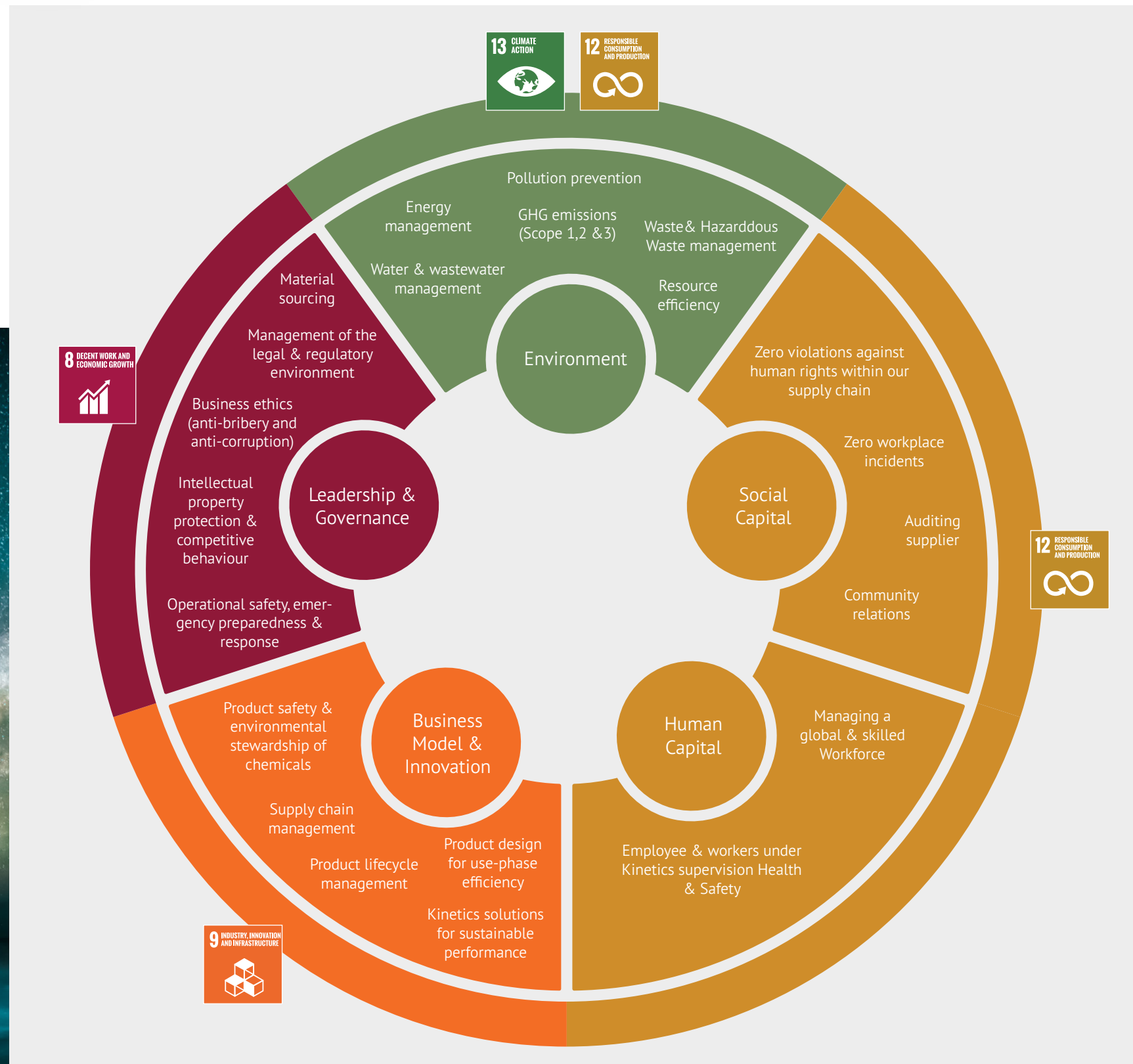
We understand the importance of adhering to regulations and guidelines, and we are committed to conducting our operations in a responsible and ethical manner. Therefore, they will operate responsibly and have zero tolerance for corruption and bribery in all regions in which they operate. Regular anti-corruption and bribery training is conducted with the management to ensure ethical behavior in all our operations.

„Positive sustainability performance is an important value driver for the long-term success of our company.“



Best Practice – Kinetics

Goals and Engagement.



Goals

Environmental

- » Reduce our Scope 1 & 2 emissions by 50% by the year 2030
- » Be climate neutral by 2045
- » Ensure resources efficiency and pollution prevention throughout our value chain

Social

- » We will ensure zero workplace incidents, by providing high training standards throughout our value chain.
- » We will ensure zero violations against human rights within our supply chain

Economic

- » We will ensure our products deliver sustainable performance (resource efficiency, waste reduction, etc.) solutions for our clients
- » By 2030 all newly launched products will demonstrate a positive sustainability impact for our clients
- » Establish the system to collect, quantify, and analyze the product sustainability impact globally

Governance

- » We will operate responsibly and have zero tolerance for corruption and bribery in all regions in which we operate

LR Health & Beauty



At a Glance

Main country of operations: Germany

FTE: 1,107

Business activity: Social Selling

LR Health & Beauty 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.

SDG Alignment



Initiatives achieved

Top 3 ESG/Sustainability topics achieved during last year

1. 3,805 m³ less water consumption than in the previous year
2. 15.1% reduction in electricity consumption (compared to the previous year)
3. 100% recycled paper in terms of the paper used to produce various magazines and print media

Initiatives planned

Top 3 ESG/Sustainability topics planned during next year

1. Installation of 3,200 photovoltaic panels with a capacity of 1,209 KW/peak
2. Procurement of a new, electricity-powered steam generator for our aloe vera production line
3. Replacement of conventional light sources with energy-saving LEDs and installation of motion detectors in little-used rooms



Environmental

Carbon intensity: Tons CO ₂ (per EUR revenue ¹)	22.99
Total CO ₂ Emissions /FTE	5.59
Tons CO ₂ (emitted from 2020-2022 ²)	
2022	6,380,787
2021	454.00
2020	1,111.00

Social

Employees	1,016
Gender balance % females	
Board	0%
Management	48%
All employees	61%
Unadjusted gender pay gap	-

Governance

Code of conduct:	Yes
Operations and suppliers at significant risk of incidents of child labour:	No
Cyber Security Policy:	Yes
QC-Compliance Toolbox:	Yes
Compliance manual:	Yes
Compliance Officer (CCO):	Yes
Compliance report:	Yes
Compliance trainings:	Yes

¹ Full-year carbon emissions (scope 1, 2 and 3) according to GHG protocol in entry year per 31 December. Carbon emissions for 2022 contain limited GHG Scope 3 data.

² In 2022, with the implementation of the external ESG software, we conducted a recalculation of the carbon footprint for prior years to ensure data harmonisation and quality. The 2023 increase is due to the inclusion of Scope 3 GHG data.

Best Practice – LR Health & Beauty



LR Health & Beauty in the field of sustainability.

Sustainability has been an integral part of LR's business strategy for many years. Their sustainability strategy has always been anchored in the company's individual departments. This means that sustainability has already been taken into consideration in all decisions, developments and innovations, and many measures have been implemented on the path to becoming a more sustainable company. LR is currently working to further develop their strategy in order to raise it to a new level – one that is adapted to changing requirements and technical capabilities – thereby honing our measures to make them even more targeted and efficient.

Water

As a producer of care products, fragrances and nutritional supplements, LR focuses very closely on its water footprint. That is reflected in LR's water management plan, which, among others, meets all of the requirements of the **German Water Resources Act (WRA)**. LR has chosen to use products with the "Friend of the Sea" quality seal, which is issued by the World Sustainability Organization. In 2022, LR's total water withdrawal was, **3,805 cubic meters less than for the previous year**. Furthermore, since March 2022, wastewater discharge from beauty production is diverted to a 25,000-liter tank. The wastewater collected there is fed to a biogas plant in a next step and thus used for energy generation.

Paper

Printouts from the German headquarter are printed on 100% recycled paper. In terms of the paper used to produce various magazines and print media, the figure of **FSC®-certified** and recyclable paper is as high as 98% or 736,798 kg! 64% of other daily paper usage are made from FSC® and recycled paper.

Energy

An intelligent energy concept likewise underlies the new LR logistics hall, which was also built in 2022 at the company's Porsche-strasse site and in which LR's logistical shipping processes will be bundled from 2024 onwards. For example, an air heating pump uses the energy contained in the ambient air to heat the indoor air directly. It has already been possible to fully shift the electricity supply to the company's German headquarters to green electricity in 2021.

Mobility

Since 2020, LR invests in developing an e-mobility charging infrastructure. In 2022, LR's own charging stations had already been used to charge the company's electric cars and hybrid vehicles with 51,009 kWh of electricity, which corresponds to an increase of over 38% compared to the previous year.

"For us, acting in an ecologically sustainable way means to work in "unison" with nature. This means: we offer nature time to regenerate and preserve it for future generations."

46
hybrid cars¹



7
electric cars¹

151
bicycle on lease¹



32
Charging stations have been installed at our site in Ahlen



+38%
kWh of electricity used to charge electric & hybrid cars



3,200
Photovoltaic panels of 1,209 kW/peak, will be commissioned in 2023



100%
green electricity at the company's site in Ahlen, Germany



15.1%
Reduction in electricity consumption (compared to the previous year)

Best Practice – LR Health & Beauty



LR Health & Beauty in the field of sustainability.

Social

Employees

LR offers a programme for a healthy work life balance with flexible working hours and flexi-time-models with the opportunity of working from home. LR offers a total 30 days of annual leave and comprehensive medical check-ups. The regular safety training courses led to a distinct reduction on the number of days lost due to occupational accidents among the workforce (from 89 days in 2021 to 35 days in 2022) as well as work related accidents which fell from 28 to 17.

Sales Partner

LR offers its sales partners a fantastic opportunity of becoming financially independent, e.g., it is always possible to earn additional income with LR in combination with a full-time job, studies or even during childcare leave. LR also offers you the opportunity of expanding your own business and building a team with new LR partners with a fast track bonus during the initial phase.

18 Children's Charity Projects

The LR Global Kids Fund e.V. is active in over 18 countries and is a registered association founded in 2009.

Governance

Code of Conduct and Works Councils

LRs Code of Conduct ensures equal and non-discriminatory treatment, equal opportunities and fosters respecting and promoting human rights in all of their operations, processes and supply chains. The works councils create platforms for communication and cooperation between management and employees.

Risk management

At the LR, risks are identified by the compliance department, while involving those operationally responsible, as part of a system-based risk management process. It serves to identify, assess and manage internal and external risks at an early stage. These include environmental risks such as the climate impact on the cultivation of certain raw materials, changes in customer behaviour and customer requirements, climate impacts on global logistics and transport costs, potential costs for CO₂ emissions, and new or amended legislation and directives.

Sustainability in the Organization

At the LR, we are committed to sustainable corporate governance that promotes long-term value creation and supports the responsible management of our business. The many advances and individual measures implemented by LR were – and continue to be – monitored through an annual Sustainability Report with Quadriga Capital.



Best Practice – LR Health & Beauty



Topic	SDG Alignment	Goal
Environmental	<div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>13 CLIMATE ACTION</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>14 LIFE BELOW WATER</div><div>15 LIFE ON LAND</div></div>	<div>» Shifting Energy from Green Electricity and generating renewable energies to reduce and replace fossil fuels</div> <div>» Analyzing the own carbon footprint in order to reduce GHG-Emissions in the long term</div> <div>» Reducing energy consumption in the form of gas</div> <div>» Bike Leasing, electrify the fleet, continue disposing wastewater environment friendly, reducing the amount of non-recyclable waste</div> <div>» Continue ensuring sustainable fishing by relying on certified suppliers (“Friend of the Sea” Seal approval)</div> <div>» Increasing the number of sustainable paper and cardboard consumption</div>
Social	<div><div>3 GOOD HEALTH AND WELL BEING</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>5 GENDER EQUALITY</div><div>10 REDUCED INEQUALITIES</div></div>	<div>» Continue selling health products and offering a wide range of health products</div> <div>» Continue ensuring high safety standards and safety training courses</div> <div>» Continue giving equal opportunities and supporting women in management positions</div> <div>» Continue</div>
Governance	<div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div>	<div>» Preventing discrimination and continue with combating corruption, whistleblower system and setting clear standards with the code of conduct</div>

Definitions



Investment-level impact thesis

For each transaction, an impact thesis serves to explain how Quadriga's investment can enable impact-oriented outcomes.



Challenge

Social and/or environmental challenge addressed
[WHAT is the challenge addressed?
[WHO are the beneficiaries and how underserved are they?]

Activities

Company's activities
[List of company's activities that address the challenge]

Quadriga's unique contribution
[What is Quadriga's investor **CONTRIBUTION** enabling the achievement of impact?]

Outputs

Immediate and measurable effects of the company's operations
[Indicative metrics related to company's operation]
[HOW MUCH scale, depth and duration of the outputs can be expected?]

Outcomes

Likely medium- to long-term results enabled by outputs
[WHAT are the medium- to long-term outcomes, aligned to SDG target(s)?]
[HOW MUCH scale, depth and duration of the outcomes can be expected?]


Indicative impact KPIs
[Indicative impact KPIs related to intended outcomes]

Impact Risks

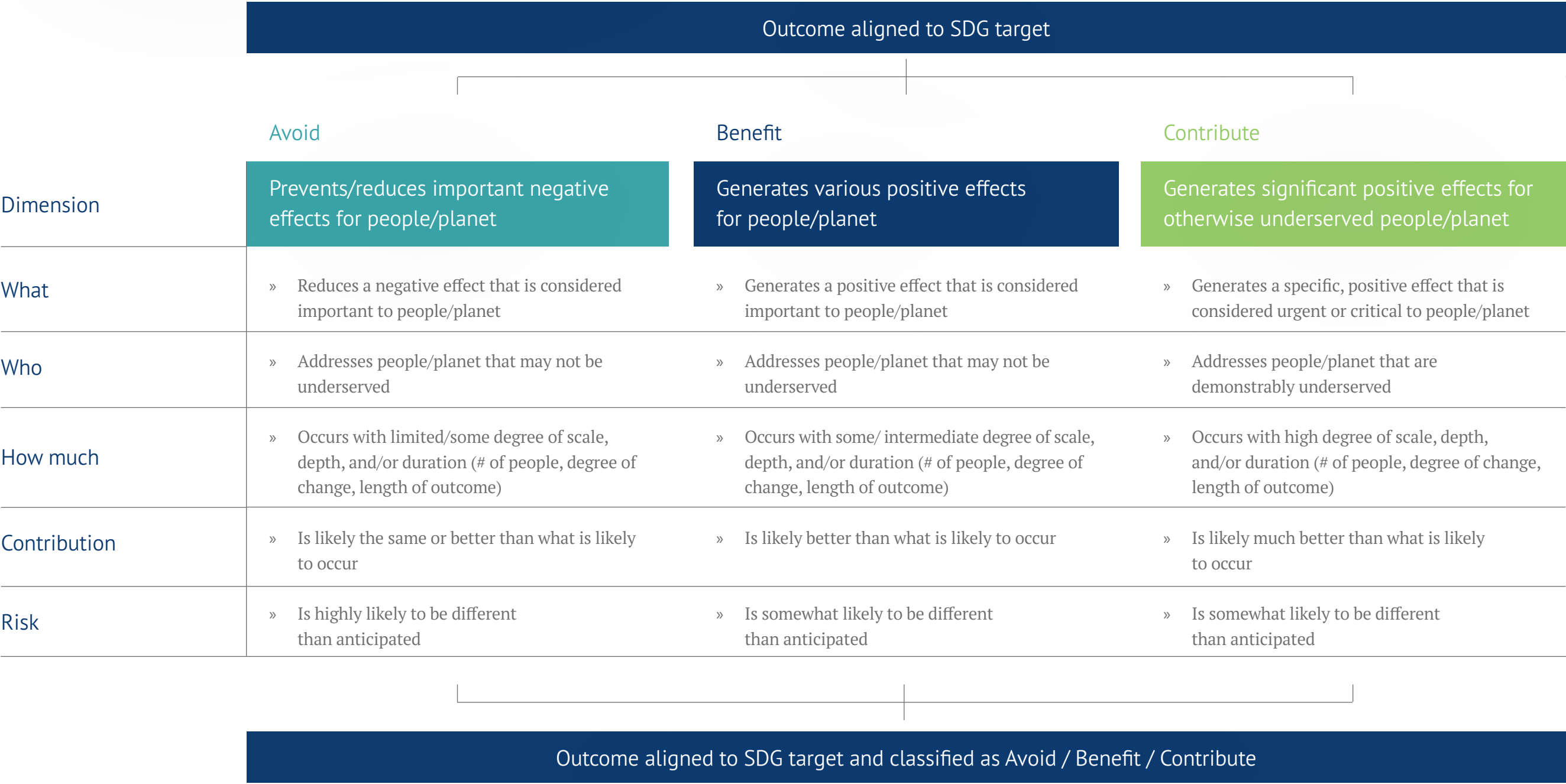
[What is the **RISK** that the impact does not occur as expected?]

Classification framework

For each investee, each identified outcome will be classified as ‘Avoid’, ‘Benefit’, or ‘Contribute’ – communicating transparently the different types of outcomes Quadriga intends to achieve.



- » For a portfolio company, a set of outcomes will be identified and aligned to SDG targets
- » Classification of outcomes can be a proxy for communicating impact with integrity
- » For each anticipated outcome, Quadriga will use a framework of profiling characteristics to arrive at an Avoid, Benefit, or Contribute classification



Quadriga ESG KPIs – Definition (1/2)



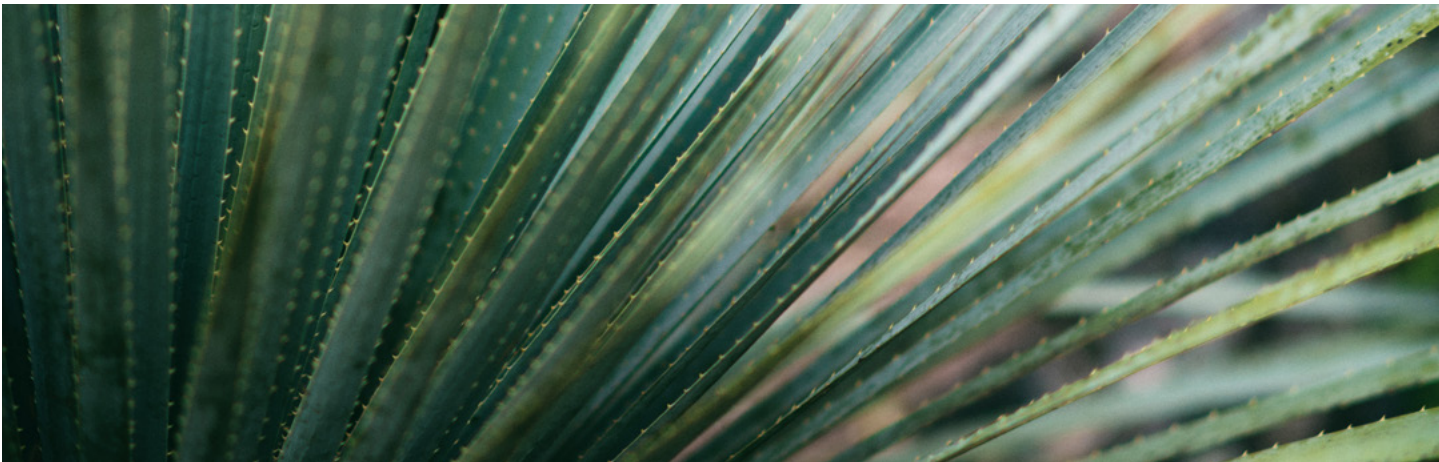
CO₂ emissions & Energy

	Scope 1	Scope 2	Total / FTE	Total Energy Consumption	Renewable Energy Usage
Definition	‘GHG emissions - Natural gas’+‘GHG emissions - Propane’+‘GHG emissions - Butane’+‘GHG emissions - Heating oil’+‘GHG emissions - Heavy fuel’+‘GHG emissions - Diesel’+‘GHG emissions - Gasoline’+‘GHG emissions - Air conditioning and refrigerant gas leaks’+‘GHG emissions - Other non renewable energies’	‘GHG emissions - Non-renewable electricity’+‘GHG emissions - District heat’+‘GHG emissions - Cooling’	(‘Scope 1 emissions’+ ‘Scope 2 emissions’)/FTE	Total energy directly consumed by the company from all sources during the reporting period.	Total Energy consumed, sourced from renewable energy sources during the reporting period. Please consider renewable non-fossil sources, i.e. wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas and bio gas. Please specify in comment whether the value is actual or estimated.
Unit	Tons of CO ₂ equivalent	Tons of CO ₂ equivalent	Tons of CO ₂ equivalent	KiloWatt Hours (KWh)	KiloWatt Hours (KWh)

Diversity

	Female Staff	Women on Board	Gender Paygap
Definition	Total number of female board members as of the reporting period.	Total number of female board members as of the reporting period.	» Survey: Do you track and analyse gender pay gap details?If yes, please specify in comments and/or upload any relevant documents.The possible answers are: » Yes » No
Unit	Number of employees	Number of employees	Yes/No questionnaire

Quadriga ESG KPIs – Definition (2/2)



Employees

	Permanent FTE recruitments	Number of voluntary redundancies	Employee survey	Number of work-related accidents	Number of work-related fatalities
Definition	Total number of permanent FTE recruitments during the reporting period.	Total number of employees who voluntarily left the business during the reporting period.	Survey: Do you conduct an annual employee survey? If yes, please specify the percentage of responses in comments. The possible answers are: » Yes » No	Number of work-related accidents during the reporting period. If applicable, please describe the incidents in comments.	Number of work-related accidents during the reporting period that resulted in material fatalities.
Unit	Number of employees	Number of employees	Yes/No questionnaire	Number of accidents	Number of fatalities

Governance

	Corporate Social Respons. Policy	ESG representative	Guidelines for good governance	QC compl. package
Definition	Survey: Do you have a formal CSR (or equivalent ESG) policy in place? If yes, please specify in comments and/or upload any relevant documents. The possible answers are: » Yes » No	Survey: Do you have a representative for CSR or ESG? Or a dedicated person responsible for ESG topics? If yes, please specify the person's name and title in comments. The possible answers are: » Yes » No	Survey: Do you have principles and guidelines for good corporate governance? The possible answers are: » Management systems, reporting and transparency » Compliance System / Code of Conduct » By-laws - Risk management » Shareholder-related principles » Stakeholder and society » Other governance areas (please specify in comments) » No	Survey: Which of the measures included in the QC-compliance package have you implemented? The possible answers are: » Code of conduct » Anti-child labor policy » Human rights policy » Anti-corruption and anti-bribery policy » Internal procedures or ethical code covering money laundering » Whistleblowing and complaint system » Health & safety policy » Cooperation with Business Partners » Gifts and Hospitality policy » Signature guideline » IT guideline » Export control » None
Unit	Yes/No questionnaire	Yes/No questionnaire	Multiple Choice questionnaire	Multiple Choice questionnaire

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