

# ESG POLICY

June 2021



THE ABILITY TO  
GROW SUSTAINABLE  
BUSINESSES

# Value creation through ESG

Quadrum Capital recognises the importance of responsible investment and ownership. The basis for this policy is the practical management of environmental, social and governance (ESG) factors. We believe this has a positive impact on the value creation of our portfolio companies, the performance of Quadrum Capital and society as a whole. It also provides opportunities to increase revenues and reduce costs and risks in a sustainable manner.

## Three ESG objectives

Our ESG policy includes the following three objectives:



It goes without saying that Quadrum Capital does not invest in companies that are engaged in illegal or unethical activities.

# Six principles for responsible investing (UN PRI)

Quadrum Capital also endorses the six Principles for Responsible Investment United Nations (UN PRI) and has embedded these in its ESG policy. This guarantees that Quadrum Capital’s business operations are ESG responsible.

## Our six principles are:

1

We will incorporate ESG issues into investment analysis and decision-making processes.

2

We will be active owners and incorporate ESG issues into our ownership policies and practices.

3

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

4

We will promote acceptance and implementation of the principles within the investment industry.

5

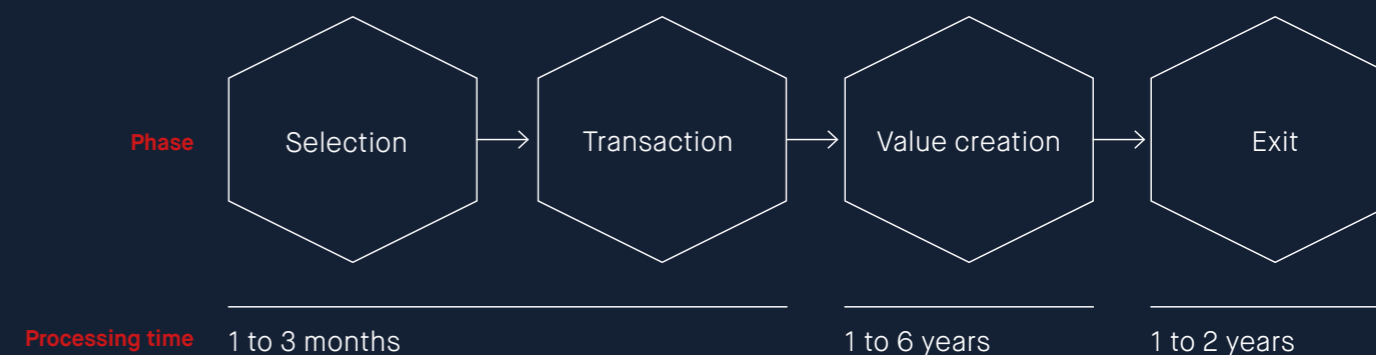
We will work together to enhance our effectiveness in implementing the principles.

6

We will each report on our activities and progress towards implementing the principles.

# ESG in practice

Quadrum Capital has integrated its ESG policy into the entire investment process, from the selection and transaction phase to the value creation and the exit phase. This way of working ensures that relevant ESG factors are continuously and structurally managed by both Quadrum Capital and the portfolio companies.



## Selection & transaction

In the Due Diligence phase (selection and transaction) Quadrum Capital takes relevant ESG aspects of an investment opportunity into account. ESG opportunities and risks are analysed and form an important part of an investment decision.

## Value creation

ESG issues are an important focus in the ownership phase (value creation). Part of this is an annual report of the ESG performance provided by the management of the portfolio companies. The boards of the portfolio companies determine their strategy and policy and are expected to include ESG issues. Quadrum Capital stimulates continuous ESG improvement at the portfolio companies by providing best-practice information and tools.

## Exit

The exit phase is concluded with the delivery of an ESG report to the new shareholder(s) about the ESG improvements realised at the portfolio company.

### **SFDR explanation**

Quadrum Capital does not evaluate the adverse effects of its investment decisions on sustainability factors in accordance with Article 4(1)(b) of Regulation (EU) 2019/2088 (SFDR) because Quadrum Capital had on average less than 500 employees during the last financial year and given its size, Quadrum Capital considers it not proportionate to provide the information in accordance with Article 4(2) of the SFDR.

### **Integration of sustainability risks in remuneration policy**

Compliance with Quadrum Capital's ESG policy regarding the integration of sustainability risks into the investment decision-making process can be part of the assessment of the performance of Quadrum Capital's management.

This brochure was written in June 2021 and will be reviewed and updated if necessary.

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