

Verifier Statement

Independent Verification Report

Prepared for Trill Impact: January 11th, 2022

Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)¹, Trill Impact (“Trill”) engaged BlueMark to undertake an independent verification of the alignment of Trill’s impact management (IM) system with the Impact Principles. Trill’s assets under management covered by the Impact Principles (Covered Assets) totals EUR 901 million², for the period ending September 2021.

Summary assessment conclusions

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

Principle 1: Trill has developed a fund-level theory of change (ToC) linked to its strategy of supporting businesses to reach their impact potential and contribute to SDGs in targeted geographies. The firm compiles evidence from academic and expert sources to inform thematic priorities and transaction-level impact theses. In addition, Trill has developed a methodology for assessing proportionality of impact to the overall portfolio size.

Principle 2: Trill has developed an impact framework (i.e., IMPACT model) that facilitates the assessment of impact throughout the transaction lifecycle and uses a bespoke Impact Scorecard tool that consistently assesses impact for each transaction. Staff incentive systems are tied to impact through an impact-linked carry and consideration of impact achievement within staff performance review scorecards.

Principle 3: Trill establishes and documents its contribution to the achievement of impact for each of its investments in various ways and contributes to the achievement of impact collaboratively using a variety of support, tools, and expertise. Trill tracks and validates its expected and actual contribution to impact through monitoring of relevant KPIs and survey-tools and has compiled a case-study example as evidence.

Principle 4: Trill consistently assesses the expected impact of investments by incorporating impact considerations into each of the sourcing and due diligence stages. Trill develops transaction-level theories of change that link to relevant SDGs and uses a bespoke Impact Scorecard leveraging the IMP 5 dimensions to compare across investment opportunities.

Principle 5: In due diligence, Trill assesses the materiality of relevant ESG issues through a variety of tools aligned to industry standards (i.e., SASB, UN Global Compact Principles). Trill monitors progress towards ESG KPIs on a quarterly basis and engages directly with management in the event of underperformance or unexpected risks.

Principle 6: Trill consistently monitors the impact performance of each investment by collecting impact KPIs on a quarterly and annual basis, which are tracked in a monitoring platform. Trill sets a detailed Value Creation Plan (VCP) with company management ex-ante, and monitors progress against those overarching impact targets post-investment. The firm regularly surveys relevant stakeholders and solicits expert advice to capture relevant impact outcomes.

Principle 7: Trill has a Responsible Exit Approach that is integrated into each step of their investment process, from idea generation to exit. Trill’s Responsible Exit templates consider both timing and buyer due diligence. The firm draws upon the levers of change available to them to ensure the sustainability of impact upon exit. To align further, Trill can successfully implement its Responsible Exit Approach and demonstrate consideration of relevant criteria in Responsible Exit templates.

Principle 8: Trill has a standardized process to review each investment’s impact performance, collecting impact and ESG KPIs on a quarterly and annual basis. The firm has developed a schedule of annual meetings focused on both impact and performance improvement discussions, and the team maintains communication regarding lessons learned and process improvements with the advisory committee and Impact team on a weekly basis.

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

² Assets under management figure as reported by Trill Impact as of 09/03/2021. BlueMark’s assessment did not include verification of the AUM figure.

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Assessment methodology and scope

Trill provided BlueMark with the relevant supporting documentation for the policies, processes, and tools related to the IM system applicable to the Covered Assets. The scope of BlueMark's work was limited to processes in place related to the Covered Assets as of November 2021. BlueMark's assessment of the IM system included an evaluation of both the system itself and supporting documentation, as well as the consistency of the draft disclosure statement with the IM system. BlueMark believes that the evidence obtained in the scope of its assessment is sufficient and appropriate to provide a basis for our conclusions.³

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

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

Permissions

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

About BlueMark

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

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

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

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