

# Verifier Statement

## *Independent Verification Report*

Prepared for Trill Impact: October 10, 2023

## Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)<sup>1</sup>, Trill Impact engaged BlueMark to undertake an independent verification of the alignment of Trill Impact’s impact management (IM) system with the Impact Principles. Trill Impact’s assets under management covered by the Impact Principles (Covered Assets) totals \$1.1 billion<sup>2</sup>, for the year ending 12/2022.

## Summary assessment conclusions

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

*Principle 1:* Trill has a clearly defined impact investing strategy and developed fund-level theories of change (ToCs) linked to three impact themes and SDG contributions, substantiated by third-party data and research. Furthermore, the firm tracks the proportionality of its expected impact relative to the amount invested.

*Principle 2:* Trill has a consistent impact assessment methodology, the I.M.P.A.C.T model, for both Impact Private Equity and Impact Ventures strategies. The firm uses its proprietary Impact Scorecard to manage and compare impact across the portfolio. Impact performance is linked to staff incentive system.

*Principle 3:* Trill contributes to the achievement of impact through guidance and support for portfolio companies, including the development of Value Creation Impact Plans (VCIP). As an active owner, Trill conducts company specific engagements on a variety of topics and tracks the effectiveness or outcomes of its engagements.

*Principle 4:* Trill has a structured process for evaluating the impact of their investments, including screening opportunities for potential positive and negative impacts using a checklist and scoring them with a proprietary Impact Scorecard. They additionally conduct an SDG gap analysis to identify where their capital can have the most effective contribution.

*Principle 5:* Trill conducts a comprehensive ESG assessment to identify and manage ESG risks. Trill monitors progress towards ESG targets on a quarterly basis and engages directly with management in the event of underperformance or unexpected risks.

*Principle 6:* Trill monitors the impact performance relative to impact targets on a quarterly basis and actively engages when monitoring indicates impact underperformance. Trill has conducted an exercise to assess outcomes from outputs data for Fund I and has partnered with groups like 60Decibels in the past to capture impact outcomes.

*Principle 7:* Trill assesses the exit prospect of a potential company from both commercial and long-term impact standpoints during the pre-investment phase and integrates both timing considerations and buyer due diligence in the planning process to ensure the sustainability of impact. To further align, Trill should fully operationalize its exit framework and document implementation evidence.

*Principle 8:* Trill regularly reviews investment-level impact performance by collecting key KPIs from investees and using VCIPS to track progress. Additionally, Trill Impact hosts monthly and Quarterly strategy sessions, along with monthly Impact and ESG Forum, to reflect on lessons learned and integrate changes into strategic policies and decisions.

<sup>1</sup> 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.”

<sup>2</sup> Assets under management figure as reflected in email correspondence with Trill Impact as of 10/03/2023. BlueMark’s assessment did not include verification of the AUM figure.

# Verifier Statement

## *Independent Verification Report*

*Prepared for Trill Impact: October 10, 2023*

### Detailed assessment conclusions

The chart below summarizes findings from BlueMark’s verification of Trill Impact’s extent of alignment to the Impact Principles, using the following four ratings:<sup>3</sup>

- Advanced (Limited need for enhancement);
- High (A few opportunities for enhancement);
- Moderate (Several opportunities for enhancement); and
- Low (Substantial enhancement required).<sup>4</sup>

Principle	Alignment
1. Define strategic impact objective(s), consistent with the investment strategy	A D V A N C E D
2. Manage strategic impact on a portfolio basis	A D V A N C E D
3. Establish the Manager's contribution to the achievement of impact	A D V A N C E D
4. Assess the expected impact of each investment, based on a systematic approach	A D V A N C E D
5. Assess, address, monitor, and manage potential negative impacts of each investment	A D V A N C E D
6. Monitor the progress of each investment in achieving impact against expectations and respond appropriately	A D V A N C E D
7. Conduct exits considering the effect on sustained impact	H I G H
8. Review, document, and improve decisions and processes based on the achievement of impact and lessons learned	A D V A N C E D

<sup>3</sup> 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.

<sup>4</sup> The decision to publicly disclose the results of BlueMark’s detailed assessment, and the specific ratings assigned to each Principle, is left to the sole discretion of Trill Impact.

# Verifier Statement

## *Independent Verification Report*

Prepared for Trill Impact: October 10, 2023

---

### Assessment methodology and scope

Trill Impact 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 October, 2023. BlueMark’s assessment of the IM system included an evaluation of both the system itself and supporting documentation, as well as the consistency of the draft disclosure statement with the IM system. BlueMark believes that the evidence obtained in the scope of its assessment is sufficient and appropriate to provide a basis for our conclusions.<sup>5</sup>

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 Impact staff responsible for defining and implementing the IM system;
3. Testing of selected Trill Impact transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to Trill Impact, 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 Impact in accordance with the agreement between our firms, to assist Trill Impact in fulfilling Principle 9 of the Operating Principles for Impact Management. We permit Trill Impact to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate Trill Impact’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 Impact 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](http://www.bluemarktideline.com).

---

<sup>5</sup> 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.