Sustainability-related disclosure

Product name (each, a "Fund")	LEI Number
Trill Impact (No.1) SCSp	529900FT4ZECWJ5A0P50
Trill Impact (No.2) SCSp	529900NB58CFAJOOEE02
Trill Impact (No.3) SCSp	Not currently available

Version	Date	Comments
v1.0	1 January 2023	Disclosure prepared to comply with the Manager's obligations under Article 10 of SFDR and the Delegated Act

IMPORTANT NOTICE

THIS DISCLOSURE IS PROVIDED PURSUANT TO EUROPEAN UNION REGULATORY REQUIREMENTS AS OF THE DATE HEREOF AND IS NOT INTENDED FOR USE BY INVESTORS OUTSIDE OF THE EUROPEAN UNION.

This disclosure is made in respect of the Fund pursuant to Article 10 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**") as supplemented by the Commission Delegated Regulation 2022/1288 of 6 April 2022 supplementing SFDR and the EU Taxonomy (the "**Delegated Act**").

The "**General Partner**" means Trill Impact (GP) SCS (a société en commandite simple) with its registered office at 3, rue Gabriel Lippmann, L-5365, Munsbach, Grand Duchy of Luxembourg, registered with the Luxembourg trade and companies' register under number B234841, represented by its managing general partner (associé gérant commandité) Trill Impact (General Partner) S.à r.l., a private limited liability company (société à responsabilité limitée), having its registered office at 3, rue Gabriel Lippmann, L-5365, Munsbach, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies' register under number B234841.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR AN INVITATION TO SUBSCRIBE TO INTERESTS OF THE FUND OR ANY OTHER ALTERNATIVE INVESTMENT VEHICLE FOR WHICH TRILL IMPACT (AS DEFINED BELOW) SERVES AS GENERAL PARTNER OR INVESTMENT ADVISOR, AND THE INFORMATION PRESENTED IN THIS DOCUMENT SHOULD NOT BE RELIED UPON BECAUSE IT IS INCOMPLETE AND MAY BE SUBJECT TO CHANGE

In case of any inconsistency between this disclosure and the confidential private placement memorandum of the Fund, as amended and supplemented from time to time (the

"**Memorandum**"), the Memorandum shall prevail. Defined terms not otherwise defined have the meaning given to them in the Memorandum.

LRI Invest S.A., an alternative investment fund manager, organized under the form of a Luxembourg public limited company (*société anonyme*) (registered number B28101) with its registered office at 9A, rue Gabriel Lippmann, 5365 Munsbach, Luxembourg (the "**Manager**"), has been appointed as the external alternative investment fund manager of the Fund. References in this disclosure to a power, authority, discretion or right of, or determination to be made by, the General Partner will be construed as references to a power, authority, discretion or right of, or determination to be made by the Manager to the extent that such power or authority is granted to the Manager pursuant to the management agreement entered into between the General Partner on behalf of the Fund and the Manager.

The Manager is responsible for the risk management function and the portfolio management function of the Fund, with the advice and support of Trill Impact. References to "**Trill Impact**", "**we**", "**us**" and "**our**" in this sustainability-related disclosure refer to private funds established and / or managed or advised by Trill Impact AB and other members of its group of companies who serve as general partners or investment advisors, including the General Partner. Depending on the context, Trill Impact may also include Trill Impact AB and other members of its group of companies and third parties connected to it.

The Manager will be responsible for the proper and independent valuation of the assets of the Fund.

The fund known as "Trill Impact Fund" is comprised of certain Luxembourg special limited partnerships (sociétés en commandite spéciales) including Trill Impact (No.1) SCSp and Trill Impact (No.2) SCSp, and Trill Impact (No. 3) SCSp, together with any other investment vehicles that may be established from time to time in connection with the participation of investors in the Fund, which sit above Trill Impact Intermediary SCSp, another Luxembourg limited partnership, which will pool the commitments from each of the parallel Luxembourg limited partnerships in order for the Fund to make investments. For the avoidance of doubt, this disclosure document applies equally to Trill Impact Intermediary SCSp but it is not possible for any person (other than the Trill Impact Fund vehicles) to be directly invested in Trill Impact Intermediary SCSp.

The General Partner considers that Trill Impact Fund has a sustainable investment objective within the meaning of Article 9 of SFDR in effect as at 1 January 2023 ("**Article 9**"). The General Partner intends that Trill Impact Fund should be operated in a manner that complies with the requirements of Article 9 (the "**Article 9 Requirements**"); however, nothing in this disclosure or the Memorandum constitutes a guarantee that Trill Impact will be able to operate the Fund in a manner that complies with any amendments, extensions, re-enactments, interpretations or replacements to the Article 9 Requirements which become applicable at any time following 1 January 2023, including in response to statutory or regulatory guidance or changes in industry approach. Trill Impact Fund was launched prior to SFDR coming into force in March 2021. Accordingly, Trill Impact has sought to comply with the requirements of the SFDR with respect to the Fund on a best-efforts basis, and has assessed the Fund's compliance with the Article 9 Requirements in good faith; however, no assurance can be made that any actions taken or processes implemented prior to the implementation of SFDR would have met the Article 9 Requirements had they applied at that time.

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(a) Summary

The Fund's investment strategy is focused on making investments in companies that Trill Impact considers are "sustainable investments" within the meaning of the SFDR because:

- they contribute to achieving one or several of the United Nations Sustainable Development Goals ("**SDGs**") and in which the Fund can cause an SDG gap-reduction contribution; and

- a substantial proportion of the revenues, CAPEX, and/or OPEX of the portfolio company are derived from activities that contribute to a social objective, or an environmental objective that is at least in part EU Taxonomy eligible (but which may not qualify as environmentally sustainable under the EU Taxonomy (i.e. so called, "Taxonomy-aligned")) at the moment of investment, provided the guidance under the EU Taxonomy has been related for said activity/ies.

During the life of the Fund, it is expected that the Fund invests only in sustainable investments that contribute to either an environmental or a social objective, of which a minimum of:

a) 25% of Total Commitments in sustainable investments that contribute to an environmental objective, meaning that the company's activity/ies (i) are measurably contributing to SDG targets; and (ii) are at least in part EU Taxonomy eligible (but which may not qualify as Taxonomy-aligned activities) at the moment of investment, provided the guidance under the EU Taxonomy has been related for said activity/ies, and

b) 25% of Total Commitments in sustainable investments that contribute to a social objective.

For the avoidance of doubt, the General Partner does not commit that, at the moment of investment, the Fund will make sustainable investments in economic activities that qualify as environmentally sustainable under the EU Taxonomy. Moreover, no index has been designated as a reference benchmark in relation to the Fund.

The term "**Impact**" is used throughout this document and should be understood as the actions or activities which a company undertakes which contribute to at least one of the SDGs which Trill Impact assesses in connection with the pre-acquisition review and management of an investment; Impact can relate to customers, other key stakeholders, and broader society, as the same may be linked to any of the SDG indicators and targets.

The General Partner will undertake to ensure that SFDR and EU Taxonomy considerations are: (i) integrated into the investment advisory committee processes; (ii) the onboarding process of the portfolio company into the Trill Impact platform; and (iii) the monitoring of the investment during the Fund's holding period.

The Trill Impact investment advisory and impact teams that are responsible for the sourcing process will analyze each target company's current and potential positive contribution to one or more of the 17 SDGs and assess on a best-efforts basis (subject e.g. to data availability) the principal adverse impacts of the potential investment's activities and operations, and their good governance practices. The Fund's investments are intended to fulfil minimum human right safeguards and the General Partner aims to ensure the alignment of the Fund's investments with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

During the first 6–12-month period after an investment has been made, Trill Impact intends to support management in finalizing the Value Creation Impact Plan which includes Impact and ESG-related targets along with financial targets.

The General Partner shall have discretion with the management teams of the portfolio companies, acting in good faith, to adjust the ESG and Impact KPIs and targets during the life of the Fund in order to ensure that the original intent of the program is adhered to, supporting Trill Impact's positive Impact ambition. Data sources used are the portfolio companies' ERP system(s), or similar, typically Excel-based solutions. This data is then used to measure the Impact and ESG performance of the portfolio companies and reported regularly and leveraged in customer and other stakeholder communication through a collaborative approach. A data collection system is available for the portfolio companies to upload relevant Impact and ESG data to facilitate the reporting and analysis process. Data is gathered and processed in respect of the portfolio companies, transferred to Trill Impact, and stored centrally in dedicated software.

This summary was prepared in English and is being translated to other official languages of the European Union. In case of any inconsistencies or conflict between the different versions of the summary, the English language version shall prevail.

(b) No significant harm to the sustainable investment objective

The General Partner applies Trill Impact's Impact Investment and Ownership Policy, as may be amended from time to time, to ensure that potential investments do not cause significant harm to any environmental or social sustainable investment objectives as part of the assessment of potential sustainability risks.

The General Partner understands that all economic activities have the potential to adversely affect sustainability factors. Therefore, it seeks to analyze all investments on a best-efforts basis subject to, for example, data availability. Where principal adverse impacts are identified within the portfolio companies' activities and operations, these factors will be integrated into the investment analysis, ongoing monitoring, and, where warranted, also included in action plans such as the Trill Impact Value Creation Impact Plan.

The General Partner through the application of Trill Impact's Impact Investment and Ownership Policy takes a risk-based approach in relation to the consideration of principal adverse impacts on sustainability factors and to assess that the investment does not cause significant harm to any other environmental and social objective which considers, among other things:

- **Relativity – the company's size, geography, and industry.** To consider revenue, as a proxy, as well as the nature of the sector within which the business operates.

- **Net impact – total positive impact versus total negative impact.** To estimate net impact, we use a third-party data solution, in addition to manual outside-in assumptions based on externally available data.

- **EU Taxonomy-related criteria.** To assess that the investment does not cause significant harm to any other environmental objective under the EU Taxonomy, in relation to economic activities that qualify as environmentally sustainable under the EU Taxonomy at the moment of investment.

Where an adverse impact is too severe and cannot be managed, the investment will not be pursued. If the adverse impact can be reduced and managed, the Fund may pursue the investment and will periodically report on the principal adverse impact indicators to the extent required under SFDR.

In addition to the 14 mandatory PAI indicators covering greenhouse gas emissions, biodiversity, water, waste, and social and employee matters, the General Partner will also consider two additional voluntary indicators:

- **Investments in companies without carbon emissions reduction initiatives** (share of investments in portfolio companies without carbon emissions reduction initiatives aimed at aligning with the Paris Agreement).

- **Insufficient whistleblower protection** (share of investments in entities without policies on the protection of whistleblowers).

These in total 16 indicators are considered throughout the analysis of potential investment opportunities. First, the General Partner seeks to analyze the potential of all investments to adversely impact sustainability factors on a best-efforts basis subject to, for example, data availability. Where principal adverse impacts are identified within the target company's activities and operations, these factors are integrated into the investment analysis and ongoing monitoring.

Second, the ambition from the outset is to ensure that any selected investment does no significant environmental or social harm. Where an adverse impact is too severe and cannot be managed, the investment is not pursued.

Third, if the adverse impact can be reduced and managed, an investment can be pursued and periodic reports on the principal adverse impact indicators will then be provided to the extent required under SFDR.

To conclude, the Fund's investments are intended to fulfil minimum human rights safeguards and the General Partner aims to ensure the alignment of the Fund's investments with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights. The General Partner will also have regard to the ten principles of the United Nations Global Compact. Where an investment is considered an environmentally sustainable investment for the purposes of the EU Taxonomy, the General Partner will also seek that the investment aligns with the minimum safeguards set out in the SFDR and the EU Taxonomy. From an implementation perspective, the fulfilment of the above safeguards will be verified during the due diligence phase of the investment process, and continually during the holding period of each investment.

(c) Sustainable investment objective of the financial product

The Fund intends to make primarily controlling and co-controlling equity and equity-related investments in mid-market companies that Trill Impact considers qualify as "sustainable investments" (as such term is understood within the meaning of the SFDR as of the date hereof), as set out below.

The Fund will make investments solely in portfolio companies (i.e. any body, corporate, association, partnership, collective investment scheme or other entity or vehicle) that it deems to have strong potential to accelerate their contribution towards a more sustainable world and to pursue a thematic impact strategy, leveraging investment opportunities related to global megatrends by creating real financial return, while contributing to the SDGs and making a lasting impact. More specifically, the Fund will seek to invest in companies that have a scalable sustainability profile or whose operating model can be transformed to make a net positive impact.

To achieve this objective, the Fund's investment strategy is focused on making controlling and co-controlling equity and equity-related investments in portfolio companies that Trill Impact considers are "sustainable investments" within the meaning of the SFDR because:

- they contribute to achieving one or several of the SDGs and in which the Fund can cause an SDG gap-reduction contribution;

- a substantial proportion of the revenues, CAPEX, and/or OPEX of the portfolio company are derived from activities that contribute to a social objective, or an environmental objective that is at least in part EU Taxonomy eligible (but which may not qualify as Taxonomy-aligned activities) at the moment of investment, provided the guidance under the EU Taxonomy has been related for said activity/ies.

(d) Investment strategy

As further set out in the Memorandum, the investment strategy of the Fund seeks to target primarily controlling and co-controlling equity and equity-related investments primarily in connection with buy-outs, buy-ins, corporate joint ventures or similar investment opportunities. The Fund intends to invest predominantly in Northern Europe.

Before making an investment, the Fund performs an in-depth analysis of the target company's potential to achieve Impact, its full scaling potential and ESG maturity. As the Fund will primarily make controlling and co-controlling equity investments, Trill Impact will seek to invest in companies that have a scalable sustainability profile or whose operating model can be transformed to make a net positive impact.

The Fund seeks to adapt and integrate Trill Impact's proprietary I.M.P.A.C.T. model throughout the investment cycle, from idea generation to exit.

Moreover, in accordance with the Impact Investment and Ownership Policy, the General Partner will consider good governance practices and will make reasonable steps to seek that portfolio companies follow sound ESG governance procedures to the extent reasonably practicable.

Prior to investment, ESG due diligence and potential sustainability risks will be considered, including a review of current ESG governance practices.

The ESG due diligence entails a review of current ESG management practices, and historical breaches regarding ESG norms and ethical behavior. Where good governance aspects, or lack thereof, are identified during due diligence, further analysis on the target company is undertaken. Furthermore, ESG due diligence is utilized to conduct an analysis of the target against the benchmarks set out by the Task Force on Climate Related Financial Disclosures.

In particular, with respect to the good governance assessment and management of risk, we consider but are not limited to:

- sound ESG management structures and decision making;
- accountability and relations to key stakeholders – employees, customers, suppliers, and communities;
- compensation structures;
- compliance management with applicable laws;
- negative events which are likely to have a material adverse impact on the financial returns and/or a negative impact on the environment and society, and
- board practices.

Where good governance aspects, or lack thereof, are identified during due diligence, the General Partner expects that further discussions will be arranged with portfolio companies to discuss these issues. In alignment with SFDR, among others, adverse deviations regarding management structures, employee relations, remuneration of staff and tax compliance will be considered.

Where portfolio companies need to improve on good governance practices, the General Partner will require full management buy-in to implement improved ESG governance controls prior to investment before going ahead with the investment to the extent reasonably expected.

In addition, Trill Impact will engage with each portfolio company to implement a code of conduct, which is aligned to the ten Principles of the United Nations Global Compact, if not already in place, and will be supported throughout this process.

Similarly, the General Partner will arrange for external due diligence processes to be carried out and assess if sufficient safeguards have been implemented to mitigate any further breaches prior to investment where it has identified, prior to ownership, non-compliance with minimum safeguards.

If the possibilities of future non-compliance, relative to the size and nature of the business, are minimal, the Fund is permitted to invest, and the General Partner will take reasonable efforts to seek that the portfolio company meets the good governance and minimum safeguard requirements. Where breaches occur under the Fund's ownership, the General Partner will ensure that an immediate investigation upon notice is launched and seek to implement measures to contain and address the breach. The General Partner will also determine the impact of the breach on the Fund's investment strategy in the context of its investment objectives and regulatory obligations.

(e) Proportion of investments

It is intended that the Fund makes 100% of its investments in "sustainable investments"[1] within the meaning of the SFDR by making investments in portfolio companies that Trill Impact considers are "sustainable investments" within the meaning of the SFDR because:

- they contribute to achieving one or several of the SDGs and in which the Fund can cause an SDG gap-reduction contribution; and

- a substantial proportion of the revenues, CAPEX, and/or OPEX of the portfolio company are derived from activities that contribute to a social objective, or an environmental objective that is at least in part EU Taxonomy eligible (but which may not qualify as Taxonomy-aligned activities) at the moment of investment, provided the guidance under the EU Taxonomy has been related for said activity/ies.

During the life of the Fund, it is expected that the Fund invests only in sustainable investments that contribute to either an environmental or a social objective, of which a minimum of:

a) 25% of Total Commitments in sustainable investments that contribute to an environmental objective, meaning that the company's activity/ies (i) are measurably contributing to SDG targets; and (ii) are at least in part EU Taxonomy eligible (but which may not qualify as Taxonomy-aligned activities) at the moment of investment, provided the guidance under the EU Taxonomy has been related for said activity/ies, and

b) 25% of Total Commitments in sustainable investments that contribute to a social objective.

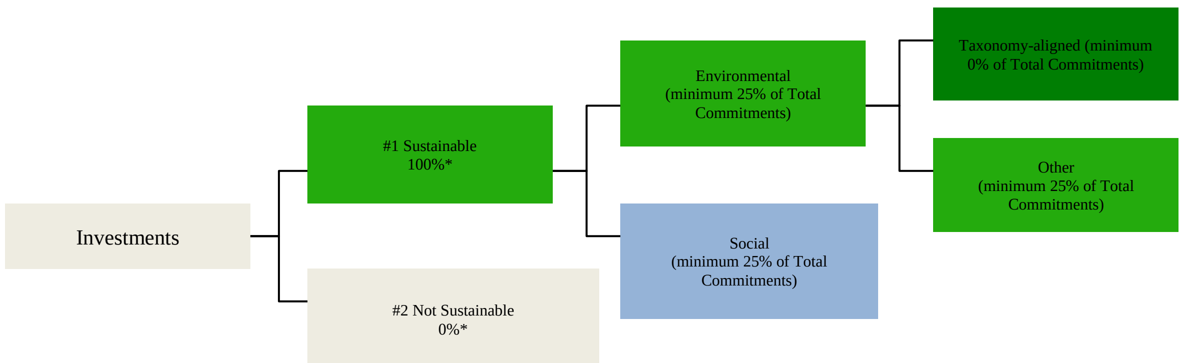
For the avoidance of doubt, the General Partner does not commit that, at the moment of the investment, the Fund will make sustainable investments in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

Investors should be aware that the Fund is permitted to enter into certain non-core activities for financial management purposes, such as derivatives for hedging arrangements to mitigate interest rate or currency risk, or the impact of stock price movements. The General Partner expects the use

[1] The Fund's intended commitment is subject to SFDR, Commission Delegated Regulation (EU) 2022/1288, and other applicable regulations permitting the exclusion of derivatives (which are used solely for non-speculative purposes), money market instruments (if any) or cash deposits from the planned asset allocation disclosed in this document.

of derivatives to indirectly assist with attaining the sustainable objective of the Fund as they will be used as part of the financing and management of the Fund's sustainable investments on an ongoing basis, but not expected to qualify as "sustainable investments" within the meaning set out above given its limited use to mitigate risks rather than for speculative purposes. Such investments are not included in the planned asset allocation mentioned above or the planned asset allocation diagram below.

Notwithstanding anything to the contrary, the General Partner reserves the right to adopt such arrangements as it deems necessary or desirable to meet the Fund's investment objective as further set out in the Fund documentation and comply with any applicable regulatory requirements, such as under the SFDR, the EU Taxonomy and any other applicable legislation or regulation related to the EU Action Plan.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

(f) Monitoring of sustainable investment objective

The General Partner will ensure that SFDR and EU Taxonomy considerations are integrated into:

- the internal investment advisory committee process for the Fund's advisors;
- the onboarding process of the portfolio company into the Trill Impact platform to remediate any regulatory/ESG gaps that may have been identified during the due diligence process, and
- ongoing monitoring carried by Trill Impact in relation to each investment ambition.

1. The Investment Advisory Committee process within Trill Impact

The investment advisory and impact teams that assist with the sourcing process will analyze each target company's current and potential positive contribution to one or more of the 17 SDGs.

Prior to an investment, Trill Impact partners with management to develop and agree on an indicative Value Creation Impact Plan which includes Impact and ESG KPIs. This creates the foundation to achieve Trill Impact's desired impact intention.

2. Onboarding

During the first 6–12-month period after an investment has been made, Trill Impact supports management in finalizing the Value Creation Impact Plan which includes Impact and ESG-related targets along with financial targets.

The Value Creation Impact Plan takes into account financial returns and the portfolio company's contribution to one or more of the SDGs and its ESG contribution based on the company's maturity level, industry, and geographic footprint.

3. Ongoing monitoring

To conclude, the Fund intends to support portfolio companies both in measuring their progress and in setting annual targets.

(g) Methodologies

The Fund intends to make 100% of its investments in "sustainable investments"[2] within the meaning of the SFDR by making controlling and co-controlling equity and equity-related investments in companies that Trill Impact considers to be "sustainable investments" within the meaning of the SFDR.

The following indicators will be used to determine if an investment qualifies as a "sustainable investment":

- the portfolio company contributes to achieving one or several of the SDGs and in which the Fund can cause an SDG gap-reduction contribution;

- a substantial proportion of the revenues, CAPEX, and/or OPEX of the portfolio company are derived from activities that contribute to a social objective, or an environmental objective that is at least in part EU Taxonomy eligible (but which may not qualify as Taxonomy-aligned activities) at the moment of investment, provided the guidance under the EU Taxonomy has been related for said activity/ies, and

- the portfolio company does no significant harm to any environmental or social objective within the meaning of the SFDR ("**DNSH**") and follows good governance.

Trill Impact will ascertain that these characteristics are met as part of its screening during the due diligence phase of the pre-investment. Further details on those are set out under (j) below.

Moreover, the General Partner will discuss and jointly set out company-specific ESG and Impact KPIs with the management teams of the portfolio companies and assess results on a whole-of-fund basis. Draft KPIs targets are typically signed-off by the portfolio company's management team prior to signing and finalized as part of the onboarding process, generally within 6-12 months generally measuring their progress. The General Partner will monitor the portfolio company's progress on the selected ESG and Impact KPIs during that the period the investment is held by the

[2] See footnote 1.

Fund by requesting periodic updates. Also, a data collection system is available for portfolio companies to upload relevant Impact and ESG data to facilitate the reporting and analysis process.

Impact KPIs and targets will always be unique for each portfolio company, as each business is different. ESG KPIs and targets are also tailored for each portfolio company based on the materiality of the different ESG and sustainability risks that may impact the portfolio company. The aim is to address the most material and most probable ESG risk considerations as early as possible, considering the size and maturity of the portfolio company. The General Partner shall have discretion with the management teams of the portfolio companies, acting in good faith, to adjust the ESG and Impact KPIs and targets during the life of the Fund in order to ensure that the original intent of the program is adhered to, supporting Trill Impact's positive Impact ambition.

(h) Data sources and processing

The Fund will rely on the data provided directly by the portfolio companies to ascertain whether the Fund attains the sustainability indicators set out in section (g).

Data sources used are the portfolio company's ERP system(s), or similar, typically Excel-based solutions. This data is then used to measure the Impact and ESG performance of the portfolio companies and reported regularly and leveraged in customer and other stakeholder communication throughout the collaborative approach.

A data collection system is available for the portfolio companies to upload relevant impact and ESG data to facilitate the reporting and analysis process. Data is gathered and processed in respect of the portfolio companies, transferred to Trill Impact, and stored centrally in dedicated software.

The Fund will conduct onboarding reporting (meetings) with each portfolio company to check and (if needed) improve data quality. Typically, many of the Fund's portfolio companies are less developed in terms of impact and ESG data due to maturity, size and the nature of private markets. Trill Impact aims to play a significant role to support the transition to improved quality, reliability, accuracy, and availability of company-specific impact and ESG data. Moreover, depending on size and maturity, portfolio companies are expected to report on SDG-related metrics, PAI indicators, and company-specific ESG risk and opportunity KPIs.

In addition, Trill Impact intends to support portfolio companies to get up and running with reporting and if/when needed, engage with a third-party provider to support and e.g., calculate an investee's carbon footprints.

The proportion of data being estimated varies by company and type of business.

(i) Limitations to methodologies and data

During the Fund's investment process, preliminary assessments based on available data, interviews, and external service providers will be deployed to arrive at a reliable estimate or preferably actual level of both EU Taxonomy eligibility and alignment. Further technical and operational analyses may also be undertaken from case to case to identify gaps, actions to close these, and KPIs to measure such progress, targeting increasing alignment with the EU Taxonomy.

The General Partner does not commit to the Fund's sustainable investments being EU Taxonomy aligned but Trill Impact considers that a company can be classed as a sustainable investment including where a substantial proportion of its revenues, CAPEX, and/or OPEX are derived from activities that contribute an environmental objective that is at least in part EU Taxonomy eligible (but which may not qualify as Taxonomy-aligned activities) at the moment of investment.

From a methodology and a data perspective, in Trill Impact's view, the key limitation is the lack of availability of data to assess the degree of a portfolio company's EU Taxonomy alignment. In Trill Impact's opinion, the key reasons are: (i) the guidance and technical screening criteria for the last four of the six EU Taxonomy environmental objectives, and the lack of an EU Taxonomy for socially sustainable economic activities, and (ii) the thus far limited applicability of EU Non-Financial Reporting Directive and the EU Corporate Sustainability Reporting Directive, which has permitted most private companies not to gather the required data for EU Taxonomy alignment assessments. Furthermore, the generally small scale of operations and limited maturity of target companies for most small and mid-cap investors, including the Fund, would often result in these companies not having reached a stage where they have readily available EU Taxonomy alignment assessments, let alone the data to enable such analyses.

(j) Due diligence

Prior to making an investment, Trill Impact intends to consider sustainability risks and opportunities, and actual and potential Impact:

1. Before any investment decisions are made, sustainability risks are considered as part of the analysis of potential investment opportunities. A "sustainability risk" as defined in the SFDR means an ESG event or condition that, if it were to occur, could cause an actual or potential material negative impact on the value of an investment. The General Partner aims to ensure that material sustainability risks – whether due to the perceived or actual severity of impact, the probability of occurrence, or a combination of both - associated with the proposed investment are identified and taken into consideration prior to investment.

2. Moreover, Impact due diligence will be undertaken prior to investment. The assessment is conducted in accordance with the Impact Management Project ("**IMP**") framework as set out in the Impact Investment and Ownership Policy. Combined with the assistance of Trill Impact's proprietary rating model, the IMPs five dimensions of Impact are defined and assessed to build understanding around the net positive outcome each potential investment creates. The five dimensions cover:

    - **What** outcome the enterprise is contributing to, whether it is positive or negative, and how important the outcome is to stakeholders.

    - **Who** experiences the outcome and how underserved the relevant stakeholders are.

    - **How much** positive Impact does the portfolio company aim to generate in terms of scale, depth and duration.

    - **The contribution** which Trill Impact and the portfolio company intend to achieve, taking into account what is likely inevitable.

- **The risk** that the intention of the impact objective towards the SDGs may not be achievable.

As a result of the Impact due diligence, the current and potential Impact of each investment is rated and categorized according to the IMP impact classifications using the IMP's guidance criteria.

To conclude, Trill Impact will assess whether the proposed investment qualifies as a "sustainable investment" within the meaning of the SFDR using the methodologies set out in section (g) above as part of the overall due diligence process.

(k) Engagement policies

Trill Impact will seek to be the 'impact voice' at the table in relation to the Fund's investments through active board work, tailored support when needed, and contribute with its expertise to support portfolio companies accelerating Impact performance and value creation through active board work, to the extent able to do so.

Depending on strategy, size, and maturity, portfolio companies are expected to report on SDG-related metrics, PAI indicators, and company-specific ESG risk and opportunity KPIs. Thus, a data collection system is available for the portfolio companies to upload relevant Impact and ESG data to facilitate the reporting and analysis process. In addition, Trill Impact intends to encourage and support portfolio companies to engage with a third-party provider to calculate and map out their carbon footprints.

Additionally, Trill Impact will seek to provide guidance, support, and tools to facilitate the achievement of its sustainability goals. This includes a Value Creation Impact Plan, risk management, policies and procedures, and incentives.

The Value Creation Impact Plan involves providing:

- inspiration on Impact vision and strategic goals to assist investee companies devise and set in place a full potential plan;
- guidance on Impact and ESG actions, KPIs, targets, and reporting procedures from a value creating Impact and regulatory perspective; and
- Impact and ESG risks and opportunities, with alignment to the UN Global Compact's Ten Principles and other relevant international sustainability frameworks.

(l) Attainment of the sustainable investment objective

No index has been designated as a reference benchmark and information on how the sustainable investment objective of the Fund is being attained will be provided to investors in the annual report of the Fund with reference to the commitments previously set out in the pre-contractual disclosures of the Fund.