

## VERIFICATION STATEMENT

March 26, 2021

### Background

TCX is a signatory of the Operating Principles for Impact Management ('the Principles'). As per the ninth principle, each signatory undertakes an independent annual verification of the Principles' implementation.

TCX has requested Steward Redqueen to verify alignment of its operations and assets under management (USD 3,100 million as of May 31<sup>st</sup>, 2020) with the Principles.

This verification statement is delivered to TCX on 26 March 2021 and refers to TCX's Disclosure Statement dated 10<sup>th</sup> July 2020.

### Verification process

For this verification, Steward Redqueen undertook the following activities:

1. Review of documentation on TCX' policies, procedures and tools around impact management to assess alignment with the principles;
2. Verification of how these are implemented in practice based on a selection of three transactions (selected by considering (i) diversity in client type, (ii) geographical location and (iii) date of investment);
3. Interviews with staff and senior management to evaluate how impact management is incorporated into team research, discussions, and decision-making.

### Verification outcomes

TCX's impact strategy is consistent with its investment mandate and impact is a strong component of its daily business. The Fund positions impact at the core of its investment operations and decision-making. This is supported by detailed policies and procedures confirming the embedment of impact in TCX's operations, which is further ensured thanks to a knowledgeable and committed staff. Interviews show intrinsic motivation of staff to contribute to TCX's impact mandate and to make a difference in the financial market through their existence.

All in all, TCX's impact management aligns with the Operating Principles. It does show a few gaps, however, these are primarily due to the nature of its business rather than a shortcoming of impact practices. TCX management is aware of the challenges it faces and is eager to improve the impact management practices. In our opinion, TCX incorporates the Operating Principles in its operations to the best of its possibilities.

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