

# The Triple A Methodology

November 2023

We founded the LISI Foundation to make the law more approachable, accessible and appealing for all investment stakeholders. We use co-creation and dialogue to shape innovative investment practices. We aim to support the financing models of the transition to a more sustainable society.

We developed the Triple A methodology to ensure that our mission remains concrete and measurable. We use it to measure the practicability and benefits of the Impact Term Sheet.



<b>What is Triple A?</b>	<p>Triple A stands for <b>approachable, accessible and appealing</b>.</p> <p>We researched, tested and consulted experts on the elements that make an investment deal approachable, accessible and appealing.</p> <p>We set out to promote a more holistic vision of the transaction stages, and how they come together to form a successful deal. So we split each "A" of the Triple A into separate pillars, following the investment cycle. We then developed a definition for each to make them more concrete.</p> <p>For each of these pillars, we developed initial metrics to measure our own performance (with the Impact Term Sheet being our first test case). Following user testing, we aim to develop more metrics, set targets and transparently share the results.</p> <p>The <b>"Approachable"</b> pillar aims to measure whether users can easily and quickly decide if the Impact Term Sheet is right for their deal. For that, the text should be easy to read and easy to integrate in the specific context of the deal (by copy-pasting or making simple adjustments).</p> <p>The <b>"Accessible"</b> pillar aims to help users through the negotiation process. This should be based on constructive dialogue. The discussion focus should be balanced, the commercial and impact elements should be given equal attention and trade-offs should be used wisely. Unbalanced deal terms can cause inefficiency and unwanted costs. By using the Impact Term Sheet, negotiation power can be distributed more equally between the parties, irrespective of their spending capabilities. This will help mitigate potential deal-breakers. Stakeholders positions should be taken into account.</p> <p>The <b>"Appealing"</b> pillar marks the signing moment and the outcome of the negotiations. It should be balanced, meaning that the parties feel confident in both the quality and fairness of the deal. It should be inclusive, meaning that stakeholder positions have been taken into account. These could include the</p>
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	rights of employees, the protection of the mission, and a commitment to responsible business practices in the interest of nature and local communities. This should be measured subjectively (for instance, by how the outcome is perceived by parties), but also by comparison to objective standards (like market practice, ESG standards and legal benchmarks).																							
Why A Triple A methodology?	<p>By promoting the Triple A Methodology we hope to broaden the current perspectives and encourage more discussion about what matters in investment deals and how to finance the transition to a sustainable society.</p> <p>Our ambition is to redefine what makes an investment “successful” and gather the data to back it up. We want to more transparently show all investment stakeholders what to focus on and what to set aside for more impactful deals.</p> <p>By doing that, we aim to reduce the information asymmetry between parties and stakeholders, and create more balanced negotiation positions for better and more sustainable deals.</p>																							
How did we develop it?	<p>Through a series of workshops, we identified all the stakeholders in an investment deal.</p> <p>We looked at their influence on the transaction, contributions and needs. We separated the parties (those who actively negotiate and sign the deal), those who need to approve the deal for it to happen (parties’ stakeholders), and all other stakeholders affected by the deal without necessarily having a seat at the negotiation table. We also included mission and long-term focus as intangible stakeholders.</p> <p>We aimed to answer four questions:</p> <ol style="list-style-type: none"><li>1. When it comes to the Impact Term Sheet’s contents and form, what do we mean by "approachable", "accessible" and "appealing"?</li><li>2. How can we measure this?</li><li>3. What are the party/stakeholder benefits compared to contributions?</li><li>4. Do these measurements help realise the desired benefits?</li></ol> <table><tr><td></td><td colspan="3">Parties</td><td>Direct Influence</td><td>Indirect Influence</td></tr><tr><td rowspan="2">Stakeholder Groups</td><td><b>Company</b> Executive Board Negotiation team Supervisory Board Advisory Groups</td><td><b>Investors</b> Appointed Company Board Representative Negotiation team Shareholder of Investors Investment Committee</td><td><b>Shareholders</b> Remaining Shareholders Founders Exiting Shareholders Representatives Negotiation Team</td><td><b>Employees</b> Workers Council or similar bodies Performance Leadership Culture Medium level Entry level &amp; beginners</td><td><b>Impact Groups</b> Partners Supply Chain &amp; Operation Chain Communities Nature &amp; Climate Consumers</td></tr><tr><td><b>What do they need from the deal to safeguard impact?</b> clarity on board mission alignment between priorities of different parties support from both those negotiating the deal, and those who 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