

# Verifier Statement

## Independent Verification Report

Prepared for ABC Impact: 27/05/2025

### Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)<sup>1</sup>, ABC Impact engaged BlueMark to undertake an independent verification of the alignment of ABC Impact's impact management (IM) system with the Impact Principles. ABC Impact's assets under management covered by the Impact Principles (Covered Assets) totals \$903 million<sup>2</sup>, as of May 2025.

### Summary assessment conclusions

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

*Principle 1:* ABC Impact invests across four themes: climate and water solutions, better healthcare and education, financial and digital inclusion, and sustainable food and agriculture. The firm has developed fund and theme-level theories of change to map inputs to expected outputs and outcomes.

*Principle 2:* ABC Impact uses a scoring tool to evaluate impact potential across investments ex-ante and compares impact achievement ex-post by tracking common metrics across each theme. The firm incentivises impact performance amongst staff via impact criteria in performance reviews, variable compensation based on impact targets and carried interest.

*Principle 3:* ABC Impact's investor contribution approach focuses on helping investees to meet operational standards, active board engagement and technical assistance. To further align, ABC Impact should systematically track the progress of investor contribution initiatives, using the insights to inform ongoing improvements.

*Principle 4:* ABC Impact's ex-ante process includes an impact screen, a scoring tool evaluating impact potential against the IMP's 5 Dimensions and engagement with end-beneficiaries via beneficiary surveys and site visits.

*Principle 5:* ABC Impact applies a structured ex-ante ESG assessment, including an ESG checklist and materiality assessment. Post-investment, ESG risks are monitored through an annual ESG questionnaire.

*Principle 6:* ABC Impact collects impact data quarterly and annually and reviews relative to prior results as well as targets forecasted during impact underwriting, with an engagement protocol in place to mitigate underperformance.

*Principle 7:* ABC Impact has a Responsible Exit Policy specifying the approach to evaluating impact continuity post-exit, which includes buyer assessments and a review of the investee's ongoing impact intentions. To improve, ABC Impact should develop a standardised exit template to document considerations related to impact at exit.

*Principle 8:* ABC Impact has a standardised quarterly and annual reporting process and reviews the IM system periodically through an impact and ESG committee.

<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 ABC Impact's OPIM Disclosure Statement as of May 2025. BlueMark's assessment did not include verification of the AUM figure.

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### Detailed assessment conclusions

The chart below summarises findings from BlueMark's verification of ABC 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	ADVANCED
2. Manage strategic impact on a portfolio basis	ADVANCED
3. Establish the Manager's contribution to the achievement of impact	HIGH
4. Assess the expected impact of each investment, based on a systematic approach	ADVANCED
5. Assess, address, monitor, and manage potential negative impacts of each investment	ADVANCED
6. Monitor the progress of each investment in achieving impact against expectations and respond appropriately	ADVANCED
7. Conduct exits considering the effect on sustained impact	HIGH
8. Review, document, and improve decisions and processes based on the achievement of impact and lessons learned	ADVANCED

<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 ABC Impact. BlueMark has relied on the accuracy and completeness of any such information provided by ABC Impact. The assessment results represent BlueMark's professional judgment based on the procedures performed and information obtained from ABC 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 ABC Impact.

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### Assessment methodology and scope

ABC 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 March 2025. 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 ABC Impact staff responsible for defining and implementing the IM system;
3. Testing of selected ABC Impact transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to ABC 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 ABC Impact in accordance with the agreement between our firms, to assist ABC Impact in fulfilling Principle 9 of the Operating Principles for Impact Management. We permit ABC Impact to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate ABC 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 ABC Impact for our work or this statement except where terms are expressly agreed between us in writing.

### About BlueMark

BlueMark, a Delaware-registered public benefit 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 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; and Portland, OR; and is headquartered at 154 W 14th St, 2nd Floor, New York, NY 10011. Its outside investors include S&P Global, Temasek Trust Capital, Blue Haven Initiative, Gunung Capital, Tsao Family Office, Ford Foundation and Radicle Impact. For more information, please visit [www.bluemark.co](http://www.bluemark.co).

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