

Verifier Statement

Independent Verification Report

Prepared for Bain Capital Double Impact: April 11, 2023

Introduction

Bain Capital Double Impact engaged BlueMark to undertake an independent diagnostic verification of the alignment of BCDI's impact management (IM) system with the Operating Principles for Impact Management (the Impact Principles).¹ BlueMark's diagnostic conclusions are intended to provide BCDI with learning output on the extent of its alignment.

Summary assessment conclusions

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

Principle 1: BCDI has a clear strategic intent, articulated through three impact objectives related to Health and Wellness, Education and Workforce Development, and Sustainability. Each theme is linked to measurable outputs, target outcomes, and relevant SDG goals.

Principle 2: BCDI compares the impact performance of investments in the portfolio using a standardized assessment of the Impact Management Project's (IMP) five dimensions resulting in an impact score and use of common impact metrics. BCDI assesses Partners against annual goals and objectives related to impact performance which inform performance reviews.

Principle 3: BCDI articulates its expected contribution to the achievement of impact during due diligence through identifying potential initiatives and the resources required to complete them. BCDI reviews progress of key impact initiatives for each company on a regular basis through Portfolio Reviews and board meetings, providing evidence of its investor contribution narrative.

Principle 4: BCDI has a multi-step process to consider the expected impact of its investments, including assessment against the IMP's five dimensions. Outputs from due diligence are incorporated into the investment decision-making process within each stage of the investment committee approval process.

Principle 5: ESG considerations are incorporated in BCDI's impact management systems, with ESG risk assessments conducted in due diligence and annual reporting. BCDI also works with portfolio companies on cross-cutting ESG objectives, including DEI.

Principle 6: BCDI establishes 2-3 impact metrics with each portfolio company and collects impact performance data quarterly. Each portfolio company also takes the B Impact Assessment annually.

Principle 7: BCDI has a standard set of actions to complete pre-exit to help preserve the sustainability of impact, including buyer due diligence and establishing governance mechanisms to "lock in" impact practices.

Principle 8: BCDI reviews the impact performance of each investment on a regular basis through Portfolio Reviews and board meetings. BCDI has ongoing processes to improve operational and strategic investment decisions, including strategy review sessions for each vertical.

¹ BCDI is not currently a signatory to the Impact Principles. BlueMark's diagnostic verification was undertaken as an independent assessment exercise and does not represent an official verification of the alignment to the Principles.

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Assessment methodology and scope

BCDI provided BlueMark with the relevant supporting documentation for the policies, processes, and tools related to the IM system. The scope of BlueMark’s work was limited to processes in place as of March 2023. BlueMark believes that the evidence obtained in the scope of its assessment is sufficient and appropriate to provide a basis for our conclusions.⁴

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 staff responsible for defining and implementing the IM system;
3. Testing of selected BCDI transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to BCDI, 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 BCDI in accordance with the agreement between our firms. We permit BCDI to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate BCDI’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 BCDI 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.

⁴ 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 BCDI. BlueMark has relied on the accuracy and completeness of any such information provided by BCDI. The assessment results represent BlueMark’s professional judgment based on the procedures performed and information obtained from BCDI.