

Verifier Statement

Independent Verification Report

Prepared for BlueOrchard: February 23, 2024

Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)¹, BlueOrchard engaged BlueMark to undertake an independent verification of the alignment of BlueOrchard’s impact management (IM) system with the Impact Principles. BlueOrchard’s assets under management covered by the Impact Principles (Covered Assets) totals approximately \$4 billion², for the period ending 02/2024.

Summary assessment conclusions

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

Principle 1: BlueOrchard has developed a Theory of Change for each of its 12 funds, detailing the impact objectives, SDGs targeted, descriptions of each step in the impact logic chain, and the fund’s investment and impact strategies.

Principle 2: BlueOrchard manages impact across both private and public market strategies through its proprietary B.Impact Framework. A suite of tools across private and public markets facilitate portfolio-level impact management and distinct mechanisms link compensation to impact for the IM team and broader employee base.

Principle 3: Impact scorecards, differentiated according to asset-class, include an assessment of financial and non-financial contribution. BlueOrchard monitors engagement activities ex-post using BOFS and ActiveIQ. TA Completion Reports, Evaluations and Surveys help to inform BlueOrchard’s approach to engagement.

Principle 4: BlueOrchard’s impact scorecard, differentiated for public and private markets, includes a detailed evaluation in alignment with the IMPs Five Dimensions of Impact. The scorecard sets impact performance baselines and targets and includes a score adjustment dependent on expected impact risk.

Principle 5: ESG scorecards are used across private and public markets and are reassessed at later stages of the investment process. Quarterly reviews and periodic SFDR reports present an approach for monitoring and aggregating fund-level ESG data. Where ESG assessments identify material ESG risks, BlueOrchard engages with investees and issuers.

Principle 6: BlueOrchard collects impact data at least annually, comparing performance to targets, updating impact scores accordingly, and addressing underperformance through a multi-step framework.

Principle 7: BlueOrchard considers the sustainability of impact via exit questionnaires, impact assessments and reviews. BlueOrchard’s due-diligence, monitoring and engagement all increase the likelihood that impact will be sustained.

Principle 8: BlueOrchard reassesses impact scorecards, develops quarterly and annual impact reports for each fund and outlines a process for conducting IM Framework Reviews. PAI reports evidence a review of unintended impacts.

¹ 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.”

² Assets under management figure as reflected in an intake survey as of 02/22/2024. BlueMark’s assessment did not include verification of the AUM figure. Exact figure for covered assets: \$4,004,426,364.

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Assessment methodology and scope

BlueOrchard 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 February 2024. 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.³

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 BlueOrchard staff responsible for defining and implementing the IM system;
3. Testing of selected BlueOrchard transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to BlueOrchard, 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 BlueOrchard in accordance with the agreement between our firms, to assist BlueOrchard in fulfilling Principle 9 of the Operating Principles for Impact Management. We permit BlueOrchard to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate BlueOrchard’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 BlueOrchard 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; Portland, OR; and San Francisco, CA and is headquartered at 915 Battery St, San Francisco, CA 94111, USA. 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.

³ 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 BlueOrchard. BlueMark has relied on the accuracy and completeness of any such information provided by BlueOrchard. The assessment results represent BlueMark’s professional judgment based on the procedures performed and information obtained from BlueOrchard.