

Verifier Statement

Independent Verification Report

Prepared for AiiM Partners: September 25, 2024

Introduction

AiiM Partners engaged BlueMark to undertake an independent assessment of the alignment of AiiM Partners’ impact management (IM) system with impact investing and ESG industry best practices and market standards.¹ BlueMark’s assessment conclusions are intended to provide AiiM Partners with learning output on the extent of its alignment.

Summary assessment conclusions

BlueMark has independently verified AiiM Partners’ extent of alignment with impact investing industry best practices. Key takeaways from BlueMark’s assessment are as follows:

- *AiiM Partners (AiiM) has made notable improvements to its impact management system since BlueMark’s previous verification in late 2022. Specifically, the team has made significant progress in codifying key internal protocols, tools, and responsibilities related to impact management, which are documented in the AiiM Manual. The team has maintained its strategic impact focus on investing in companies that drive GHG emissions reductions, have positive impacts on biodiversity, and promote access and equity in their workforces. For AiiM Partners Fund 1, the team has established and monitors progress against portfolio-level targets for five impact KPIs that align with its impact strategy. For each prospective investment, AiiM systematically assesses the potential and likelihood of different impact outcomes as well as opportunities for “additionality.” A review of relevant ESG risk factors is conducted for each investment. Post-investment, AiiM creates and monitors progress relative to company-specific value creation plans. The team also consistently monitors and compares each company’s impact performance against projected values and routinely conducts portfolio-level reviews. Furthermore, the team has developed a thoughtful responsible exit framework and demonstrated evidence of its efforts to ensure the sustainability of the company’s impact post-exit. Finally, the team has developed an impact-linked carry mechanism to further incentivize its commitment to impact performance.*
- *To remain aligned with industry best practice, AiiM should consider developing clear expectations for investees depending on their maturity (e.g., ramping up expectations of ESG performance as investee companies mature). In addition, the firm should consider leveraging its sector deep dives to identify material ESG risks on a sector-by-sector basis. Finally, to better understand the impacts of its portfolio companies in the communities in which they operate, the firm could consider commissioning independent studies focused on specific target outcomes (e.g. long-term improvements in equity in the workforce).*

¹ The standards and frameworks used to inform BlueMark's assessment of each client’s IM system include the Impact Management Project, the Operating Principles for Impact Management, the Principles for Responsible Investment, SDG Impact, and the Sustainable Finance Disclosure Regulation.

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Assessment methodology and scope

AiiM Partners 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 January 2024. BlueMark believes that the evidence obtained in the scope of its assessment is sufficient and appropriate to provide a basis for our conclusions.²

BlueMark’s full assessment methodology, based on its professional judgment, consisted of:

1. Assessment of the IM system in relation to the impact investing industry best practices, 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 AiiM Partners’ staff responsible for defining and implementing the IM system;
3. Testing of selected AiiM Partners’ transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to AiiM Partners, outlining areas of strong alignment and recommended improvement, as well as BlueMark’s proprietary benchmark ratings on the extent of alignment with impact investing industry best practices.

Permissions

This statement, including our conclusions, has been prepared solely for AiiM Partners in accordance with the agreement between our firms. We permit AiiM Partners to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate AiiM Partners’ alignment with the industry best practices. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than AiiM Partners 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.

² 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 AiiM Partners. BlueMark has relied on the accuracy and completeness of any such information provided by AiiM Partners. The assessment results represent BlueMark’s professional judgment based on the procedures performed and information obtained from AiiM Partners.