

Verifier Statement

Independent Verification Report

Prepared for SIFEM: 15th April 2025

Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)¹, the Swiss Investment Fund for Emerging Markets (SIFEM) engaged BlueMark to undertake an independent verification of the alignment of SIFEM's impact management (IM) system with the Impact Principles. SIFEM's assets under management covered by the Impact Principles (Covered Assets) totals \$ 1,051 million², for the period ending 12/2024.

Summary assessment conclusions

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

Principle 1: SIFEM has a clearly articulated theory of change documenting SIFEM's intended contribution to targeted development outcomes. To further align, SIFEM's theory of change could be refined to formally document the assumptions and key evidence underlying the causal links between inputs, outputs, outcomes and ultimate impacts.

Principle 2: During the '21-'24 cycle, SIFEM employed the Geschäftspolitisches Projektrating (GPR) tool to support portfolio-level impact comparisons, and from the '25-'28 cycle onward, SIFEM will use the Impact Rating Tool (IRT). SIFEM has implemented an impact-linked bonus structure to incentivise the delivery of impact.

Principle 3: SIFEM's GPR tool measures key aspects of contribution including value additionality, fund/project structuring, participation in advisory boards or committees, mobilisation of private capital, and operational advice. Under the GPR, SIFEM assesses key additionality indicators every two years.

Principle 4: SIFEM has developed a thorough process for assessing the expected impact of each investment using the GPR tool ('21-'24). The outputs of impact assessments are clearly factored into investment decision-making materials.

Principle 5: SIFEM has a robust ESG risk assessment and management process beginning with a screening against SIFEM's exclusion lists, along with a thorough E&S risk assessment to determine the level of due diligence and engagement required. Finally, SIFEM has a clear process to consistently monitor ESG risks and engage with investees accordingly.

Principle 6: Impact reporting obligations are defined in investment agreements and, where possible, impact metrics are aligned to industry standards such as IRIS+. To further align, SIFEM should develop its policies, procedures, and responsibilities for identifying and engaging with investees to mitigate impact underperformance.

Principle 7: SIFEM demonstrates a commitment to embedding impact into investees by institutionalising ESG and impact management best practices. To further align, SIFEM could formalise end-line impact reviews for exiting investments, including qualitative insights on the impact achieved and the effects of contribution efforts.

Principle 8: SIFEM's impact review meetings are used to identify areas for process improvement. To further align, SIFEM could develop a documented structure to organise discussions reviewing the impact performance of investments.

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 SIFEM's Draft Impact Principles Disclosure Statement 2025 as of 03/31/2025. BlueMark's assessment did not include verification of the AUM figure.

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Detailed assessment conclusions

The chart below summaries findings from BlueMark’s verification of SIFEM’s extent of alignment to the Impact Principles, using the following four ratings:³

- Advanced (Limited need for enhancement);
- High (A few opportunities for enhancement);
- Moderate (Several opportunities for enhancement); and
- Low (Substantial enhancement required).⁴

Principle	Alignment
1. Define strategic impact objective(s), consistent with the investment strategy	HIGH
2. Manage strategic impact on a portfolio basis	ADVANCED
3. Establish the Manager's contribution to the achievement of impact	ADVANCED
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	MODERATE
7. Conduct exits considering the effect on sustained impact	LOW
8. Review, document, and improve decisions and processes based on the achievement of impact and lessons learned	MODERATE

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

⁴ 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 SIFEM.

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Assessment methodology and scope

SIFEM 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 15th April 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.⁵

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 SIFEM staff responsible for defining and implementing the IM system;
3. Testing of selected SIFEM transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to SIFEM, 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 SIFEM in accordance with the agreement between our firms, to assist SIFEM in fulfilling Principle 9 of the Operating Principles for Impact Management. We permit SIFEM to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate SIFEM’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 SIFEM 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.

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