

Verifier Statement

Independent Verification Report

Prepared for GEF Capital Partners – South Asia: January 16th, 2025

Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)¹, GEF Capital Partners – South Asia (GEF) engaged BlueMark to undertake an independent verification of the alignment of GEF’s impact management (IM) system with the Impact Principles. GEF’s assets under management covered by the Impact Principles (Covered Assets) totals \$567 million², for the period ending December 2023.

Summary assessment conclusions

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

Principle 1: GEF has a clearly defined impact strategy focusing on companies providing smart solutions related to climate change adaptation, mitigation and circular economy. To further align, GEF should develop the evidence base supporting its fund- and sector-level theories of change.

Principle 2: GEF has a set of portfolio-level impact and ESG KPIs and considers ESG and impact contributions of staff members within annual appraisals. To further align, GEF could consider developing a more formal link between compensation and impact.

Principle 3: GEF has outlined fund-level value addition pathways. To improve, GEF should develop a structured process to assess its expected contribution for each investment.

Principle 4: GEF uses impact-focused DDQs and impact narratives to assess expected positive impact of investments. To improve, GEF should establish formal impact targets with investees.

Principle 5: GEF has a robust approach to ESG risk management: the firm conducts a detailed E&S risk categorisation and develops and regularly monitors ESAPs for each investee.

Principle 6: GEF collects quarterly impact data and gathers direct stakeholder feedback. To improve, GEF should compare expected and actual impact performance for each investment, as well as formalise an approach to manage impact underperformance.

Principle 7: GEF has articulated a Responsible Exit Policy at the fund level. To improve, GEF should develop a standardised exit checklist or template that is used at the time of each exit.

Principle 8: GEF’s IMM manual outlines plans to use collected data to support impact review. To improve, GEF should ensure impact data is regularly assessed by a designated review body. Additionally, GEF should develop formal feedback loops to capture lessons learned and integrate these into internal processes.

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 GEF Capital Partners’ 2023 Disclosure Statement as of 12/31/2024. BlueMark’s assessment did not include verification of the AUM figure.

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Assessment methodology and scope

GEF 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 January 16th, 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.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 GEF staff responsible for defining and implementing the IM system;
3. Testing of selected GEF transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to GEF, 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 GEF in accordance with the agreement between our firms, to assist GEF in fulfilling Principle 9 of the Operating Principles for Impact Management. We permit GEF to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate GEF’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 GEF 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.bluemarktideline.com.

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