Verifier Statement

Independent Verification Report

Prepared for DWM: March 15, 2024

Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)¹, DWM engaged BlueMark to undertake an independent verification of the alignment of DWM’s impact management (IM) system with the Impact Principles. DWM’s assets under management covered by the Impact Principles (Covered Assets) totals $535 million², as of June 30, 2023.

Summary assessment conclusions

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

**Principle 1:** DWM has developed three Strategic Impact Goals, aligned with the UN SDGs, that articulate its objectives and approach to investing in solutions that sustainably address social, environmental, and economic needs of the developing world. The firm has also drawn on research and evidence to build its firm- and product-level Theories of Change.

**Principle 2:** DWM reviews and compares the impact results of its investments at the portfolio level via the data collected through the Impact IQ survey on an annual basis. To further align, DWM should consider integrating impact-related criteria into staff performance reviews.

**Principle 3:** DWM contributes to its investees’ achievement of impact by providing competitive loan terms and technical assistance. To further align, the firm should look to assess the broader impacts of its financial contributions and survey select investees to validate its contribution efforts.

**Principle 4:** DWM utilizes its impact due diligence tools and frameworks to assess the impact of prospective investments, including generating impact scores based on the data collected via its Impact IQ survey. These analyses have been consistently documented within the IC/CC memo to inform investment decision-making.

**Principle 5:** DWM implements the procedures laid out in its ESG Policy Statement to evaluate, monitor, and mitigate ESG risks among portfolio companies. Additionally, the firm has developed a set of ethical and legal standards (i.e., DWM 10) to supplement its assessment.

**Principle 6:** DWM collects impact data from all investees via the Impact IQ survey on an annual basis. This data is used to recalculate an impact score and monitor progress relative to previous years. The firm also utilizes third-party data to benchmark results and assess outcomes.

**Principle 7:** DWM has built a set of responsible exit questions for its equity investments and conducts additional impact diligence as part of determining whether and when to make follow-on loans. To further align, DWM should fully implement and fully document the application of the exit frameworks.

**Principle 8:** DWM reviews and tracks investment-level impact performance by comparing data for key impact KPIs against previous years’ results and summarizes its fund-level impact performance via an annual impact report. The firm continuously integrates lessons learned into its strategy and process refinements.

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 DWM’s Disclosure Statement as of December 2023. BlueMark’s assessment did not include verification of the AUM figure.
**Detailed assessment conclusions**

The chart below summarizes findings from BlueMark’s verification of DWM’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

<table>
<thead>
<tr>
<th>Principle</th>
<th>Alignment</th>
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</thead>
<tbody>
<tr>
<td>1. Define strategic impact objective(s), consistent with the investment strategy</td>
<td>ADVANCED</td>
</tr>
<tr>
<td>2. Manage strategic impact on a portfolio basis</td>
<td>HIGH</td>
</tr>
<tr>
<td>3. Establish the Manager's contribution to the achievement of impact</td>
<td>HIGH</td>
</tr>
<tr>
<td>4. Assess the expected impact of each investment, based on a systematic approach</td>
<td>ADVANCED</td>
</tr>
<tr>
<td>5. Assess, address, monitor, and manage potential negative impacts of each investment</td>
<td>ADVANCED</td>
</tr>
<tr>
<td>6. Monitor the progress of each investment in achieving impact against expectations and respond appropriately</td>
<td>ADVANCED</td>
</tr>
<tr>
<td>7. Conduct exits considering the effect on sustained impact</td>
<td>ADVANCED</td>
</tr>
<tr>
<td>8. Review, document, and improve decisions and processes based on the achievement of impact and lessons learned</td>
<td>ADVANCED</td>
</tr>
</tbody>
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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 DWM. BlueMark has relied on the accuracy and completeness of any such information provided by DWM. The assessment results represent BlueMark’s professional judgment based on the procedures performed and information obtained from DWM.
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 DWM.
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Assessment methodology and scope
DWM 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 March, 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.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 DWM staff responsible for defining and implementing the IM system;
3. Testing of selected DWM transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to DWM, 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 DWM in accordance with the agreement between our firms, to assist DWM in fulfilling Principle 9 of the Operating Principles for Impact Management. We permit DWM to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate DWM’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 DWM 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.

5 The scope of BlueMark’s assessment procedures does not include the verification of the resulting impacts achieved. BlueMark’s assessment is based on its analysis of publicly available information and information in reports and other material provided by DWM. BlueMark has relied on the accuracy and completeness of any such information provided by DWM. The assessment results represent BlueMark’s professional judgment based on the procedures performed and information obtained from DWM.