

# Verifier Statement

## *Independent Verification Report*

*Prepared for UOB Venture Management: October 17<sup>th</sup>, 2024*

### Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)<sup>1</sup>, UOBVM engaged BlueMark to undertake an independent verification of the alignment of UOBVM's impact management (IM) system with the Impact Principles. UOBVM's assets under management covered by the Impact Principles (Covered Assets) totals \$155 million<sup>2</sup> for the period ending 31 August 2024.

### Summary assessment conclusions

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

*Principle 1:* AIIF I and II impact policies set out the key impact objective of both funds, and UOBVM compiles evidence supporting the linkages between investment activity and targeted outcomes at the investment level.

*Principle 2:* UOBVM has a clear framework to facilitate the comparison of impact performance across its portfolio, including via a common impact metrics tracker. To further align, the team could develop more structured KPIs for team members around practices such as impact ecosystem contribution.

*Principle 3:* UOBVM is an active investor that engages with companies throughout the investment lifecycle. The team evaluates its expected contribution to each investment and tracks progress against each engagement initiative.

*Principle 4:* UOBVM has a robust and detailed process to assess the expected impact of investments, including an analysis of potential negative impacts and interviews with targeted end-users to inform due diligence.

*Principle 5:* UOBVM's ESG policy outlines key procedures for monitoring and managing ESG risk and performance, including an exclusion list, a risk categorisation framework, and ESG action plans. Portfolio companies share ESG data on an annual basis.

*Principle 6:* UOBVM collects impact data at varying cadences across the portfolio according to assigned impact risk. To further align, the team should develop a formal impact underperformance protocol.

*Principle 7:* At the time of exit, UOBVM conducts buyer impact alignment assessments, and completed divestment memos demonstrate a consideration of the timing, structure and process of an exit on the sustainability of impact.

*Principle 8:* UOBVM reviews and documents the impact performance of its portfolio on a quarterly and annual basis and has a systematic process for reviewing portfolio-level impact through annual IC-IAC review meetings.

<sup>1</sup> 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."

<sup>2</sup> Assets under management figure as reflected in UOBVM's 2023 OPIM Disclosure Statement. BlueMark's assessment did not include verification of the AUM figure.

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#### Detailed assessment conclusions

The chart below summarizes findings from BlueMark's verification of UOBVM's extent of alignment to the Impact Principles, using the following four ratings:<sup>3</sup>

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

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

<sup>3</sup> 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 UOBVM. BlueMark has relied on the accuracy and completeness of any such information provided by UOBVM. The assessment results represent BlueMark's professional judgment based on the procedures performed and information obtained from UOBVM.

<sup>4</sup> 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 UOBVM.

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#### Assessment methodology and scope

UOBVM 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 October 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.<sup>5</sup>

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

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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](http://www.bluemark.co).