

Verifier Statement

Independent Verification Report

Prepared for Proparco: 2nd June 2025

Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)¹, Proparco engaged BlueMark to undertake an independent verification of the alignment of Proparco's impact management (IM) system with the Impact Principles. Proparco's assets under management covered by the Impact Principles (Covered Assets) total EUR 8.7 billion², for the period ending 31/12/2024.

Summary assessment conclusions

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

Principle 1: Proparco's 2023–2027 strategy focuses on three impact pillars: climate and biodiversity, reducing inequality, and promoting a sustainable and resilient economy, with a strong emphasis on Least Developed and Low-Income Countries (LDICs). Proparco has also developed an impact thesis graphic linking its activities and results to the SDGs.

Principle 2: Proparco utilises a standardised set of four KPIs to facilitate impact comparison across the portfolio. Proparco's staff incentive system is aligned with the achievement of impact through performance targets and profit-sharing.

Principle 3: As part of its mandate, Proparco must demonstrate additionality for each investment. Through PROPULSE, its technical assistance (TA) facility, Proparco provides support to clients, tracking the status of individual TA projects, as well as aggregated data at the portfolio level, using this data to refine its approach over time.

Principle 4: Proparco's impact due diligence process is based on the development of three key documents and the assessment of an investment's potential impact using its Sustainable Development scoring tool. Each investment's potential impact is assessed across six dimensions, with minimum investment eligibility thresholds established.

Principle 5: Proparco has a clear policy for assessing and managing environmental and social (E&S) and corporate governance (CG) risks across its investments. The approach is aligned with international standards, including the IFC Performance Standards, and tailored to the specific risk profile of each investment.

Principle 6: Investee impact data is self-reported and collected annually through Proparco's Impact Data tool. The data is used to compare the expected vs actual impact performance of each investment. To further align, Proparco should establish and document its approach to identifying impact underperformance and engaging with investees to mitigate this.

Principle 7: Proparco embeds impact within client organisations through both its investment selection and portfolio management practices. To further align, Proparco should develop an Impact at Exit policy or framework detailing its approach to incorporating impact considerations into its exit approach.

Principle 8: Proparco reviews investment-level impact data annually to produce an internal monitoring report that provides an overview of the portfolio's impact performance. Proparco further demonstrates a systematic approach to impact review at the sector level, including the assessment of unintended impact.

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 Proparco's 2025 Draft Disclosure Statement as of 31/12/2024. BlueMark's assessment did not include verification of the AUM figure.

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Detailed assessment conclusions

The chart below summarises findings from BlueMark's verification of Proparco'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	ADVANCED
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	HIGH
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	ADVANCED

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

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 Proparco.

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Assessment methodology and scope

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