

# Verifier Statement

## *Independent Verification Report*

*Prepared for Actis: 25 February, 2025*

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### Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)<sup>1</sup>, Actis engaged BlueMark to undertake an independent verification of the alignment of Actis' impact management (IM) system with the Impact Principles. Actis' assets under management covered by the Impact Principles (Covered Assets) totals \$9,324,101,901<sup>2</sup>, for the year ending 12/2024.

### Summary assessment conclusions

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

*Principle 1:* Actis' objective is to generate measurable social and environmental impact through investments in sustainable infrastructure. The firm has a detailed Theory of Change which documents the challenges it seeks to address through its investment strategy and the impact outcomes, supported by external evidence.

*Principle 2:* The Actis Impact Score (AIS), Actis' impact assessment framework, is a standardised system for managing and comparing impact data at the portfolio level. Actis' bonus structure is directly linked to the achievement of impact for relevant team members.

*Principle 3:* Actis clearly articulates its expected contribution to each investment, incorporating investor contribution analysis into the AIS. The firm monitors the results of its contribution and uses counterfactual analysis to validate their impact.

*Principle 4:* The AIS is used to assess the expected impact of Actis' investments, in line with the IMP's Five Dimensions. The firm's impact diligence also includes an assessment of the relative size of the challenge in investment geography, and consideration of negative indirect impacts.

*Principle 5:* Actis takes a systematic approach to identifying, mitigating, and managing ESG risks throughout the investment lifecycle. This includes assigning deal-specific risk ratings ex-ante and conducting site visits ex-post. The firm's ESG framework aligns with industry standards including the IFC Performance Standards, UNPRI, and ILO Core Labour Standards.

*Principle 6:* Actis has a structured process for monitoring investment impact, including using Reporting21 to collect impact data from investees and updating the AIS annually. The firm also has a defined approach for addressing impact underperformance and regularly gathers input from end beneficiaries to validate its impact.

*Principle 7:* Actis has a structured approach to guide its approach to impact at exit, including exit checklists, briefing memos and, as needed, exit interviews with buyers. To further align, Actis should incorporate an assessment of the effect that the structure and timing of the exit may have on the maintenance of an investment's impact into exit documentation.

*Principle 8:* Actis reviews and documents the sustainability performance of each investment in annual fund-level Sustainability Reports. The firm has a range of formal feedback loops to support the capture and implementation of learnings.

<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 Actis' disclosure statement as of 25/02/2025. 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 Actis’ 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	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	ADVANCED
7. Conduct exits considering the effect on sustained impact	HIGH
8. Review, document, and improve decisions and processes based on the achievement of impact and lessons learned	ADVANCED

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

<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 Actis.

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### Assessment methodology and scope

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

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