

Verifier Statement

Independent Verification Report

Prepared for S2G Investments: 28 February 2024

Introduction

S2G Investments engaged BlueMark to undertake an independent assessment of the alignment of S2G Investments' impact management (IM) system with impact investing and ESG industry best practices and market standards.¹ BlueMark's assessment conclusions are intended to provide S2G Investments with learning output on the extent of its alignment.

Summary assessment conclusions

BlueMark has independently verified S2G Investments' extent of alignment with impact investing industry best practices. Key takeaways from BlueMark's assessment are as follows:

- *S2G Ventures' impact strategy is focused on three sectors - Oceans, Clean Energy and Food and Agriculture - and a theory of change has been developed for each. The firm has started to collect impact data from investees via an annual survey, facilitating the sector-level aggregation of impact metrics. S2G's contribution to the impact of investments includes the provision of capital and expertise, network connections and relationship building; the firm also supports the development of investment-level impact and ESG capacity via its 'Impact Playbook'. During due diligence, each prospective investment's mission alignment is assessed within IC memos, and once an investment is made, an impact measurement framework is developed to document additional elements including an impact thesis and key impact metrics. The annual ESG and impact survey enables the firm to monitor and review the impact of each investment, with impact profiles developed for a subset of investments within each sector.*
- *To further improve, S2G should operationalize its draft impact rating tool to support the assessment and comparison of impact across the portfolio. In addition, the firm should identify key impact metrics and targets for each investment ex-ante and consider establishing a threshold level of impact required for inclusion in the portfolio. S2G should also begin to monitor investor contribution efforts to validate its contribution narrative. To complement its ESG and impact monitoring approach, S2G should develop an approach to assess the ESG risks of each investment during due diligence, and actively engage with investees to address new or unexpected risks. Furthermore, the firm should build out a responsible exit approach and continue to develop its approach to reviewing the impact of each investment, capturing lessons learned, and exploring options to align staff incentives to the achievement of impact.*

¹ The standards and frameworks used to inform BlueMark's assessment of each client's IM system include the Impact Management Project, the Operating Principles for Impact Management, the Principles for Responsible Investment, SDG Impact, and the Sustainable Finance Disclosure Regulation.

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Assessment methodology and scope

S2G Investments provided BlueMark with the relevant supporting documentation for the policies, processes, and tools related to the IM system. The scope of BlueMark’s work was limited to processes in place as of January, 2024. BlueMark believes that the evidence obtained in the scope of its assessment is sufficient and appropriate to provide a basis for our conclusions.²

BlueMark’s full assessment methodology, based on its professional judgment, consisted of:

1. Assessment of the IM system in relation to the impact investing industry best practices, 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 S2G Investments staff responsible for defining and implementing the IM system;
3. Testing of selected S2G Investments transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to S2G Investments, outlining areas of strong alignment and recommended improvement, as well as BlueMark’s proprietary benchmark ratings on the extent of alignment with impact investing industry best practices.

Permissions

This statement, including our conclusions, has been prepared solely for S2G Investments in accordance with the agreement between our firms. We permit S2G Investments to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate S2G Investments’ alignment with the industry best practices. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than S2G Investments 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 154 W 14th St, 2nd Floor, New York, NY 10011, 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.

² 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 S2G Investments. BlueMark has relied on the accuracy and completeness of any such information provided by S2G Investments. The assessment results represent BlueMark’s professional judgment based on the procedures performed and information obtained from S2G Investments.