

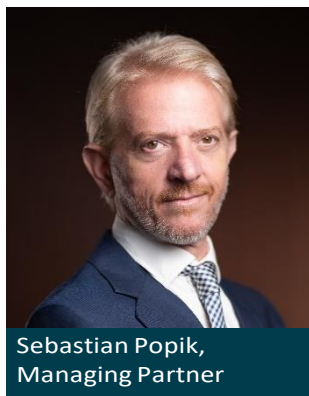


DISCLOSURE STATEMENT -  
OPERATING PRINCIPLES FOR IMPACT  
MANAGEMENT

November 2024

**Aqua Capital hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the “Impact Principles”).**

**This Disclosure Statement applies to Aqua Capital’s Fund II and Fund III. The total assets under management in alignment with the Impact Principles amount to approximately equivalent to USD1.1 billion as of November 30, 2024.**



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## **About Us:**

Aqua Capital is a private equity firm that manages investments in innovative and sustainable businesses throughout the Agribusiness & Food value chain across the Americas. The firm's team of experts focuses on investing in fragmented markets that offer substantial growth opportunities and strategic value. Aqua Capital's investment strategy revolves around identifying and supporting themes and opportunities that have the capacity to revolutionize their industries through technology, innovation, sustainability, and globalization. For further information please contact [investor.relations@aqua.capital](mailto:investor.relations@aqua.capital)

## **PRINCIPLE 1:**

### ***Define strategic impact objective(s), consistent with the investment strategy.***

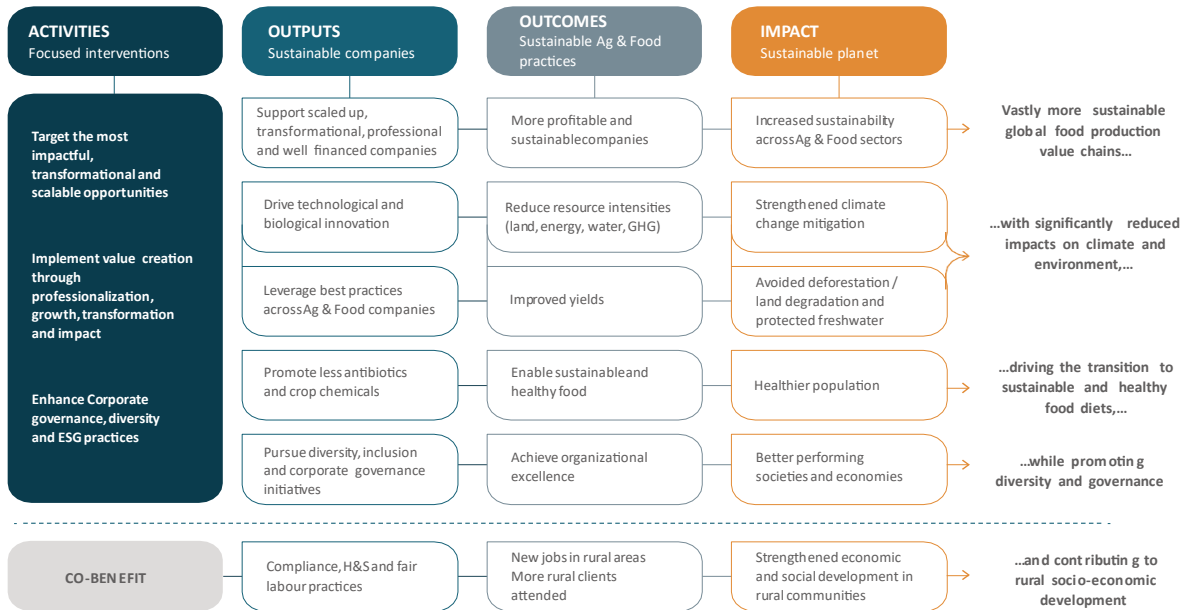
*The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.*

Aqua Capital seeks transformational and impactful investments within the Ag & Food sectors, with a strong focus on fighting climate change, and selects targets that are naturally oriented to contribute to the UN Sustainable Development Goals (SDGs) #13 Climate action, #2 Zero hunger, #9 Industry, innovation and infrastructure and #12 Responsible consumption and production. Aqua Capital works together with its portfolio companies to enhance their contribution to these SDGs while ensuring that they contribute to SDGs #5 Gender equality and #8 Decent work and economic growth.

Aqua Capital's ESG+I vision is to transform Ag & Food sectors and companies in a manner that amplifies both their sustainability and their positive impacts associated with climate change, food security and health & wellness.

Guided by this vision, Aqua Capital has developed its Theory of Change (ToC), with the intent to achieve the following impacts: (i) increasing sustainability across the Ag & Food sectors; (ii) strengthening the fight against climate change, while avoiding deforestation/land degradation and protecting freshwater; (iii) enabling sustainable healthy foods targeting a healthier population; and (iv) contributing to better performing societies and economies, as detailed below.

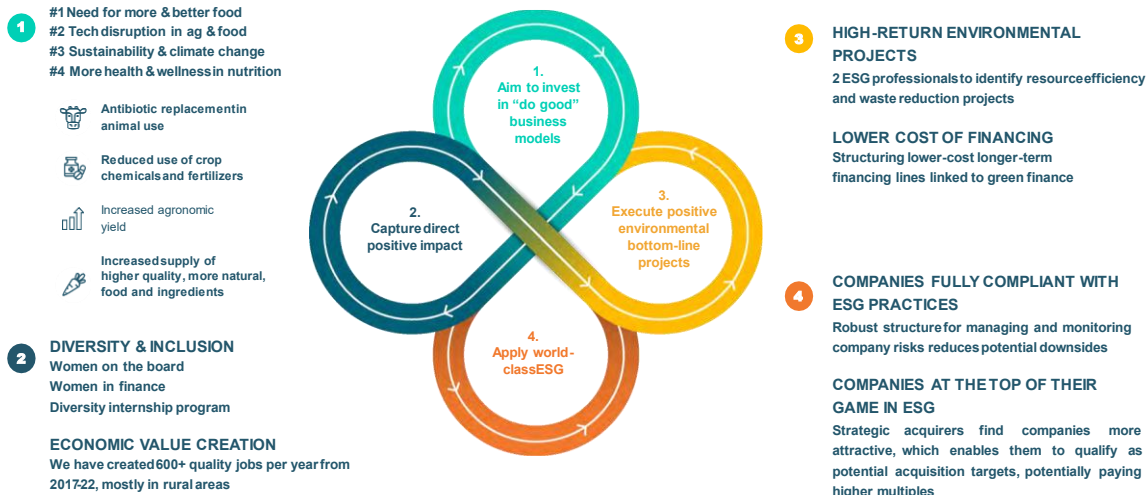
## Aqua Capital's Theory of Change



Throughout the lifecycle of our investments, we strive to achieve these impacts through three principal activities: (i) targeting more impactful, transformational and scalable opportunities during the origination stage; (ii) implementing our PGTI (professionalization, growth, transformation and impact) methodology; and (iii) enhancing corporate governance, diversity and ESG practices. These activities are conducted in such a way as to achieve the outcomes anticipated in our ToC.

Aqua Capital believes that impact is an important source of value creation and has developed a specific ESG+I approach for value creation, based on four pillars: (i) aim to invest in “do good” business models; (ii) capture direct positive impact; (iii) execute bottom-line environmental projects; and (iv) apply world-class ESG, as further described below. This approach is applied to every portfolio company regardless of their level of impact.

## ESG+I Approach for Value Creation



### Aim to invest in “do good” business models

The Ag & Food sectors have a critical role to play in the significant reduction of global GHG emissions through more sustainable products and practices, as well as in improving food production efficiency. Aqua Capital’s investment strategy aims to invest in companies that can drive positive-impact outcomes while maximizing financial performance.

### Capture direct positive impact

Diversity, inclusivity, and good governance are key to building lasting, sustainable, and high-performing organizations. We promote gender equality and the inclusion of women at all levels of our portfolio companies, and have an unwavering commitment to outstanding corporate governance in every investment. As company builders, a natural by-product of our stewardship is the distribution of direct economic value, through developing companies, as well as networks of suppliers and producers, that encourage the use of best practices and technology, creating high quality jobs and contributing to the economic development of the regions in which we operate. These regions are mostly rural areas, of significant importance to developing countries.

### Execute bottom-line environmental projects

Aqua Capital also seeks opportunities to help the planet through identifying emissions reduction and resource efficiency projects, with high returns (>30% IRR). Once identified, we bring experts on board to systematically execute these projects across our portfolio.

## **Apply world-class ESG**

Aqua Capital works closely with portfolio companies, not only to ensure full compliance with ESG best practices and to monitor their sustainability-related risks, but also to encourage and drive them to position themselves at the forefront of this critical agenda.

### **PRINCIPLE 2:**

#### ***Manage strategic impact on a portfolio basis.***

*The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.*

Aqua Capital systematically monitors ESG+I indicators across its portfolio companies semi-annually, based on IRIS+, Harmonized Indicators for the Private Sector (HIPSO) and Global Reporting Initiative (GRI), and analyzes the performance at a company, fund and portfolio level using a digital platform called Aplanet<sup>1</sup>. This platform allows portfolio companies to create dashboards to analyze their own performance and enables Aqua Capital to compare performances within its portfolio.

We also assess the performance of the portfolio companies using the “ESG+I Scoring System”, which covers seven main topics (ESG management system, licenses and permits, environmental aspects, occupational health and safety, employment and working conditions, other social aspects, and supply chain management) addressing the risks and positive impacts of each investment. This tool provides a score that represents the development stage of each investment, where 1 is considered incipient, 2 shows partial development, 3 represents compliance with Aqua Capital’s requirements, and 4 demonstrates excellence, and enables Aqua Capital to compare ESG+I performances across its investments, as well as the development of the portfolio.

As an Aqua Capital standard procedure each department sets yearly macro goals and specific quarterly goals, which are presented and discussed with the entire firm, led by the head of people and the managing partner. The ESG+I team goals are tailored to the implementation of the ESG+I management system and used as part of team member appraisals.

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<sup>1</sup> Aplanet.org

### PRINCIPLE 3:

***Establish the Manager's contribution to the achievement of impact.***

*The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence*

Aqua Capital has a well-developed value creation approach based on its professionalization, growth, transformation and impact (PGTI) methodology. Aqua Capital is involved in the operation of all its investments, ensuring that the right people have appropriate roles within each company. Aqua has three main professional figures for every portfolio company to monitor and oversee operations: lead partner, execution leader and operating partner or advisors. The lead partner is sourced from within Aqua's senior management team, and is responsible for the company's oversight, providing strategic guidance and participating as an active member of the board of directors; the execution leader supports the lead partner, provides operational guidance, supports the company on key processes and executes Aqua's internal processes; and the operating partners or advisors are specialists with deep knowledge of areas that are critical to the company, such as legal, PMO, information technology, internal controls, people and ESG+I.

All four pillars of the PGTI methodology are fundamental to enhancing a portfolio company's impacts, by promoting its sustainable development. The impact pillar is embedded across the entire investment cycle, but it is during the monitoring stage that Aqua can contribute most towards achieving meaningful impact.

ESG+I plays a role within each step towards value creation: (i) planning, which includes the elaboration of the 180 day-plan, the business plan, and the long-term value creation plan; (ii) tactical execution of key projects; (iii) operational execution with goal alignment; and (iv) exit preparation. Aqua Capital ensures that every portfolio company has a designated employee responsible for implementing the ESG+I agenda, who works together with Aqua Capital's ESG+I staff to structure and implement the agenda. Aqua Capital itself employs dedicated staff to support its companies in the identification and implementation of bottom-line environmental projects that are financially feasible while improving environmental performance. These employees also support and monitor impact initiatives, alongside tracking ESG+I indicators and the companies' ESG+I management system, as well as promoting and monitoring the implementation of the company's ESG+I action plan, which is prepared following pre-acquisition ESG+I due diligence.

Aqua Capital understands that it is important that portfolio companies take responsibility for the ESG+I agenda. Capacity building and knowledge sharing are fundamental to achieve this, and Aqua Capital conducts several workshops with portfolio companies to enhance knowledge sharing, including value creation day and ESG+I forums, enabling the sharing of best practices, portfolio company interaction and strategic planning.

Additionally, Aqua trains each new member of the portfolio companies' ESG+I team on our framework, KPI reporting and in calculating GHG emissions. The training is conducted by our specialist, who is also responsible for identifying and implementing the bottom-line environmental projects and tracking the environmental and economic results at company and portfolio level.



## PRINCIPLE 4:

### **Assess the expected impact of each investment, based on a systematic approach.**

*For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment’s expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations.*

*In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager’s strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.*

ESG+I aspects are considered throughout the entire investment cycle, commencing with the origination and pipeline construction. When considering any origination theme and its related investment opportunities, Aqua reviews the broad industry and identifies synergies of the thesis and targets both to Aqua’s Theory of Change and the UN SDGs. In order to systematically assess the expected impact of each investment, as well as to help identify actions that can enhance impacts and create value, we have developed the “Aqua Impact Assessment tool”, which comprises four steps:

- (i) Step 1 – **negative screening**, ensures that the investment target does not violate Aqua Capital’s exclusion list or present major negative risks and impacts which might jeopardize the impact intent in our ToC;
- (ii) Step 2 – **ToC and SDG alignment**, places the potential impacts of the investment alongside the ToC and the SDGs. During this step, Aqua identifies the impacts of the ToC with which the investment is most aligned, separating primary impact and secondary impacts, as well as identifying the SDGs to which the investment is most likely to contribute;
- (iii) Step 3 – **impact classification**, is based on the Impact Frontiers’ five dimensions of impact and adapted to Aqua’s investments. During this step, we analyze the five dimensions of impact for the principal impact identified during step 2, and attribute a score from 1 to 5 for each of the impact dimensions. Using the average score, we determine whether the investment lies in one of the following categories: “may cause harm”, “does cause harm”, “act to avoid harm”, “benefits stakeholders”, or “contributes to solutions”;
- (iv) Step 4 – **ESG+I value creation approach**, is the point at which we identify how closely aligned an investment is to each of the four pillars of the ESG+I value creation approach, determining whether it has “low”, “medium” or “high” alignment, as well as bringing a list of value creation examples for each pillar.

Aqua’s ESG+I due diligence involves a deep assessment of environmental and social negative risks based on legislation and international standards, such as the IFC Performance Standards. We also conduct climate-related risk and opportunities assessment, and identify further potential impact initiatives. One of the results of this process is an action plan for each investment, to be implemented during the holding period.

As previously mentioned, Aqua helps portfolio companies to identify and implement positive environmental bottom-line projects with high financial returns. Aqua maps potential projects using a prioritization matrix which analyzes environmental and financial impact, complexity and cost, and categorizes the projects as: (i) low complexity and high impact, (ii) low complexity and low impact, (iii) high complexity and high impact, or (iv) high complexity and low impact.

## **PRINCIPLE 5:**

### ***Assess, address, monitor, and manage potential negative impacts of each investment.***

*For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.*

Before investing in a company, Aqua Capital ensures that the target does not violate its exclusion list, and carries out a strict ESG+I due diligence process developed by specialized consultants using the IFC Performance Standards and applicable legislation as benchmarks. The investment's potential environmental and social (E&S) risks are categorized using risk categories similar to the IFC's (A – High, B - Medium and C – Low risks). At the due diligence stage, Aqua Capital also assesses the capability of the potential investee to implement those adjustments necessary to reduce or eliminate any identified E&S related risks, including climate-related risks, and to generate positive impact opportunities.

The results of the ESG+I due diligence are described in a report that includes an ESG+I action plan aimed at bringing the company to full compliance. These actions, together with corporate governance actions, are included in the post-transaction 180-day plan, which includes key priorities to be implemented in the short term, as well as other medium- and long-term actions to be implemented while the company remains in the portfolio.

Once the company enters the portfolio, Aqua Capital monitors its ESG+I progress using tools and engaging with the portfolio companies, by conducting regular meetings and reviewing evidence to understand progress regarding the implementation of each ESG+I action plan. Aqua monitors 48 key performance indicators (KPIs) semi-annually, analyzing these KPIs at a fund and investee level, and evaluates and monitors ESG+I performance using the "ESG+I scoring system", in addition to assessing investees' ESG+I performance through third-party certifications.

## PRINCIPLE 6:

### ***Monitor the progress of each investment in achieving impact against expectations and respond appropriately.***

*The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.*

Aqua Capital monitors the ESG+I progress of its portfolio company using a variety of tools at set frequencies, and take actions accordingly.

On a monthly basis, there is an update meeting together with the portfolio companies' ESG+I focal point, where the ongoing actions are discussed, and ad hoc meetings to monitor implementation of specific projects. Within Aqua an internal meeting is held to discuss the professionalization status of each portfolio company, including the overall progress of the portfolio company and the actions that have been taken in respect of the value creation agenda, which includes ESG+I. Every meeting involves the participation of the lead partner, execution leader and someone from the value creation team, with the ESG+I manager participating whenever necessary.

Semi-annually, the progress against the ESG+I action plan prepared during due diligence is monitored, and the company's ESG+I performance evaluated using the "ESG+I scoring system". This is initially submitted by the portfolio companies, following which Aqua Capital revises the answers provided, adjusts the company's scores, and gives feedback on the principal issues and improvement opportunities.

On a semi-annual basis, the portfolio companies report their ESG+I KPIs (key performance indicators), which are compatible with IRIS+, HIPS0 and GRI platforms, and allow Aqua and the companies to track progress on their ESG+I performance based on quantitative data. Using these KPIs, we monitor the performance of impacts related to gender equality, economic growth, responsible consumption, and climate actions, among other areas.

On an yearly basis, Aqua Capital conducts an assessment for each portfolio company, describing its performance following the ESG+I approach for value creation and listing the contribution of each portfolio company to six SDGs: #2 Zero hunger, #5 Gender Equality, #8 Decent work and economic growth, #9 Industry, innovation and infrastructure, #12 Responsible consumption and production, and #13 Climate action, comparing performance against the previous year when possible.

## PRINCIPLE 7:

### ***Conduct exits considering the effect on sustained impact.***

*When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.*

Aqua Capital truly believes that impact is an important lever of its PGTI methodology and the value creation bridge, as it can promote higher exit multiples, attract buyers who are concerned with sustainability, reduce operational costs, and improve access to capital, alongside other benefits. Since its inception, Aqua has worked on its four pillar ESG+I approach for value creation: (i) “Do good business”, (ii) capture direct positive impact, (iii) execute bottom-line environmental projects, and (iv) apply world class ESG.

To assess how the exit process can affect sustainability, Aqua Capital prepares an exit readiness report, in which we analyze the contribution of the company towards the theory of change and SDGs, the maturity and progress of its ESG+I agenda throughout the holding period, and the implementation status of bottom-line environmental projects, mapping principal ESG-related risks and ensuring that there is an action plan to be conducted prior to the exit. In addition, Aqua Capital compares the ability of potential buyers to maintain impact, based on publicly available information on such potential buyers. This process allows us to determine whether the structure and timing for exit is appropriate and make informed assumptions on the effects of the exit process.

In cases of partial exits, where Aqua Capital becomes a minority shareholder, the level of involvement of the whole value creation team is discussed with the buyer. Regardless of the level of involvement agreed on, the ESG+I team continues to monitor and report on the ESG+I related indicators.

## PRINCIPLE 8:

### ***Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.***

*The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.*

At Aqua Capital we are constantly undergoing assessments of our ESG+I stewardship system and being benchmarked, be through external verifiers, UN PRI transparency reports and our investors. The results of these assessments are presented and discussed within our ESG+I Committee to review and improve our processes.

As a standard procedure, each area withing Aqua Capital sets significant annual goals, and defines short-term goals on a quarterly basis. Achievements are presented to the whole firm to discuss key results and lessons learned, including in relation to ESG+I. This provides an opportunity for the leadership to closely follow the development of the agenda, for everyone in the firm to engage, and to improve our processes based on the results of these discussions.

The specific fund and investment impact performance are reviewed through the monitoring of KPIs that bring the quantitative results and the “ESG+I scoring system”, which provides an overview of how the companies’ procedures are being implemented.

Within our ESG+I Annual Report there is a dedicated chapter for each portfolio company, detailing the actions and results from the year, summarizing the companies’ contribution to the SDGs. This report is shared with the leadership of each portfolio company, together with recommendations for improvements, and is publicly available at our website <https://aqua.capital/esgi-i/>.

## **PRINCIPLE 9:**

### ***Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.***

*The Manager 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.*

This is Aqua Capital’s third annual disclosure, which describes the alignment of its policies and procedures to the Operating Principles for Impact Management. In 2023, we underwent our first third-party verification, which was conducted by BlueMark<sup>2</sup>. The detailed verifier statement, dated November 15, 2023, is presented in the appendix and is publicly available at our website <https://aqua.capital/esgi-i/>.

Aqua Capital will undergo its next independent verification process within the next three years.

## **DISCLAIMER**

The information contained in this Disclosure Statement has not been verified or endorsed by the Global Impact Investing Network (“the GIIN”) or the Secretariat or Advisory Board. All statements and/or opinions expressed in these materials are solely the responsibility of the person or entity providing such materials and do not reflect the opinion of the GIIN. The GIIN shall not be responsible for any loss, claim or liability that the person or entity publishing this Disclosure Statement or its investors, Affiliates (as defined below), advisers, employees or agents, or any other third party, may suffer or incur in relation to this Disclosure Statement or the impact investing principles to which it relates. For purposes hereof, “Affiliate” shall mean any individual, entity or other enterprise or organization controlling, controlled by, or under common control with the Signatory.

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<sup>2</sup> [bluemarktideline.com](https://bluemarktideline.com)

## **APPENDIX**

### **BlueMark verifier statement 2023**

# Verifier Statement

## *Independent Verification Report*

Prepared for Aqua Capital: November 15, 2023

### Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)<sup>1</sup>, Aqua Capital engaged BlueMark to undertake an independent verification of the alignment of Aqua’s impact management (IM) system with the Impact Principles. Aqua’s assets under management covered by the Impact Principles (Covered Assets) totals \$1.1 billion<sup>2</sup>, for the year ending 12/2023.

### Summary assessment conclusions

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

*Principle 1:* Aqua Capital has a clearly defined impact strategy centered on four key impact pillars that help shape the firm-level theory of change (ToC). To further align, Aqua should continue to build out its supporting evidence-base and consider developing theme-specific ToCs.

*Principle 2:* Aqua compares impact across investments through the firm’s Impact Assessment Tool and ESG+I Scoring System, which produces a composite impact score updated quarterly. To further align, Aqua should more explicitly link staff incentive systems with the achievement of impact.

*Principle 3:* Aqua has a clear approach to assessing investor contribution: the Impact Assessment Tool evaluates the firm’s contribution to each investment and notes opportunities for impact value creation in IC Memos. Aqua evaluates the effectiveness of its contribution strategies via case studies and surveys of portfolio companies.

*Principle 4:* Aqua utilizes its proprietary Impact Assessment Tool to assess the impact of investments, creating a composite impact score in line with the IMP’s 5 Dimensions, while the ESG+I Scoring System evaluates potential negative impacts of investments. Impact KPIs collected across investments are aligned with IRIS+ metrics.

*Principle 5:* Aqua has a comprehensive ESG framework applied across the investment lifecycle, including utilizing third-party E&S due diligence as necessary and developing ESAPs for each portfolio company. Aqua has identified 48 common ESG+I KPIs to track across the portfolio on a bi-annual basis, allowing the firm to monitor ESG performance and risk events.

*Principle 6:* Quarterly ESG+I Questionnaires and bi-annual monitoring of Aqua’s 48 portfolio-wide KPIs allow the firm to collect and monitor impact data. To further align, Aqua should establish investment-specific impact targets and develop a formal protocol for addressing impact underperformance.

*Principle 7:* For each exit, Aqua completes an Exit Readiness Assessment to address the sustainability of impact at and beyond exit, as well as screening potential buyers to evaluate impact alignment.

*Principle 8:* Aqua reviews the impact performance of investments in its annual Impact Report and conducts quarterly reviews of portfolio-wide goals. To further align, Aqua could more systematically review data collected on negative impacts of investments.

<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 Aqua’s draft Disclosure Statement as of 11/15/2023. BlueMark’s assessment did not include verification of the AUM figure.

# Verifier Statement

## *Independent Verification Report*

*Prepared for Aqua Capital: November 15, 2023*

### Detailed assessment conclusions

The chart below summarizes findings from BlueMark’s verification of Aqua Capital’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	MODERATE
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 Aqua Capital. BlueMark has relied on the accuracy and completeness of any such information provided by Aqua. The assessment results represent BlueMark’s professional judgment based on the procedures performed and information obtained from Aqua.

<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 Aqua Capital.



# Verifier Statement

## *Independent Verification Report*

Prepared for Aqua Capital: November 15, 2023

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### Assessment methodology and scope

Aqua Capital 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 November 2023. 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 Aqua staff responsible for defining and implementing the IM system;
3. Testing of selected Aqua transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to Aqua, 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 Aqua Capital in accordance with the agreement between our firms, to assist Aqua in fulfilling Principle 9 of the Operating Principles for Impact Management. We permit Aqua to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate Aqua’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 Aqua Capital 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.bluemarktideline.com](http://www.bluemarktideline.com).

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<sup>5</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 Aqua Capital. BlueMark has relied on the accuracy and completeness of any such information provided by Aqua. The assessment results represent BlueMark’s professional judgment based on the procedures performed and information obtained from Aqua.