

Operating Principles *for Impact Management*



Finance in Motion (the “Signatory”) hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the “Impact Principles”).

This Disclosure Statement¹ applies to the following assets (the “Covered Assets”) under Finance in Motion’s (portfolio) management:

- European Fund for Southeast Europe²
- SANAD Fund for MSME
- Green for Growth Fund
- eco.business Fund
- LAGreen Fund
- Arbaro Fund

As of 31 March 2026, USD5.1 bn of assets under management are aligned with the Impact Principles, including USD 1.9 billion under delegated portfolio management mandates. This reflects 100% of AuM for Finance in Motion.

Sylvia Wisniwski
Chief Executive Officer

Milena Bertram
Chief Sustainability Officer

¹ 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.

² Finance in Motion serves as EFSE’s Portfolio Manager.

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.

As a **leading impact asset manager**, Finance in Motion focuses exclusively on developing and managing funds and investment solutions whose purpose is to generate positive social and environmental impact alongside a financial return. All solutions pursue a sustainable investment objective and therefore disclose in line with the requirements of Article 9 of the Sustainable Finance Disclosure Regulation (SFDR)³. In addition to the impact to which we contribute through the investments, we also manage several technical assistance facilities, which built capacity and provide advisory services alongside our investments. Finally, as a company we also work towards impact by building the impact investing market, e.g. through active participation in industry networks and working groups.

Founded in 2009, Finance in Motion is a **long-standing member of the impact investing community**. In addition to being a signatory of the Operating Principles for Impact Management, Finance in Motion is a signatory to the UN Principles for Responsible Investment (UN PRI) and a member of the GIIN Investors' Council.

Our investment activities are focused in emerging markets across five continents, targeting sectors with a high potential to positively contribute to addressing social and environmental challenges. We focus on two thematic categories: (i) Promoting a green economy: channeling capital to green sectors, including sustainable agriculture, renewable energy, and sustainable forestry; and (ii) Promoting financial inclusion and entrepreneurship: channeling capital to local businesses.

The **“what, why, and how” of achieving impact are defined in the funds’ strategy documents**, including the issue documents, investment guidelines, and business plans.

In order to achieve these impact objectives, we provide public and private debt or private equity financing to financial intermediaries, companies, and projects within their target region, which in turn are required to use the capital in line with the funds’ respective impact goals. Advisory and capacity building initiatives accompany investments to build knowledge and processes required to sustain and scale the impact focus beyond the funds’ investments for deep, long-term, systemic impact.

The **impact investment strategies draw on documented evidence** to substantiate contributions towards the respective impact objective, including:

- The set-up of new funds and investment solutions is accompanied by careful and extensive market studies and stakeholder mapping to ensure a tailored approach to local needs and realities.
- The strategic approach of providing dedicated finance through financial intermediaries is considered particularly effective in building outreach, strengthening local systems, and creating impact at scale.
- In selecting measures to be financed, we draw on documented evidence (including from external sources) that supports, for example, the positive effect that access to finance has on promoting economic development or that sustainable agriculture can reduce resource consumption, which is again recognized as an important contribution to climate change adaptation.

The funds’ impact objectives and strategies are **aligned with key international development targets**:

- By providing solutions to important social and environmental challenges, they contribute to the Sustainable Development Goals (SDGs). In order to determine their specific contributions, the funds’ activities have been mapped against SDG targets. Contribution to the SDGs is reflected in our impact reporting.
- Our financing is aligned with the Paris Agreement’s mitigation and adaptation goals against the MDB Joint Assessment Framework for Paris Alignment, taking, among others, into account the respective strategic impact objectives, the exclusion lists covering activities that are universally not aligned with the Paris Agreement’s mitigation goals and our climate risk assessment procedures customized for various investee types to confirm adaptation related alignment requirements.

³ More details related to Finance in Motion’s and our funds’ sustainability-related disclosure can be found at: <https://www.finance-in-motion.com/insights>

SDG mapping

 We improve access to financial services for micro, small, and medium enterprises and low-income households.	 We ensure access to sustainable energy by promoting energy savings and fostering renewable energy.	 We support transport and waste management systems that reduce resource use and pollution.	 We contribute to sustaining landscapes by fostering sustainable agriculture and forestry.
 We foster sustainable and resilient agriculture practices and increase access to finance for rural producers.	 We contribute to economic development by promoting entrepreneurship and supporting micro, small, and medium enterprises.	 We foster the sustainable management of natural resources and reduced waste generation.	 We develop and advise blended finance funds that bring together public and private investors, strengthen networks and knowledge exchange, and mobilize funding for the goals.
 We contribute to improving gender equality and women's empowerment by facilitating access to financial services and training for women entrepreneurs and women-owned enterprises.	 We advance small-scale industrial enterprises and help develop sustainable forestry and the renewable energy sector.	 We mobilize green finance and build capacity, especially in terms of greening financial sector practices.	
 We mitigate water scarcity by promoting sustainable agricultural practices that improve water quality and increase water-use efficiency.	 We enable income growth among small businesses and the economic inclusion of women, youth, and refugees.	 We promote sustainable practices in fisheries and aquaculture.	

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.

Impact achievement is managed based on a holistic approach, mitigating potential negative risk and enhancing positive impact. The funds' impact management endeavors to align with international standards and good practices, including the Operating Principles for Impact Management, the IFC Performance Standards, the ICMA Bond Principles, and core responsible finance frameworks, as applicable.⁴

Impact management is integrated into every step of the investment cycle. When selecting investments, the potential

for positive impact is a key factor. During the due diligence, the alignment of an investment with the respective strategic impact orientation is carefully reviewed. Only if an investment meets the requirements for financial return and positive impact potential, as well as key environmental and social requirements, will it proceed. Pre-investment assessments also provide an opportunity to identify areas for improvement for which tailored advisory and capacity building measures are then deployed to deepen impact. Impact performance and results are measured and reported.

Impact Management in Investment Process⁵

Pre-Screening	Due Diligence & Investment Preparation	Monitoring & Management	Reporting
- Confirm alignment with fund impact objective - Conduct initial capacity needs assessment	- Conduct impact assessment - Agree on eligibility criteria for financing - Agree on capacity building measures - Agree on reporting requirements	- Monitor performance based on regular investee reporting - Conduct periodic studies for selected investments - Enhance impact performance through engagement, capacity building and consulting services	- Report aggregated performance on regular basis - Share case studies and lessons learned in Impact Reports

The impact management approach is aligned to the respective impact objective. For the evergreen funds, for example, the respective **impact objective is operationalized through annual fund performance targets**. These consider both financial and impact targets of quantitative and qualitative nature. Progress is then reported by investees and monitored by fund management and impact teams to analyze portfolio and investee-level impact performance. Quantitative and qualitative impact performance is further communicated through regular publications on the funds' websites and in annual public impact reports.

For our investments through financial intermediaries, we apply an **Impact Scoring Tool** to further strengthen systematic impact assessment and support impact management on a portfolio level. The tool is aligned with industry frameworks, such as the Impact Management Platform's 5 Dimensions of Impact and the Multilateral Development Banks' Framework for Additionality in Private Sector Operations.

The company's Sustainability Committee is the key body to discuss impact and ESG-related strategies, initiatives, and fund performance. It is composed of representatives from relevant internal functions, including executive management. At the individual fund portfolio level, impact performance is regularly reviewed and discussed at the respective funds' board of directors' meetings. In addition, fund sustainability committees provide a platform to assess portfolio composition, impact contributions, and strategic developments.

Managing and meeting the **strategic impact goals is important to us as a company – and as individuals**. Part of our performance fee as a fund manager is based on our funds' impact performance, in addition to meeting financial targets. Consequently, impact-related performance targets also form part of employees' individual annual KPIs.

⁴ The following refers to the management of positive impact. For details on the approach to managing adverse impact, please refer to Principle 5.

⁵ Schematic illustration. Implementation may vary between funds and asset classes.

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.⁶ The narrative should be stated in clear terms and supported, as much as possible, by evidence.

As **asset and portfolio manager, we regard our contribution to impact** to include:

- Fund and investment solution concept development and set-up:
We play an active role in setting up funds, developing concepts, and continuously driving strategy and innovation (for example, by developing a share class to enhance local currency financing) to facilitate investments in emerging markets and address environmental and/or social challenges.
- Blending public and private capital:
We structure vehicles that allow the utilization of public capital to mobilize additional private funding for emerging markets for impact with scale.
- Investing in impact:
In addition to our own investments in entities that share our values and vision, Finance in Motion has itself invested in all funds under our management.
- Engaging in long-term partnerships:
Finance in Motion's geographical presence across the investment regions not only results in a strong market understanding but also facilitates continuous engagement with the current and potential investees.
- Sector and regional expertise:
Finance in Motion's global team brings to the table specialized expertise, ranging from energy and resource efficiency to sustainable agriculture and financial inclusion. This expertise is applied throughout the investment cycle and, along with the strong market knowledge from our regional presence, enables us to fine-tune strategies and provide targeted support to our partners.

At fund level, the **funds contribute to the achievement of impact** through both financial and non-financial channels, including:

- Grow new/undersupplied capital markets:
The funds contribute to building and establishing new or

underserved sectors and markets by providing debt or equity financing.

- Additionality through financing conditions:
The funds provide financing at conditions that are additional to what is available in the market, e.g., at longer tenures or in local currency.
- Signaling that impact matters:
By stipulating clear requirements in terms of target group focus and reach, including through targeted use-of-proceeds and regular impact-related reporting requirements, the funds support to strengthen the investees' focus on certain target groups.
- Combining targeted investments with customized advisory and capacity building:
Investments are often accompanied by tailored advisory and capacity building which can be directed at the investee and final client level. This provides an opportunity for continuous and active engagement with the investees and contributes towards systemic impact.

Against this framework, the **particular contribution of a specific investment is assessed during the due diligence phase**. During the investment preparation process, we also identify and agree on opportunities to enhance our contribution to impact: for example, through capacity building or a board seat to drive the strategy and development of equity investees.

We also strive to build enabling ecosystems, recognizing that financing is crucial but not in itself wholly sufficient for markets and individuals to thrive. The funds, therefore, aim to support the systemic factors that contribute to development, such as a conducive regulatory environment, sector knowledge-sharing, availability of support organizations, and sustainable industry practices.

The assessment of our expected contribution to the achievement of impact is supported by evidence generated through investee case studies, end-borrowers surveys, and as fund and third-party impact studies.

⁶ For example, this may include: improving the cost of capital, active shareholder engagement, specific financial structuring, offering innovative financing instruments, assisting with further resource mobilization, creating long-term trusted partnerships, providing technical/market advice or capacity building to the investee, and/or helping the investee to meet higher operational standards.

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 impact⁷ 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?⁸ 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 standards⁹ and follow best practice¹⁰.

The impact assessment work is guided by the impact objective and strategy-specific Theory of Change, according to which **a specific set of key impact indicators¹¹** has been identified. The Theory of Change is aligned with the specific investment approach. For funds largely investing through financial intermediaries, for example, it considers both the direct impact on the investee (for example, by improving capacity to serve the micro, small, and medium enterprises [MSME] sector) as well as the indirect, systemic impacts on or through the investee's end-clients (such as biodiversity conservation through implementation of green business practices). These impacts are monitored throughout the investment period.¹²

Assessing the positive impact potential of a specific investment **starts in the pre-investment phase**:

- During the screening phase, the investee's alignment with the eligibility requirements is assessed, including environmental

and social management and responsible finance practices as well as potential outreach to the target group. This already narrows down the investment universe.

- During the due diligence phase, the expected impact is assessed following a structured approach, including considering the Impact Management Platform's 5 Dimensions of Impact. These assessments also take into account opportunities to further increase the impact (e.g. through capacity building). Potential negative impacts and associated risks are assessed as a part of the environmental and social due diligence (ESDD).¹³ Findings are summarized in the investment proposal.

Investment decisions are guided and approved by the investment committees or boards. The members of these committees represent a diverse institutional and thematic background.

⁷ Focus shall be on the material social and environmental impacts resulting from the investment. Impacts assessed under Principle 4 may also include positive ESG effects derived from the investment.

⁸ Adapted from the Impact Management Project (www.impactmanagementproject.com).

⁹ Industry indicator standards include HIPSO (<https://indicators.ifipartnership.org/about/>); IRIS (iris.thegiin.org); GIIRS (<https://www.bcorporation.net/en-us/>); GRI (<https://www.globalreporting.org/>); and SASB (www.sasb.org), among others.

¹⁰ International best practice indicators include SMART (Specific, Measurable, Attainable, Relevant, and Timely), and SPICED (Subjective, Participatory, Interpreted & communicable, Cross-checked, Empowering, and Diverse & disaggregated), among others.

¹¹ To the extent feasible, these indicators are aligned with relevant IRIS+ indicators.

¹² See details under Principle 6.

¹³ See details under 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, negative impact 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' negative impact risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

Finance in Motion takes a **holistic approach to impact management**, combining managing and mitigating any potential negative impact with enhancing the positive impacts.

Compliance with a standard set of environmental and social (E&S) criteria, good governance, and responsible finance practices are key parameters when selecting investees.

Each fund manages E&S risks through an **Environmental and Social Management System (ESMS)**, which is tailored to the **potential risks and impacts** of the fund's activities. The core components of such ESMS are:

- An E&S Policy¹⁴, which includes an E&S Exclusion List of activities that the funds will not finance
- Procedures and tools to support the implementation of E&S management throughout the investment cycle, such as structured due diligence and reporting questionnaires
- Qualified staff and clear roles and responsibilities to ensure effective implementation

The ESMS guides the funds and its investees in undertaking their activities **in a manner consistent with national and**

international standards and recognized frameworks, such as IFC Performance Standards and ILO Core Labour Standards.

Similar to the management of positive impact, ESG criteria are **integrated into each step of the investment cycle** (see Figure 4 below):

- Before proposing an investment, **ESG due diligence** is carried out to identify potential negative impacts. Capacities and systems at the investee level are carefully reviewed, and, if required, action plans and improvement measures are agreed upon. The results of this assessment are presented in the investment proposal.
- Once invested, **engagement** with investees is an integral component of the investment cycle. This engagement often focuses on (but is not necessarily limited to) ESG factors. Where appropriate, capacity building and ESG advisory may be structured.
- **Monitoring** of ESG factors is performed regularly based on the investees' risk profile – e.g., high-risk investees are monitored more intensively, and building on regular **investee reporting** as well as third-party data.

Managing adverse impacts throughout the investment cycle¹⁵

Pre-Screening	Due Diligence & Investment Preparation	Monitoring & Management	Reporting
• Confirm alignment with fund's ESG commitments • Review investee ESG track record	• Assess ESG risks • Assess investee's capacity to manage ESG risks • Agree on E&S action plan (as required) • Agree on ESG undertakings	• Monitor ESG compliance and performance • Monitor implementation of E&S action plans • Monitor media/relevant databases • Provide E&S related capacity building	• Report to the Board of Directors and shareholders

¹⁴ For an example, refer to the GGF's E&S Policy: <https://ggf.lu/impact#impact-measurement:-:text=Environmental%20%26%20Social%20Policy>

¹⁵ Schematic illustration. Implementation may vary between funds and asset classes.

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.¹⁶ The Manager shall also seek to use the results framework to capture investment outcomes.¹⁷

Impact monitoring accompanies all investments alongside financial monitoring. In order to assess progress against performance targets and gauge final impacts on people and planet, **we combine a number of data sources**, including:

- Portfolio monitoring:

Data covers a range of data points on activities related to resource mobilization, financing, and capacity building & advisory.

- Investee reporting:

Investees are contractually required to report on a set of predefined (financial and non-financial) indicators, on a quarterly or semi-annual basis, that allow for an understanding of how the funds are being used and who they are reaching. This information is used for continuous monitoring of use of proceeds and outreach to the target group. To collect data from a large number of investees across five continents, including look-through details in the case of financial intermediaries, we have developed special software solutions to facilitate collecting and analyzing the data. The requirement for regular reporting also creates an opportunity to raise awareness for sustainability objectives and builds lasting capacities within the investees. For bond investments, we draw on the issuers' allocation and impact reporting.

- Third-party data:

External parameters and studies are utilized to inform underlying impact assumptions and model final impacts on people and planet.

- Studies:

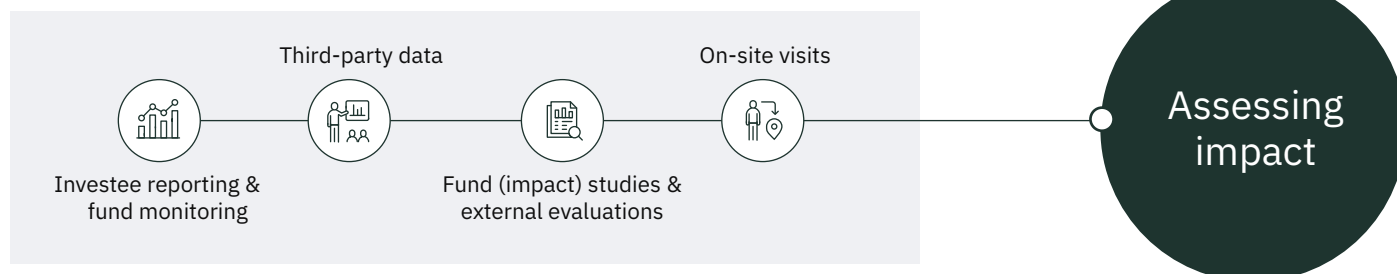
We periodically conduct in-depth (impact) studies and collaborate on external assessments to collect additional quantitative and qualitative information on the funds' impact mechanisms and to verify underlying assumptions.

- On-site visits:

Finance in Motion's staff operate from 15 offices around the world. This presence allows for regular site visits and ongoing exchange with our investees and enables us to incorporate on-the-ground knowledge of regional market needs into the funds' investment strategies.

Throughout the investment cycle, we use this data to **confirm that financing is being used for its intended and agreed-upon purpose and to monitor impact performance**. Should an investee not comply with the contractually agreed use of proceeds, the funds reserve the right to reclaim that financing. Alternatively, the funds may conduct a corrective action plan together with the investee to ensure the use of financing in line with the fund's impact mission.

Impact Monitoring & Assessment Approach



¹⁶ Actions could include active engagement with the investee; early divestment; adjusting indicators/expectations due to significant, unforeseen, and changing circumstances; or other appropriate measures to improve the portfolio's expected impact performance.

¹⁷ Outcomes are the short-term and medium-term effects of an investment's outputs, while the outputs are the products, capital goods, and services resulting from the investment. Adopted from OECD-DAC (www.oecd.org/dac/).

Conduct exits considering the effect on sustained impact

When conducting an exit,¹⁸ 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.

A central pillar of our strategy to facilitate long-lasting change beyond imminent impact is integrating impact orientation into investees' business approach by, e.g., building experience in providing financing to a specific target group, supporting product development, and building investee capacities.

Our funds largely provide **debt capital** to support our investees in expanding their impactful lending portfolio. As such, **our exit is already built into the investment decision**. In structuring the investment, however, the debt funds consider, for example, the tenor of the loan that would best contribute to achieving the impact objective.

The debt funds apply a long-term partnership approach to accompany impactful investees in their transformation. This is why in many cases, we **renew and increase our financing** to

a particular investee. These top-ups are done in step with the growth of our investee and its portfolio. Related investment decisions are informed by a review of past performance and our investees' development and continued impact alignment. The Impact Scoring is applied across the entire investment lifecycle.

Also for **equity investments**, we strive to establish **long-lasting impact that is sustained after exit**. Therefore, impact considerations form a key focus when investments reach the exit stage, striving to ensure the right balance between responsible exit, sustainability of the investee's business model, and relevant fiduciary considerations. The results of this assessment are reflected in the exit decision. The assessment is informed by impact targets/criteria set with and for the investee at the investment decision stage.

¹⁸ This may include debt, equity, or bond sales, and excludes self-liquidating or maturing instruments.

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.

We periodically conduct **studies on the effects of investments** on investee clients as well as the impact ' contribution, often in collaboration with external research companies. These studies review effects contributed to through both quantitative and qualitative data and support the identification of lessons learned. In addition, we contribute to external evaluations, often conducted by or on behalf of public investors.

The impact management system provides a **feedback loop and allows us to gain insights and learnings to calibrate our strategy** and planning for deeper, broader impact. Priority areas and strategy are regularly discussed in our internal review meeting as well as in the funds' committee meetings.

Lessons learned are used, for example, to:

- Inform portfolio composition to address the diverse needs of our target group and work towards the full range of intended impact, our portfolio needs to include various types of investee institutions. In terms of employment support, for example, our impact studies show that small enterprises are more likely to create jobs while microenterprises are

more likely to support self-employment. Therefore, we aim to achieve a portfolio balance of institutions that support microenterprises as well as those that strengthen the SME sector.

- Facilitate scaling of innovations across the portfolio or the funds, as in the case of a share class specially devised for local currency financing. After launching this instrument in one fund and observing its solid impact, we worked with our investors to introduce it to two additional funds.
- Guide expansion into new regions and activities with an evidence-backed impact agenda. One example is financial technology: Having piloted and reviewed the potential of fintech innovations for our target groups, some of our funds now support financial institutions in identifying and implementing fintech in their operations.

In addition, **we share our lessons and insights** with a broader audience and the impact investing industry, for example, through the Finance in Motion Impact Report, the funds' impact reports, and our participation in industry working groups.

Publicly disclose alignment with the Impact Principles and provide regular independent verification¹⁹ 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.

As an impact asset manager, we are **committed to transparent and accountable impact management and reporting**. This Disclosure Statement demonstrates the alignment of our impact management approach with the Impact Principles and is updated annually.

In accordance with the requirement that signatories submit to

an independent verification, Finance in Motion conducts regular verifications, the most recent one in fall 2025. To date, these verifications were conducted by BlueMark²⁰, a specialized provider of impact verifications. The results of the verification can be found on our website²¹. Generally, verifications will be conducted on a regular basis as stipulated by the Impact Principles.

¹⁹ The independent verification may be conducted in different ways, i.e., as part of a financial audit, by an independent internal impact assessment committee, or through a portfolio/fund performance evaluation. The frequency and complexity of the verification process should consider its cost, relative to the size of the fund or institution concerned, and appropriate confidentiality

²⁰ BlueMark, headquartered at 154 W 14th St, 2nd Floor, New York, NY 10011

²¹ <https://www.finance-in-motion.com/insights/media/verification-statement>

Verifier Statement

Independent Verification Report

Prepared for Finance in Motion: September 12th, 2025

Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)¹, Finance in Motion (FiM) engaged BlueMark to undertake an independent verification of the alignment of FiM's impact management (IM) system, as applied to Green Growth Fund (GGF), LAGreen Fund, eco.business Fund (EBF), Arbaro Fund, European Fund for Southeast Europe, and SANAD Fund for MSME (SANAD)(collectively, "the Funds") with the Impact Principles. FiM's assets under management covered by the Impact Principles (Covered Assets) totals \$4 billion², as of 31 March, 2025.

Summary assessment conclusions

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

Principle 1: FiM has established two primary thematic investment categories for its Funds: promoting a green economy and promoting entrepreneurship and livelihoods. The firm has developed specific Fund-level Theories of Change for each of its funds, which are substantiated by a variety of sources of data, including in-house impact studies.

Principle 2: FiM manages portfolio-level impact using its platform housing dashboards to measure performance and aggregate KPIs. FiM incentivises staff to enhance impact outcomes by linking variable compensation to individual-level OKRs.

Principle 3: FiM's Funds employ a range of processes to implement, monitor, and refine their investor contribution activities. The Funds' Investment Proposals detail their expected contribution to impact, which is ultimately validated by technical assistance surveys and other means of substantiating FiM's investor contribution.

Principle 4: FiM uses its Impact Scoring Tool (IST) to assess prospective investments in line with the IMP's Five Dimensions of Impact. The IST incorporates considerations of the size of the impact challenge in the relevant geography and the current capacities of prospective investees to contribute to addressing that challenge.

Principle 5: FiM's firm and fund-level ESG risk management policies integrate ESG considerations throughout the investment cycle. Staff identify and document relevant risks and develop action plans to ensure risks are mitigated. Investee progress against ESG action plans is systematically tracked.

Principle 6: FiM has developed a bespoke tool, fimpact, to collect output- and outcome-level impact data from its investees. The Funds measure expected vs actual impact of each investment against expectations via regular rescoring using the IST. The Funds use varying tools to assess impact outcomes, including impact studies and TA surveys.

Principle 7: FiM's Impact Management Approach details its process for considering impact sustainability at exit for debt and equity investments. The Partnership Review Process details exit-related considerations for both debt and equity investments.

Principle 8: FiM uses sustainability committees at firm- and fund-levels to review impact performance and refine impact strategy and management. FiM releases public-facing impact reports at both firm- and Fund-levels.

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 intake survey as of 12/09/2025. BlueMark's assessment did not include verification of the AUM figure.

Verifier Statement

Independent Verification Report

Prepared for Finance in Motion: September 12th, 2025

Detailed assessment conclusions

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

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 FiM.

Verifier Statement

Independent Verification Report

Prepared for Finance in Motion: September 12th, 2025

Assessment methodology and scope

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

⁵The 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 FiM. BlueMark has relied on the accuracy and completeness of any such information provided by FiM. The assessment results represent BlueMark's professional judgment based on the procedures performed and information obtained from FiM.



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