Introduction
As a signatory of the Operating Principles for Impact Management (the Impact Principles), Radicle Impact (Radicle) engaged BlueMark to undertake an independent verification of the alignment of Radicle’s impact management (IM) system with the Impact Principles. Radicle’s assets under management covered by the Impact Principles (Covered Assets) totals $46.1 million, for the period ending 06/04/2021.

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

Principle 1: Radicle has established three distinct impact objectives related to climate, food systems, and financial services. The objectives are aligned to SDGs and further supported by an extensive evidence base. To further align, Radicle could further consider how the scale or intensity of its impact could be assessed in proportion to the investment portfolio size.

Principle 2: Radicle manages impact achievement on a portfolio basis, actively working with investee leadership to add value where possible. On an aggregated basis, the team tracks specific metrics for each thematic objective and impact is explicitly incorporated into staff performance reviews (i.e., impact KPIs).

Principle 3: Radicle articulates its financial and non-financial contribution into five core categories and monitors its value-add for each investment through Additionality Memo annual reviews. Radicle could consider additional ways to validate its contribution to investees (e.g., investee surveys and/or independent evaluations).

Principle 4: Radicle’s ex-ante impact assessment process embeds extensive research within the given sector and leverages IRIS+ for impact metrics selection. To further align, Radicle could consider explicitly structuring the fundamental questions (i.e., Who, What, How Much) into ex-ante assessment documentation. Radicle could also incorporate evaluation of indirect and systemic impacts and opportunities to mitigate impact delivery risks into the process.

Principle 5: Radicle has developed a bespoke ESG Policy informed by industry standards. ESG risk and opportunities are managed through the firm’s active approach, including ongoing engagement with investees. To further align, Radicle could formalize and consistently document its process for identifying and monitoring ESG risks.

Principle 6: Radicle monitors each investment’s impact performance on an ongoing basis, including tracking actual and expected impact data in an Excel tool. Radicle could consider developing methodologies to capture impact outcomes and consider enhancing its policy for addressing impact underperformance.

Principle 7: Sustainability of impact at exit considerations are specified in Radicle’s Impact Management Policy and IC meetings assess both financial and impact considerations when approving exits. Radicle could develop a framework template (e.g., exit memo) to consistently document and analyze how impact performance could be sustained at exit.

Principle 8: Radicle conducts an annual strategy session to reflect on the year and align on strategic priorities, including impact considerations. Radicle reviews impact performance, drawing lessons and identifying initiatives. Radicle could also review other positive and negative impacts (e.g., unintended impacts) in its annual strategy sessions.

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 the Disclosure Statement as of 06/04/2021. BlueMark’s assessment did not include verification of the AUM figure.
Verifier Statement
Independent Verification Report

Prepared for Radicle Impact: July 1, 2021

Detailed assessment conclusions

The chart below summarizes findings from BlueMark’s verification of Radicle’s extent of alignment to the Impact Principles, using the following four ratings:

- Advanced (Limited need for enhancement);
- High (A few opportunities for enhancement);
- Moderate (Several opportunities for enhancement); and
- Low (Substantial enhancement required).

<table>
<thead>
<tr>
<th>Principle</th>
<th>Alignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Define strategic impact objective(s), consistent with the investment strategy</td>
<td>Advanced</td>
</tr>
<tr>
<td>2. Manage strategic impact on a portfolio basis</td>
<td>Advanced</td>
</tr>
<tr>
<td>3. Establish the Manager’s contribution to the achievement of impact</td>
<td>High</td>
</tr>
<tr>
<td>4. Assess the expected impact of each investment, based on a systematic approach</td>
<td>Moderate</td>
</tr>
<tr>
<td>5. Assess, address, monitor, and manage potential negative impacts of each investment</td>
<td>Moderate</td>
</tr>
<tr>
<td>6. Monitor the progress of each investment in achieving impact against expectations and respond appropriately</td>
<td>High</td>
</tr>
<tr>
<td>7. Conduct exits considering the effect on sustained impact</td>
<td>High</td>
</tr>
<tr>
<td>8. Review, document, and improve decisions and processes based on the achievement of impact and lessons learned</td>
<td>High</td>
</tr>
</tbody>
</table>

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

1 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 Radicle Impact.
Verifier Statement

Independent Verification Report

Prepared for Radicle Impact: July 1, 2021

Assessment methodology and scope

Radicle 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 July 1. 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.¹

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 Radicle staff responsible for defining and implementing the IM system;
3. Testing of selected Radicle transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to Radicle, 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 Radicle in accordance with the agreement between our firms, to assist Radicle in fulfilling Principle 9 of the Operating Principles for Impact Management. We permit Radicle to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate Radicle’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 Radicle for our work or this statement except where terms are expressly agreed between us in writing.

About BlueMark

BlueMark, a Tideline 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 is a wholly owned subsidiary of Tideline Advisors, LLC, a certified women-owned advisory firm in impact investing. Since its founding in 2014, Tideline has become a recognized leader in impact measurement and management, working with leading asset owners and managers to design and implement impact management systems.

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. For more information, please visit www.bluemarktideline.com.

¹ 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 Radicle Impact. BlueMark has relied on the accuracy and completeness of any such information provided by Radicle Impact. The assessment results represent BlueMark’s professional judgment based on the procedures performed and information obtained from Radicle Impact.