Verifier Statement

Independent Verification Report

Prepared for Albright Capital; March 2nd, 2022

Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles), Albright Capital engaged BlueMark to undertake an independent verification of the alignment of Albright Capital’s impact management (IM) system with the Impact Principles. Albright Capital does not have any assets under management covered by the Impact Principles (Covered Assets) as of 03/2022. BlueMark’s verification therefore relied on the assessment of the processes and tools designed for the fund at the exclusion of transaction evidence.

Summary assessment conclusions

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

**Principle 1:** Albright has a sector-agnostic investment strategy that evaluates potential investments against the UNSDGs. To further align, Albright could create an overarching Theory of Change (ToC) or narrative at the portfolio level that maps its investment theme to a consistent set of impact KPIs or targets.

**Principle 2:** Albright has designed a process for managing impact consistently across investments using a standardized framework. To further align, Albright should develop processes that enable consistent portfolio-level review of the fund’s impact performance and align its staff incentive systems to impact performance.

**Principle 3:** Albright plans to assess its ‘Ability to Influence’ during due diligence. To further align, Albright could more clearly articulate and document their levers of contribution and use case studies to evidence and validate its contribution to the achievement of impact.

**Principle 4:** Albright consistently assesses the expected impact of investments by incorporating impact considerations into each of its ex-ante evaluation stages and using bespoke impact assessment tools. To further align, Albright could incorporate relevant risk assessments into its impact assessment tools and consider aligning its impact metrics with industry standards such as IRIS+, HIPSO, GRI, etc.

**Principle 5:** Albright has a systematic and documented process of identifying, mitigating, and managing the ESG risks of each investment, aligned with industry standards. Albright monitors its ESG risks on an annual basis. Albright has clear engagement and mitigation processes when monitoring of ESG risks indicates underperformance.

**Principle 6:** Albright plans to monitor the progress of each investment in achieving its impact expectations by identifying KPIs with portfolio company management and tracking them on an annual basis. To further align, Albright could articulate its data collection policies, formalize an impact underperformance approach, and explicitly capture investment outcomes in relevant tools.

**Principle 7:** Albright has built a final impact review step into its IM processes, which is envisioned to include a brief narrative report. To further align, Albright could build an impact at exit policy, including relevant considerations of sustained impact throughout the investment process.

**Principle 8:** Albright intends to review all ESG commitments and impact measurement targets, as well as efforts associated with the investment, and report the status to its Investment Committee annually. To further align, Albright could expand its review process by developing protocols to use the review of impact performance to improve operational processes and strategic investment decisions for the firm.

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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.”
**Verifier Statement**

*Independent Verification Report*

*Prepared for Albright Capital: March 22, 2022*

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**Assessment methodology and scope**

Albright 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 02/2022. 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.

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

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