Private Infrastructure Development Group

Disclosure Statement

Operating Principles for Impact Management

Published: November 2024

Foreword

The Private Infrastructure Development Group (PIDG) is an innovative infrastructure developer and investor in low-income and emerging markets in Africa and Asia.

Our mission is clearly defined: we get infrastructure finance moving and multiplying – accelerating climate action and sustainable development where most urgently needed.

Impact, defined as tangible positive changes to people's lives while protecting nature and delivering climate resilient development is at the core of everything we do. Most of our investments are in Least Developed Countries and in Fragile and Conflict Affected States. Since 2002, PIDG investments have played a pioneering role, from the development of mobile telecommunication in Africa to the first privately financed solar, wind or hydro projects in several markets.

PIDG has been a signatory to the Operating Principles for Impact Management (the "Impact Principles") since 2019 when the Impact Principles were launched.

This Disclosure Statement serves to fulfil PIDG's obligations pursuant to Principle 9 of the Impact Principles.

This Disclosure Statement affirms that PIDG's policies, practices and impact management systems are aligned with the Impact Principles.

The reporting period for the purposes of this disclosure runs from 1 January 2023 through to 31 December 2023.

The Private Infrastructure Development Group Ltd hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the "Impact Principles").

This Disclosure Statement applies to the following Covered Assets that align with the Impact Principles:

- *InfraCo Africa Ltd*
- *InfraCo Africa Investment Ltd*
- *InfraCo Asia Development Pte. Ltd*
- *InfraCo Asia Investments Pte. Ltd*
- *The Emerging Africa and Asia Infrastructure Fund Ltd*
- *GuarantCo Ltd*

The total value of the Covered Assets in alignment with the Impact Principles is US$ 1,976.1m as at 31/12/2023.

Marco Serena
Chief Sustainable Impact Officer

14/11/24

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.

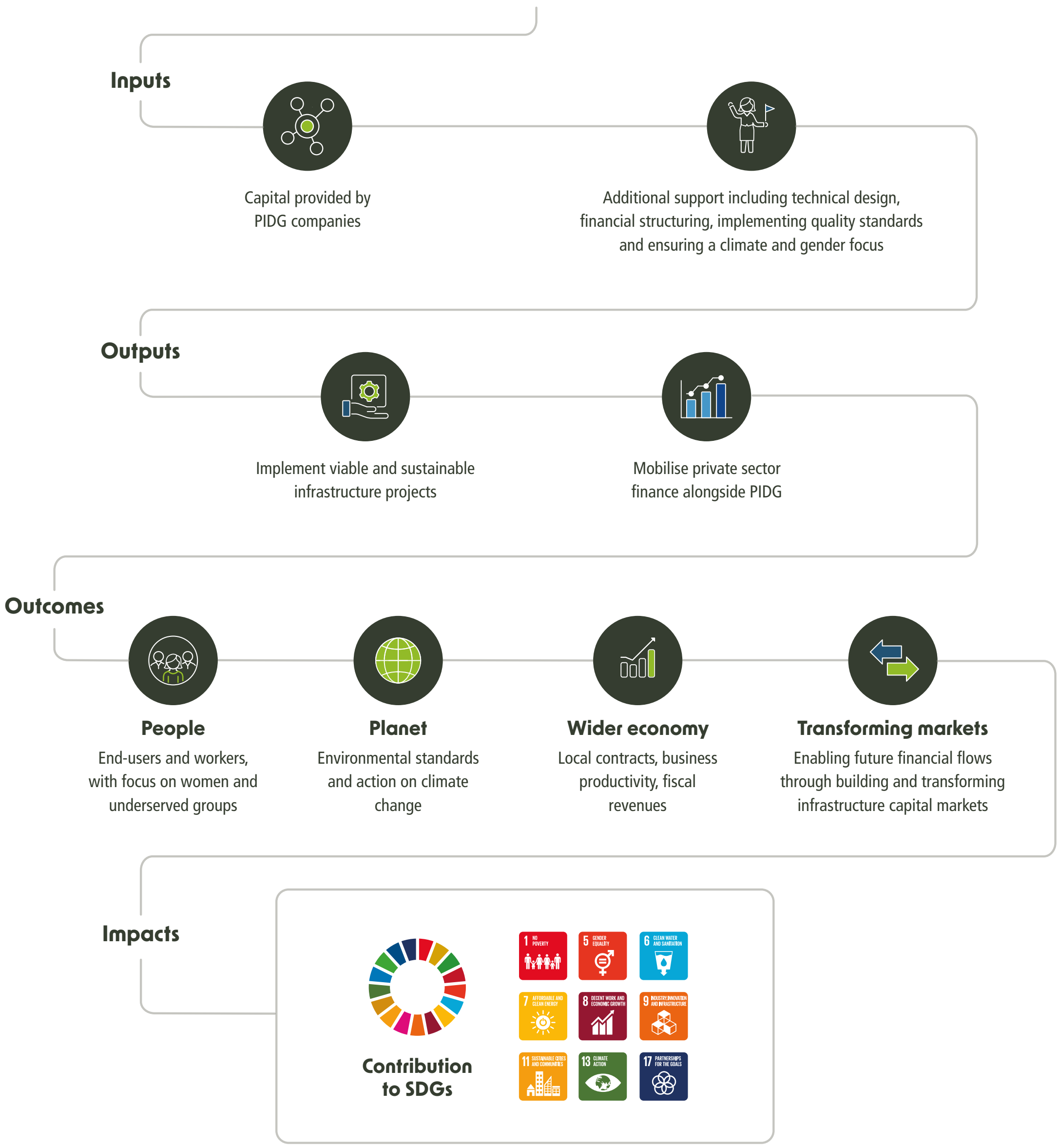
The Private Infrastructure Development Group (PIDG) is an innovative multi-donor organisation that was established in 2002 and is funded by the IFC and seven governments – the UK, the Netherlands, Switzerland, Australia, Canada, Sweden and Germany through KfW. The purpose is to address market failures in the provision of sustainable infrastructure in sub-Saharan Africa and south and south-east Asia.

PIDG works collaboratively over the project life-cycle and across the capital structure by deploying grants, equity, long term debt and guarantees in both hard and local currencies through our product lines: PIDG Technical Assistance, Project Development and Investment (InfraCo) and Credit Solutions (EAAIF – debt and GuarantCo – guarantees). Financial dexterity is complemented by sharing knowledge, building local capacity and raising standards so that the projects become investable and remain sustainable for the long term.

Our key role is to combine catalytic capital and development financing with private finance and capabilities, to overcome the multiple challenges and market failures that prevent the deployment of infrastructure services in Africa and Asia. Through the application of our theory of change (on page 3) PIDG mobilises private sector funding and capacities to deliver infrastructure projects that would not otherwise happen in the most difficult geographies and where it is most needed.

The PIDG theory of change assumes the following pathways and steps:

- PIDG provides finance and technical support to infrastructure projects in low-income countries, alongside private sector funds.
- These infrastructure projects are commercially viable (either immediately or over time) providing a sustainable model for delivering essential services as well as a demonstration effect for the future, crowding in more private sector investment and funding for infrastructure.
- Projects generate positive outcomes for society by providing new or improved access for individuals and households to essential services such as energy, water, communications, transport and housing.
- In order to achieve impact, these infrastructure services must be affordable to households. They may achieve a scale of impact either through their size or through their replication. Positive outcomes for women and girls are particularly important.
- Alternatively, or additionally, improved infrastructure helps businesses to grow and create more and better jobs. In order to achieve impact in this way, these services must be affordable to businesses. There may also be employment opportunities generated in the supply chain of the PIDG- supported infrastructure.
- The infrastructure company will pay taxes, as will the companies in the supply chain and those benefiting from the infrastructure.
- PIDG seeks to support infrastructure projects which contribute to the mitigation of climate change, and to prioritise low-carbon solutions. Given the geographies that PIDG operates in are some of the most vulnerable to climate change globally, PIDG seeks to ensure that the projects it invests in are resilient to the impacts of climate change (e.g., through project design) and able to withstand extreme weather events that are more likely as our climate changes.
- PIDG's investments may also have an influence on the wider capital market, enabling more funds to flow to infrastructure in the future. At a minimum, they create an important track record in frontier markets, but PIDG companies go further, building local capacities and developing solutions to transform markets enabling future flow of finance to infrastructure.
- PIDG's investments may demonstrate the viability of a structure (for example, a public private partnership), an innovative technology or a geography, so that other investors are attracted into that market and engage without the need for PIDG's involvement.
- Through a combination of the above, PIDG investments contribute substantially towards the SDGs. PIDG investments underpin economic growth, creating decent jobs, transforming economies – contributing to SDG 1 and SDG 8. Moreover, investments in specific sectors deliver against SDG 6 (clean water and sanitation), SDG 7 (affordable and clean energy), SDG 9 (industry, innovation and infrastructure), SDG 11 (sustainable cities and communities through affordable housing investments). Further examples include, inter alia, contribution to action against climate change (SDG 13) and Gender Equality (SDG 5), which are now integrated in all stages of the PIDG investment cycle.



The size of the infrastructure financing gap and the scale and pace of investment needed to achieve the SDGs by 2030 is significant.

At PIDG, we are learning from our 20-year experience in infrastructure development and financing in Africa and Asia – our task now is to quickly scale our impact.

Our strategy for 2023-30 makes action on climate and nature, together with sustainable development, through new and improved access to infrastructure more than just part of our work. It is now the central purpose of all we do.

Our collective task is to build an economy that can meet people's basic needs and aspirations while protecting and restoring the natural capital of our planet.

Our core proposition is to:

- Increase the pipeline of projects built to internationally investable standards.
- Unlock domestic institutional capital for infrastructure investment.
- Deploy commercial and institutional capital in developing and emerging markets through our blended finance structures.

For more information, refer to www.pidg.org and the PIDG Strategy 2023-30.

Principle 2:

Manage strategic impact on a portfolio basis strategic impact objective(s), consistent with the investment strategy.

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 recognising 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.

The Board and Management of PIDG formally acknowledge that overall progress with strategy implementation requires a unified portfolio approach and clear strategic KPIs.

Impact performance overall is overseen by a dedicated Impact Committee, comprised of a sub set of PIDG Board non executive Directors and an independent member, who provide effective direction and scrutiny on impact governance performance.

Impact performance is included in quarterly portfolio reviews that are discussed at PIDG Board Investment and Credit Committee.

PIDG Audit Committee scrutinizes the assurance and controls of PIDG Impact management systems with particular focus on PIDG Impact disclosures and reporting, namely PIDG Sustainability and Impact Report.

PIDG ensures that incentives are aligned with impact across the organization through a set of KPIs at the Group level which apply across all its business lines and feed into staff and management objectives. The majority are impact performance indicators align with our overall theory of change.

For example, these include (but are not limited to):

- Impact Rating – portfolio distribution, based on Sustainable Development Impact Scorecard process outlined in Principle 4.
- Percentage of cumulative number of projects committed in LDC and OLIC (DAC I/II) and Fragile and Conflict Affected States (FCAS).
- Number of projects reaching financial close, considered as empowering women and girls.
- Portfolio carbon intensity by 2023 – against forecast trajectory.

On the first of these, PIDG maintains an "Impact" which is an average Impact score of financially closed projects. The gauge is updated and reported to the Board and Owners once a quarter to reflect new investments. The score of each project is 'live' and is updated every year based on its performance – with the portfolio average position also subsequently updated.

Targets for these strategic portfolio KPIs are informed by, and incentivised through, company-specific, 3-year business plans that reflect the unique contributions of each PIDG company. The KPI's are currently being evolved to align with PIDG's new 2023-30 strategy, including the increased focus on building climate resilience for people and communities.

As these are a mix of financial and impact KPIs, there is active communication and collaboration between teams working on sustainable development impact, financial performance and risk management.

The Impact team has a de facto veto power on investments, and deals that exceed expectations on climate, gender or market transformation are prioritised.

The ambition is to always balance risk-adjusted returns with sustainable development impact, ensuring financial sustainability for the underlying impact. Performance incentives reflect this balance, at the individual and company level. A Sustainable Development Impact Assessment is an explicit requirement in PIDG Investment Policy, and a dual climate and gender lens is applied in the Sustainable Development Impact Assessment of each investment.

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.

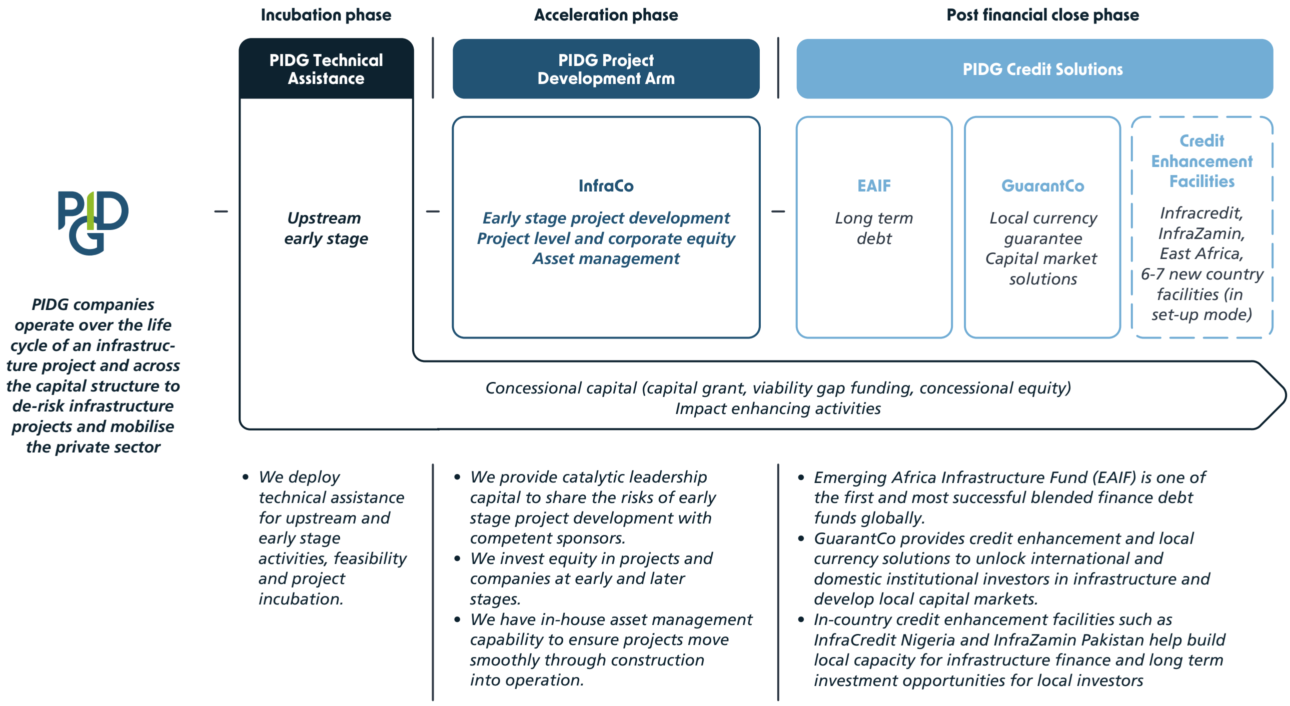
PIDG's investment policy sets out a number of criteria for an investment to qualify for PIDG interest. The first is **sustainable development impact:** "All PIDG investments must, either directly or indirectly, facilitate the development of infrastructure services, capital markets and facilities that contribute to inclusive growth and/or poverty reduction and improvement of livelihood through access to infrastructure." The second criterion is additionality: "PIDG's input must be in addition to those currently deliveredby the market or other actors and must complement rather than substitute."

This ensures that PIDG's sustainable development impact is not only visible but also would not by other private sector financiers, for example because it is too risky.

"Where PIDG's potential additionality to an opportunity is weak, PIDG will not undertake any engagement."

PIDG companies operate over the life cycle of an infrastructure project and across the capital structure to de-risk infrastructure projects and thereby catalyse private sector involvement.

The financial and non-financial additionality of PIDG investment and the expected contribution of PIDG to the desired impact are systematically assessed and documented at investment appraisal and reviewed regularly.



For more information, refer to the *PIDG Sustainability and Impact report 2023*

Principle 4:

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

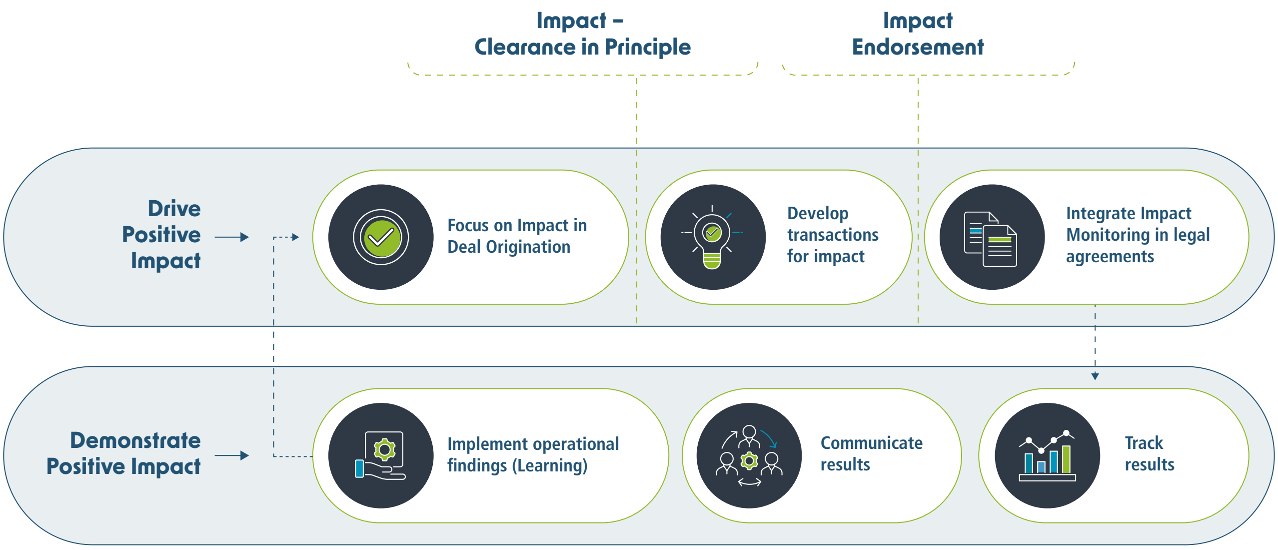
For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (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.

PIDG has an established systematic approach to assessing the impact potential of prospective investments. This is part of PIDG's end to end system to drive and demonstrate impact across the entire investment cycle.

PIDG uses Impact scorecards to:
- ensure that the expected pathways to impact are clearly articulated for each investment.
- aim to get a balance of development impacts across the portfolio.
- identify areas of impact that could be enhanced through focused learning, engagement or PIDG Technical Assistance

The scorecards are vehicle for impact and investment teams to strengthen and deepen the analysis of impact ex ante on every deal. The impact scorecard is built on the Impact Management Project's norms, reflecting PIDG's goals across the five dimensions of impact and investor contribution strategies. They cover direct impacts on people and planet as well as indirect, systemic impacts on local markets and the economy.



Impact areas assessed for each investment

Impact areas and sub areas		Impact questions, assumptions and priorities
1. Direct impacts on people and planet	1.1 Impact on end-users	• Who: Demographics of end-users and whether underserved? (priority to low-income, women) • Depth: What is changing for them and are there improvements in climate resilience? • Scale: How many people are expected to benefit?
	1.2 Impact on workers (short term and long term jobs)	• Who: Demographics of workers? (priority to women, local) • Depth: What is changing for them? (quality of job, income compared to national/living standards) • Scale: How many and duration of jobs created?
	1.3 Impact on planet	• What is the carbon intensity of the PIDG Investment? • What is the scale of impact on planet based on absolute emissions of the whole project? • What is project's impact on biodiversity and natural resources?
2. Impact on wider economy	2.1 Impact on businesses	• Project contracts/payments to local businesses • Value of contracts to local businesses • Impact on businesses beyond project contracts • What is the depth of cost savings/increased revenues? • What is the scale of impacts for businesses?
	2.2 Fiscal impact on governments	• Value of additional fiscal revenues generated by the projects and companies financed • Value of additional FX savings generated by the projects and companies financed
3. Mobilising investment	3.1 Quantity of investment mobilised	• Ratio of PSI mobilised to PIDG Commitment (Credit Solutions Companies and InfraCo Investments) or • Ratio of TICs to PIDG Commitment (InfraCo Development)
	3.2 Quality of investment mobilised	• Whether local currency and new/domestic investors are being mobilised
4. Transforming markets	Potential for replication and 'market-making' features	• What is the market challenge? • What is the expected market outcome? • What is the expected level of market movement in the outcome area?
Strategic alignment	Additional scores for contributions to frontier geographies, gender and inclusion, climate innovation, circular economy, large emissions reductions, nature protection and restoration	
Impact risks	Risks that the expected impact will not materialise even if the investment goes ahead	
SDG contribution	Establish contribution of each project to specific SDGs and its relevance in the Country context	
Climate Risks	Transition and physical climate risks assessments	
HSES (Health, Safety environmental and Social) risks and considerations	Key HSES Risks and considerations	

The scorecards have thresholds and are live, so deals are improved on impact from the moment they are introduced into the pipeline, with sign-off required periodically to proceed to investment.

The two main tools for a systematic and documented process to measure and manage impacts on people and planet from PIDG investments related to sustainable development impact are the impact Clearance in Principle note and the impact Endorsement note.

impact risks are considered and documented in the impact scorecards and feed into the wider risk management framework.

In addition to deep alignment with the Impact Management Project, PIDG is officially signed up as a supporting organisation to the Task Force on Climate-related Financial Disclosures (TCFD), with a first disclosure published in June 2021 and most recently in November 2023. In 2023 we brought our impact disclosure and nature and climate disclosures into one report – the Sustainability and Impact report – in voluntary partial alignement with IFRS S1 and S2 and TCFD and TFND. Expected Carbon intensity and financed GHG emissions are calculated for each new investment and monitored annually for high-emitting projects.

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.

PIDG's approach to impact is two-fold:

(i) drive and demonstrate positive impact on people and planet (as outlined in Principle 4) and

(ii) identify, manage and mitigate ESG risks – PIDG refers to ESG risks as Health, Safety, Environmental, Social, Security and Safeguarding (HSES) risk and impacts, as for PIDG health and safety is a central value in everything we do.

PIDG has developed a comprehensive set of **HSES policies** which, aligned to the IFC Performance Standards, set out PIDG requirements for the management of HSES risks and impacts across the PIDG portfolio. The PIDG HSES policies are implemented and managed through the PIDG Group Health, Safety, Environment and Social (HSES) Management System, set out in the HSES Framework, HSES Standards, HSES procedures and HSES guidelines.

HSES considerations are fully embedded in PIDG's two stage approval process for each new proposed investment., described under principle 4. Each new investment is screened for HSES risks and impacts. Targeted due diligence then assesses the potential for the project to align with PIDG HSES policies. Where gaps are identified these are included in an Environmental and Social Action Plan which forms part of the contractual conditions of the investment. When an investment enters the portfolio the HSES risks and performance are tracked using the PIDG HSES risk and performance register.

Scheduled monitoring and assurance occurs across the life of the project. High risk projects receive targeted monitoring and Assurance and HSES support visits. Projects reporting HSES serious incidents, or which are underperforming, are put on an internal watch list. PIDG HSES team supports with incident investigations, corrective actions are agreed and llessons learnt are then shared across the portfolio to reduce the likelihood of reoccurrence.

PIDG has developed a set of **PIDG Life saving rules** and a set of **PIDG Safeguarding rules** which set out the minimum requirements on health and safety and human rights safeguarding across our portfolio. These rules are translated into 12 languages, are made accessible through our webpage, and have training animations to support projects train their people in their intent.

PIDG HSES team provide continual engagement with projects through the dissemination of guidance, good practice notes and capacity building events to proactively support projects reduce HES risk and improve HSES performance. Through the PIDG Institute, the team provides HSES capacity building to its clients across the Africa and Asia regions.

PIDG HSES reports all HSES serious incidents to the Board and Owners on a monthly basis. PIDG HSES reports on the HSES performance of the portfolio on a quarterly basis to an Impact committee, who in turn return report HSES performance to the Board.

PIDG collates annual HSES monitoring and HSES performance data across its projects and produces an annual incident and lessons learnt report of the HSES incidents and trend analysis across the portfolio.

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.

Current PIDG internal processes that lead to a consistent monitoring of each investment and its sustainable development impact, include the following:

1. Early-stage approval – All transactions must be reviewed and 'cleared' by the Impact team (see Principle 4).
2. SDI Webform (SDI-W) – once a project reaches a specified stage, the project teams are required to complete an online SDI Webform (SDI-W) for review. The SDI-W includes expected numbers on: people to benefit from new or improved infrastructure; direct jobs to be created; amount of private sector investment to be mobilised; innovative features of the transaction; and other environmental, social and economic benefits expected from the project in line with the Impact scorecard.
3. Impact Assurance – the data in the SDI-W is challenged by members of the impact team to ensure (a) that the benefits expected to arise from the project and articulated in the SDI-W can reasonably be attributed to the project and (b) the source of the data can be verified.
4. Finalised SDI-W – discussions between the assurance and investment teams ends with an agreed SDI-W containing results which are considered to be robust and defensible. Earlier impact expectations can be updated and the Impact rating for a project can be revised (and portfolio average updated).
5. Update to database – once quality assured, the PIDG database is updated with the approved impact monitoring data from this SDI-W.
6. Publicly available data on data.pidg.org – The public facing database contains a sub-set of the data on the internal database and is periodically uploaded with the approved impact monitoring data from the internal database. The results are therefore shared not only with investees but also with the general public and PIDG funders.
7. Impact monitoring annual updates – on an annual basis, the SDI-Ws are updated for all relevant portfolio projects by the responsible teams across PIDG and the monitoring data undergoes a similar assurance and approval process.
8. Annual Sustainability and Impact report – The numbers for the annual Sustainability and Impact report are generated from the annual SDI-W update process.
9. Actual vs expected results – On a gradual basis, but particularly when a project becomes operational, the responsible project teams are expected to provide 'actual' results in the project's SDI-W annual update. This replaces our predicted values of the impact of the project.
10. Project evaluations – when a project is deemed 'mature' from an impact perspective, a PIDG team is expected to undertake a self-evaluation of the project including a final evaluation of actual impacts achieved, unintended (positive and negative) impacts and identify lessons to be learned for future investments.

Impact monitoring is guided by PIDG's impact monitoring handbook which is constantly revised and adjusted.

PIDG has developed a menu of standardised indicators which aligns with HIPSO (of which PIDG is a Partner), IRIS+ and Joint Impact Indicators (JII). Impact monitoring indicators on PIDG projects are drawn from this menu to further drive standardisation at PIDG and contribute to harmonisation and the development of best practices in the sector.

PIDG's systematic impact monitoring processes enable the identification of impact underperformance in the following ways:

- Firstly, as part of the project's impact monitoring updates, an overall impact progress assessment is ascribed, denoting whether a project is on or off-track to achieve its expected impact objectives, or in the cases where a project is no-longer being actively monitored, whether it achieved (or not) its impact objectives.
- Secondly, the Impact rating of each project is kept live by updating the score every year based on its impact monitoring performance, and the portfolio average position is updated and reported to Board and Owners (see Principle 2).
- PIDG also uses its Quarterly Reporting proccess - which includes assessment of financial, impact, HSES and reputational risk – to not only identify the specific challenges and but also mitigating actions that are being undertaken.
- PIDG business lines have distinct processes to engage project sponsors where monitoring indicates impact performance is off-track, e.g. through asset management teams where PIDG is undertaking project development, and the transaction management/client relationship teams where PIDG has provided credit solutions.

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.

The PIDG approach to considering sustained impact when conducting exits adjusts for each stage of the infrastructure financing cycle.

Overall, PIDG assesses the alignment of investment objectives of prospective buyers when considering exits. For PIDG project development business lines (InfraCo), a route to exit is planned at the very early stages of PIDG investment. PIDG credit solutions on the other hand may hold assets for periods of 10-15 years.

After an exit is complete, implementation of the monitoring requirements rests on arrangements with the asset owners.

Project evaluations are done regularly to try to understand a baseline at project start and likely long-term impacts either at or beyond exit. However, post-exit evaluations are rare.

Managing impact on exit was previously identified as an area for improvement for PIDG. PIDG developed guidance and processes to more systematically assess the financial and impact sustainability beyond PIDG investment.

This builds on the introduction of Impact risk in the investment appraisal and management, including the risk that the expected impacts do not endure beyond the initial PIDG investment and includes whether an incoming party has the systems in place to sustain impact, beyond the current practice to assess alignment of investment objectives.

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.

In addition to monitoring described under Principle 6, in 2024 PIDG introduced systematic self-evaluation of PIDG investments at completion for accountability and lesson-learning purposes.

These project evaluations include an assessment against each expected impact at the ex-ante endorsement stage and identifies relevant lessons to be applied to future investments.

PIDG has also developed a Monitoring Evaluation and Learning (MEL) Plan 2024-27 to guide MEL activities and support an effective learning loop more broadly as an organization. The MEL plan builds on the internal systems and processes built over the course of the last few years, with the key objective of leveraging these new capabilities to generate evidence quicker and in a more cost-effective manner, in support of PIDG strategy 2030.

PIDG's MEL Plan prioritises data collection that allows to hear more directly and more often from the people whose lives we aim to impact. In 2023 we surveyed around 2,000 people benefitting from PIDG supported projects, comprising:

- eight surveys on four PIDG supported projects (one survey was conducted across five countries)
- the surveys were conducted in 11 languages– including Bangla, French, Ewe, Mina, Kabye, Kinyarwanda, Wolof, Swahili, Lingala, Vietnamese, and Khmer

- the surveys spanned across eight countries – Bangladesh, Togo, Rwanda, Cote d'Ivoire, Senegal, DRC, Vietnam, and Cambodia
- Fully 92% of people surveyed reported improved quality of life
- because of PIDG supported projects and around 75% of people reported first time access to infrastructure.[1]

Another example of an effective feedback loop is the learning engagements delivered under the PIDG Institute, our infrastructure learning initiative. Here, findings and lessons from PIDG's investments and studies are regularly channeled into internal knowledge sharing and external training sessions, utilising a variety of delivery methods.

In addition to PIDG's own evaluation and learning activities, PIDG is also the subject of regular independent evaluations and studies which provide further opportunities to generate findings that may help improve decisions and processes.

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 Disclosure Statement re-affirms PIDG's alignment with the Impact Principles and will be published on the website and widely available for comment and reference.

In 2023, PIDG engaged BlueMark, a Tideline company, to independently verify the alignment of PIDG's impact management practices with the Impact Principles. BlueMark's assessment findings covered both areas of strength and areas for improvement, as reflected in the Verifier Statement. The verification finds PIDG to be 'Advanced' in 7 out of the 8 main Impact Principles. **The independent verification report can be found on PIDG's website.**

PIDG intends to undertake the next independent assurance around the half-way mark of its current strategy in 2026 / 2027. In addition to this, PIDG will continue to undertake external assurance of aspects of its impact management system as part of its rigorous approach to impact management and reporting to PIDG Audit Committee.

Information on the current independent verifier is as follows:

- **Name and Address:** 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.
- **Qualifications:** BlueMark is a leading independent provider of impact verification services in the impact investing market. BlueMark is a subsidiary of Tideline Advisors, LLC, a specialized consulting firm that works with asset managers and allocators to design and implement best-in-class impact management and measurement systems. BlueMark has completed 145+ verifications to a broad range of clients spanning various asset classes, strategies, and institution types. For more information, please visit **www.bluemarktideline.com**

1. See here for more details: https://cms.pidg.org/wp-content/uploads/2024/07/PIDG-2023-Annual-Sustainability-and-Impact-report-Final-Digital.pdf#page=29