INVESTMENT FUND FOR DEVELOPING COUNTRIES

10 July 2023

Disclosure Statement

Operating Principles for Impact Management

The Investment Fund for Developing Countries, IFU, ("the Signatory") hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the "Impact Principles"). These principles provide part of the framework IFU uses in its impact measurement and management approach.

This Disclosure Statement applies to the following assets (the "Covered Assets"): IFU's total portfolio.

The value of the total covered assets in alignment with the Impact Principles is DKK 15.64 billion (equivalent to USD 2.10 billion) as of 31 December 2022.

With this statement IFU confirms that its core/client business, including (a) impact management systems; (b) policies and practices; and (c) investment services (including debt, equity, and funds) are managed in alignment with the Principles.

Torben Huss
CEO

IFU
Fredericiagade 27
1310 Copenhagen K
Denmark
+45 33 63 75 00
ifu@ifu.dk
www.ifu.dk
CVR no. 23598612

Operating Principles for Impact Management

IFU Disclosure Statement 2023

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.

Background to IFU

The Investment Fund for Developing Countries (IFU) offers advisory services and risk capital in developing countries and emerging markets. IFU is owned by the Danish government and its overall purpose stated in the Law on International Development Cooperation is to further investments that promote sustainable development in developing countries and contribute to the implementation of the Sustainable Development Goals.

IFU has two types of investments: 1) investments in project companies in the form of share capital and loans where IFU plays an active role in unfolding the company's potential during the investment period; and 2) investments in funds and financial institutions.

IFU's investments are made on commercial terms with the dual purpose of creating measurable, beneficial development impact alongside risk adjusted financial returns.

Apart from IFU's own capital, IFU is managing several investment funds on behalf of public and private investors, including the Danish SDG Investment Fund established in 2018 with the purpose of investing in projects in developing countries supporting the Sustainable Development Goals. The fund has a total committed capital of DKK 4.86 billion, equivalent to approximately Euro 0.65 billion, of which 60% is from pension funds and private investors.

IFU's strategic impact objectives

IFU's Board approved a new investment strategy in October 2020, with the ambition to position IFU as a best-in-class impact investor. As a consequence, new investments are now screened by a set of impact priorities that steer project selection based on the investments' potential and ability to deliver impact and assist developing countries in improving the livelihood of people without jeopardising global sustainability. The two strategic impact priorities of IFU are 1) building a green economy and 2) building a just and inclusive economy, both of which are directly linked to SDG 8, Decent work and economic growth, SDG 10, Reduced inequalities, and SDG 13 Climate action. These impact priorities are aligned with the SDGs, which can only be achieved with an active engagement by the private sector. The SDGs thus provide an important framework for IFU's investment strategy. A business sector with responsibly run businesses contributes to attaining the Sustainable Development Goals.

Consequently, the new investment strategy determines priorities related to impact, sectors and countries, which are selected based on a combination of IFU's experience and track-record, development needs, and how best to maximise IFU's additionality and the outcome of the investments. IFU's investments are focused in five focus areas:

- Sustainable food systems (SDG 2)
- Healthcare (SDG 3)
- Financial services (SDG 1, 8 and 9)
- Green energy & infrastructure (SDG 6, 7, 11, 12 and 13)
- Transformational business (SDG 8)

In addition, IFU has defined 2 cross-cutting policy objectives relating to climate change and gender.

IFU revised its climate policy in 2022 to increase ambition and specify targets towards achieving a net-zero portfolio in 2040. IFU will contribute to the transformational changes that the 1.5 °C pathway of the Paris Agreement entails over the coming years, making its investment flows consistent with a pathway towards net zero greenhouse gas (GHG) emissions and climate-resilient development. IFU has been assessing its' portfolio GHG footprint since 2020, which includes scope 1, 2 and 3 emissions. IFU's climate policy targets include that 50% of new direct investments must be eligible as climate finance. In both 2021 and 2022 over 80% of new direct investments were eligible as climate finance, thus exceeding the 50% target.

Promoting gender equality and contributing to SDG 5 is also a cross-cutting objective of IFU's investments. To further step up this effort, IFU has joined the 2X Challenge launched by the development finance institutions of the G7 countries in 2018. The aim is to advance opportunities for women through enterprise support, leadership and career progression, quality employment and products, as well as services that enhance women's economic participation. In 2020, IFU established two targets related to 2X investments: Not less than 30% of the new investments each year must have a gender focus, and by the end of 2024, 40% of the portfolio should be 2X eligible or have plans to become 2X eligible. In 2021 43% of investments were 2X Challenge eligible, thus exceeding the 2024 target. A similar result is expected for 2022.

Operationalising impact management in IFU

During 2022 IFU has developed a bespoke approach to impact management, to further operationalise within the organisation. This approach includes the following key elements:

- Clear mission, vision, purpose and intent
- Tools, models and guidelines
- Strong impact governance
- Inclusive impact management
- Clear impact additionality
- Complete impact measurement
- Ambitious impact targets
- Integrated systems
- Verified reporting and disclosure

The above approach has been adopted from ongoing interactions with EDFI counterparts and IFU stakeholders and is based on the OECD-UNDP Impact Standards for Financing Sustainable Development. IFU has conducted a self-assessment on progress against each of the above elements and disclosed this in the IFU Annual Report 2022.

Principle 2:

Manage strategic impact on a portfolio basis

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

IFU has a clear process for integrating impact considerations throughout the investment process, which is outlined at a high-level in IFU's Investment Strategy and in more operational detail through the Impact and ESG Control Framework. As indicated above, IFU is committed to a range of impact objectives, and in relation to climate change and gender, specific targets have been established at portfolio level.

IFU's revised portfolio impact management system is aligned to the investment strategy. The elements of the impact management system, described further on the following pages, include an initial impact screening, impact analysis, impact planning with the investment company and other partners, impact monitoring during active ownership. Impact assessment at exit is being strengthened.

At portfolio level, IFU applies a range of indicators, where possible, aligned to the HIPSO indicators and the definitions agreed among European DFIs. They include crosscutting indicators applicable to all investments and sector-specific indicators for priority sectors. Impact performance is reported by companies and registered, enabling the compilation of reports across the portfolio or for a selected part of the portfolio.

Portfolio sustainability and impact data is reported, collated and analysed through two key processes. Firstly, investee companies are required to provide relevant data on a range of ESG and impact issues, through an annual sustainability reporting process. The data is analysed and used to inform IFU annual reporting to senior management, board and the broader public. Secondly, investee companies are required to provide an annual update on their agreed Results Framework. For the SDG Fund results data is aggregated and analysed and forms the foundation of the Danish SDG Fund Impact Report 2022. Recent improvements to reporting systems facilitate a year-on-year analysis of performance. Results data also inform IFU's quarterly active ownership portfolio reviews of current investments, whereby investment managers take stock of progress on a sample of investments and identify follow-up actions with investee companies.

Additionally, in order to maintain overview of cross-cutting commitments to net zero emissions and gender lens investments, IFU has recently developed portfolio dashboard tracking tools, with a view to steering towards pre-identified targets of cross-cutting commitments to net zero emission and gender lens investments at portfolio level. IFU plans to develop these tools to include portfolio level tracking of its two impact priorities, building a green economy and building a just and inclusive economy.

Consistent application of the approach is ensured internally through the Sustainability and Impact Team, which is part of the Investment department in IFU. The team has the overall responsibility for policies and key issues in relation to ESG and impact. At project level, the investment professionals have responsibility, also for the impact management of their projects, but the Sustainability and Impact Team provides advice, guidance and quality assurance of the various steps and deliverables. IFU's control framework describes the division of tasks and responsibilities through the investment cycle related to ESG and impact between investment professionals and staff in the Sustainability and Impact Team.

IFU has recently upgraded its staff progression framework, which includes a description of the expectations towards staff regarding ESG and impact. Furthermore, stronger sustainability aspects have been incorporated into the staff performance programme, enabling IFU to review staff performance and capability.

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.

IFU's mandate requires that its investments are additional beyond what would already be available from the commercial sector. In line with OECD DAC definitions for additionality, IFU documents and tracks its financial and value additionality to the extent possible – and this forms the basis for establishing IFU's contribution to overall impact.

IFU has a consistent process in place to assess its financial and non-financial contribution(s) to investee achievement of impact.

Firstly, the country targeted for an investment provides a good point of departure for ensuring investment additionality. According to its mandate, IFU can invest in all countries and territories eligible to receive development assistance as defined by the Development Assistance Committee of the OECD. However, at least 50 per cent of IFU's investments must be made in poorer developing countries, i.e. countries with a maximum GNI per capita of USD 3,196. As part of IFU's "high risk, high impact" initiative, IFU furthermore aims to invest 30% of new investments in the 35 African countries with a GNI per capita below USD 1,598.

Secondly, the financial and non-financial additionality is assessed at due diligence stage, based on qualitative assessment of factors specific to the country contexts and to the individual investments. Currently, IFU is in the process of revising its approach to financial and value additionality assessment. Tool development is being explored to assess financial additionality at screening stage of the investment, which will be complemented by a revised approach to assessment of value additionality against defined criteria. The revised approach will in the future form part of IFU's overall assessment of the investment at exit.

Thirdly IFU's non-financial additionality is apparent through its approach to active ownership, ensuring active contributions to improve management, operations and ESG performance of investees. Impact Creation Plans and Value Creation Plans (including an Environmental and Social Action Plan and a Corporate Governance Action Plan) are developed together with the investee company, which clarifies expectations on sustainability system development. This provides a means to track IFU's additionality which contributes to improved performance of the company.

Finally, in specific cases, IFU provides co-financing of technical assistance that supports the impact and value creation, including training in relation to ESG and impact aspects of the investee. Over time, IFU will seek to compile an evidence-base and case studies for its contribution to investee impact, including the effect its Sustainability Facility has on investee's achievement of impact.

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.

IFU's impact management system comprises a step-wise ex-ante assessment of the impact potential of each investment from identification to approval. The initial screening of the investment opportunity is presented internally in a Gate 1 paper with a first assessment of strategic alignment and the investment's expected potential to deliver against IFU's impact priorities.

As part of the due diligence of a project proposal an ex-ante impact analysis is undertaken, including an analysis of each of five impact dimensions: (1) what is the scope of the impact? (2) who will benefit? (3) what is the current need/gap with the beneficiary regarding the impact area? (4) what is the likelihood that the impact will occur and can be measured? and (5) how significant is IFU's non-financial contribution in relation to each impact area? These questions are posed and answered in IFU's investment process templates, to clarify the expected impact of each investment.

These are assessed through desk-based impact analysis. Any gaps or areas of uncertainty are then used to formulate impact hypotheses, which are tested further as part of the later due diligence process. In 2022, IFU elaborated its approach further by introducing a theory of change for all new investments with further rollout and refinement planned for Q3 and Q4 2023. This ensures a clear visualisation and articulation of impact pathways and made assumptions to make explicit understanding of how the investment contributes to achieving IFU's impact priorities of inclusive economy and green transition, including alignment with SDG Goals.

Subsequently, pertinent indicators are selected for each impact area, which form the basis of a Results Framework agreed between the investee and IFU, including baseline and annual targets for each impact indicator. This forms the basis of IFU's tracking of results and progress towards impact. IFU has developed a set of standard indicators at portfolio, sector and project levels to help ensure consistency and comparability across investments, facilitating aggregation at portfolio level where feasible. These are aligned with the Joint Impact Indicators (JII), launched by HIPSO and IRIS+ in 2021. IFUs impact indicators are also aligned with EDFI harmonised indicators, with mapping currently being undertaken against the draft European Sustainability Reporting Standards, being a key informant to the keeping them updated.

The final analysis is presented at 'binding commitment' stage to IFU's investment committee and board, which together take the overall responsibility and final decision to finance the investment.

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.

Managing environmental, social and governance (ESG) risk and impact is an integral part of IFU's investment process for both company investments and investments in funds and financial institutions. IFU has an overall sustainability policy in place, highlighting the relevant sustainability issues. Furthermore, IFU has developed supplementary policies for example on climate, human rights and gender equality. These policies are part of IFU's sustainability policy framework with seven underlying policies that specify IFU's commitments and further explain how IFU implements responsible business conduct measures in relation to global sustainability challenges. All IFU's policies are based upon and aligned with international UN, ILO and OECD conventions, declarations, agreements and principles for sustainable development.

IFU initially screens projects against the exclusion list, which is based on the EDFI exclusion list and furthermore incorporates IFU's climate policy commitments. In the investment process, IFU assesses and approves investments according to a gradually increased engagement level passing several approval stages, which ensure that potential negative impacts of each investment are identified, avoided, mitigated, managed and monitored.

E&S and Business Integrity (BI) and Corporate Governance (CG) screening are performed in parallel, coordinated workstreams. As regards environmental and social risk, in initial stages of the investment preparation process, IFU screens potential investments against the project-related sustainability risks and impacts to be assessed during the due diligence phase, resulting in a project category. For E&S issues, IFU uses the E&S risk categories A, B+, B and C that are defined and used by all European Development Finance Institutions (EDFIs). IFU also evaluates the project sponsor's track record, commitment and capability to manage sustainability issues. As regards BI/CG topics, IFU uses a newly established Business Integrity Toolbox and IFU's Corporate Governance toolkit to screen projects and key persons for business integrity and corporate governance risks. The purpose of this screening is twofold: to identify issues that could cause IFU to choose to withdraw from the investment, and to support the scoping and design of business integrity and corporate governance assessment during the due diligence phase. This is especially relevant for fund investments and for greenfield projects where project management is yet to be established.

Based on the E&S categorisation, the due diligence phase includes an assessment of sustainability risks, impacts and mitigation measures related to the specific project. E&S due diligence is the responsibility of the investment professionals in low-risk projects (category B and C), whereas the Sustainability and Impact Team is responsible for assessing high-risk projects (category A and B+).

IFU also conducts a human rights impact risk assessment and a GHG emissions assessment (including scopes 1, 2 and 3, as well as avoided emissions) on all projects with a view to assessing potential negative project impacts and establish a baseline that informs both risk mitigation, value creation and monitoring during the investment period.

Business Integrity due diligence consists of adverse information and background checks on key parties, a risk assessment of the business model, and an assessment of the potential investment's management framework for business integrity issues. Should the need for enhanced due diligence have been identified in screening, a deep-dive assessment on particular topics or key persons will also be performed or commissioned. Investment professionals perform a deeper corporate governance assessment using the IFU Corporate governance toolkit. Areas for risk mitigation and value creation that are identified will be included in a Corporate Governance Action Plan.

For all low risk direct investments, sustainability capacity is assessed early in the investment preparation process using the UN Global Compact Self-Assessment Tool co-developed by IFU. For high-risk projects (A and B+), IFU ensures that an Environmental and Social Impact Assessment (ESIA) is conducted where required by the authorities. In addition, IFU initiates, an Environmental and Social Due Diligence against the IFC Performance Standards and the related IFC Environmental, Health, & Safety (EHS) Guidelines.

In greenfield projects with a construction phase, IFU also focuses on special risk and impact during construction. This could include occupational, health and safety risks, issues related to land ownership and land use, as well as impacts on the local community. For the less risky projects (B and C), it may be relevant to apply other international standards like ISO 14001, OHSAS 18001 and SA 8000. Agribusiness projects are required to use Danish standards regarding animal welfare and slurry management as a baseline.

Ensuring that all direct and indirect investments meet relevant standards, particularly IFC Performance Standards and EHS Guidelines, means that each investment has demonstrated relevant capacity and practices in identifying and assessing risks, and implementing ESG management systems to ensure ongoing identification, mitigation and management of future risks or deteriorating scenarios. Where gaps are identified. An Environmental and Social Action Plan (ESAP) and Corporate Governance Action Plan (CGAP) is agreed with each investee company prior to investment, which ensures that relevant capacities and actions are put in place as soon as possible post-investment. Through its grant mechanism, the Sustainability Facility, IFU provides assistance on a case-by-case basis to portfolio companies to help them implement part of their ESAP or CGAP.

Tracking of implementation of ESAPs is achieved in 2 ways:

Firstly, IFU conducts quarterly 'Active Ownership' reviews of its portfolio, which highlight areas of progress and delay. In 2023 IFU is further elaborating this approach to put in place consolidated tracking of current ESAPs, CGAPs and ESG capacity baseline tracking for all recent and future investments. Secondly, all investment companies are required to submit a sustainability report to IFU, where their policies and performance are registered. The sustainability report includes reporting on numerous datapoints, including datapoints relevant for tracking potential negative impacts, such as internal and external grievance reporting. Since 2019 IFU has initiated improvements in its data management of sustainability reporting. This is expected to facilitate improved collation, aggregation and analysis of trends across reporting by IFU direct and indirect investments. In cases where it is necessary, IFU also conducts site visits to high priority projects to assess challenges being experienced and identify areas that require further attention. For some high-risk projects, site visits include stakeholder identification and engagement.

As highlighted by the independent verification, IFU could further align to principle 5 by formalizing procedures to engage investees in case ESG monitoring data indicates underperformance. IFU is currently developing systems and procedures which will respond to this.

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.

As outlined under principle 4, indicators are selected and agreed with investee companies to monitor performance during the investment period and from 2020 included in a Results Framework for each investment. For each indicator, a baseline value is indicated by the investee company and annual targets are agreed. The indicators are mostly output indicators, and where possible outcome indicators, and they are to the extent possible aligned with indicators agreed with HIPSO and EDFI partners. The Results Framework is subsequently included in the investment agreement.

Investment companies report annually on the indicators in the investment-specific Results Framework. With baseline data and targets established from the start of the investment it will be possible to compare actual achievements with the anticipated achievements of the investment company. In addition to the project specific indicators reported on the basis of the Results Framework (initiated in 2020 for all new projects), a number of indicators (in most cases as defined by HIPSO) are collected for all projects and aggregated at portfolio level, which allows portfolio-level analysis of trends, strengths and weaknesses in the portfolio. As referenced under principle, IFU is currently investing in development of portfolio dashboards to facilitate this.

IFU recognises that development effects at outcome level can usually not be captured by project reporting alone and is currently considering how best to make use of impact studies or evaluations to support the impact narrative and assess unintended effects. For example, IFU is currently participating in a joint study with other Nordic DFIs to assess impact of microfinance institutions in Cambodia and Uganda. A similar study is being conducted in 2023 to assess how to best support development of theories of change and related outcome monitoring for investments in microfinance institutions. In order to strengthen its reporting, IFU has begun applying the Joint Impact Model to the entire portfolio, which serves to provide an estimation of indirect effects at portfolio level.

IFU is an active investor and is represented at board level in most equity investments.

Agreeing a Results Framework with each investee company provides IFU with a tool to support active ownership of the investments and suggest corrective action if the expected development effects are not produced. This is facilitated through IFU's quarterly active ownership reviews, which take stock of current progress on a sample of priority investments across the IFU portfolio. As appropriate, in many cases, IFU has the possibility to react through its board membership to directly influence performance issues. . When decisions on necessary changes in on-going investments are made, this is discussed in the IFU Investment Committee. However, as pointed out in the independent verification, IFU could formalize its system for follow-up in case of under-performance. To strengthen this work, IFU recruited a monitoring and evaluation manager in 2022, with a view to strengthening monitoring and evaluation across the organisation and develop strategies for impact evaluation at both project and portfolio level.

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.

Exit decisions regarding equity investments are currently based on financial considerations of the project company. Debt investments do normally not involve an active decision to exit. At exit, a Final Evaluation Report is prepared for each investment and presented in IFU's Investment Committee.

With the Results Framework at investment level introduced in 2020, the format of the Final Evaluation Report will be revised during 2023 in order to reflect the more detailed results measurement for each investment. IFU is currently reviewing its exit procedures and will, as part of this, consider how impact and sustainability aspects can be better integrated in the basis for deciding exits and additional financing of on-going projects.

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.

The development impact of all IFU investments is assessed, planned and monitored as described above. Performance of all investments at portfolio level are reported in IFU's annual report, based on sustainability reporting data. For SDG Fund investments, an annual impact report summarizes annual performance at portfolio level based on results reporting from SDG Fund investments. Since this has now been undertaken for several years, year-on-year analysis was included for the first time in IFU's 2022 annual report and the 2022 SDG Fund impact report.

The duration of an investment period is typically 5-8 years. Lessons learned from each investment are documented in the Final Evaluation Report and discussed in the Investment Committee. The enhanced emphasis on collecting data on impact performance compared to expectations, will allow for better analysis across projects and priority sectors, which can feed into future strategy work and the ex-ante impact assessment tools. As indicated under principle 7, the format of the Final Evaluation Report will be revised during 2023 to reflect the more detailed results measurement for each investment. . IFU furthermore envisages to leverage learning by engaging in evaluations and impact studies to supplement company reporting. Such studies are envisaged to be undertaken at thematic, sector or country level, primarily for learning purposes.

Principle 9:

Publicly disclose alignment with the 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 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 the alignment of IFU's processes, procedures and systems with the Principles, and will be updated annually.
As reflected in this disclosure statement, IFU has recently taken a series of initiatives to strengthen the impact management and measurement, many of which have not fully matured yet. It therefore also provides evidence of the evolution taking place and the ambitious agenda for the coming years.

IFU engaged Bluemark, a Tideline company, to independently verify the alignment of IFU's impact management practices with the Operating Principles for Impact Management. Bluemark's assessment findings cover both areas of strength and areas for improvement, as reflected in the Verifier Statement, which was submitted 24 March, 2021. Bluemark's verification encompassed IFU's total portfolio, which was valued at Euro 836.2 million (equivalent to USD 936.4 million) as of 31 December 2019. It is foreseen that IFU will undertake its next independent verification in 2024.