EDFI Management Company

Operating Principles for Impact Management

EDFI MC Disclosure Statement – July 2026

The EDFI Management Company (EDFI MC) is a Signatory to the Operating Principles for Impact Management (the Impact Principles). The Impact Principles provide a reference point against which the impact management systems of funds and institutions may be assessed. They draw on emerging best practices from a range of asset managers, asset owners, asset allocators, and development finance institutions.

EDFI MC hereby affirms its status as a Signatory to the Impact Principles.

EDFI MC is sharing this Disclosure Statement as part of its commitment to publicly disclose alignment with the Impact Principles. This Disclosure Statement affirms that EDFI MC's core/client business, including (a) impact management systems; (b) policies and practices; and (c) investment services (including debt, equity, and blended finance instruments) are managed in alignment with the Impact Principles.

This Disclosure Statement serves to fill EDFI MC's obligations pursuant to Principle 9 of the Impact Principles and confirms alignment with the nine Principles.

EDFI MC's product offering is structured around 4 product lines: Market Development Facilities, De-Risking Facilities, Co-financing Facilities and Technical Assistance.

The Co-financing Facilities comprise the European Financial Partners (EFP) and the Interact Climate Change Facility (ICCF). End of 2022, the DFIs together with EIB replenished funding of €680m to these facilities.

Under the De-Risking Facilities fall the 2022 €80m MSME platform and the €25m T&C facility. In 2024, two additional De-Risking facilities were introduced: Carbon Sinks (€366 million) and a top-up to the MSME Platform Plus (€255 million). In 2025, four additional De-Risking facilities were introduced: EDFI Transforming Global Value Chains (EDFI TGVC - €194 MILLION), EDFI Renewable Energy Transition (EDFI RET - €332 million), the TCX EU Market Creation Facility – Pricing Component Plus (TCX PC+ - €150 million), and Liquidity Platform for Impact (LPI - €216 million). EDFI MC is responsible for administering both the Co-financing and De-Risking Facilities.

AgriFI and ElectriFI are making up the Market Development Facilities, for which EDFI MC has its own origination teams and portfolio management teams, responsible for the full investment cycle.

In addition, the TA facility was launched in 2023, designed to complement investment efforts by addressing critical gaps, building local capacity, and enabling impactful solutions for businesses and projects in emerging markets. It englobes a budget of 6,8m for both ElectriFI and AgriFi.

These Market Development Facilities provide for EDFI MC's total Covered Assets in alignment with the Impact Principles of US$265,06 mln as of December 31 2025[1].

[1] Based on an exchange rate per of 0.88 EUR to USD as per 23/06/2026

EDFI MC total assets under management in alignment with the Impact Principles is EUR 232.4. mln as of December 2025.

More information about the Impact Principles can be found at https://www.impactprinciples.org/.

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.

- **EDFI Management Company is a specialised asset management company with a public mission to support market development in low- and middle-income countries and to contribute to the Sustainable Development Goals.** It manages delegated funding from the EU blending instruments and co-financing facilities to deliver development finance solutions that enable European Development Finance Institutions (DFIs) and private sector investors to increase the scale and impact of their work by investing more and in higher risk opportunities than would otherwise be possible.

- **EDFI MC was established in 2016 as an EDFI initiative, on behalf of 15 European Development Finance Institutions (DFIs)**. Since 2021, European DFIs have taken a further step to reinforce their involvement in the ownership and governance of EDFI Management Company, which is now owned directly by nine European DFIs and the EDFI Association in equal shares.

- **With support from the European Commission, EDFI MC partners extensively with European DFIs that seek to go further than they can go today.** EDFI MC focuses on business models, technologies and geographies where European DFI members have not been able to operate at the desired scale given their resources and investment criteria. It accepts higher transaction costs and greater risks to enable other investors to deploy capital that they could not have invested otherwise. Typically, EDFI MC seeks risks that are higher than EDFI members can accept with their own capital. This includes equity stakes in early-stage companies, first-loss guarantees and flexible financing structures, local-currency lending, and investments in markets with limited liquidity.

- **EDFI MC formulates strategies to define areas of focus and deployment of resources to address development and environmental challenges.** These strategies can focus on specific themes and reflect the needs to specific countries and regions. EDFI MC has mandates for three facilities operating in alignment with the Impact Principles.

  The Disclosure Statement applies to the following assets or business lines (the 'Covered Assets):

  1. **The Electrification Financing Initiative (ElectriFI)** is an EU-funded impact facility that invests in companies to accelerate access to electricity and modern energy services. It was established in 2015 through a delegation agreement between the

European Commission and FMO, which subsequently sub-delegated the execution of the facility to EDFI MC in 2016.

The facility is funded by the European Union, Power Africa, Sweden and Italy. Total size of the ElectriFI facility is 280 million euros earmarked as follows:

a) **Global window**: A budget of EUR 126 million made available for all emerging markets, including additional support from *Power Africa* (USD 10 million targeted at Sub-Saharan Africa), *Italy* (EUR 5 million) and *Sweden* (EUR 5 million).

b) **Country windows**: developed in partnership with EU Delegations and host governments, ElectriFI Country Windows offer offering dedicated funding for selected countries.
The first set of Country Windows (launched in 2018) was allocated to Zambia (EUR 31m), Nigeria (EUR 30m), Côte d'Ivoire (EUR 10m), Benin (EUR 5m) and Pacific (EUR 8m). The second set of Country Windows (contracted at the end of 2020) will deploy specific funding for Kenya (EUR 46.7m), Burundi (EUR 9.3m), Eswatini (EUR 5m), Uganda (EUR 5m) and Mozambique (EUR 15m).

2. **The Agriculture Financing Initiative (AgriFI)** is an EU-funded impact facility that leverages sustainable investment in agriculture value chains that rely on smallholder farmers and agri-business medium, small, and micro enterprises to increase production yields and incomes. AgriFI targets existing private sector enterprises working with smallholder farmers on financially, environmentally, and socially sustainable projects with potential to scale. It was established in 2018 through a delegation agreement between the European Commission and FMO, which subsequently sub-delegated the execution of the facility to EDFI MC.

The facility is funded by the European Union. Total size of the AgriFI facility is 120 million euros earmarked as follows:

a) **Global window:** A budget of EUR 40m to provide medium- to long-term financing for private sector enterprises active in the agri-food value chain across the OECD DAC list.

b) Country windows: developed in partnership with EU Delegations and host governments, AgriFI Country Windows offer offering dedicated funding for selected countries.

i) The AgriFI-Ghana Country Window of EUR 10m is part of a holistic strategy by the Government of Ghana and the EU to support the modernisation of Ghanaian agri-food systems in the five northern regions and beyond with an overall focus on seven high potential crops.

ii) The AgriFI-Tanzania Country Window of EUR 12m is highly tailored by the EU Delegation based on recommendations from the government to focus on value nationally important value chains such as tea, coffee and horticulture.

iii) The AgriFI-Sri Lanka Window of EUR 8m is part of a larger EU action to support the agriculture sector and will provide access to finance for agri-food businesses with a focus on organic agriculture and the development of the cold chain and food

processing, thereby contributing to the reduction of food waste and post-harvest losses.

iv) The AgriFI-ACP Regional Window of EUR 50m aims to provide long-term financing to exemplary projects in the member countries of the Organisation of African, Caribbean and Pacific States (OACPS), with an emphasis on women and youth, to participate fully in the transformation and modernisation of the agricultural sector and contribute to the preparedness of the sector to the impacts of climate change.

Throughout the investment decision-making process, the delivery of development impact is a key factor in EDFI MC's project selection and design criteria. AgriFi and ElectriFi's have comprehensive Theories of Change and dedicated logframe for each Window. Strategic impact objectives are incorporated in key decision-making processes including the design and development of new facilities, investment decisions and monitoring. This includes developing investment strategies that are linked to targeted impacts, committing to expected levels of impact, and producing and reviewing ex-ante estimates of impact as part of the investment committee process. Case studies and deep dives into market contexts are conducted to substantiate investment and impact theses.

AgriFI's portfolio contributes to several Sustainable Development Goals, in particular SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 13 (Climate Action) By investing along agricultural value chains in fragile and frontier markets, the facility supports smallholder incomes, local employment in processing and logistics, and more resilient food systems, while its Technical Assistance helps investees strengthen governance, ESG & impact management, and climate smart practices.

ElectriFI's portfolio contributes to several Sustainable Development Goals, in particular SDG 1 (No Poverty), SDG 5 (Gender Equality), SDG 7 (Clean Energy), SDG 8 (Decent Work and Economic Growth), and SDG 13 (Climate Action). By deployment climate finance in fragile and frontier markets, the facility supports access to electricity for households, higher productivity for firms, and clean energy transition through clean cooking and mobility solutions, while its Technical Assistance helps investees strengthen governance, ESG & impact management, and capacity building.

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.

- **EDFI MC establishes impact indicators as part of the design, development, and approval of each new facility[2].** We consult with DFI members, EU policy makers, and external experts to develop a theory of change for how new financial products can mobilize additional capital and support the SDGs. The selection of indicators is a key element of articulating the purpose of each facility.

- **Following the selection of facility-level indicators, EDFI MC establishes targets for a subset of the indicators.** For example, we expect to make investments in companies that allow over 11 million people to benefit from electricity production. For our current facilities –ElectriFI, AgriFI – these targets have been submitted and approved as part of the EU approval process and our included in our contractual requirements.

  Incorporating indicators and targets which speak to value add and impact into the data collection process for each portfolio company will ensure that EDFI MC can monitor the Impact performance and, over time, and will be in a position to assess the impact that EDFI MC investment and strategic added-value and impact interventions have had on each portfolio company and its respective stakeholders and at EDFI MC portfolio level.

- **EDFI MC establishes indicators and measure progress based on the standards through the EDFI harmonisation initiative whenever possible.** The EDFI Harmonisation Initiative was launched in May 2019 to deepen cooperation on responsible financing requirements and impact measurement. It includes common definitions and methods to measure impact on SDGs, with a focus on key impacts to which private sector enterprises contribute, including gender equality, job creation, reduced inequality, and fighting climate change.

- **EDFI MC has started implementing a mechanisms of including impact performance and/or financial performance targets in staff incentive systems.** The mechanism was adopted and approved in 2024. Further details and implementation materialised over the course of 2025 with validation and verification of the targets by the Belgian Ministry of Labour. Aligning staff incentives with facility-level impact targets has become regular practice as part of the Company's Year Planning, and is monitored through Quarterly Reports.

- **EDFI MC formalised dedicated Impact Management and Measurement Manuals** for AgriFi and ElectriFI. These Manuals were approved in 2025 including M&E Plans that reflect recent updates to the impact management system.

[2] A full list of indicators for EDFI ElectriFI and EDFI AgriFI facility can be found in Annex I.

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.

EDFI MC must establish additionality as threshold condition for investment. In practice this means that without investment by EDFI MC, the private enterprise would not undertake the investment, or it would not do so on the same scale, at the same time, in the same location or to the same standard. An investment by EDFI MC should not crowd out the private sector or replace other private financing whilst mobilisation of additional resources (from development and/or commercial banks) is also a requirement. As a result, EDFI MC is confident that it contributes directly to impact by enabling private companies to produce goods and services that create a meaningful difference in the lives of people who are currently underserved and contribute to society challenges, such as a climate change.

EDFI MC applies the EDFI harmonised approach on additionality as provided for in the DFI Working Group on Blended Concessional Finance for Private Sector Projects[3]. DFIs are now collaborating to develop common approaches to implementing this harmonised approach.

For direct investments, EDFI MC applies an Additionality Impact Scorecard as a tool to evidence additionality. The scorecard considers financial additionality, operational and sector additionality, leverage and mobilisation, and market distortion mitigation. The impact due diligence and monitoring tools are built to address the same criteria, as per the Impact Management and Measurement Manual.

Our policy for establishing contribution is determined on a per facility basis. As we currently invest in early-stage companies through ElectriFI and AgriFI, we assume 100% attribution for our investments, with the exception of financial intermediaries where a pro rata attribution approach is applied.

EDFI MC monitors investor contribution on an annual basis. Value creation for investees and EDFI MC's catalytic role is monitored annually through the AgriFi and ElectriFI Annual Reports, which cover Development Impact indicators such as Mobilized Capital and Leverage, and the Investee's Performance Review Report annual exercise. Moreover, EDFI MC has developed and published case studies to present examples of the company's financial and non-financial additionality, for instance highlighting the scope of Technical Assistance projects and their outcomes for the beneficiaries.

[3] See the summary report from the DFI Working Group on Blended Concessional Finance for Private Sector Projects, issued October 2017.

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.

EDFI MC measures impact based on facility-specific indicators. The process for impact measurement through indicators includes collecting baseline data and estimates of future expected impact for all investments at the start of an investment, based on client information and validated by investment officers. EDFI MC has adjusted thereof its due diligence and monitoring impact tools to align the assessment and impact narrative of each investment to the five dimensions of impact framework, backed by Impact Frontiers [4].

EDFI MC relies on data provided by clients for most indicators. Once an investment is active, EDFI MC uses a client data collection approach agreed in the investment contract, which stipulates the type of impact data, frequency and data source that the client is expected to provide during the active stage of an investment. For ElectriFI, data is collected from the client every six months by the ElectriFI portfolio team. For AgriFI, data is collected every 12 months by the AgriFI portfolio team .

In addition to monitoring impact, investment teams identify opportunities to optimise development impact. Specifically, investments are reviewed against environmental and social (E&S) standards and opportunities for improvements are identified and detailed in action plans. In 2025, EDFI MC has integrated an impact pricing mechanism, to award financial incentives for attaining an extra target on predefined impact metrics, compared to the impact business case and at the moment of investment.

EDFI MC participates in further harmonisation of impact measurement, indicators and reporting an important focus area. It works with the European Development Finance Institutions (EDFIs) to harmonise the econometric modelling of impact on (direct and indirect) jobs, climate finance, and gender, by using the Joint Impact Model (JIM) to report in job and GHG emissions. In addition, EDFI MC engages in various platforms that discuss impact measurement and harmonisation, such as HIPSO and the IRIS+ metric system of GIIN through the EDFI Association. For instance, AgriFi and ElectriFi's metrics, aligned with IRIS+ and HIPSO, can be found in Annex I.

[4] https://impactfrontiers.org/norms/five-dimensions-of-impact/

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.

EDFI MC incorporates environmental and social (E&S) standards in its investment decision making and seeks to protect people and the environment which may be potentially impacted by its portfolio companies' operations.

Best efforts will be used to ensure that all EDFI MC investees comply with the relevant host country legislation and actively work towards reaching compliance with the relevant internationally recognized environmental and social guidelines and standards. This includes:

- IFC Performance Standards/ World Bank Group Environmental Health and Safety Guidelines/ Equator Principles
- The World Bank Group Environmental, Health and Safety Guidelines
- UN Guiding Principles on Business and Human Right
- ILO Declaration on Fundamental Principles and Rights at Work
- EDFI Principles for Responsible Financing
- The 2X Challenge: Financing for Women
- Cerise and SPTF Client Protection Pathway
- GOGLA Consumer Protection Code

These principles and guidelines are part of the EDFI harmonised environmental and social framework and EDFI MC will apply primarily the IFC Environmental and Social Performance Standards and the associated World Bank Group Environmental Health and Safety Guidelines when investing.

All transactions under EDFI MC portfolio are screened against the EDFI Exclusion List and categorised as per the EDFI harmonised E&S framework according to the inherent E&S risk of the sector, business activity and project size and characteristics. During due diligence, EDFI MC performs an analysis to identify the primary E&S risks and opportunities associated with a customer and evaluates the effectiveness of their risk management and mitigation measures. The scope of due diligence is proportionate to the E&S category. For medium-high and high-risk projects (B+, A), independent E&S assessments and/or site visits by EDFI MC's E&S specialists are required. Stakeholder engagement, including with affected communities, are undertaken where relevant.

EDFI MC shall not invest into any portfolio company that, in its reasonable opinion, cannot be expected to meet the minimum E&S requirements set out in the above standards over the life of the investment.

All Portfolio Investees include legal language that the company will comply with all E&S Requirements including a corrective E&S action plan with specified timelines.

We publicly disclose selected relevant information about our investments and financing after contracting. In addition, for our AgriFI and ElectriFI facilities, we disclose

information about our investments prior to contracting, explicitly inviting comments from the stakeholder community.

EDFI MC acknowledges the risks and adverse impacts that climate change represents for prospective investees and across the investment portfolio. These risks, including extreme weather patterns, rising global temperatures, and biodiversity loss, require careful consideration in our investment process. Therefore, the EDFI MC's ESG & Impact team developed an in-house tool to assess climate risks mainly the two sectors of activity covered by direct funding via AgriFI and ElectriFI (agrobusiness and renewable energy sectors). The results of the tool are be used by Risk department to complement the overall assessment of credit related risk, including the climate change dimension.

In line with the United Nations Guiding Principles on Business and Human Rights, **EDFI MC acknowledges the responsibility of businesses to respect human rights, wherever they operate.** To identify and address human rights risks, EDFI MC conducts a reputational review of the company, and uses a contextual risk analysis tool to identify country- or sector-specific human rights risks. Based on the outcome of this contextual human rights analysis tool, EDFI MC adapts its due diligence to the identified human right risks. This approach is aligned with the with the European DFIs.

EDFI MC adopts the 2x Challenge Criteria as reference standard to promote Gender Lens Investing, in line with the European DFIs. These criteria are embedded in the investment process to assess companies' gender risks, opportunities, management practices, and commitment to gender equality. In addition, country or sector specific gender risks are identified through the contextual risk assessment tool.

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.

For direct investments, EDFI MC monitors measurable development impact that contributes to market development and improves people's lives in the world's poorest countries. EDFI MC has established appropriate monitoring, evaluation and results measurement arrangements for supervising progress and achievements and for recommending possible improvements, involving all partners (contributors, financiers, beneficiaries as well as industry and civil society representatives). Direct impact data of individual investments are collected and monitored by investment teams through impact cards at contracting (baseline) and as part of the monitoring reviews every 12 months for AgriFI and every 6 months for ElectriFI.

Impact data collected from Portfolio Investees on a regular basis is collated into an operational Impact and ESG reports highlighting E&S performance of that investment. This information is shared with investment and portfolio management teams, EDFI MC partners and

committees as relevant and act as a check for how impact performance compares to the baseline established during due diligence.

The operational Impact and Environmental and Social Performance report are viewed as an internal document that will be used to alert EDFI MC to key issues across the portfolio that may require attention or further interrogation; as well as those areas where positive impact or outcomes are being achieved - which could also warrant further resources or focus.

In addition, EDFI MC will estimate certain indicators based on client data when monitoring the information is not part of the clients ongoing business operations. For example, EDFI MC will estimate the tons of greenhouse gases avoided through its investments using established methodologies and based on inputs provided by our clients and the JIM for portfolio based GHG emissions and jobs creation valuations.

EDFI MC has a documented approach to managing impact underperformance. As part of the Impact Reporting Cycle and the Investee Performance Review Report (PRR), the AgriFI/ElectriFI Portfolio team and the ESG & Impact team review the company's impact performance and any relevant changes to its business model. If year-on-year results deviate significantly from expectations, the teams conduct an in-depth assessment of the underlying causes. Where the company's development trajectory has changed, the responsible officers update its projected impact results.

At the end of each reporting cycle, the ESG & Impact Team convenes an **Impact Performance Review Meeting** to assess progress against targets and discuss lessons learned and case studies.

Through **case studies and Technical Assistance projects**, EDFI MC is also increasingly integrating end-beneficiary insights to validate impact results and assess the effectiveness of each facility's impact strategy.

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.

EDFI MC considers the effect of maintaining development impact when making exit decisions in its private equity operations. This may affect timing, structure, and choice to whom to sell. Most debt, guarantee and blended finance investments are self-liquidating without exit decisions.

EDFI MC is in the process of rephrasing its existing exit policy for equity investments. When EDFI MC realises an exit, EDFI MC will ensure such exit is responding to following criteria qualifying the exit as a responsible exit:

- EDFI MC will timely inform relevant stakeholders of its intention to exit.
- EDFI MC will sell its holdings to willing buyers compliant with EDFI MC's KYC policy.
- EDFI MC will ensure it understands the buyer's intentions and its commitment to the mission of the company and the role such new shareholder could be playing in the company.
- If applicable, EDFI MC shall ensure that the buyer is supportive of the content of the existing shareholders' agreement and thus consciously subscribes to a deed of adherence.

- EDFI MC will provide all necessary information to the other existing shareholders as detailed in the shareholders' agreement, to allow them to consider executing their right of first refusal / first offer.
- In case several exit options occur at the same time, EDFI MC shall take into account a mix of price and non-price characteristics and typically pursue, a two-step process. First, buyers are screened for suitability (including mission); second, a final selection is made on most attractive terms & conditions.

EDFI MC is developing a broader Responsible Exit Strategy, which covers every financial instrument (notably equity and debt) and all exit scenarios, including natural maturity, prepayment, private sale, and follow-on financing structures. The responsible exit process will be adapted based on the above asset class and scenarios. All exit materials will include clear, consistent, and evidence-based ESG and impact information, reflecting both achievements and outstanding issues.

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.

EDFI MC has developed a monitoring framework that stipulates the role of management in reviewing and documenting the impact performance of each investment to inform operational strategy and policy. EDFI MC produces annual mandatory monitoring reports on all its investment projects. These monitoring reports are embedded in the client credit review process. The aggregate results are reported annually to the Management Board and disclosed to the public. To further align with industry standards, in 2026 EDFI MC will be among the founding adopters of the Impact Performance Reporting Norms.

EDFI MC assess its investees' impact performance against baseline, target, and benchmarks (when applicable). As mentioned in Principle 4 and 6, as part of the Impact Reporting Cycle and the Investee Performance Review Report (PRR), the AgriFI/ElectriFI Portfolio team and the ESG & Impact team review the company's impact performance against expected impact, previous reporting period, and its peers' performance by industry. Impact Monitoring Dashboards have been developed to facilitate this analysis. In addition, industry benchmarks are used when applicable, for instance the 2x Challenge.

As part of the above-mentioned Responsible Exit Strategy, EDFI MC will conduct an impact-at-exit review, capture **lessons learned for future investment cycles**, monitor public information post-exit for major ESG incidents (where reputationally relevant). This review includes unintended impact, especially in case of restructured transactions. This approach supports continuous improvement and contributes to organisational learning.

EDFI MC is continuing to strengthen its operations and improve its performance. As part of its growing process, it undertakes evaluations of its operations, policies, and strategies. These evaluations fill knowledge gaps related to assessment of project performance and / or meet demands of external stakeholders for performance evaluation (e.g., donors providing concessional funding).Through **case studies and Technical Assistance projects**, EDFI MC is also increasingly integrating end-

beneficiary insights to validate impact results and assess the effectiveness of each facility's impact strategy.

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.

In November 2023, EDFI MC has completed an independent verification of its alignment with the Operating Principles for Impact Management by BlueMark, LLC. (See Annex II for the Verifier Statement.) Since its founding in 2014, BlueMark has become a recognized leader in impact measurement and management, focused on the design and verification of IM systems with leading asset owners and managers. In 2020, BlueMark established a subsidiary with a separate, dedicated team focused on impact management verification.

BlueMark has offices in London, United Kingdom,New York, NY, Portland, OR and San Francisco, CA and is headquartered at 915 Battery St, San Francisco, CA 94111, USA.

The independent assurance report on the alignment of EDFI MC with the Operating Principles for Impact Management is available here. The verification statement is available here.

As the company is rapidly growing, EDFI MC anticipates updating the disclosure statement and conducting another independent verification in 2027.

Disclaimer:

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.

EDFI Management Company

Annex 1: Development Impact Indicators for EDFI MC Facilities

ElectriFI Indicators

EDFI MC's Indicator	Definition	Unit	IRIS + / HIPSO Indicator
Number of connections	Number of new or additional connections to the main grid, as a result of the Investment, or the number of connections from a mini-grid, or number of stand-alone 'connections', including SHS, or number of products sold (e.g. cookstoves, e-mobility, fridges). In case there are no new connections (e.g. IPP), divide the production by the average consumption in the country (see tab 'CO2 avoidance tool').	#	PI8053
		#	PI1263
Number of connections to residential customers	Number of new household connections / products sold to households	#	PI8053
Number of connections to C&I customers	Number of new connections used for productive use, either commercial or public buildings and services (e.g. shops, hotels, hospitals, schools) / products sold for commercial use	#	PI8053
Kilometers of power lines	The sum of linear kilometers of new or rehabilitated transmission and distribution lines that have been energized, tested, and commissioned with ElectriFI support	Km	PI4515
Number of beneficiaries with new/improved access	Number of people reached. For off-grid projects, the number of beneficiaries is Number of physical connections to residential customers * 5 + Number of physical connections to C&I customers. For on-grid projects, use the formula based on implied number of connections and average households' size.	#	PI8053 PI4548 PI1263 PD1310
Installed Capacity	Capacity of energy plant(s) constructed or rehabilitated (based on installed equipment)	MW	PI9448
Electricity generated (Annual output)	Energy delivered to offtaker(s) during the past 12 months based on metering and/or estimated as a function of the products sold.	MWh/yr	PI5193
Connection Type	The type of connection that this project will provide, as chosen from a drop-down list: On-grid (project's electricity will feed into the main grid); Isolated micro- or mini-grid (sole provider of energy); Off-grid stand-alone systems (SHS or solar lanterns)	Text	PD1310
GHG avoidance	In case of mini-grid, SHS, C&I, on-grid connection types, EDFI MC will estimate it based on other data that the prospect provides. For different technologies, please ask the prospect to provide this value.	tCO2eq/yr	PI2764
Number of Construction Jobs	Number of full-time equivalent construction workers employed for the construction of the company or project's hard assets during the reporting period. Part-time jobs for construction are converted to full-time equivalent jobs on a pro rata basis, based on local definition (e.g., if working week equals 40 hours, a 24 hr/week job would be equal to 0.6 FTE job; a full-time position for three months would be equal to a 0.25 FTE job if the reporting period is one year). If the information is not available, the rule of-thumb is two part-time jobs equal a full-time job". Gender-disaggregated.	FTE	PI4874
			OD0660
			TA-09
Number of direct jobs during operation	Number of full-time equivalent (FTE) employees as per local definition working for the client company or project at the end of the reporting period. This includes directly hired individuals (permanent full-time direct jobs, permanent part-time direct jobs and temporary direct jobs,	FTE	PI4874

	e.g. seasonal or short-term jobs) and individuals hired through third party agencies as long as those individuals provide services related to the operations of the client company (insourced/contracted jobs), this includes full-time equivalent worked by seasonal, contractual and part time employees. Part-time jobs are converted to full-time equivalent jobs on a pro rata basis, based on local definition (e.g., if working week equals 40 hours, a 24 hr/week job would be equal to 0.6 FTE job). Seasonal or short-term jobs are prorated on the basis of the portion of the reporting period that was worked (e.g., a full-time position for three months would be equal to a 0.25 FTE job if the reporting period is one year). If the information is not available, the rule-of-thumb is two part-time jobs equal a full-time job. Gender disaggregated.		OD0660 TA-08
Number of enterprises supported (if applicable)	Number of enterprises supported through ElectriFI's investments/client's business activity. Only when data is available.	#	PI9713 PI4940
Number and type of energy efficiency activities (if applicable and available)	Number of energy efficiency activities supported through ElectriFI's investment. Only when data is available.	#	OI4531

AgriFI Indicators

EDFI MC's Indicator	Definition	Unit	IRIS + / HIPSO Indicator
Total number of beneficiaries *Of which women beneficiaries*	Number of unique individuals who were clients and/or suppliers of the organization during the reporting period. Estimated number of smallholder farmers reached through AgriFI investments (suppliers of investees, borrower of agri loans , etc.). Gender-disaggregated.	#	Client Individuals: Total | IRIS+ System (thegiin.org) Client Individuals: Smallholder | IRIS+ System (thegiin.org) AG-03 Client Individuals: Female | IRIS+ System (thegiin.org)
Agricultural production	Amount of the product impacted by the client company or project during the reporting period.	Tons	Units/Volume Sold: Total | IRIS+ System (thegiin.org) AG-07
Area under cultivation	Hectares of land used for the main productions impacted by the project during the reporting period.	Ha	TA 16 Land Directly Controlled: Total | IRIS+ System (thegiin.org) Land Indirectly Controlled: Cultivated | IRIS+ System (thegiin.org)
Area under sustainable cultivation	Hectares of land covered by sustainable land management practices, verified as being sustainable managed according to internationally recognized standards. Sustainable management of living natural resources includes both biodiversity and environmental services. Proxys of certification through an independent audit and verification process may be used to determine sustainable use.	Ha	TA-17 Land Directly Controlled: Sustainably Managed | IRIS+ System (thegiin.org) Land Indirectly Controlled: Sustainably Managed | IRIS+ System (thegiin.org)
Value-added by the company to the country's economy	Value-added created by the investee supported by AgriFI in the local economy during the reporting period. This is calculated as the sum of Personnel Expenses (wages, benefits, social security contributions, payroll taxes), Payments to Government (at a minimum corporate income or profit taxes), Financial Expenses, and Net Income	Reporting currency, EUR	Payments to Government | IRIS+ System (thegiin.org) Personnel Expenses | IRIS+ System (thegiin.org)

			Net Income | IRIS+ System (thegiin.org) Financial Expenses | IRIS+ System (thegiin.org)
Value-added by the company to farmers	Price premium percentage that the producer and/or supplier selling to the organization obtains from the organization for its goods or services during the reporting period. To be calculated as follows: (Price obtained by the producer and/or supplier from the organization for a good or service – benchmark price of the good or service) / (benchmark price of the good or service)x100	%	Producer Price Premium | IRIS+ System (thegiin.org)
	Payments made by company to smallholder farmers the during the reporting period. Payments made allows farmers to increase their incomes directly and make purchases necessary for farming activities.	€	Payments to Supplier Individuals: Smallholder | IRIS+ System (thegiin.org) AG-08
	Increase in smallholder farmer's yield. Increasing agricultural productivity sustainably can enhance farmer profitability and household income. To be calculated dividing the production by the hectares. This metric could be valuable for organizations that sell inputs (such as fertilizer or irrigation equipment) to farmers that help improve yields.	%	Average Client Agriculture Yield: Smallholder | IRIS+ System (thegiin.org) Average Supplier Agricultural Yield: Smallholder | IRIS+ System (thegiin.org)
Total Number of Direct Jobs	Number of full-time equivalent (FTE) employees as per local definition working for the client company or project at the end of the reporting period. This includes directly hired individuals (permanent full-time direct jobs, permanent part-time direct jobs and temporary direct jobs, e.g. seasonal or short-term jobs) and individuals hired through third party agencies as long as those individuals provide services related to the operations of the client company (insourced/contracted jobs), this includes full-time equivalent worked by seasonal, contractual and part time employees. Part-time jobs are converted to full-time equivalent jobs on a pro rata basis, based on local definition (e.g., if working week equals 40 hours, a 24 hr/week job would be equal to 0.6 FTE job). Seasonal or short-term jobs are prorated on the basis of the portion of the reporting period that was worked (e.g., a fulltime position for three months would be equal to a 0.25 FTE job if the reporting period is one year). If the information is not available, the rule-of-thumb is two part-time jobs equal a full-time job. Gender disaggregated.	FTE	Jobs in Directly Supported/Financed Enterprises | IRIS+ System (thegiin.org) OD0660 TA-09
Total Direct permanent jobs	Number of Full-Time Equivalent (FTE) employees, as per local working hours definition, working full-time and/or part-time for the client company or project at the end of the reporting period. Gender-disaggregated.	FTE	Permanent Employees: Total | IRIS+ System (thegiin.org) Permanent Employees: Female | IRIS+ System (thegiin.org)
Total Direct temporary jobs	Number of Full-Time Equivalent (FTE) employees who worked as temporary workers for the client company or project during the reporting period. Gender-disaggregated.	FTE	Jobs in Directly Supported/Financed Enterprises | IRIS+ System (thegiin.org) Temporary Employees | IRIS+ System (thegiin.org) Temporary Employees Hours Worked | IRIS+ System (thegiin.org)

AgriFI and ElectriFI Cross-Cutting Indicators

EDFI MC's Indicator	Definition	Unit	IRIS + / HIPSO Indicator

Total cost of impact	Total project cost in EUR millions (i.e. total funding round including AgriFi's committed amount)	EUR	FP9573
Amount leveraged by AgriFI investment (Long-term Leverage)	Total fundraised amount in EUR minus ElectriFi's investment (committed amount)	EUR	FP8293
Effective Leverage	Total project cost (equity + debt) / AgriFi investment (committed amount)	#	New Investment Capital | IRIS+ System (thegiin.org)
1A. Share of women ownership	(Number of total shares owned by women / Number of total shares)	%	OI2840
1B. Share of women business founders	Number of the organization's founders who are female and retain an active role in the company / Number of the organization's founders who retain an active role in the company	%	OI8197 OI2209
2A. Share of women in senior management	Number of women senior managers (C-suite and/or Partners) / Number of senior managers	%	OI8251 OI1571
2B. Share of women on board	Number of female members of the organization's board of directors or other governing body / number of members of the organization's board of directors or other governing body.	%	OI1075 OI8118
2B. Share of women on IC	Number of female members of the organization's investment committee as of the end of the reporting period / Number of members of the organization's investment committee as of the end of the reporting period.	%	OI8709 OI7829
3A. Share of women in the workforce	Number of full-time equivalent (FTE) female employees working for the organization / Number of full-time equivalent (FTE) employees working for the organization	%	OI2444
3B. One quality Employment indicator beyond compliance	Women's Career Advancement Initiative + one or more from the list below: • Gender Wage Equity (OI855) • Diverse Representation Policy (OI9485) • Flexible Work Arrangements (OI7983) • Sexual Harassment Policy (OI9088) • Employment Benefits (OI2742) • Fair Compensation Policy (OI3819) • Fair Career Advancement Policy (OI4884) • Anti-Discrimination Policy (OI9331) • Employees Trained (OI4229)	Text	OD4232
4A. Commitment to women in the supply chain	Strategic support in place that demonstrate explicit commitment to women in the supply chain.	Text	
4B. One quality Supply chain indicator beyond compliance	Includes diversity practices, pay equity, care support, health & well-being and GBVH	Text	
5. Product(s) or service(s) enhance(s) well-being of women/girls and/or drives gender equity	Product Targeted to Women + one or more from the list below: Stakeholder Engagement (OI7914); Client Savings Premium (PI1748); Client Individuals: Provided New Access (PI2822); Client Feedback System (OI5049)	Text	PD5677
	Number of female clients / Number of clients	%	PI8330 PI4060

EDFI Management Company

Annex II: Verifier Statement

BLUE/MARK

Verifier Statement

Independent Verification Report

Prepared for European Development Finance Institution - Management Company (EDFI MC): December 7, 2023

Introduction

As a signatory of the Operating Principles for Impact Management (the Impact Principles)[1], EDFI MC engaged BlueMark to undertake an independent verification of the alignment of EDFI MC's impact management (IM) system with the Impact Principles. EDFI MC's assets under management covered by the Impact Principles (Covered Assets) totals $165.7 million[2], for the year ending 12/2023.

Summary assessment conclusions

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

Principle 1: EDFI MC's two impact facilities, AgriFI and ElectriFI, focus on sustainable agribusinesses and clean energy respectively. Each facility's thesis is substantiated with evidence, aligned with the SDGs and measurable indicators. To further align, the firm should expand its facility-level theories of change to address both short- and long-term outcomes.

Principle 2: EDFI MC implements a consistent impact management process, using proprietary scoring and data management tools to assess and monitor impact across the portfolio. To further align, the firm should refine documentation to reflect recent updates and continue exploring ways to link impact performance with staff incentives.

Principle 3: EDFI MC clearly articulates its financial contribution to the expected impact of each investment and has recently developed a Technical Assistance Policy. To further align, the firm should develop an approach for tracking their investor contribution activities and identifying opportunities for refinement.

Principle 4: EDFI MC assesses the expected impact of each investment in line with the Impact Management Project's five dimensions of impact, using a newly-developed scoring tool and facility-specific due-diligence questionnaires. To further align, the firm should refine its calculation of composite scores and contextualise ex-ante tools by asset class.

Principle 5: EDFI MC integrates ESG considerations across all stages of the investment lifecycle, including ex-ante risk assessments and investment-level action plans to support risk mitigation. Progress is monitored using annual reports.

Principle 6: EDFI MC consistently monitors the impact of each investment against predefined impact KPIs on a semi-annual basis and assesses portfolio impact progress against annual facility-level targets. To further align, the firm should refine its management of impact underperformance, and incorporate end-beneficiary insights to validate results achieved.

Principle 7: EDFI MC outlines a broad approach to responsible exits within its Exit Strategy Policy. To further align, the firm should refine its policies to explicitly highlight considerations for sustaining impact at exit and ensure that tools and processes used across the investment lifecycle are aligned with these considerations.

Principle 8: EDFI MC's systematic impact review process captures investee impact performance against predefined targets, which are aggregated to inform firm-wide progress. To further align, the firm should implement structured forums to facilitate discussion, identify unintended impacts and leverage key learnings to refine its impact strategy and IM system.

[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 disclosed by EDFI MC to BlueMark as of 12/2023. BlueMark's assessment did not include verification of the AUM figure.