VERIFIER STATEMENT
Independent Impact Management Verification
Prepared for Calvert Impact Capital (CIC): March 17, 2020

BACKGROUND
As a signatory of the Operating Principles for Impact Management (the Principles), CIC is committed to disclosing the degree of alignment of its impact management (IM) system with the Principles. CIC engaged Tideline to undertake the assessment.

ASSESSMENT METHODOLOGY
Tideline reviewed CIC’s set of IM tools and processes for the purpose of assessing its degree of alignment with the Principles. To do so, Tideline used a proprietary rubric informed by:

1. The text of each Principle and associated implementation guidance;
2. Tideline’s proprietary process assessment criteria, which are mapped to each Principle; and
3. Tideline’s retained knowledge of the state of IM practices

SUMMARY ASSESSMENT
Tideline conducted an assessment to verify the CIC IM system’s degree of alignment with the Principles. As of Dec. 31, 2019, CIC’s AUM covered by the Principles totals $415.9 million. Key takeaways from the assessment are:

Areas of strength:
- **Impact objectives:** CIC clearly defines social and environmental impact objectives at the portfolio- and community-levels. CIC collects a robust evidence base to support sector-specific theories of change, which leverage the UN SDG framework and are tied to positive, measurable impact KPIs.
- **Investor contribution:** CIC articulates its expected financial and non-financial contribution per investment, using a systematic, well-documented approach. Contribution is considered in the investment decision-making process.
- **Impact due diligence:** CIC’s Impact Scorecard forms the basis for its standardized approach for assessing expected impact for all prospective investments and does so in alignment with the IMP dimensions.
- **Incorporation of lessons learned:** CIC incorporates lessons learned into strategic decisions and investment processes, as seen through both external reports and internal strategy tools / documents.

Areas for improvement:
- **ESG performance / risk management:** While CIC assesses a standard set of ESG factors for borrowers, it could consider developing a more comprehensive approach to managing and mitigating ESG risks and underperformance. As CIC develops this approach, there could be an opportunity to draw on industry standards.

ABOUT TIDELINE
Tideline Advisors, LLC is a certified women-owned advisory firm in impact investing. Since its founding in 2014, Tideline has become a recognized leader in impact measurement and management, focused on the design and verification of IM systems with leading asset owners and managers. In 2020, Tideline established a subsidiary with a separate, dedicated team focused on impact management verification. Tideline has offices in New York, NY and San Francisco, CA and is headquartered at 915 Battery St, San Francisco, CA 94111, USA.

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1 Principle 9 states that signatories shall “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.”

2 Tideline’s full assessment for CIC states each of the Principles, describes the CIC IM processes covered by the Principles, and identifies areas where further alignment is appropriate and feasible. The scope of Tideline’s assessment procedures does not include the verification of the resulting impacts achieved. Tideline’s assessment is based on its analyses of publicly available information and information in reports and other material provided by CIC. Tideline has relied on the accuracy and completeness of any such information provided by CIC. The assessment results represent Tideline’s professional judgment based on the procedures performed and information obtained.
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**DETAILED ASSESSMENT**

Tideline assessed CIC’s IM system on its degree of alignment with the Principles, using the following four ratings: Advanced (limited need for enhancement); High (a few opportunities for enhancement); Moderate (several opportunities for enhancement); and Low (substantial enhancement required). 3

The chart below summarizes Tideline’s verification of CIC IM system:**4

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

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3 The decision to publicly disclose the results of Tideline’s detailed assessment, and the specific ratings assigned to each Principle, is left to the sole discretion of CIC.

4 Tideline’s full assessment for CIC states each of the Principles, describes the CIC IM processes covered by the Principles, and identifies areas where further alignment is appropriate and feasible. The scope of Tideline’s assessment procedures does not include the verification of the resulting impacts achieved. Tideline’s assessment is based on its analyses of publicly available information and information in reports and other material provided by CIC. Tideline has relied on the accuracy and completeness of any such information provided by CIC. The assessment results represent Tideline’s professional judgment based on the procedures performed and information obtained.