

## Independent Verification Report

### **Independent Verification:**

LGT Venture Philanthropy Foundation ("LGT VP") engaged Luminis Advisors, LLC ("Verifier") to independently verify that LGT VP's impact management system ("IMS"), as described in LGT VP internal policies and procedures (collectively, the "Policies") and summarized in its disclosure statement dated May 15, 2024 (the "Statement"), aligns with the Operating Principles for Impact Management (each, an "Impact Principle" and collectively, the "Impact Principles") in accordance with Impact Principle 9.

LGT VP reports total assets under management in alignment with the Impact Principles of USD 32.6 million as of March 31, 2024 (the "Covered Assets").

### **Methodology and Scope of Independent Verification:**

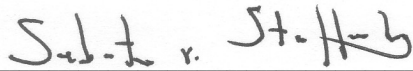
- Verify that the Policies and Covered Assets address, and are in alignment with, each of the Impact Principles.
- Assess the alignment of LGT VP's IMS, as outlined in the Policies and summarized in the Statement, with the Impact Principles.
- Evaluate the effectiveness of LGT VP's IMS in assessing, managing, monitoring, recording, and reporting impact, considering the system's quality, completeness, reliability, neutrality, and ease of understanding.
- Interview key members of LGT VP's management team responsible for the implementation of its IMS, as outlined in the Policies and summarized in the Statement.

*It should be noted that Verifier's assessment:*

- *Does not include any appraisal of the adequacy or effectiveness of LGT VP's IMS;*
- *Does not verify actual impacts achieved;*
- *Is based on public information as well as internal material provided by LGT VP;*
- *Assumes all information provided by LGT VP is accurate and complete; and*
- *Reflects Verifier's professional judgment based on its analysis of the information provided by LGT VP.*

### **Verifier Endorsement:**

Based on the procedures performed and the review conducted, Verifier believes that LGT VP's Statement is aligned, in all material respects, with the Impact Principles, as it pertains to the Covered Assets. Verifier is independent of the development and implementation of the Signatory's impact strategy, management system, and investment process.

  
**Sebastian von Stauffenberg**  
Principal and CEO  
Luminis Advisors, LLC  
March 31, 2025

**About Luminis Advisors, LLC**

Luminis Advisors, LLC (“Luminis”) is an independent advisory firm that provides a range of solutions to the impact investment market based on deep industry knowledge, expert risk analysis, and a comprehensive suite of benchmark data. Since its founding in 2014, Luminis has worked with a wide range of stakeholders, including asset managers, investors, as well as other service providers, and has completed more than 550 evaluations of over 150 impact investment funds. For more information, visit [www.luminisadvisors.com](http://www.luminisadvisors.com).

## Operating Principles for Impact Management – Verifier findings<sup>1</sup>:

| Impact Principle ("IP")                                                                                            | Score <sup>2</sup> | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IP 1. Define strategic impact objective(s), consistent with the investment strategy                                | ✓+                 | LGT VP's approach to defining and implementing strategic impact objectives is comprehensive and well-integrated into its overall grant strategy. The organization maintains a clear focus on achieving measurable social and environmental outcomes that are consistent with globally recognized goals, ensuring that these objectives are realistic and aligned with the scale of their grants.                                                                                                                                                                                                                                           |
| IP 2. Manage strategic impact on a portfolio basis                                                                 | ✓                  | LGT VP effectively manages its impact across a diverse portfolio using a structured Impact Measurement and Management ("IMM") approach. Employing standardized tools and frameworks, LGT VP ensures consistent assessment and adjustment of impact strategies across its three thematic areas of funding, namely Education, Health, and Environment. However, to further enhance its impact management capabilities, LGT VP could benefit from integrating more advanced technology for real-time tracking and reporting, thus allowing for even more responsive and dynamic management and optimizing effectiveness across its portfolio. |
| IP 3. Establish the Manager's contribution to the achievement of impact                                            | ✓                  | LGT VP establishes and documents a credible narrative on its contributions to the achievement of impact for each grant, using both financial and non-financial channels. Providing further evidence or research-based linkages to impact outcomes could enhance LGT VP's Theory of Change ("ToC"). Although LGT VP <i>contributes</i> to the positive outcomes achieved, the question of <i>attribution</i> to the outcomes could be clarified.                                                                                                                                                                                            |
| IP 4. Assess the expected impact of each investment, based on a systematic approach                                | ✓+                 | LGT VP employs a systematic approach to assess the impact of each grant, incorporating detailed pre-grant assessments and ongoing monitoring to gauge the concrete, positive impact potential. Strengths include an IMM framework that is integrated throughout the grant process, alignment with Sustainable Development Goals (SDGs) and various other industry standards, evaluation of potential risks that could affect the achievement of intended impacts, and its development and implementation of proprietary measurement tools.                                                                                                 |
| IP 5. Assess, address, monitor, and manage potential negative impacts of each investment                           | ✓                  | LGT VP rigorously implements risk management for potential negative impacts of each grant through its IMM process, incorporating environmental, social, and governance ("ESG") considerations. This process ensures that ESG risks are evaluated during due diligence and continuously monitored post-grant. LGT VP proactively engages with grantees to manage and mitigate any identified risks, effectively addressing potential negative impacts. This approach reflects LGT VP's commitment to maintaining high ethical and sustainability standards across its grants.                                                               |
| IP 6. Monitor the progress of each investment in achieving impact against expectations and respond appropriately   | ✓+                 | LGT VP effectively monitors each grant's impact progress using a detailed results framework. This framework specifies protocols for data collection, evaluation, and reporting, ensuring continuous monitoring against predefined impact expectations. LGT VP maintains an ongoing dialogue with grantees, sharing performance data and collaboratively addressing deviations from expected outcomes. The IMM process includes strategies to respond proactively if grants do not meet their intended impact goals, allowing LGT VP to maintain high accountability and effectiveness across its portfolio.                                |
| IP 7. Conduct exits considering the effect on sustained impact                                                     | ✓+                 | LGT VP demonstrates awareness and consideration of the effects of exit strategies on the sustainability of impact, consistent with Impact Principle 7. However, enhancing the mechanisms for monitoring post-exit impact could further strengthen their adherence to this principle.                                                                                                                                                                                                                                                                                                                                                       |
| IP 8. Review, document, and improve decisions and processes based on the achievement of impact and lessons learned | ✓+                 | LGT VP implements a systematic approach to document, review, and improve grant decisions and processes. This involves a standardized method for comparing expected versus actual impact. LGT VP demonstrates exemplary information sharing and adaptability. To further enhance this strength, LGT VP could consider formalizing processes to systematically compile and synthesize insights, enabling continuous improvement in operational and strategic portfolio grant decisions.                                                                                                                                                      |

<sup>1</sup> The decision to publicly disclose these Verifier findings, and/or the specific score assigned to each Impact Principle, is left to the sole discretion of LGT VP.

<sup>2</sup> Scoring scale:

- ✓+ Alignment with Impact Principle exceeds expectations
- ✓ Aligned with Impact Principle
- ✓- Aligned with Impact Principle but with room for improvement
- X Not aligned with Impact Principle