



Independent Verifier’s Limited Assurance Statement on alignment with the Operating Principles for Impact Management (“Impact Principles”).

Provided by Vukani Impact Collective (PTY) LTD to XSML Capital as fund manager of African Rivers Fund and African Rivers Fund III

Date: 8 March, 2024

Purpose and Scope of Assurance

The following statement of limited assurance is provided to XSML Capital as fund manager of African Rivers Fund and African Rivers Fund III (“XSML”, “the Fund”), to confirm the alignment of XSML’s strategies, policies, systems, and investment procedures with the Operating Principles for Impact Management (“Impact Principles”) (<https://www.impactprinciples.org/>) as described in its Disclosure Statement dated November 1, 2023.

The scope of assurance includes the African Rivers Fund (ARF) and African Rivers Fund III (ARF III), covered by XSML’s Disclosure Statement, for which XSML reports that total Covered Assets in alignment with the Impact Principles was \$140 million USD as of September 2023.

This assurance statement does not cover financial systems or financial information reported by XSML or verification of the environmental and social impacts reported by the Fund.

XSML’s responsibility

It is the responsibility of XSML to define adequate policies, systems, roles, and responsibilities to ensure the Fund is aligned with commitments to its investors, investee companies, and stakeholders to manage environmental, social, and governance (ESG) performance and impact, and to align with the Impact Principles to which it is a signatory. It is also the responsibility of XSML to ensure accuracy and comprehensiveness of its reporting to investors on the ESG and impact performance of its funds in line with recognized international standards, and to prepare its Disclosure Statement in relation to the Impact Principles.

Vukani’s responsibility

Vukani’s responsibility is to express limited assurance of XSML’s alignment to the Impact Principles, including assurance that XSML’s Disclosure Statement is free from material misstatement and is based on robust underlying evidence.

About Vukani

Established in October 2020, Vukani Impact Collective (PTY) LTD (“Vukani”), is an international sustainability service provider based in Cape Town, South Africa. Building on over 75 years of



combined international experience in applying sustainability standards, we help investors and businesses innovate through better measurement and management of ESG performance and impact.

Relationship with client

As of the date of this statement, Vukani has acted solely as an assurance provider to XSML with regard to the Fund's 2023 Disclosure Statement under the Impact Principles.

Basis for limited assurance

This assurance statement is based on

- A detailed review of XSML's strategy, policies, procedures, tools, scorecards, impact data management systems, impact studies, investment documents, ESG due diligence and monitoring reports, investee technical assistance tracking data, reports to investors and public reports related to ESG and impact management across the African Rivers Fund (ARF) and African Rivers Fund III (ARF III);
- Interviews conducted in January and February 2024 with XSML staff responsible for impact management and reporting, ESG management and reporting, Fund communications, and the Fund's Managing Partner with oversight for ESG and impact.

Assurance summary

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that XSML has not aligned, in all material respects, with the Impact Principles as per the Fund's Disclosure Statement dated November 1, 2023.

In addition, we found evidence that ESG and impact are embedded in the Fund's strategy and financing activities in a meaningful way that is appropriate to the size, locations, and types of financed companies, with credible plans to expand the Fund's impact strategy on topics such as gender and climate change, and to strengthen how impact is considered in investment and lending documentation.

For more information about the assurance process and this statement, email louise@vukaniimpact.com

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Cape Town, South Africa
8 March 2024