

Central to BII's mandate is a firm commitment to responsible investing. Our [Policy on Responsible Investing](#) ('the Policy') sets out the environmental, social and business integrity requirements (ESG) that our Investees are expected to meet after an investment is made. The Policy also presents recommended practices on emerging issues that we believe will become increasingly important over the next 5 years.

Investing in difficult geographies or smaller businesses sometimes means that standards fall short, but in these cases a plan must be put in place to make the necessary improvements. The Policy promotes a narrative that lies at the centre of our impact mandate, emphasising the link between good E&S and BI practices, commercial success and sustainable development impact.

BII's Policy was most recently updated in 2021 to reflect the evolution of standards and policies within BII and internationally. Prior to this, the Policy was last updated in 2017. Compared to the old Code of Responsible Investing, the new policy provides greater detail, nuance and clarity on our requirements, our expectations, and the risks we believe will be important for businesses to be aware of and managed over the next 5 years.

Rationale for the Policy

As an impact investor, British International Investment plc (BII) has a dual mandate: to deliver responsible and sustainable development impact and to make sustainable financial returns. As a responsible investor, we place significant value on the role we play as an enabler of better E&S and BI outcomes through the investments we make.

We believe that, by applying international standards including the International Finance Corporation's ("IFC") [Performance Standards](#), and the [UN Guiding Principles on Business and Human Rights](#), and by meeting relevant local legal requirements, our Investees can achieve the outcomes we value, whether that is protecting workers, the environment and local communities, or reducing bribery and corruption. Applying these standards can also produce tangible financial benefits and opportunities for their businesses, including improved access to markets and capital, increased customer trust and brand value, cost efficiencies and better stakeholder relations.

We seek to help Investees manage their risks and pursue opportunities to enhance E&S and BI performance in a way that encourages the outcomes we want to see as a responsible investor, while at the same time enabling them to realise the business benefits that prudent E&S and BI management can confer. A business that operates in this way represents a

better overall investment for us and for society as a whole.

Structure of the Policy

Our Policy on Responsible Investing (the Policy) is set out in four sections:

- **Section 1** describes our vision as an impact investor, explains how the Policy fits with our other commitments and policies, outlines how we provide assurance in relation to our Environmental and Social (E&S) and Business Integrity (BI) risk governance systems, and how we respond to any potential adverse impacts of our investments.
- **Section 2** describes, for the benefit of our current and prospective Investees, our requirements in relation to E&S and BI practices.
- **Section 3** describes good practices that are not mandatory for our Investees, but which we believe will deliver business benefits over time.
- **Section 4** provides an outline of our investment process and describes how E&S and BI risks and opportunities are integrated into investment decisions and portfolio management.
- **The Annexes** provide more detail on the requirements described in Section 2 and good practices described in Section 3.

Policy sponsor

As the sponsor of this Policy, our General Counsel is responsible for reviewing and submitting the Policy to our Board of Directors for approval at appropriate intervals (typically on a five-year basis and in line with the updates to our Strategy and Investment Policy). As this is an area where requirements and policy expectations are evolving, it is anticipated that the Policy will be updated after the five-year period.