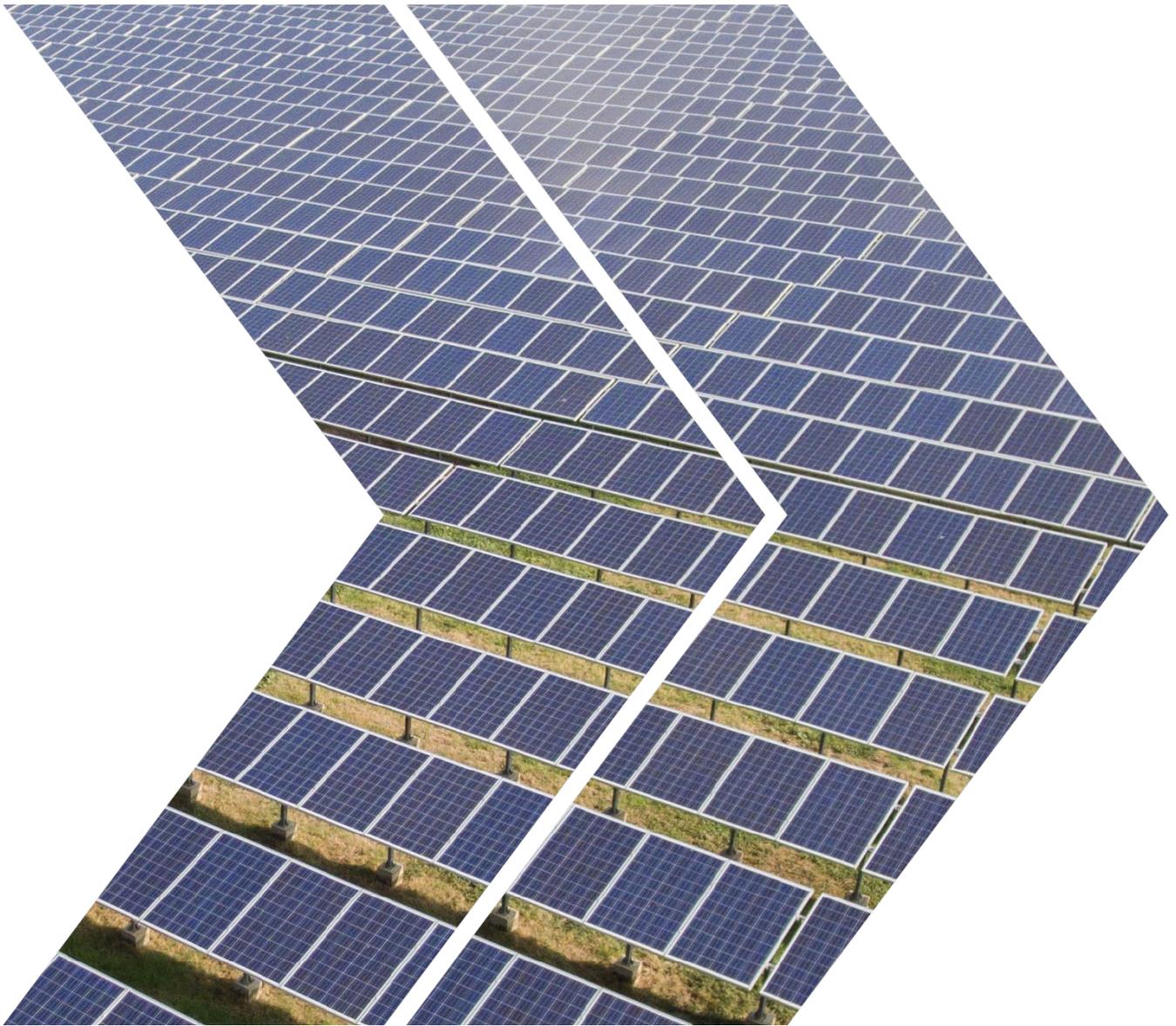


Transparency and Disclosure Policy

1 January 2023



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1. Introduction

As a publicly-owned body, we understand the importance of operating transparently. The information we publish about our investments, our operations and our governance holds us accountable to a range of stakeholders, including Parliament and the public. By providing accurate and timely information, we can help inform public debate about our effectiveness. At the same time, operating transparently supports our development mandate, by sharing our experiences and demonstrating our successes for the benefit of other investors with an interest in investing in Africa and South Asia.

We have a strong track record on being transparent and we recognise that we can continue to make improvements. We aim to disclose information on our investments and operations that provide value to those outside BII, where such value justifies the expense of taxpayers' money. We also recognise that this requires balancing the public nature of what we do with the commercial status of our investee businesses.

We are subject to the Freedom of Information Act 2000 (FOIA), Environmental Information Regulations 2004, UK General Data Protection Regulations (UK GDPR) and UK and other relevant data protection laws. Further information on these responsibilities can be found in section 5. We also make certain information available for inspection by the public in accordance with the UK Corporate Governance Code.

1.1. Policy sponsor and maintenance

The Managing Director and General Counsel is the sponsor of this policy and is responsible for maintaining this policy, including a submission to the Board every two years for review and approval.

2. Principles

This transparency policy covers three broad areas where we publish information:

- **Governance:** information about our Board and governance arrangements, to demonstrate that we have a rigorous governance structure and that our Board and the Foreign, Commonwealth and Development Office, as shareholder, (FCDO) exert an effective oversight of BII.
- **Operations:** information about the way we do business, to demonstrate that we are spending taxpayers' money wisely and managing risks effectively.
- **Investments:** information about the investments we make, to demonstrate that these are made according to our Investment Policy and deliver a positive development impact.

When considering which information to make available to the public, we consider the following principles:

- Whether it helps us to build trust and provide public oversight;
- What the resulting operational burden might be;
- If it is commercially sensitive or would constitute a breach of confidence to, or contract with, a third party – for example, we receive non-publicly available information from investment partners for the purposes of assessing new opportunities and evaluating existing investments. This information may be commercially sensitive and/or subject to confidentiality obligations; and
- if it is personal data, then we have an obligation to keep it confidential and manage in accordance with UK GDPR and BII's Data Protection Policy.

We believe transparency is not only about the amount of information we make available, but also its accessibility and usability. Where possible, we try to make information useful to users by considering options such as whether the information can be exported or whether it can be searched.

We also publish data using existing, recognised and widely used systems. We were the first DFI to sign up to the International Aid Transparency Initiative (IATI) and we continue to publish data about our investments using the IATI standard.

Our focus is on publishing current information about our governance, operations and investments. We don't hold information on all the investments we've made in the past, due to the requirements of UK and other relevant data protection laws, the operational resources required to maintain such an archive, and the legal risk entailed. However, we publish information about exited investments from 1 January 2012 for a minimum of ten years after the date of the initial investment (see section 3.3.1), as well as maintain an online archive of all our previous Annual Accounts and Annual Reviews. Other annually updated information related to our financial position (including operating costs, aggregated employee remuneration, gifts and hospitality and entertainment register) and aggregated portfolio information will remain on our website for a period of five years.

We aim to keep the information that we publish up to date, and depending on its nature, information is updated annually or quarterly.

3. Information disclosed

3.1. Information about BII's operations

3.1.1. Investment process

We publish information on our investment process and investment portfolios (Growth and Catalyst)¹ including the types of investment offered, the countries and sectors we invest in, and eligibility criteria. We also publish information on our environmental, social and business integrity due diligence processes, our development impact approach, assessment criteria and results (see section 3.3.3), our monitoring and evaluation framework and methodologies.

3.1.2. People and decision-making structures

We publish information on key people and decision-making structures within BII, including:

- Our organisational structure
- Information on the role and membership of our Executive Committee and our Investment Committees
- Biographies of senior individuals at BII including Board members, Executive Committee members and Investment Committee members

3.1.3. Financial information

We publish the following information related to our financial position and policies:

- Information about our source of funds and capital structure (updated annually)
- Information about operating costs (updated annually)
- Information about the remuneration and benefits offered to BII employees, including
 - Our approach to pay
 - Information on our gender pay gap (updated annually)
 - Information about the remuneration of Directors (updated annually)
 - Aggregate information about the remuneration of individual employees (updated annually)
 - A gifts and hospitality and entertainment register, with information about non-monetary benefits given and received by BII employees (updated annually)

3.1.4. Policies

We publish key policies, procedures, rules, statements and commitments that govern our operations and decision-making processes including:

- Investment Policy, which sets out the parameters and guidelines within which we conduct our investment business.

¹ For a definition of BII's Growth and Catalyst investment portfolios see <https://www.bii.co.uk/en/about/our-company/investment-portfolios/>

Policies related to environmental, social, governance and business integrity issues:

- Policy on Responsible Investing, which sets out environmental, social and business integrity requirements for our investee companies. We also publish guidance for fund managers on how to implement these requirements.
- Environmental and social policies (including climate change, coal)
- Modern Slavery Act Statement
- Financial Crime policies (anti-bribery and corruption and anti-money laundering)
- Whistleblowing commitments and procedure
- Reporting and Complaints Mechanism Rules for external BI or E&S complaints (see section 4)
- Position statement on diversity

Other policies:

- Employee travel and expense policy
- Payment of taxes and offshore financial centres policy
- Risk management policy
- Operating Principles for Impact Management (OPIM) disclosure statement including independent impact management verification of the alignment of BII's impact management system with the Impact Principles Transparency and Disclosure Policy (this policy)
- Privacy notice on how BII manages personal data

3.2. Information about BII's governance

We publish information about BII's governance in line with the requirements of the Corporate Governance Code, including:

- Our articles of association and a link to the 2017 Commonwealth Development Corporation Act
- Annual Review and Annual Accounts
- Information on the role and membership of the Board
- Information on the role and membership of Board committees, including their terms of reference
- Information on attendance at Board and Board committee meetings
- Summary minutes of Board meetings

3.3. Information about BII's investments

3.3.1. Scope of online database

We maintain an online database which includes information on:

- Companies:
 - All companies that BII is currently invested in
 - All companies that BII is no longer invested in, but which received a direct BII investment after 1 January 2012 (for a minimum of ten years after the date of the initial investment)
 - All companies that BII is no longer invested in, but were invested in by funds committed to by BII after 1 January 2012 (for a minimum of ten years after the date of the fund's investment into the company)
- Funds:
 - All funds that BII has a current commitment to
 - All funds that have finished operations, but BII committed to after 1 January 2012 (for a minimum of ten years after the commitment date)

3.3.2. Updates

The online database is updated quarterly with new investments made by BII. The accuracy of information provided for ongoing investments is verified annually.

3.3.3. Information provided for all investments²

- Status of the investment (active or completed)
- The amount BII invested
- Region of operation
- Country(ies) of operation (if applicable – some funds operate regionally)
- Sector(s)
- Investment type (direct equity, debt or intermediated)
- Domicile
- Link to the website of the company or fund manager
- Description of the company or fund
- High-level description of BII's investment
- Start date of the investment (investment date for direct investments and underlying fund investments; commitment date for fund commitments)
- End date of the investment (for companies and funds that are no longer invested by BII)
- A high-level description of the intended impact of the investment
- A high-level description of the impact achieved by the investment (for companies that are no longer invested by BII and for funds that are no longer invested by BII)

² From time to time, information may not be able to be disclosed due to legal, regulatory or contractual requirements. Such exceptions will be limited.

- The impact dashboard, a detailed description of the expected impact of the investment against the six dimensions of impact, including an assessment of BII's contribution³
- The environmental and social (E&S) risk category of the investment or fund commitment⁴
- A high-level description of the environmental and social aspects of the investment
- Fatalities (if any) which are reported to us by the company or fund manager

3.3.4. Additional information provided for direct investments

- The principal countries where the company pays taxes
- Where appropriate, the type of exit (for companies that BII no longer invests in)

3.3.5. Additional information provided for fund commitments

- The name of the fund manager
- A list of all investments made by the fund

3.3.6. Additional information provided for underlying fund investments

- The name of the fund through which BII has invested in the company
- The name of the fund manager
- Region of operation
- Country(ies) of operation (if applicable – some funds operate regionally)
- Sector(s)

3.3.7. Aggregated portfolio information

In addition to the online database, we publish the following aggregated data on our portfolio, updated annually:

- Portfolio structure information
 - Aggregate value of our investments, in each country and in each sector
 - Number of companies we're invested in, in each country and in each sector
 - Sectors receiving investment in each country
- Impact information
 - Aggregated at portfolio level
 - Impact score
 - Jobs created by the companies in our portfolio
 - Electricity generated (GWh)
 - Gross loan portfolio

³ This applies to investments made after 2019.

⁴ This applies to investments screened after effective date of this policy or where the investee has otherwise agreed.

- Total direct green jobs supported
 - Number of people reached (for example, farmers, customers of financial institutions)
 - Number of low-income people reached
 - Taxes paid by the companies in our portfolio
 - Third-party capital mobilised
 - % and \$ of commitments based on each of the Sustainable Development Goals
- Aggregated at sector level
- Number of people employed by the companies in our portfolio in each sector^{5,6}
 - Taxes paid by the companies in our portfolio in each sector⁶
 - Sector-specific impact metrics
- Aggregated at country level
- Number of people employed by the companies in our portfolio in each country^{5,6}
 - Taxes paid by the companies in our portfolio in each country⁶

3.3.8 Climate-related Financial Disclosures

BII discloses the following climate-related metrics for all investments:

- Where applicable, statement that the investment is climate finance qualified or partially climate finance qualified⁷

BII discloses the following climate-related metrics at portfolio level:

- Attributed Financed GHG emissions (scope 1 and 2) (absolute and financial intensity) for direct investments
- Operational GHG emissions (scope 1, 2, 3)
- GHG emissions avoided through our direct investments
- % and \$ of commitments that are climate finance qualified

3.3.9 Diversity and Inclusion Disclosures

BII discloses the following diversity and inclusion metrics for all investments:

- Where applicable, statement that the investment is gender qualified using the 2X criteria⁸

It discloses the following diversity and inclusion metrics at portfolio level:

- % and \$ of commitments that are 2X qualified⁸

⁵ The monitoring of the number of workers directly and indirectly associated with our portfolio companies' operations is calculated from information supplied by portfolio companies on direct employees, sales turnover, earnings and wages. Regardless of how the information has been shared with BII, if that same information is available in the public domain (e.g. in company annual reports or corporate websites), we reserve the right to publish the results of these calculations.

⁶ For commercial confidentiality reasons, we only publish this data for countries or sectors where we have more than three active portfolio companies.

⁷ We define climate finance using the multilateral development bank (MDB) and the International Development Finance Club (IDFC) Common Principles climate finance methodology. See [Common Principles for Climate Mitigation Finance Tracking](#) and [Common Principles for Climate Change Adaptation Finance Tracking](#).

⁸ This applies to investments made after 2018.

3.3.10 Other impact disclosures

We commission independent evaluators to undertake periodic studies and evaluations of our development impact and publish these findings. Such reports may include information on specific investments and such information will be subject to Section 5 below (unless the other party has signed a waiver which overrides the provisions in this legislation).

We will also publish thematic impact metrics relating to gender, climate change and job quality, aggregated across the companies that deliver impact in these areas, when data of sufficient quality has been collected from our portfolio companies.

4. Reporting and Complaints Mechanism

BII has developed a reporting and complaints mechanism to allow external parties to report alleged breaches of the BI or E&S provisions of the Policy by BII or BII Investees. Further details regarding this process are set out in the Reporting and Complaints Mechanism Rules, which are available on BII's website.

5. FOIA, data protection and privacy

BII is subject to the Freedom of Information Act 2000 (FOIA), Environmental Information Regulations 2004 and the UK GDPR and other relevant data protection laws. We take our responsibilities seriously – both to share information that should be made available and to protect information that should not be shared. BII will not routinely publish information which is, or is likely to be, exempt from disclosure under FOIA. For more information on how parties should make a FOIA request, our approach to data protection and privacy and how to make a data subject rights request, please see bii.co.uk.



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