

11-July-2023

A message from Chris Woodruff, Chair of the Development Impact Committee

As part of our 2022-2026 strategy period, we launched the Impact Score to help us better manage our strategic impact on a portfolio basis. You can find more information about the tool [here](#).

When designing the new scoring system, an early decision was taken to commission an independent third party to verify the reliability of BII's scoring processes and scoring outcomes. We decided to perform external assurance on an annual basis to ensure accountability to our stakeholders. After carefully considering the growing field of impact assurance, we opted for a limited assurance approach in accordance with the International Standard for Assurance Engagements (ISAE) 3000, the globally recognised assurance standard for audit and review of non-financial information, including impact disclosures. This is the first time BII has commissioned an independent impact assurance in line with this standard. After a competitive tender process, we selected EY to perform the limited assurance for 2022.

In line with BII's commitment to transparency, I am pleased to disclose the assurance findings of our 2022 Impact Score undertaken by EY. More detail about the assurance approach, nature and scope can be found in the attached report. On behalf of the Development Impact Committee, I would like to thank all the involved teams at BII for a successful first year of implementation and I look forward to building on the momentum in 2023 and onwards.

EY's assurance report is in addition to the external verification of our application of the Operating Principles on Impact Management which we undertake on a biennial basis. This external verification looks much more widely at the whole cycle of impact investment at BII. The latest external verifier report by BlueMark can be found in the Annex of [our 2022 statement](#).

Yours sincerely



Chris Woodruff

Non-Executive Director and Chair of the Development Impact Committee



British International Investment

BII

Independent verifier's limited assurance report on the Impact Scores for the investments committed in calendar year 2022

EY & Associés



British International Investment BII

Independent verifier's limited assurance report on the Impact Scores for the investments committed in calendar year 2022

To the Chair and the Board of Directors,

We have been engaged by BII to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, to report on the Impact Scores obtained by BII for the investments committed in calendar year 2022.

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Impact Scores are not prepared, in all material respects, in accordance with BII's Impact Score Implementation Manual for the investments committed in calendar year 2022:

Individual Impact Scores (0 to 10)	Commitments (\$ million)	Projects (number)
0	-	-
1	-	-
2	11.9	2
3	-	-
4	98.7	6
5	129.0	8
6	161.6	11
7	420.6	9
8	355.3	14
9	77.0	2
10	71.0	5
<i>Total</i>	<i>1325,2</i>	<i>57</i>

Aggregate Impact Score: 7.0

Emphasis of Matter

We draw your attention to the fact that the Impact Scores are capped at 10 but the bonus system implemented by the Impact Score Implementation Manual allows certain investments to reach more than 10 points. Taking into account the bonus points, an Impact Score could theoretically reach 17 points. Our conclusion is not qualified in respect of this matter.

BII's responsibilities

It is BII's responsibility to prepare the Impact Score Implementation Manual (defining the calculation methods and reporting processes) and to calculate the Impact Scores accordingly.



Our responsibility

Our responsibility is to express, based on the procedures we have performed and the evidence we have obtained, a limited assurance conclusion about whether the Impact Scores have been prepared in accordance with BII's Impact Score Implementation Manual.

However, our responsibility does not include assessing the effectiveness of BII's impact measurement approach (for instance by ensuring that the negative impacts have been properly managed or by engaging directly with the investees).

As we are engaged to form an independent conclusion, we are not involved in the preparation of the Impact Scores or BII's Impact Score Implementation Manual, which may compromise our independence.

Professional Standards Applied

We have performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in scope than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We apply International Standards on Quality Control and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance and ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent and multidisciplinary team including assurance practitioners and sustainable finance experts. We remain solely responsible for our assurance conclusion.

Nature and scope of our limited assurance engagement

We have performed the following procedures:

- We have assessed the relevance, completeness, reliability, neutrality and understandability of BII's Impact Score Implementation Manual, taking into account related documentation (i.e., the Investment Policy, the Impact Score Rulebook and specific methodologies such as the Climate Finance Methodology or the Gender & Diversity Finance Methodology) and tools (i.e., the Excel-based Impact Scoring Tool).
- Through inquiries with the Development Impact-Investments (DI-I) and Development Impact-Evaluations (DI-E) teams, we obtained an understanding of BII's control environment, processes and information systems relevant to the preparation of the Impact Scores, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- We have evaluated whether BII's methods for developing proxies and intensity benchmarks are appropriate and had been consistently applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate BII's estimates.
- We have implemented analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data.



- Using sampling techniques, we have implemented tests of details to verify the proper application of BII's Impact Score Implementation Manual and reconcile the individual Impact Scores with the supporting documents (e.g., Deal Commitment Sheet, Impact Scoring Tool, Final Investment Committee Paper, etc.). This work was carried out on a selection of contributing investments and covers 28.5% (in value) of the investments committed in calendar year 2022.

Paris-La Défense, April 28, 2023

The Independent Verifier
EY & Associés

A handwritten signature in blue ink, consisting of a series of loops and a long, sweeping horizontal stroke that extends to the right.

Caroline Delérable
Partner, Sustainable Performance & Transformation