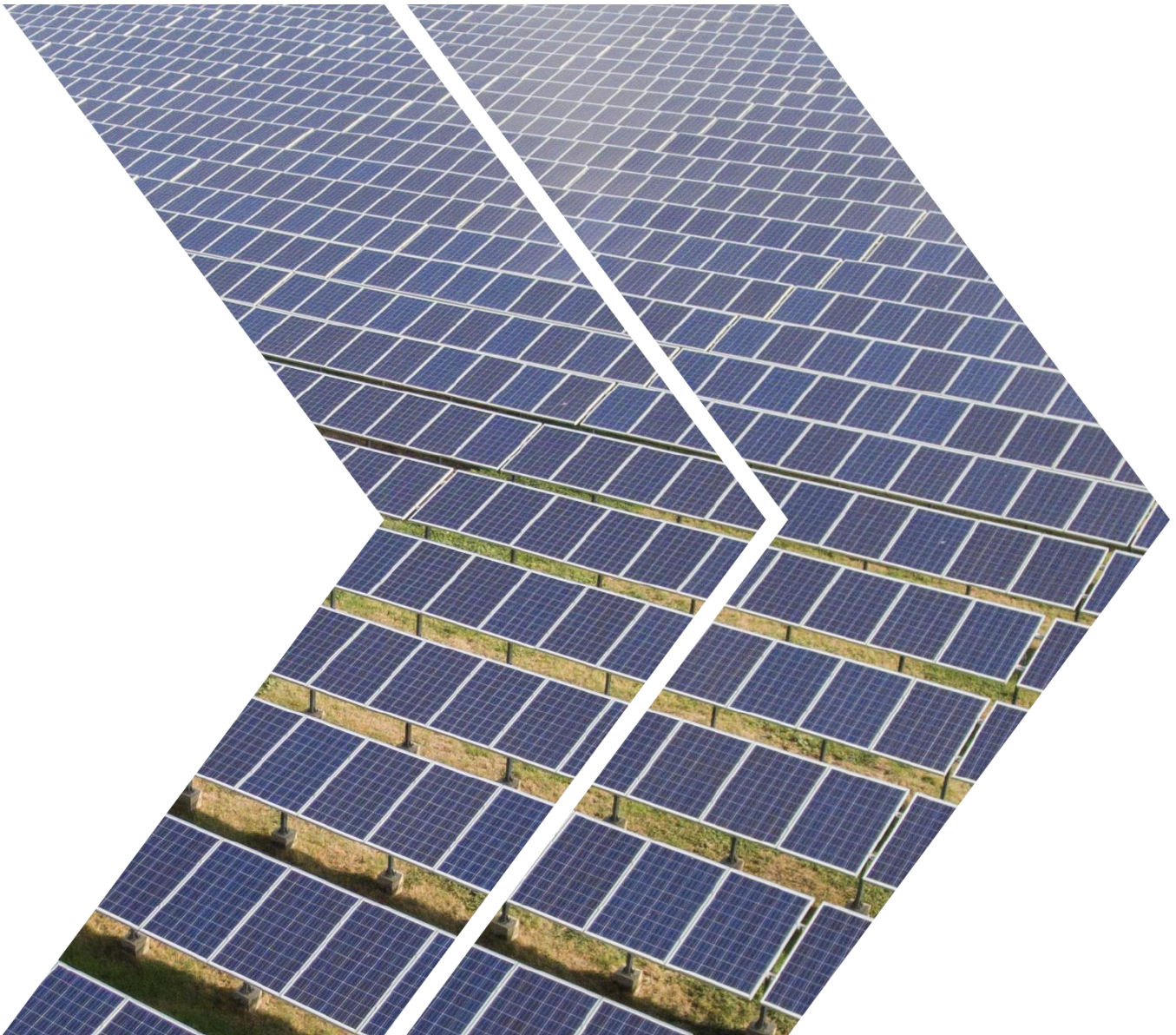


Policy on Responsible Investing

30 April 2026



Section 1 – About this policy

1.1 Table of contents

British International Investment (BII)'s Policy on Responsible Investing ("the PRI", or "the Policy") is set out in seven sections:

- Section 1 outlines the purpose and scope of the Policy.
- Section 2 sets out Responsible Investing outcomes BII seeks to achieve by implementing the Policy.
- Section 3 summarises BII's expectations of investees in relation to Responsible Investing.
- Section 4 describes the laws, standards and frameworks BII draws on to implement the Policy, as well as BII's tailored and context-aware approach.
- Section 5 explains BII's approach to partnerships in the context of Responsible Investing.
- Section 6 sets out BII's approach to grievances and complaints.
- Section 7 provides guidance on BII's approach to review of the Policy.

1.2 Purpose and Policy Statement

As the UK's development finance institution (DFI), we invest to create more productive, sustainable and inclusive economies in Africa and Asia, enabling people in those countries to build better lives for themselves and their communities. We seek to improve business practices among our investees across the range of topics covered by Responsible Investing (as defined below) and the PRI. We believe that fostering strong approaches to environmental and social (E&S), business integrity (BI) and corporate governance (CG) standards yields commercial benefits and creates long term sustainable value while mitigating Responsible Investing risks to businesses and their stakeholders. We also recognise our responsibility to respect human rights. Our approach to Responsible Investing risks in our investments is our means of delivering on that respect.

The PRI describes our approach to Responsible Investing issues when we invest. It sets out the outcomes we seek and the standards we use.

- E&S risks include risks in business operations and supply chains on the environment, for example, pollution, resource use and biodiversity, and society, such as labour standards, community health and safety and gender-based violence and harassment (GBVH).
- BI risks include financial crime risks, such as including bribery and corruption, fraud, money-laundering, terrorism financing, sanctions and tax evasion, as well as any other integrity issues that could give rise to reputational or regulatory risk.

- CG practices are those by which organisations are directed, controlled, and held accountable. They define the relationships between a company's board, management, shareholders, and other stakeholders, and provide the structure through which corporate objectives are set and monitored.

E&S, BI and CG are each key to Responsible Investing and when we use this term in the PRI, it includes each of these concepts.

1.3 Who and what the PRI applies to

The PRI applies to: (a) BII employees in relation to BII's financing and investment activities; and (b) BII's investees through our investments (see Section 3 – Investees).

1.4 Related topics and publications

Information in relation to the parameters and guidelines within which BII can conduct its investment business with other investors, and the means by which BII's performance will be measured by the UK Government, can be found in [BII's Investment Policy](#).

Topics related to Responsible Investing are covered in other BII policies and publications, including:

- E&S and BI risks in our corporate operations, detailed in our Procurement, Compliance, [Whistleblowing](#), Travel Security, Health, Safety and Environment, and Human Resources policies.
- Our approach to the fossil fuel energy sector, which is governed by [Aligning UK international support for the clean energy transition](#), published by the Department for Energy Security & Net Zero.
- Financial crime compliance, in our Financial Crime Compliance Framework.
- Sanctions compliance, in our [Commitment to Sanctions Compliance](#).
- Transparency, in our [Transparency and Disclosure Policy](#).
- Tax matters, in our [Tax strategy and policy on the payment of taxes and the use of offshore financial centres](#).

We may, from time to time, publish additional materials on [our website](#) which relate to Responsible Investing topics, including guidance notes or explanations of procedures supporting our investees' implementation of the Policy. Some of these related or additional materials may help explain and provide guidance in relation to the PRI. None of them change or replace of the Policy itself.

Section 2 – Responsible investing outcomes

Through implementation of the Policy, we seek to support all our investees in achieving or making progress towards the following outcomes:

- **Respect for People:** respect the rights of individuals and groups, including workers and affected communities, especially the most vulnerable. Promote gender equality, diversity and inclusion.
- **Respect for the Planet:** support the integrity of the natural world by contributing to climate change mitigation and protecting and restoring nature, including strengthening resilience to environmental disruption.
- **Embedding Business Integrity:** operate with high standards of business integrity – building and strengthening systems and controls to proactively prevent, detect, and manage financial crime and integrity risks.
- **Strengthening Corporate Governance:** implement robust governance structures, including effective decision-making and strategic oversight, and operate in an accountable, transparent manner including appropriate stakeholder reporting and disclosures on Responsible Investing risk and performance.

Supporting our investees towards these outcomes is core to recognising our responsibility to respect human rights.

Section 3 – Investees

3.1 Investee selection

We select investees we believe are committed and willing both to work with us in relation to Responsible Investing matters and to continue to take Responsible Investing outcomes and approaches into account after our investment ends.

3.2 Investee responsibilities

We work with investees to build capacity, identify material risks and opportunities and support the creation of long-term sustainable value. However, it is our investees, through their own governance structures and policies, that are ultimately responsible for delivering the Responsible Investing outcomes set out in the Policy. BII does not assume management duties over, or provide advisory services to, its investees.

3.3 Investee management systems

A key focus of our approach to Responsible Investing relates to investees' management systems. Many of the standards we refer to in Section 4 – Laws, Standards and Frameworks consider management systems the foundation of effective risk governance, as they enable investees to identify, anticipate and manage the Responsible Investing risks most relevant and material to their business.

Management systems include policies, procedures, control environments and systems, reporting, governance mechanisms, and organisational capacity and training. We expect our investees to implement and maintain a dynamic risk management system proportionate to the Responsible Investing risks associated with their business activities or subset of their business activities supported by our investment.

Section 4 – Laws, standards and frameworks

Responsible Investing outcomes are guided by and measured against applicable laws, standards and frameworks. When determining which laws, standards and frameworks apply to an investment, we consider a number of factors as set out in section 4.1.

4.1 Laws, standards and frameworks

Our E&S approach is guided by the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability and the International Labour Organization (ILO)'s Declaration on Fundamental Principles and Rights at Work. In relation to human rights specifically, we draw on:

- The International Bill of Human Rights, which includes the Universal Declaration of Human Rights.
- The United Nations Guiding Principles on Business and Human Rights (UNGPs) – BII recognises its responsibility to respect human rights consistent with the UNGPs.
- The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

We also align with emerging DFI best practice and international standards regarding GBVH.

Our BI approach draws on good practice recommended under the UK Bribery Act, frameworks set by the Financial Action Task Force, OECD guidelines and conventions on combating bribery, and Wolfsberg Group guidance.

In relation to CG, we are a signatory of the Corporate Governance Development Framework. Our CG approach is based on the DFI CG Progression Matrix.

We recognise the emergence of other international regulatory and reporting standards adopted by the broader business and investor community, and our role in supporting alignment with these standards.

The standards and frameworks that are relevant for Responsible Investing are dynamic and we may draw from other and evolving standards when assessing which apply to an investment.

4.2 Exclusion List

We will seek assurance from our investees that they will not use BII funds for activities on the [Exclusion List](#).

4.3 Differentiated, risk-based and proportionate approach

We assess the Responsible Investing risks for each of our investments. However, we understand that achieving Responsible Investing outcomes requires flexibility and proportionality. Our expectations are tailored to the context of each investee. Factors that (a) guide how we assess, prioritise, and manage Responsible Investing risks, (b) guide our selection of standards and frameworks as appropriate for a given investee or investment and (c) are relevant to our ability to influence outcomes may include:

- Financial product or transaction structure.
- Size and duration of BII's investment.
- Sector and underlying business activity.
- Size and maturity of an investee's business.
- Other investors or stakeholders and timing of BII's investment.
- Country risks and broader operating context – including, in particular, where an investee is operating in conflict-affected states, rapidly – evolving contexts, or in least developed countries.
- The impact and likelihood of the risks occurring.

For investments which we have determined to be lower risk from a Responsible Investing perspective, our due diligence and monitoring interventions may be lighter touch. In higher risk or complex scenarios, we may adopt more robust risk management, greater resource commitments, or a specific lens, for example, a heightened human rights approach based on contextual risk assessments.

For investees operating in conflict-affected states, least developed countries, or other dynamic or challenging circumstances, we take these factors into account alongside our risk appetite when developing a pragmatic plan. We recognise that these plans may take longer to implement, may require additional due diligence and risk management, or require a focus on the most material risks and a prioritised approach.

Section 5 – Partnerships

We frequently partner with other DFIs as well as multilateral development banks and other like-minded investors.

Further information on our approach to partnerships can be found in our [Investment Policy](#). Relevant excerpts from the Investment Policy are set out in the Appendix.

Section 6 – Grievances and complaints

We expect our investees to implement and appropriately communicate a grievance mechanism that can be effectively used by workers and communities – and any other affected stakeholder – who believe they have been adversely impacted by the investee’s operations. Through this mechanism, investees should be able to engage proportionately and constructively with relevant stakeholders to pursue mutually agreeable solutions. BII may, in turn, engage with its investee and use available leverage to encourage solutions.

We also recognise the importance of an avenue to raise concerns about potential misconduct, unethical or illegal behaviour. As such, investees are expected to implement and communicate an appropriate and effective whistleblowing mechanism, and should investigate concerns in a timely and impartial manner.

BII’s own [Reporting and Complaints Mechanism](#) lets external parties report alleged breaches of the provisions of the Policy by BII and its investees. This mechanism seeks to support the resolution of complaints made by affected persons and other stakeholders, and assists BII in identifying opportunities to enhance our approach for current and future operations.

We do not tolerate retaliation against workers, communities, human rights defenders and individuals who raise grievances or other concerns against or in relation to investees or BII.

Section 7 – Review

The PRI will be reviewed and updated periodically, at a minimum in line with updates to BII’s Strategy and Investment Policy.

Policy Title	Policy on Responsible Investing (PRI)
Version Number	2.0
Status (<i>New or Updated Policy</i>)	Updated
ExCo Sponsor	Maria Smith, Chief Impact Officer
Policy Owner	Alex Maddy, Head of Responsible Investing Arpita Raksit, Head of Impact Risk and Policy
Policy Contact	Alex Maddy, Head of Responsible Investing Arpita Raksit, Head of Impact Risk and Policy
Approving Committee	Board
Committee Approval Date	17 February 2026
Effective Date	30 April 2026
Last Change Date (<i>Updated only</i>)	30 April 2026
Last Review Date (<i>Updated only</i>)	30 April 2026
Level 2 Risk (<i>Level 2 risk under BII’s risk management framework that the policy is designed to mitigate</i>)	Environmental & Social Business Integrity

Appendix

Definitions of certain terms used in the operative language reproduced below have been included here for ease of reference. Please note that any capitalised terms used and not defined in this Appendix are defined in [BII's Investment Policy](#). References to sections in the text of this Appendix are references to sections of the Investment Policy, not this PRI.

B9 Cooperation with Qualified Institutions

B9.1 To facilitate cooperation, collaboration and partnerships between BII and Qualified Institutions, other than on Reserved Matters, BII will be deemed to have satisfied the requirements of this Investment Policy (including adherence to the Policy on Responsible Investing) if BII is making the Investment by way of a co-investment with a Qualified Institution. Co-investment for these purposes may mean investing at different times and on different terms than the relevant Qualified Institution.

Selected definitions:

“Investment” means the making available, by BII or an Investment Holding Subsidiary, of a financial instrument, to a company or other entity (including, without limitation, a fund or a financial institution), consistent with the requirements of this Investment Policy. For the avoidance of doubt, the term “Investment” shall not include an investment or activity referenced in sub-paragraphs F1.3(i) to (iv). Financial instruments made available under those sub-paragraphs, cash, cash equivalents and/or other short-term financial instruments held by BII are not Investments for the purposes of this Investment Policy.

“Qualified Institution” means (i) any member of the Association of European Development Finance Institutions, (ii) any development finance institution funded by a G7 country, (iii) the International Finance Corporation, (iv) the European Bank for Reconstruction and Development, and (v) any other multilateral financial institution of which the Government is a shareholder.

“Reserved Matters” means (i) the Climate Policy, (ii) the requirement set out in paragraph B2.1 to invest in Eligible Countries, and (iii) the requirements of paragraph B5.1 in relation to applicable law, relevant sanctions and relevant regulation.