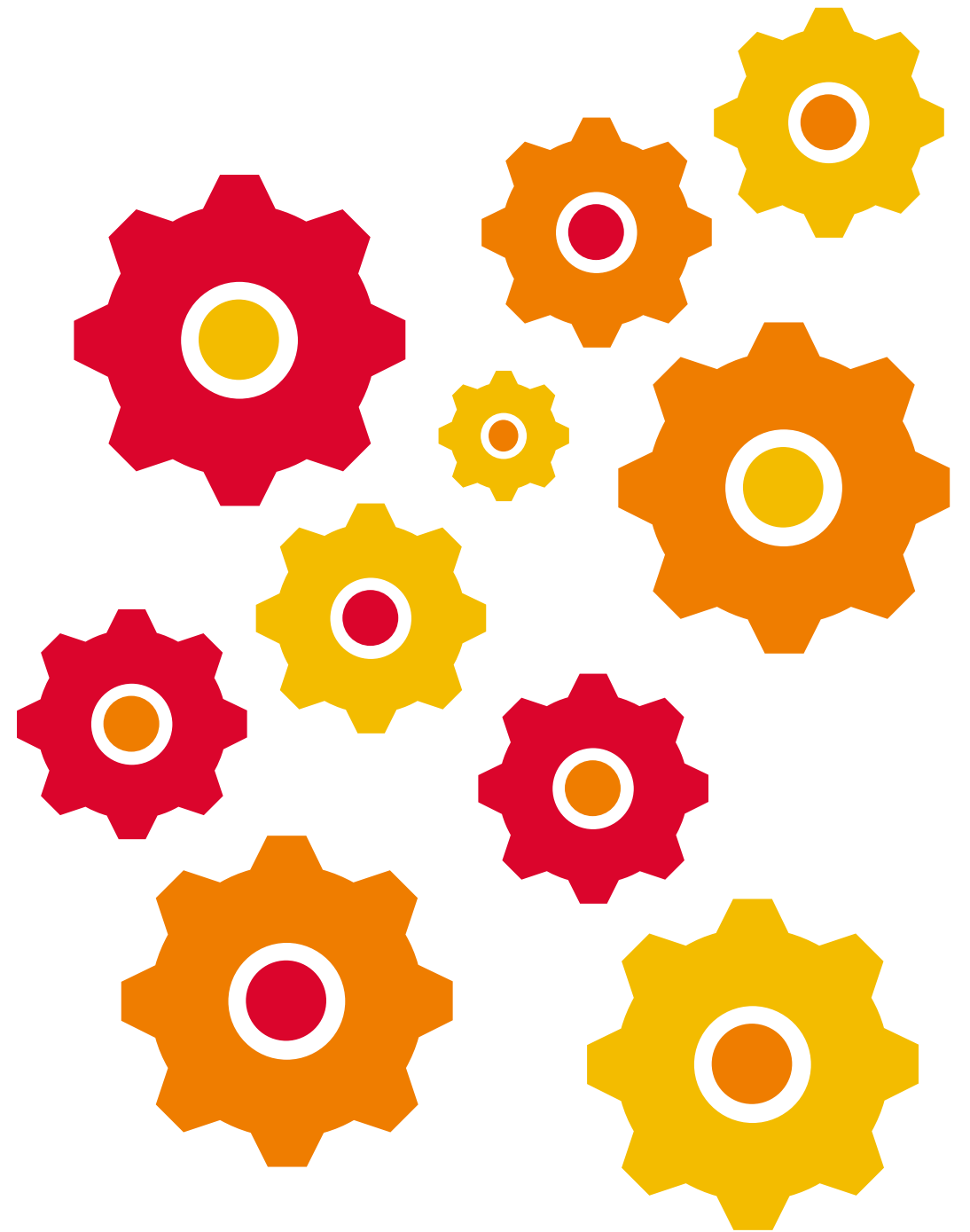


BII ESG-MS Training – Module 1

November 2025

RAMBOLL

Bright ideas. Sustainable change.


Norfund

Introductions



Andrew Snow

RAMBOLL



Andrew Mather

RAMBOLL



Guy Alexander



Shirley Payet-Jacob



Chukwudi Iwuozor



Housekeeping



RAMBOLL

British International Investment

BII ESG-MS Training – Module 1

November 2025

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Test webinar
27 October 2025 • 08:00

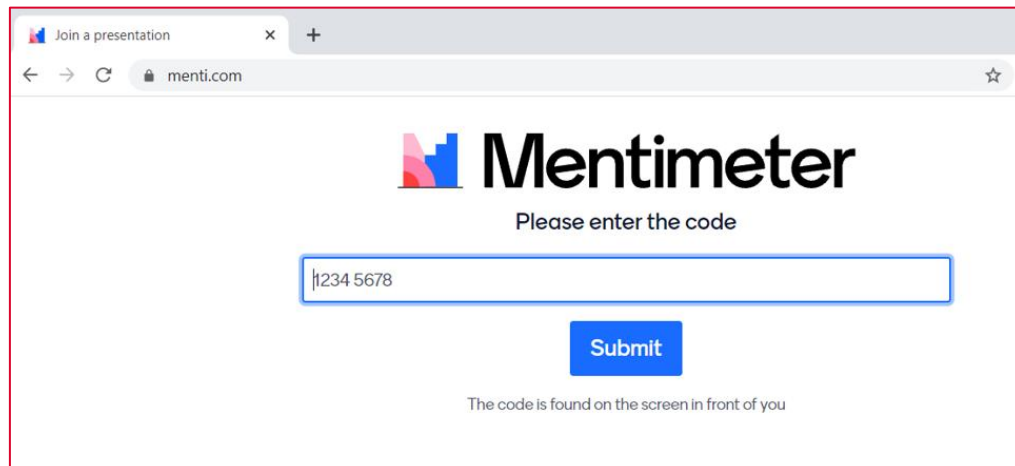
[Please delete everything in these brackets before you start promoting your webinar!]
Here's where you write your description of the webinar. Note that this description will also be shown in the webinar screen itself so it should make sense to attendees at that time - e.g. avoid writing "please sign up" in this field as it will not make sense during the webinar.
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For audience engagement, we will be using Mentimeter for polls. Open an internet browser window and go to www.menti.com and enter the code (which will be shared with you via the chat function) to access the live online polls during the training session.

Training Material, References and Recordings

WEBINAR RECORDINGS & TRAINING RESOURCES

Access the BII ESMS Training webinars at your convenience



Thank you for attending the BII ESMS training webinars. We hope you find the sessions insightful; should you wish to revisit the recordings, these can be found below, along with links to resources referenced within the training.

MODULE 1

The fundamentals of ESG-MS & Governance structures

November 11, 2025

- What is an ESG-MS and what's the business case?
- Fundamentals of Corporate Governance
- Where to start building your ESG-MS
- Different Forms of ESG-MS

[Slide deck](#)

[Session replay](#)

[Resources](#)

MODULE 2

The ESG-MS as a vehicle for operationalizing ESG risk management

November 13, 2025

- Management programmes
- Screen and identify risks and impacts
- Managing OHS via ESG-MS (including incident management and road safety)
- Corruption risk management in ESG-MS (including relevant tools for conducting risk assessments)

[Slide deck](#)

[Session replay](#)

[Resources](#)

MODULE 3

Building an ESG-MS - how people make systems

November 14, 2025

- How to resource an ESG-MS
- Emergency preparedness & response
- Stakeholder engagement & grievance mechanism

MODULE 4

Monitoring ESG-MS performance and future proofing

November 18, 2025

- Monitoring performance
- Future proofing

The slides and recordings from these training sessions, along with relevant guidance and further information will be available on the **ESG-MS Training Resources web page** that will be **sent to you at the end of the training via email.**

Introduction



Agenda – Full Programme

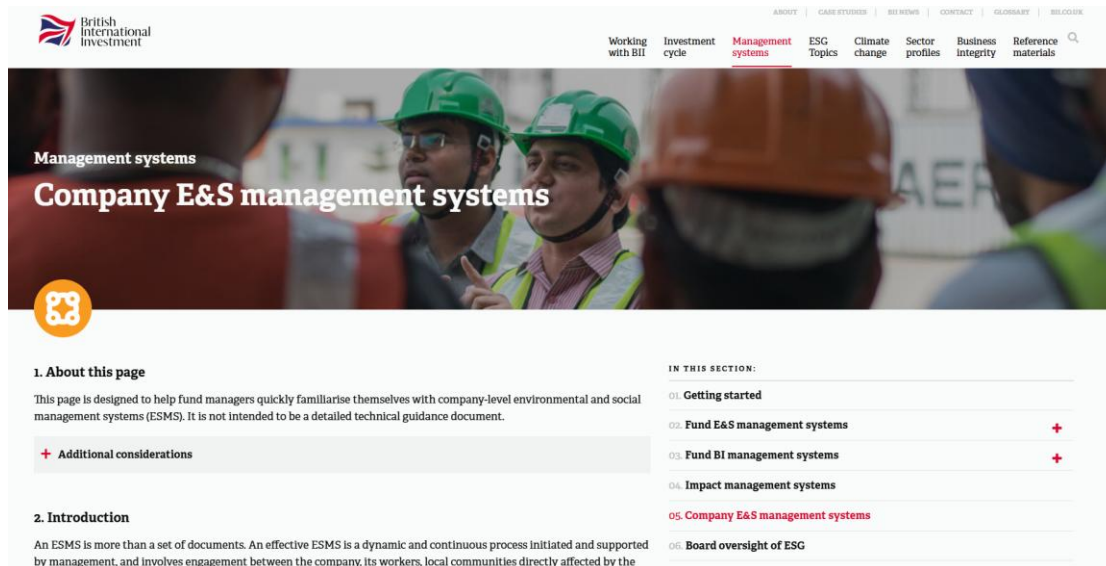
Module 1	Module 2	Module 3	Module 4
The fundamentals of ESG Management Systems and Corporate Governance Frameworks	The ESG-MS as a vehicle for Operationalizing ESG Risk Management	Building an ESG-MS – how people make systems	Monitoring ESG-MS performance and futureproofing
<ul style="list-style-type: none"> • Introductions • What is an ESG-MS and what's the business case? • Fundamentals of Corporate Governance • Where to start building your ESG-MS • Different Forms of ESG-MS 	<ul style="list-style-type: none"> • Identify and assess risks and impacts • Management programmes 	<ul style="list-style-type: none"> • How to resource an ESG-MS • Emergency preparedness & response • Stakeholder engagement & grievance mechanism 	<ul style="list-style-type: none"> • Monitoring and reviewing performance • Adapting your ESG-MS • Getting the best out of an ESG-MS • Concluding remarks and survey
	Focus session – <ul style="list-style-type: none"> • Managing OHS via ESG-MS (including incident management and road safety) • Corruption risk management in ESG-MS (including relevant tools for conducting risk assessments) 	Focus session – Oversight of ESG-MS (including board and senior management accountability of ESG-MS)	Focus session – ESG-MS Future Priorities and Emerging ESG Themes: <ul style="list-style-type: none"> • ESG regulatory landscape • Risks connected to emerging technologies, including cybersecurity, data privacy and responsible AI

Objectives

By the end of this course, you should :

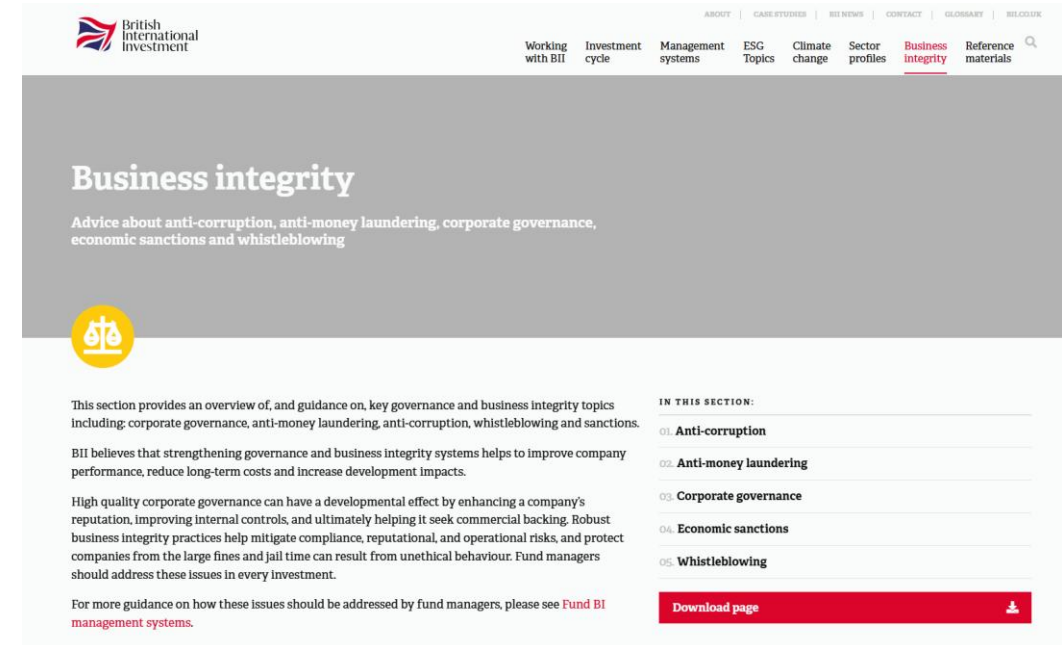
1. Be able to demonstrate the value of ESG-MS
2. Understand how to design and build an ESG-MS for your company
3. Have deeper knowledge of key topics managed through an ESG-MS (including business integrity)
4. Understand how ESG-MS are underpinned by Corporate Governance practices
5. Be able to get the best out of your ESG-MS and use it to manage emerging themes

BII Guidance Material



The screenshot shows the BII Management systems page. The header includes the BII logo and navigation links: ABOUT, CASE STUDIES, BUSINESS, CONTACT, GLOSSARY, and BLOGS. The main navigation bar lists: Working with BII, Investment cycle, Management systems (highlighted), ESG Topics, Climate change, Sector profiles, Business integrity, and Reference materials. The page title is "Management systems" and the main heading is "Company E&S management systems". A sub-heading "1. About this page" is followed by a paragraph: "This page is designed to help fund managers quickly familiarise themselves with company-level environmental and social management systems (ESMS). It is not intended to be a detailed technical guidance document." Below this is a section titled "+ Additional considerations". A second section "2. Introduction" begins with the text: "An ESMS is more than a set of documents. An effective ESMS is a dynamic and continuous process initiated and supported by management, and involves engagement between the company, its workers, local communities directly affected by the". On the right side, a table of contents titled "IN THIS SECTION:" lists: 01 Getting started, 02 Fund E&S management systems, 03 Fund BI management systems, 04 Impact management systems, 05 Company E&S management systems (highlighted), and 06 Board oversight of ESG.

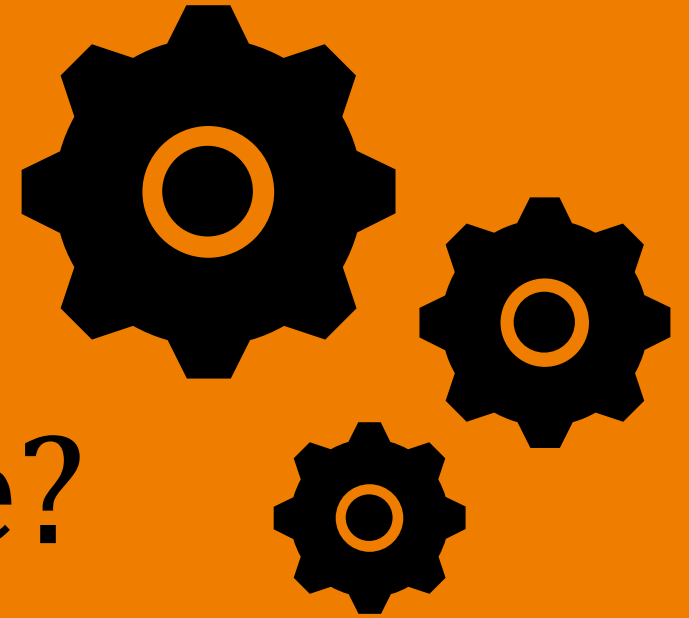
<https://toolkit.bii.co.uk/management-systems/company-ESG-MS/>



The screenshot shows the BII Business integrity page. The header includes the BII logo and navigation links: ABOUT, CASE STUDIES, BUSINESS, CONTACT, GLOSSARY, and BLOGS. The main navigation bar lists: Working with BII, Investment cycle, Management systems, ESG Topics, Climate change, Sector profiles, Business integrity (highlighted), and Reference materials. The page title is "Business integrity" and the main heading is "Advice about anti-corruption, anti-money laundering, corporate governance, economic sanctions and whistleblowing". A sub-heading "1. About this page" is followed by a paragraph: "This section provides an overview of, and guidance on, key governance and business integrity topics including: corporate governance, anti-money laundering, anti-corruption, whistleblowing and sanctions." Below this is a section titled "BII believes that strengthening governance and business integrity systems helps to improve company performance, reduce long-term costs and increase development impacts." A second section "High quality corporate governance can have a developmental effect by enhancing a company's reputation, improving internal controls, and ultimately helping it seek commercial backing. Robust business integrity practices help mitigate compliance, reputational, and operational risks, and protect companies from the large fines and jail time can result from unethical behaviour. Fund managers should address these issues in every investment." Below this is a section titled "For more guidance on how these issues should be addressed by fund managers, please see Fund BI management systems." On the right side, a table of contents titled "IN THIS SECTION:" lists: 01 Anti-corruption, 02 Anti-money laundering, 03 Corporate governance, 04 Economic sanctions, and 05 Whistleblowing. At the bottom right is a red button labeled "Download page" with a download icon.

[Corporate governance - BII Toolkit](#)
[Reference materials - BII Toolkit](#)

What is an ESG-MS and
what's the business case?



QUICK POLL – Where are you on your ESG-MS Journey?

1. How mature is your ESG-MS?

THE SYSTEM MATURITY LEVELS (5 = HIGHEST)	
Level 5	Mature system implemented internally and with key supply chain partners – continual improvement embedded in operations
Level 4	Systems well developed and implemented internally – routine improvement projects
Level 3	Systems approach adopted, but development and implementation is inconsistent – improvement sporadic
Level 2	Limited system development with sporadic implementation – primarily reactive
Level 1	Little systems awareness or repeatable processes
Level 0	No systems awareness or repeatable processes

2. What single factor do you see as the key to your ESG-MS succeeding?



What is an ESG-MS?

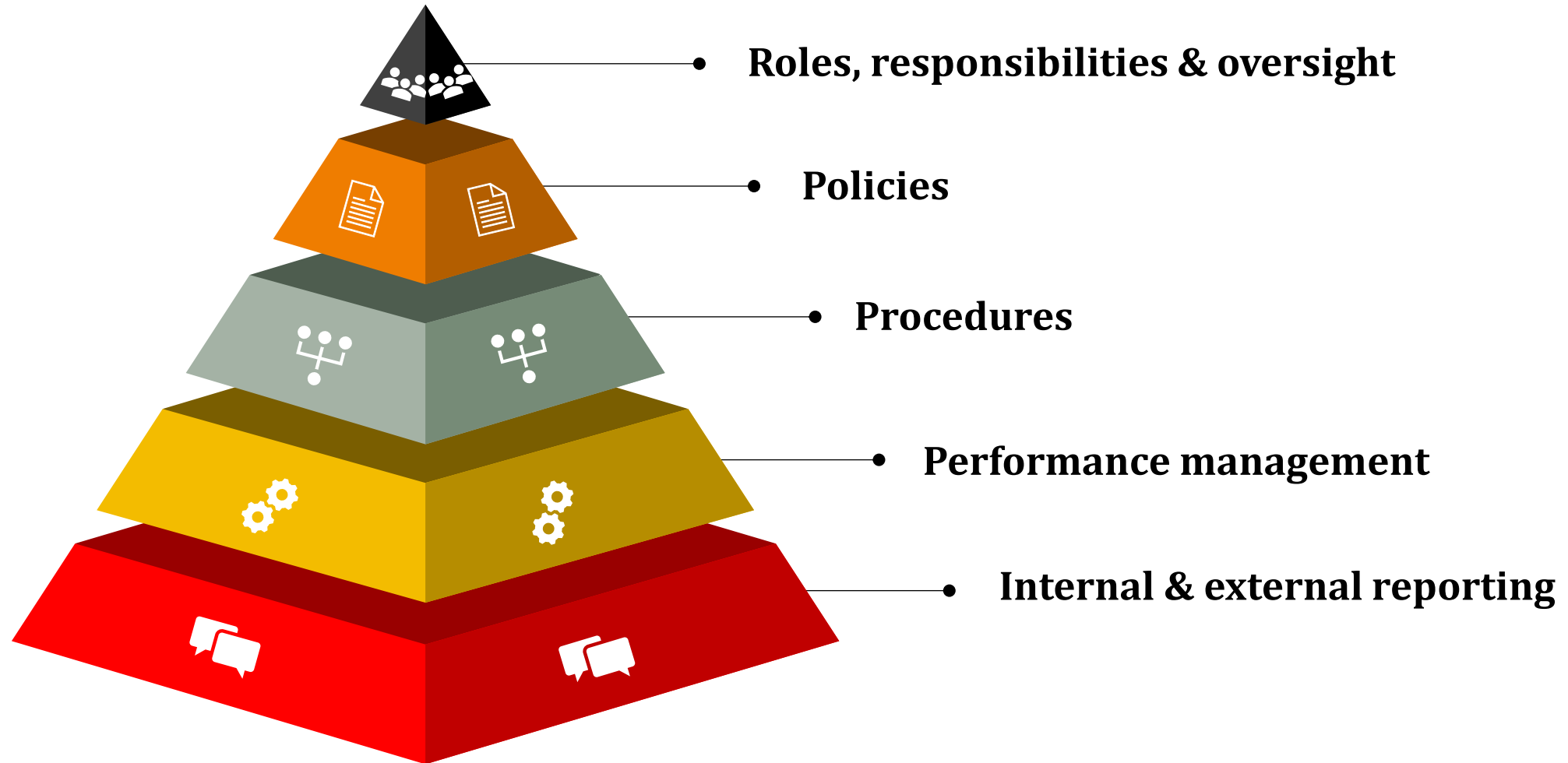
A **structured approach** to managing environmental, social (inc. occupational health & safety), and governance matters on an ongoing basis.

We are defining an ESG-MS to cover **environmental** and **social** as well as **business integrity**.

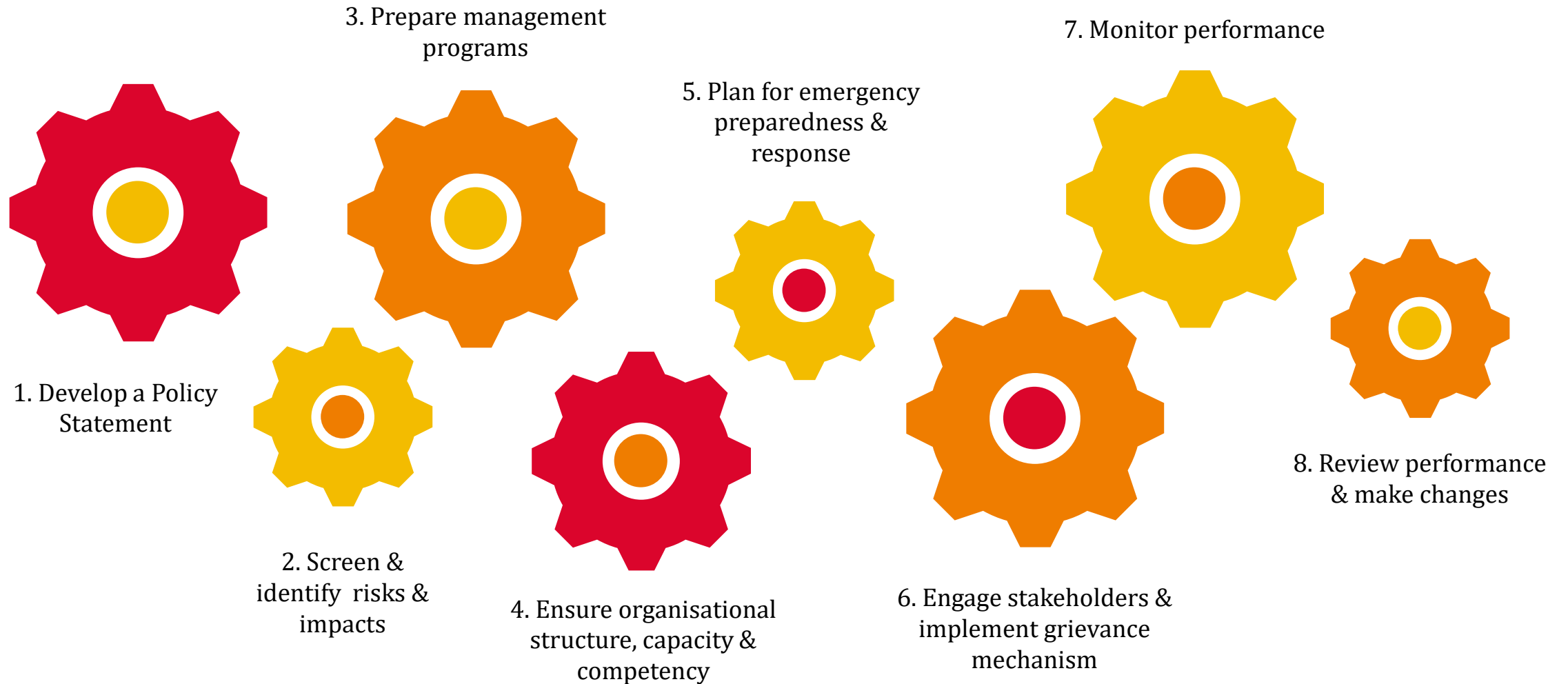
Corporate governance is the framework that governs relationships and sets out the process by which decisions are taken.



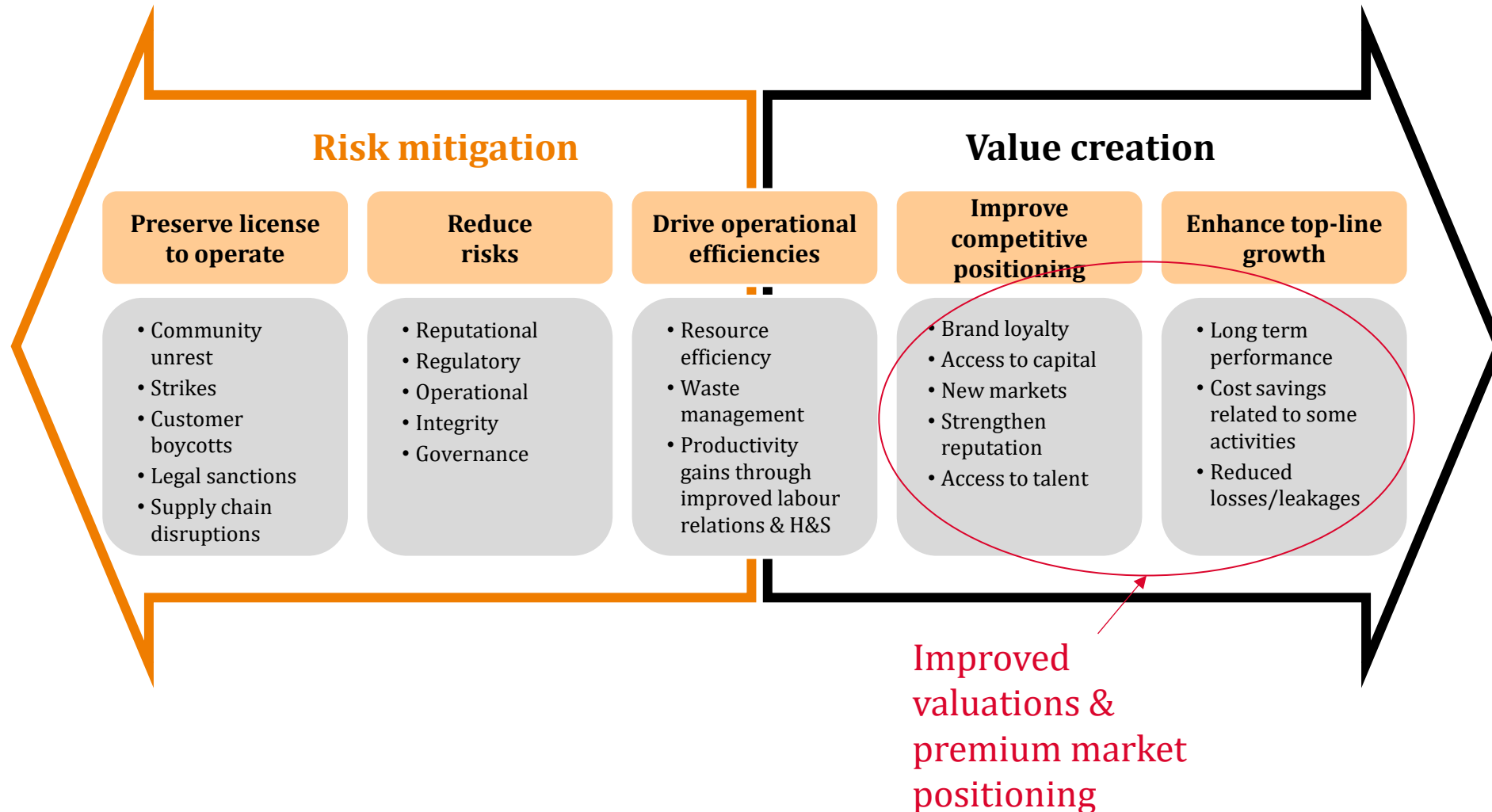
What are E&S and BI Management Systems?



Cogs of an ESG-MS (Overview)



The Business Case for ESG-MS



Value of an ESG-MS – Managing Risks

Failure to implement a robust ESG-MS could lead to numerous risks including:

- **Business interruption**/ loss of licence to operate
- **Fines** and penalties, uninsured costs
- Environmental and/or Social **liabilities**
- **Excessive expenditure** in managing E&S risks and impacts
- **Reduced** production **efficiency** and product quality
- Higher staff turnover
- **Reputational damage**
- **Reduced access to markets**, clients and investors



Value of an ESG-MS – Realising Opportunities

E&S Benefits

The BII requirements for ESG-MS has helped us build ESG capacity, as well as help us to align and comply with sustainability requirements in export markets and improve risk management.

Valency and Johnvents

Business Integrity Benefits

Pan-African digital payments company, **Cellulant** successful partnership with the Nigeria Ministry of Agriculture led to redesigned a 'corruption-plagued' seed and fertiliser subsidy scheme:

- **Direct Distribution:** Allowed farmers to pick up subsidised goods directly from merchants using mobile e-vouchers.
- **Increased Efficiency:** 90% of support reached farmers, compared to 89% of funds previously lost.
- **Financial Improvement:** Farmers earned an additional \$99 annually due to improved maize yield.

In Summary

A functioning ESG-MS helps you to:

- Systematically **identify and manage** ESG risks, impacts & opportunities
- **Protect** employees, communities and the environment
- **Maintain compliance** with government and/or investors requirements
- Build and maintain **positive relationships** with communities and wider stakeholders
- **Increase profits** through efficiency
- **Attract and retain investors**
- **Attract and retain customers**
- **Retain staff**
- Maintain **high standards**
- Achieve **certification**
- Enable **business continuity**
- Define **accountabilities** + management commitments

Fundamentals of Corporate Governance

What is corporate governance and why is it important?

BII Definition:

Corporate governance is the system by which business corporations are directed and controlled

What does it involve?



“Corporate governance involves a **set of relationships** between a company’s management, its board, its shareholders and other stakeholders.”

“Corporate governance provides the **structure** through which the company is directed and its **objectives are set**, and the **means of attaining those objectives** and **monitoring performance** are determined.”

G20/OECD Principles of Corporate Governance, 2023

What does it enable?



Sound
decision-
making



Aligned
people and
culture



Consistent
finance and
reporting

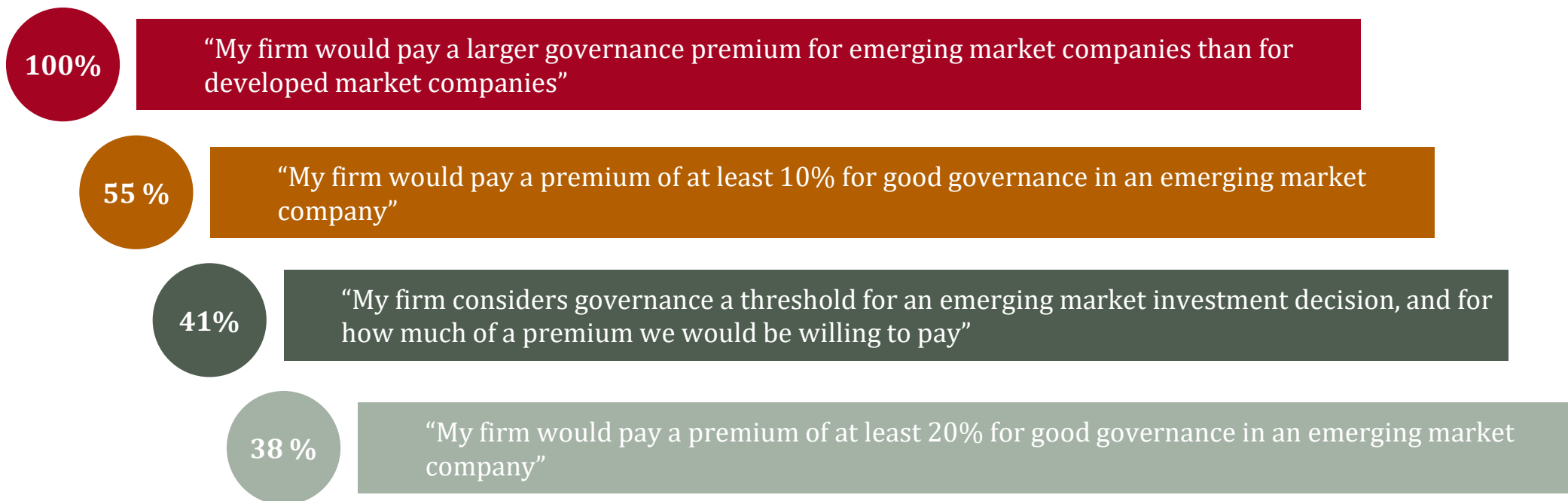


Managed risk
and
compliance

Trust

Investor perspective

% of decision-makers at 29 emerging market-focused funds agree with these statements:



Governance and Performance in Emerging Markets

Empirical Study on the Link Between Performance and Corporate Governance of IFC Investment Clients

"(...) **clear correlation** between the **quality of corporate governance** in IFC's portfolio companies and the **financial, economic and environmental and social performance** of IFC's investment."

Sources: IFC, *Corporate Governance Matters to Investors in Emerging Market Companies*, 2010; *Governance and Performance in Emerging Markets*, 2018

The house of good governance

The IFC outlines attributes of good corporate governance;
Five pillars underpinned by a firm-level commitment

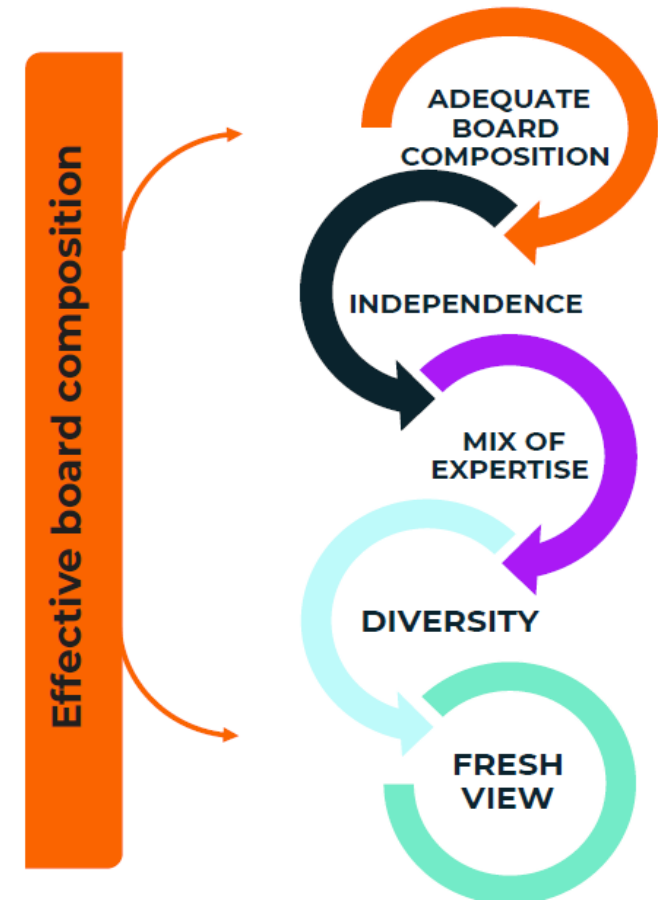


Structure and function of an effective board

The board's role is to ensure a sound risk governance framework

A sound risk management framework should have the following key features:

- Active senior management oversight;
- Appropriate policies and procedures;
- Comprehensive and timely identification, measurement, mitigation, controlling, monitoring and reporting of risks;
- Appropriate management information systems for reporting on risk;
- Comprehensive internal controls to mitigate identified risks;
- Material ESG issues embedded in every step



The control environment is the foundation of corporate governance, comprising the standards, processes, and structures that establish integrity and ethical behaviour within an organisation.

BII's requirements are given below which reflect common requirements of investors:

Core BII Requirements

1. Comply with national BI Laws
2. Operate a proportionate BI management system
3. Operate a whistleblowing mechanism
4. Not engage in corruption, fraud or money laundering
5. Not do business with individuals/entities on UK, UN and applicable international sanctions lists
6. Not evade taxes

Risk-Based BII Requirements

1. Strengthen corporate governance and risk governance frameworks
2. Tackle specific gaps in anti-bribery and corruption (ABC), fraud, anti-money laundering (AML), and computer terrorist-financing (CTF), data protection policies and procedures
3. Work to improve organisational culture and incentive structures
4. Support channels for reporting or raising BI concerns without fear of retaliation
5. Strengthen regulatory compliance mechanisms

Transparency and disclosures

What does it involve?

- Ensure timely and accurate disclosure of all material company matters
- Provide clear, timely and reliable information that is adequately prepared
- Make relevant information equally accessible to all stakeholders.

What should be disclosed?



Rights and treatment of shareholders

Shareholder rights

Shareholders and potential investors require access to regular, reliable and comparable information in sufficient detail for them to assess the stewardship of management and make informed decisions about their share value. Insufficient or unclear information can negatively affect the organisation in many ways.

Information should be prepared and disclosed in accordance with high quality standards of accounting and financial and non-financial disclosure.

Information given to shareholders should be:

Timely and cost-efficient access to relevant information

Disclosure of all material developments that arise between regular reports

Simultaneous reporting of information to all shareholders to ensure their equitable treatment







Non-disclosure of information that may endanger the organisation's competitive position

Governance of stakeholder relations

Who is responsible?

The board is responsible for approving policies on stakeholder engagement and external communication.

Management must keep the board informed of key stakeholder issues raised through engagement and consultation processes via agreed reporting structures, including significant changes in stakeholder composition or views.

<i>Stakeholder group</i>	<i>Engagement channels</i>	<i>Stakeholder group</i>	<i>Engagement channels</i>
 Customers	<ul style="list-style-type: none">• Advertisements• Satisfaction surveys• Grievance mechanisms	 Employees	<ul style="list-style-type: none">• Townhall meetings• Performance appraisal• Feedback suggestion forms
 Investors	<ul style="list-style-type: none">• Public disclosures• Investor calls• Dedicated web page	 Vendors	<ul style="list-style-type: none">• Conferences and workshops• Partner surveys
 Regulatory Authorities	<ul style="list-style-type: none">• Public disclosures• Audits	 Society	<ul style="list-style-type: none">• CSR initiatives• Social media• Social foundations

QUICK POLL – How would you rate corporate governance for your business?

Please score these 1-5 on the Menti poll:
(Note: This is anonymous)

- I know what the key elements of corporate governance are for my business
- I feel confident that our corporate governance is effective and robust
- How decisions are made in the business is clearly set out in our corporate governance
- How we report and communicate to shareholders is clear and transparent



Case Study – 54 Collective Case

What happened?

- 54 Collective, formerly known as Founders Factory Africa, received \$106 million grant from Mastercard Foundation to support early stage start ups.
- 54 Collective spent nearly \$690,000 of restricted grant funds on rebranding and marketing without prior donor approval.
- Over \$4.59 million was transferred from the nonprofit entity into affiliated for-profit ventures.

What were the consequences?

What was the cause?

- No independent board members holding leadership accountable
- No clear lines between nonprofit and for-profit activities
- The legal, operational, and financial walls that should have protected public funds were never fully built.

What are the lessons learnt?

The importance of good governance and share responsibility.

Involves the following simple steps as a start:

- Documented decisions
- Separation of personal and startup finances
- Independent eyes on the books
- Honest conversations when things go wrong



Liquidation ruling from South African High Court

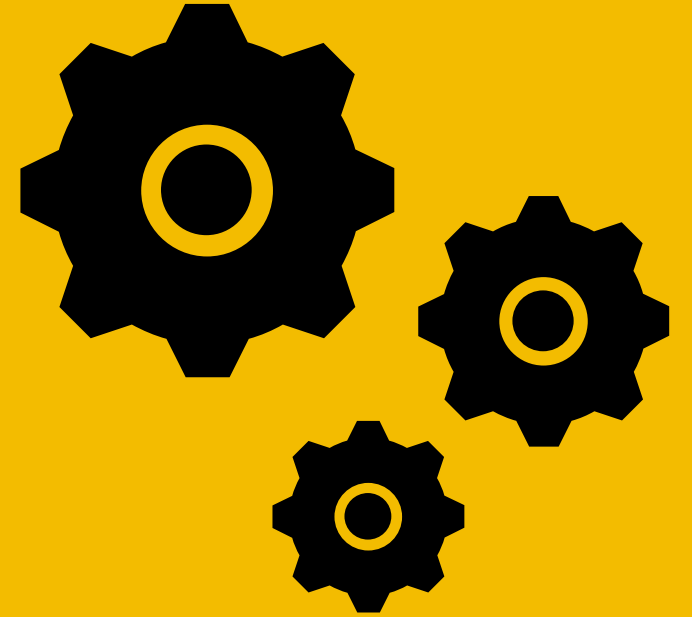


Mastercard Foundation withdrew grant



70+ start ups affected

Where to start building your ESG-MS



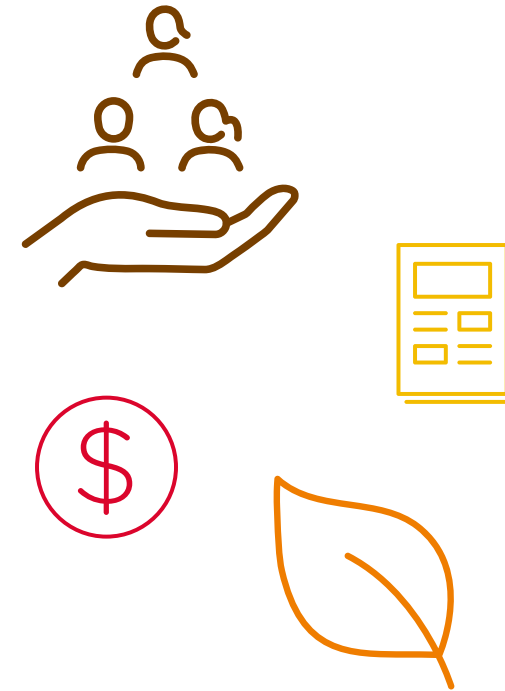
A Good ESG-MS Should...

- Be **simple** and user friendly
- Have clearly **defined outcomes** and scope
- Identify areas of **potential risk**
- Specify how to **manage** these risks
- Encourage **value addition** and identify opportunities
- Ensure **competency** of employees & sufficient capacity
- Be **integrated** (and used) across functions
- Encourage learning and enable **continuous improvement**
- Focus on **performance** not paper
- Give investors **confidence** in your company

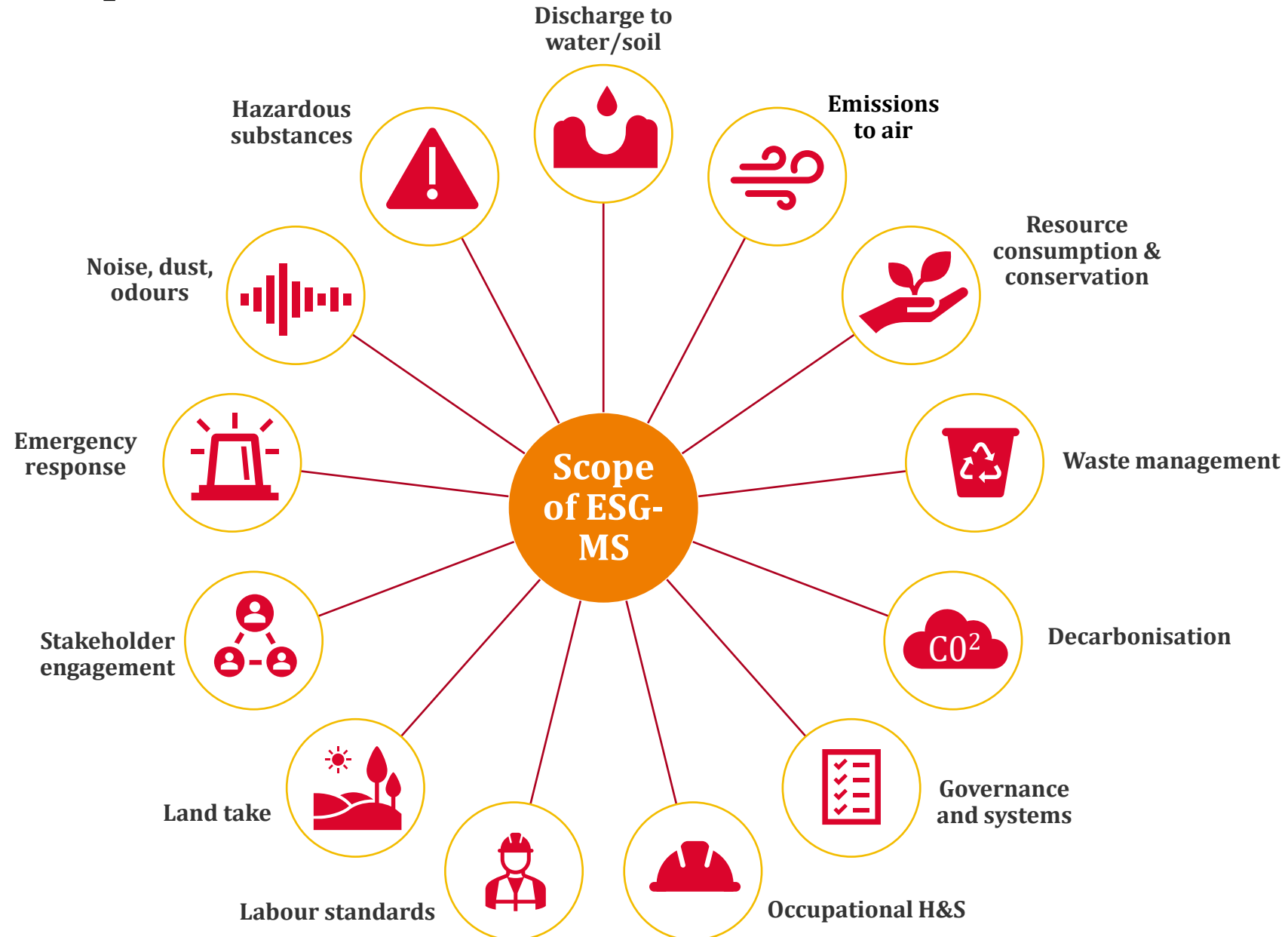


What Do You Want From Your ESG-MS?

- Fulfil compliance obligations and investor requirements (incl. IFC PS1 and BIMS)
- Provide a safe and healthy workplace
- Improve environmental & social performance
- Improve external relations and public image
- Increase access to markets and investors
- Optimise operational costs
- Support the organisation's business or sustainability strategy or vision
- Support Net Zero Transition / Sustainable Development Goals
- Certify to ISO



What is the Scope of Your ESG-MS?



Building an ESG-MS: Where To Start?

The key elements of an ESG-MS will depend on the key risks to your business and what you are aiming to achieve, for example...

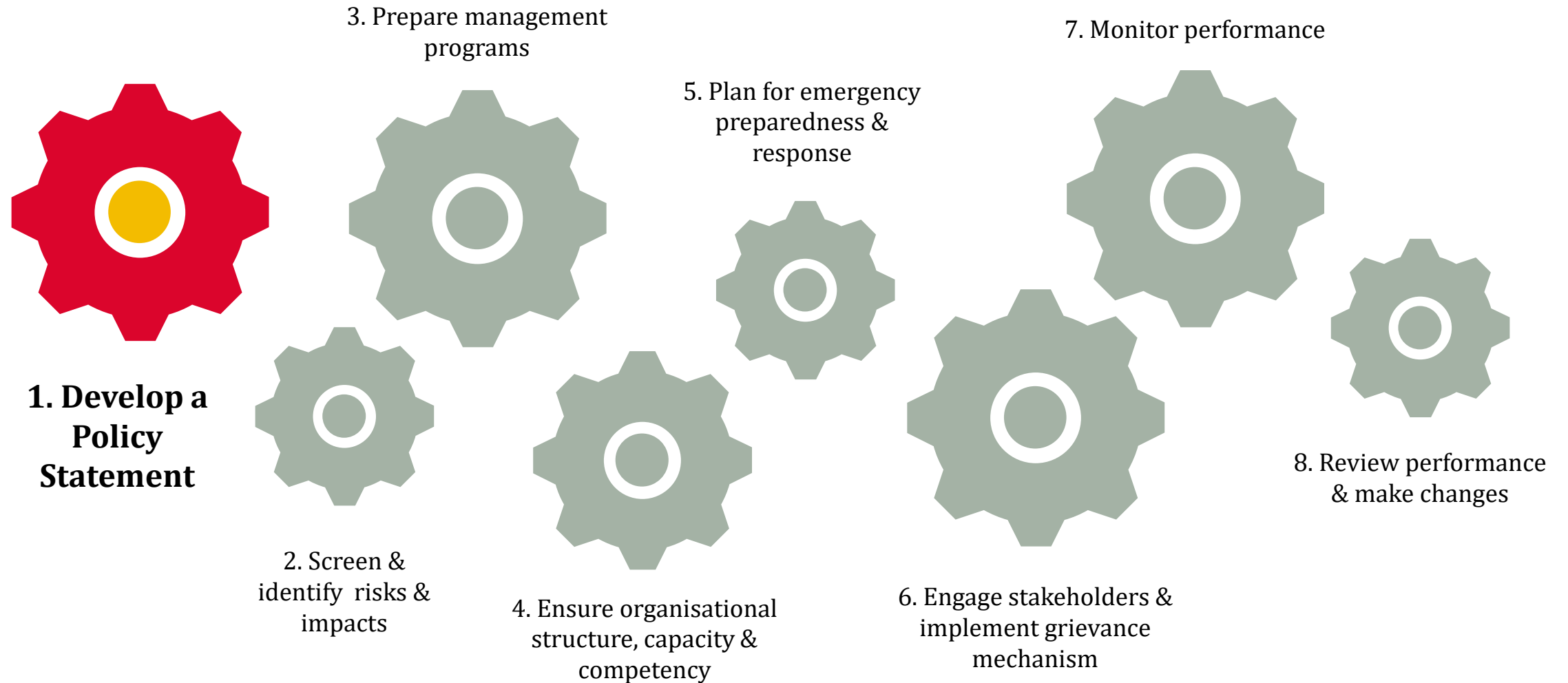
If you don't have an ESG-MS – start with identifying key ESG risks (linked to type of business and level of development).

If you see an ESG-MS as a pathway to DFI finance - identify DFI requirements, map these against your key risks and existing systems (“gap analysis” -> action plan).

WHERE
DO I
START



Cogs of an ESG-MS (Overview)



1. Develop a Policy Statement

Your policy should:

- Clearly **articulate the ESG objectives and principles** that guide the company
- **Provide a framework** for the E&S assessment and management process
- **Specify that the company will comply** with applicable laws, regulations and standards (e.g. IFC Performance Standards)
- **Include commitments** specific to the kinds of impacts your business has and must manage
- Specify the individuals who will be accountable and responsible for the implementation of the policy
- **Commit that it will be communicated** to and available to all levels of the organisation
- Commit to going 'above and beyond'
- **Be approved by a representative of the senior management** team and dated
- Specific ISO 14001/45001 clauses on policy, if appropriate

Different Forms of ESG-MS



One Size Does Not Fit All!

- Many **different MS models exist** (IFC, ISO 14001, SA 8000, etc)
- **Be guided by your significant ESG risks** (from risk assessment, ESG-DD, investor ESG advice, BI risk assessment, known issues in your sector, lessons from incidents)
- Ensure its **proportionate** to your organisation (activities, products, culture resources, geography)
- **Prioritise** system elements (e.g. board oversight, organisational structure, occupational safety, emergency response, safeguarding policies) and **develop in stages** over a sensible timeframe



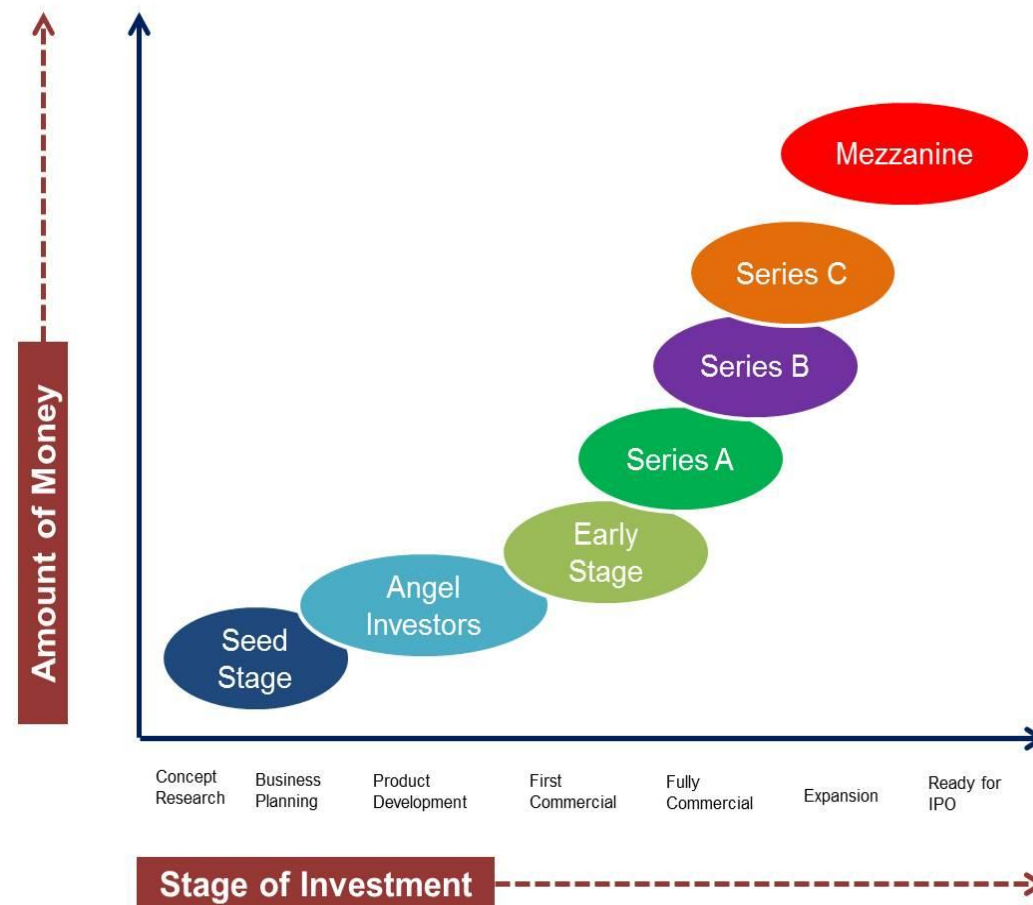
Be realistic, build up, test and enhance your ESG-MS over time.
Tackle the big issues first, focus on the key components for you.

ESG-MS for tech start-ups

- **Risks** – Same risk assessment process, but different risks?

Pure-tech businesses	Tech-enabled businesses
Labour and working conditions	Left-hand column plus:
Gender-based violence and harassment	Occupational health and safety
Grievance management	Life and fire safety
Client protection	Road safety
Data privacy	Product safety
Ethics of artificial intelligence	Contractor management
Safeguarding / child protection	Resource efficiency
Patient safety	Pollution prevention
Content moderation	Waste management
	Stakeholder / community engagement
	Land acquisition

- **Stage** – When should a start-up commit time and resources to ESG management?



ESG-MS for tech start-ups

- **Proportionality** –

- Scale: ESG-MS can scale with the business. A 200-page ESG-MS manual probably not appropriate for a firm with 20 staff.
- Timing: Active and early adoption > Costly retrofitting later on.
- Management plans: If resources are lacking, can start with core area (ie HR, data, client protection etc) and build from it.



- **Stakeholder engagement** – Tech companies often more exposed to online criticism, but can manage grievances more efficiently.
- **Performance monitoring** – KPIs can be tracked with tech and used to improve product design.
- **Certifications** – Could help to attract / retain investors, customers and employees; facilitate new market entry and reduce regulatory risk...



QUICK POLL – What would you prioritise?


- You are the founder of a Series A online pharmacy business called “Phar-more4U” which delivers prescription medicines direct to customers. The company rents a warehouse in the capital city and has a gig model for delivery drivers.
- Your first institutional investor wants to understand your ESG road map. How would you prioritise the following actions?
 1. Appointing an ESG / sustainability manager and chief people officer.
 2. Developing data protection and privacy systems.
 3. Implementing resource efficiency measures.
 4. Introducing road safety mitigation measures.
 5. Enhanced monitoring of addictive drug sales.



THANK YOU

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 @BritishIntInv