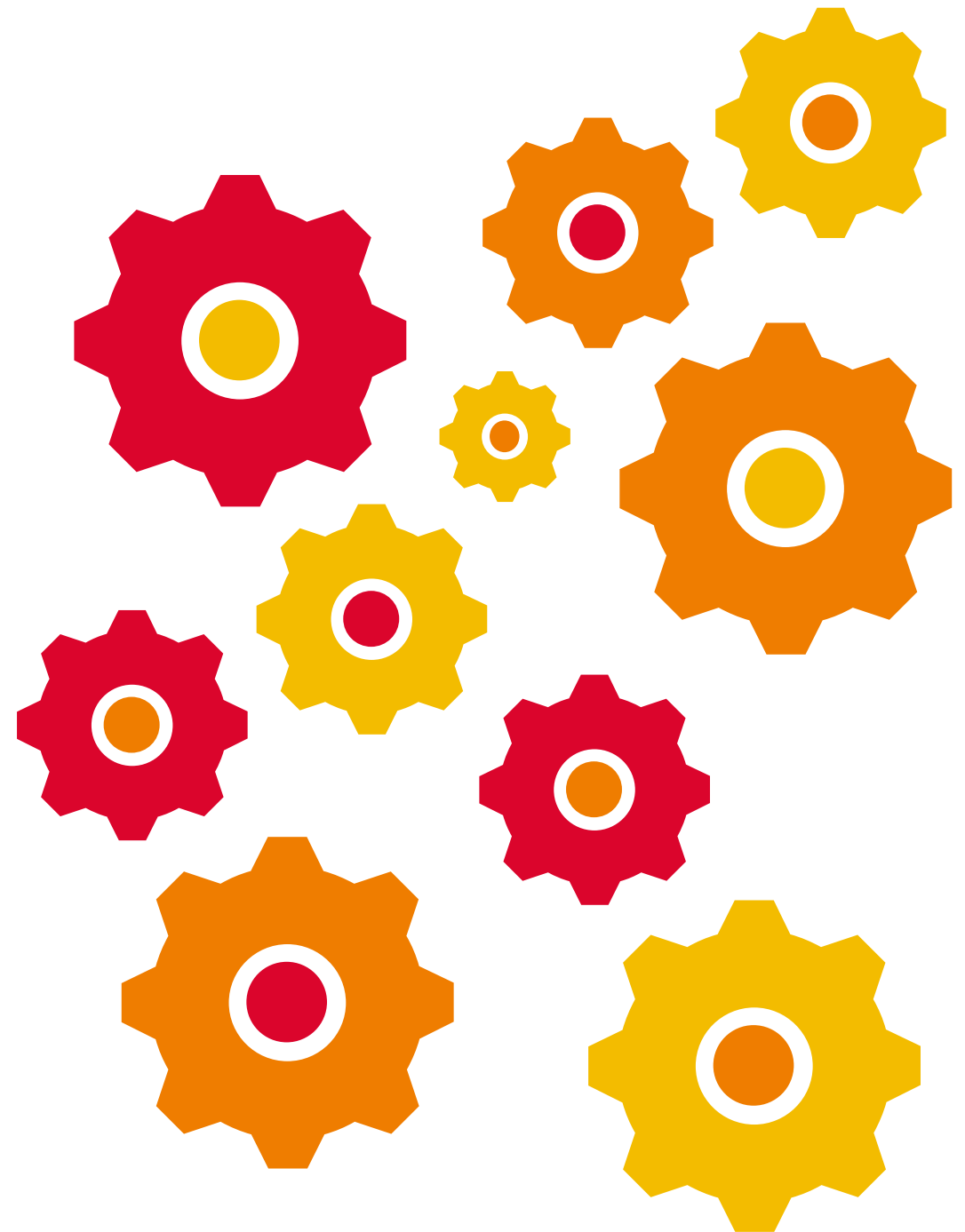


BII ESG-MS Training – Module 2

November 2025

RAMBOLL

Bright ideas. Sustainable change.


Norfund

Introductions



Andrew Snow

RAMBOLL



Andy Mather

RAMBOLL



David Turberfield

RAMBOLL



Chukwudi Iwuozor



Donia Ben Miled



Housekeeping



RAMBOLL

British International Investment

BII ESG-MS Training – Module 1

November 2025

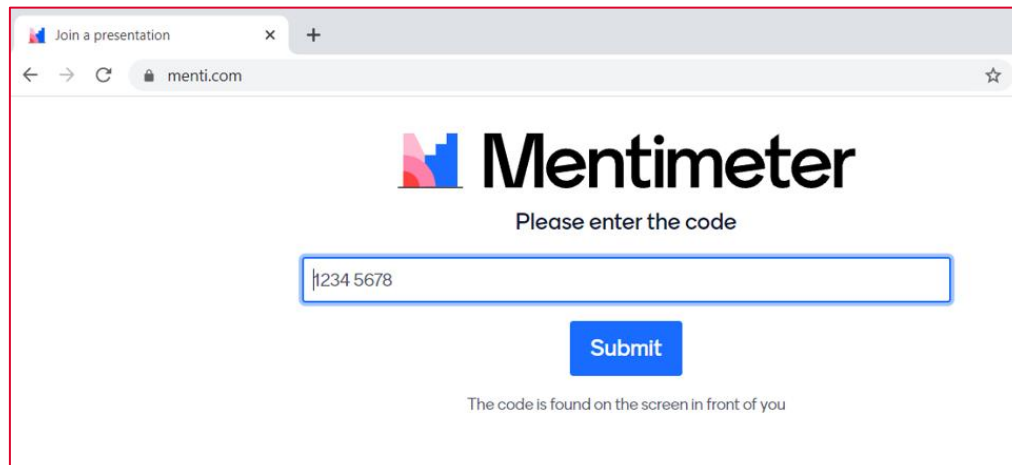
RAMBOLL Bright ideas. Sustainable change.

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Presenter will appear here

See chat messages here

Ask a question to the speakers here



Join a presentation

menti.com

Mentimeter

Please enter the code

Submit

The code is found on the screen in front of you

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.

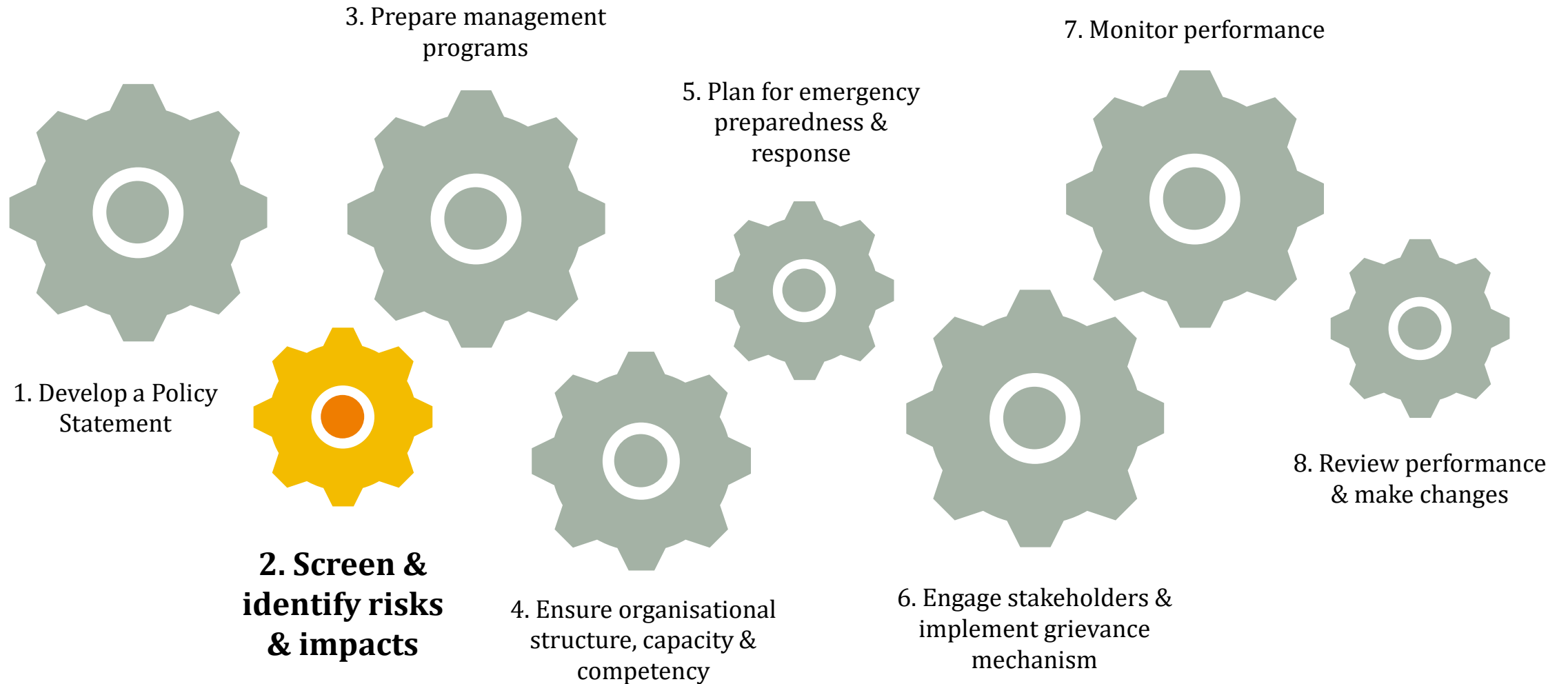
Introduction



Agenda – Full Programme

Module 1	Module 2	Module 3	Module 4
The fundamentals of ESG Management Systems and Corporate Governance Frameworks <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 	The ESG-MS as a vehicle for Operationalizing ESG Risk Management <ul style="list-style-type: none"> • Identify and assess risks and impacts • Management programmes 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) 	Building an ESG-MS – how people make systems <ul style="list-style-type: none"> • How to resource an ESG-MS • Emergency preparedness & response • Stakeholder engagement & grievance mechanism Focus session – Oversight of ESG-MS (including board and senior management accountability of ESG-MS)	Monitoring ESG-MS performance and futureproofing <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 – 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

Cogs of an ESG-MS (Overview)



2. Identify and Assess Risks and Impacts

Strategic Risks, Impacts & Opportunities

- Consider your **intended outcomes/ strategic goals** for the ESG-MS
 - What internal and external issues will stop or help you achieve them?
 - What are the ESG conditions capable of affecting or being affected by your organisation?
- Consider **global trends & agendas**
- Consider the **needs & expectations of stakeholders**



POLITICAL



ECONOMIC



SOCIAL



TECHNOLOGICAL









LEGAL



ENVIRONMENTAL

2. Identify and Assess Risks and Impacts

Breakdown your activities to identify the risks, impacts and opportunities....

Inputs	Process Steps	Outputs	H&S Hazards	E&S Risks & Impacts	Opportunities
<ul style="list-style-type: none">• Water, energy, raw materials, chemicals,• Labour• Supply chain	<ul style="list-style-type: none">• Operational activity• Product life cycle• Outsourced activities	<ul style="list-style-type: none">• Waste produced• Emissions to air• Wastewater streams	<ul style="list-style-type: none">• Physical, mental, chemical, biological• Negative impacts to workers health• Vulnerable groups• Unplanned events	<ul style="list-style-type: none">• Negative impacts to the environment and community• Potential labour issues• Unplanned events	<ul style="list-style-type: none">• Improvements to reduce waste, energy and water use• Improvements to eliminate/mitigate risk of injury• Bringing benefits locally
					

2. Identify and Assess Risks and Impacts

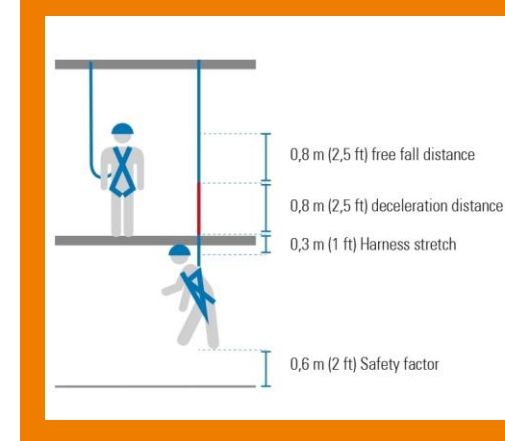
What is the hazard?



What is the risk / impact?



What measures will avoid this impact?



**Management
Programmes**



BI Risk Mapping and Prioritisation Approaches



- Company-level BI risk management commensurate with
 - the **scale** and **materiality** of identified risks at given stage of development ,
 - **size** of operations and workforce
- Milestone driven – new markets, new products, new acquisitions, new regulations
- Track emerging risks and act proactively
- Keep up with financial and operational controls, in line with size of business
- Keep up to date with regulations
- Responsible resourcing – larger operations, more risk, need for resources (compliance, legal, finance, ESG, audit, corporate governance etc)
- Leverage investors' support
- **Spot the red flags!**

High Risk Activities

What are high risk activities?

These are the range of touchpoints that elevates a company's susceptibility and exposure to integrity risks in its business operations. The higher the level of risk activity, the higher the likelihood of exposure.

Some high risk activities include, but are not limited to:

Import/Export activities

Government interaction/exposure in the ownership or control structure

Renewal of operating licenses and permits

Large supply chain

Trading in carbon credits

Cash payments/weak financial controls

Procurement

Land acquisition

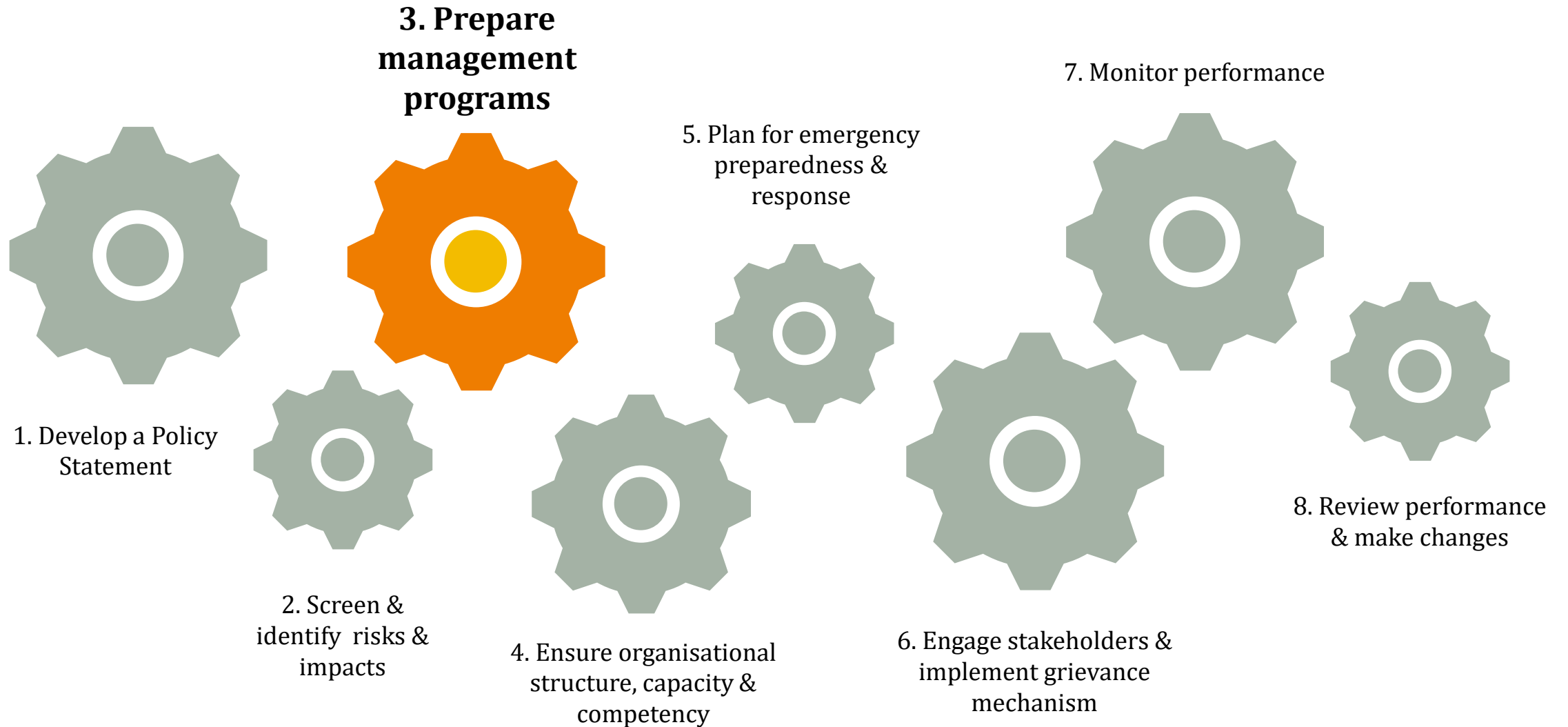
Warehousing and storage of products

Government contracting

Access to critical infrastructure

Community activities

Cogs of an ESG-MS (Overview)



Management Programmes



Management Programmes

What is it?

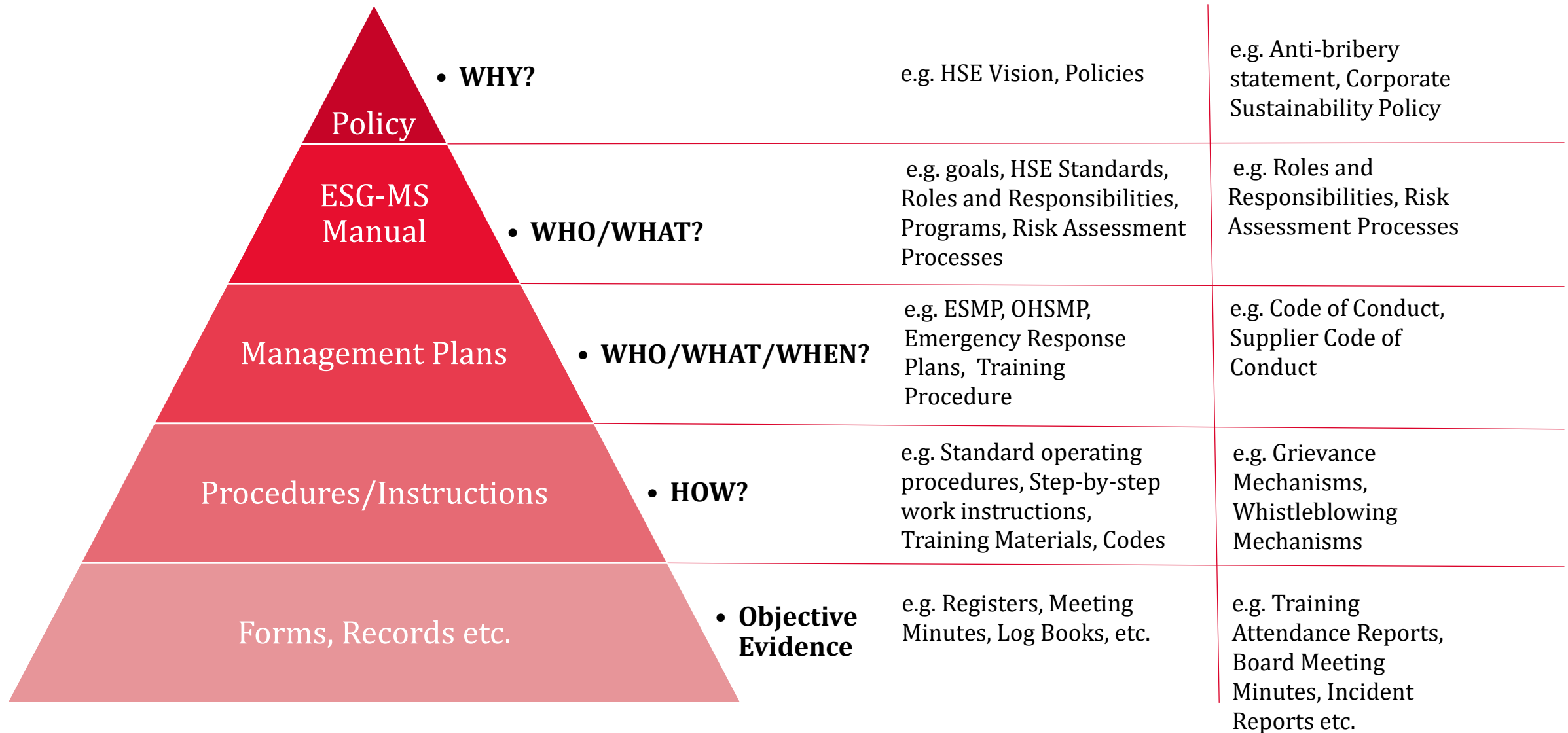
Set of management (or action) plans and procedures designed to avoid, minimise or compensate for your identified ESG risks and impacts, and realise your identified opportunities

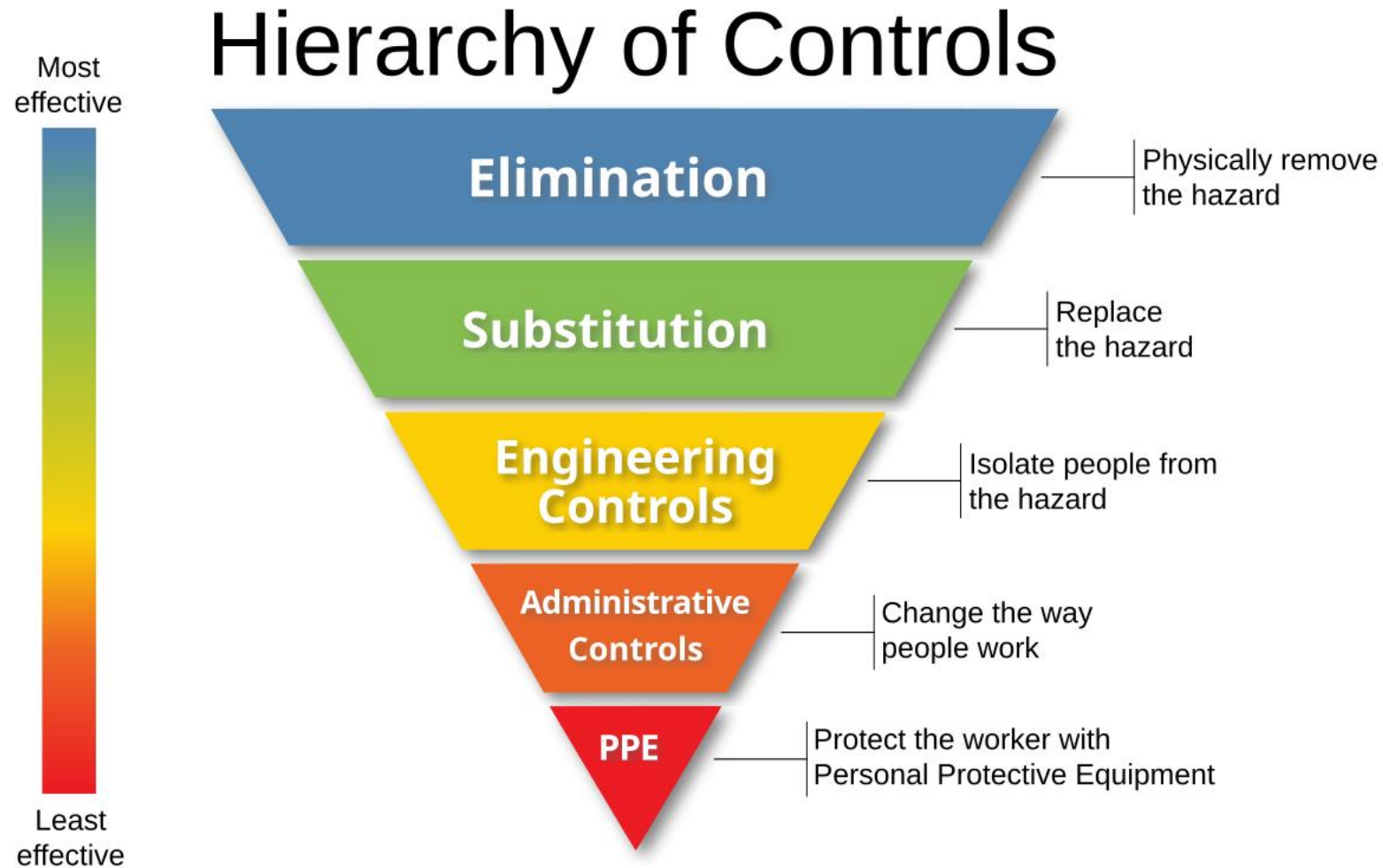


Should be:

- Consulted upon and developed with the appropriate stakeholders
- Clear on roles, responsibilities and authorities
- **Integrated** into the organisation and with other plans/procedures and other management systems where appropriate – **Don't re-invent the wheel and don't create a monster!**
- **Good quality documents are important but People Make Systems!**

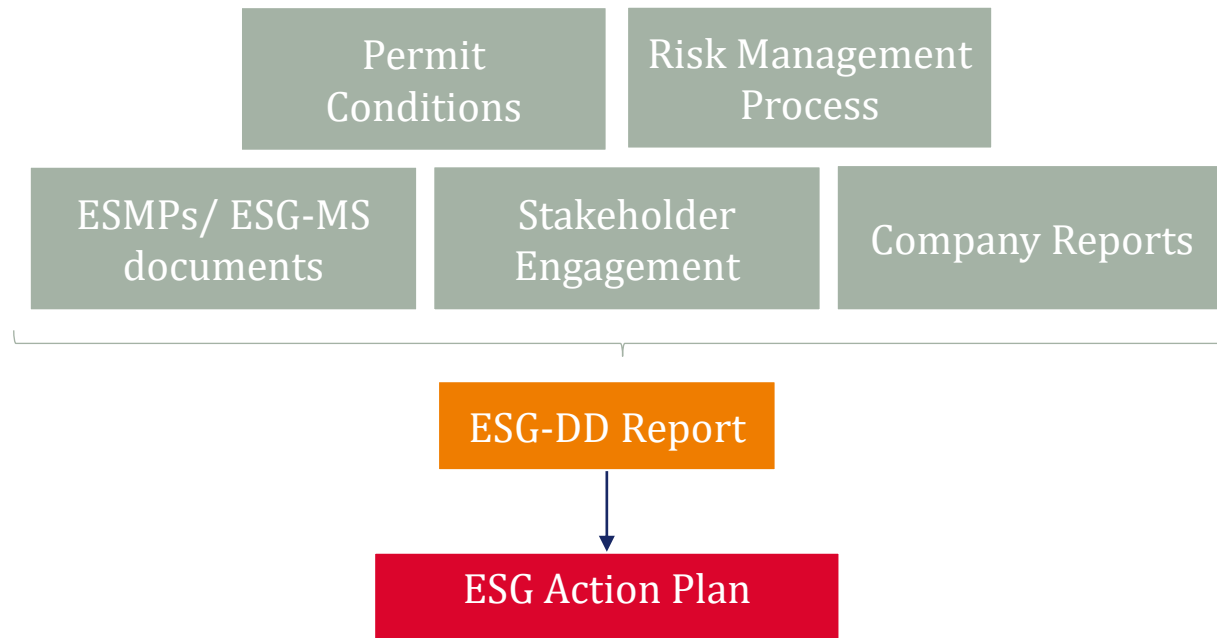
Structuring your Management Programmes





Importance of Management Programmes from an investor perspective

Existing documents reviewed as part of an ESG-DD, may include:



Example ESG-MS Elements to Prioritise based on ESG-DD Findings



Getting Value from the ESG-DD Process

- Investors/lenders will typically conduct/commission an ESG due diligence (ESG-DD) prior to financing
- ESG-DD will identify key risks and opportunities for a project/organisation.
- ESG-DD findings are used to produced an Environmental and Social Action Plan (ESAP).
- ESAP can help identify focus areas for developing the ESG-MS and management plans (ESMPs).
- **But how best to do that?**

Group Exercise: What needs to be managed?

Solar Plant Scenario:

- Land is government owned but currently use by local herders for grazing.
- Villages in immediate vicinity. High expectation of employment & infrastructure improvements.
- National EPC with multiple subcontractors.
- Worker camp needed for construction phase.

Management Programme:

- What management plans / procedures do you think are necessary?
- Who should be consulted / involved in development?
- What business integrity risks does the Company need to be aware of?



Focus Session

Managing OHS via ESG-MS



Why Manage Occupational Health & Safety?

- Moral Responsibility
- Legal Responsibility
- Financial Implications

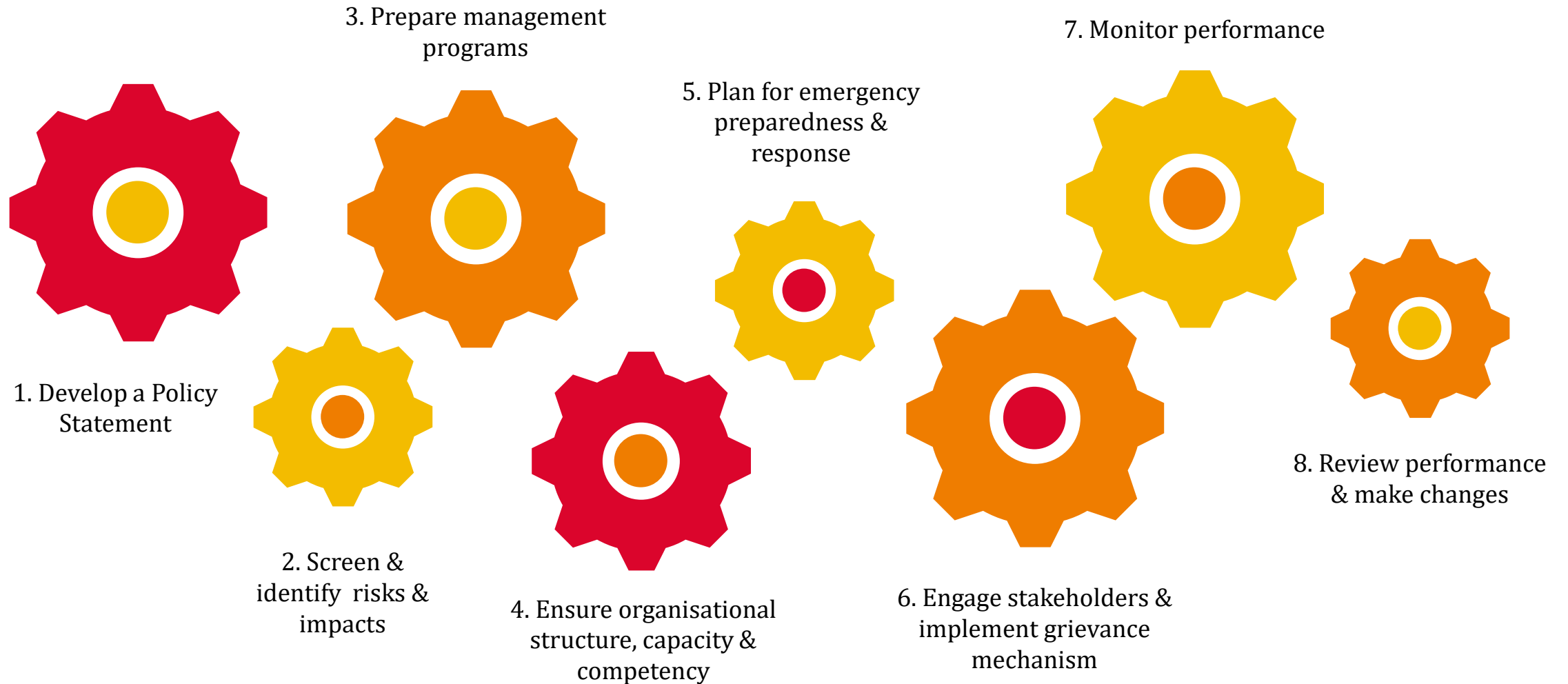
This focus session will consider:

- *how incidents occur*
- *how Defences can help prevent occurrence*
- *how to manage incidents when they occur*

“Safe and healthy work environments are essential to the wellbeing of employees, as well as to the long-term sustainability of any company’s operations”
(BII ESG Toolkit)

Cogs of the ESG-MS

OHS should be integrated in every cog!



Case Study: Kericho Truck Crash, Kenya - June 2023

- ***Date & Location:***
 - 30 June 2023, Londiani, Kericho County, Kenya
- ***Incident Summary:***
 - A truck carrying a shipping container lost control
 - Crashed at speed into multiple vehicles, market traders and pedestrians at a busy junction
 - At least 52 killed, 30 injured
 - Witnesses said the driver was trying to avoid a bus that had broken down on the road
 - Heavy rain interrupted rescue efforts
 - Poor road conditions and visibility



Case Study: Kericho Truck Crash, Kenya (2023)

- RANKING POLL:

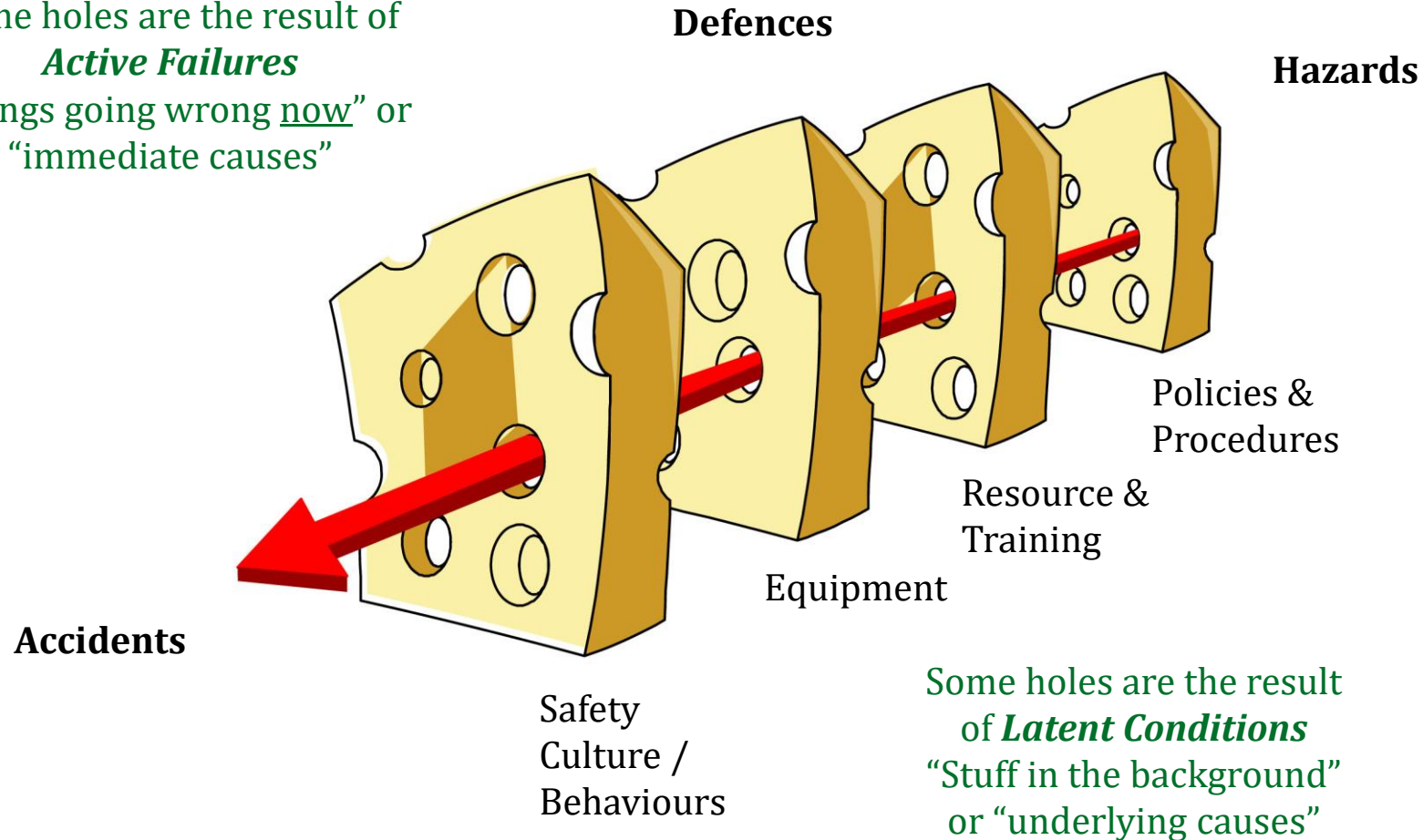
Rank these defences in order of importance for preventing a similar incident:

- Leadership commitment
- Driver selection and training
- Vehicle maintenance
- Route risk assessment
- Emergency preparedness



Why Accidents Happen: Defences

Some holes are the result of
Active Failures
“Things going wrong now” or
“immediate causes”



James Reason – Swiss Cheese Model of Accident Causation

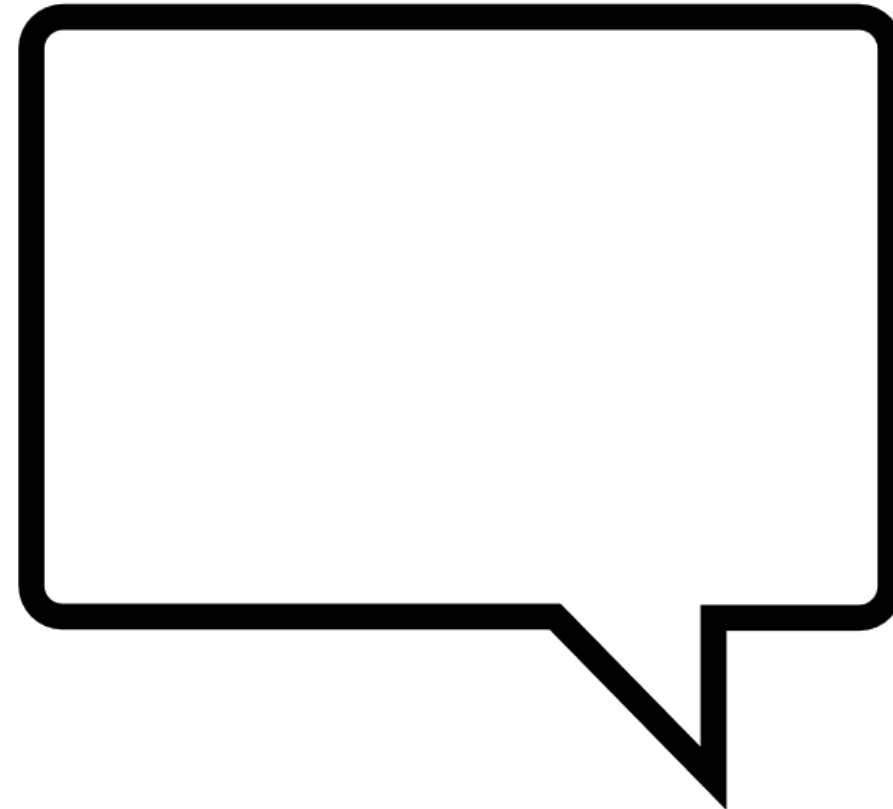
OHS Defences – Key Layers of Protection

- **Governance and Leadership:** visible commitment, clear roles, policies, objectives
- **Management Framework:** systems, standards, and procedures (e.g. ISO 45001)
- **Risk Assessment:** identify hazards, evaluate risks, apply ALARP
- **Legislation and Compliance:** meet legal requirements, strive for best practice
- **Safe Equipment:** suitable, maintained, inspected, used by trained staff
- **Safe Systems of Work:** documented, communicated, reviewed, task-specific
- **Training and Competence:** build knowledge, skills, and workforce engagement
- **Monitoring and Review:** audits, tours, reporting, learning from near misses/incidents
- **Incident Investigation:** root cause analysis, corrective actions, continual improvement
- **Safety Culture:** shared values and behaviours; safety as a core business priority



Case Study: Kericho Truck Crash

- Having discussed a range of defences, what other potential causes of this accident can you think of?
- Using the chat function



Case Study: Kericho Truck Crash

Why It Happened

Layer	Breaches / Failures
Governance / Oversight	Oversight of heavy vehicle licensing, vehicle roadworthiness; enforcement of load and speed laws; driver training and licensing; inspection of commercial vehicle fleets.
Vehicle / Mechanical	Loss of control - mechanical failure (brakes / steering / load stability); overloading; condition of truck.
Road Environment / Road Design	Junction design; traffic signage; road condition; pedestrian exposure; lack of barriers; road layout and driver visibility; poor weather; time of day / lighting.
Human Factors	Driver behaviour, fatigue, judgment; choice to drive under certain conditions; speed; risk perception.
Emergency response	Proximity to medical facilities; time to rescue; coordination; first responders' capacity; whether company / operator had emergency protocols.

Case Study: Kericho Truck Crash

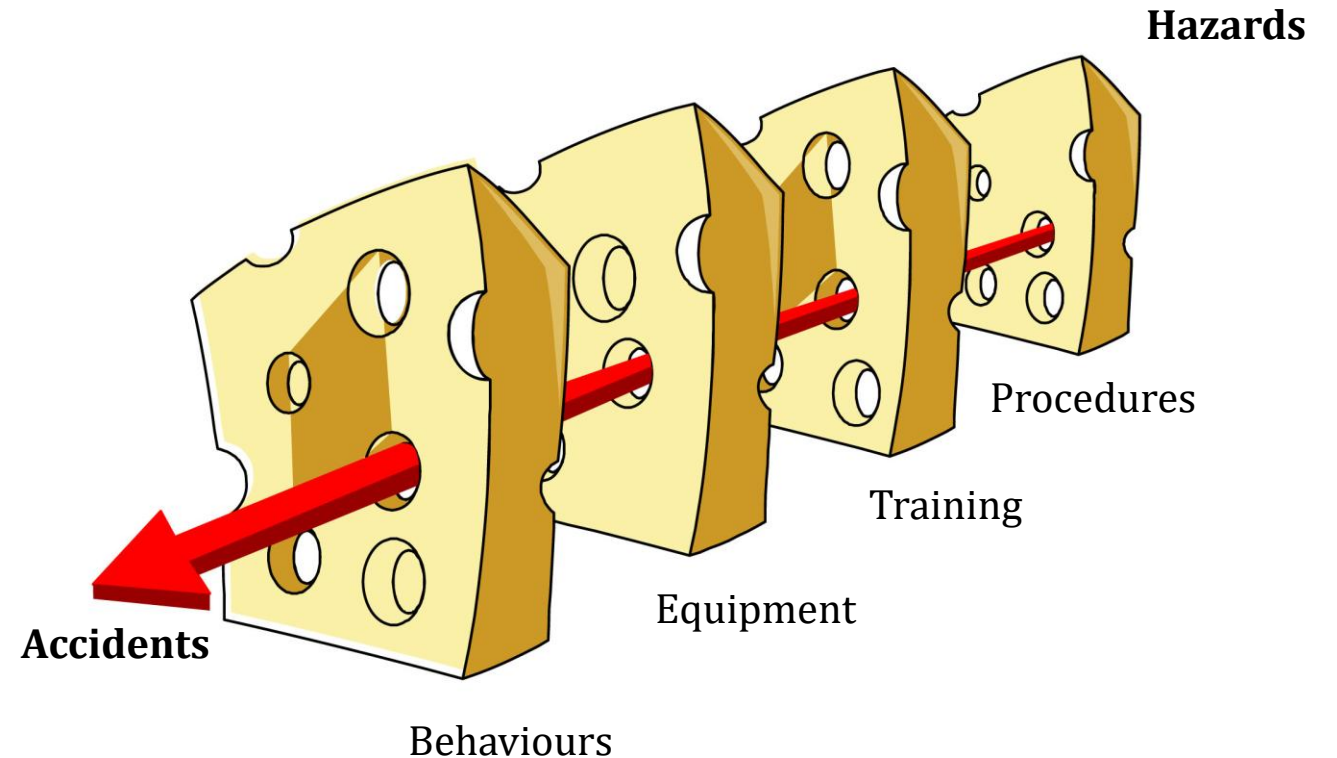
Lessons, OHS & ESG-MS / BIMS Overlap:

- Importance of vehicle **fleet safety policies**: scheduled maintenance, brake tests, load stability
- Operator / **contractor oversight** and contract clauses on safety standards
- Regulatory and **audit compliance**: licensing, permits, roadworthiness, driver fitness
- **Risk assessment** of routes with heavy vehicles, especially junctions / high risk zones, pedestrian areas
- **Emergency preparedness**: first aid, response time, rescue, medical facilities
- **Incident investigation**: root cause analysis feeding into management systems; safety leadership; safety culture



To Summarise

Implementing and maintaining appropriate Defences as part of your ESG-MS reduces the likelihood of incidents and harm.

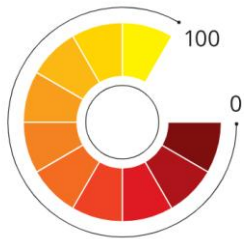
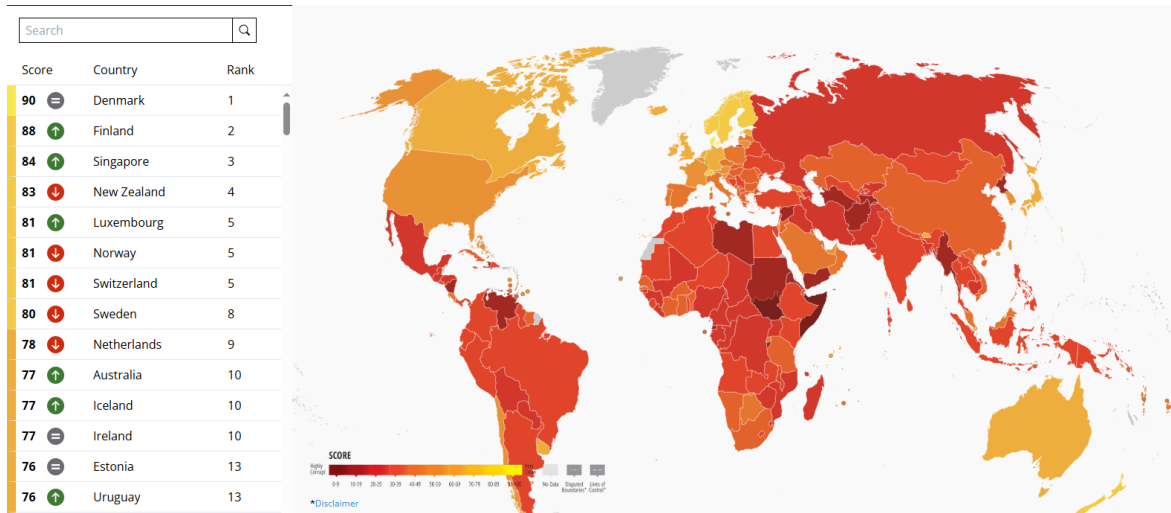


Focus Session

Corruption Risk Management in ESG-MS

Introduction to corruption risks

The Corruption Perceptions Index

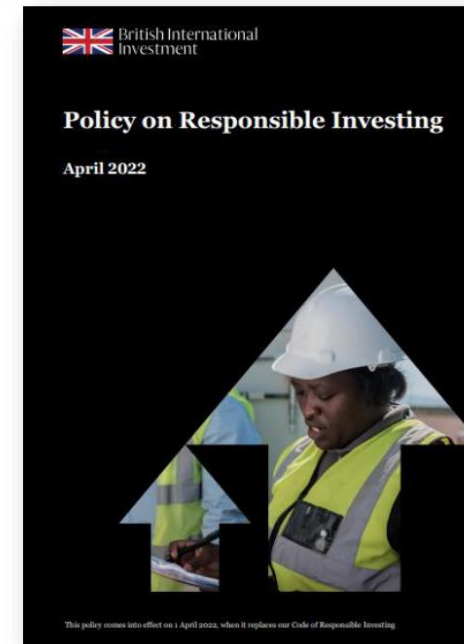


THE CPI USES A SCALE
FROM 0 TO 100

100 is **very clean** and
0 is **highly corrupt**

BII's policy on responsible investing

The Policy sets out **mandatory requirements** for BII investees. Investees do not need to be fully compliant at the point of investment but must commit to addressing gaps within an agreed timeframe



Core BI 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**

What is corruption and why does it matter

Definition:

The offering, requesting, giving or receiving of a financial or other advantage to induce or reward improper performance of a role, duty or function.



Image source: UNODC

Corruption has political, social, environmental and economic costs.

Corruption:

- Erodes trust
- Weakens democracy
- Hampers economic development

It exacerbates inequality, poverty, social division and environmental crises

The cost of corruption



Corporate fines, penalties,
disgorgement of profits



Cost of legal fees,
implementing remedial
actions and for compliance
process improvement/
monitoring



Individual liability of
persons involved in
violations including jail
sentences



Suspension from
government contracting,
and potential disbarment
by multilateral funding
agencies



Potential investigations by
regulators in other
jurisdictions



Reputational damage;
Public embarrassment ;
harming fundraising
efforts; loss of customers



- Rescission of
contracts/permits
- Termination of
agreements



Corruption has harmful
societal consequences and
also undermines other
forms of impact (including
E&S outcomes).

QUICK POLL – What are sources of corruption?

What do you see as some of the actual or potential sources of corruption for your business?



Typical sources of corruption

Bribery

Gifts/prizes	Political/ charitable donations	Employment offers / promise of employment
Entertainment/ hospitality	Cash, cash equivalents	Use of vehicle or vacation homes
Favourable terms/discount on product/service	Discounted or free tickets to events	Services / personal favours
Sexual favours / adult entertainment	Sponsorships	Opportunity to buy direct shares (friends and family shares)

Fraud/Theft

Collusion and price-fixing	Procurement fraud	Embezzlement
Illegal logging	Unapproved purchases	Conflict of interest
Data theft	Inventory fraud	Cash leakage
Double billing	Inaccurate/ manipulation of financial reporting	

Supply chain

Theft/diversion of products	Counterfeit products/false classification of goods
Human rights abuses/child labour exposure	Sanctions/ debarment
Illegal logging	Opaque supply chain structure / unusual shipping routes to conceal ownership or origin
Bribery and kickbacks	Fraudulent documentation
Regulatory non- compliance	Smuggling and exposure to organised crime

Preventing corruption

*First step of any programme starts with **Culture!***

Culture

- Top-level commitment
- Values
- Conduct & Practices
- Relationship & stakeholder management
- Communication & Interactions
- Traditions & customs

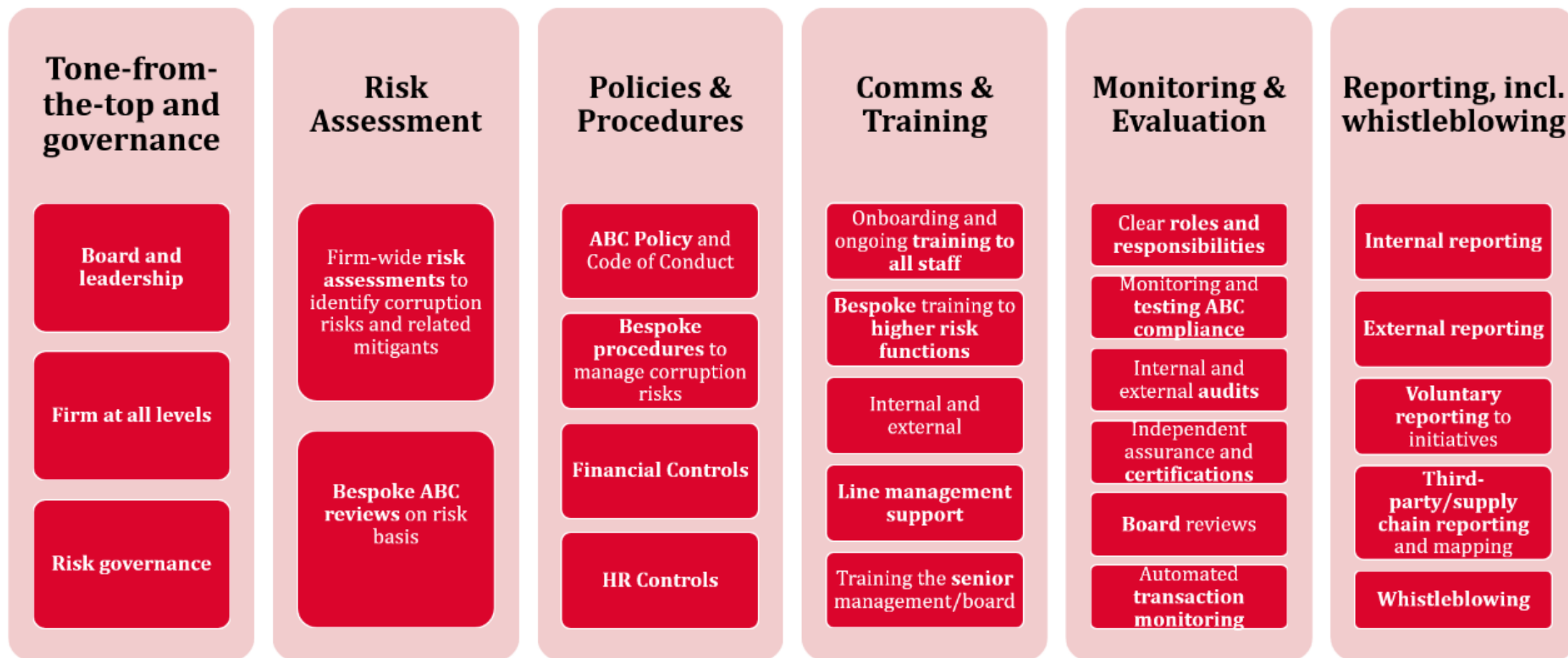
Reading the signals

S	Suspicious information or behaviour
M	Missing pieces
A	Acute delays
C	Conflicts or complaints
S	Shifting people and strategies

Some questions to ask

- What are the demonstrative values and mission of the organisation?
- What is the Tone from the Top – Is there appetite for Risk Management?
- How do employees act when nobody is watching?
- How often does the organisation promote a culture of integrity through training and awareness sessions?

Key elements of Corruption Risk Management Programme



Case Study: The Gupta Family, 'State Capture'

What happened?

The Gupta brothers, Atul and Rajesh Gupta, are accused of influencing political and economic decisions in a process known as "**state capture**".

They have been accused of profiting from their close links with former president Jacob Zuma by **paying financial bribes** to win lucrative state contracts and influence powerful government appointments.

- Gupta-linked companies profited from contracts with government departments and state-owned corporations.
- Many public bodies were "captured," including the national airline carrier, rail freight operator and energy company Eskom.
- Reported that Gupta brothers had influence in naming ministers.

The former president and the Gupta family deny any wrongdoing.

What are the consequences?

The scandal not only distorted fair competition but in this instance, destabilised the South African Economy.

- Estimated that South Africa lost between \$7-10 billion USD.
- Decade of lost growth (2010-2020)
- Debt-to-GDP ratio climbed to 70% from 27% (2008-2022)
- The collapse of Gupta-owned companies resulted in 8,000 people losing work
- Net foreign direct investment fell 41% (2014-2017)



Credit: tzahiv/ iStock by Getty Images

Panel discussion

Rohit Sharma

Global Integrity Business Partner,
Ramboll

Donia Ben Miled

Executive, Business Integrity and
Corporate Governance, BII



Practical Tools for Identifying Red Flags



Additional guidance and useful reference materials, including on identifying red flags and embedding this into an ESG-MS, can also be found on the Training Site by accessing the Reference Materials section:

-  [Common red flags: Anti-Bribery and Corruption Guidance](#)
-  [Common red flags: Anti Money Laundering](#)
-  [Red Flags for Supplier Risks](#)
-  [Corruption risk indicators](#)
-  [Guide to Combating Corruption and Fraud](#)
-  [Transparency International Anti-Corruption Toolkit](#)
-  [Bribery and Corruption Red Flags](#)
-  [Bribery Risk Matrix](#)

THANK YOU

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