Governance

What's in this section

Chair's governance review

Our corporate governance framework anchors the execution of 3i's strategic objectives.

I am pleased to present our Corporate Governance Report. This summarises our corporate governance framework and explains how we, as a Board, have taken decisions.

Robust and effective corporate governance is fundamental to 3i's operations and to the generation of consistent, long-term value for our shareholders.

As set out in my letter on pages 2 and 3, 3i has performed well despite ongoing macro-economic challenges and geopolitical uncertainties. As a Board, we are confident in 3i's ability to execute its strategic objectives as discussed more fully in the Chief Executive's Statement on pages 6 to 11.

Board activities and consideration of stakeholders

The Board is conscious of its duty to consider the interests of a broad spectrum of stakeholders and other section 172 factors. An overview of the range of matters that the Board discussed and debated at its meetings during the year can be found on pages 108 and 109. How we engaged with our stakeholders is summarised on pages 110 to 113. The Company's section 172 statement is available on page 94.

We work with 3i's management to ensure that the Company possesses the necessary financial and human resources to execute its long-term strategy and promote its long-term success.

Culture and values

Consistent with previous years, the Board recognises the importance and differentiation that culture and strong values bring to the delivery of performance. As a Board and as Directors individually we aim to lead by example, promoting a culture of integrity, rigour, energy, accountability and ambition, in addition to providing constructive challenge to management.

Board composition

Hemant Patel joined the Board on 3 February 2025. There have been no other changes to the Board composition during the year. We continue to maintain an effective succession plan, more details of which are contained in my Nominations Committee report on pages 116 to 120.

Dividend

We have continued with our dividend policy to maintain or grow the dividend year on year, subject to the strength of our balance sheet and the outlook for investment and realisations. As a result, the Board has recommended a second FY2025 dividend of 42.5 pence per share, taking the total dividend for the year to 73.0 pence per year. Subject to shareholder approval, this will be paid in July 2025.

David Hutchison
Chair

14 May 2025

Governance at a glance

Strong corporate governance is essential to create value for our stakeholders and underpins the long-term success of our company.

Highlights
as at 31 March 2025

25%
Total return on equity

Supporting management in a challenging macro-economic climate to enable them to pursue 3i's long-term value creation strategy in the portfolio.

Read more in the Chief Executive's statement and the Financial review

2,542p
NAV per share

An increase of 22% in the NAV in FY2025.

Read more in Key performance indicators

73.0p
Dividend per share

Payment of the first dividend of 30.50 pence per share in January 2025 and recommendation of the second dividend in July 2025 of 42.50 pence per share.

Read more in Financial review

Board focus areas
as at 31 March 2025

Strategy

Read more in Key performance indicators

Financial

Read more in Financial review

Portfolio companies

Read more in Business review

Purpose, culture and values

Read more in Sustainability report

Risk management and internal control

Read more in Risk Management

Governance

Read more in Governance report

A balanced Board
as at 31 March 2025

40%
Female representation

20%
Ethnically diverse

70%
Independent directors

Board priorities for FY2026

Growth
To support the management in delivering the strategic plan

Shareholders
To achieve long-term growth for shareholders

Sustainability
Continue to oversee delivery of the sustainability strategy

Corporate Governance statement

The Financial Reporting Council's UK Corporate Governance Code 2018 (the "Code") is the standard against which we measured ourselves in FY2025.

The Company complied with all of the provisions set out in the Code throughout the period under review, save for provision 19 of the Code in respect of the Chair's tenure.

Details on how we have applied the principles set out in the Code and how governance operates at 3i have been summarised throughout this Governance section and elsewhere in this Annual report, as set out below. (The Code is available to view on the Financial Reporting Council's website).

Our Governance framework is set out on page 101.

Corporate Governance code

Explanation on Provision 19 – Chair tenure

The Board and the Nominations Committee have carefully considered the extended tenure of the Chair.

As detailed in our previous Annual reports, when appointing David Hutchison as Chair in November 2021, the Nominations Committee and the Board were mindful of the Code's provision regarding a Chair's tenure exceeding nine years, and the fact that David had then already served as a non-executive Director for eight years. Despite this, the Nominations Committee and the Board, when considering the Company's long-cycle investment business, recognised that David's extensive knowledge of the Company's business and portfolio assets – gained in part from his seven-year tenure as Chair of the Valuations Committee – and his understanding of the Board's conservative balance sheet and selective investment strategies, made him the most suitable candidate to promote the success of the Company.

The Nominations Committee and the Board recognise the potential risks associated with extended tenure of a chair, including the possibility of compromised objectivity, inadequate management accountability, and insufficient promotion of constructive challenge among Board members. To mitigate the risks associated with extended tenure a number of steps have been taken as detailed below. The Nominations Committee and the Board have noted that to date shareholders have not expressed any significant concerns to the Company relating to the Chair's continued appointment.

Steps taken to mitigate risks associated with extended tenure

- The Committee and the Board sought to balance this appointment by appointing an experienced Senior Director as Senior Independent Director. This role, filled by Lesley Knox since October 2021, includes ensuring corporate governance arrangements remain robust and appropriate and leading the annual review of whether David's continued tenure as Chair is in the best interests of the Company.
- It was agreed that the Nominations Committee would undertake an annual review, led by the Senior Independent Director, of the continued appropriateness of David's appointment. This would be in addition to the mitigation provided by the Board and Chair annual performance reviews.

  The first such annual review was held by the Nominations Committee in March 2023 and further reviews were conducted in March 2024 and March 2025 (all in the absence of David). Each of these reviews concluded that David continued to perform effectively as Chair, maintained objective judgement and independence, and promoted constructive challenge among Board members.

  The Committee also noted that in a business where long-term knowledge of the business and its assets is crucial, David's continued appointment was appropriate. The Committee's overall conclusion in March 2025 was that David's continued appointment as Chair for the coming year was in the best interests of the Company and that the balance and independence of the Board remained appropriate.
- Since 31 March 2023, David has not been a member of the Remuneration Committee.
- The appointment in November 2021 of Peter McKellar, an independent non-executive Director with extensive experience of asset management and asset valuation, as Chair of the Valuations Committee, provided continuity and effective governance of that Committee.

The Nominations Committee will undertake its next review in March 2026.

Recommendation

The Board has carefully considered the Chair's tenure and believes that it is in the best interests of 3i and its stakeholders that David remains as Chair. The Board is therefore recommending to shareholders the re-election of David at the forthcoming AGM on 26 June 2025.

For more information
Page 117

Governance framework

Board

- Approves risk appetite and strategy
- Responsible for ensuring effective risk management and oversight processes exist
- Oversees sustainability strategy, approach and policies
- Assisted by four Board Committees with responsibility for specific areas
- Delegates management to the Chief Executive
- Assesses investment performance against objectives

Company Secretary

Nominations Committee

- Responsible for ensuring that the Board has the necessary skills, experience and knowledge
- Responsible for appointing a diverse Board
- Responsible for Board and senior executive succession

Audit and Compliance Committee

- Reviews and oversees financial and non-financial reporting (including sustainability matters), risks and internal controls, and the relationship with the External auditor
- Reviews and challenges management reports
- Receives updates from the Chief Executive on outputs from GRC
- Oversees tax policy and strategy

Valuations Committee

- Specific and primary responsibility for the valuation policy and valuations (including underlying assumptions) of the Group's investment portfolio
- Direct engagement with the External auditor, including its specialist valuations team

Remuneration Committee

- Ensuring a remuneration culture weighted towards performance based variable reward, whilst discouraging inappropriate risk taking and taking non-financial indicators, including sustainability indicators, into account
- Approves carried interest and asset performance linked schemes
- Ensuring Executive Directors' remuneration is closely aligned with shareholder returns
- Oversees the implementation of fair remuneration for employees

Chief Executive

- Delegated responsibility for management of the Group
- Delegated responsibility for investment decisions
- Delegated responsibility for risk management
- Delegated responsibility and day-to-day accountability for sustainability matters

Executive Committee

- Assists the Chief Executive in setting the Group strategy, including sustainability aspects
- Monitors divisional performance
- Facilitates information sharing between divisions
- Responsible for recruitment and retention
- Meets monthly

Conflicts Committee

- Deals with potential conflicts as required

Treasury Transactions Committee

- Considers specific treasury transactions as required

Market Abuse Regulation Committee

- Considers potential disclosure matters as required

Investment Committee

- Manages the Group's investment portfolio and monitors its most material risks
- Meets when required
- Strict oversight of each step of the investment lifecycle
- Approves investment, divestment and material portfolio decisions
- Monitors investments against original investment case
- Ensures investments are in line with the Group's investment policy and risk appetite
- Implements the Responsible Investment policy
- Chaired by the Chief Executive

Group Risk Committee

- Assists the Chief Executive with the oversight of risk management
- Implements the Group's risk appetite policy and monitors performance
- Maintains the Group risk review which details its principal risk exposures; a watch list of new and emerging risks; and appropriate mitigations and controls
- Two members of the GRC form the Risk Management function as required by FCA rules
- Maintains oversight of sustainability risks, and relevant sustainability regulations
- Oversight and review of the Responsible Investment policy
- Chaired by the Chief Executive

Sustainability Committee

- Advises the Chief Executive, directly and through the Investment and Group Risk Committees, on sustainability risks and opportunities
- Develops the Group's sustainability approach, and related policies and procedures
- Ensures the Group's compliance with relevant sustainability-related legal and regulatory requirements, standards and guidelines
- Coordinates sustainability-related activities and initiatives
- Reviews and monitors the Group's sustainability performance
- Monitors stakeholder expectations, market developments, trends and best practice in relation to relevant sustainability matters
- Chaired by the General Counsel

Board leadership and Company purpose

Board of Directors
at 31 March 2025

The Board promotes a culture of strong governance across the business.

David Hutchison
Chair

Chair since November 2021 and non-executive Director since 2013. David has considerable investment and banking experience across a range of asset classes which supports his leadership of the Board.

Previous experience
Chief Executive of Social Finance Limited from 2009 to 2022. Until 2009 Head of UK Investment Banking at Dresdner Kleinwort Limited and a member of its Global Banking Operating Committee. From 2012 to 2017, a non-executive director of the Start-Up Loans Company.

Simon Borrows
Chief Executive

Chief Executive since 2012, and an Executive Director since he joined 3i in 2011. Chair of the Group's Risk Committee, Executive Committee and Investment Committee. Chair of the Supervisory Board of Peer Holding I B.V., the Dutch holding company for the Group's investment in Action.

Previous experience
Formerly Chair of Greenhill & Co International LLP, having previously been Co-Chief Executive Officer of Greenhill & Co, Inc. Before founding the European operations of Greenhill & Co in 1998 he was the Managing Director of Baring Brothers International Limited. Formerly a non-executive director of the British Land Company PLC and Inchcape plc.

James Hatchley
Group Finance Director

Group Finance Director since June 2022 and an Executive Director since May 2022. A member of Executive Committee, Investment Committee, Group Risk Committee and Sustainability Committee. Joined 3i in 2017 and was Group Strategy Director until June 2022.

Previous experience
Formerly Chief Operating Officer of KKR in Europe and, before that, Co-CEO of Avoca Capital. Earlier in his career, James was a corporate finance professional for 20 years, principally with Greenhill & Co. and Schroders. He qualified as a chartered accountant in 1992. Formerly a non-executive director of Great Ormond Street Hospital for Children NHS Foundation Trust.

Jasi Halai
Chief Operating Officer

Chief Operating Officer and an Executive Director since May 2022. A Member of Executive Committee, Investment Committee, Group Risk Committee and Sustainability Committee. Joined 3i in 2005 and has held a variety of posts in the business, most recently as Group Financial Controller and Operating Officer. A member of the Supervisory Board of Peer Holding I B.V., the Dutch holding company for the Group's investment in Action and also a non-executive director of Barratt Redrow plc.

Previous experience
Prior to joining 3i, worked for CDC Group (now British International Investment) and at Actis following its demerger from CDC. Jasi is a chartered management accountant. Formerly a non-executive director of Porvair PLC.

Board leadership and Company purpose continued
Board of Directors continued

Stephen Daintith
Independent non-executive Director

Non-executive Director since 2016. Chief Financial Officer and an executive director of Ocado Group plc. Stephen contributes directly relevant financial and operating experience as Chair of the Audit and Compliance Committee, drawn from a range of consumer, digital, engineering and other international businesses, to the Board's decision making.

Previous experience
Formerly an executive director of Rolls-Royce Holdings plc from 2017 to 2021 and Finance Director of Daily Mail and General Trust plc ("DMGT") from 2011 to 2017. Non-executive director of ZPG Plc. Prior to joining DMGT he was Chief Operating Officer and Chief Financial Officer of Dow Jones and prior to that Chief Financial Officer of News International. He originally qualified as a chartered accountant with Price Waterhouse (now part of PwC).

Lesley Knox
Independent non-executive Director

Non-executive Director since October 2021 and Senior Independent Director since November 2021. Also Senior Independent Director of Legal & General Group plc, non-executive director of Dovecot Studios Limited, Senior Independent Director and Chair of Remuneration Committee of Genus Plc, and a trustee of Grosvenor Group Limited pension fund and National Galleries of Scotland Foundation. Lesley brings to the Board's discussions a wealth of international, strategic and financial services experience having spent over 17 years in senior roles in financial services, including in asset management and corporate finance.

Previous experience
Formerly held a number of senior roles in financial services, including head of institutional asset management at Kleinwort Benson. Also previously served as Chair of Alliance Trust PLC, as Senior Independent Director at Hays plc and non-executive director of SAB Miller plc, Centrica plc and Thomas Cook Group plc.

Coline McConville
Independent non-executive Director

Non-executive Director since 2018. Also a member of the Supervisory Board of Tui AG and a director of EBOS Group Limited. Coline has a diverse commercial background, having worked in a range of sectors and also brings to the Board significant listed board experience including chairing several remuneration committees and previously acting as Senior Independent Director at Fevertree. This enables her to make valuable contributions to the Board's discussions and to those of the Remuneration Committee, which she now chairs.

Previous experience
Formerly non-executive director and Chair of the ESG Committee at King's Cross Central General Partnership, a non-executive director of Fevertree Drinks plc, Travis Perkins plc, Tui Travel plc, UTV Media plc, Wembley National Stadium Limited, Shed Media plc, HBOS plc, Inchcape plc and Halifax plc. Prior to that was Chief Operating Officer and Chief Executive Officer Europe of Clear Channel International Limited and had previously worked for McKinsey and LEK.

Peter McKellar
Independent non-executive Director

Non-executive Director since 2021. Also Chair of Partners Group Private Equity Limited (formerly Princess Private Equity Holding Limited) and a non-executive director of Investcorp Capital plc. Peter brings to the Board significant experience and understanding of financial services and asset management, with a particular expertise in private equity and infrastructure. This enables him to bring a valuable asset management perspective to the Board's discussions and to those of the Valuations Committee, which he now chairs.

Previous experience
Formerly Deputy Chair of AssetCo plc, Global Head of Private Markets at Standard Life Aberdeen plc and a non-executive board member of Scottish Enterprise. Previously led Standard Life Investments' private equity and infrastructure business and was their Chief Investment Officer. Prior to that, he held a variety of finance posts in industry and corporate finance positions.

Hemant Patel
Independent non-executive Director

Non-executive Director since February 2025. Chief Financial Officer and an executive director of Whitbread PLC since March 2022. Hemant brings to the Board good and relevant financial and commercial experience from his different roles in retail and consumer businesses.

Previous experience
Formerly Finance Director, UK and Germany, at Whitbread, Finance Director of Greene King and before that worked at Asda-Walmart for 11 years, in various management roles including Commercial Finance Director, Director of Own Label and Director of Strategy. He also had several finance roles over six years at Mars, Inc. Hemant was non-executive Director and Audit Chair at the Department of Digital, Culture, Media and Sport from 2020 to 2023 as well as being on the board of the Cultural Recovery Fund. He was also a Trustee of the Royal Armouries Museum from 2010 to 2019 and Chair from 2018 to 2019. Hemant is a Chartered Management Accountant.

Alexandra Schaapveld
Independent non-executive Director

Non-executive Director since 2020. Also non-executive director and Chair of the Audit Committee at Société Générale S.A. Alexandra brings extensive financial services expertise in a number of important markets for 3i as well as considerable board experience in a variety of sectors. These help provide an international perspective to the Board's decision-making process.

Previous experience
Formerly on the boards of Bumi Armada Berhad, Vallourec S.A., FMO N.V., Stage Entertainment N.V., Holland Casino N.V., VU University and VU Medical Center and Duin & Kruidberg. Prior to that, many years of corporate and investment banking at RBS and ABN AMRO.

Executive Committee

at 31 March 2025

Simon Borrows
Chief Executive

James Hatchley
Group Finance Director

Jasi Halai
Chief Operating Officer

Page 102
See profiles

Simon Borrows
Chief Executive

James Hatchley
Group Finance Director

Jasi Halai
Chief Operating Officer

Kevin Dunn
General Counsel and Company Secretary

Joined 3i in 2007 as General Counsel and Company Secretary. Responsible for 3i's legal, compliance, internal audit and company secretarial functions. A member of Executive Committee, Group Risk Committee and ESG Committee.

Previous experience
Prior to joining 3i, was a Senior Managing Director, running GE's European Leveraged Finance business after serving as European General Counsel for GE. Prior to GE, was a partner at the law firms Travers Smith and Latham & Watkins.

Board leadership and Company purpose continued
Executive Committee continued

Peter Wirtz
Head of Private Equity

Joined 3i in 1998 and served as 3i Germany Co-Head between 2009 and 2019 and Co-Head of Private Equity from 2019 to 2024. Head of Private Equity since October 2024. A member of Executive Committee, Investment Committee and Group Risk Committee. Also a non-executive director of Luqom, WaterWipes, OMS Testing and Audley Travel.

Previous experience
Prior to joining 3i, worked for Deutsche Bank and spent four years with Procter & Gamble in various finance functions.

Bernardo Sottomayor
Managing Partner, Head of European Infrastructure

Joined 3i in 2015 as a Partner with responsibility for origination and execution of new investments across Europe. Managing Partner, Co-Head of European Infrastructure from July 2022 to February 2025 and Head of European Infrastructure since February 2025. A member of Executive Committee, Investment Committee and Group Risk Committee. Also a non-executive director of TCR and ESP.

Previous experience
Prior to joining 3i, was a Partner at Antin Infrastructure and his other previous infrastructure management experience includes roles as Managing Director at Deutsche Bank's European infrastructure fund, Head of M&A at Energias de Portugal and further infrastructure M&A advisory experience with UBS and Citigroup in London.

Rob Collins
Managing Partner, Head of North American Infrastructure

Joined 3i in 2017 as the Managing Partner for North American Infrastructure. A member of Executive Committee and the NAIF Investment Committee. Also a non-executive director of Smarte Carte, Regional Rail and EC Waste.

Previous experience
Prior to joining 3i, led Hastings' infrastructure investment team in North America and Europe. Founded the infrastructure M&A practice at Morgan Stanley and Greenhill where he was a Managing Director at both firms. Started his infrastructure career at Goldman Sachs after serving as a nuclear-power officer in the US Navy.

Tony Lissaman
Partner and Chief Operating Officer, Private Equity

Joined 3i in 1998 and became Chief Operating Officer, Private Equity, in 2010. A member of Executive Committee, Investment Committee, Group Risk Committee and the Private Equity Leadership Team. He currently sits on the boards of Scandlines and MPM.

Previous experience
Prior to joining 3i, worked at KPMG where he qualified as a Chartered Accountant.

Julien Marie
Chief Human Resources Officer

Joined 3i in 2001 as HR Manager, was appointed HR Director in 2004 and Chief Human Resources Officer in 2021. A member of Executive Committee and Group Risk Committee.

Previous experience
Prior to joining 3i, worked at Bouygues Construction and Bouygues Telecom for six years.

The role of the Board

The Board's role is to lead the Company in promoting its long-term success and thereby generate value for shareholders. The Board operates within a robust corporate governance framework and ensures that this framework is embedded across the organisation.

The Board oversees the Company's purpose, values and strategy and satisfies itself that these are aligned with the Company's culture. All Directors are expected to demonstrate integrity and adhere to the Company's culture and values.

The Board approves the Group's strategic objectives and ensures the necessary resources are in place for the Company to meet these objectives through a Board approved planning and budgeting process. The Board measures performance against those objectives using the KPIs set out on pages 16 and 17 which are reported to the Board in the monthly Board report.

The Board, through its Audit and Compliance Committee, assesses and monitors behaviours and adherence to the Company's values. Regular reports from the Internal Audit and Group Compliance teams consider and comment on culture within the business. The Remuneration Committee reviews workforce remuneration and the alignment of incentives and rewards with culture. The Board ensures that employee policies and practices are consistent with the Company's culture and values and support its long-term success during its annual review of succession planning and strategic capability.

The Board meets formally on a regular basis for scheduled Board meetings and on an ad hoc basis when the need arises. There is a clearly defined schedule of matters reserved for the Board. The Board is assisted by various Principal Board Committees which report to it regularly. Details of their activities in the year are provided on pages 116 to 147.

Attendance at Board and Committee meetings[1]

	Independence	Board	Audit and Compliance Committee	Nominations Committee	Remuneration Committee	Valuations Committee
Total meetings held[1]		7	6	3	7	4
Number attended:						
D A M Hutchison	Independent on appointment	7(7)	–	2(3)	–	4(4)
S A Borrows	Executive Director	7(7)	–	–	–	4(4)
J G Hatchley	Executive Director	7(7)	–	–	–	4(4)
J H Halai	Executive Director	7(7)	–	–	–	–
S W Daintith	Independent	7(7)	6(6)	3(3)	–	–
L M S Knox	Independent	7(7)	–	3(3)	6(7)	2(4)
C McConville	Independent	7(7)	6(6)	3(3)	7(7)	–
P A McKellar	Independent	7(7)	–	3(3)	7(7)	4(4)
H K Patel[2]	Independent	1(1)	1(1)	1(1)	–	–
A Schaapveld	Independent	7(7)	6(6)	3(3)	7(7)	4(4)

1 This table shows the number of scheduled full meetings of the Board and its Committees attended by each Director who was a member thereof in the year, together with (in brackets) the number of meetings they were eligible to attend. In addition to these meetings a number of additional meetings of the Board and its Committees were held, often at short notice, to deal with ad hoc business as it arose. Non-attendance at meetings was due to unavoidable prior commitments or illness. As explained in this report Mr Hutchison did not attend the Nominations Committee meeting which included discussion of the Chair's tenure and performance.
2 Mr Patel was appointed as a Director with effect from 3 February 2025.

Non-executive Directors also attended a number of other Company meetings, portfolio company reviews and Infrastructure partner reviews to increase their understanding of the 3i business, the portfolio companies and the strength and depth of our people.

Division of responsibilities

How the Board operates

The Board meets regularly and holds two meetings a year in non-UK locations, including one in Amsterdam, providing a chance for non-executive Directors to meet our local teams and the management of selected portfolio companies. The January 2025 Board and Committee meetings were held in Amsterdam where Directors met the Action senior management team at Action's headquarters and visited an Action store. They also met and received presentations from the CEO of European Bakery Group and the Private Equity team for Royal Sanders. In March 2025, the Board and Committee meetings were held at 3i's Frankfurt office where Directors met 3i's Frankfurt team and received presentations from the CEOs of OMS and Luqom.

The Board holds an annual Strategy Day.

The Board receives regular reports on potential conflicts of interests involving Directors and any actual conflicts of interest identified are managed appropriately. This may involve excluding the Director concerned from relevant information and discussions.

There is a clear division of responsibilities between the Chair and Chief Executive. Day-to-day management of the Group is the responsibility of the Chief Executive. To assist him in this role, the Chief Executive has established a number of additional management committees, including the Investment Committee, Group Risk Committee and Sustainability Committee, which are outlined in our governance framework on page 101.

The Board ensures that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.

Responsibilities of the Chair

- Leads the Board and is responsible for its overall effectiveness in directing the Company.
- Leads the Board in its oversight of the Company's purpose, values and culture.
- Leads the Board in setting its agenda, approving strategy, monitoring financial and operational performance, and establishing the Group's risk appetite.
- Organises the business of the Board, ensuring the Company's effectiveness, and the maintenance of an effective system of internal controls.
- Ensures that Directors receive accurate, timely and clear information. This includes ensuring that the non-executive Directors receive regular reports on shareholders' views on the Group.
- Responsible for the composition of the Board, facilitates constructive Board relations and the effective contribution of all non-executive Directors.
- Leads the annual Board and Board Committee evaluation process.

Responsibilities of the Chief Executive

- Direct charge of the Group on a day-to-day basis and is accountable to the Board for the financial and operational performance of the Group.
- Chairs the Investment Committee to review the acquisition, management and disposal of investments.
- Leads the Executive management team to develop and implement the Group's strategy and manage the risk and internal control framework.
- Reports to the Board on financial and operational performance, risk management and progress in delivering the strategic objectives.
- Regularly engages with shareholders and other key stakeholders on the Group's activities and progress.
- Oversees the implementation of the Sustainability strategy.
- Oversees the Group's values and culture.

Role of the Senior Independent Director

- The Senior Independent Director provides a sounding board for the Chair and serves as an intermediary for the other Directors and the shareholders.
- Leads succession planning for the Chair.
- Leads the Chair's performance review and the annual review of the continued appropriateness of the Chair's appointment.

Role of non-executive Directors

- Provide constructive challenge, strategic guidance and hold management to account.
- Scrutinise the performance of management in meeting agreed objectives.
- Seek assurance on the integrity of the financial information and that financial and non-financial controls and systems of risk management are robust and defensible.
- Determine appropriate levels of remuneration for Executive Directors and Executive Committee and together with the Chair, have a prime role in appointing Directors and in succession planning for the Board.
- Ensure that they have sufficient time to meet their Board responsibilities.

What the Board did in FY2025

In FY2025, the Board met for seven scheduled meetings and a strategy day in December 2024 (see page 106).

The Chair sets the Board's agenda. Board members and, as appropriate, executives from the relevant business areas are invited to present on key items allowing the Board the opportunity to debate and challenge initiatives directly with the senior management team.

As described on page 94 when making decisions the Board has regard to the interests of stakeholders, as well as the section 172 factors.

Examples of some important decisions taken by the Board in the year and how, where relevant, the Board had regard to the interests of relevant stakeholders are set out on page 95. Our key stakeholders are set out below and discussed in more detail on pages 110 to 113.

In addition to the Board decisions referred to above, the Board also dealt with its regular annual cycle of business, examples of which are set out on the next page.

Our key stakeholders

Division of responsibilities continued
What the Board did in FY2025 continued

FY2025 Focus areas	Matters approved	Other matters considered/outcomes	Stakeholders
Purpose, culture and values	• Responsible Investment Policy • Operation and effectiveness of the Remuneration Policy both for Executive Directors and the wider employee group	• Executive and senior management succession planning • Organisational capability • Employee leadership and development initiatives • Diversity, equity and inclusion initiatives • Equal Opportunities and Diversity policy and compliance with external board diversity recommendations • Board evaluation	
Portfolio companies	• Non-executive Director approvals for certain investments and divestments • Portfolio company valuations	• Presentations from the CEOs of Action, European Bakery Group, Luqom, OMS, and the deal team of Royal Sanders • Visit to Action HQ and Action store • Detailed reporting on Action and rotating updates on portfolio companies at Board and Valuations Committee • Sustainability reviews of portfolio companies • Attendance at portfolio company reviews and Infrastructure partner reviews	
Strategy	• Group's approach to environmental sustainability and climate change • Senior leadership succession and contingency planning	• Strategy day – 3i Group strategic financial planning and analysis – Private Equity strategic plan and sector presentations – Analysis and materials related to our long-term hold portfolio companies – Infrastructure strategic plan • Private Equity and Infrastructure business and portfolio updates	
Financial	• Recommendation of the FY2024 second dividend paid in July 2024 and payment of the FY2025 first dividend in January 2025 • Operating budget • Annual report, half-year report and quarterly updates • Approval of investment valuations	• Financial reporting from the Group Finance Director including key financial highlights and performance against budget • Valuations reporting from Group Finance Director and Chief Operating Officer • Market overviews • Funding and Treasury review • Assessment of investment performance against objectives	
Risk management and internal control	• Board risk appetite • Risk review	• Compliance and internal controls updates • Detailed reporting from the Group Risk Committee including updates on the business continuity plan, cyber security and IT • Going concern, Viability statement, stress testing and Resilience statement	
Governance	• Approval of the Chair's continued tenure • Appointment of a new non-executive Director • Approval of changes to Valuations Committee terms of reference	• Updates on the Code • Oversight of sustainability strategy and compliance with sustainability regulation	

Engaging with stakeholders

Engaging and communicating with our stakeholders is an integral part of 3i's business and critical to ensuring our continued success. We engage with our stakeholders in a variety of ways, as detailed in this section.

Engaging with shareholders

The CEO, Group Finance Director and the Group Investor Relations and Sustainability Strategy Director meet with institutional shareholders and potential investors after the announcement of the annual and interim results and throughout the year. The Chair offers to meet large institutional shareholders once a year.

The Investor Relations and Company Secretariat teams are available to retail shareholders to respond to their queries.

In FY2025, shareholders were principally interested in the performance of Action and of the rest of the portfolio, capital allocation strategy and market conditions for new investments and realisations.

In addition to this ongoing investor engagement, the Company has an extensive engagement programme detailed below which enables investors to make informed decisions about their investment in the Company:

Our FY2025 Investor Relations programme

We engage shareholders through a full programme of events. Our results presentations and capital markets seminars are webcast live and available to all who are interested. On-demand webcasts and transcripts are also available on the Company's website after the events.

2024

April
- Barclays European discount retail forum

May
- Annual results announcement and presentation webcast
- Citi diversified financials conference

June
- BNP Paribas Exane European CEO Conference
- Annual General Meeting

July
- Q1 performance update
- Chair's meetings with shareholders
- RBC retail conference

September
- Private Equity capital markets seminar
- Bank of America financials conference

November
- Half-yearly results announcement and presentation webcast
- JPMorgan UK Leaders conference
- Barclays retail forum

December
- Redburn CEO conference

2025

January
- Consultation on proposed Executive Director salary changes

February
- Q3 performance update

March
- Action capital markets seminar
- Morgan Stanley financials conference

Institutional investors

- One-on-one meetings with 3i's UK and international principal shareholders twice a year and throughout the year as required.
- Large group investor calls are held after the publication of the annual and half-year results and quarterly performance updates, and after other significant developments, to target both existing and potential institutional investors.
- The Chair offers to meet with significant institutional shareholders once a year and met a number of large institutional holders in July 2024. The SID and the Audit and Compliance Committee Chair are also available as required.
- In January 2025, the Chair of the Remuneration Committee consulted our largest shareholders on proposed changes to the Executive Directors' remuneration.
- Meetings with potential shareholders on a regular basis as part of arranged UK and international roadshows and as required.
- Participation in conferences for institutional investors organised by a number of international banks and brokers.
- Engagement with analysts from investment banks by the Group Investor Relations and Sustainability Strategy Director.

Capital market seminars

- Two capital markets seminars in FY2025, held in September 2024 and March 2025, both held via a webcast accessible to all on the 3i website.
- The September 2024 seminar included presentations from the investment teams on our Private Equity investments in the Services & Software sector, as well as on our investment in Audley Travel.
- The March 2025 seminar focused on Action, with results and strategy updates from the CEO and CFO of Action, as well as an update by the 3i Chief Executive.

Annual and half-year results presentations

- The annual and half-year results are presented via live webcasts accessible to all on the 3i website. Listeners are encouraged to submit questions during the webcasts.

Individual investors

- Can attend live webcasts of the results presentations and capital markets seminars.
- Can engage directly with non-executive Directors, Executive Directors, the Company Secretary and the Group Investor Relations Director at the AGM.
- Can engage with and contact the Group Investor Relations and Sustainability Strategy Director and the Company Secretary, whose contact details are on the website, to raise issues and provide feedback.

Annual General Meeting

- The AGM is held as an in person meeting, preceded by business presentations from the Chair and Chief Executive.
- Shareholders are encouraged to ask questions during the meeting and have the opportunity to meet Directors before and after the formal proceedings.

Website

- The 3i website (www.3i.com) provides a wealth of useful and detailed information for all existing and potential shareholders, who can also sign up for our email alert service to be notified of key announcements.
- The website was refreshed in FY2025 to provide more user-friendly content and information.

Outcome of engagement with shareholders

The extensive Investor Relations programme enables investors to understand 3i's performance, assists them in making their investment decisions and provides them with an opportunity to engage with Directors and senior management. Executive Directors routinely update the Board on investor relations activities and on any feedback received from analysts and shareholders. Any major issues brought up by shareholders concerning the Group are communicated to and discussed with the Board.

Engaging with other stakeholders

Stakeholders	Engagement	Outcome
Employees	**Why?** 3i is a people business. Our people are critical to the success of the Company and we rely on having motivated people with the appropriate expertise and skills required to deliver our strategy. **How?** Our approach as a responsible employer is described in the Sustainability section. The Directors' report on page 152 includes details on their engagement with our employees. We continue to support our employees and to maintain strong employee engagement.	Having meaningful engagement with employees helps create a strong, supportive work culture, which develops and retains talent, enabling 3i to continue to deliver strong performance. **Pages 52-55** **Sustainability report**
Portfolio companies	**Why?** 3i's long-term, responsible approach to its investments means that it participates in the active management of its portfolio companies. Close engagement and a strong governance framework enables us to help them grow and create value. **How?** Our investment teams work closely with investee companies and their management teams. One or more investment team professionals are usually appointed as directors of each investee company. In addition, regular forums across the Private Equity and Infrastructure portfolios share best practice and experience. During the year, we held our biennial CEO and Chair forum with a theme of the growth agenda. Topics discussed ranged from the global macro-economic climate and current geopolitical uncertainties, to delivering growth through buy-and-build and the latest advancements in Generative AI. We held a CTO Forum with 25 CTOs from across our private equity and infrastructure portfolio. Discussions explored the importance of IT in business strategy and delivering a successful ERP transformation, as well as sessions on GenAI and cybersecurity. We also held a CTO Artificial Intelligence webinar where colleagues shared progress and learnings on the GenAI landscape.	We are able to share best practice and connect management teams across the portfolio. Growing and generating value in the portfolio companies enables 3i to generate attractive returns for our shareholders and fund investors, contributing towards the long-term success of 3i. **Pages 14-15** **Our business model** **Pages 42-51** **Sustainability report** **Pages 19-38** **Investment activity**
Fund investors	**Why?** Fund investors, like shareholders, want to understand and have confidence in 3i's strategy, performance, culture, sustainability policies, compliance and governance. It is also important that the Board and management understand issues that are specific to them. **How?** There is an engagement programme with fund investors and co-investors led by the Fund Investor Relations team with regular and ad hoc meetings, supported by comprehensive reporting. The Chief Executive and relevant investment professionals participate in some of these meetings, as appropriate.	Fund investors have provided capital we have invested in certain assets as part of our investment management activities and which generates fee income for 3i. They are customers to whom we owe regulatory duties. Positive engagement with Fund investors enhances our relationship with them and provides them with the information they require to maintain their investment in the relevant fund. **Page 37** **Assets under management**

Division of responsibilities continued
Engaging with stakeholders continued

Stakeholders	Engagement	Outcome
Debt holders	**Why?** Access to debt markets provides important flexibility and resilience to the Company's financial structure. **How?** Together with the Group Finance Director, the Group Treasurer engages with debt providers, hedging counterparties and rating agencies through regular reviews and updates including the Group's results presentations. A dedicated section on 3i.com is maintained for debt investors.	The Company's ability to issue further bonds where appropriate (as with the successful issue in 2023 of our €500 million euro bond) demonstrates the benefits of positive engagement with debt holders. **Page 70** **Financial review** **Page 94** **Directors' duties under Section 172** **Pages 181-182** **Notes to the accounts**
Government and Regulators	**Why?** The Company works in a regulated environment and can only continue to operate if it complies with relevant laws and regulations. **How?** Our Group Compliance team and local professionals lead our relationships with national and international regulators, including the UK FCA, the US SEC and the Luxembourg CSSF. The Company actively participates in policy forums, engages on regulatory matters and is a member of a number of industry bodies, including the British Private Equity & Venture Capital Association and Invest Europe. We maintain relationships with other governance-related bodies including the FRC, relevant UK government departments, ESG rating agencies, the FTSE Women Leaders Review, the Parker Review and proxy advisers through participation in consultations, surveys and events.	Maintaining open and constructive dialogue and strong relationships with relevant authorities and governance bodies helps support the achievement of our strategic goals within a compliant framework.
Third-party professional advisers and service providers	**Why?** The Company relies on its extensive network of professional advisers and service providers to help it originate, analyse and execute new investments, to assist with portfolio management and to support the business operations of the Company. **How?** The investment teams, Executive Directors and functional teams lead these relationships and maintain close and regular dialogue with our professional advisers and service providers who include due diligence providers, operational and IT support providers, law firms, the Registrars, the External auditor and the Company's corporate brokers.	The support from our advisers and service providers contributes to 3i's long-term success.
Communities	We embed responsible business practices throughout our organisation by promoting our values and culture. We use our influence with our portfolio companies to ensure that they assess their environmental and social impacts and dependencies and, where relevant, devise strategies to address them. We also partner with organisations and charities that support charities which relieve poverty, promote education and support elderly and disabled people.	For details of the Company's contribution to and engagement with communities see the Sustainability section. **Page 56** **Act as a good corporate citizen**

Board performance review

In accordance with the Code, during the year, the Board conducted its annual review of its own performance and that of its Committees and the Chair. The review process operates on a three-year cycle being externally facilitated at least once every three years. During the year, the performance review was undertaken externally by Lintstock Limited. Lintstock Limited performed no other services for the group during the year.

Board performance review process

1. Each Director and member of Executive Committee completed a Board performance review questionnaire and (except in the case of the Chair) a Chair performance review questionnaire. They each had a one-on-one discussion with Lintstock.
2. Responses to the Board performance review questionnaire were collated by Lintstock and a report shared with the Chair on a non-attributable basis.
3. The Lintstock Chair review report was shared with the Senior Independent Director.
4. The Senior Independent Director led the review by the other Directors of the Chair's performance and discussed the outcome of the review with him.
5. The report from Lintstock was shared and discussed with the Board at its March 2025 meeting.

Topics covered in the 2025 review

- Board composition;
- Board dynamics and relationships;
- Meetings, support and Committees;
- Understanding stakeholder views;
- Oversight of strategy and investments;
- External developments and risks; and
- People and succession.

Findings from the 2025 review

The overall finding was that the Board had continued to perform strongly and had benefitted from the leadership provided by the Chair. The review was very positive across a broad range of issues. It confirmed a consensus between the Board and executives that they were working well together and were focussed on the right issues and priorities for the year ahead. The Board agreed steps including:

- to continue promoting greater interaction between non-executive Directors and the investment teams and to deepen non-executive Directors' knowledge of the portfolio. This would include greater in person attendance at the six-monthly portfolio asset reviews;
- to review the allocation of Board time between Action and other parts of the business, including potential long-term hold assets;
- to provide additional opportunities for non-executive Directors to discuss people and organisational development topics directly with the Chief Human Resources Officer; and
- to provide additional opportunities for non-executive directors to discuss investor feedback and themes with the Group Investor Relations Director and Sustainability Strategy Director.

Composition, succession and evaluation continued

Focus areas from the 2024 performance review	Actions and steps taken
Continued oversight on the performance of Action and other long-term-hold assets, and ensuring the Board developed and maintained appropriate mechanisms to satisfy itself in this regard.	The Board received regular updates on the performance of both Action and Royal Sanders, the Company's second identified long-term hold asset. Non-executive Directors attended the six monthly asset reviews and the Board and Valuations Committee considered and approved the quarterly valuations. In January 2025, the Board visited Action's head office and received presentations from the Action's CEO and other senior executives as well as visiting an Action store. The Board also received a presentation on Royal Sanders from the relevant investment team.
Maintaining oversight over the rest of the Private Equity and Infrastructure portfolio.	The Board maintained oversight over the Private Equity and Infrastructure portfolios in various ways including regular reports from the Chief Executive, involvement in the six-monthly asset reviews, consideration and approval of the quarterly valuations as well as presentations from investment teams and from portfolio companies. In the year, the Board received presentations from the CEOs of Action, European Bakery Group, Luqom, OMS, and the deal team of Royal Sanders.
Director succession planning.	Nominations Committee keeps Director succession planning under review considering the size, balance and composition of the Board in light of likely retirements and the needs of the Board going forward. For further details, see the report of the Nominations Committee on pages 116 to 120. During the year, Russell Reynolds, an independent search firm, assisted Nominations Committee in the search for a new non-executive Director. The process focused on the best candidate with appropriate skills and qualifications including being able to chair the Audit and Compliance Committee when Stephen Daintith retires from the Board. Hemant Patel was appointed as a Director in February 2025.
The form and process for the FY2025 board performance review.	After discussions on the form and process for the FY2025 Board performance review, the Board decided that as required by the UK Corporate Governance Code the FY2025 review should be externally facilitated and also decided that for continuity the review should be facilitated by Lintstock Limited which had led previous reviews.

Directors review of the performance of the Chair

In her role as Senior Independent Director, Lesley Knox led a review by the Directors of the performance of the Chair which was also facilitated by the results of the Board performance review conducted by Lintstock Limited. Ms Knox subsequently reported back to the Board on the review and provided feedback to the Chair.

Read more on page 116
Nominations Committee report

Nominations Committee report

David Hutchison
Committee Chair

I am pleased to present the Nominations Committee report for the year ended 31 March 2025. My report explains the role of the Committee and its work this year.

What the Committee reviewed in FY2025

- **Board and senior management succession**
  - Non-executive Director recruitment
  - Chair tenure
  - Contingency Executive Director succession plan
  - Board and senior management succession plans
- Board and Chair evaluation
- Size, balance and composition of the Board

Committee membership	Meetings
David Hutchison (Chair)	2(3)
Stephen Daintith	3(3)
Lesley Knox	3(3)
Coline McConville	3(3)
Peter McKellar	3(3)
Hemant Patel	1(1)
Alexandra Schaapveld	3(3)

The column above headed "Meetings" shows the number of meetings of the Committee attended by each member during the year, together with, in parentheses, the number of meetings they were entitled to attend. As explained in this report Mr Hutchison did not attend the meeting which included discussions of the Chair's tenure and performance.

Dear Shareholder

Role and purpose of the Committee

The Committee's principal role is to ensure the Board has the necessary skills and experience to enable the Group to deliver its current and future strategic objectives. In doing this it keeps under review the size, balance and composition of the Board and ensures that plans are in place for orderly succession for both the Board and senior management positions, including contingency plans for unanticipated events. It also reviews the Company's work on diversity, equity and inclusion. The Committee's discussions are complemented by discussions at meetings of the full Board where appropriate.

Directors

Directors' biographical details are set out on pages 102 and 103.

All Directors are subject to re-appointment every year. Accordingly, at the AGM to be held on 26 June 2025, all the Directors will retire from office and, being eligible, will seek re-appointment. The Board's recommendation for re-appointment of Directors is set out in the 2025 Notice of AGM.

Hemant Patel was appointed to the Board as an independent non-executive Director with effect from 3 February 2025. There were no other changes to the membership of the Board during the year.

Throughout the year, Lesley Knox continued to serve as Senior Independent Director. As Senior Independent Director, Lesley provides support to me, acts as an intermediary with the other Directors, if necessary, and oversees my appraisal and the review of my tenure by the other Directors. Lesley is also available to the Company's shareholders to address any concerns they have been unable to resolve through me, Simon Borrows or James Hatchley or where they consider these channels to be inappropriate.

Appointments and appointment process

We maintain a structured and transparent procedure for identifying the requisite skills and experience, evaluating suitable candidates, and appointing new Directors. For non-executive Directors, the assessment process includes an evaluation of their availability to fulfil their roles. Recommendations for appointments require Board approval. There was one non-executive Director appointment during the year. Russell Reynolds, an external search consultancy, assisted in the search process. The Committee conducted a review of its appointment process during the year and confirmed its continued appropriateness.

Succession planning for the Board

Our approach to succession planning seeks to ensure that Board retirements are planned for and occur in a coordinated manner and that the Board has an appropriate mix of skills and experience. This mitigates risks to the Company's strategic objectives by avoiding gaps in key skills or a lack of continuity. The Committee believes that length of service will not necessarily compromise the independence or contribution of the Company's Directors. The Nominations Committee evaluates the appropriate balance between the retention of the corporate memory of the Company (including detailed knowledge of portfolio companies in which it has been invested for many years), with maintaining a suitable rate of refreshment at any given point in time.

The Board and Nominations Committee have carefully considered the question of Chair tenure as detailed on page 100. In my absence the Nominations Committee, chaired by the Senior Independent Director, reviewed my tenure as Chair in March 2025. Further details are set out in the Report from the Senior Independent Director on this page and in the Corporate Governance statement on page 100.

The Board also recognises that in providing leadership, governance, challenge and support it must, when considering the Chair tenure, take account of matters including: the importance of Director independence; the need to periodically refresh the Board and its leadership; knowledge and understanding of the Company's investment business and its strategic objectives; as well as diversity, continuity and retention of corporate memory. We believe that an appropriate balance of all these factors is essential both for the effective functioning of the Board and the delivery of the Board's purpose. At times, this may result in some longer-serving Directors, including the Chair.

Report from the Senior Independent Director on the Committee's annual review of Chair's tenure

David Hutchison, who was appointed as Chair of the Board in November 2021, has now served as a Director for more than eleven years. This does not comply with the provisions of the UK Corporate Governance Code ("the Code") and a full explanation of the background to David's appointment as Chair and why the Nominations Committee and the Board believe it appropriate for the Chair to continue in office is therefore set out on page 100.

The Board and Nominations Committee are aware of the risks to good corporate governance which could follow from excessive Chair tenure. As one of the measures adopted to mitigate this risk the Nominations Committee decided that it would review annually the continued appropriateness of the Chair's appointment. This review is led by the Senior Independent Director and takes place in the absence of the Chair.

The first such annual review, led by me, took place in March 2023 and the most recent review was conducted in March 2025. The Nominations Committee discussed the reasoning behind the provisions of the Code limiting Chair tenure, reviewed the circumstances of David Hutchison's appointment as Chair and reviewed his performance in this role over the past year. This review was conducted in parallel with the annual Chair evaluation which acts as a further mitigant to the risks associated with tenure beyond nine years.

At the 2024 AGM, over 91% of shareholders who voted at the AGM voted in favour of David Hutchison's continued appointment. To date, shareholders have not expressed any significant concerns to the Company relating to David's continued appointment.

This year's review concluded that David continued to perform effectively as Chair, continued to exercise objective judgement and continued to appropriately promote constructive challenge amongst Board members. The Committee noted the very favourable results from the Chair evaluation review, in particular the exceptional support David provides to his 3i and Board colleagues and the fact that he strikes the right balance in terms of leading the Board in a collegiate manner and also respecting the stewardship of the strategy and portfolio by executive management.
The Nominations Committee also noted that in the context of a company where long-term knowledge of the business and its portfolio companies was of great importance, David's continued appointment was all the more appropriate. The Committee concluded unanimously that David's continued appointment for the coming year was in the best interests of the Company.

Lesley Knox
Senior Independent Director
14 May 2025

Diversity and inclusion

The Board strongly supports the principle of boardroom diversity. The Board's aim is to appoint Directors on merit so as to have a Board who have an appropriate mix of skills, experience and knowledge which is diverse in terms of gender, social and ethnic backgrounds, as well as cognitive and personal strengths. When we engage external consultancies to assist with Director appointments, they are instructed to put forward a diverse range of candidates for consideration from which the Board can make appointments on merit and against objective criteria.

The Board currently comprises ten Directors, of whom four are women. This meets the 40% female gender diversity target set by the FTSE Women Leaders review. The Board also meets the Parker Review recommendation of having at least one Director from a minority ethnic group.

During the year, the Committee reviewed the Company's Equal Opportunities and Diversity policy and decided that no changes to the policy were required at this time. The Committee also reviewed the Company's diversity, equity and inclusion activities during the year and considered how the Company's Equal Opportunities and Diversity policy had been implemented. Further details are set out in the Sustainability report on pages 52 to 55.

The Committee reviews and monitors initiatives aimed at developing a diverse pipeline of talent within the Company below Board level through the succession planning process referred to above and the appointments process. When hiring, we seek to recruit on merit from a diverse pool of candidates.

Despite our approach the challenge nonetheless remains that there is a limited size talent pool, particularly at senior levels, within an extremely competitive market.

The gender balance of our employees and our senior managers is reported in more detail in the Sustainability section on page 53. At 31 March 2025, our employees were 60.5% male and 39.5% female. The under-representation of women in senior management and investment roles at 3i is an issue we share with much of the private equity and alternative asset investment sector. Nonetheless, 3i continues to focus on increasing the number of women in these roles, whilst recognising that significant change will take time to achieve. As at 31 March 2025, 20% of Executive Committee plus their direct reports who were senior managers were female. (For further information and details on how this figure is calculated see page 53).

Details of progress and action on ethnic diversity are contained in the Sustainability report on page 54.

The Company participates in a number of diversity, equity and inclusion initiatives, details of which are contained in the Sustainability report on pages 53 and 54.

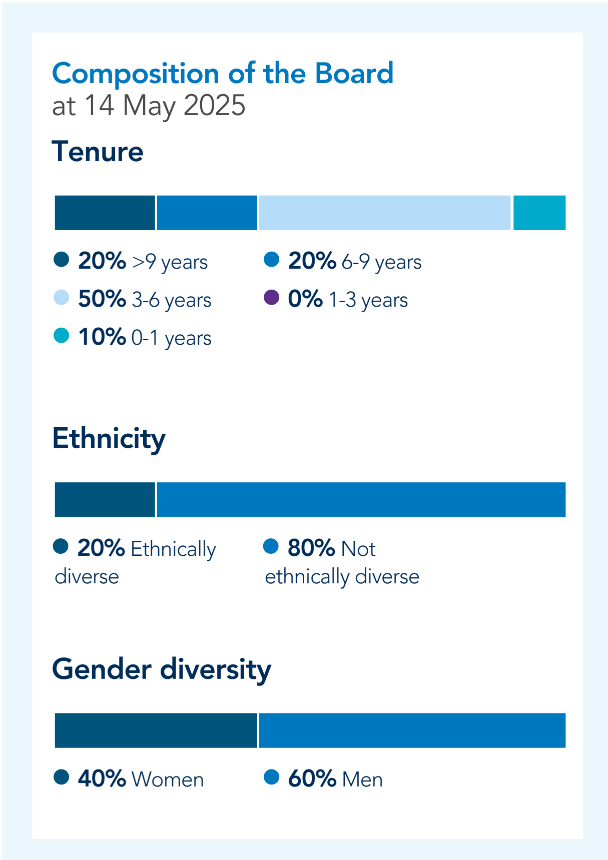
Diversity of individuals on the Company's Board and in executive management

In accordance with LR 6.6.6 R (9) of the FCA Listing Rules, the Board confirms that, as at 31 March 2025, the Company met the targets set out in that rule in that at least 40% of the Board were women, that at least one of the specified senior positions on the Board (the Chair, the Chief Executive, the Senior Independent Director or the Chief Financial Officer) was held by a woman and that at least one Director was from a minority ethnic background. There have been no changes to the Board since 31 March 2025 that would affect the Company's ability to meet these targets.

In accordance with LR 6.6.6 R (10) of the FCA Listing Rules, the following tables set out data, as at 31 March 2025, on the ethnic background and the gender identity or sex of the individuals on the Company's Board and in its executive management.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Gender identity or sex					
Men	6	60%	3	8	89 %
Women	4	40%	1	1	11 %
Not specified/prefer not to say	–	–	–	–	–
Ethnic background					
White British or other white (including minority-white groups)	8	80%	4	6	67 %
Mixed/Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	2	20%	–	1	11 %
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	2	22 %

The tables above include data for three individuals who are included in both the Board and executive management. The Company's approach to collecting the data used for the purposes of the above disclosures was to use data on gender or sex from our employee records and to ask the individuals which ethnic background was applicable to them together with permission to use it for this purpose, save where individuals were located in non-UK jurisdictions where we believe it would be inappropriate or unlawful to make such a request.



Directors' skills, experience and knowledge

The Directors have a range of core skills, experience and knowledge which enable them to effectively support and appropriately challenge management on the delivery of 3i's strategy. These skills include the following:

- Audit and finance
- Financial services and global markets
- Investment trusts and asset management
- Retail/Consumer/Commercial
- Remuneration
- Sustainability
- Digital
- UK plc governance
- Prior experience as Chief Executive/Chief Financial Officer/Chief Investment Officer

Training and advice

The Company has a training policy which provides a framework within which training for Directors is planned with the objective of ensuring Directors understand the duties and responsibilities of being a director of a listed company and are updated on developments that particularly impact 3i. All Directors are required to keep their skills up to date and maintain their familiarity with the Company and its business.

On appointment, all non-executive Directors participate in an extensive induction programme. They have discussions with the Chair and the Chief Executive. This is followed by briefings on: strategy; finance; Private Equity and Infrastructure including portfolio assets; external funds and co-investment and legacy funds; HR, remuneration and carry schemes; and legal, regulatory and compliance matters including the responsibilities of Directors. The Company provides opportunities for non-executive Directors to obtain a thorough understanding of the Company's business by meeting members of the senior management team who in turn arrange, as required, visits to investment or support teams.

In the year, Directors received presentations on Generative AI and the economic outlook, in addition to presentations given by the CEOs and Private Equity investment teams of a number of portfolio companies. They also received, during the course of Board and Committee meetings, updates on developments in relation to regulatory matters, sustainability, risk, financial and other reporting requirements and the UK and global tax environment. Directors have the opportunity to suggest additional subjects for presentations where they believe it would be helpful. All non-executive Directors have the opportunity to access the Company's compliance e-training modules which are used to train the Company's employees on regulatory compliance matters.

The Company has procedures for Directors to take independent legal or other professional advice in relation to the performance of their duties. In addition, Directors have access to the advice and services of the Company Secretary, who advises the Board, through the Chair, on governance matters.

Activities in the year

What was discussed	What the Committee did	Outcome
Board and senior management succession	**Size, balance and composition of the Board, and non-executive Director appointments** The Committee has continued to keep Board succession plans as well as the size, balance and composition of the Board under review. During the year, one appointment of a new non-executive Director was made. The Board now comprises ten Directors, being the Chair, three executive Directors and six independent non-executive Directors.	The Committee remains of the view that a nine or 10 member Board is an appropriate size of Board for the Company and that the Board has the right balance of skills and experience.
	Contingency Executive Director succession plan The Committee reviewed its short-term contingency succession plans for scenarios where any of the executive Directors was unexpectedly unable to carry out their duties.	The Committee noted the existing contingency arrangements for circumstances where any of the executive Directors suddenly became unable to carry out their duties. No changes to these arrangements were recommended.
	Senior management succession plans In relation to succession planning below Board level, and as part of the Board's work to support the development of a diverse pipeline of talent, the Committee and the Board considered and discussed the 2024 Group Succession Planning and Strategic Capability Review, which was presented to the Directors by the Chief Human Resources Officer and other relevant Executive Committee members. This annual review identifies development and succession plans for key staff, including all members of the Executive Committee and their direct reports, with details of short-term contingency arrangements in case of a sudden vacancy, planned successors and identification of those who, with further experience, could be potential longer-term successors.	The Board and the Committee were able to satisfy themselves as to the appropriateness of the succession planning process in place for senior positions within the Group.
Board performance review	Details on how the annual Board performance review process was conducted and areas covered are on pages 114 and 115. The evaluation process for the year was externally facilitated by Lintstock Limited. The Committee reviewed the evaluation process which had been followed in the year with a view to identifying whether any changes or improvements should be made for future years.	Details on the actions taken in response to the 2024 review and details of the outcome of the 2025 review are set out on pages 114 and 115.
Review of Chair tenure	The Committee keeps the continued tenure of the Chair under regular review. This process is led by the Senior Independent Director and is particularly important given that the Chair has served as a Director for in excess of nine years.	Details of the review are set out on page 117 in the report from the Senior Independent Director. The Committee concluded that the Chair's continued appointment for the coming year was in the best interests of the Company.

David Hutchison
Chair, Nominations Committee

14 May 2025

Audit, risk and control

Audit and Compliance Committee report

Stephen Daintith
Committee Chair

I am pleased to present the Audit and Compliance Committee report for the year ended 31 March 2025. My report explains the Committee's work this year.

What the Committee reviewed in FY2025

- Financial and non-financial reporting
- External audit
- Internal control, compliance and risk management
- Risk review

Committee membership

Committee membership	Meetings
Stephen Daintith (Chair)	6(6)
Coline McConville	6(6)
Alexandra Schaapveld	6(6)
Hemant Patel[1]	1(1)

1 Mr Patel joined the Board on 3 February 2025.

The column above headed "Meetings" shows the number of meetings of the Committee attended by each member during the year, together with, in parentheses, the number of meetings they were entitled to attend. Other regular attendees at the Committee meetings include the following: the Chair; Chief Executive; Group Finance Director; Chief Operating Officer; Company Secretary; Director of Group Reporting and Valuations; Head of Internal Audit; Head of Group Compliance; and the External auditor, KPMG LLP.

Dear Shareholder

We held six regular scheduled meetings this year, four of which were coordinated with 3i's external reporting timetable.

During the year, the Committee focused time on the Group's technology roadmap which encompasses our IT strategy, cyber security, key system implementations, data strategy and architecture and emerging technologies including artificial intelligence. Management have successfully implemented a new treasury management system and HR system in FY2025, and are progressing well with a new ERP system. The Committee was also updated on the AI initiatives across the Group and our portfolio companies.

In anticipation of the new requirements under provision 29, applicable to financial years beginning on or after 1 January 2026, the Committee considered management's identification of key material controls across financial and non-financial reporting operations and were satisfied that the Group's operations remain well controlled and the Group is well positioned to satisfy the new rules and reporting requirements under provision 29. An integral part of our control environment is the work our Internal Audit function conduct, and during the year, we oversaw the successful selection and transition of a new head of Internal Audit.

The Audit Quality Review team (AQRt) of the FRC performed a review of KPMG's audit of the Group's FY2024 financial statements. The Committee reviewed and discussed the report with KPMG.

In advance of each Committee meeting, I met with the Group Finance Director, the Chief Operating Officer and the Heads of Compliance and Internal Audit to discuss their reports as well as any relevant issues. I also met privately with KPMG as part of my ongoing review of their effectiveness and, periodically, with other members of the 3i senior management team. I continue to have regular discussions and planning meetings with management and KPMG on delivering an effective audit.

The rest of the report sets out in detail the Committee's activities in the year. It is structured as follows:

- Governance
- Report on the year
- Areas of accounting judgement and control focus
- Risk management and internal control effectiveness
- Internal audit
- External audit

I look forward to engaging with you on the work of the Committee.

Stephen Daintith
Chair, Audit and Compliance Committee

14 May 2025

Audit and Compliance committee's terms of reference
www.3i.com/investor-relations/governance/principal-board-committees

What the Committee reviewed in FY2025

Financial and non-financial reporting

- Annual and half-year reports and quarterly performance updates
- Key accounting judgements and estimates
- Update on the relevant thematic reviews from the FRC
- Reviewed the Annual report to ensure that it is fair, balanced and understandable, including APMs
- Going concern, Viability and Resilience statement
- Sustainability disclosure enhancements including TCFD reporting and science-based targets

External audit

- Confirmation of the external auditor independence
- Policy and approval for non-audit fees
- FY2025 audit plan, including significant audit risk (being the valuation of the unquoted investment portfolio)
- Audit results report, including the results from testing Key Audit Matters
- External auditor performance and effectiveness

Internal control, compliance and risk management

- Review of 3i's system of risk management and internal control, including overseeing implementation of a new financial reporting key internal controls system, replacing the existing system
- Internal audit reports assessing internal control, processes, fraud and matters relevant to financial reporting
- Review of the Viability statement and the supporting stress test scenarios
- Update on cyber security and penetration tests
- Business resilience including IT and disaster recovery
- Annual staff verification exercise
- Audit and Assurance policy

Risk review

- Valuation reports and recommending the investment portfolio valuation to the Board
- Review of investment themes from portfolio company review process and portfolio performance including sustainability issues and risks
- Regular reviews of compliance with regulatory rules and compliance monitoring findings
- Annual tax update and reports on tax policy and strategy
- Reports from the Group Risk Committee ("GRC") and the risk log
- Update on litigation matters

Governance

All members of the Committee are independent non-executive Directors. The Board believes members have the necessary range of financial, risk, control and commercial experience required to provide effective challenge to management. In particular, the Board is satisfied that Stephen Daintith has recent and relevant financial experience as outlined in the Code and the Committee as a whole has competence relevant to the sector in which it operates. The attendance of members at meetings is shown in the table on page 121.

The Committee meets privately for part of its meetings and also has regular private meetings with the External auditor, the Group Finance Director, the Chief Operating Officer, the Head of Internal Audit and the Head of Compliance in the absence of other members of the management team.

Report on the year

The review work of the Committee in the past year is summarised in the table on this page. This work included the assessment and evaluation of the areas of significant accounting judgement, and monitoring the effectiveness of 3i's risk management framework as described in more detail later in this section. In addition, the Committee focused on a number of topics, which are set out below.

Taxation

The Committee received an annual update from the Group Tax Director on the Group's taxation status which covered liaison with fiscal authorities in the UK and other jurisdictions, relevant external developments, and material tax projects.

Cyber security and IT

The Committee also received an annual update on cyber security and key IT projects. There were no serious cyber incidents reported in the year and the Committee noted the work undertaken to: further improve 3i's cyber security maturity and detective and protective controls; enhance business operational resilience and manage third party IT supplier risk; and maintain staff training and awareness on cyber security risks. The update on IT projects covered resilience and continuity planning, and monitoring progress on key system projects, including the replacement of the Treasury Management and HR systems completed during the year, and of the ERP system, currently underway.

Going concern and viability

The Directors are required to make a statement in the Annual report and accounts as to 3i's viability. The Committee provides advice to the Board on the form and content of the statement, including the underlying assumptions. In advance of the year-end the Committee reviewed the Group's proposed stress test scenarios to support the going concern basis and Viability statement. At the year end, the Committee evaluated a report from management setting out its view of 3i's viability and content of the proposed Viability statement.

This report was based on the Group's strategic plan and covered forecasts for investments and realisations, liquidity and gearing, including forecast outcomes of the stress tests and forecast capital and liquidity performance against an assessment of the Group's risk profile. It incorporated the 31 March 2025 valuations and consideration of a range of economic outcomes. The Committee discussed whether the choice of the three-year period remained appropriate and concluded that it remained the most appropriate period and provided more certainty on the Group's performance due to the nature of the Group's business and its risk appetite to invest in Private Equity and Infrastructure investments for a period of four to six years, whilst acknowledging the reduced reliability of assumptions in the later period of the plan. See our Resilience statement on page 127 for further details.

The Directors believe the Group has sufficient financial resources and liquidity, is well placed to manage business risks in the current economic environment, and can continue operations for a period of at least 12 months from the date of issue of these financial statements. The Directors have also considered key dependencies set out within the Risk management section including investment and operational requirements.

Taking into account the assessment of the Group's stress testing results and its risk appetite statement on page 80, the Committee agreed to recommend the Viability statement and three-year viability period which was subsequently approved by the Board.

Audit and Assurance policy

Our Audit and Assurance policy was considered by the Committee as part of its review of the effectiveness of 3i's risk management and internal control system; in particular, in its assessment of the scope and adequacy of audit and assurance activities.

Areas of accounting judgement and control focus

The Committee pays particular attention to matters it considers to be important by virtue of their complexity, level of judgement and potential impact on the financial statements and wider business model. Significant areas of focus considered by the Committee are detailed on the next page, alongside the actions taken by the Committee (with appropriate challenge from the External auditor) to address them.

Areas of accounting judgement and control focus

Valuation of the proprietary capital investment portfolio

Area of significant attention

The most material area of judgement and estimation in the financial statements, and noted as a significant risk and Key Audit Matter by the External auditor, relates to the valuation of the unquoted investment portfolio, which, at 31 March 2025, was £24,663 million, or 93% of gross assets, under the Investment basis.

In recognition of the importance of this area, the Board has a Valuations Committee to review the valuations policy, process and application to individual investments. The Valuations Committee provides quarterly oral reports to the Audit and Compliance Committee and the Board, supported by the relevant minutes of the Valuations Committee.

What the Committee reviewed and concluded

On behalf of the Board, the Committee received and evaluated quarterly reports from the Chair of the Valuations Committee and the External auditor, with particular focus on the assumptions supporting the valuation of unquoted asset investments, any valuation uncertainties and the proposed disclosures in the financial statements. Members of the Committee also attend the Valuations Committee meetings.

The detail on the key valuation considerations and the review and challenge undertaken in the year is included in the Valuations Committee report on pages 130 to 134.

The Committee also reviewed and concluded that no fair value adjustment should be made to the investment entity subsidiaries' NAVs and judgement for control is appropriate for those investees and funds consolidated within the Group.

Fair, balanced and understandable and the presentation of 3i's reports and accounts

Area of significant attention

Under the Code, the Board should establish arrangements to ensure the Annual report presents a fair, balanced and understandable assessment of the Group's position and prospects.

The Group prepares the non-GAAP Investment basis financial statements to provide a disaggregated view of the underlying portfolio alongside the IFRS basis to aid in the understanding of the results and performance of the underlying portfolio.

What the Committee reviewed and concluded

The Committee reviewed the half-yearly and annual financial statements as well as the quarterly performance updates with management, focusing on the integrity and clarity of disclosures and enabling the Board to provide the fair, balanced and understandable confirmation to shareholders in the Annual report and accounts 2025.

A report summarising the considerations for the Annual report and accounts 2025 was reviewed by the Committee in advance of the year-end and a summary of the detailed procedures undertaken was prepared alongside the Annual report and accounts 2025.

Internal audit

The Committee continued to monitor the scope, activity, and resources of the Group's Internal Audit function, including approving the internal audit plan and assessing whether its operating model remained effective and in line with relevant professional standards. The Committee receives quarterly updates on internal audit activity, including the results of reviews of 3i's investment offices and professional services teams; updates on outstanding agreed actions from previous reports; and any changes to the audit plan in response to business developments or new areas of higher risk.

In the absence of an external quality assessment in FY2025, the Committee also received an effectiveness self-assessment from the Head of Internal Audit which is designed to assist the Committee in its monitoring of the function.

Based on reports and other evidence seen, and meetings held over the course of the year, the Committee concluded that the Internal Audit function remained effective.

External audit

The Committee has responsibility for making recommendations to the Board on the appointment of the External auditor, determining its independence from the Group and its management and agreeing the scope and fee for the audit.

Jonathan Mills, who has served as the lead audit partner since his appointment in 2021, is currently completing his fifth audit in this role. In line with rotational requirements, a new lead audit partner has been appointed for FY2026. Accordingly, the Committee has endorsed the appointment of Fang Fang Zhou as Jonathan Mills' successor.

Auditor independence

The Group has a policy for setting out what non-audit services can be purchased from the firm appointed as External auditor or a member of the firm's network. The aim of the policy is to support and safeguard the objectivity and independence of the External auditor and to comply with the FRC's Ethical Standards for auditors. It also ensures that where fees for approved non-audit services are greater than a pre-determined limit, they are subject to the Committee Chair's prior approval.

The policy permits certain non-audit services to be procured, following approval, when the Committee continues to see benefits for the Group in engaging KPMG. Examples of this include work:

- that is closely related to the external audit as described in para 5.36 of the FRC's Ethical Standards;
- where a detailed understanding of the Group is required; and
- where KPMG is able to provide a higher quality and/or better value service than other potential providers.

The key principle of our policy is that permission to engage the External auditor will always be refused when a threat to independence and/or objectivity is present or perceived or without any proper safeguards in place. In line with the FRC's Ethical Standards, 3i will not generally use KPMG for any non-audit services (unless explicitly permitted) that are not closely related to KPMG's role as 3i's External auditor. This includes tax and legal, consulting and investment-related services such as due diligence.

All proposals for services with KPMG must be forwarded to the Chief Operating Officer in the first instance and will require approval by the Chair of the Audit and Compliance Committee above a defined limit and provided the work is not closely related to KPMG's role as 3i's External auditor. Examples of services that require additional approval include:

- the fee exceeds £100,000; or
- the service is work other than services closely related to KPMG's role as 3i's External auditor.

Smaller engagements with fees of less than £100,000 and services that are explicitly permitted and are not considered closely related to the audit are approved by the Chief Operating Officer on behalf of the Committee.

KPMG has reviewed its own independence in line with these criteria and its own ethical guideline standards. This includes the review of due diligence processes undertaken within the Group's investment activities. KPMG has confirmed to the Committee that following its review it is satisfied that it has acted in accordance with relevant regulatory and professional requirements.

Audit and non-audit fees

The total audit fee for the year was £2.9 million (2024: £3.1 million). Non-audit fees paid to the External auditor were £0.4 million (2024: £0.4 million). Non-audit service fees represent 14% of the audit fee and remain well within the cap of 70% of the average audit fee over the previous three years. The Committee concluded that these fees fell within its criteria for engaging KPMG and do not believe they pose a threat to the External auditor's independence or objectivity.

Assessing external audit effectiveness

The Committee reviews the effectiveness of KPMG through the use of questionnaires completed by management, by considering the extent of its contribution at Committee meetings throughout the course of the year, and in one-to-one meetings.

The FY2025 evaluation also reviewed the quality of the audit process, the use of KPMG's valuation specialists to support the audit of the portfolio valuations and the technical knowledge of the team.

The Committee concluded that the audit was effective and that there should be a resolution to shareholders to recommend the re-appointment of KPMG LLP at the 2025 AGM.

Risk management and internal control framework

The Committee is responsible, on behalf of the Board, for overseeing the effectiveness of the Group's risk management and internal control system. The overall framework is reviewed by the Committee in accordance with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the FRC.

The GRC, Executive Committee and senior managers are required to provide the Committee with regular updates on a range of topics to enable the Committee to form a view on the Group's principal risks, risk mitigation plans and any significant new risks, themes or developments.

The GRC provides an update on the assessment of the Group's principal risks and new and emerging risks, together with details of how these are being managed or mitigated in the context of the Group's strategic objectives and risk appetite. The reports also include updates on key sustainability risks and developments, both in relation to the Group and the investment portfolio. Further details can be found in the Risk management section on pages 80 to 93.

The Committee receives a range of reports and information on the operation of the Group's system of internal control, including controls over financial reporting. The Group's external reporting is subject to a well-established input, review and verification process, which the Committee is briefed and consulted on.

Details of what the Committee reviewed can be found in the tables on pages 122 and 124. A summary of the key control framework is set out below.

Review of effectiveness

For monitoring and reporting purposes, a significant control failure or weakness is defined as one resulting in or with potential to result in a material misstatement in the financial statements or loss to the business, or significant reputational damage, penalties or sanctions.

Both the External and Internal Auditors provide the Committee with details of their respective reporting frameworks, including materiality limits and risk ratings. This is to ensure there is an understanding of how the definitions are applied in evaluating the nature and severity of any risk or internal control findings and the appropriateness of remedial action plans.

The Committee's review of the risk management and internal control system takes into account the various updates and reports outlined in this section. In addition, the Committee receives an annual risk and internal control effectiveness review from Internal Audit and an end-of-audit report from the External auditor. The Executive Committee, supported by their direct reports, is also required to sign-off an annual control attestation, the results of which are reported by Internal Audit. The Committee also reviews the Group's anti-fraud programme and use of the whistle blowing facility.

The Committee performed its annual review of the system's effectiveness and reported its conclusions to the Board. The Board noted that the system has been in place for the year under review and up to the date of approval of this Annual report and accounts 2025, and that there had been no significant control failings or weaknesses which required remedial action.

Summary of key control framework

Investment process
- Due diligence process
- Investment procedures
- Investment Committee review and approval
- Sustainability assessment
- Responsible Investment policy

Investment portfolio companies
- 3i Board representatives
- Active management of senior appointments
- Minimum sustainability requirements

Investment portfolio management
- Procedures for portfolio management
- Monthly portfolio company dashboards and performance monitoring
- Six-monthly investment and portfolio company reviews, including reporting against sustainability requirements

Viability and going concern
- Stress testing methodology and modelling
- Analysis of assets and liabilities
- Capital adequacy review process
- Group strategy and liquidity forecasting models

Valuations process
- Approved Valuations policy
- Investment and portfolio company review processes
- Central oversight by the Valuations team, Investment Committee and Valuations Committee

Financial reporting
- Framework of key financial controls and reconciliations
- Portfolio, fund and partnership accounting processes
- Documented analyses of complex transactions and changes in accounting requirements and disclosures
- Operating expense budget

People and culture
- Values framework and HR policies
- Performance management framework
- Remuneration policies
- Conduct and compliance policies and monitoring
- Succession planning process

Advisory relationships
- Pre-approved suppliers of investment due diligence services
- Tendering and approval process for other advisers, eg legal, tax
- Monitoring of performance and patronage
- Confidentiality and conflicts management

Third-party service suppliers
- Use of 3i's Supplier Relationship Management tool
- Required contractual protections, eg data security and business continuity
- Oversight and governance frameworks for critical suppliers
- Independent service organisation reports

Balance sheet management
- Treasury policy and control framework
- Liquidity monitoring framework
- Fund transfer and release controls
- Portfolio concentration and vintage control monitoring framework
- FX hedging programmes

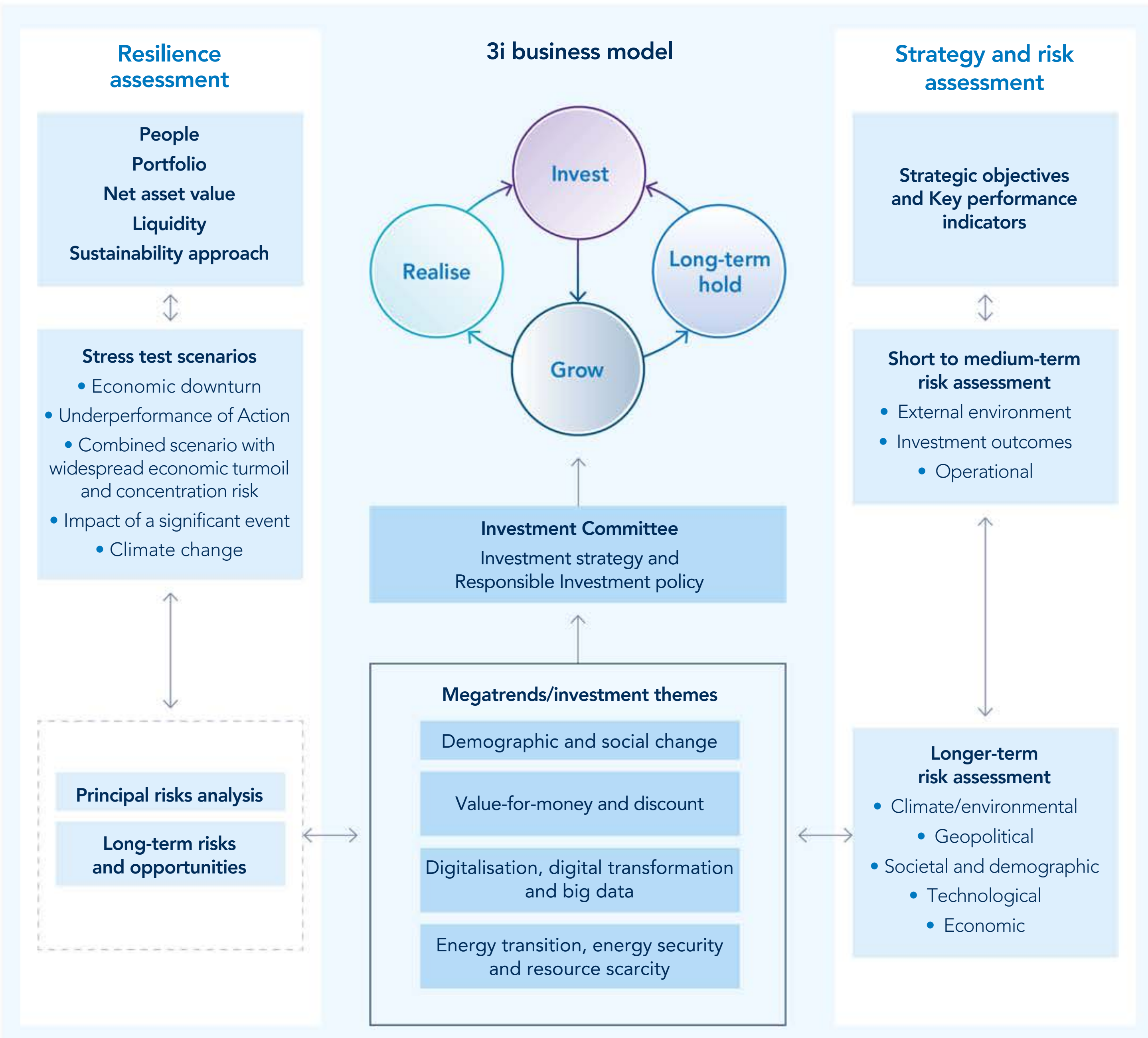
Change management
- Approval process for changes to corporate structure or new products/business areas
- Ongoing monitoring of legal and regulatory changes
- Active participation and engagement with government, regulators and trade bodies
- Business systems project governance and oversight

IT systems and security
- IT governance and policy framework
- Access and data security controls
- Back-up and disaster recovery procedures and testing
- IT and cyber security monitoring and control framework, and regular penetration tests
- Staff cyber security awareness training

Resilience statement

Our resilience is dependent on the success of our investment strategy, careful management of our balance sheet and costs, and the ability to attract and retain a capable and diverse team. This is underpinned by a strong institutional culture and values, robust corporate governance, and effective risk and operational management.

Our resilience assessment draws upon a number of interdependent components, illustrated below. Further information can be found in the sections on the Group's business strategy (pages 12 to 17), Approach to risk management (pages 80 to 93) and Sustainability (pages 39 to 68).



Short-term resilience

In assessing our short-term resilience, we undertake regular portfolio monitoring, including six-monthly strategic portfolio company reviews and monthly trading updates for each portfolio company. These reviews highlight and appraise sources of risk at a portfolio company level and feed into the quarterly valuation process. Regular portfolio updates are provided to the Board and Audit and Compliance Committee.

We also carry out periodic assessments of the Group's operational resilience, including key people risks, IT systems and security infrastructure, and critical third-party suppliers.

Active management of liquidity underpins our short-term resilience, which is supported by the ready availability of short-term funding and a conservative balance sheet policy that ensures a low level of structural gearing at the holding company level.

The identification of material uncertainties, that could cast significant doubt over the ability of the Group to continue as a going concern, forms the basis of the Directors' Going concern statement below.

Going concern statement

Going concern is assessed for a period of at least 12 months from the date of approval of the Annual report and accounts. The Directors are required to evaluate whether the Group has adequate resources to continue in operational existence for at least the next 12 months. The Directors have made an assessment of going concern, taking into account both the Group's current performance and outlook using the information available up to the date of issue of these financial statements.

In carrying out their assessment of going concern and short-term resilience, the Directors considered a wide range of information, including:

- details of the Group's strategy, risk appetite, and business and operating models;
- information on the Group's principal risks and mitigation plans;
- a summary of the financial position considering performance; and
- current market volatility and geopolitical and economic uncertainties.

The Group monitors its funding position and its liquidity risk throughout the year to ensure it has access to sufficient funds to meet forecast cash requirements.

At 31 March 2025, the Group remained well funded with liquidity of £1,323 million (31 March 2024: £1,296 million). Liquidity comprised cash and deposits of £423 million (31 March 2024: £396 million) and undrawn RCF of £900 million (31 March 2024: £900 million). The Group monitors its liquidity regularly, ensuring it is adequate and sufficient. This is underpinned by the monitoring of investments, realisations, foreign exchange hedging (including the liquidity impact of the Group hedging programme), operating expenses and receipt of portfolio cash income.

Liquidity is also central to the Group's dividend policy to maintain or grow the dividend year-on-year. This policy is subject to maintaining a conservative balance sheet approach and is therefore informed by the outlook for investment and realisation levels. Allowing the Group to exercise discretion over the level of dividends paid ensures that the Directors can recommend a sustainable dividend which takes into account the need to maintain liquidity for new investment and operating expenses.

The Directors have acknowledged their responsibilities in relation to the financial statements for the year to 31 March 2025. After making the assessment on going concern and short-term resilience, the Directors considered it appropriate to prepare the financial statements of the Company and the Group on a going concern basis.

The Group has sufficient financial resources and liquidity and is well positioned to manage business risks in the current economic environment and can continue operations for a period of at least 12 months from the date of this report. The Directors have concluded that there are no material uncertainties or risks that could cast significant doubt over the short-term resilience of the Group or its ability to continue as a going concern over the duration of that period based on investment and operational requirements.

Medium-term resilience

The assessment of medium-term resilience, which includes the modelling of stress tests and reverse stress tests, considers the viability and performance of the Group in the event of specific stressed scenarios which are assumed to occur over a five-year horizon in line with the Group's strategic planning process.

The stress testing focuses upon the principal risks, but also considers those new and emerging risks which are considered to be of sufficient importance to require active monitoring by the GRC; these include, for example, the risk of underperformance in specific assets in the portfolio and the impact of climate change. The medium-term resilience of the Group is examined through analysing the impact of these scenarios on key metrics such as net asset value and liquidity.

In each stress test scenario, the Group remains viable. The medium-term resilience of 3i is further supported by the availability of controllable management actions that can mitigate the impact of certain stress events. These actions include, for example, the flexing of investment and dividend levels for liquidity purposes.

Viability statement

The stress testing as detailed above forms the basis of the Viability statement. 3i conducts its strategic planning over a five-year period; the Viability statement is based on the first three years, which reflects our long-term hold investments in Action and Royal Sanders, and the Group's risk appetite to invest in Private Equity and Infrastructure investments for a period of four to six years and, therefore, provides more certainty over the forecasting assumptions used. The Directors assess 3i's viability and medium-term resilience over a three-year period from the date that the Annual report and accounts is approved. 3i's strategic plan and associated principal risks, as set out on pages 85 to 93, are the foundation of the Directors' assessment.

The assessment is overseen by the Chief Operating Officer and Group Finance Director and is subject to challenge by the GRC, review by the Audit and Compliance Committee and approval by the Board.

The Group's strategic plan projects the performance, net asset value and liquidity of 3i over a five-year period and is presented at the Directors' annual strategy meeting in December and updated during the year as appropriate. At the strategy meeting, the Directors consider the strategy and opportunities for, and threats to, our long-term hold assets, Private Equity and Infrastructure and the Group as a whole. The outcome of those discussions is included in the next iteration of the strategic plan which is then used to support the assessment of viability and medium-term resilience. The current iteration of the strategic plan reflects the current macro-economic headwinds and geopolitical uncertainty.

The Group's viability testing considers multiple severe, yet plausible, individual and combined stress scenarios. These scenarios include a range of estimated impacts, primarily based on providing additional support to portfolio companies as a result of a downturn and delaying the Group's ability to realise and make new investments. A key judgement applied is the extent of the impact of certain market and economic developments, including the outlook on interest rates, inflation and economic growth. The scenarios tested are as follows:

- **widespread economic turmoil** – considers the impact of a recession, triggered by persistent inflation, a marked slowdown in global economic growth, and weak consumer demand;
- **underperformance of Action** – considers the impact if 3i's largest asset, Action, was to suffer an extreme downturn in performance;
- **combined scenario with widespread economic turmoil and concentration risk** – considers both scenarios occurring at the same time;
- **impact of a significant event** – considers the impact of a loss in value of certain portfolio companies following a material event such as significant operational underperformance, covenant breaches, fraud, a cyber security breach or other sustainability issues; and
- **climate change** – considers the impact of climate change on 3i's portfolio, driven by changes in consumer behaviour, regulations, and other physical and business risks.

The assessment projects the amount of capital the Group needs in the business to cover its risks, including financial and operational risks, under such stress scenarios. The results of each of the stress test scenarios indicate that the Group is able to meet its obligations as they fall due for the viability period over three years from the date of approval of these financial statements by, in certain cases, making use of controllable management actions. In all these scenarios the Directors expect the Group to be able to absorb the impact on NAV, whilst the liquidity and solvency of the Group is protected.

Mitigating actions within management control include reducing new investment levels, dividend levels and drawing on the existing RCF. The analysis shows that, while there may be a significant impact on the Group's reported performance in the short term under a number of these scenarios, the resilience and quality of the balance sheet is such that solvency is maintained, and the business remains viable.

As part of the assessment of viability and medium-term resilience, the Group also undertakes reverse stress testing to identify the circumstances under which the Group's business model would no longer remain viable. These circumstances include a prolonged delay in the projected realisation date of investments, at the same time as continued investment by the Group at a level not supported by the liquidity forecast. In the absence of any mitigating management actions, these reverse stress tests determine the point at which the Group would lack the liquidity to remain viable. Overall, the reverse stress tests are sufficiently improbable as to provide a low risk of impact to the Group's viability and medium-term resilience. In practice, in the event of a market downturn and a significant delay in realisations, mitigating actions within management control would be exercised to provide sufficient liquidity.

Taking the inputs from the strategic planning process and its stress scenarios, the Directors reviewed an assessment of the potential effects of 3i's principal risks on its current portfolio and forecast investment and realisation activity, and the consequent impact on 3i's capital and liquidity.

Based on this assessment, the Directors have a reasonable expectation that the Company and the Group will be able to continue in operation and meet all their liabilities as they fall due up to at least the end of the three-year period of the assessment.

Long-term resilience

The long-term resilience of our business is underpinned by our capabilities as a leading investor in Private Equity and Infrastructure assets, including our long-term hold assets, and our effective risk management of the core elements of our business model (pages 14 and 15). This includes our long-term responsible approach to investment, conservative balance sheet strategy and an effective team built on a consistent set of shared values.

Fundamental to our long-term resilience is our investment strategy. We invest capital in businesses to deliver capital returns and portfolio and fund management cash income to cover our costs, and increase returns to our investors. Our long-term investment horizon is possible because we have a permanent capital base and are not driven by fundraising cycles. We adopt a sector and thematic approach to origination and portfolio construction which in turn supports long-term sustainable growth in the portfolio.

Crucially, this investment approach can be adapted in response to new and emerging risks and challenges including climate change, societal and demographic trends and technological changes. It also informs decision taking on portfolio realisations enabling the composition of the investment portfolio to evolve over time.

The analysis and management of our principal risks is focused on the short to medium term, and used as a basis to develop a range of stress test scenarios. Although these are modelled over a five-year horizon, the resilience shown by the Group, and its ability to recover from these stressed situations, supports the assessment of our resilience over a longer term. The availability and effectiveness of management actions employed in the stress testing scenarios demonstrates the flexibility with which we can respond to new and emerging risks.

Valuations Committee report

Peter McKellar
Committee Chair

I am pleased to present the Valuations Committee report for the year ended 31 March 2025. My report explains the role of the Committee, as well as the work we reviewed this year.

Committee membership	Meetings
Peter McKellar (Chair)	4(4)
Simon Borrows	4(4)
James Hatchley	4(4)
David Hutchison	4(4)
Lesley Knox	2(4)
Alexandra Schaapveld	4(4)

The column above headed "Meetings" shows the number of meetings of the Committee attended by each member during the year, together with, in parentheses, the number of meetings they were entitled to attend. Other regular attendees at the Committee include the following: Audit and Compliance Committee Chair; Chief Operating Officer; Group General Counsel; Managing Partners of Private Equity; Director of Group Reporting and Valuations; and the External Auditor, KPMG LLP.

Dear Shareholder

The Valuations Committee plays a key role in providing the Board with assurance that the valuation methodology and process are robust and independently challenged. During the year, we met four times as part of the Group's external reporting timetable. We reviewed and challenged the assumptions behind management's proposed asset valuations and reported to the Audit and Compliance Committee and the Board.

Throughout FY2025, we have maintained our usual rigour and challenge of earnings and multiples across the portfolio. Our long-term hold assets, Action and Royal Sanders, have delivered very strong performance, as well as a number of other larger assets across our portfolios. As the most significant asset by value for the Group, we continue our focus on the valuation of Action, for which the valuation methodology used, an earnings basis, is in line with the vast majority of our other Private Equity portfolio companies. Further details on the Action valuation can be found on page 133.

We also spent a considerable amount of time in the year on assets facing market-specific challenges. In these instances, where assets are at a low point in their respective market cycles, we have discussed with management the approach to determining the maintainability of earnings, quality of normalisations and, where applicable, triangulation against multiple data points to determine a fair value range. We have also spent time considering the valuation trajectory of those assets that are in a sales process, and, for those assets which have successfully been sold, conducted the relevant backtesting analysis.

At the time of conducting our valuation process at 31 March 2025, equity markets experienced heightened uncertainty as a result of the anticipated and resulting US tariff announcements. Following the announcement, our teams were quickly able to determine that only a small number of our portfolio companies would likely be directly impacted, and where impacts were identified, we would expect these to be largely mitigated. Our valuation approach, much like the approach we have taken during other times of heightened volatility, for example the pandemic and Russia's invasion of Ukraine, is to maintain our longer-term view on our portfolio and valuation multiples, and consider a wide range of data points, including, but not limited to, the peer group current averages, long-term through the cycle averages, recent comparable transactions and exit guidance. Our selection of multiple movements in the year reflected this analysis.

We welcome the FCA's 2024 review of Private Market Valuations, published on 5 March 2025. We were selected to participate in Phase 1 of the review, which was a questionnaire. We provided detailed responses to this questionnaire covering how we operate our valuation process and the policies, procedures and governance that underpin it. This was submitted in August 2024. We were not involved in Phase 2 which consisted of an in-depth review by the FCA of governance and processes at certain firms. Our existing valuation policy, process and governance are aligned to the FCA's guidance, and we remain committed to ongoing transparency in our valuation practices for shareholders, regulators, and other stakeholders.

Our valuation process is well-controlled, rigorous, and robust, guided by a Group Valuation Policy aligned with the IPEV principles. Independent challenge by both management and this Committee is integral to our process, particularly in key areas of themes and judgement, such as earnings maintainability, appropriate multiples, and discount rates. We apply the same discipline across all asset classes, including in our role as manager to 3iN. Recent transactions continue to validate our valuation approach, with premiums on exit primarily driven by competitive tension in the exit process. We complete backtesting of realisations to help inform on our process.

Our principal focus year on year is the Group's unquoted investments in Private Equity and Infrastructure, as a high level of judgement is required to value this portfolio of assets. This portfolio accounts for 96% of 3i's investment portfolio. The valuation of the Group's largest Infrastructure investment, namely the quoted holding in 3iN, represents 3% of 3i's investment portfolio, and the valuation is based on the share price of 3iN at the relevant balance sheet date.

Valuations Committee's terms of reference
www.3i.com/investor-relations/governance/principal-board-committees

At each Committee meeting, we received a detailed report from the Group Finance Director and Chief Operating Officer recommending the proposed valuation of the Group's investment portfolio. This report highlights the main drivers of value movement, analysed between performance (movement in earnings and net debt), multiple movements and other factors. At each meeting, we also reviewed selected assets for detailed discussion; examples of such assets covered during the year included Action, SaniSure, ten23 health and Wilson.

I met the Group Finance Director and Chief Operating Officer in advance of each meeting to discuss the key valuation assumptions and to review management's paper before circulation. I also met the External auditor, KPMG, privately to discuss the results of its quarterly reviews. These reviews challenged management's approach to valuations, the selection of comparable multiples and the relevance of earnings adjustments. Additionally, KPMG selected a sample of 11 assets, equivalent to 87% of the 31 March 2025 unquoted portfolio by value, across the half-year and full-year ends, for an in-depth review by its specialist valuations team to help to derive an independent valuation range. In March 2025, KPMG and I discussed their approach to the year-end audit and their sample of assets selected.

In advance of the half-year and full-year ends, management hold portfolio company review ("PCR") meetings with the respective investment teams. Non-executive Directors, including myself, the Chair and members of the Committee, attended a significant proportion of the meetings held in September 2024 and March 2025.

Our valuation methodology and process remain consistent. The valuation inputs for the Group's portfolio companies are reviewed on a case-by-case basis and considered against business plans, budgets, shorter and longer-term views on trading, and sector performance. Management considers various data points to support the fair value of investments, including estimates of run-rate and forecast earnings and the maintainability of these, in addition to historic earnings.

The judgements applied and resulting valuations were discussed with the Committee and the External auditor throughout the year.

We embed an assessment of sustainability factors on our portfolio companies throughout our investment lifecycle. These assessments form part of our normal portfolio management process, and as part of our PCR process, which helps inform investment decisions, mitigation of risk and value creation opportunities. As part of our case-by-case review of our portfolio companies, the risks and opportunities from climate change and other sustainability factors are one of the considerations in the overall discussion on fair value.

The rest of this report sets out in more detail what the Committee did during the year.

Peter McKellar
Chair, Valuations Committee

14 May 2025

The Committee focused on the following issues in FY2025:

Earnings and multiple assumptions

Area of significant attention

Of the total portfolio by value, 90% is valued using a multiple of earnings at 31 March 2025. The majority of assets are valued using their last-twelve-months ("LTM") earnings up to the prior quarter of the valuation date. When required, earnings of the portfolio company may be adjusted to what is considered "maintainable". We also apply a liquidity discount to the enterprise value determined according to factors such as our alignment with management and other shareholders and our investment rights in the company. The liquidity discounts are generally set at 5% of the enterprise value of the company. In some cases, such as instances where we hold a minority stake, the discount rate can be higher.

There is also a significant degree of judgement in selecting the set of comparable quoted companies and transactions which are used as a key data point in determining the appropriate multiple to calculate an enterprise value. Multiples are selected by reference to the market valuation of quoted comparable companies, long-term averages of comparable companies, M&A transactions and input, in certain cases, from corporate finance advisers. We also take into account growth profile, geographic location, business mix, degree of diversification, and leverage/refinancing risk. The multiple implied by the quoted comparables may be adjusted if, in certain cases, the longer-term view (cycle or exit plan) supports the use of a different multiple. This continues to be an important exercise given the market volatility we have seen as a result of the macro-economic environment. We continue to consider the impact of IFRS 16 and ASC 842 on the quoted comparable companies for those assets that report under local GAAP.

Private Equity assets are typically valued using a multiple of earnings. However, alternative valuation methodologies, such as a DCF valuation or a sum-of-the-parts, may be considered as an alternative benchmark for potential value or as a cross-check relative to the earnings-based valuation.

In the year, the Committee placed a key focus on:

- the budgets and projections for each portfolio company versus performance;
- the maintainability of earnings across LTM, forecast and run-rate earnings;
- the quality of earnings and the impact of one-off related normalisation adjustments;
- portfolio company leverage and covenant monitoring; and
- our long-term, through-the-cycle, view on multiples against the average of the quoted comparable peer sets.

What the Committee reviewed and concluded

Earnings data is received monthly from Private Equity portfolio companies and monitored closely by management. Actual earnings may then be adjusted in management's proposed valuations, for example, to reflect a full year's trading of an acquired business, removing profit from discontinued activities, any forecast uncertainty or to exclude exceptional transaction costs. Material adjustments are highlighted to the Committee in the quarterly report for review and approval.

At 31 March 2025, seven portfolio company valuation multiples, including Action, were valued above their peer set averages but remain well within the peer set range. Notable changes in multiples, which commonly result from significant bolt-on acquisitions, a change in performance or a shift in market sentiment in that sector, are presented to and reviewed by the Committee at each meeting.

The Committee focused on the following issues in FY2025:

Action

Area of significant attention

Action forms 70% of the total portfolio by value. Valued on a multiple of earnings basis, Action is the largest investment for the Group and, therefore, its valuation is a key area of focus.

Action's run-rate earnings grew significantly in the 12 months to the end of Action's P3 2025 (which ended on 30 March 2025), driven by new store openings and increased transaction volumes. Following a successful refinancing and capital restructuring , Action returned £1,164 million of proceeds to 3i, in addition to £433 million of cash dividends further to its strong cash generation. 3i reinvested £768 million of these proceeds, increasing its equity interest in Action from 54.8% to 57.9%.

Action was valued using its run-rate earnings for the 12 months to P3 2025 of €2,328 million and a run-rate multiple of 18.5x (31 March 2024: 18.5x) after applying a liquidity discount of 5%.

When considering the multiple for Action we paid particular attention to the following areas:

- the appropriateness of the comparable peers from both a forward and backward-looking perspective; and
- the strength of Action's performance across its key performance indicators compared to its peers.

Management also cross-checked the earnings-based valuation against a DCF model.

What the Committee reviewed and concluded

The Committee noted Action's impressive performance in the year, including the momentum in its trading, its like-for-like sales growth and consistency in its performance.

The Committee reviewed the work done by management on the comparable peer set and Action's relative performance across its key performance indicators, as well as cross-checking to a DCF model.

The Committee agreed with management's approach of valuing Action on the basis of a multiple of earnings, but noted that the DCF model provides a useful reference point.

The Committee reviewed the run-rate adjustments and earnings normalisations to ensure a consistent valuation methodology was applied.

Assets valued using a DCF basis

Area of significant attention

For assets valued using a DCF basis, which represent 4% of the total portfolio by value, the key valuation judgements relate to longer-term assumptions that drive the underlying business plan and cash flows and decisions on the appropriate discount rates and terminal value.

Amwaste, EC Waste, Regional Rail, Scandlines and Smarte Carte are the significant investments valued using a DCF valuation basis. A DCF model also forms the most significant input into the valuation of ten23 health, which is valued on a sum-of-the-parts basis.

What the Committee reviewed and concluded

Material assumptions for the DCF valuations are reviewed by the Committee. Sensitivity to assumptions is also noted. Any material changes are reviewed by the Committee at each meeting.

The Committee focused on the following issues in FY2025:

Imminent sale assets	**Area of significant attention**	**What the Committee reviewed and concluded**
	At any point in time, it is likely that a number of potential exit processes from the portfolio are underway. Judgement is applied by management as to the likely eventual exit proceeds and certainty of completion. This means that in some cases an asset may not be moved to an imminent sale basis until very shortly before completion; in other cases, the move may occur on signing, even if the time to completion is a period of some months. However, as a general rule an asset moves to an imminent sale basis only when an exit process is materially complete and the remaining risks are estimated to be small, given the completion risk around unquoted equity transactions. In FY2025, nexeye and WP were held on an imminent sale basis. Both sales were subsequently completed during the year. Management conducted backtesting analysis on both disposals.	Active sales processes are reviewed by the Committee, including details such as the timeline to potential completion, the number and make-up of bidders for investments, due diligence and execution risks, and regulatory or competition clearance issues. Management proposes a treatment for each asset in a sales process, which the Committee reviews at each meeting.

Review process

As part of its challenge and review process, the Committee:

- considered the management information provided to support the Committee's review of the valuations, including management's responses to any challenges raised by Committee members or the External auditor;
- sought assurance from the External auditor as to whether and how they had considered the appropriateness of valuations and the underlying assumptions made;
- reviewed the consistency of the views of management and the External auditor and their valuation specialists; and
- reviewed and challenged the differential between carrying values and those implied by the multiples of comparable quoted companies and transactions.

The Committee was satisfied that the application of the valuation policy and process was appropriate during the period under review, and recommended the portfolio valuation to the Audit and Compliance Committee and the Board at each quarter end for approval by the Board.

In addition, the Committee is responsible for keeping the Group's valuation policy under review and recommending any changes to the policy to the Audit and Compliance Committee and the Board. The policy is reviewed at least annually, with the last update in January 2025.

More information on our valuation methodology, including definitions and rationale, is included in Note 13 – Fair values of assets and liabilities starting on page 176 and in the Portfolio valuation – an explanation section on page 211.

External audit

As part of the half year review and year-end audit, KPMG's specialist valuations team reviews a selection of investments to support its overall audit opinion on the financial statements as a whole.

Remuneration

Directors' remuneration report

Coline McConville
Committee Chair

3i has delivered another strong set of results in FY2025 continuing our track record of consistently delivering impressive shareholder returns. This performance is reflected in the remuneration outcomes as set out in this report.

Committee membership	Meetings
Coline McConville	7(7)
Alexandra Schaapveld	7(7)
Lesley Knox	6(7)
Peter McKellar	7(7)

The column above headed "Meetings" shows the number of meetings of the Committee attended by each member during the year, together with, in parentheses, the number of meetings they were entitled to attend. Ms Knox provided comments on the topics to be discussed at the Committee that she was unable to attend.
The Chief Executive, the Company Chair, the Remuneration Director and the General Counsel & Company Secretary attend Committee meetings by invitation, other than when their personal remuneration is being discussed.

Dear Shareholder

This letter summarises the key Executive Director remuneration issues considered by the Remuneration Committee in the year and the decisions we made.

FY2025 performance

3i delivered another strong set of results in FY2025 with a total return on opening shareholders' funds of 25% (2024: 23%). The global economy remained challenging, shaped by geopolitical tensions and muted growth across major markets. Our value-for-money and private label businesses remained focused on the customer and delivered strong performance.

Action was the key driver of returns, supported by strong earnings growth, cash generation and continued strategic momentum. This result was particularly impressive, as the business operated against a backdrop of muted economic growth across many of its European markets. We increased our exposure to Action during the year and completed the final associated carried interest payments, ensuring undiluted shareholder benefit going forward.

The M&A environment stabilised through 2024 as inflation and interest rates levelled out. However, investor sentiment remained cautious and we took a selective and disciplined approach to capital deployment, focusing on reinvestments in high-performing portfolio companies, making three new investments totalling £318 million (WaterWipes, Constellation and OMS Prüfservice) and 12 bolt-on acquisitions across our Private Equity portfolio in sectors we know well.

Strong growth was seen in several other portfolio companies, notably Royal Sanders, another one of our long-term hold assets, which continued its organic and acquisitive expansion. Our industrial and healthcare portfolios also performed well, while services and software assets showed resilience despite cautious IT spending.

In Infrastructure, 3iN delivered a strong realisation at a 3.6x money multiple, completed two large refinancing transactions and invested further in two existing assets. Meanwhile, our North American Infrastructure Fund added three bolt-on acquisitions.

Total realised proceeds and income across our portfolios reached £2.4 billion, including £1.6 billion from Action through refinancing, share redemption exercise and dividends. Two significant Private Equity realisations achieved multiples of 2x or higher, including one materially above its March 2024 valuation.

Shareholders have benefitted from this continued strong performance. Our total shareholder return over the year was 31% and, over a three-year period, our total shareholder return was over 210%, the third highest over that period in the FTSE 350.

FY2025 bonus scorecard

As noted in last year's letter, the Committee has reviewed the current scorecard to ensure that the scorecard was appropriately structured to reflect the Group's strategic priorities, was aligned with the shape of the Group's underlying portfolio and the delivery of sustainable performance over the cycle.

Whilst the overall construct of the scorecard was considered appropriate the Committee made the following changes:

- re-weighting the quantitative element of the scorecard (measuring returns from Action, Private Equity (ex. Action) and Infrastructure) to better reflect the relative size of each of the businesses;
- added an additional metric which measures 3i's total return; and
- simplified and reduced the weighting on the Qualitative section of the scorecard with Sustainability, Strategy & People measures.

With these changes, the quantitative element of the scorecard was weighted at 85% (FY24 70%), ensuring that reward for our Executive Directors continues to be based on output-based metrics linked to return for investors.

The FY2025 outcomes against this scorecard are shown in the Implementation Report, and delivered a result of 88% of maximum. The Committee is satisfied that this new scorecard assesses management's performance appropriately in the context of 3i's performance and determined that no adjustments were required.

2022 LTIP outcomes

The 2022 LTIP award was based on two equally weighted performance conditions: absolute and relative TSR against the FTSE 350. You will see in this report that based on performance over the three-year period, the 2022 LTIP achieved 100% vesting with absolute TSR growth of 46.3% per annum and relative TSR well above the upper decile of the peer group. The Committee considered that the value of awards vesting reflected performance and therefore made no adjustment.

Remuneration Policy

As set out in my cover letter in the 2024 Directors' Remuneration Report, during the past six months the Committee has reviewed the Remuneration Policy and considered whether it (i) remains fit for purpose; and (ii) appropriately reflects both the size and complexity of the Group's operations and the calibre of executives we have in place. Overall, the Committee continues to consider that 3i's current remuneration framework remains fit for purpose.

While the Committee felt it should review the incentive opportunity levels for our executive team, which have not kept pace with the growth of 3i since May 2012 (when Mr Borrows was appointed as Chief Executive and the new strategy announced), the Committee decided that it would be undertaken as part of the Remuneration Policy update and vote, scheduled for the 2026 AGM. However, the Committee considered that a more urgent review of executive director base salaries was required.

3i's NAV per share has increased from £2.79 (31 March 2012) to £25.42 (31 March 2025) plus £4.315 cumulative dividends, which has moved the Company from outside the FTSE 100 to within the FTSE 30 as at 31 March 2025. Over this time, our executive remuneration arrangements have fallen behind those of other UK listed businesses (general industry and asset managers) and are positioned materially behind alternative asset management peers, which are generally privately held. Reflecting this, the Committee is proposing to make changes to base salaries for the upcoming year.

The uniqueness of the Group relative to the UK markets makes remuneration benchmarking more challenging, and therefore the Committee has looked at a number of different reference points - FTSE 50 companies, FTSE listed asset management firms and Private Equity firms. Our benchmarking included comparing the CEO and the Group Finance Director's current and proposed salaries and total maximum compensation against the FTSE 50 and against a comparator peer group of eight other UK listed asset managers[1]. There is limited public data for the COO role, given the lack of such roles at other listed companies, but the Committee reviewed benchmark data and the overall positioning is consistent for all three Executive Directors. It should be noted that, unlike our private equity competitors, none of our executive directors participate in carried interest or similar incentive plans. The benchmarking is summarised as below (maximum compensation is base salary plus the maximum bonus and LTIP that can be awarded annually).

Based on the Group's performance and the supporting market data, we are proposing that the base salary for each of the three Executive Directors is adjusted by £70,000 (rounded) with effect from 1 July 2025. The base salary for our executive directors will be as follows:

- Chief Executive: £822,000 (current: £752,000) +9.3%
- Group Finance Director: £600,000 (current: £530,000) +13.2%
- Chief Operating Officer: £470,000 (current: £400,000) +17.5%

	FTSE 50	UK Listed Asset Managers
3i Group's ranking by market capitalisation	22nd	1st
Chief Executive		
Current Salary (£752k)	Below lower quartile (LQ) (£1.1m)	6th (of 9)
Proposed Salary (£822k)	Below LQ (£1.1m)	5th
Current maximum compensation (£6.7m)	Below Median (£9.3m)	2nd
Proposed maximum compensation (£7.4m)	Below Median (£9.3m)	2nd
Group Finance Director		
Current Salary (£530k)	Below LQ (£720k)	6th
Proposed Salary (£600k)	Below LQ (£720k)	4th
Current maximum compensation (£3.2m)	Below LQ (£3.8m)	4th
Proposed maximum compensation (£3.7m)	Below LQ (£3.8m)	3rd

1 Schroders, ICG, Hargreaves Lansdown, St James' Place, Bridgepoint Group, M&G, MAN Group, Aberdeen

While the Committee is conscious that the proportional increase differs by Executive Director (reflecting their current base salary) and is materially greater than the general staff base salary increase (4%), the Committee felt it is merited by the strong performance delivered by each of the Executive Directors, the complexities of their roles and in order to reduce the market gap that currently exists.

I hope that you will find this report a clear account of the way in which the Committee has implemented the remuneration policy during the year and I look forward to your support for our Annual report on remuneration at the upcoming AGM.

Coline McConville
Chair, Remuneration Committee
14 May 2025

The Annual report on remuneration (Implementation report)

During FY2025, we operated under the remuneration policy approved at the 2023 AGM, which can be found on our website at **www.3i.com**.

Director remuneration for the year (audited)

Single total figure of remuneration for each Director

	FY2025								FY2024							
£'000	**Salary/ fees**	**Benefits**	**Pension**	**Total fixed pay**	**Annual bonus**	**LTIP**	**Total variable pay**	**Total**	Salary/ fees	Benefits	Pension	Total fixed pay	Annual bonus	LTIP	Total variable pay	Total
S A Borrows	**744**	**19**	**23**	**786**	**2,646**	**8,476**	**11,122**	**11,908**	713	17	21	751	2,031	6,640	8,671	9,422
J G Hatchley	**524**	**18**	**55**	**597**	**1,166**	**3,735**	**4,901**	**5,498**	503	17	53	573	895	336	1,231	1,804
J H Halai	**391**	**20**	**50**	**461**	**791**	**2,325**	**3,116**	**3,577**	357	19	46	422	577	226	803	1,225
D A M Hutchison	**370**	**–**	**–**	**370**	**–**	**–**	**–**	**370**	335	–	–	335	–	–	–	335
C J Banszky	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	24	–	–	24	–	–	–	24
S W Daintith	**99**	**–**	**–**	**99**	**–**	**–**	**–**	**99**	89	–	–	89	–	–	–	89
L M S Knox	**114**	**–**	**–**	**114**	**–**	**–**	**–**	**114**	96	–	–	96	–	–	–	96
C McConville	**109**	**–**	**–**	**109**	**–**	**–**	**–**	**109**	98	–	–	98	–	–	–	98
P A McKellar	**109**	**–**	**–**	**109**	**–**	**–**	**–**	**109**	98	–	–	98	–	–	–	98
H Patel	**11**	**–**	**–**	**11**	**–**	**–**	**–**	**11**	–	–	–	–	–	–	–	–
A Schaapveld	**104**	**–**	**–**	**104**	**–**	**–**	**–**	**104**	92	–	–	92	–	–	–	92

- Benefits for Executive Directors include a car allowance, provision of health insurance and, for Ms Halai, the value of the Share Incentive Plan matching share awards.
- The amounts shown as pension are salary supplements in lieu of pension contributions. These supplements were in line with pension contributions for the Group's employees generally (12% of pensionable salary).
- Annual bonus awards made in respect of the year are delivered as 60% 3i Group plc shares deferred over four years, and the remaining 40% as a cash payment in May 2025. All annual bonus awards are subject to the malus/clawback policy. Those shares deferred over four years are released in four equal annual instalments commencing June 2026 and all share awards carry the right to receive dividends and other distributions.
- In addition to the table above, dividends or dividend equivalents on unvested deferred share awards were paid during the year (Mr Borrows: £121k, Mr Hatchley: £42k and Ms Halai: £21k).
- The values shown in the FY2025 LTIP column represent the performance shares vesting from the 2022 LTIP, together with the value of accrued dividends on those shares. The shares have been valued using the three-month average closing share price to 31 March 2025 (3,839.75 pence). The 2022 LTIP value attributable to share price growth since the awards were granted is £5,321k, £2,345k and £1,459k for Mr Borrows, Mr Hatchley and Ms Halai respectively. Further detail is provided on page 139. The values shown in the FY2024 LTIP column represent the shares that vested from the 2021 LTIP last year, together with the value of accrued dividends on those shares. It should be noted that the awards that vested to Mr Hatchley and Ms Halai last year were awards made prior to them being appointed to the Board. This value has been restated using the prevailing share price at the time of vesting (2,999 pence for Mr Borrows and 2,931.3 pence for Mr Hatchley and Ms Halai), being the third anniversary of grant.
- The fees shown for the non-executive Directors include fees used to purchase shares in the Company.
- Non-executive Directors receive reimbursement for their reasonable expenses for attending Board meetings. The Group meets the associated tax cost.
- Ms Halai retained Directors' fees of £83k from Barratt Developments plc.

FY2025 performance

Quantitative performance measures (85% of total. FY2025 payout 73%)

Area of strategic focus	Weighting	Metric	Threshold	Maximum	Performance	Pay-out
Portfolio returns (Action)	36.0%	Gross investment return (% of opening portfolio value)	16%	21%	32%	100%
Portfolio returns (excl. Action)	14.0%	Gross investment return (% of opening portfolio value)	10%	15%	10.3%	24%
Portfolio returns (Infrastructure)	5.0%	Gross investment return (% of opening portfolio value)	8%	10%	9.4%	76%
Total Returns	30.0%	Total return (% of opening shareholders' funds)	13%	17%	25.0%	100%

- The threshold and maximum return targets are set in line with 3iN's public return objectives.

Qualitative performance measures (15% of total. FY2025 payout 15%)

Area of strategic focus	Weighting	Metric	Comments
Sustainability	5.0%	Sustainability targets across the portfolio and 3i Group	We made further refinements in the monitoring of sustainability risks and portfolio performance, including development of a human rights framework and high-level assessment of nature-related impacts and dependencies. We enhanced the annual sustainability assessment questionnaire for portfolio companies and made progress with engagement with portfolio companies covering material topics, including CSRD, human rights and climate. We increased the number of portfolio companies which have science-based targets at 31 March 2025, with seven in comparison to one as of the FY2023 base year. We collected Scope 1 and 2 data from 100% of our Private Equity and economic infrastructure portfolio companies (excludes some legacy minority and other minority investments where we have limited influence).
Strategy & People	10.0%	Development of the strategic vision of the Group and progress of corporate projects	In July 2024 Action successfully completed a refinancing event. At the same time, it undertook a pro-rata share redemption returning £1,164 million in gross proceeds to the Group. 3i took the opportunity to increase its ownership in Action, reinvesting £768 million and increasing our gross equity stake from 54.8% to 57.9%. Additionally, we completed the final payment of the associated carried interest liability, ensuring that the full economic benefit of Action's performance is now passed through to shareholders with no dilution. The Private Equity team has successfully implemented a sector-led approach with the new sector heads appointed and managing their cross-border teams. In very difficult market and macro conditions for realisations, our investment teams were able to complete three cash realisations in the year (nexeye, Weener Plastics and Valorem) at or above 2.0x sterling money multiples. We continue to take part in various human resources initiatives both internally and across the industry, including sponsorship of Level 20, offering internships as part of GAIN (Girls Are INvestors) and 10,000 Black Interns programmes.

Executive Director annual bonus outcomes

In light of the performance detailed above, and following an assessment taking into account the shareholder, employee and wider stakeholder experience, further detail of which is provided in the Remuneration Committee Chair's statement, the Committee awarded bonuses to the Executive Directors of 88% of maximum. Bonuses are delivered as 40% paid in cash immediately and 60% deferred into the Company's shares, vesting in four equal annual instalments. Annual bonus awards are subject to the malus/clawback policy.

Share awards vesting in FY2025 subject to performance conditions

2022 Long-term incentive award (audited)

The Long-term incentive awards granted in June 2022 were subject to performance conditions based on absolute and relative total shareholder return over the three financial years to 31 March 2025. The table below shows the achievement against these conditions and the resulting proportion of the awards which will vest in June 2025.

	Weighting	Threshold		Maximum		Actual		Total
Total shareholder return measure	%	Performance	% vesting	Performance	% vesting	Performance	% vesting	% vesting
Absolute total shareholder return	50%	10% pa	20%	18% pa	100%	46% pa	100%	100%
Relative total shareholder return (as measured against the FTSE 350 Index)	50%	Median	25%	Upper quartile	100%	Above Upper quartile	100%	

The table below shows the grants made to the Executive Directors in 2022, at a share price of 1,315.5 pence, and the resulting number of shares that will vest due to the achievement against the performance targets as set out above. The value of the shares vesting has been included in the single figure table using the three-month average closing share price to 31 March 2025 of 3,839.75 pence.

Reflecting on performance delivered over the performance period (in terms of operational performance of the business and returns delivered to our shareholders), further detail of which is provided in the Remuneration Committee Chair's statement, the Committee considered the formulaic out-turn to be an appropriate reflection of performance and therefore did not exercise any discretion or downwards adjustment in relation to the award.

	Basis of award at grant	Face value at grant £'000	Number of shares awarded at 1,315.5p per share	% vesting	Number of shares vesting	Value of shares vesting at 3,839.75p per share £'000
S A Borrows	Face value award of 4 times base salary of £693k	2,773	210,792	100%	210,792	8,094
J Hatchley	Face value award of 2.5 times base salary of £489k	1,222	92,892	100%	92,892	3,567
J Halai	Face value award of 2.25 times base salary of £338k	760	57,810	100%	57,810	2,220

The proportion of the award vesting is subject to a further holding period, and shares will be released on the fifth anniversary of grant together with the value of dividends that would have been received during the period from grant to the release date.

Change in the remuneration of the Directors compared to other employees

The table below shows the percentage change in remuneration paid to each Director and employees as a whole for the past four performance years.

	FY2025			FY2024			FY2023			FY2022			FY2021		
	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus
S A Borrows	4%	11%	30%	4%	12%	(14%)	4%	–%	(10%)	3%	–%	9%	–%	–%	149%
J G Hatchley	4%	4%	30%	17%	19%	(3%)									
J H Halai	10%	8%	37%	20%	38%	1%									
D A M Hutchison	10%			3%			74%			85%			9%		
S W Daintith	11%			6%			4%			–%			–%		
L M S Knox	19%			2%			114%								
C McConville	11%			2%			3%			3%			3%		
P A McKellar	11%			2%			33%								
H Patel															
A Schaapveld	13%			10%			4%			(5%)			467%		
Employees	7%	8%	7 %	7%	27%	(5%)	13%	2%	6%	7%	9%	32%	2%	2%	76%

D A M Hutchison was appointed Chair in November 2021. L M S Knox and P A McKellar were both appointed during FY2022 and A Schaapveld during FY2020. The change in the fees shown above is due to part-year payments.

Details of share awards granted in the year

LTIP

Performance share awards were granted to the Executive Directors during the year as shown in the table below.

Description of award	A performance share award, which releases shares, subject to satisfying the performance conditions, on the fifth anniversary of award.
Face value	Chief Executive – 400% of salary, being 103,626 shares. Group Finance Director – 250% of salary, being 45,666 shares. Chief Operating Officer – 225% of salary, being 30,997 shares. The share price used to make the award was the average mid-market closing price over the five working days starting with the day of the announcement of the 2024 annual results (2,901.2 pence). We continue to apply our long-held consistent policy of measuring performance using the three-month average closing share price to 31 March and granting awards using the five-day average closing price (starting on the day of the announcement of the annual results).
Performance period	1 April 2024 to 31 March 2027.
Performance targets	50% of the award is based on absolute TSR measured over the performance period, and vests: • 0% vesting below 10% pa TSR; • 20% vesting at 10% pa TSR; • straight-line vesting between 10% and 18% pa TSR; and • 100% vesting at 18% pa TSR. 50% of the award is based on relative TSR measured against the FTSE 350 Index over the performance period, and vests: • 0% vesting for below median performance against the index; • 25% vesting for median performance against the index; • 100% vesting for upper quartile performance against the index; and • straight-line vesting between median and upper quartile performance.
Remuneration Committee discretion	The Committee can reduce any award which would otherwise vest if there are unauthorised breaches of the Group's liquidity and gearing policies or where significant adjustment is required to ensure the outcome is a fair reflection of the performance of the Company and the individual.

Deferred bonuses awarded in FY2025

All Directors are considered to be Identified Staff and, for awards made during FY2025, 60% of the annual bonus was delivered in 3i Group plc shares deferred over four years (and which vest one quarter per annum over those four years). The remaining 40% was delivered as a cash bonus in May 2024. The following awards were made on 3 June 2024 in respect of FY2024 performance:

	Face value at grant	Number of shares awarded at 2,901.2p per share	Vesting
S A Borrows	£1,219k	42,006	Four equal instalments annually from 1 June 2025
J G Hatchley	£537k	18,511	Four equal instalments annually from 1 June 2025
J H Halai	£346k	11,936	Four equal instalments annually from 1 June 2025

The face value of the awards were reported in the FY2024 single figure of remuneration. The share price used to calculate face value was the average of the mid-market closing prices over the five working days starting with the date of the announcement of the Company's results for the year ended 31 March 2024 (9 May 2024 to 15 May 2024), which was 2,901.2 pence. These awards are not subject to further performance conditions but are subject to our malus and clawback policy.

Share Incentive Plan

During the year, Ms Halai participated in the HMRC-approved Share Incentive Plan which allowed employees to invest up to £150 per month from pre-tax salary in ordinary shares ("partnership shares"). For each partnership share, the Company grants two free ordinary shares ("matching shares") which are forfeited if the participant resigns within three years of grant. Dividends are reinvested in further ordinary shares ("dividend shares").

Ms Halai purchased 54 partnership shares, and received 108 matching shares and 463 dividend shares at prices ranging between 2,865 pence and 4,054 pence per share, with an average price of 3,377 pence.

Hedging of share awards

As a matter of policy the Group ensures that it holds the maximum potential number of shares granted under the LTIP and Deferred Share Plan from the date of grant. Shares are purchased by the Employee Benefit Trust in the market as and when required to ensure that coverage is maintained.

Pension arrangements (audited)

The Executive Directors receive pension benefits on the same percentage basis (12%) of their pensionable salaries as other employees of the Company. During the year, they received salary supplements in lieu of pension of £23k (Mr Borrows), £55k (Mr Hatchley) and £41k (Ms Halai) respectively. Mr Borrows' pensionable salary is subject to the 3i earnings cap (FY2025: £217,241).

Prior to 2011, Executive Directors were eligible for membership of the 3i Group Pension Plan, a defined benefit contributory scheme. Pension accrual ceased for all members with effect from 5 April 2011. Salary linkage was removed in February 2023 and replaced with a time-limited cash allowance, which the Chief Operating Officer receives (£9k), in line with other, similarly affected staff.

Payments to past Directors (audited)

No payments to past Directors were made in the year.

Payments for loss of office (audited)

No payments to Directors for loss of office were made in the year.

Statement of Directors' shareholding and share interests (audited)

The Company's share ownership and retention policy requires Executive Directors to build up over time and thereafter maintain a shareholding in the Company's shares equivalent to at least 3.0 times gross salary in the case of the Chief Executive and 2.0 times gross salary for the Group Finance Director and Chief Operating Officer. In addition, shareholding targets have been introduced for other members of the Executive Committee at 1.5 times their gross salaries and for partners in the Group's businesses at 1.0 times their gross salaries. Since 2018, non-executive Directors and the Chair are required to build up over time and thereafter maintain a shareholding in the Company's shares equivalent to at least the same as their respective annual base fees (cash and shares).

Executive Directors are expected to maintain a shareholding in the Company for two years post-employment, at the lower of their shareholding at the time they leave employment and the applicable levels set out above.

Details of Directors' interests (including interests of their connected persons) in the Company's shares as at 31 March 2025 are shown in the table below. The closing share price on 31 March 2025 was 3,616 pence.

	Owned outright	Deferred shares	Subject to performance	Shareholding requirement	Current shareholding (% salary)
S A Borrows	16,657,061	933,383	258,810	300%	85,873
J G Hatchley	329,124	157,281	114,052	200%	4,097
J H Halai	102,350	101,973	75,095	200%	2,528

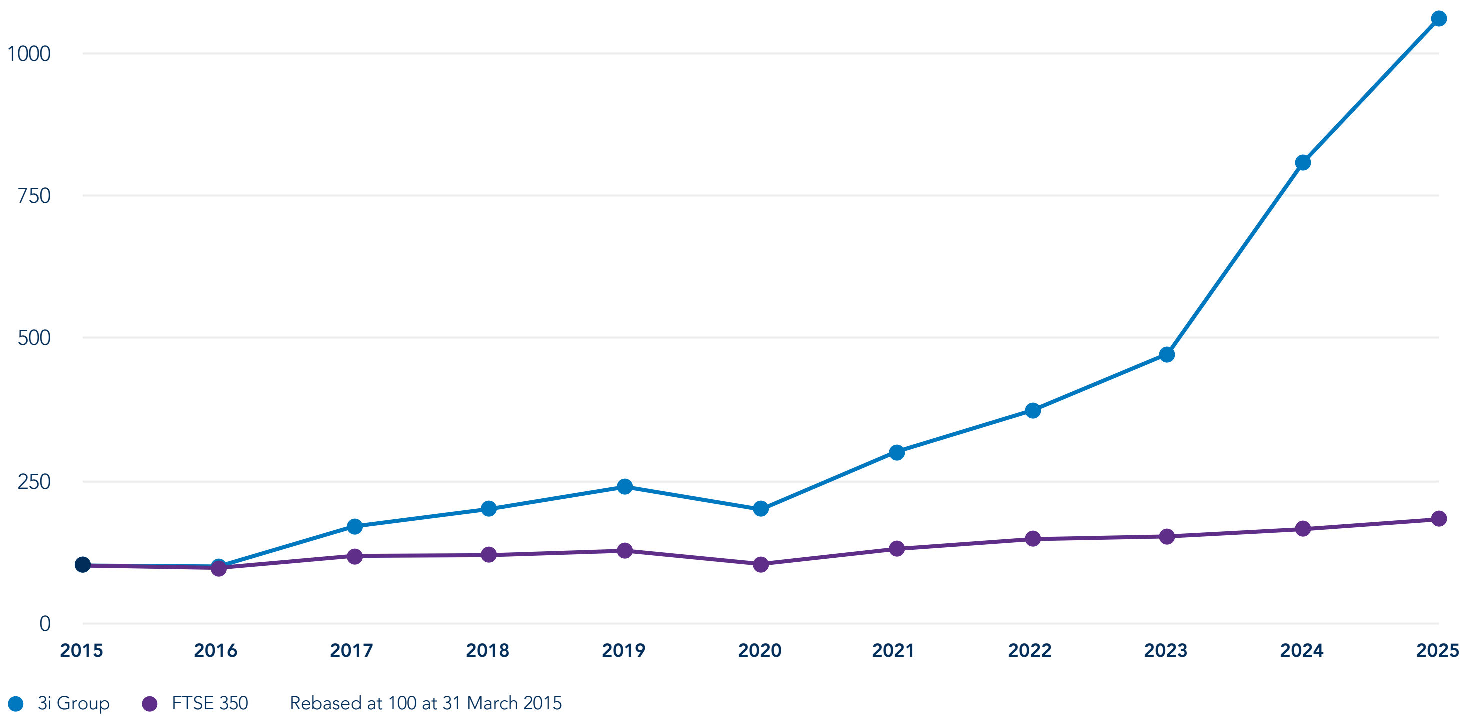
	Shares owned outright	Shareholding requirement	Current shareholding (% base fee)
D A M Hutchison	64,784	100%	633
S W Daintith	21,444	100%	1,055
L M S Knox	3,149	100%	155
C McConville	11,006	100%	541
P A McKellar	103,572	100%	5,095
A Schaapveld	17,696	100%	871

- The share interests shown for Ms Halai include shares held in the 3i Group Share Incentive Plan. The owned outright column includes partnership and dividend shares under the SIP. The deferred shares column includes matching shares under the SIP.
- The number of shares shown includes the 2022 Performance Share award. The performance against the performance targets results in 100% of the shares being released as described on page 139.
- Directors are restricted from hedging their exposure to the 3i share price.
- From 1 April 2025 to 15 May 2025, Ms Halai became interested in a further 3 shares overall outright (SIP Partnership Shares) and a further 6 deferred shares (SIP Matching Shares). There were no other changes to Directors' share interests in that period.

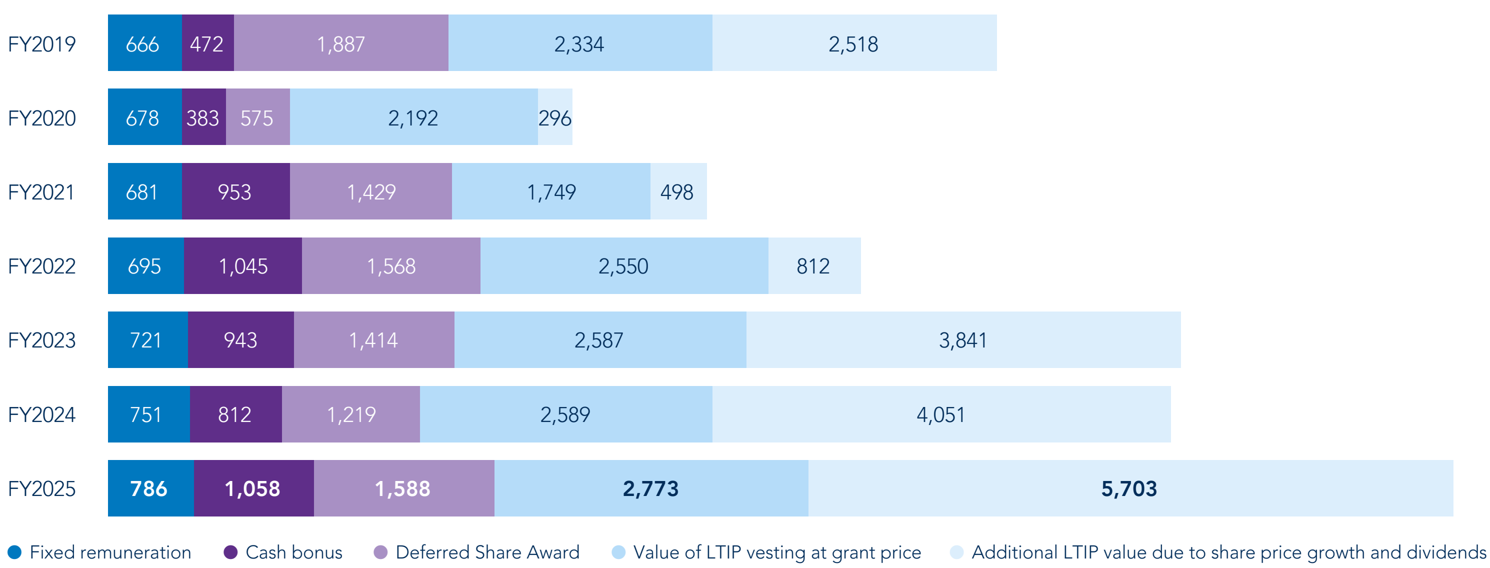
Performance graph – TSR graph

This graph compares the Company's total shareholder return for the 10 financial years to 31 March 2025 with the total shareholder return of the FTSE 350 Index. The FTSE 350 Index is considered to be an appropriate comparator as it reflects the variety of the Company's portfolio of international investments and the diverse currencies in which those investments are denominated.

3i Total shareholder return vs FTSE 350 total return over the 10 years to 31 March 2025



Chief Executive's single figure remuneration history (£'000)



Performance table

Table of historic Chief Executive data

Year	Chief Executive	Single figure of total remuneration £'000	Percentage of maximum annual bonus paid	Percentage of maximum LTIP vesting
FY2025	S A Borrows	11,908	88.0%	100%
FY2024	S A Borrows	9,422	70.6%	100%
FY2023	S A Borrows	9,506	85.0%	100%
FY2022	S A Borrows	6,215	98.0%	100%
FY2021	S A Borrows	5,310	92.0%	71%
FY2020	S A Borrows	4,124	37.0%	91%
FY2019	S A Borrows	7,877	92.5%	100%
FY2018	S A Borrows	6,847	92.5%	100%
FY2017	S A Borrows	7,544	95.0%	100%
FY2016	S A Borrows	5,821	92.5%	98%

Relative importance of spend on pay

	FY2025	FY2024	Change %
Remuneration of all employees	**£104m**	£102m	2%
Dividends paid to shareholders	**£625m**	£541m	16%

Statement of implementation of the remuneration policy in the coming year

The table below sets out how the Committee intends to operate the remuneration policy in FY2026. As mentioned in the Chair's letter, whilst our policy has delivered appropriate outcomes since the Chief Executive implemented the new strategy in 2012, the Company has changed significantly since then in terms of portfolio structure and overall size (by NAV and market capitalisation). Therefore, over the coming year the Committee will conduct a thorough review of this policy to ensure that it remains aligned with the Company's strategy and will continue to incentivise and reward management in the medium to long term. If changes to our policy are required we will consult with our largest shareholders, and present any new policy to shareholders to approve at the 2026 AGM.

Policy element	Implementation of policy during FY2026
Base salary	Base salaries for most employees will be increased by 4%. As set out in the Chair's letter, the base salaries for the current Executive Directors, from 1 July 2025, will be as follows: • Chief Executive: £822,000 (9.3%) • Group Finance Director: £600,000 (13.2%) • Chief Operating Officer: £470,000 (17.5%)
Pension	No changes to the current arrangements are proposed for FY2026 and a pension contribution or salary supplement will be as follows: • Chief Executive: 12% of benefit salary (subject to a 3i earnings cap. FY2026: £223,097) • Group Finance Director: 12% of base salary • Chief Operating Officer: 12% of base salary Prior to 2011, Executive Directors were eligible for membership of the 3i Group Pension Plan, a defined benefit contributory scheme. Pension accrual ceased for all members with effect from 5 April 2011. Salary linkage was removed in February 2023 and replaced with a time-limited cash allowance, which the Chief Operating Officer receives, in line with other, similarly affected staff.

Policy element	Implementation of policy during FY2026
Annual bonus	The maximum annual bonus opportunities for FY2026 will remain unchanged, in line with the remuneration policy, as follows: • Chief Executive: 400% of salary • Group Finance Director: 250% of salary • Chief Operating Officer: 225% of salary The Committee has agreed that the scorecard for the year will be driven 85% by quantitative financial targets around portfolio returns and similar metrics, with the balance measured against Sustainability, Strategy and People goals. The scorecard is agreed at the beginning of the financial year and the weightings of each measure reflects the weighting of our portfolio. The Committee continues to set stretching targets to ensure Executive Directors strive to maximise returns for shareholders The Committee considers that the specific targets and expectations contained within the FY2026 scorecard are commercially sensitive and therefore will not be disclosed in advance. We will report to shareholders next year on performance and the resulting bonus out-turns. At least 50% of any bonus award will be deferred into shares vesting in equal instalments over four years. Awards are subject to the Company's malus and clawback policy.
Benefits	No changes to the current arrangements are proposed for FY2026. Benefits will continue to include a car allowance, provision of health insurance and any Share Incentive Plan matching share awards.
Long-term Incentive Plan	Awards under the Long-term Incentive Plan in FY2026 will remain unchanged and be made as follows: • Chief Executive: 400% of salary • Group Finance Director: 250% of salary • Chief Operating Officer: 225% of salary Performance will be measured over a three-year period and will be determined by the Remuneration Committee. Performance measures remain unchanged from the previous year and will be as follows: 50% of the award is based on absolute TSR measured over the performance period, and vests: • 0% vesting below 10% pa TSR; • 20% vesting at 10% pa TSR; • straight-line vesting between 10% and 18% pa TSR; and • 100% vesting at 18% pa TSR. 50% of the award is based on relative TSR measured against the FTSE 350 Index over the performance period, and vests: • 0% for below median performance against the index; • 25% for median performance against the index; • 100% for upper quartile performance against the index; and • straight-line vesting between median and upper quartile performance. Total shareholder returns are calculated based on the average closing share price over the first three months of the calendar year. Awards are subject to the Company's malus and clawback policy. To the extent that shares vest, awards are subject to a holding period whereby they are released on or around (but not earlier than) fifth anniversary of grant. The Chief Executive, Group Finance Director and Chief Operating Officer do not participate in carried interest plans or similar arrangements.

Policy element	Implementation of policy during FY2026
Shareholding requirements	Shareholding requirements will be as follows: • Chief Executive: 300% of salary • Group Finance Director: 200% of salary • Chief Operating Officer: 200% of salary • Non-executive Directors (including the Company Chair): 100% of base fee (cash and shares) • Executive Directors will be expected to maintain a shareholding in the Company for two years post-employment, at the lower of their shareholding at the time they leave employment and of the levels set out above. Deferred bonus awards and shares to be released under the Long-term Incentive Plan may be reduced or withheld if the post-employment shareholding targets for the Executive Directors are not met.
Non-executive Director fees	The base fees for the non-executive Directors have increased by the same percentage (4%) as salaries for employees. The Chair, Senior Independent Director, Committee Chair and Committee membership fees have been benchmarked against other FTSE100 organisations and have been increased accordingly. The increase for the Chair reflects the responsibilities and time commitments of the role. The fee remains below the lower quartile against the FTSE 50. Overall, fees remain moderately positioned relative to similar FTSE100 companies. Fees for FY2026 will be: **Chair fee:** £320,000 plus £90,000 in 3i shares **Non-executive Directors:** Board membership base fee: £58,750 plus £17,650 in 3i shares Senior Independent Director fee: £20,000 Committee Chair: £25,000 Committee member: £10,000 Committee fees are payable in respect of the Audit and Compliance Committee, Remuneration Committee and Valuations Committee.
Malus and clawback policy	Long-term incentive awards and deferred bonus share awards made during the year to Executive Directors may be forfeited or reduced in exceptional circumstances, on such basis as the Committee considers to be fair, reasonable and proportionate, taking into account an individual's role and responsibilities. Such exceptional circumstances include: (1) a material misstatement in the financial statements of the Company or Group or any Member of the Group; or (2) where an individual has caused, wholly or in part, a material loss for the Group as a result of: (i) reckless, negligent or wilful actions or omissions; or (ii) inappropriate values or behaviour; (3) an error in assessing any applicable Performance Conditions or the number of shares; (4) the assessment of any applicable Performance Conditions and/or the number of shares to be released being based on inaccurate or misleading information; (5) misconduct on the part of the individual concerned; (6) a Member of the Group is censured by a regulatory body or suffers a significant detrimental impact on its reputation, provided that the Committee determines that the individual was responsible for, or had management oversight over, the actions, omissions or behaviour that gave rise to that censure or detrimental impact; or (7) the Company (or entities representing a material proportion of the Group) becomes insolvent or otherwise suffers a corporate failure so that ordinary shares in the Company cease to have material value, provided that the individual is responsible (in whole or in part) for that insolvency or failure. In exceptional circumstances (and on such basis as the Committee considers fair, reasonable and proportionate taking into account an individual's role and responsibilities), the Group may recover amounts that have been paid or released from awards (including cash bonus awards), as long as a written request for the recovery of such sums is made in the two-year period from the date of payment or release and in circumstances where either (a) there has been a material misstatement of Group financial statements or (b) the Group suffers a material loss. In arriving at its decision, the Committee will take into consideration such evidence as it may reasonably consider relevant including as to the impact of the affected individual's conduct, values or behaviours on the material misstatement or material loss, as the case may be.

Remuneration Committee advisers

The Committee appointed Deloitte LLP as advisers in 2013 and during the year they provided the Committee with external, independent advice.

Deloitte LLP are members of the Remuneration Consultants Group and, as such, voluntarily operate under the code of conduct in relation to executive remuneration consulting in the UK. During the year, Deloitte LLP also provided 3i with certain tax advisory services. The Committee has reviewed the advice provided during the year and is satisfied that it has been objective and independent. The total fees for advice during the year were £84,000 (excluding VAT) (2024 £50,250 (excluding VAT)).

Result of voting at the 2024 AGM

At the 2024 AGM, shareholders approved the Remuneration report that was published in the 2024 Annual report and accounts. At the 2023 AGM, shareholders approved the Directors' remuneration policy. The results for both of these votes are shown below:

Resolution	Votes for	Votes against	Total votes cast	Votes withheld
Approval of the Directors' remuneration report at the 2024 AGM	754,025,105	28,637,438	782,662,543	153,692
	96.34%	3.66%		
Approval of the Directors' remuneration policy at the 2023 AGM	717,765,664	37,374,379	755,140,043	7,253,538
	95.05%	4.95%		

Audit

The tables in this report (including the Notes thereto) on pages 135 to 147 marked as "audited" have been audited by KPMG.

By order of the Board

Coline McConville
Chair, Remuneration Committee
14 May 2025

Additional statutory and corporate governance information

This section of the Directors' report contains the corporate governance statement required by FCA Disclosure Guidance and Transparency Rule 7.2.

Corporate governance

The Corporate Governance Code to which the Company is subject in relation to FY2025 is the UK Corporate Governance Code 2018 (the "Code"), which was published by the FRC in July 2018 and is available on the FRC website. (The revised UK Corporate Governance Code 2024 which was published in January 2024 will apply to the Company in relation to FY2026).

Details on the Company's compliance with the Code and an explanation as to why the Company has not complied throughout the year with provision 19 of the Code in respect of Chair tenure are set out in the Corporate Governance statement on pages 99 and 100 and in the report on the Nominations Committee's review of Chair tenure on page 117.

The Group's internal control and risk management systems, including those in relation to the financial reporting process, are described in the Risk management section on pages 80 to 93.

Directors: independence and time commitments

Directors' biographical details are set out on pages 102 and 103. The Board currently comprises the Chair, six non-executive Directors and three Executive Directors. Mr D A M Hutchison (Chair), Mr S A Borrows, Mr J G Hatchley, Ms J H Halai, Mr S W Daintith, Ms L M S Knox, Mr P A McKellar, Ms C L McConville and Ms A Schaapveld all served as Directors throughout the year under review. Mr H K Patel served as a Director from 3 February 2025.

The Board regularly considers the independence of non-executive Directors. The Board considers all of the Company's non-executive Directors to be independent for the purposes of the Code. The Chair was independent on appointment as Chair. Consideration was also given to time commitments when Directors seek to take on any additional external appointments and on any Director's appointment.

Investment policy

The UK Listing Authority's Listing Rules require 3i, as a closed-ended investment fund, to publish an investment policy. Shareholder approval is required for material changes to this policy. Non-material changes can be made by the Board. The current policy is set out below. No changes have been made to the policy since it was published in the Company's 2018 Report and Accounts.

- 3i is an investment company which aims to provide its shareholders with quoted access to private equity and infrastructure returns. Currently, its main focus is on making quoted and unquoted equity and/or debt investments in businesses and funds in Europe, Asia and the Americas. The geographies, economic sectors, funds and asset classes in which 3i invests continue to evolve as opportunities are identified. Proposed investments are assessed individually and all significant investments require approval from the Group's Investment Committee. Overall investment targets are subject to periodic reviews and the investment portfolio is also reviewed to monitor exposure to specific geographies, economic sectors and asset classes.
- 3i seeks to diversify risk through significant dispersion of investments by geography, economic sector, asset class and size as well as through the maturity profile of its investment portfolio.
- Although 3i does not set maximum exposure limits for asset allocations, it does have a maximum exposure limit that, save as mentioned below, no investment will be made unless its cost[1] does not exceed 15% of the investment portfolio value as shown in the last published valuation. A further investment may be made in an existing portfolio business provided the aggregate cost of that investment and of all other unrealised investments in that portfolio business does not exceed 15% of the investment portfolio value as shown in the last published valuation. A higher limit of 30% will apply to the Company's investment in 3i Infrastructure plc. For the avoidance of doubt, 3i may retain an investment, even if its carrying value is greater than 15% or 30% (as the case may be) of the portfolio value at the time of an updated valuation.
- Investments are generally funded with a mixture of debt and shareholders' funds with a view to maximising returns to shareholders, whilst maintaining a strong capital base. 3i's gearing depends not only on its level of debt, but also on the impact of market movements and other factors on the value of its investments. The Board takes this into account when, as required, it sets a precise maximum level of gearing. The Board has therefore set the maximum level of gearing at 150% and has set no minimum level of gearing. If the gearing ratio should exceed the 150% maximum limit, the Board will take steps to reduce the gearing ratio to below that limit as soon as practicable thereafter. 3i is committed to achieving balance sheet efficiency.

1 Where 3i makes an investment in an existing portfolio business as part of a restructuring or reorganisation of its investment in that existing portfolio business (which restructuring or reorganisation may involve, without limitation, 3i disposing of all or part of its existing investment in the relevant portfolio business and reinvesting all or part of the proceeds into a different entity which acquires or holds the relevant portfolio business or a substantial part thereof), the cost of that investment, for the purposes of determining the maximum exposure limit under this policy, shall, to the extent that the investment does not increase 3i's exposure to the relevant portfolio business, be deemed to be the cost of 3i's existing investment in the relevant portfolio business (or, in the case of a partial reinvestment, the pro-rated cost of 3i's existing investment in the relevant portfolio business) immediately prior to the restructuring or reorganisation. If 3i's investment includes a further investment, such that 3i increases its overall exposure to the relevant portfolio business as part of the restructuring or reorganisation, the cost of any such further investment at the date of such investment shall be added to the cost of the investment in the existing portfolio business as determined pursuant to the previous sentence.

Appointment and re-election of Directors

Subject to the Company's Articles of Association, the Companies Act and satisfactory performance evaluation, non-executive Directors are appointed for an initial three-year term. Before the third and sixth anniversaries of first appointment, the Director discusses with the Board whether it is appropriate for a further three-year term to be served.

Under the Company's Articles of Association, the minimum number of Directors is two and the maximum is 20, unless otherwise determined by the Company by ordinary resolution. Directors are appointed by ordinary resolution of shareholders or by the Board. The Company's Articles of Association provide for all Directors to retire from office at every Annual General Meeting of the Company although they may offer themselves for re-appointment by the shareholders.

Shareholders can remove any Director by special resolution and appoint another person to be a Director in their place by ordinary resolution. Shareholders can also remove any Director by ordinary resolution of which special notice has been given.

Subject to the Company's Articles of Association, retiring Directors are eligible for re-appointment. The office of Director is vacated if the Director resigns, becomes bankrupt or is prohibited by law from being a Director or where the Board so resolves following the Director suffering from ill health or being absent from Board meetings for 12 months without the Board's permission.

The Board's responsibilities and processes

The composition of the Board and its Committees, as well as the Board's key responsibilities and the way in which it and its Committees work, are described on pages 97 to 147. The Board is responsible to shareholders for the overall management of the Group and may exercise all the powers of the Company subject to the provisions of relevant statutes, the Company's Articles of Association and any directions given by special resolution of the shareholders. The Articles of Association empower the Board to offer, allot, grant options over or otherwise deal with or dispose of the Company's shares as the Board may decide.

The Companies Act 2006 authorises the Company to make market purchases of its own shares if the purchase has first been authorised by a resolution of the Company.

At the AGM in June 2024, shareholders renewed the Board's authority to allot ordinary shares and to repurchase ordinary shares on behalf of the Company subject to certain limits. Details of the authorities which the Board will be seeking at the 2025 AGM are set out in the 2025 Notice of AGM.

The Board's diversity policies in relation to Directors are described in the Nominations Committee report on page 118 and such policies in relation to employees are described on pages 151 and 152.

Matters reserved for the Board

The Board has approved a formal schedule of matters reserved to it and its duly authorised Committees for decision. These include matters such as the Group's overall strategy, strategic plan and annual operating budget; approval of the Company's financial statements and changes to accounting policies or practices; changes to the capital structure or regulated status of the Company; major capital projects or changes to business operations; investments and divestments above certain limits; policy on borrowing, gearing, hedging and treasury matters; and adequacy of internal control systems.

Rights and restrictions attaching to shares

A summary of the rights and restrictions attaching to shares as at 31 March 2025 is set out below.

The Company's Articles of Association may be amended by special resolution of the shareholders in a general meeting. Holders of ordinary shares enjoy the rights set out in the Articles of Association of the Company and under the laws of England and Wales. Any share may be issued with or have attached to it such rights and restrictions as the Company by ordinary resolution or, failing such resolution, the Board may decide.

Holders of ordinary shares are entitled to attend, speak and vote at general meetings and to appoint proxies and, in the case of corporations, corporate representatives to attend, speak and vote at such meetings on their behalf. To attend and vote at a general meeting a shareholder must be entered on the register of members at such time (not being earlier than 48 hours before the meeting) as stated in the Notice of general meeting. On a poll, holders of ordinary shares are entitled to one vote for each share held.

Holders of ordinary shares are entitled to receive the Company's Annual report and accounts, to receive such dividends and other distributions as may lawfully be paid or declared on such shares and, on any liquidation of the Company, to share in the surplus assets of the Company after satisfaction of the entitlements of the holders of any shares with preferred rights as may then be in issue.

There are no restrictions on the transfer of fully paid shares in the Company, save that the Board may decline to register: a transfer of uncertificated shares in the circumstances set out in the Uncertificated Securities Regulations 2001; a transfer to more than four joint holders; a transfer of certificated shares which is not in respect of only one class of share; a transfer which is not accompanied by the certificate for the shares to which it relates; a transfer which is not duly stamped in circumstances where a duly stamped instrument is required; or a transfer where in accordance with section 794 of the Companies Act 2006 a notice (under section 793 of that Act) has been served by the Company on a shareholder who has then failed to give the information required within the specified time.

In the latter circumstances, the Company may make the relevant shares subject to certain restrictions (including in respect of the ability to exercise voting rights, to transfer the shares validly and, except in the case of a liquidation, to receive the payment of sums due from the Company).

Additional statutory and corporate governance information continued

There are no shares carrying special rights with regard to control of the Company. There are no restrictions placed on voting rights of fully paid shares, save where in accordance with Article 12 of the Company's Articles of Association a restriction notice has been served by the Company in respect of shares for failure to comply with statutory notices or where a transfer notice (as described below) has been served in respect of shares and has not yet been complied with. Where shares are held on behalf of former or current employees under employee share schemes, those participants can give instructions to the holder of such shares as to how votes attached to such shares should be exercised.

In the circumstances specified in Article 38 of the Company's Articles of Association, the Company may serve a transfer notice on holders of shares. The relevant circumstances relate to: (a) potential tax disadvantage to the Company, (b) the number of "United States Residents" who own or hold shares being 75 or more, or (c) the Company being required to be registered as an investment company under relevant US legislation. The notice would require the transfer of relevant shares and, pending such transfer, the rights and privileges attaching to those shares would be suspended.

The Company is not aware of any agreements between holders of its securities that may restrict the transfer of shares or exercise of voting rights.

Share capital and debentures

The issued ordinary share capital of the Company as at 1 April 2024 was 973,366 ,445 ordinary shares and at 31 March 2025 was 973,398,978 ordinary shares of 73 19⁄22 pence each. It increased over the year by 32,533 ordinary shares on the issue of shares to the Trustee of the 3i Group Share Incentive Plan.

At the AGM on 27 June 2024 the Directors were authorised to repurchase up to 97,000,000 ordinary shares in the Company (representing approximately 10% of the Company's issued ordinary share capital as at 6 May 2024) until the Company's AGM in 2025 or 26 September 2025, if earlier. This authority was not exercised in the year. Details of the authorities which the Board will be seeking at the 2025 AGM are set out in the 2025 Notice of AGM.

As at 31 March 2025, the Company had sterling and euro fixed rate notes in issue as detailed in Note 16 to the accounts.

The Articles of Association also specifically empower the Board to exercise the Company's powers to borrow money and to mortgage or charge the Company's assets and any uncalled capital and to issue debentures and other securities.

Portfolio management and voting policy

In relation to unquoted investments, the Group's approach is to seek to add value to the businesses in which the Group invests through the Group's extensive experience, resources and contacts and through active engagement with the Boards of those companies. In relation to quoted investments, the Group's policy is to exercise voting rights on all matters affecting its interests.

Tax and investment company status

The Company is an investment company under section 833 of the Companies Act 2006. HM Revenue & Customs has approved the Company as an Investment Trust under section 1158 of the Corporation Tax Act 2010 and the Company directs its affairs to enable it to continue to remain so approved.

Where appropriate, the Company looks to the provisions included within the Association of Investment Companies SORP.

Major interests in ordinary shares

The table below shows notifications of major voting interests in the Company's ordinary share capital (notifiable in accordance with Chapter 5 of the FCA's Disclosure Guidance and Transparency Rules or section 793 Companies Act 2006) that had been received by the Company as at 31 March 2025 and 15 April 2025.

	As at 31 March 2025	% of issued share capital	As at 15 April 2025	% of issued share capital
BlackRock, Inc	103,161,680	10.60	104,039,896	10.69
The Capital Group Companies, Inc	61,665,728	6.34	67,683,107	6.95
Fidelity Management & Research Company	58,282,778	5.99	58,728,243	6.03
WCM Investment Management, LLC	47,295,459	4.86	47,350,398	4.86
Vanguard Group, Inc	45,922,480	4.72	45,922,480	4.72

3i Investments plc

3i Investments plc is authorised by the FCA to, among other things, manage Alternative Investment Funds ("AIFs"). It is currently the Alternative Investment Fund Manager ("AIFM") of seven AIFs, including the Company and 3i Infrastructure plc. In compliance with regulatory requirements, 3i Investments plc has ensured that a depository has been appointed for each AIF. This is Citibank UK Limited.

The Annual report and accounts meet certain investor disclosure requirements as set out in FUND 3.2.2R, 3.2.3R, 3.2.5R and 3.2.6R of the FCA's Investment Funds sourcebook ("FUND Disclosures") for the Company as a standalone entity. The Company's profit for the year is stated in its Company statement of changes in equity on page 157 and its financial position is shown on page 156. The Company performs substantially all of its investment-related activities through its subsidiaries and therefore the Group's Consolidated statement of comprehensive income is considered to be more useful to investors than a Company statement.

Furthermore, in some instances the relevant FUND Disclosures have been made in relation to the Group on a consolidated basis rather than in respect of the Company on a solo basis. This is because the Company operates through its Group subsidiaries and therefore reporting on the Group's activities provides more relevant information on the Company and its position. There have been no material changes to the disclosures required to be made under FUND 3.2.2R in the past year.

Although certain FUND Disclosures are made in this Annual report, full disclosures are summarised on the 3i website at **www.3i.com**. This will be updated as required and changes noted in future Annual reports.

For the purposes of the FUND Disclosures set out in FUND 3.3.5(R)(5) and (6), the total amount of remuneration paid by the AIFM to its staff for the year to 31 March 2025 was £241 million, of which £48 million was fixed remuneration and £193 million was variable remuneration. The total number of beneficiaries is 216.

The aggregate total remuneration paid to AIFM Remuneration Code Staff for the year to 31 March 2025 was £81 million, of which £47 million was paid to senior management and £34 million was paid to other AIFM Remuneration Code Staff. A summary of the remuneration policy of 3i can be found on the Company's website.

Dividends

A first FY2025 dividend of 30.5 pence per ordinary share in respect of the year to 31 March 2025 was paid on 10 January 2025. The Directors recommend a second FY2025 dividend of 42.5 pence per ordinary share be paid in respect of the year to 31 March 2025 to shareholders on the Register at the close of business on 20 June 2025.

The trustee of The 3i Group Employee Trust and the trustee of the 2010 Carry Trust have each waived (subject to certain minor exceptions) dividends declared on shares in the Company held by those trusts and the trustee of The 3i Group Share Incentive Plan has waived dividends on unallocated shares in the Company held by it.

Directors' conflicts of interests, external appointments and indemnities

Directors have a statutory duty to avoid conflicts of interest with the Company. The Company's Articles of Association enable Directors to approve conflicts of interest and include other conflict of interest provisions. The Company has implemented processes to identify potential and actual conflicts of interest. Such conflicts are then considered for approval by the Board, subject, if necessary, to appropriate conditions.

The Board has adopted a policy on Directors' other appointments under which additional external appointments should not be undertaken without prior approval of the Board. Executive Directors should not take on more than one non-executive directorship in a FTSE 100 company or other significant appointment.

As permitted by the Company's Articles of Association during the year and as at the date of this Directors' report, there were in place Qualifying Third-Party Indemnity Provisions (as defined under relevant legislation) for the benefit of the Company's Directors and Qualifying Pension Scheme Indemnity Provisions for the benefit of the directors of one associated company, Gardens Pension Trustees Limited.

Directors' employment contracts

Mr S A Borrows, Ms J H Halai and Mr J G Hatchley each have employment contracts with the Group with notice periods of 12 months where notice is given by the Group and six months where notice is given by the Director. Save for these notice periods their employment contracts have no unexpired terms. None of the other Directors has a service contract with the Company.

Employment

The employment policy of the Group is one of equal opportunity in the selection, training, career development and promotion of employees, regardless of age, gender, sexual orientation, ethnic origin, religion and whether disabled or otherwise. Further details on equal opportunities and diversity are included in the Sustainability report on pages 52 to 55 and in the Nominations Committee report on page 118.

3i treats applicants and employees with disabilities fairly and provides facilities, equipment and training to assist disabled employees to do their jobs. Arrangements are made as necessary to ensure support to job applicants who happen to be disabled and who respond to requests to inform the Company of any requirements. Should an employee become disabled during their employment, efforts would be made to retain them in their current employment or to explore the opportunities for their retraining or redeployment within 3i. Financial support is also provided by 3i to support disabled employees who are unable to work, as appropriate to local market conditions.

3i's principal means of keeping in touch with the views of its employees is through employee appraisals, informal consultations, team briefings and employee conferences. Managers throughout 3i have a continuing responsibility to keep their staff informed of developments and to communicate financial results and other matters of interest. This is achieved by structured communication including regular meetings of employees. Members of the Board have regular formal and informal interaction with a significant number of 3i employees, including through office visits and one-to-one meetings.

3i is an equal opportunities employer and has clear grievance and disciplinary procedures in place. 3i also has an employee assistance programme which provides a confidential, free and independent counselling service and is available to all UK employees and their families in the UK.

3i's employment policies are designed to provide a competitive reward package which will attract and retain high-quality staff, whilst ensuring that the relevant costs remain at an appropriate level.

3i's remuneration policy is influenced by 3i's financial and other performance conditions and market practices in the countries in which it operates. All employees receive a base salary and are also eligible to be considered for a performance-related annual variable incentive award. For those members of staff receiving higher levels of annual variable incentive awards, a proportion of such awards is delivered in 3i shares, vesting over a number of years. Remuneration policy is reviewed by the 3i Group plc Remuneration Committee, comprising 3i Group plc non-executive Directors.

Where appropriate, employees are eligible to participate in 3i share schemes to encourage employees' involvement in 3i's performance. Investment executives in the Private Equity business line may also participate in carried interest schemes, which allow executives to share directly in future profits on investments. Similarly, investment executives in the Infrastructure business line may participate in asset-linked and/or fee-linked incentive arrangements. Employees participate in local state or company pension schemes as appropriate to local market conditions.

Employees are able to raise in confidence with the Company any matters of concern. Issues can be raised with line management, the Internal Audit team and the Human Resources team as appropriate. Employees can also raise matters with an externally run confidential telephone reporting line and can do so anonymously if they wish. Matters raised are investigated and followed up as appropriate. The Board monitors any matters reported to the externally run telephone reporting line, through an annual report to Audit and Compliance Committee from Internal Audit.

Workforce engagement

The Company has a Staff Engagement strategy which has been adopted by the Board as the most appropriate way for the Company to comply with the relevant requirements of the Code. This is in preference to adopting one of the three workforce engagement examples specifically mentioned in the UK Corporate Governance Code. The Board believes this strategy is appropriate and proportionate in the context of an office-based workforce, with in the region of 250 employees worldwide, all of whom engage regularly with members of senior management. Senior management and members of the Board meet formally and informally with staff in a variety of contexts, including office visits, investment reviews, Board and Committee presentations and Board dinners with investment teams. A general open door policy (whether physically or virtually) adopted by senior management encourages interaction with staff. The Human Resources team are a point of contact for all members of staff and they, as well as line managers, report issues requiring management attention to senior management as they occur. The Internal Audit and Group Compliance teams consider employee matters including culture, compliance with the Company's values and staff turnover in their reports to senior management. The formal annual appraisal process provides a further opportunity for engagement.

During the year, the Board visited 3i's Amsterdam and Frankfurt offices and met formally and informally with the teams based there. Directors receive updates on employee matters in presentations from the business line heads, as well as from the Chief Human Resources Officer, in the annual Board consideration of the Group Succession Planning and Strategic Capability Review. Committee Chairs held a number of private and other meetings with function heads during the year. Non-executive Directors also meet with a wide range of members of the investment teams at the twice-yearly PCR meetings.

Diversity and inclusion policy

Details of the Company's approach to diversity and inclusion are set out under the heading Employment on page 151, in the Sustainability section on pages 52 to 55 and in the Nominations Committee report on page 118.

Political donations

In line with Group policy, during the year to 31 March 2025, no donations were made to political parties or organisations, or independent election candidates, and no political expenditure was incurred, (31 March 2024: none).

Share reunification programme

The Board approved a programme to reunify shareholders with their dormant shareholdings. A tracing programme was conducted by the Registrar during 2023 and 2024 to attempt to contact dormant shareholders. Where this was not possible and in accordance with the Company's Articles of Association, the relevant shares were sold and the proceeds returned to 3i. The shareholder or their personal representatives have six years from the date of sale in which to claim the proceeds of sale. Unclaimed dividends associated with the shares sold were also returned to 3i and shareholders or their personal representatives have 12 years from when the dividend was declared or became due in which to make a claim. Dividends which have been unclaimed for 12 years are forfeited, unless the Board decides otherwise. The Board agreed that a sum equal to the majority of the funds returned to 3i in this programme would be used for charitable purposes, with the balance kept to meet claims.

Significant agreements

As at 31 March 2025, the Company was party to one agreement subject to a renegotiation period on a change of control of the Company following a takeover bid. This agreement is a £900 million multi-currency Revolving Credit Facility Agreement dated 13 March 2020 and as amended from time to time between the Company, Barclays Bank PLC and a number of other banks. The Company is required to promptly notify Barclays Bank PLC, as agent bank, of a change of control. This opens a 20-day negotiation period to determine if each lender is willing to continue participating in the facility. For any lender with whom no agreement is reached, amounts outstanding to that lender would be repayable and their commitment cancelled, with no less than 10 business days' notice after the end of the negotiation period.

Internal control and risk management systems

A description of the Group's internal control and risk management systems in relation to the financial reporting process is set out in the Risk management section on pages 80 to 93.

Going concern

The Directors have acknowledged their responsibilities in relation to the financial statements for the year to 31 March 2025.

After making enquiries, the Directors considered it appropriate to prepare the financial statements of the Company, and the Group, on a going concern basis. The Viability statement is included on pages 128 and 129.

Audit information

Pursuant to section 418(2) of the Companies Act 2006, each of the Directors confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of such information.

Appointment of Auditor

In accordance with section 489 of the Companies Act 2006, a resolution proposing the reappointment of KPMG LLP as the Company's Auditor will be put to members at the forthcoming AGM.

Information required by Listing Rule 6.6.4

Information required by Listing Rule 6.6.4 not included in this section of the Directors' report may be found as set out below:

Topic	Location
Capitalised interest	Portfolio income on page 71
Share allotments	Note 19 on page 183

Website

3i's website provides a brief description of 3i's history, current operations, strategy and portfolio, as well as articles, interviews and videos to showcase specific themes and investments. It also includes an archive of over 10 years of news and historical financial information on the Group and details of forthcoming events for shareholders and analysts.

Information included in the Strategic report

In accordance with section 414 C (11) of the Companies Act 2006, the following information otherwise required to be set out in the Directors' report has been included in the Strategic report: risk management objectives and policies; post-balance sheet events; likely future developments in the business; engagement with suppliers, customers and others; employee involvement; and greenhouse gas emissions. The Directors' Viability statement is also shown in the Resilience statement on pages 127 to 129.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual report and the Group and parent Company financial statements for each financial year in accordance with applicable United Kingdom law and regulations. They are required to prepare the Group financial statements in accordance with UK adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements on the same basis.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards and applicable law;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group, or the parent Company, or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' remuneration report and Corporate governance statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the Annual financial report

The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors consider this Annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Directors of the Company and their functions are listed on pages 102 and 103.

3i Group plc is registered in England with company number 1142830.

Directors' report

For the purposes of the UK Companies Act 2006, the Directors' report of 3i Group plc comprises the Governance section on pages 96 to 153 other than the Directors' remuneration report on pages 135 to 147.

The Strategic report, Directors' report and Directors' remuneration report have been drawn up and presented in accordance with and in reliance upon English company law and the liabilities of the Directors in connection with those reports shall be subject to the limitations and restrictions provided by that law.

By order of the Board

K J Dunn
Company Secretary

14 May 2025

Registered office:
1 Knightsbridge
London SW1X 7LX