



3i Group plc

Sustainability report 2019



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A guide to using this report

This interactive PDF is designed to help you easily navigate the report and find the information you are looking for. For optimal experience, it is recommended that this document is viewed in Adobe Acrobat Reader. Interactive functionality may not work when viewed in a web browser or other PDF readers.

Click on the dynamic links to access further relevant information within the report or online, and use the tabs at the top of the page to navigate between sections.

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About this report

This report aims to provide the information that is material and relevant for our stakeholders to form a view on how 3i Group plc ("3i" or "the Group") is performing on environmental, social and governance ("ESG") matters. There have been no significant changes from previous reporting periods in the material topics we are reporting on and no comparative information has been restated. The report relates to the financial year ending 31 March 2019.

We have chosen to report in accordance with the Global Reporting Initiative ("GRI") standards.

 **Global Reporting Initiative** page 53

This document is electronic only and is not printed.

Where else can you find sustainability information?

This report should be read in conjunction with our Annual report and accounts 2019 and with the Sustainability policies on 3i's website.

 www.3i.com
www.3i.com/sustainability



Introduction

Our purpose is to generate attractive returns for our shareholders and fund investors by investing in private equity and infrastructure assets. As proprietary capital investors we have a long-term approach. We create value through thoughtful origination, disciplined investment and active stewardship of our assets, driving sustainable growth in our investee companies.

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Our business at a glance

Founded in 1945, 3i today is a leading international investor focused on mid-market private equity and infrastructure in Europe and North America.

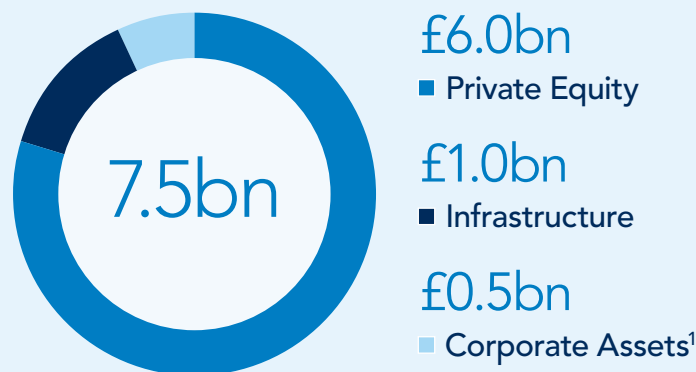
Our Private Equity and Infrastructure businesses manage a mix of proprietary and third-party funds. We generate a capital return from our proprietary capital investments, as well as fee income from the funds we manage on behalf of third parties. Our Corporate Assets are longer term holds, funded from our own balance sheet.

3i listed on the London Stock Exchange in 1994 and has no controlling shareholders.

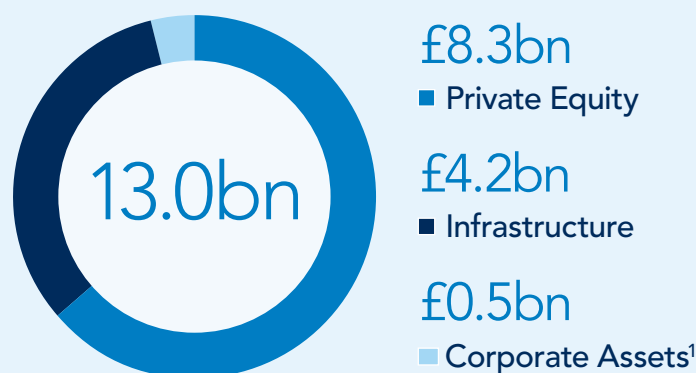


 Our business model is described in detail in our Annual Report

Proprietary capital (£bn)



Assets under management (£bn)



240 employees
from 21 different nationalities

8 offices

Office	Number of employees
London (head office)	159
Amsterdam	15
Frankfurt	16
Luxembourg	6
New York	19
Paris	18
Mumbai ²	5
Singapore ²	2

Data as at 31 March 2019.

¹ The only asset reported in this segment is Scandlines, an operator of ferry services between Germany and Denmark.

² We no longer make new investments in Asia, and our Mumbai and Singapore offices are responsible for managing our legacy portfolio in that region.

At 31 March 2019, only seven of our employees were located outside of Europe and North America and only c.2% of our AUM was invested outside of those regions.

Message from the Chief Executive



“We invest with the objective of generating attractive returns through the cycle for our shareholders and investors in our funds. We aim to achieve this objective by behaving responsibly as an employer, as an investor and as an international corporate citizen.”

Sustainability and governance are key areas of focus for the Board of Directors, including me, and also for our employees. 3i has built a strong reputation and track record as an investor by managing its business and portfolio sustainably and by carrying out its activities according to high standards of conduct and behaviour. This has allowed us to earn the trust of our shareholders, investors in our funds and investee companies and to recruit and retain employees who share our values and ambitions for the future.

Maintaining a strong reputation requires us to adopt a transparent approach to corporate reporting, including on our progress on driving the sustainability agenda through our operations and portfolio. We are committed to communicating both financial and non-financial performance in a clear, open and comprehensive manner and to maintaining an open dialogue with stakeholders.

Accordingly, we welcomed the publication of the Recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD”) in 2017. Our TCFD disclosures are available in our 2019 Annual report.

Simon Borrows
Chief Executive
May 2019



 [Download our Annual report](#)

 [A responsible employer](#) page 09

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 [A good corporate citizen](#) page 34

Our sustainability strategy is defined by three key priorities

1 Recruit and develop a diverse pool of talent

Our people are our main asset and recruiting, retaining and developing our talent is one of our most important priorities. We promote an open communication culture and provide an inclusive and supportive working environment with opportunities for training and career development. We value diversity and our employees are recruited, promoted and rewarded on the basis of merit, ability and performance. We are an equal opportunities employer and prohibit all forms of unlawful or unfair discrimination.

2 Invest responsibly

We believe that a responsible approach to investment will add value to our portfolio. Our Responsible Investment Policy is embedded within our investment and portfolio management processes. It informs our investment decisions and our behaviours as a responsible steward of our assets. We are rigorous in assessing and managing sustainability-related risks in our portfolio. Equally, we are keen to invest in opportunities arising from the development of solutions to global sustainability challenges. We make a limited number of investments each year, allowing us to be very selective in our approach to new investment.

3 Act as a good corporate citizen

We strive to embed responsible business practices throughout our organisation. We do this by having robust policies and processes in place and by promoting the right culture among our staff. We expect our employees to act with integrity, to be accountable for their behaviour, and to approach their roles with ambition, rigour and energy. All employees are evaluated annually against our values as part of our formal appraisal process.

Responsibilities and accountabilities

The Board of Directors as a whole is responsible for sustainability. It has adopted and promotes corporate values and Group standards which set out the behaviour expected of all employees in their dealings with shareholders, fund investors, existing and potential portfolio companies, colleagues, suppliers and others who engage with 3i.

The Executive Directors and business and functional leaders (together, the "Executive Committee") are responsible for ensuring compliance with 3i's corporate values and standards. Our values and corporate culture promote accountability and, together with our compliance, behaviour and environmental, ethical and social policies and procedures, they are designed to ensure consistent standards of conduct.

All employees are required to be aware of, and abide by, 3i's policies and procedures. These are available to all staff through the intranet portal. Employees are encouraged to make suggestions to improve them.

Our values



Governance framework

The Board of Directors and its Committees review our approach to sustainability, corporate responsibility and related policies and address specific issues if they arise.

Day-to-day accountability for sustainability rests with executive management and, in particular, the Chief Executive. The Chief Executive has also established a number of committees to support him in overseeing and monitoring policies and procedures and to address issues if they arise.

Our governance framework is outlined opposite and more information is provided in our Annual report.



 [Download our Annual report](#)

Board of Directors		Chief Executive	
Ownership and oversight of sustainability approach and policies		Day-to-day accountability for sustainability	
Principal Board Committees		Chief Executive committees	
Audit and Compliance Committee Met six times in the year	<ul style="list-style-type: none"> Financial reporting, risk and internal controls Oversees the assessment and management of ESG issues and risks, including those related to environmental legislation and regulation, climate change, governance and compliance and reputation, delegating day-to-day responsibility to the Chief Executive Oversees the approach to tax policy and strategy 	Executive Committee Meets monthly Assists the Chief Executive in managing the business	Sustainability responsibilities include: <ul style="list-style-type: none"> Assisting the Chief Executive in setting the Group's strategy, including its sustainability aspects Human rights and employment legislation Employee incentives and remuneration
Remuneration Committee Met five times in the year	<ul style="list-style-type: none"> Director and senior management remuneration and Group remuneration structure Oversees the implementation of fair remuneration for employees 	Investment Committee Meets frequently as required Acquisition, management and disposal of investments	Sustainability responsibilities include: <ul style="list-style-type: none"> Implementation of the Responsible Investment Policy Assessment and management of ESG risks and opportunities in the portfolio Due diligence of ESG risks and opportunities in the investment process Compliance with applicable ESG regulation in the portfolio (eg Modern Slavery Act, environmental regulations)
Nominations Committee Met four times in the year	<ul style="list-style-type: none"> Diversity and composition of the Board 	Risk Committee Meets four times per year Oversees the Group's risk management framework	Sustainability responsibilities include: <ul style="list-style-type: none"> Oversight of the Responsible Investment Policy Oversight of relevant environmental legislation and regulation Assessment of ESG risks for the Group and the portfolio Assessment of regulatory and compliance risks, including financial crime and bribery Assessment of operational risks, including cyber security and people risks Review of incident management, business continuity and disaster recovery plans
Valuations Committee Met four times in the year	<ul style="list-style-type: none"> Valuation policy Valuation of the investment portfolio Responsibilities includes the consideration of the valuation impact of sustainability-related matters 		

External benchmarking

We believe that it is important to evidence our commitment to operating sustainably and to show how we are performing. Accordingly, we provide a wealth of relevant information to shareholders and other interested stakeholders.

Sustainability indices

We have been a member of the Dow Jones Sustainability Europe Index and of the FTSE4Good Index Series since 2002 and 2011 respectively. In addition, 3i became a member of the Ethibel Sustainability Index (ESI) Excellence Europe in September 2016 and was reconfirmed as a constituent of that index in March 2019.


www.sustainability-indices.com
www.ftse.com/products/indices/FTSE4Good
www.forumethibel.org

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM



FTSE4Good



EXCELLENCE Europe

CDP

CDP (formerly Carbon Disclosure Project) is an international, not-for-profit organisation providing a framework which enables businesses to disclose their greenhouse gas emissions and other metrics voluntarily. 3i has been making annual submissions to CDP since 2006.

3i's score in the 2018 CDP assessment was B.


www.cdp.net



Equileap

3i ranked 59th among the Top 200 companies, and 7th among UK companies in Equileap's 2018 Gender Equality Global Report and Ranking. Equileap is a social venture that aims to accelerate progress towards gender equality in the workplace as a vital lever in reducing poverty and inequality.


www.equileap.org



UN Principles of Responsible Investment

Since 2011, we have been signatories to the UN Principles for Responsible Investment.


www.unpri.org



A responsible employer

The skills, capabilities and expertise of our employees are vital to our success. Recruiting, retaining and developing our talent are therefore among our key priorities. We provide training and opportunities for career advancement, reward our employees fairly and encourage direct feedback to senior management.

With fewer than 250 employees (and fewer than 160 in the UK, where our head office is based), we benefit from a flat organisational structure, which supports an open communication culture. We are a meritocracy and our employees are recruited, promoted and rewarded based on merit. We recognise the importance of nurturing the wellbeing and satisfaction of our employees by providing a supportive working environment and a healthy work/life balance.

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Human rights

Whilst 3i does not have, nor need, a specific human rights policy, our policies are nevertheless consistent with internationally-recognised human rights principles such as the UN Global Compact. We comply fully with applicable human rights legislation in the countries in which we operate, for example covering areas such as freedom of association and the right to collective bargaining, equal remuneration and protection against discrimination.

Due to the small number and diverse functions of our employees, as well as the nature of our business, our employees are not, in practice, unionised and do not engage in collective bargaining.

We do not procure services from nor invest in businesses which make use of slavery, human trafficking, forced labour, compulsory labour or harmful child labour.

We aim to invest only in businesses which are committed to:

- respecting the human rights of their workers;
- maintaining safe and healthy working conditions;
- treating their employees fairly;
- upholding the right to freedom of association and collective bargaining; and
- respecting the health, safety and wellbeing of those adversely affected by their business activities.

We try to ensure that the businesses we invest in comply (among other things) with all applicable employee-related laws and, where appropriate, that they work towards meeting relevant international standards (such as the ILO Fundamental Conventions) where these are more stringent.

Modern Slavery Act

We published our statement on Modern Slavery for the financial year ending 31 March 2018 on our website in September 2018, and will update this statement for the year to 31 March 2019 in September 2019. 3i is committed to ensuring that:

- there is no slavery or human trafficking in any part of its business or supply chains; and
- the companies in which it invests are also committed to ensuring that there is no slavery or human trafficking in any part of their businesses or supply chains.

3i has a suite of human resources policies and procedures covering areas including recruitment, vetting and performance management, family-friendly policies, equal opportunities and diversity, medical insurance and health checks, health and safety and flexible working, and appropriate processes to monitor their application. Summaries of a number of these policies can be found on our website.

 www.3i.com/sustainability/sustainability-policies

 Our Modern Slavery statement is available on our website

 Modern Slavery risk in 3i's portfolio page 29

 Human rights and forced labour in 3i's supply chain page 45





Equal opportunities and diversity

3i is an equal opportunities employer and prohibits unlawful and unfair discrimination. We believe that a diverse and varied workforce is a great benefit to the organisation. Although we do not set specific diversity targets, we seek to create, through our culture and policies, a work environment that helps to bring out the best in our employees.

3i's Equal Opportunities and Diversity Policy establishes that all 3i employees (temporary and permanent), contract workers and job applicants are treated fairly and are offered equal opportunity in selection, training, career development, promotion and remuneration. Specifically, we aim to ensure that:

- we have access to the widest labour market and secure the best employees for our needs;
- people are selected, promoted and treated equally, enabling us to maximise potential to the benefit of individuals and 3i;
- we have employment procedures and practices which do not discriminate on grounds of age, marital status, gender, gender identity, gender reassignment, sexual orientation, race, colour, nationality, ethnic or national origin, religion or religious belief, disability, sensitive medical conditions, pregnancy or maternity, social background, political opinion, trade union membership, or any other legally protected category;

- we treat all those with whom we come into contact with respect;
- we meet, as a minimum, our statutory obligations regarding employment legislation;
- we communicate the Equal Opportunities and Diversity Policy and responsibilities for achieving fairness and equality; and
- senior managers understand their responsibility for enforcing this Policy and we all share responsibility for upholding it.

During the year, we recorded no incidents of discrimination.

Unconscious bias training

To reinforce our commitment to equal opportunities, during the year we rolled out a training programme with selected staff members from across the business to tackle unconscious bias. The programme required line managers to attend a bespoke unconscious bias workshop, focused on raising awareness of the attitudes and behaviours associated with a range of important line manager activities, such as performance management, team leadership and, where relevant, recruitment activity. The workshop reflected the reality of the challenges that 3i managers experience on a daily basis. The Human Resources team continues to challenge all teams on their unconscious biases within these processes.



Equal opportunities and diversity

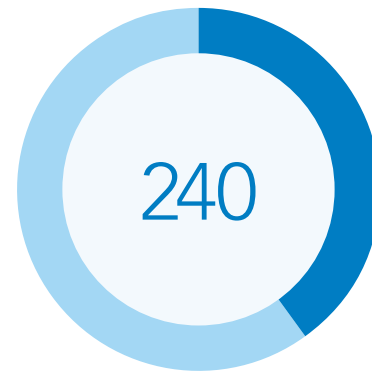
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Gender diversity

Achieving better gender diversity is important to 3i and we believe we are making reasonable progress in that respect, within the constraints of a small organisation with modest staff turnover. Of the 26 new hires we made during the year, 58% were female and 42% were male.

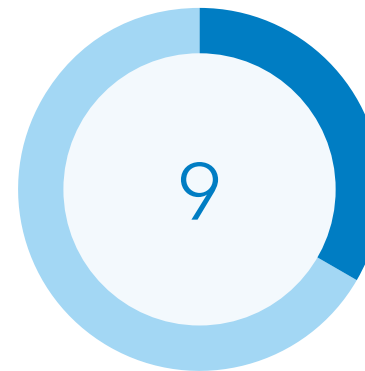
At 31 March 2019, 3i's total of 240 employees was broken down as follows.

3i employees



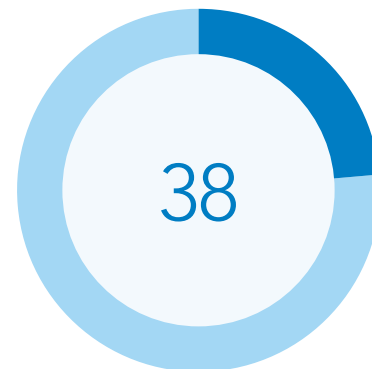
96 Female
144 Male

3i Group plc Directors¹



3 Female
6 Male

Senior managers²



9 Female
29 Male

¹ Includes non-executive Directors who are not 3i employees.

² "Senior managers" excludes Simon Borrows and Julia Wilson, our Chief Executive and Group Finance Director, who are included as Directors of 3i Group plc, and includes 21 people who were directors of undertakings included in the consolidation, of whom 19 were male and two were female.

Equileap Top 200 Ranking 2018

In 2018, 3i was ranked among the Top 200 public companies making progress towards gender equality in Equileap's 2018 Gender Equality Global Report and Ranking. This report, published in October 2018, assessed the progress towards gender equality of all public companies with a market capitalisation of above US\$2 billion in 23 developed countries (a universe of 3,206 companies), based on 19 criteria. 3i ranked 59th among the Top 200 companies, and 7th among UK companies. Equileap is a social venture that aims to accelerate progress towards gender equality in the workplace as a vital lever in reducing poverty and inequality.

 www.equileap.org



Equal opportunities and diversity

continued

Achieving better gender diversity in the private equity industry: Level 20

Level 20 is a not-for-profit organisation, which aims to encourage more women to join and to succeed in the private equity industry with the goal of having women in 20% of senior positions. Level 20 is focused on achieving its goal through the organisation of a range of events, running a mentoring programme and promoting careers in private equity to young women through outreach activities.

It has established committees in a number of countries across Europe including Germany, the Netherlands, Spain and Poland, with others being organised in the Nordic countries and France. It has 2,400 individual members from 37 countries.

Jennifer Dunstan, Partner, Head of Fund Investor Relations at 3i, co-founded Level 20 with 11 other senior women working in the private equity industry. She handed over the chairmanship of Level 20 to George Anson, a Senior Advisor at HarbourVest Partners, in November 2018. Jennifer had been the Chair since November 2016, during which time the scope and scale of Level 20's activities significantly increased. She remains on the board as the past Chair.

Research and advocacy

During 2018, Level 20 published two pieces of research to provide data to support its work.

The first, undertaken with the British Venture Capital Association, was a report on the numbers of women working in private equity. This revealed that, whilst the overall percentage of women working in private equity in the UK was 29%, only 14% were in investment roles and only 6% in senior investment roles. This exercise will be repeated in a couple of years to monitor progress.

The second was a report on career paths in private equity undertaken with the Cambridge Judge Business School.

During the last year, Level 20 has continued to engage with its sponsor firms by producing a toolkit of best practice guidance across a range of topics that impact gender diversity. It is also working with these firms to highlight the desirability of building an inclusive culture to allow diversity to flourish.

Member events

Over 25 member events were organised during 2018, ranging from small breakfast events for targeted groups of women to larger networking events. Highlights included a private view of the EY "Impressionists in London" exhibition at Tate Britain and a summer networking event for younger members in support of the charity "Smartworks" raising both money and donations of interview clothing.

A particular feature of the events programme is the series of monthly breakfasts organised by the Future Leaders Committee, a group of the younger members, on a range of educational topics to support career development.

Early career planning

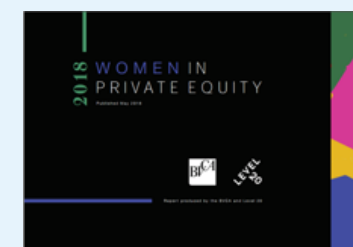
Level 20 has also continued its work to promote careers to young women at various points in their career planning. A day to introduce private equity to girls in their last year of school was held again during the year and various outreach activities to universities and business schools were also undertaken.

Mentoring

Level 20's mentoring programme has now been running in the UK for four years and is a key initiative in relation to supporting the retention of women in the industry.

A total of 179 women have been or are currently in a Level 20 mentoring programme which has involved 124 private equity firms providing either mentors or mentees. 3i has contributed both mentors and mentees to the programme.

The success of those in the original pilot programme is particularly encouraging, with 22 of the 23 mentees still working in the industry, of whom 17 have now been promoted. The model for the mentoring programme is being adopted by the European committees, with a German programme already up and running and a programme in France being organised.



LEVEL 20



Equal opportunities and diversity

continued

Ethnic diversity

The McGregor-Smith review on “Race in the Workplace”, published on 28 February 2017, highlighted the under-employment and under-promotion of people of Black or Minority Ethnic (“BME”) backgrounds in UK businesses and made the case for more inclusive organisations.

The review noted that, while one in eight of the UK working age population in 2015 was from a BME background, BME individuals made up only 10% of the workforce and held only 6% of top management positions.

The review contained a number of wide-ranging recommendations, including one for listed companies and all businesses and public bodies with more than 50 UK-based employees to publish a breakdown of their UK-based employees by race and pay band, and to publish aspirational targets and report against these annually. These recommendations are not mandatory.

As at 31 March 2019, more than one in eight of 3i’s total UK employees were people with a BME background. In addition, the proportion of our employees with a BME background in mid to higher salary brackets also exceeded the one in eight proportion.

Social diversity

We are committed to promoting social diversity in the workforce. In 2018, we began a partnership with Career Ready, a not-for-profit organisation based in the UK, that connects employers with schools and colleges to provide young people, aged 14 to 18 with mentors, internships, masterclasses and employer-led activities that prepare them for the world of work.

3i takes part in the Career Ready Plus mentoring programme which supports young people who lack the opportunities, network and confidence to reach their potential.

In the current 2018/2019 academic year, 11 3i employees are mentoring pupils through this programme.





Learning and development



Advancing our business goals depends on our ability to attract, retain and motivate smart people. We are therefore committed to providing our employees with the opportunities, experience and training to achieve their potential and grow their knowledge, skills and capabilities.

We encourage employees to take responsibility for their own development, working with their line managers to devise personal development plans to support the achievement of their individual aspirations, consistent with 3i's objectives.

Given the specialised nature of many of the roles in 3i, an emphasis is placed on work-based learning, with the provision of development opportunities supported by appropriate training and mentoring. This is supplemented by formal courses conducted both internally and externally and usually with a multinational group drawn from across the countries in which 3i operates.

During the year to 31 March 2019, we provided formal internal training on areas and skills including:

- financial modelling;
- negotiation skills;
- presentation and communication skills;
- business writing;
- board success;
- executive coaching; and
- unconscious bias.

We also organised periodic induction days to welcome new joiners, with presentations from the Chief Executive and other senior executives on different areas of the business.

Key to personal development for all employees is a formal annual appraisal process, where performance is measured against agreed objectives and against 3i's values to inform decisions on remuneration, career development and future progression. 360-degree feedback is gathered on employees as part of this process. All employees receive formal performance assessment and objective setting reviews with their managers annually and may receive informal reviews throughout the course of the year.

Recruitment and selection

Our Global Recruitment and Selection Policy sets out a fair, open, consistent and effective process to attract and select high calibre candidates who will maximise contribution to the business.

We recruit a small number of people in any year. The number of new recruits varies from year to year and our employee turnover rate is low. As such, it is not practically possible for us to implement meaningful initiatives such as recruitment targets per age group, gender and ethnicity.

Graduate scheme

We launched our graduate recruitment scheme in 2015. The scheme is designed to develop our next generation of trusted investment professionals. We are a small organisation; however, we believe this programme is important in fostering a distinctive 3i culture. Our first five graduate analysts joined us in 2015, and we have since been joined by five in September 2016 and three in September 2017 and September 2018. A further four are due to join us in September 2019. We are committed to recruiting from a diverse pool of candidates. Of the four graduates joining us in 2019, two are women.

The top performers on the programme are offered the opportunity to be fast-tracked directly into our investment business. The programme involves rotations across our Private Equity and Infrastructure businesses, as well as the opportunity to work with senior professionals in our Strategy, Investment Support and Investor Relations teams.

Our graduates benefit from best-in-class technical training courses in corporate finance, valuation, financial modelling and accounting, coupled with practical business experience gained from working alongside our investment professionals and senior management teams. As a result, they acquire an excellent grounding in the investment world, as well as in strategy and finance, enjoying a great deal of responsibility at an early stage.

16

graduate analysts joined us between 2015 and 2018

4

graduate analysts to join us in 2019, of whom two are women

8

nationalities

16

universities



Recruitment and selection

continued

Meet our 2018 graduate analyst cohort



Frances Lee-Barber

"It was during my fourth and final year studying at Cambridge for a Masters in Economics that I learnt about Private Equity and 3i.

Previously, I had spent a summer interning in the investment banking division at Credit Suisse. I enjoyed various aspects of this job; however, I quickly realised from the deals I worked on that I wanted to learn more about their fundamental business and what made them good (or bad!) businesses. Following from this experience, I began to pursue a career in investing.

I have now been at 3i for eight months and think it is a great company to join as a graduate. The people are welcoming and supportive, which makes 3i an excellent environment to develop my skills and learn from others what makes a good investor. I am looking forward to starting my first deal-team rotation in Infrastructure. In particular, I am excited to learn from being part of a dynamic and very talented team."



Fabien Paradis

"I joined 3i in 2018 after completing a Masters degree in Corporate Finance and five internships in the finance industry, including three in private equity. I was attracted to a career in the investment industry because I want to gain an in-depth understanding of potential investments and portfolio companies, obtain exposure to their operations and contribute to their growth over the long term.

I decided to start my career at 3i for three reasons: the 3i brand and reputation, the collegiate culture, and the tailored rotational programme across asset classes.

My programme started in the Strategy team in London where I was able to work directly with 3i's senior management on key strategic projects for the CEO and the Board. So far I have been challenged and exposed right off the bat to critical activities. I am sure this will continue, enabling me to become a trusted and well-rounded investor."



Arpita Prasad

"Keen to start a career in the private equity industry, I was attracted to the unique and exclusive graduate opportunity 3i had to offer, and jumped at the opportunity to apply. 3i's brand, heritage and international presence speaks for itself, and the possibility of learning from such experienced investment professionals at such an early stage was very appealing.

The final interviews were a great occasion to meet various employees, and I immediately felt at ease with 3i's warm and welcoming culture. Joining 3i in September 2018, my time here has been both enjoyable and rewarding. The rotational aspect of the programme has ensured a steep learning curve and I am constantly encouraged to ask questions, provide input and trusted to take ownership of key work-streams. I have now commenced my third rotation with the Strategy team and look forward to yet another interesting and challenging learning experience."

Working at 3i

We recognise the importance of nurturing the wellbeing and satisfaction of our employees by providing a supportive working environment and a healthy work/life balance.

Formal benefits

All employees from across our office locations enjoy a broad range of formal benefits aligned with local custom and practice and often enhanced relative to the statutory minimum.

In the UK, where approximately two-thirds of our employees are based, the benefits we offer include:

- family-friendly benefits (including maternity and paternity leave, adoption leave, shared parental leave, parental leave, bereavement and compassionate leave);
- private medical insurance and health checks;
- life insurance;
- long-term sickness insurance;
- pension contributions;
- flexible working, including remote working, flexible hours and job sharing; and
- share ownership.

All of the benefits above are available to all full-time, part-time and fixed-term employees, with the exception of long-term sickness insurance, which is not available to fixed-term employees who instead receive a cash equivalent.

Maternity and paternity leave

In line with its objective of promoting equality and diversity, 3i's policy is to support employees before and after the birth or adoption of a child. Maternity, adoption and paternity leave are available to all eligible full and part-time employees and meet at least the statutory minimum requirements. The summary opposite refers to our UK policies (as 66% of our employees, and 73% of our female employees are based in our London office), however employees based outside of the UK enjoy similar benefits, aligned with local legislation.

Shared parental leave

3i has developed a clear and accessible Shared Parental Leave ("SPL") Policy in the UK for eligible mothers, fathers, partners (including same sex) and adopters to choose how to share their time off work after their child is born or placed for adoption. SPL at 3i is remunerated at 100% of salary for the first six weeks; thereafter, statutory shared parental pay will apply up to week 37 of the SPL. All other benefits remain in place for the duration of the SPL. Employees based outside the UK enjoy similar benefits, aligned with local custom and legislation.

Parental leave

Most of our employees are entitled to parental leave in line with local legislation.

Maternity and adoption leave

Time off and leave	<ul style="list-style-type: none"> • 52 weeks of maternity or adoption leave, regardless of length of service
Maternity pay	<ul style="list-style-type: none"> • 100% of monthly basic salary for the first 18 weeks of the maternity or adoption leave • Statutory maternity or adoption pay between week 18 and week 39 of the maternity or adoption leave
Other benefits	<ul style="list-style-type: none"> • Full entitlement to other benefits, including holiday entitlement, pension, death and disability benefits and private medical insurance • Shared parental leave for a period of 50 weeks (after the first two weeks from birth or adoption)
Return to work	<ul style="list-style-type: none"> • Right to return to the same job • Company considers requests for flexible working

Paternity leave

Eligibility	<ul style="list-style-type: none"> • Biological father of a child, or mother's husband or partner (including same sex), or spouse or partner (including same sex) of the adopter
Length of leave	<ul style="list-style-type: none"> • Up to two consecutive weeks' leave • Does not have to be taken straight after birth or adoption, but must be completed within 56 days of birth or adoption
Paternity pay	<ul style="list-style-type: none"> • No changes to normal salary
Other benefits	<ul style="list-style-type: none"> • No changes to other benefits



Working at 3i

continued

Case study: shared parental leave

SPL provides additional flexibility to families to choose how to share time off work after their child is born or placed for adoption.

When devising our policy on SPL, we felt that it was important to provide additional support to fathers or other non-primary caregivers. We did that by providing a clear policy outlining what the SPL legislation means for fathers and other non-primary caregivers, but also by enhancing the policy by paying up to six weeks of SPL.

An important, but more indirect consequence of this, is that mothers or other primary caregivers working outside of 3i also benefit from the additional support that our policy offers them, whether this is in the form of additional help at home, or returning to work early, or for additional flexibility on how to distribute their maternity leave.



“3i’s Shared Parental Leave Policy will give me the flexibility to spend more time with my family when our third child arrives this summer.

As two working parents in senior roles, we approach parenting as shared responsibility and work hard to manage the right balance between “work” and “life” for our family – something that we achieve most of the time. Taking additional time out to support my wife and provide extra attention to our two other young children during the first few weeks of maternity leave felt like a very natural decision for us.

I feel proud to work for a company that invests in its people in such an important area and acknowledges that both parents have an active role to play in a family. Having the support of my manager and the team at 3i meant that I was able to make this commitment without feeling that I was missing out, or letting anyone down.”

Chris Rowland
Director of Strategy, Infrastructure

Working at 3i

continued

Wellbeing at work

We recognise the importance of nurturing the wellbeing and satisfaction of our employees by providing a supportive working environment and a healthy work/life balance.

Flexible working

Where possible and relevant, employees across our international network are provided with the tools to work remotely and, at the discretion of their managers, can work remotely and flexibly to manage personal or family commitments. Flexible working options include remote working, flexible hours and job sharing.

Physical health

3i promotes the physical wellbeing of its employees. For example, in the UK we provide our employees with annual medical insurance. All UK employees also qualify for annual health checks.

In addition to this, we provide the services of a personal fitness and nutrition adviser for our London-based employees, bookable free of charge for one-on-one fitness, nutrition and broader wellness advice sessions. He also hosts twice-weekly fitness and pilates classes that are free to employees.

Mental health and employee assistance

We place increasing importance on employees' mental wellbeing. One of the members of the HR team is a mental health first aider, trained to identify the signs and symptoms of mental ill health and provide help on a first aid basis.

For example, all UK-based employees (approximately two-thirds of the workforce) have access to an Employee Assistance Programme that offers free, confidential telephone counselling on a range of personal and work-related issues and problems, as well as face-to-face counselling services. The service also provides legal and financial advice and other information and services and is run by Health Assured, an independent external service provider.

Employees who are members of the UK private medical insurance, for which 3i covers premiums, have access to up to ten sessions of psychological support without a requirement for General Practitioner referral.

Grievance procedure

All of 3i's offices comply with local legislation governing grievance procedures.

The UK office, where approximately two-thirds of 3i's employees are based, has a formal Grievance Policy, which applies to all full and part-time employees, which outlines the steps that employees can take to raise complaints or concerns and have these addressed by the Company.

The UK Grievance Policy outlines the sequence of informal and formal steps in the assessment and resolution of the grievance.

Compulsory redundancies

3i has not had a programme of compulsory redundancies affecting a material number of employees since 2012. Since then, we have had some redundancies associated with the closure of our offices in Spain and Sweden, and other occasional redundancies due to local reorganisation.

In no year since 2012 have redundancies affected more than 5% of our employees.

3i's London-based employees are offered comprehensive outplacement services with an external service provider to employees at risk of redundancy. This involves one-to-one consulting with a dedicated career coach, the opportunity to be part of a job search work team, access to a range of learning events, to an online career portal and to an office space with IT facilities and support. The support is provided for a period ranging between two and six months. Some employees outside of London are offered a similar service, based on local custom and practice.



Working at 3i


continued

Remuneration

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 other 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. The Remuneration Policy is approved by shareholders at least every three years and is reviewed regularly by the Board's Remuneration Committee.

Where appropriate, employees are eligible to participate in 3i share schemes to encourage their involvement in the performance of the business. Investment executives in the Private Equity business line may also participate in carried interest schemes, which allow executives to share in future profits on investments.

 **For more information on remuneration:**
Annual report and accounts 2019

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 practice.

Living wage

3i is an accredited London Living Wage Employer. This means that every member of staff based in London, including contracted maintenance and reception teams, earns at least a "living wage" which is an hourly rate higher than the UK minimum wage and is set independently, updated annually and based on the cost of living in London.

Outside of London, our overseas offices tend to employ only investment and professional services staff, as well as support staff, who are remunerated above applicable minimum or living wage requirements.



Employee engagement

Honest communication with our staff is important to us, and we therefore encourage a culture of open communication between our employees and senior management.

We benefit from being a small organisation, operating in a relatively flat structure with few hierarchies. The members of our Executive Committee have an open-door policy and know most employees by name. We also encourage feedback from employees to senior management through more formal forums, including regular team meetings and off-sites to discuss our strategy, as well as through the annual appraisal process. Managers throughout 3i have a continuing responsibility to keep their teams informed of developments and to communicate financial results and other matters of interest.

The Board of Directors typically holds one of its meetings every year in one of our offices outside London. This provides an opportunity for non-executive Directors to meet the local teams, often in a more informal setting. Non-executive Directors are also invited to attend our semi-annual portfolio company reviews. These important meetings provide the non-executive Directors with an insight into how our investment business operates and into our culture. Employees also enjoy this opportunity to interact with the Board.

We promote and facilitate the ownership of 3i shares among employees through variable compensation and share investment plans. We pride ourselves on the engagement and the sense of ownership we have fostered over the years, which are reflected in low employee turnover rates.

87%

participation in UK SIP¹

8%

unplanned employee turnover rate

¹ Proportion of UK-based employees who subscribe to a Share Incentive Plan available to UK employees only.



Health and safety

Our employees are engaged in low-risk activities. As such, our occupational ill health and accident rates remain low. We are committed to the continual improvement of our health and safety management through regular performance reviews, the testing of procedures, open communication and increasing awareness.

With approximately two-thirds of our employees based in our London office, we operate in accordance with the Health and Safety at Work etc Act 1974 and all other applicable UK legislation. We adopt UK legislation and guidance globally, where practical, as a minimum benchmark for our health and safety standards, unless country-specific obligations exceed these requirements.

Our health and safety priorities

We ensure that:

- a health and safety management system is established, documented, implemented, maintained and communicated throughout the business. This system is reviewed periodically as appropriate, and at least annually;
- health and safety risks which may arise throughout 3i's global operations are identified, evaluated and controlled, to prevent injury and ill health;
- all health and safety incidents are reported and investigated promptly in order to prevent a recurrence;
- our global health and safety performance is reviewed on a regular basis; and
- 3i's employees and contracted partners participate actively in improving health and safety.

We regularly review our global health and safety standards and consult with our health and safety representatives across our offices to identify opportunities for improvement.

Responsibilities and outcomes

Our Property, IT and Procurement team, which reports to the Group Finance Director, manages health and safety. The Head of Property, IT and Procurement oversees the governance of health and safety within the Group, ensuring that health and safety is considered in business decisions at all levels, and reports to the Group Risk Committee.

We seek expert advice as necessary when determining health and safety risks and the measures required to mitigate them. We have retained the services of System Concepts, a specialist independent consultancy, to provide competent health and safety advice. System Concepts has a consultant based on site at 3i's London headquarters to provide practical support to the business.

During the year to 31 March 2019, we had no RIDDOR ("Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013") reportable accidents, and no work related accidents or cases of work related ill health were reported.

Wellbeing and awareness

We maintained our membership to Tommy's Pregnancy at Work Accreditation Programme in the UK, which promotes the health of pregnant women in the workplace. As a member of the programme we are committed to supporting health during pregnancy.

We have pledged to:

- provide a smoke-free workplace and suitable resting places;
- ensure that pregnant employees are allowed time to take antenatal appointments;
- conduct individual risk assessment tailored to each individual's needs; and
- provide guidance to both pregnant employees and their managers.

We also recognise the importance of providing opportunities for the wellbeing, physical and mental health of all our employees. By investing in our employees' health and wellbeing, we hope to increase job satisfaction and productivity and reduce absenteeism. We monitor absenteeism and undertake constructive return to work interviews with employees where appropriate, to enable us to support them better.

Most of our employees use computers for their day-to-day work. We undertake an assessment of every individual's workstation to assess potential hazards and provide appropriate adjustments when required.

We continue to enhance health and safety training and education of our staff. In 2019, we invested in a refreshed online health and safety training and awareness module which educates employees on risks they may face at work and on measures they can take to control them.

A responsible investor

With fewer than 250 employees globally, 3i has a relatively small direct impact in terms of the environment and other sustainability issues. However, with assets under management of approximately £13 billion, we have the influence and opportunity to have a greater positive impact through the decisions we make within our portfolio.

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Our approach to Responsible Investment

We believe that a responsible approach to investment will add value to our portfolio.

In particular, we believe that:

- the effective assessment of ESG risks and opportunities has a positive effect on the value of our investee companies and of 3i Group itself;
- compliance with local laws and regulations may not be enough to meet global expectations, deliver value and enhance our reputation and license to operate; and
- it is vital that we seek to identify all material ESG risks and opportunities through our due diligence at the point we invest and manage those risks and opportunities effectively during the period of 3i's investment.

We are uniquely well positioned to make a difference as a responsible investor:

- for more than a decade we have carried out our investment activities under our rigorous Responsible Investment Policy, which is embedded in our investment and portfolio management processes. It informs our investment decisions and our behaviours as a responsible steward of our assets. We have also been signatories to the UN Principles of Responsible Investment since 2011;
- we have a medium to long-term investment horizon, typically buying majority or significant minority stakes in our portfolio companies and, since 2012, always being represented on their boards. We are therefore well placed to drive sustainable growth in our portfolio. This involves the continuous assessment, monitoring and management of ESG risks, as well as targeted investment through new or existing portfolio companies in opportunities arising from developments such as climate change regulation, changes to consumer preferences in response to environmental issues and the development of business solutions to global sustainability challenges; and
- we make a limited number of new investments each year, allowing us to be very selective in our approach to investment.

We are committed to evolving our approach to responsible investment continuously, and have an interdisciplinary sustainability project team devoted to that task. In FY2019, this team presented to the Board on a number of initiatives we are undertaking to improve our consideration of sustainability risks and opportunities within our investment and asset management processes.

UNPRI

Since 2011 we have been signatories to the UN Principles for Responsible Investment.

About the UNPRI

The United Nations-supported Principles for Responsible Investment Initiative ("UNPRI") is an international network of investors working together to put into practice six Principles for Responsible Investment.

The Principles are voluntary and aspirational. They offer a menu of possible actions for incorporating ESG issues into investment practices across asset classes. Responsible investment is a process that must be tailored to fit each organisation's investment strategy, approach and resources.

The UNPRI has quickly become the leading global network for investors to demonstrate publicly their commitment to responsible investment, to collaborate and learn with their peers about the financial and investment implications of ESG issues, and to incorporate these factors into their investment decision-making and ownership practices.

As a signatory, we commit that we will:

Principle 1

Incorporate ESG issues into investment analysis and decision-making processes.

Principle 2

Be an active owner and incorporate ESG issues into our ownership policies and practices.

Principle 3

Seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4

Promote acceptance and implementation of the Principles within the investment industry.

Principle 5

Work together with other signatories to enhance our effectiveness in implementing the Principles.

Principle 6

Report on our activities and progress towards implementing the Principles.

Our Responsible Investment Policy

We have a clear and comprehensive Responsible Investment (“RI”) Policy which is embedded into our investment and portfolio monitoring processes. In our experience, companies with high ESG standards are typically better run, better at identifying and managing their business risks and opportunities for growth and generate better earnings growth. This Policy sets out the businesses in which 3i will not invest, as well as minimum standards in relation to ESG matters which we expect new portfolio companies to meet, or to commit to meeting, over a reasonable time period. The Policy applies to all our investments, irrespective of their country or sector.

Our RI Policy has been integrated into our investment and portfolio management processes and procedures and is supported by detailed guidance notes, external advisers and dedicated internal resource.

3i commits to use its influence as an investor to promote a commitment in its investee companies to:

- comply, as a minimum, with applicable local and international laws and regulations and, where appropriate, relevant international standards (such as the IFC Performance Standards and the ILO Fundamental Conventions), where these are more stringent than applicable laws;
- mitigate any adverse environmental and social impacts and enhance positive effects on the environment, workers and relevant stakeholders; and
- uphold high standards of business integrity and good corporate governance.

3i’s objectives, as set out in the RI Policy, are to invest only in businesses which are committed to:

- a cautious and responsible approach to the environmental management of their business operations by making efficient use of natural resources and mitigating environmental risks and damage;
- respecting the human rights of their workers; maintaining safe and healthy working conditions for their employees and contractors; treating their employees fairly; upholding the right to freedom of association and collective bargaining; and respecting the health, safety and wellbeing of those adversely affected by their business activities;
- upholding high standards of business integrity, avoiding corruption in all its forms, and which comply with applicable anti-bribery, anti-fraud and anti-money laundering laws and regulations; and
- establishing clearly defined responsibilities, procedures and controls with appropriate checks and balances in company management structures.





Governance framework and implementation of the RI Policy

The Board of Directors is responsible for the RI Policy, for ensuring it is implemented across the organisation and for the review and approval of any material changes.

The Investment Committee is responsible for the implementation of the RI Policy, and for ensuring that it is executed in a meaningful way by 3i's investment teams in all investment and portfolio management processes.

The management of ESG risks and opportunities is key to driving value from our investments. We therefore have robust processes in place to ensure that these are adequately assessed and acted upon.

Investment screening

All new investment opportunities that reach an advanced stage in 3i's investment process are subject to a high-level review of their ESG risk profiles and potential ESG opportunities prior to commissioning comprehensive due diligence. For Private Equity investment opportunities, this review is carried out by an external specialist firm. For Infrastructure investment opportunities, this review is carried out by the 3i investment team using a bespoke questionnaire which assesses the potential investee company's existing policies and practices against the minimum standards and best practice guidance set out in 3i's RI Policy.

In both cases, the exercise will typically result in recommendations as to which issues should be subject to more comprehensive, "deep-dive" due diligence pre-investment and which should be progressed post-investment. Our main contribution is in the area of governance where we aim to ensure that the potential investee company's management team contains the talent, knowledge and experience necessary to manage the particular risks facing that company, including the relevant ESG risks.

The key findings from the high-level review are summarised in the body of the investment paper along with the results of any "deep-dive" due diligence. The material due diligence issues (including ESG risks and opportunities) are considered by the Investment Committee, which may raise questions with the investment team and/or require further work to be done as part of its overall investment decision.

Ongoing portfolio monitoring

Every six months, our investment teams carry out detailed reviews of each of their portfolio companies. These reviews are typically attended by the Investment Committee, which includes the Group Finance Director and Group Strategy Director and is chaired by the Chief Executive, as well as by senior members of the investment teams. The reviews in March of each year include a detailed ESG assessment which seeks to track progress in relation to existing, identified ESG risks as well as identifying potentially new and emerging risks and opportunities. This assessment was significantly enhanced last year as part of the portfolio sustainability project.

Any material ESG issues are discussed at the six-monthly review meeting and relevant action points are minuted, followed up by the investment teams and reviewed at the following six-monthly meeting.

In addition to the company specific actions identified we use the data collected through this assessment to:

- identify key trends and opportunities across the portfolio on which to build. For instance, this year we have focused on plastics as a theme and have organised a plastics roundtable for our portfolio companies to discuss the risks from plastics use and the opportunities arising from reducing its use and developing technologies to mitigate its impact;

- enhance our decision making process for new investments; and
- provide a positive feedback loop to further develop and enhance our management of future ESG risks.

Risk management

The 3i Board has delegated day-to-day responsibility for risk management to the Chief Executive who is assisted by the Group Risk Committee ("GRC") which includes the heads of 3i's Private Equity and Infrastructure businesses. The GRC maintains the Group's risk review, which identifies the principal short, medium and long-term risks facing 3i as well as the associated mitigating actions and key risk indicators. The risk review is updated quarterly.

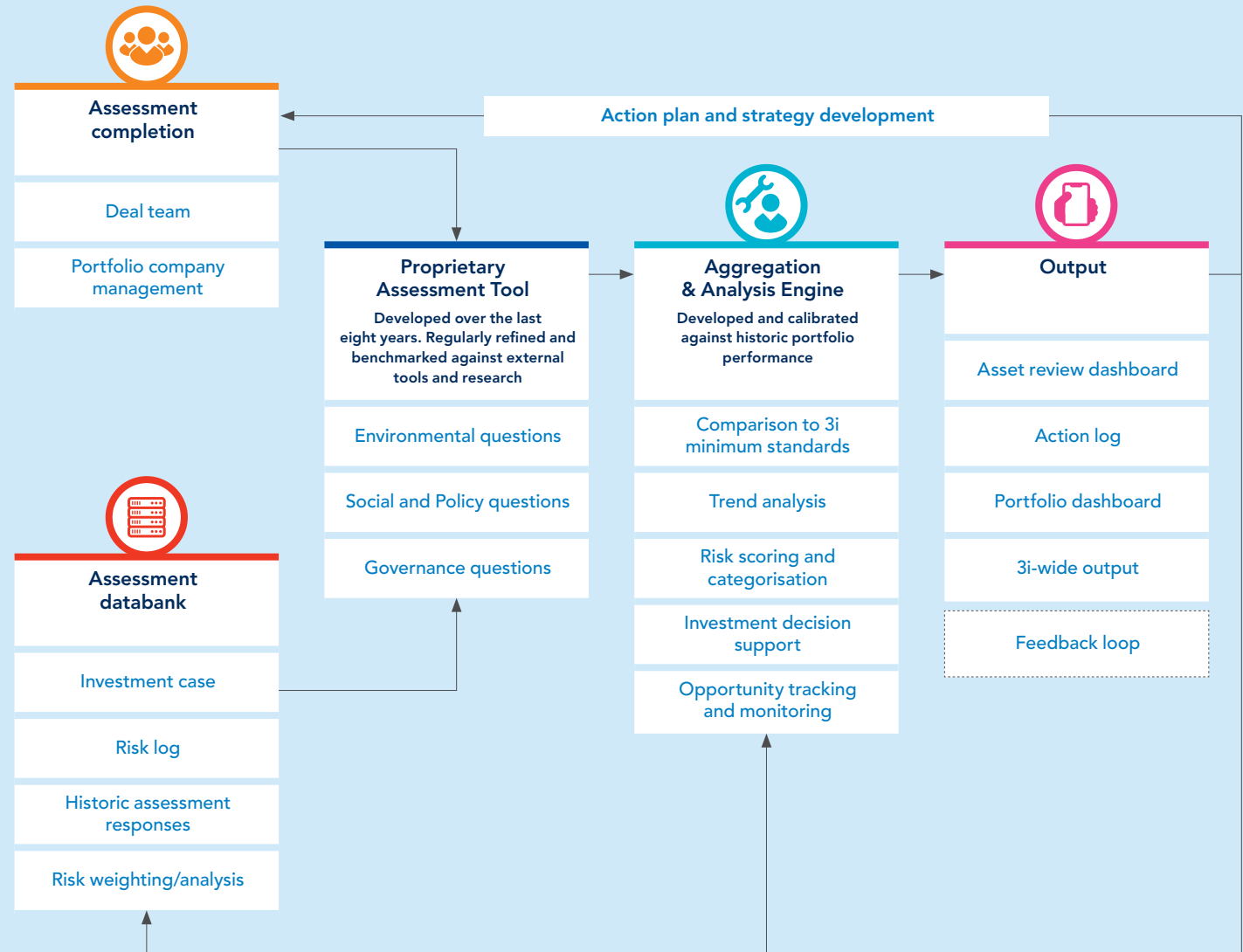
Following the March portfolio review referred to above, detailed reports are prepared by the Private Equity and Infrastructure businesses and the managers of our corporate asset, which summarise the short, medium and long-term ESG risk profiles and trends across their respective portfolios as well as detailed summaries of the specific ESG risks and opportunities relevant to each material portfolio company and any material ESG incidents in the period. The reports are presented to the GRC by the Private Equity and Infrastructure businesses, and the managers of our corporate asset and an overview of the findings is presented to the Board.

Our ESG assessment tool

Our ESG assessment tool was refreshed this year

Developed over a number of years, and subject to annual review and refinement, our proprietary ESG assessment tool provides a framework for our investment teams to consider the inherent ESG risks and opportunities in each new investment under assessment and to develop detailed, company specific, remediation and value creation plans. Following the completion of an investment, the ESG assessment is revisited every 12 months for each of our portfolio companies as part of our regular monitoring.

This year, as part of our commitment to evolve and refine the assessment and our approach to ESG risks and opportunities on a continuous basis, we reviewed and updated the assessment question set. With reference to our most recent investments, the data we routinely collect on our portfolio as well as third-party frameworks, we expanded the scope of the assessment to look more deeply at the policies, procedures and targets that our portfolio operates with. As a result of this more granular review we have identified a number of themes across our portfolio that will allow us better to manage the various sub categories of ESG risk. We have also focused our investment and management teams on a number of new value creation opportunities which can be explored.



Modern slavery risk in 3i's portfolio

As a responsible investor, 3i is committed to ensuring that the companies in which it invests are themselves committed to ensuring that there is no slavery or human trafficking in their businesses or supply chains.

3i's policy has, for some time, been to avoid investing in certain businesses which we view as unethical, including those who do not respect the human rights of their workers. This is formalised in our RI Policy, a summary of which is available on our website. In addition, 3i's new investment activity has, since 2012, focused exclusively on Europe and North America and we no longer invest in any businesses headquartered outside those regions. Of 3i's c. £13 billion in AUM as at 31 March 2019, only 2% related to investments outside of Europe and North America.

We published our statement under the Modern Slavery Act for FY2018 in September 2018.

In 2016, we commissioned KPMG to carry out a high-level desktop public records review to identify any of our portfolio companies at that time which may have had a higher potential risk of slavery, principally as a result of their country of operation or industrial sector. This review identified our India portfolio (1% of AUM) as having a potentially higher risk of slavery as a result of (i) India having a relatively high score in the Global Slavery Index and (ii) the sectors in which those companies operate.

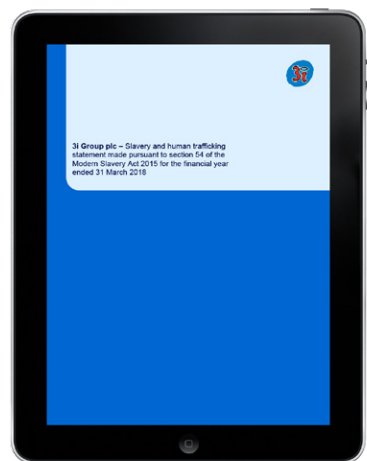
We no longer invest directly in India and 3i's legacy portfolio in that region comprises just seven portfolio companies. 3i generally has little influence over the management of these companies – 3i (or funds managed by 3i), is a minority investor in those companies and a 3i employee is on the board of only one of them. However, we are engaged in an ongoing process to work with those companies' management teams who are willing to engage with us on this subject to understand the actual level of risk in those businesses and what steps they are taking to address those risks. This is an ongoing process. Our remaining Indian investments are being managed with a view to realisation over the next few years.

We continue to monitor compliance with the Modern Slavery Act by our portfolio companies and, where relevant, work with their management teams to make sure they understand their obligations under the Act and identify what actions are required to ensure compliance.

Whilst 3i specialises in its core investment markets in northern Europe and North America, many of the companies we invest in have operations and/or supply chains based outside these regions, including in countries which have a relatively higher potential risk of slavery according to the Global Slavery Index 2018.

Our investment teams carry out regular and detailed business reviews of each portfolio company and, once a year, this includes a detailed assessment of the actual and potential ESG issues relevant to each business, including slavery. This detailed annual ESG assessment covers not just the portfolio companies' own operations but also their supply chains. For certain relevant portfolio companies (eg retail companies with supply chains in Asia) there is a focus on the extent to which the company has a supply chain policy/code of ethics in place; who at board level has responsibility for monitoring supply chain issues; the extent to which supply chain audits are carried out, and by whom; and whether there have been any material issues in the supply chain in the past 12 months. The key findings from the annual ESG review are reported to 3i's Group Risk Committee and the Audit and Compliance Committee. Progress against any identified risks is monitored in subsequent portfolio reviews.

We will continue to monitor our portfolio and its supply chain in relation to slavery and human trafficking through our regular portfolio company reviews.



Opportunities from sustainability-related challenges

Our ambition is to make a limited number of new Private Equity and Infrastructure investments each year, selected within our target sectors and geographies on the basis of their compatibility with our return objectives. We do not manage thematic ESG funds and we have no plans to do so.

However, we believe that investing responsibly and screening potential and existing investments for ESG indicators can bring about opportunities for new or further investment in our portfolio.

Private Equity

In our 2016 Sustainability Report we profiled the investments made by Scandlines, a ferry operator in the Baltic sea and one of our largest portfolio companies, in a cleaner fleet of vessels, and in particular in hybrid propulsion and sulphur emissions reduction technology. These investments continue to be value enhancing to Scandlines and 3i. We have been investing in a number of businesses connected to the drive towards decarbonisation in the automotive industry; one of these investments (in ATESTEO) was profiled in the 2018 Sustainability report.

We have recently been developing an expertise in outsourced medical device manufacturing, completing two investments in this sector over the past five years: in Q Holding and Cirtec Medical. Technological developments are opening up increasing opportunities to treat life threatening illnesses or chronic conditions with interventional or implantable medical devices. The use of such devices results in better patient outcomes than traditional drug therapies or invasive surgeries, resulting in fewer side effects and shorter recovery times. The development and use of such devices is therefore increasingly important in the context of a global ageing population and the growing prevalence of chronic diseases driven by poor lifestyle choices and diets.

Infrastructure

Our Infrastructure business is heavily exposed to opportunities arising from climate change. We have previously profiled the investments made through a number of our Infrastructure investment vehicles in

Offshore Transmission Owners, which own critical infrastructure connecting offshore wind farms to the onshore grid in the UK, and are therefore key to the roll-out of offshore wind power generation.

Renewable power generation remains one of the areas of focus for our Infrastructure business, as most countries across the world try to increase the proportion of renewables in their electricity generation mix. In FY2017, 3i Infrastructure plc ("3iN"), an infrastructure investment company managed by 3i, made two investments in this sector: in Infinis, the leading generator of electricity from landfill gas in the UK, and in Valorem, a leading independent renewable energy development and operating company in France. In FY2018, 3iN funded Infinis' acquisition of Alkane Energy, an independent power generator from both coal mine methane and reserve power operations and the largest generator from coal mine methane in the UK.


We continue to view renewable power generation as one of the key investment areas for 3iN and, in FY2019 3iN also invested in Attero, a Dutch company which owns two energy from waste plants, two sorting and pre-treatment facilities, six anaerobic digestion facilities, seven composting facilities and 10 landfill sites.

The installed capacity across these three businesses is now almost 900 MW, enough to power all of the households in Ireland. This is set to grow to more than 1 GW from new capacity already in development by 3iN's portfolio companies, and we have a long pipeline of new potential generating capacity for future development.



 Our investment in Cirtec Medical is profiled on pages 31 and 32 of this report



 3iN's investment in Attero is profiled on page 33 of this report

900MW

installed renewable energy capacity in our Infrastructure portfolio, enough to power all households in Ireland



Private Equity case study – Cirtec Medical

Technological developments are opening up an increasing number of opportunities to treat life-threatening illnesses and chronic conditions with interventional and implantable medical devices.

In many cases, the use of such devices results in better patient outcomes at lower costs than traditional drug therapies or invasive surgeries. The development and use of such devices is therefore increasingly important in the context of increasing global access to healthcare, a global ageing population and the growing prevalence of chronic diseases.

3i's healthcare investment team has devoted significant time to understanding the drivers and developments of the medical device industry, and has supported its growth by investing in two medical device outsourced manufacturers over the past five years: Q Holding and Cirtec Medical.

3i first invested in Cirtec Medical in August 2017. Cirtec Medical has long been a leader in the design and development of complex bioelectronic and minimally invasive medical devices. Customers rely on Cirtec Medical's expertise to provide value-add solutions throughout the entire development and commercial manufacturing cycles to help bring life-enhancing therapies to market and scale to success.

The landscape of manufacturers supporting the most cutting edge and innovative devices is limited and highly fragmented, making it challenging for engineers at companies small and large to find partners that can support product development through its lifecycle.

3i has supported Cirtec Medical in mapping out the most influential device categories and identifying investment opportunities to aggregate capabilities that support the design, development and production of these devices.

Since 3i's investment in 2017, Cirtec Medical has invested both organically and through four acquisitions to support the buildout of capabilities serving the most critical device applications. These investments have vertically integrated capabilities in its historically strong product areas, such as neuromodulation, while also diversifying end market exposures into other important treatment areas, such as heart valve replacement and continuous glucose monitoring.

Cirtec Medical has completed four key acquisitions since 3i's investment in 2017

Metrigraphics

Thin film substrates used predominantly in the development of bioelectronics and wearable devices, as well as continuous glucose monitoring.



Cactus Semiconductor

Design of application-specific integrated circuits and semiconductors for use in implantable and wearable medical devices.



Vascotube

Leading producer of precision engineered nitinol tubes used primarily in minimally invasive implant applications.



Top Tool

Metal stamping for a variety of medical device applications, including neuromodulation.



Private Equity case study – Cirtec Medical

continued

Cirtec Medical now has a very exciting portfolio of products with a strong track record of improved patient outcomes.

Examples of conditions treated with Cirtec Medical-manufactured devices

Chronic conditions

Cirtec Medical is among the leaders in the manufacturing of implantable neuromodulation devices, which produce a natural biological response through the electrical stimulation of certain neurological sites in the body. These devices are used as an alternative to long-term drug therapy for the symptomatic relief of persistent or chronic conditions such as chronic pain, incontinence, sleep apnoea, migraine, Parkinson's disease or epilepsy. Unlike long-term drug therapy, neuromodulation devices produce no side effects and can result in significantly superior outcomes.

Structural heart procedures

Cirtec Medical supports the structural heart market through the design, development and manufacturing of components, sub-assemblies and delivery systems. Its products are used in devices such as transcatheter aortic and mitral valve replacement surgery, where artificial heart valves are minimally invasively inserted into the body and placed over damaged or poorly functioning heart valves to support improved blood flow in the heart. This serves as a lifesaving alternative for high risk patients too weak to undergo open heart surgery and is increasingly being investigated for use in lower risk patients, as data is supporting fewer complications and significantly reduced hospital bed days.

Diabetes

Cirtec Medical's ultra-high precision, micron-scale thin film sensors are used for the manufacture of wearable sensors used in conjunction with continuous glucose monitoring ("CGM") devices, as well as for a variety of other applications. CGM devices use wearable sensors that continuously measure the glucose in the interstitial fluid – the fluid in and around your body's cells – rather than in the blood stream itself. CGM systems work 24 hours a day, and when paired with an insulin pump, can moderate the flow of insulin to ensure glucose levels remain in healthy range. This technological innovation is known as an "artificial pancreas" and has been a revolutionary device for diabetic patients.



Infrastructure case study – Attero

3i Infrastructure plc, a listed infrastructure investment company managed by 3i, completed its investment in Attero, a leading Energy from Waste (“EfW”) operator and waste management provider in the Netherlands, in June 2018.

Attero takes unsorted household and commercial waste from a range of countries across Europe. Through a process of sorting, separation and treatment, the business converts this waste into raw material and recycled products which can be resold, along with heat and power. This reduces the amount of waste going to landfill, increases the volume of recycled materials in use and provides a source of renewable energy.

Attero’s business model is backed by important environmental policy targets across Europe. The EU Action Plan for the Circular Economy prescribes a steep reduction in landfilling of waste across Europe.

Attero is one of the largest providers of integrated waste management processing in Europe supporting this important goal.

Energy from EfW plants is considered renewable energy generation in the Netherlands.

Since investment in June 2018, the Dutch and UK waste markets have continued to experience insufficient capacity in EfW and plastics recycling installations, a trend which continues to support Attero’s business model. In the last six months, Attero unveiled a new steam turbine which can supply 120 MW to the grid, as well as a new Polymer Recycling Plant which can convert 24,000 tons of waste plastics per year into low-density polyethylene which is widely used to manufacture plastic containers and bags.

The investment into these new capabilities grows Attero’s footprint across the waste processing chain and sustainable energy generation.

100% of the organic waste is turned into compost and energy and only a minimal amount of the ash generated from the thermal treatment of residual waste is sent to landfill.



A good corporate citizen

We strive to embed sustainable and responsible business practices throughout our organisation. We have robust policies and processes in place and actively promote the right values and culture with our employees.

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Transparency and stakeholder engagement	50

Standards of conduct and behaviour

3i's required standards of conduct and behaviour are promoted and enforced through a comprehensive suite of policies and procedures which, together with our compliance manual and our values, constitute our code of conduct.

3i employees must be familiar with, and understand, the obligations and restrictions that apply to them and must confirm in writing, on an annual basis, that they are in compliance. We review compliance with our established standards of conduct and behaviour periodically through a combination of the work of our Internal Audit and Compliance team, overseen by the Board's Audit and Compliance Committee, which conducts an annual review of risk and internal control effectiveness. Our Compliance team reviews all compliance policies each year.



Compliance

As an investment manager and adviser, a number of 3i's activities require regulatory authorisation, licensing and/or registration. Several of 3i's subsidiaries are therefore authorised and regulated by the Financial Conduct Authority and, where applicable, by relevant local non-UK authorities, including the US Securities and Exchange Commission and the Luxembourg Commission de Surveillance du Secteur Financier.

The FCA principles for business

As an FCA regulated entity, 3i is subject to the FCA's principles for business, according to which a firm must:

Integrity	Conduct its business with integrity.
Skill, care and diligence	Conduct its business with due skill, care and diligence.
Management control	Take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.
Financial prudence	Maintain adequate financial resources.
Market conduct	Observe proper standards of market conduct.
Customers' interests	Pay due regard to the interests of its customers and treat them fairly.
Communications with clients	Pay due regard to the information needs of its clients and communicate information to them in a way that is clear, fair and not misleading.
Conflicts of interest	Manage conflicts of interest fairly, both between itself and its customers and between a customer and another client.
Customers: relationships of trust	Take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who is entitled to rely upon its judgement.
Clients' assets	Arrange adequate protection for clients' assets when it is responsible for them.
Relations with regulators	Deal with its regulators in an open and cooperative way, and disclose to the appropriate regulator anything relating to the firm of which that regulator would reasonably expect notice.



Compliance

continued

Compliance manual

Our compliance manual applies to all employees. We provide below a brief description of some of the key areas covered by our compliance manual, given their relevance for our industry and their associated risks.

Financial crime and market abuse

Financial crime poses a reputational and legal risk and is an area of focus for regulators and law enforcement agencies globally. As a regulated business, 3i must maintain systems and controls for countering these risks. 3i's Financial Crime Policy covers offences involving money laundering, terrorist financing, economic sanctions, bribery, market abuse and fraud. 3i will not engage in and is committed to preventing these offences.

The compliance manual provides employees with access to 3i's policies and resources including:

- detailed anti-money laundering procedures; and
- checklists to aid in the identification, verification and screening of customers and potential customers.

3i's Group Compliance team provides real-time advisory support to 3i's business lines in the application of its anti-money laundering and screening policies and procedures. In addition, 3i has policies and procedures to guide employees on:


- personal transactions;
- managing inside information; and
- dealing with conflicts of interests.

Anti-bribery Policy

3i has an Anti-bribery Policy which applies to all those who work for, act on behalf of or represent 3i. 3i's Anti-bribery Policy requires high standards of ethical behaviour in all our business interactions. Accordingly, we will not offer, pay or accept bribes. In addition to detailed provisions, the Policy also requires the exercise of good judgement and common sense.

3i is not aware of any breaches of its Anti-bribery Policy by its employees.

We are also committed to working only with third parties whose standards are substantively consistent with our own. This includes our intermediaries and advisers. As part of our approach to responsible investment, we expect businesses in which we invest to operate in compliance with all applicable laws and regulations including, in particular, applicable anti-bribery, anti-fraud and anti-money laundering laws and regulations.

 **A summary of our Anti-bribery Policy is available on our website**

Gifts and inducements

3i's Gifts and Inducements Policy provides that our employees may not receive, pay or provide any inducement which would impair their or our duty to act honestly, fairly and in accordance with the best interest of our customers.

In particular, employees must never offer or receive gifts or hospitality if this may improperly influence a business decision, impair independence or judgement or create a sense of obligation, create a conflict of interest or if there is a risk it could be misconstrued or misinterpreted by others as a bribe. Offering or receiving gifts or hospitality to or from third parties is prohibited unless there is a clear and legitimate business purpose and, where they arise in connection with our investment activities, are designed to enhance the quality of service to our clients.

Charitable donations in 3i's name must be approved by the Chief Executive and follow the principles set out in 3i's Anti-bribery Policy.

Political donations

3i's policy is not to make political contributions whether to political parties, political organisations or election candidates. In line with this policy, in the year to 31 March 2019, no donations were made to political parties or organisations, or independent election candidates, and no political expenditure was incurred.

Conflicts

Our Conflicts of Interest Policy and associated procedures are designed to enable all relevant employees to identify actual or potential conflicts of interest and to manage them appropriately, including by reference to regulatory obligations. The overriding principle is that we will treat our customers fairly and, should conflicts of interest arise, we will manage them fairly in accordance with our conflict procedures.

We have a Conflicts Committee which considers specific and potential conflicts as they arise, and also oversees 3i's general approach to conflict management.

Compliance

continued

Compliance training

Our policies and procedures are communicated and enforced through periodic training and auditing. Our compliance team develops various e-learning modules, frequently followed by an assessment. These include:

- general training on 3i's key policies and procedures, including:
 - anti-money laundering;
 - anti-bribery;
 - personal transactions;
 - managing inside information;
 - dealing with conflicts of interests; and
 - gifts and hospitality;
- financial crime;
- anti-bribery;
- preventing market abuse; and
- preventing tax evasion.

These e-learning modules are rolled out on a rotating basis, with one course generally rolled out every six months. All employees, including Executive Committee members, must complete these modules. All new joiners are required to complete all five modules within two months of joining.

Data protection

3i's Data Protection Policy reflects the requirements of general European data protection legislation, supplemented or adapted as necessary for local regulatory requirements.

3i is committed to protecting the personal data of its staff, customers and contacts and using it in an appropriate manner. We recognise the rights afforded to individuals by data protection legislation and that we must notify data subjects of the fact that we process their personal data and the specific purposes for which we do so.

Our Policy requires our employees to:

- comply with the key data protection principles;
- treat personal data in accordance with 3i's policies and procedures for safeguarding confidential information; and
- use personal data only for the purpose for which it has been provided and in the proper course of their duties as a 3i employee.

3i maintains an Information Security Management System that:

- ensures that risks to the confidentiality, integrity and availability of information are managed to an acceptable level using a standard risk management framework;
- seeks to protect information from accidental or intentional damage, loss, unauthorised disclosure or modification;
- provides secure and reliable information to enable 3i employees to conduct their job effectively; and
- ensures compliance with legal and statutory obligations.

During the year ended 31 March 2019, there was one complaint by an individual concerning a historic data breach. This was minor in nature and was fully resolved.

Cyber resilience

We focus on cyber resilience both in terms of 3i's own systems and those of its portfolio companies.

3i's cyber resilience is overseen by the Group Risk Committee and managed on a day-to-day basis by the Group IT team. Non-executive governance is provided by the Group Audit and Compliance Committee and operational governance is provided by 3i's Chief Information Security Officer, Group IT team and Internal Audit team (which carries out regular reviews of 3i's cyber resilience processes and procedures). The 3i Cyber Security Review Board continues to meet monthly to discuss cyber security issues and to review the cyber dashboard of relevant cyber key performance indicators.

During the year, 3i updated its cyber resilience training course for all staff and continued its "phishing" email programme to test and monitor 3i staff's "click-rate" and to promote increased practical awareness of the risks associated with phishing emails. 3i also updated its overall business resilience strategy and governance framework.

In relation to its portfolio companies, 3i continues actively to promote cyber resilience as a key component of the corporate governance programme through its representatives on the boards of its portfolio companies. 3i continues to use an external firm of cyber security specialists to conduct non-intrusive reviews of the cyber resilience of its key portfolio companies' systems. The resulting reports are discussed with the management teams of the relevant portfolio companies and specific actions agreed where appropriate. Cyber resilience is one of the governance topics reviewed at the six-monthly business reviews of 3i's portfolio companies which are conducted as part of 3i's regular asset management and portfolio monitoring programme. If any incidents occur, appropriate information is shared throughout our investment teams to promote our understanding of this evolving risk.

Compliance

continued

Public policy

Although 3i will not participate directly in party political activity, it may engage in policy debate on subjects of legitimate concern to 3i, its staff and the communities in which it operates. This is done principally through industry representative bodies such as the British Private Equity and Venture Capital Association and Invest Europe, where we might contribute to the formulation of their policy positions, although from time to time we may engage directly with government and regulatory bodies on matters of particular and direct importance to 3i and its businesses. Lobbying must only be undertaken with the prior approval of a member of the Executive Committee and in a manner that is lawful and adheres to 3i's values.

Whistle blowing

Our Whistle Blowing Policy forms an integral part of our culture of openness, transparency and fairness. Where any employee discovers information which they believe shows malpractice or wrongdoing within 3i, under most circumstances they will raise concerns with their line manager, who will pass this information to the appropriate Executive Committee member.

Should this route not be suitable, then the employee may approach one of the following individuals who have been designated to provide impartial advice on the appropriate course of action to follow:

- Director, Group Compliance;
- Director, Internal Audit; or
- Group Legal Counsel & Company Secretary.

Alternatively, all employees across our eight office locations may express their concerns on a completely confidential and anonymous basis through an independent "hotline" service provided by Expolink, an independent, external party.

Our policies are clear that there should be no fear of reprisal or victimisation or harassment for whistle blowing.



Approach to taxation

3i's approach to taxation is built on the following principles:

- to act lawfully and with integrity, including complying with all statutory obligations and disclosure requirements;
- to maintain open and constructive relationships with UK HMRC and tax authorities worldwide;
- to maintain 3i's approved investment trust status to safeguard the long-term growth and value of 3i; and
- to work with industry bodies worldwide to establish a fair system that sustains economic growth and enhances the reputation for the industry in which the Group operates.

3i has offices in eight countries across Europe, North America and Asia, and its local entities pay taxes in these countries in respect of their local activities.

Approved investment trust status

3i Group plc has operated in the UK as an approved investment trust company since its listing on the London Stock Exchange in 1994. An approved investment trust is a UK investment company which is required to meet a number of conditions set out in the UK tax rules in order to obtain, and thereafter maintain, its approved status. These conditions include, among others:

- undertaking portfolio investment activity that aims to spread investment risk; and
- that the company's shares must be listed on an approved exchange.

If the conditions are met, certain profits of the company (broadly, its capital profits) are exempt from tax in the UK. For this reason, approved investment trust companies are particularly suitable as investment vehicles, because their tax status means that investors' investment returns do not suffer double taxation, once at the level of the investment trust company itself and then again in the hands of the investors. In other words, investors in the Company do not pay more tax that they would have incurred if they had been able to invest directly in the Group's underlying portfolio of investments.

The approved investment trust tax rules have existed in the UK tax code since the 1970s and were designed to allow investment trust companies to perform a number of important economic functions, including:

- encouraging investments and savings by providing individual and institutional investors with access to a professionally managed and diversified portfolio; and
- facilitating economic growth by providing funding for the underlying businesses in which investment trust companies invest.

Tax strategy

In compliance with rules applicable to large UK businesses, 3i publishes its Tax Strategy on its website and this is kept under regular review.



Our Tax Strategy is available on our website



Environment

3i has fewer than 250 employees worldwide and has a relatively low direct environmental impact.

We operate from a network of eight offices across the world, however approximately two-thirds of our employees are based in our London office. All our offices are leased.

We are, nevertheless, committed to minimising our environmental impact and to improving our environmental performance wherever possible. We have an Environmental Management System that is proportionate to the operational scale and environmental risk profile of our business. We use the precautionary principle to proactively manage environmental risk for our business and our portfolio.

Our strategy is to:

- meet the requirements of applicable environmental legislation;
- minimise waste and maximise recycling;
- work with our landlords to ensure the energy efficiency of our offices;
- include environmental considerations in our procurement processes;
- measure our carbon footprint annually, and publish the results in our Annual and Sustainability reports and on our website; and
- report to two external publicly disclosed benchmarking indices and use our performance in these benchmarking indices to assess and improve future performance; this year we have chosen the CDP and the RobecoSam Dow Jones Sustainability Index.

While our direct environmental impact is small, our materiality assessment and associated stakeholder engagement identified that the integration of environmental issues into our investment processes is important. Our approach to responsible investment and to sustainability is described elsewhere in this report.



Environment

continued

Minimising our direct environmental impact

While our direct operations have a modest impact on the environment, we address our emissions related to energy use, waste and travel proactively.

Energy consumption

To reduce our energy consumption, we have undertaken work to ensure all lights, computers and other equipment are powered off when not in use during extended periods of time, including at night and at weekends. In FY2016 we installed energy efficient LED lighting in our London office, replacing all halogen lighting. In FY2017 we also replaced our data centre hardware, significantly reducing our energy consumption.

Our London and Luxembourg offices, which account for over 80% of our electricity consumption, procure electricity from 100% renewable sources.

We report annually in our CDP response on completed and planned energy efficiency projects and the resulting energy savings. We also continue to develop our data collection system to allow us better to quantify the savings made following the implementation of these measures.

Energy Savings Opportunity Scheme (“ESOS”) compliance

We undertook an energy audit in August 2015 as part of our ESOS assessment for our London office and we implemented the key findings from the report, including installing more energy efficient LED lighting and encouraging employees to switch off desktop equipment to reduce our energy consumption.

ESOS is a mandatory energy assessment scheme for organisations in the UK that meet the qualification criteria. The scheme is administered by the UK Environment Agency. Organisations that qualify for ESOS must carry out ESOS assessments every four years. These assessments are audits of the energy used by these organisations’ buildings, industrial processes and transport to identify cost-effective energy saving measures. Organisations must notify the Environment Agency by a set deadline that they have complied with their ESOS obligations.

The deadline for the next compliance period is 5 December 2019 and we have commissioned an external environmental audit to take place in 2019 to prepare for compliance.



Travel

We rationalised our business travel through a set of clear guidelines and approvals which we rigorously adhere to. In London, we work in partnership with our landlord to encourage employees to cycle to work by providing secure cycle racks, changing and shower facilities.

The majority of our meeting rooms are equipped with audiovisual and teleconferencing solutions and employees are encouraged to make use of these, reducing travel where appropriate.

Paper usage

We use 100% recycled paper across our print solutions in our London and New York offices, and FSC approved paper elsewhere. We successfully implemented a Secure Print technology system in our London office in FY2016, which typically reduces paper consumption by 15%.

Waste management

In our main location in London, we work with our landlord, Land-sec, to minimise waste from our operations, and help recycle as much waste as possible. Non-recyclable waste from our London office is sent to an Energy from Waste site, where it is incinerated to generate electricity.

We recycle paper, plastic, glass, cans and organic waste and have put in place a recycling scheme for our redundant computer hardware. Our providers offer on-site secure data destruction and recycling services in compliance with the Waste Electric and Electronic Equipment Regulations 2013.

We carried out a number of initiatives in our London office during FY2019 to further reduce our office waste:

- we upgraded the waste recycling facilities to better align them with the recycling activity carried out by our landlord’s waste management supplier and carried out an awareness campaign to encourage full use of these facilities;
- we made reusable take-away coffee cups available to all employees. These cups can be used externally and brought back to the office for cleaning;
- we installed dispensers of filtered still and sparkling water, eliminating the purchase of bottled sparkling water for staff and replacing an average of c. 1,850 500ml bottles of sparkling water per month; and
- we introduced new compostable cups and lids for use in our coffee shop, replacing an average of c. 2,700 non-recyclable cups and lids per month.

Details of waste from 3i’s operations in FY2019 are as follows:

Waste disposal method	Weight
Recycled waste - mixed	49.6 tonnes
Recycled waste - paper	4.2 tonnes
Combustion	12.5 tonnes
Anaerobic digestion	12.4 tonnes
Landfill - mixed	14.5 tonnes

Information provided by the waste disposal contractor.

Environment

continued

Emissions performance

During the year to 31 March 2019, our measured Scope 1 and 2 greenhouse gas ("GHG") emissions (location-based) totalled 625.8 tCO₂e. Our Scope 3 emissions totalled 3,547.0 tCO₂e. Our Scope 1 and 2 (location-based) emissions are equivalent to 2.6 tCO₂e per full-time equivalent employee, based on an average of 240 employees during the year (2018: 3.1 tCO₂e; average of 241 employees).

Overall, our Scope 1 and 2 (location-based) emissions decreased by 16.6% in the year due to the full impact of the closure of our Madrid office in 2018 and a 19.5% decrease in the UK grid emission factor. We have also chosen to report voluntarily on our Scope 3 indirect emissions, which were 32% higher in the year due to an increase in business travel associated with business activity.

We quantify and report our organisational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and in alignment with the Scope 2 Guidance. We have reported on our Scope 3 indirect emissions using the GHG Protocol Corporate Value Chain (Scope 3) Standard.

We consolidate our organisational boundary according to the operational control approach, which includes all our offices. We have adopted a materiality threshold of 5% for GHG reporting purposes.

The GHG sources that constitute our operational boundary for the year to 31 March 2019 are:

- Scope 1: natural gas combustion within boilers and fuel combustion within leased vehicles;
- Scope 2: purchased electricity and heat consumption for our own use; and
- Scope 3: business travel, waste generation, the supply and treatment of water, and paper purchases.

In some cases, where data is missing, values have been estimated using either extrapolation of available data or data from the previous year as a proxy. The Scope 2 guidance requires that we quantify and report Scope 2 emissions according to two different methodologies ("dual reporting"):

(i) the location-based method, using average emissions factors for the country in which the reported operations take place; and (ii) the market-based method, which uses the actual emissions factors of the energy procured.

For the calculation of emissions using the location-based method, we have used the UK Government 2018 Conversion Factors for Company Reporting in order to calculate the tonnes of carbon dioxide equivalent ("tCO₂e") emissions from corresponding activity data. Measuring emissions using tCO₂e allows different GHG emissions to be reported using a common unit; for any quantity and type of greenhouse gas, tCO₂e signifies the tonnes of carbon dioxide which would have the equivalent global warming impact. The UK Government 2018 Conversion Factors for Company Reporting are calculated using average grid energy mix for the year for each country rather than the energy mix associated with our specific electricity tariffs.

When quantifying emissions using the market-based approach, we used a supplier-specific emission factor where possible. Where contractual information was unavailable to calculate emissions using the market-based method, a residual mix conversion factor was used to calculate emissions. Where residual mix emission factors were not available, the location-based grid emission factor was used.

Whilst we have a very low footprint on the environment, we are committed to reducing it further. In our London and Luxembourg offices, which account for over 80% of our overall electricity consumption, we purchase all of our electricity from 100% renewable sources. The dual reporting of our emissions demonstrates the impact that procuring energy from suppliers with cleaner energy mixes has on our greenhouse gas emissions, as reflected in our lower Scope 2 market-based emissions figure.

Third-party verification

We have engaged Carbon Credentials Energy Services Ltd for the independent third-party verification of direct and indirect carbon dioxide equivalent emissions provided to the CDP to a reasonable level of assurance. This verification exercise was performed to the ISO 14064-3 standard.

GHG emissions by scope

Scope	FY18/19	FY17/18	Year-on-year change
1 (tCO ₂ e)	142.2	156.4	(9)%
2 location-based (tCO ₂ e)	483.6	594.4	(19)%
2 market-based ¹ (tCO ₂)	126.7	137.4	(8)%
3 (tCO ₂ e)	3,547.0	2,685.6	32%

¹ Emissions from the consumption of electricity outside the UK and emissions from purchased electricity calculated using the market-based approach using supplier-specific emission factors are reported in tCO₂ rather than tCO₂e due to the availability of emission factors.

Sustainable procurement

3i's supply chain consists predominantly of the procurement of professional services from blue chip organisations in the markets in which we operate (predominantly Europe and North America), and which therefore are at lower risk of exposure to ESG-related issues.

3i's principal facilities management supplier, Sodexo, holds an ISO 14001 certification and, through its Better Tomorrow Plan, is reducing the environmental impact of the activities it undertakes on behalf of clients such as 3i.

Our approach to procurement

We have developed policies and procedures in relation to services received from third-party providers. As far as possible, we will only work with suppliers who support our aim to source products and services responsibly. We aim to have a collaborative relationship with our service providers and, wherever possible, will work with them when problems or issues arise to help them meet our requirements.

We monitor ESG issues with key suppliers and ask for progress reports on a regular basis. Where appropriate, we ask potential suppliers to provide a statement detailing the existence of any policies or commitments with regards to the following areas. This includes the details of any accreditation of participation in sustainability indices or associations:

- workplace – labour rights, equal opportunities, occupational health and safety;
- environment – green policies and practices;
- marketplace – advertising and marketing ethics; and
- community – charities, participation in local communities.

Suppliers are also asked to confirm that they have adequate anti-bribery and corruption controls in place, in line with applicable legislation and that they comply with the Modern Slavery Act, where relevant.

Due diligence on proposed suppliers

Our Procurement Policy requires that an appropriate level of due diligence be conducted on prospective suppliers before they are appointed or any expenditure is committed. The nature of the due diligence conducted is to be determined on a case-by-case basis by our procurement team, however, as a general rule, our Procurement Policy suggests that:

- integrity due diligence must be conducted on prospective suppliers that are considered to be at a high risk of bribery and corruption;
- due diligence on information/data security (including cyber security) must be conducted if confidential 3i data will be processed or held by the supplier;
- due diligence on human rights policies, equal opportunity policies and employment policies, with particular focus on the provider's commitments on the use of child or forced labour in their operations or supply chain must be conducted where Group procurement deems there is a risk of non-conformity with 3i's approach; and
- a thorough evaluation of business resilience must be undertaken that will include the financial performance of the supplier, insurance cover, evidence of accreditation, of contingency planning and third-party dependencies.

Sustainable procurement

continued

Human rights and forced labour in 3i's supply chain

We published on our website our slavery and human trafficking statement in the relation to FY2018 in September 2018 and will update this statement for FY2019 in September 2019.

A large majority of 3i's suppliers (64% by spend in the financial year ending March 2018), are professional advisers and consultants who are engaged to advise 3i on potential investments, divestments, and other matters in relation to our portfolio and various corporate matters and, as such, are considered to be at "low risk" of human rights violations. A further 15% of our procurement spend is on rent and other office premise costs. We identified four suppliers (approximately 4% by spend) whom we consider to be operating in higher risk sectors, namely outsourcing services, healthcare, facilities management, cleaning & maintenance. 93% of suppliers in FY2018 (by spend) were situated in Europe and North America, where we consider the potential risk of slavery to be relatively lower according to the Global Slavery Index 2018. We identified only two suppliers whom

we consider are operating in both a higher risk geography (India) and higher risk sector (outsourced transaction processing and facilities management, cleaning & maintenance). Our contract with the outsourced transaction processing supplier is a significant contract for 3i and as such, is subject to regular performance reviews and contains a number of Modern Slavery Act related obligations, reporting requirements, representations and warranties on the part of the supplier.

3i continues to include specific Modern Slavery Act wording in its standard request for proposal document which it issues to potential suppliers when it procures the supply of goods and services. In addition, 3i continues to use a software tool to help monitor the performance of certain of its existing significant suppliers. Specific Modern Slavery Act language has been included in this tool to ensure that Modern Slavery Act issues are addressed regularly as part of 3i's ongoing monitoring of these particular suppliers.

Payment practices reporting

Reporting on Payment Practices and Performance Regulations came into force in the UK for all reporting periods beginning 1 April 2017. The regulations require large companies and LLPs to report on their payment practices, policies and performance on a half yearly basis. The reports are published on a Government website and are publicly available. 3i is fully compliant with these regulations.

Prompt Payment Code

3i is a signatory to the Prompt Payment Code. The Code encourages and promotes best practice between organisations and their suppliers. Signatories to the Code commit to paying their suppliers within clearly defined terms, and to ensuring there is proper process for dealing with any issues that may arise. Budget holders are reminded of their responsibility under the Code at least annually when the budget is approved.

Community


We focus our charitable activities principally on the disadvantaged, on the elderly, on young people and on education.

The charities we partner with are supported on the basis of their effectiveness and impact. We also support staff giving and sponsorship through matching donations.

Our charitable giving for the year to 31 March 2019 totalled £550,000, including:

- Give-As-You-Earn – in the UK, we promote the Give-As-You-Earn scheme, administered by the Charities Aid Foundation. 3i's matching of employee donations totalled £55,000 through this scheme in the year.
- Matching donations – 3i has a policy of matching the amount raised by staff through sponsorship by family and friends of their fundraising efforts for registered charities. 3i contributed £46,000 in matching donations in the year to 31 March 2019.

In addition, during the year our London-based staff undertook various fundraising activities in support of some of the charities we partner with. These included holding a Big Tea event in support of Independent Age; organising a charity bike ride; arranging a gift collection for Community Links' Christmas Toy Appeal; and arranging a clothing appeal for Smart Works.

 Full details on the charities we support are available on our website

3i supports the following charities:



Community Links

Community Links is a social action charity which finds new solutions to old problems and delivers them with the whole community.

Based in Newham, one of the most deprived boroughs in London, Community Links works across Advice, Digital Skills, Youth & Employment, Health and Policy & Learning to take a holistic approach to communities that are ready for everything.

Last year, Community Links provided advice sessions across debt, housing, benefits and employment matters to over 2,900 clients; supported 320 young people into work; enrolled 370 Black, Asian and Ethnic Minority women into the Create Your Future programme and delivered an innovative programme to tackle the issue of knife crime.

In addition to 3i's regular contribution, in FY2019 3i employees supported the charity through a charity bike ride, and our London-based employees have been contributing to the Community Links Christmas Toy Appeal for a number of years, donating in excess of 100 presents to the charity's 2018 appeal which resulted in the collection of over 16,000 presents for local children.



 www.community-links.org

National Youth Orchestra of Great Britain

The National Youth Orchestra of Great Britain is among the world's leading orchestras composed exclusively of teenagers.

3i supports the brass section of the orchestra, which comprises 29 musicians. All of them lead on the NYO Inspire programme, which reaches out to aspirational musicians across the country, with a focus on state school and Black and Ethnic Minority musicians, who are under-represented in the sector.

In addition, NYO Play the School takes the NYO teenage musicians into schools with economically deprived catchment areas, giving workshops with in-school musicians and live orchestral performances for the whole school.



 www.nyo.org.uk



Community

continued

Historic Royal Palaces

Historic Royal Palaces is an independent charity that looks after the Tower of London, Hampton Court Palace, the Banqueting House, Kensington Palace, Kew Palace and Hillsborough Castle and Gardens. Its cause is "To help everyone explore the story of how monarchs and people have shaped society, in some of the greatest palaces ever built."

In support of this, the charity runs a public engagement programme to enable adults, families, young people and children to participate in immersive, high quality activities and programmes onsite, offsite and online, with 3i helping to fund the Learning and Engagement Programme.

Over the past year, Historic Royal Palaces invited over 300 pupils from disadvantaged backgrounds to Kensington Palace to receive a literacy-led learning session about the life of young Victoria and hosted an additional 250 primary school children as part of their Paperback Palaces programme which explores contemporary texts in a range of ways.



 www.hrp.org.uk



Bridges Fund Management

3i is proud to be a founding investor in Bridges Fund Management (previously Bridges Ventures), a privately-owned UK venture capital company with a social mission.

Its strategy is to focus exclusively on opportunities where investments can generate attractive investor returns through helping meet pressing social or environmental challenges, such as backing businesses that generate jobs in underserved areas or building environmentally friendly care homes for the elderly to sustain an ageing population. Bridges currently manages over £800 million across three fund types: Sustainable Growth Funds, Property Funds and Social Sector Funds.


Bridges
Fund Management

 www.bridgesfundmanagement.com

Career Ready

Since 2002, Career Ready has connected employers with schools and colleges to provide young people aged 14-18 with mentors, internships, masterclasses, and employer-led activities that prepare them for the world of work.

In 2018, its network of 5,500+ volunteers from 400 employers helped to transform the lives of 30,000 young people in 300+ schools and colleges.

3i takes part in the Career Ready Plus programme which supports young people who lack opportunities, networks and the confidence to reach their potential. In the 2018/2019 academic year, 11 employees are mentoring young people on the Career Ready Plus programme, helping them to kick-start rewarding and successful careers. The programme involves a series of monthly mentoring meetings, each one building on the last, between a Career Ready student and a volunteer.



 www.careerready.org.uk

Community

continued

The Passage

The Passage, based near our London office, is a homelessness charity in Westminster whose services have a high impact on the local community.

3i funds the Passage's Employment, Training and Welfare Rights team, which provides homeless and insecurely housed people with support to find a way back into employment and explore training and educational options. The Passage operates the largest Resource Centre in the UK and received 36,848 visits in the last year from 3,189 individual clients.

During the year, this team helped 75 clients into employment across a variety of industries including catering, cleaning, construction, hospitality and warehousing, and conducted a large number of career guidance, benefits advice and welfare rights sessions for its clients. In addition, the team conducted 123 career guidance sessions, 67 benefits advice sessions and 888 welfare rights sessions for clients.



 www.passage.org.uk

Independent Age

Independent Age exists to make the UK a better place to grow old for everyone.

The Charity aims to understand the issues faced by elderly people, campaign for change, and provide support people can rely on, from clear and simple guides on benefits and entitlements, to providing a free helpline and a network of volunteers helping beat loneliness and isolation across the UK.

Over the past year, Independent Age supported 1.19 million people through distributing 3.6 million guides and online resources, responding to 70,000 enquiries to its helpline and making a total of 43,000 volunteer friendship calls and visits to those who are lonely.

In addition to 3i's regular contribution, in October 2018 the 3i London office took part in Independent Age's Big Tea fundraiser, raising almost £800 including 3i's matching donation.



 www.independentage.org



Contact the Elderly

Contact the Elderly is a national charity dedicated to tackling loneliness and social isolation amongst older people living in the UK.

Its mission is to empower older people to make new social connections and break out of the cycle of isolation. Supported by a network of volunteers, the charity works within local communities organising regular social gatherings for older people, aged 75 and over, who live alone.

Contact the Elderly groups are a real lifeline of friendship for the older guests, many of whom have little or no contact with family or friends.

The charity helps over 6,600 older people across the UK with the help of over 12,000 volunteers.



 www.contact-the-elderly.org.uk

Community

continued

Church Homeless Trust

Church Homeless Trust helps people who are homeless by giving them grants to meet their particular needs.

Grants are given to homeless people of all ages, backgrounds, nationalities and faiths. Although the grants are small, they make a life changing difference to homeless people who have very little money, but are desperate to rebuild their lives and find a permanent home. Church Homeless Trust works with partners across England to reach homeless people who need help and, for the first time this year, started offering accommodation in winter night shelters.

In addition to these activities, Church Homeless Trust also provides basic living expenses for asylum seekers who are destitute due to not being allowed to work or claim benefits.

Last year, Church Homeless Trust supported 452 people to move into their own permanent home with a resettlement grant, provided personal grants to 141 people to enable them to receive ID papers or clothing and transport costs to apply for jobs and trained 48 people on how to use a digital device and use the internet safely.



www.churchhomelesstrust.org.uk

Snowdon Trust

Snowdon Trust provides grants to physically disabled and sensory impaired students studying in the UK, in further or higher education or training towards employment.

These grants help to cover the additional costs that students incur as a result of their disability and which available statutory funding does not cover. Over the past year, the charity's grants programme supported 108 students with grants totalling over £280,000.

The charity also aims to keep disability issues on the agenda of the Government and institutions and has been instrumental in getting statutory support for disabled postgraduate students increased significantly for 2019/20. Most recently, the Trust has embarked on a new Masters Scholarship Programme.

Pictured is Dominic Hyams, now an Ambassador for Snowdon Trust, at his graduation in 2009. Dom has brittle bones and received a Snowdon grant towards his additional accommodation costs while studying at Warwick Business School. He is now Digital and Communications Director at Grid Smarter Cities.



SNOWDON

TRUST

www.snowdontrust.org

Transparency and stakeholder engagement

The Board recognises that effective communication is integral to building stakeholder value.

As a publicly listed company, we operate within a framework of formal legal and regulatory disclosure requirements, as well as meeting the high expectations for transparency of our shareholders, fund investors, employees and the media.

We are committed to communicating both our financial and non-financial performance in a clear, open and comprehensive manner.

Our objective is to present a balanced and understandable assessment of our position, highlighting the key risks to which we are exposed in our day-to-day activities.

The Group Communications and Investor Relations teams have day-to-day responsibility for communications with key stakeholders and, together with the Group Secretarial team, they ensure that 3i meets all relevant disclosure obligations.

Stakeholder	Material issues	Communication
Employees	<ul style="list-style-type: none"> • Attracting and retaining talent • Fostering a supportive working environment • Remuneration 	<ul style="list-style-type: none"> • Comprehensive staff portal • Regular team meetings and off-sites hosted by executive management and team leaders
Shareholders and potential investors	<ul style="list-style-type: none"> • Financial performance and returns • Awareness of strategy and implementation • Access to Executive Management • Transparency • ESG performance 	<ul style="list-style-type: none"> • Annual General Meeting • Two investor presentations and regular capital markets seminars • Annual and half-yearly reports • Quarterly performance updates • Sustainability report • Comprehensive Investor Relations website • Regular meetings with executive management and Investor Relations team • Regular email and telephonic communications
Fund investors	<ul style="list-style-type: none"> • Financial performance and returns • Awareness of strategy and implementation • Access to key investment professionals • Transparency • ESG performance • Alignment with 3i 	<ul style="list-style-type: none"> • Quarterly reporting produced in line with the Invest Europe Investor Reporting Guidelines and including ESG performance updates • Annual investor meetings • Fund Advisory Board meetings held on an annual or semi-annual basis as required • Regular and ad hoc meetings and telephone calls with Fund Investor Relations team and relevant investment professionals • Regular email communications • Access to a web-based investor portal used to host and distribute investor correspondence
Investee companies	<ul style="list-style-type: none"> • Support for strategy and implementation • Alignment with 3i as key shareholder • Executive remuneration 	<ul style="list-style-type: none"> • Engagement with investee companies formally at board level and informally on an ongoing basis • Regular chairman, CEO and CFO forums to share best practice and experience



Transparency and stakeholder engagement

continued

Stakeholder	Material issues	Communication
Equity and debt analysts	<ul style="list-style-type: none"> • Financial performance and returns • ESG performance • Transparency • Access to Executive Management 	<ul style="list-style-type: none"> • Two investor presentations and regular capital markets seminars • Annual and half-yearly reports • Quarterly performance updates • Comprehensive Investor Relations website • Regular communications with Investor Relations and Treasury teams • Annual General Meeting
Rating agencies	<ul style="list-style-type: none"> • Financial performance and returns • Balance sheet strength 	<ul style="list-style-type: none"> • Comprehensive Investor Relations website • Annual meetings with the Group Finance Director and Treasury team • Annual and half-yearly reports • Quarterly performance updates • Tailored presentations
Media	<ul style="list-style-type: none"> • Transparency and clear communication • Access to management 	<ul style="list-style-type: none"> • Open and transparent approach with the media • Proactive press programmes for executive management • Press releases on material developments including investments and realisations and product development • Comprehensive website hosting press releases and other resources such as videos, factsheets and case studies
Government and regulatory bodies	<ul style="list-style-type: none"> • Compliance with relevant rules and regulations • Engagement on relevant issues and regulatory developments 	<ul style="list-style-type: none"> • Active participation in policy forums • Response to engagement on regulatory matters • Membership of industry consultative bodies, eg British Venture Capital Association and Invest Europe
Suppliers	<ul style="list-style-type: none"> • Conduct and standards of employment • Service provision • Management of costs 	<ul style="list-style-type: none"> • Central procurement team • Standardised procedures • Procurement Policy available on our website
Communities	<ul style="list-style-type: none"> • Positive contribution to the communities and society in which we operate • Minimise adverse environmental impact 	<ul style="list-style-type: none"> • Environmental Management System proportionate to the operational scale and environmental risk profile of the business • Comprehensive Responsible Investment Policy • Charitable activities focused on the disadvantaged, young people and education • Give-as-you earn scheme and employee donations matching



Transparency and stakeholder engagement

continued

The Walker Review

In 2007, in response to the growing debate about the role of private equity in the UK, the British Venture Capital Association ("BVCA") suggested a review to examine ways in which levels of disclosure in companies backed by the UK private equity industry could be improved.

The review was led by Sir David Walker, who consulted widely and invited representations from within the private equity industry, other financial institutions, pension funds and the investment community, as well as more broadly with portfolio companies, trade unions and employer representatives. 3i actively supported the review, with involvement from the Chairman.

3i also endorsed the voluntary code which resulted in the "Guidelines for Disclosure and Transparency in Private Equity", which was published in November 2007. Sir David Walker's recommendations with respect to reporting for private equity firms and their relevant portfolio companies were on a "comply or explain" basis. An overview of the guidelines together with the eleventh annual report of the Private Equity Reporting Group (which monitors and reports on the UK private equity industry's conformity with the guidelines) at December 2018 can be found at <http://privateequityreportinggroup.co.uk/>

The only 3i portfolio companies which met the criteria set out in the guidelines and were included in the eleventh annual report for the year to 31 December 2018 were Anglian Water Group (held principally within the 3i Infrastructure plc portfolio and which was sold in February 2018), Infinis, also held within the 3i Infrastructure plc portfolio and East Surrey Pipelines, held within 3i Managed Infrastructure Acquisitions LP, one of the funds managed by 3i's Infrastructure business.

Global Reporting Initiative

Due to increasing requests from stakeholders for relevant and comparable sustainability information, we have chosen to report in accordance with the Global Reporting Initiative (“GRI”) standards.

Materiality assessment	54
GRI content index	55

Materiality assessment

In 2017, with the support of Carbon Credentials, our sustainability partner, we conducted a materiality assessment to identify the GRI indicators that are relevant to us and our stakeholders and that we should report on. As part of this assessment, we reviewed the reporting requirements of voluntary sustainability reporting initiatives such as the CDP (formerly the Carbon Disclosure Project), FTSE4Good and the Dow Jones Sustainability Index, and engaged with our key stakeholders to understand which sustainability issues are of concern to them.

Review of reporting requirements

3i has been reporting information about its management of climate change issues through the CDP Climate Change programme since 2006, and has been a member of the Dow Jones Sustainability Indices, of the FTSE4Good Index Series and of the Ethibel Sustainability Index (ESI) Excellence Europe index since 2001, 2011 and 2016 respectively. The table opposite shows the themes identified as relevant by these organisations and benchmarks, based on our sector and the countries of operation.

Stakeholder engagement

Our stakeholder mapping exercise highlighted 3i's key stakeholders as its employees, existing and potential shareholders, existing and potential fund investors, portfolio companies, policymakers and regulators.

Our stakeholder engagement focused on these groups; we sent out quantitative surveys to understand the level of stakeholder concern regarding a wide range of sustainability issues (based on our review of current sustainability reporting requirements) and interviewed a number of key internal and external stakeholders. This qualitative and quantitative analysis, combined with the analysis of our ordinary-course engagement, allowed us to select a number of material GRI sustainability indicators and disclosures against which we report.

The most material indicators, ranked in terms of their perceived importance to the business and stakeholders, are listed opposite. We will aim to renew our materiality assessment every five years, or sooner in the event of a material change in strategy.

Indicators covered	Type
1 Anti-crime and corruption	Economic/governance
2 Business ethics	Economic/governance
3 Socially responsible investment	Social
4 Economic performance	Economic/governance
5 Cyber security	Economic/governance
6 Equal remuneration	Social
7 Tax	Economic/governance
8 Diversity, discrimination and equal opportunities	Social
9 Social criteria in procurement	Social
10 Employee satisfaction and wellbeing	Social
11 Health and safety	Social
12 Climate-related financial risk	Environmental
13 Employee benefits	Social
14 Training	Social
15 Transition to a low-carbon economy	Environmental

Themes identified as material to our stakeholders

Environment	Social	Governance
<ul style="list-style-type: none"> Business risks and opportunities Engagement with supply chain on climate change Environmental reporting 	<ul style="list-style-type: none"> Talent attraction and retention Human capital development Human rights and community Social supply chain Controversial issues, dilemmas in lending/financing 	<ul style="list-style-type: none"> Corporate governance Risk management Anti-corruption and anti-crime Codes of conduct Compliance

GRI content index

GRI standard title	Disclosure number	Disclosure title	Page number/link	Fully reported
General disclosures	102-1	Name of the organisation	SR 02 AR IFC	Fully reported
	102-2	Activities, brands, products, and services	SR 03-04 AR 02-03, 10-11	Fully reported
	102-3	Location of headquarters	SR 04	Fully reported
	102-4	Location of operations	SR 04	Fully reported
	102-5	Ownership and legal form	SR 04 AR 91-92	Fully reported
	102-6	Markets served	SR 04 AR 02-03, 10-11	Fully reported
	102-7	Scale of the organisation	SR 04 AR 02-03	Fully reported
	102-8	Information on employees and other workers	SR 09-22 AR 62-64	Fully reported
	102-9	Supply chain	SR 44-45	Fully reported
	102-10	Significant changes to the organisation and its supply chain	SR 44-45	Fully reported
	102-11	Precautionary principle or approach	SR 41-43	Fully reported
	102-12	External initiatives	AR 57-59 SR 08	Fully reported
	102-13	Membership of associations	SR 08, 39	Fully reported
	102-14	Statement from senior decision-maker	SR 05 AR 05-08, 57-59	Fully reported
	102-16	Values, principles, standards and norms of behaviour	SR 06, 34-36 AR 44, 61	Fully reported
	102-18	Governance structure	SR 07 AR 60-95	Fully reported
	102-40	List of stakeholder groups	SR 50-51, 54	Fully reported
102-41	Collective bargaining	SR 10	Fully reported	

Legend

AR: 3i Group Annual report and accounts 2019 (www.3i.com/investor-relations/report-library/2019)

SR: 3i Group Sustainability responsibility report 2019 (www.3i.com/sustainability/sustainability-reports-library/2019)

GRI content index

continued

GRI standard title	Disclosure number	Disclosure title	Page number/link	Fully reported
General disclosures continued	102-42	Identifying and selecting stakeholders	SR 50-51, 54	Fully reported
	102-43	Approach to stakeholder engagement	SR 50-52, 54	Fully reported
	102-44	Key topics and concerns raised	SR 54	Fully reported
	102-45	Entities included in the consolidated financial statements	AR 140-144	Fully reported
	102-46	Defining report content and topic boundaries	SR 54	Fully reported
	102-47	List of material topics	SR 54	Fully reported
	102-48	Restatements of information	SR 02	Fully reported
	102-49	Changes in reporting	SR 02	Fully reported
	102-50	Reporting period	SR 02	Fully reported
	102-51	Date of most recent report	SR cover	Fully reported
	102-52	Reporting cycle	SR 02	Fully reported
	102-53	Contact point for questions regarding the report	SR 58	Fully reported
	102-54	Claims of reporting in accordance with the GRI Standards	SR 02, 53-54	Fully reported
	102-55	GRI content index	SR 55-57	Fully reported
102-56	External assurance	SR 43	Fully reported	
Economic performance	201-1	Direct economic value generated and distributed	AR 30-43	Fully reported
	201-2	Financial implications and other risks and opportunities due to climate change	AR 57-59 SR 30-33	Fully reported
Anti-corruption	205-1	Operations assessed for risks related to corruption	SR 37 ABP	Fully reported
	205-2	Communication and training about anti-corruption policies and procedures	SR 37-38	Fully reported
	205-3	Confirmed incidents of corruption and actions taken	SR 37	Fully reported
Emissions	305-1	Direct (Scope 1) GHG emissions	SR 43*	Fully reported
	305-2	Energy indirect (Scope 2) GHG emissions	SR 43*	Fully reported
	305-3	Other indirect (Scope 3) GHG emissions	SR 43*	Fully reported
	305-4	GHG emissions intensity	SR 43*	Fully reported
	305-5	Reduction of GHG emissions	SR 43*	Fully reported

* Verified externally

Legend

AR: 3i Group Annual report and accounts 2019 (www.3i.com/investor-relations/report-library/2019)SR: 3i Group Sustainability responsibility report 2019 (www.3i.com/sustainability/sustainability-reports-library/2019)ABP: 3i Group's Anti-Bribery Policy (www.3i.com/sustainability/sustainability-policies)

GRI content index

continued

GRI standard title	Disclosure number	Disclosure title	Page number/link	Fully reported
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	SR 44-45	Fully reported
Employment	401-1	New employee hires and employee turnover	SR 12, 21	Fully reported
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR 18	Fully reported
	401-3	Parental leave	SR 18	Fully reported
Health and safety	403-4	Types of injury, occupational diseases, lost days and absenteeism, and number of work related fatalities	SR 22	Fully reported
Training and education	404-2	Programmes for upgrading employee skills and transition assistance programmes	SR 15, 20	Fully reported
	404-3	Percentage of employees receiving regular performance and career development reviews	SR 15	Fully reported
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	SR 12, 14	Fully reported
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	SR 11	Fully reported
Forced labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	SR 10, 29, 45	Fully reported
Human rights assessment	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	SR 26, 29, 44	Fully reported
Supplier social assessment	414-1	New suppliers that were screened using social criteria	SR 44	Fully reported
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR 38	Fully reported
Product portfolio	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	SR 30-33	Fully reported
Active ownership	FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	SR 26 AR 155-156 3iN AR	Fully reported

* Verified externally

Legend

AR: 3i Group Annual report and accounts 2019 (www.3i.com/investor-relations/report-library/2019)SR: 3i Group Sustainability responsibility report 2019 (www.3i.com/sustainability/sustainability-reports-library/2019)3iN AR: 3i Infrastructure plc's Annual report 2019 (www.3i-infrastructure.com/investors/reports/2019)

Contacts

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