



3i Group plc Sustainability report 2021



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A guide to using this report



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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') and sustainability matters. There have been no significant changes from previous reporting periods in the material topics we are reporting on. This report relates to the financial year to 31 March 2021.

This report was submitted to an internal verification process. Our GHG emissions data was externally verified.

We have chosen to report in accordance with the Global Reporting Initiative ('GRI') and, for the first time this year, Sustainability Accounting Standards Board ('SASB') standards.

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GRI and SASB

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Third-party verification

Please note that 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 2021 and with the Sustainability policies and case studies on 3i's website.

 **www.3i.com**
www.3i.com/sustainability
For more information

Introduction

Our purpose

We generate attractive returns for our shareholders and co-investors by investing in private equity and infrastructure assets.

As proprietary capital investors we have a long-term, responsible approach.

We create value through thoughtful origination, disciplined investment and active management of our assets, driving sustainable growth in our investee companies.

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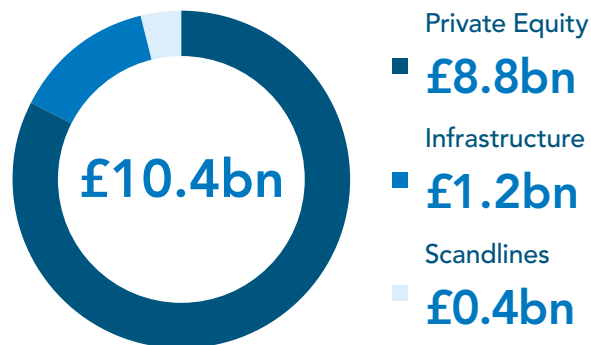
Our business at a glance

Founded in 1945, 3i is an investment company specialising in Private Equity and Infrastructure, in core investment markets in northern Europe and North America.

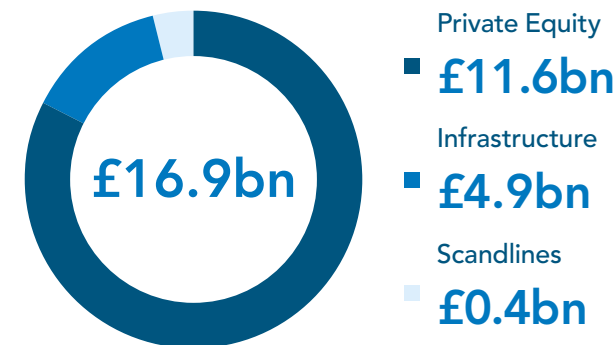
Our Private Equity and Infrastructure businesses manage a mix of proprietary and third-party funds. We generate a capital return from our proprietary capital investments, as well as fee income from the funds we manage on behalf of third parties. Scandlines is an investment held for its ability to deliver long-term capital returns while generating cash dividends.

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

Proprietary capital



Assets under management



Our international reach



Office	Number of employees
London (head office)	152
Amsterdam	11
Frankfurt	19
Luxembourg	6
New York	22
Paris	19
Mumbai ¹	5



+ www.3i.com/investor-relations
Our business model is described in detail in our Annual report

Data as at 31 March 2021

¹ We no longer make new investments in Asia, and our Mumbai office is responsible for managing our legacy portfolio in that region. At 31 March 2021, only five of our employees were located outside of Europe and North America and only c.0.2% of our AUM was invested outside of those regions. Our office in Singapore was closed during the year.

Message from the Chief Executive

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

” **Simon Borrows**, Chief Executive

A responsible approach to managing our business and our portfolio has been key to how we have operated since 3i was founded in 1945. Our purpose at that time was to contribute to rebuilding post-war Britain by providing growth capital to small businesses. The responsibility that came with that original purpose still guides the Group’s behaviour today.

Over the years, we have built a strong reputation and track record by investing and managing our portfolio responsibly and by operating according to high standards of conduct and behaviour. We have achieved this through a relentless focus on strong governance, both at 3i itself and in our investee companies. This has allowed us to earn the trust of our shareholders, co-investors and investee companies, and to recruit and develop 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 in a clear, open and comprehensive manner and to maintaining an open dialogue with stakeholders. To that end, we presented our approach to sustainability and responsible investment in our capital markets seminar, which was webcast for the benefit of all stakeholders in September 2020.

This report is important in ensuring that transparency. It should be read in conjunction with our 2021 Annual report, which also contains our Taskforce for Climate-Related Financial Disclosures (‘TCFD’).

We are committed to evolving our disclosures continuously to improve their relevance for all stakeholders.



Our sustainability strategy is defined by three key priorities

1. A responsible investor

We believe that a responsible approach to investment adds 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 manager of our assets. We are rigorous in assessing and managing ESG risks in our portfolio. Equally, we are keen to invest in opportunities that contribute to 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.

2. A responsible employer

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 unfair discrimination.

3. 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 formally evaluated against our values as part of our appraisal process every year.

Message from the Chief Executive continued

Managing our business and our portfolio through the Covid-19 pandemic

Throughout the Covid-19 pandemic we have focused on protecting the wellbeing of our own employees and contractors, as well as those of our portfolio companies. We have worked closely with our portfolio companies to ensure that they remain able to operate and contribute positively to their communities, and provided financial support where required. In addition, we have set up a £5 million Covid-19 charitable fund to alleviate the hardships suffered by many, which we have been deploying across our markets.

3i's approach to the pandemic has been driven by three priorities.

Protect the wellbeing of our employees and contractors

Our focus has been on keeping our employees safe, motivated and able to fulfil their roles effectively. Since the start of the pandemic, 3i offices have been closed in accordance with local guidance and regulations, our employees have been working mostly from home and international travel has been cancelled with very few exceptions. We have been able to re-open some of our offices for brief periods, in accordance with local guidance. During these periods, attendance at the office has been optional, we have taken steps to make the offices safe and reduce the risk of transmission as far as possible. The transition to remote working was seamless, thanks to the great co-operation and work ethic of all our employees and consistent investments in our IT and remote working infrastructure over the years. Our employees have been given the flexibility to reconcile their work commitments with other personal and family commitments such as childcare and elderly care.

Maintaining staff engagement has gained new importance while working remotely, and senior managers and team leaders have made a particular effort to keep staff informed through regular updates and virtual meetings. We have had to on-board several new recruits in this new environment, including the three new graduate trainees who joined us in September 2020.

In recognition of the potential mental health consequences of working remotely through prolonged periods of lockdown, we engaged a specialist mental health and wellbeing consultancy to run a series of webinars and virtual workshops for all staff on how to deal with anxiety and stress. We also ran specific mental health training sessions for managers to help them to identify the first signs of mental ill health in their teams and offer support where needed, and provided specialist training for c.20 mental health first aiders across the business. Finally, we arranged a number of virtual seminars on mindfulness and stress management for all staff.

Throughout this period, we have ensured that our employees have the resources to continue to focus on their physical health. Bi-weekly fitness and nutrition consultations previously offered in our London office have been made available virtually to all employees.

Employees across the business also launched a 'Business as unusual' hub on the staff intranet to access these resources and which also provides details of virtual social events, internal competitions and other initiatives set up to facilitate staff engagement.

In addition to our direct employees, we employ a number of contractors for a range of services, including reception, cleaning and maintenance services. Even though we have only used our offices sporadically since the pandemic first started, we have decided to maintain this third-party outsourced support, even during periods of office closures.

Support our portfolio operationally and financially

Most of our portfolio companies have shown great resilience to the challenges posed by the pandemic and its economic consequences. This underpinned a strong 22% return for the year to 31 March 2021. Nevertheless, a small number of our portfolio companies, particularly those exposed to the travel and automotive sectors, have experienced some difficulties.

Message from the Chief Executive continued

Our investment teams have been engaging actively with our portfolio companies in order to support the management of a range of operational challenges that have arisen as a result of Covid-19, including making sure that their employees and customers, where applicable, remain safe and healthy. The other key area of focus has, of course, been the financial health of our portfolio companies and we have provided liquidity support where necessary. In April 2020 we provided an equity injection of €23 million to support Hans Anders, a value-for-money optical retailer with shops across North West Europe, whose stores had been closed in the initial phase of the pandemic. Since then, Hans Anders has been able to operate a service by appointment and has seen good performance and earnings growth. In April 2020 we also provided £46 million of liquidity support for Audley Travel, a provider of travel services, which has had no meaningful departure revenues since the start of the pandemic. The bookings trajectory since our further investment has been positive, driven by improving sentiment following the progress with vaccines.

Ensuring that our portfolio companies remain financially sustainable through the crisis is the right thing to do over the long term for all stakeholders involved, including portfolio company employees, those of their supply chains, the communities in which they operate, as well as our own shareholders and co-investors.

Support the communities in which we and our portfolio operate

We focus our charitable activities principally on the disadvantaged, the elderly, on young people and on education. Most of the charities that we support have played a key role in protecting a range of different vulnerable groups from the worst impacts of the pandemic and of living under lockdown. In addition, we have encouraged our employees to volunteer their time with nationally-sponsored schemes or with local charities to provide assistance to vulnerable groups throughout this difficult period.

Our charity budget for the financial year to 31 March 2021 increased by approximately 40% to respond to the additional demands for support arising as a result of the pandemic.

In May 2020 we set up an additional £5 million charitable fund to help alleviate the impact of Covid-19. The £5 million was funded from performance-based awards due to Private Equity and Infrastructure investment team members which had been provided for through the income statement in prior periods. The aim of the fund is to support charities particularly affected by the pandemic, focusing on the most vulnerable communities in countries where 3i and its portfolio companies operate. Within this, our donations have targeted a number of areas, including food provision, education, domestic violence, advancement of minorities and disadvantaged groups, community development and mental health.

Our portfolio companies have also been doing their part in supporting their local communities and, as majority or significant minority shareholders, we have encouraged this. Importantly, some of our portfolio companies have been able to contribute directly to the immunisation effort.

SaniSure has been contributing its expertise and products to the development and production processes for several of the leading Covid-19 vaccines to have been approved for inoculations globally, including several of the leading FDA and CE approved vaccines. Ionisos has also been contributing, notably by sterilising primary packaging components for vaccines, swabs and sample containers for PCR tests.

We are proud of the hard work, ingenuity and community spirit displayed by our employees and those of our portfolio companies throughout this crisis. Despite the difficulties we will continue to face until the worst of the crisis is over, we do not intend to change our approach and will continue to conduct our business in accordance with our purpose and values, with a focus on the interests of the broader group of stakeholders that we serve.

Simon Borrows
Chief Executive
May 2021

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A responsible employer

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A responsible investor

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Community

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, other 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, 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 and reinforced through regular training. 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.

Board of Directors

Ownership and oversight of sustainability approach and policies, including the Responsible Investment policy

Principal Board Committees

Audit and Compliance Committee

Met six times in the year

- 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 through the Group Risk Committee reporting, delegating day-to-day responsibility to the Chief Executive
- Oversees the approach to tax policy and strategy

Remuneration Committee

Met five times in the year

- Director and senior management remuneration and Group remuneration structure
- Oversees the implementation of fair remuneration for employees

Nominations Committee

Met five times in the year

- Diversity and composition of the Board

Valuations Committee

Met four times in the year

- Valuation policy
- Valuation of the investment portfolio
- Responsibilities includes the consideration of the valuation impact of sustainability-related matters

Chief Executive

Day-to-day accountability for sustainability

Chief Executive Committees

Executive Committee

Meets monthly

Assists the Chief Executive in managing the business

Sustainability responsibilities include:

- Assisting the Chief Executive in setting the Group's strategy, including its sustainability aspects
- Human rights and employment legislation
- Employee incentives and remuneration

Investment Committee

Meets frequently as required

Acquisition, management and disposal of investments

Sustainability responsibilities include:

- Implementation of the Responsible Investment policy
- Assessment and management of ESG risks and opportunities in the portfolio, including the management of risks resulting from Covid-19
- 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)

Group Risk Committee

Meets four times per year

Oversees the Group's risk management framework

Sustainability responsibilities include:

- 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 and recently Covid-19
- Review of incident management, business continuity and disaster recovery plans



External benchmarking

We believe that it is important to evidence our commitment to operating responsibly 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 the FTSE4Good Index Series since 2011. 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 May 2020.

- + www.ftse.com/products/indices/FTSE4Good
- + www.fanmedibel.org



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 climate change score in the 2020 CDP assessment was B and its supplier engagement rating was A-.

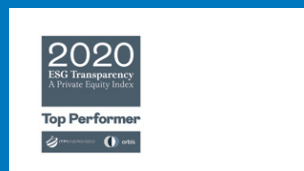
- + www.cdp.net



ESG Transparency – a Private Equity Index

3i ranked as the top performer in Orbis Advisory and ITP Energised's first annual transparency index analysing 160 private equity firms' ESG reporting performance, based on public disclosures.

- + www.itpenergised.com/esg-transparency-private-equity-index-2020/



UN Principles of Responsible Investment

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

3i's scores for the 2020 UNPRI assessment report were A for Strategy and Governance, and A+ for both Private Equity and Infrastructure.

- + www.unpri.org
- + [Page 11](#)
A responsible investor



A responsible investor

With fewer than 240 employees globally and a small office footprint, 3i has a relatively small direct impact in terms of the environment and other sustainability issues. However, with assets under management of £16.9 billion, we have the influence and opportunity to have a greater positive impact through the decisions we make across our portfolio.

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Our approach to responsible investment

We believe that a responsible approach to investment is a material lever for value creation in our portfolio.

We are well positioned to have a positive impact through the decisions we make across our portfolio:

- we carry out our investment activities according to our Responsible Investment policy, which is embedded in our processes. We have also been signatories to the UN Principles of Responsible Investment since 2011;
- thanks to our proprietary capital we have a medium to long-term investment horizon. In addition, we typically have majority or significant minority stakes in our portfolio companies and, since 2012, have always been represented on their boards. We are therefore well placed to drive long-term, sustainable growth in our portfolio. This involves the continuous assessment, monitoring and management of the long-term sustainability factors relevant to our portfolio investments, and the associated risks and opportunities; and

- we make a limited number of new investments each year, allowing us to be very selective. We have the flexibility to screen out opportunities that have an unsustainable impact on the environment and societies in which they operate, inconsistent with generating long-term value.

We are committed to evolving our approach to responsible investment continuously, and have an interdisciplinary sustainability project team devoted to that task.

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ESG risks



Our Responsible Investment policy

We have a clear and comprehensive Responsible Investment ('RI') policy which is embedded into our investment and portfolio monitoring processes and sets out our stewardship approach. 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 higher quality 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 is 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 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.

Objectives of our RI policy

3i's objectives as set out in the RI policy are to invest only in businesses which are committed to:

The environment

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.

Fair and safe working conditions

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

Business integrity

Upholding high standards of business integrity, avoiding corruption in all its forms, ensuring strong data management and cyber security and compliance with applicable anti-bribery, anti-fraud, anti-money laundering and data protection laws and regulations.

Good governance

Clear accountability with defined responsibilities, procedures and controls and appropriate checks and balances in company management structures.

Our RI policy and the Sustainable Development Goals

Our RI policy pre-dates the publication of the United Nations' Sustainable Development Goals ('SDGs') and was therefore not designed to align with that framework. In practice, however, we believe our approach supports the achievement of the goals through:

Systematic screening

The systematic pre-investment screening of opportunities, which ensures that we only invest in companies that commit to adopting a responsible approach to the environment, to respecting the rights of their workers and to engaging fairly with all stakeholders.

Investment in growth


Our emphasis on generating returns by driving long-term, sustainable growth in our portfolio companies, creating value through investment in innovation, international expansion and buy-and-build acquisitions, while considering the interests of all stakeholders.

Strong governance

Our engaged management of portfolio companies through active participation on their boards, setting strategy and encouraging the development of more sustainable business practices. This is supported by our influence as a majority or significant minority shareholder, combined with our emphasis on upholding the highest levels of governance at 3i itself and in the companies that we invest in.

We invest in businesses that benefit from sustainable growth trends. Many of our businesses already make a positive impact on the environment and societies in which they operate, including on some of the themes highlighted by the SDGs. For example, many of our portfolio companies contribute to improving health and wellbeing, to the transition to a lower carbon economy, or to the achievement of a more sustainable consumption model through a circular economy. The impact we are making across these themes is described on pages 18-27.

In addition, many of our portfolio companies have made public statements on how their business activities align with specific SDGs. These include, for example, Action, Hans Anders, Audley Travel, Scandlines, AES Seal, Attero, ESVAGT, Infinis, Ionisos, Joulz, Tampnet, TCR and Valorem.

 **Page 18**
Sustainable growth opportunities

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. It is also key to safeguarding our reputation as a responsible investor. We therefore have robust processes in place to ensure that the overall long-term sustainability of each investment is considered before making an investment and on an ongoing basis.

Investment screening

All new investment opportunities are subject to a high-level review of their ESG profile early in the investment assessment process and prior to commissioning comprehensive due diligence. Early screenings involve a review of the business's ESG risk profile, including an assessment of longer-term sustainability trends, based on each company's sector and end markets. For Private Equity investment opportunities, a full review of each potential investment is also completed by an external specialist ESG adviser as part of the investment assessment process.

Due diligence

Early-stage assessments 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. Among the key areas of focus for us is governance, to ensure that the potential investee company's management team contains the talent, knowledge and experience necessary to manage the particular risks and opportunities facing that business, including those across the ESG spectrum. We will also assess the other material ESG issues relevant to that business, including climate risk and environmental and social factors. Where necessary, we engage with external consultants to assist with specialist due diligence.

The key findings from the in-depth assessments and due diligence are included in the body of each investment paper submitted to the Investment Committee. The material issues and overall sustainability profile of the business 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 investment decision.

Any material findings from the due diligence process which require remedial action or attention in the near term are integrated into 180-day post-investment plans.

Ongoing portfolio monitoring

Our investment teams carry out a detailed review of each of our portfolio companies on a semi-annual basis, in March and September. The March reviews include a detailed ESG assessment which seeks to track progress in relation to existing, identified ESG risks and opportunities, including those related to environmental and social impact, as well as identifying potentially new and emerging risks and opportunities. An update is received in September, when progress against action points and relevant KPIs raised in March is reviewed and new action points may be set.

Governance framework and implementation of the RI policy continued

Each semi-annual portfolio company review is discussed in a dedicated meeting that is typically attended by members of the Investment Committee, including the Chief Executive, the Group Finance Director and Group Strategy Director, as well as by senior members of the investment teams and some non-executive Directors. Sustainability is a standing, and typically the first, discussion item at these meetings, where attendees assess each company's ESG risks and how these are being managed, and also challenge the long-term sustainability strategy and opportunities for related value-enhancing investment.

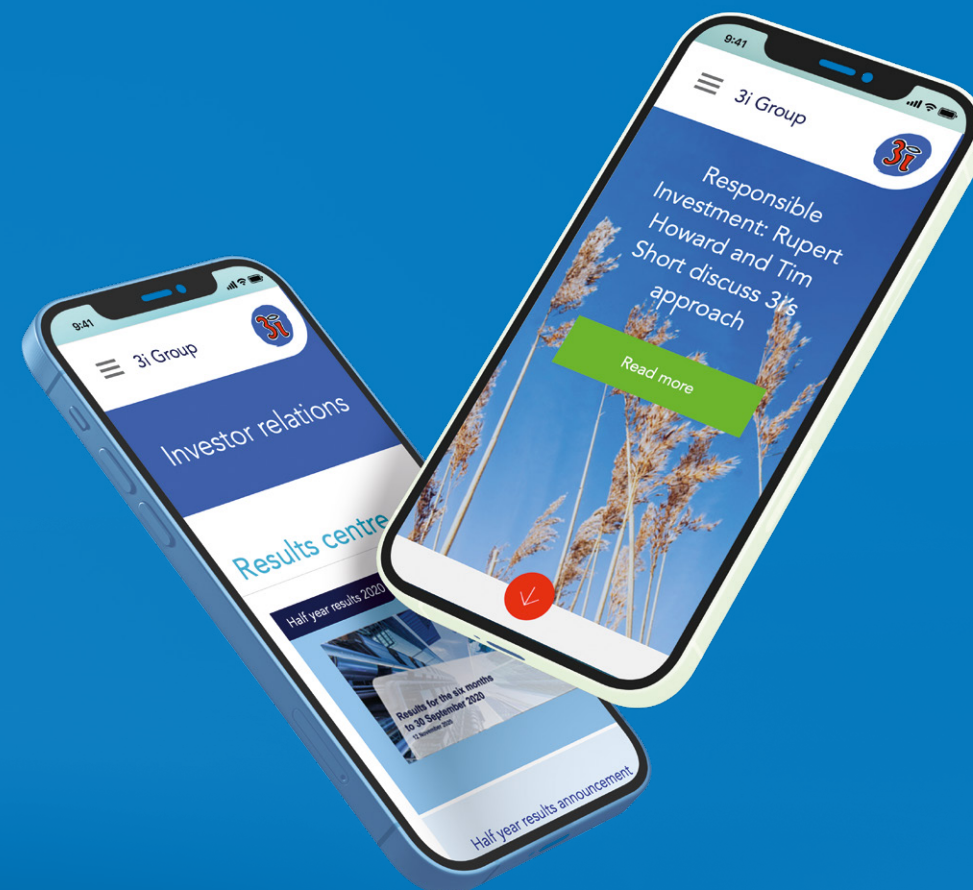
In addition to the company-specific actions identified we use the data collected through our detailed ESG assessments to:

- identify key trends and opportunities across the portfolio on which to build. For example, we held a portfolio plastics roundtable in 2019 and a carbon roundtable in 2021;
- identify themes where specific portfolio companies could benefit from collaboration;
- 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 and opportunities.


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 and other functional heads drawn from across the business. The GRC maintains the Group's risk review, which identifies the principal risks and new and emerging risks facing 3i, as well as the associated mitigating actions and key risk indicators. The risk review is updated quarterly.

Following the six-monthly portfolio reviews, detailed reports are prepared by the Private Equity and Infrastructure businesses and the managers of Scandlines, 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 Scandlines. The GRC reports to the Audit and Compliance Committee and an overview of the findings is also presented to the Board.



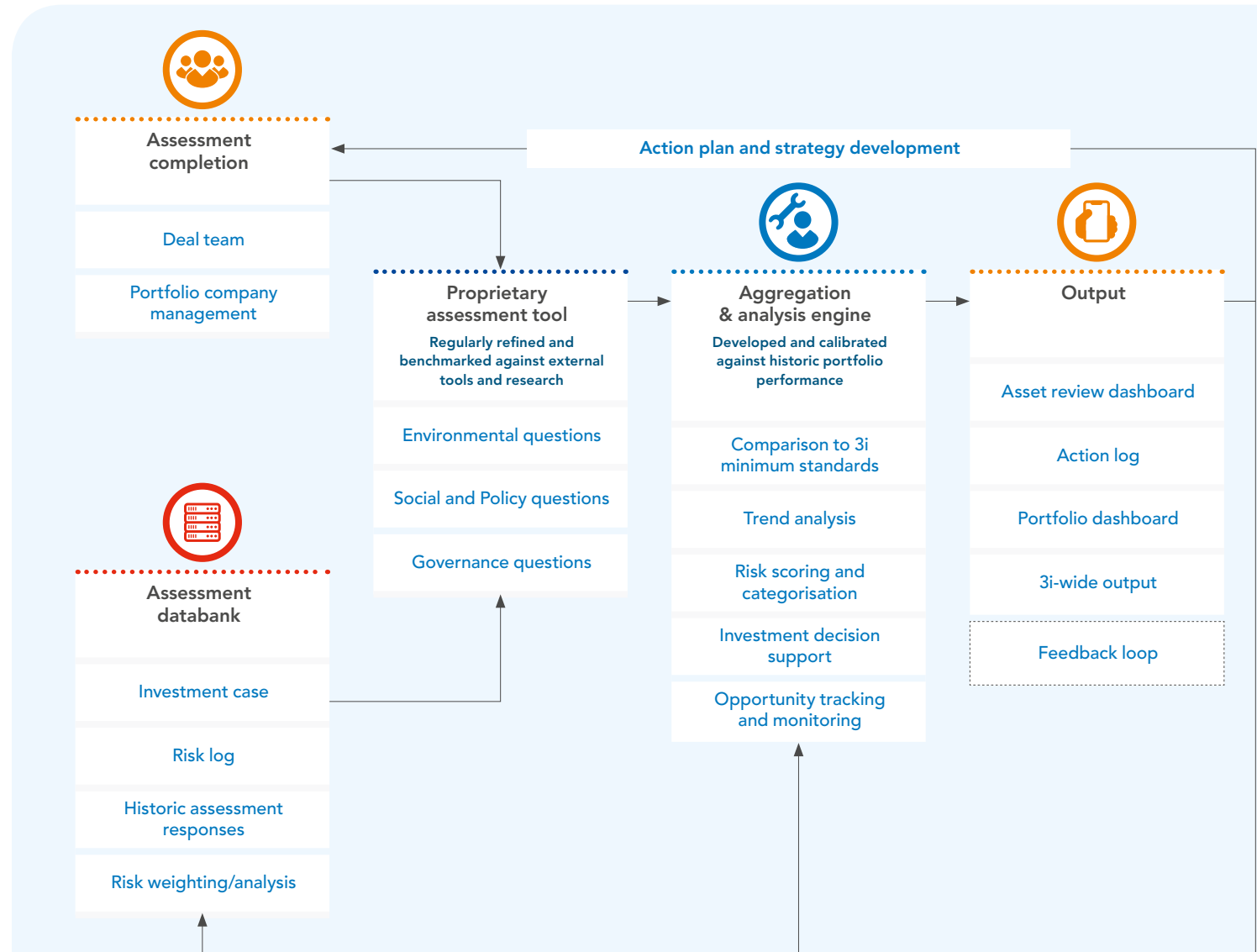
+ www.3i.com/investor-relations
A detailed description of our risk management framework is set out in our Annual report

 **Page 27**
An overview of our portfolio ESG risks

Our ESG assessment tool

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 investment and to develop detailed, company-specific remediation and long-term value creation plans. After making the initial investment, this tool is used by our investment teams in conjunction with portfolio company management teams to ensure that we achieve engagement and accountability on these matters throughout our period of ownership. A great deal of care is taken to ensure consistent processes and procedures are put in place across the portfolio to improve the accuracy and comparability of the data and information that we receive.

The assessment tool is refined on an ongoing basis, with the input of several stakeholders, to reflect emerging themes and impact areas and to ensure that we remain abreast of best practice. Over the past few years, we have improved the granularity of our assessment across a number of areas, including environmental impact, cyber security and diversity and inclusion. As a result of these more granular reviews we have been able to identify a number of themes across the portfolio which will allow us better to manage the various sub categories of ESG risks and opportunities on a portfolio-wide basis. For example, in March 2021 we held a portfolio carbon roundtable, to discuss the commercial benefits and opportunities arising from the measurement and abatement of carbon emissions.



Sustainable growth opportunities

We believe that the systematic assessment of the sustainability profile of our investments can help us not only to manage risks, but importantly can also bring about value growth and opportunities for new or further investment in our portfolio.

Many of the businesses we invest in stand to benefit from sustainable growth trends and a number of our portfolio companies already make a positive impact on the environment and societies in which they operate, including on some of the themes highlighted by the SDGs. For example, several of our portfolio companies contribute to improving **health and wellbeing**, to the **transition to a lower carbon economy** or to the achievement of a more sustainable consumption model through a **circular economy**.



Improving health
and wellbeing

19



Transition to a
lower carbon
economy

22



Circular economy

25

Sustainable growth opportunities continued

Improving health and wellbeing

Demographic shifts and societal changes are intensifying pressures on health systems: populations in the developed world are becoming older, and developing countries are experiencing greater urbanisation and growth in their middle class, with middle-class comforts promoting increasingly sedentary lifestyles. Combined, these demographic changes are leading to a rising prevalence of chronic disease which will demand new thinking in the delivery of healthcare, innovation in therapeutics and an increased focus on prevention.



Private Equity

Cirtec Medical

Curing illnesses with interventional or implantable medical devices

Technological developments are opening up opportunities to treat life-threatening illnesses or chronic conditions with interventional or implantable medical devices. The use of such devices often delivers better patient outcomes than traditional drug therapies or invasive surgery, resulting in fewer side effects and shorter recovery times.

Cirtec Medical is a global provider of outsourced medical device and components design, engineering and manufacturing. It serves customers in the most innovative and fastest growing therapeutic end-markets and product platforms. These are examples of applications for Cirtec Medical's products:

Chronic conditions

Cirtec Medical is among the leaders in the manufacturing of implantable neuromodulation devices, 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.

Structural heart procedures

Cirtec Medical's products are used in transcatheter aortic and mitral valve replacement surgery, where artificial heart valves are inserted into the body with minimally invasive procedures. This serves as a lifesaving alternative for patients too weak to undergo open heart surgery and is increasingly being investigated for lower risk patients as it reduces complications and recovery times.

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 devices, which monitor glucose levels 24 hours a day. When paired with an insulin pump, these sensors can moderate the flow of insulin to ensure glucose levels remain within a healthy range.

We have continued to support Cirtec Medical since our initial investment in 2017 through a number of buy-and-build acquisitions, integrating with new capabilities, adding product verticals and investing in high-value intellectual property.



+ www.cirtecmed.com
For more information

Sustainable growth opportunities continued

Improving health and wellbeing continued

Private Equity

SaniSure

Development of biologic drugs and vaccines

Biologic drugs and cell & gene therapy are the fastest growing area of the drugs market. They have proven successful in the treatment of many major and chronic diseases, such as some types of cancer and autoimmune diseases, with many more applications in the pipeline.

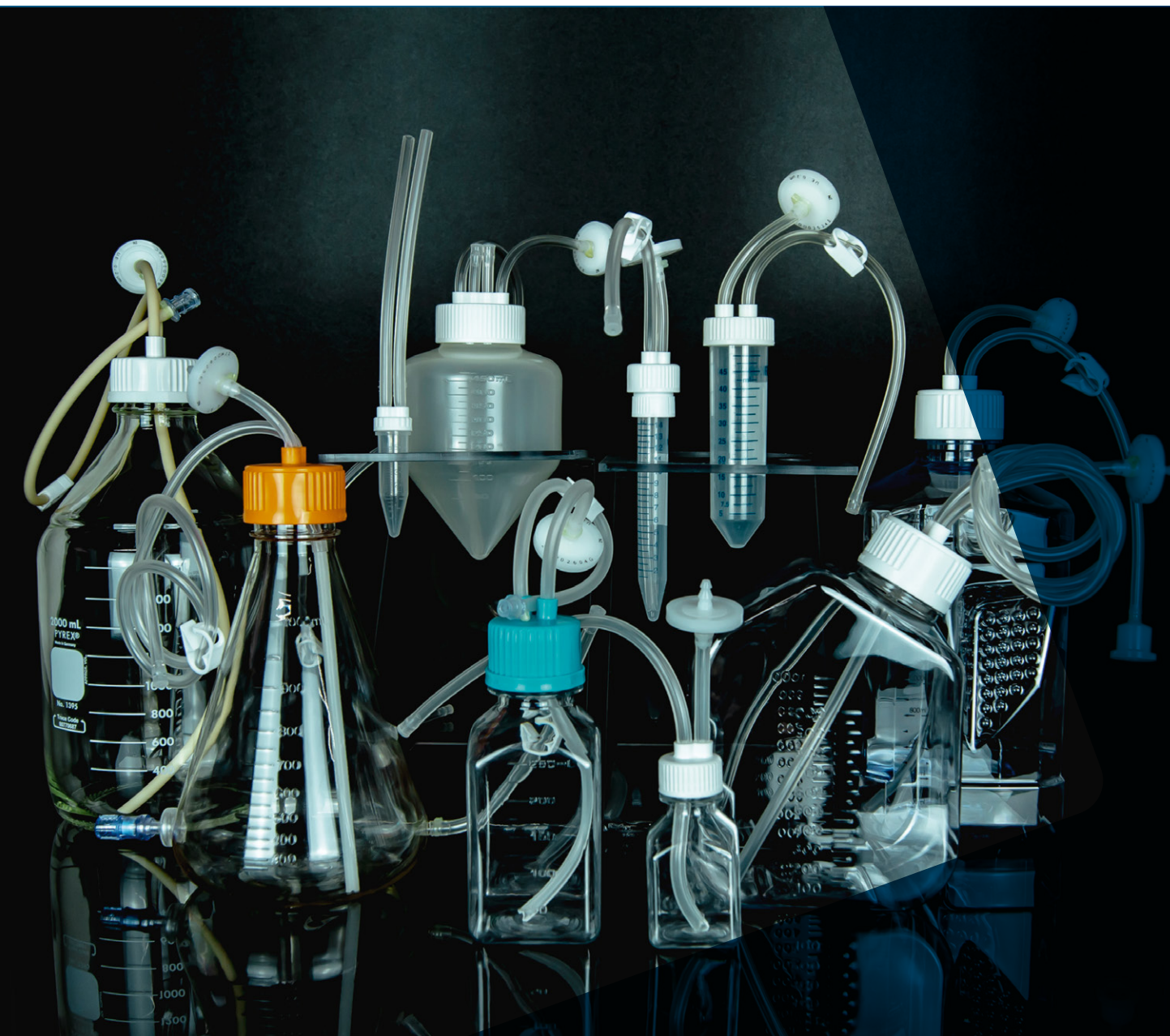
SaniSure is a manufacturer of single-use fluid management products and systems used in the bioprocessing of biologics and vaccines. SaniSure has been contributing its expertise and products to the development and production processes for several of the leading Covid-19 vaccines.

Our investment in SaniSure is described in more detail in a case study on page 28.



Page 28
SaniSure case study

+ www.sanisure.com
For more information



Sustainable growth opportunities continued

Improving health and wellbeing continued

Infrastructure

Ionisos

Ensuring product safety through sterilisation

Sterilising medical and care equipment is an essential, non-discretionary part of the manufacturing process of a number of medical and pharmaceutical goods. Cold sterilisation is often required for products that contain heat-sensitive ingredients or components.

Ionisos is the leading independent European provider of cold sterilisation services. The business treats a wide range of medical and pharmaceutical goods, such as gloves, implants, surgical kits and dialysers, ensuring that they are sterile and safe to use, for example, in surgical procedures. Since the start of the Covid-19 pandemic, Ionisos has contributed to the fight against the virus, notably sterilising primary packaging components for vaccines, swabs and sample containers for PCR tests.

 IONISOS

+ www.ionisos.com
For more information

Private Equity

Havea

Focus on wellbeing and prevention through natural consumer healthcare

There is a growing global consumer trend towards natural healthcare and personal care products. This is driven by multiple factors, including an increasing awareness of the issues posed by the use of certain synthetic chemicals in some products, a desire for accountability and transparency in ingredients, packaging and sourcing, a rising incidence of allergies and an ageing population. As a result, health authorities are increasingly focusing on prevention through the promotion of healthy lifestyles and nutrition. As consumers become more informed and aware, they increase their consumption of natural and organic products that contain fewer potentially harmful ingredients and are more sustainable, in terms of sourcing, manufacture and packaging.

Headquartered in France, Havea is a leader in the natural consumer healthcare industry in Europe. It manufactures, designs and distributes a wide range of products from functional and natural food supplements to natural personal care products. The business operates in a highly regulated environment with strict health, safety and quality standards under the European Food and Safety Agency, which checks all products and validates their health claims. Havea's products are made with sustainable, ethically sourced ingredients and are increasingly also sustainably packaged.

We have continued to support the business since we first invested in 2017, notably through a number of bolt-on acquisitions, which have increased the business's critical mass and its ability to develop and market more sustainable products.

 Havea
— GROUP —

+ www.havea.com
For more information



Sustainable growth opportunities continued

Transition to a lower carbon economy

Tackling climate change is recognised as one of the defining issues of our times. Transitioning to a lower carbon economy will involve increasing the weight of renewables in the generation mix and reducing the carbon emissions associated with our economic and day-to-day activities.

Infrastructure

Infinis and Valorem

Generation of renewable energy

Energy production and use and transportation are currently responsible for the vast majority of EU greenhouse gas emissions. 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.

Infinis is the leading UK generator of low carbon power from captured methane. Methane is a highly potent greenhouse gas, with a contribution to global warming over 20 times greater than that of carbon dioxide. Infinis' operations in the year to March 2021 captured 300,000 tonnes of methane, preventing more than an equivalent of 6.5 million tonnes of carbon dioxide (CO₂) escaping into the atmosphere.

The business operates from 148 geographically dispersed sites across the UK, located close to end-user demand and thereby avoiding both the electrical losses and associated charges from use of the national transmission network. By burning captured methane to generate power, Infinis provides an efficient, secure and non-intermittent source of power generation, which is highly complementary to other renewable sources such as solar and wind, which are intermittent in nature.

We have continued to support Infinis since first investing in 2016, funding further investment and a number of bolt-on acquisitions.

Valorem is a fully integrated, independent renewable energy operator which develops, owns and operates onshore wind farms, hydro projects as well as photovoltaic systems across Europe. Today the company is the fourth largest wind developer (and the largest independent) in France and has developed over 2.4GW of installed capacity across wind, solar and hydro. The business has built an impressive future pipeline of 4.9GW of wind, solar and hydroelectric projects across European geographies, of which 2.1GW is at an advanced development stage.

Since first investing in 2016, we have supported investments across Valorem's portfolio, including the expansion in the solar and hydro markets.



+ www.infinis.com
www.valorem-energie.com
 For more information

Sustainable growth opportunities continued

Transition to a lower carbon economy continued

Infrastructure

ESVAGT and the Offshore Transmission Owners

Infrastructure to support the renewable energy sector

Increasing the importance of renewable power generation within the overall power generation mix requires the development of broader, supporting infrastructure.

ESVAGT is a leading provider of emergency rescue and response vessels and related services to the offshore energy industry in and around the North Sea and the Barents Sea and the market leader in the fast growing segment of service operation vessels for the offshore wind industry. ESVAGT's service operation vessels provide full time accommodation to wind farm engineers, allowing safe and efficient conduct of continuous maintenance programmes which maximise electricity generation from turbines, improving overall uptime, and ensuring operational robustness of the wind farms for the long term. This is increasingly important for the offshore wind industry as operators are focused on their ability to lower the total cost of energy produced in order to reduce dependency on Government support schemes.

The further development of services for the offshore wind industry is a key pillar of our investment case for ESVAGT. As investment managers we have supported the company's growth in that segment. Services to the offshore wind industry contributed c.64% of ESVAGT's pro forma 2020 EBITDA compared to c.7% at the time of acquisition in 2015.

In addition, 3i made investments through its Infrastructure investment vehicles in a number of 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.



+ www.esvagt.com
For more information



Sustainable growth opportunities continued

Transition to a lower carbon economy continued

Group portfolio and Infrastructure

Scandlines and Joulz

Reducing carbon emissions from transportation infrastructure

Successfully achieving a transition to a lower-carbon economy will require the abatement of emissions associated with public and private transport.

Scandlines operates two high-frequency and large-capacity crossings between Germany and Denmark: between Puttgarden and Rødby and Rostock and Gedser. Its ports and ferry routes constitute a crucial piece of infrastructure that connects motorways E47 and E55 between Europe and Scandinavia.

Since first investing in 2007 we have supported the investments made by Scandlines in a cleaner fleet of vessels, and in particular in hybrid propulsion and sulphur emissions reduction technology. The business pioneered hybrid ferries and has invested more than €300 million in this technology since 2013. All six of Scandlines' passenger ferries now have hybrid propulsion technology and are equipped with state-of-the-art scrubbers to reduce particulates emissions.

Scandlines continued along this path in 2020, despite the Covid-19 emergency, with several investments and activities to future proof its fleet and further reduce its impact on the environment. The business made green investments of around €6 million in 2020, including:

- the fitting of a 30-meter high rotor sail on one of its ferries to harness wind power and provide supplementary propulsion;
- the installation of new thrusters on two ferries (having already installed one in 2019) which produce less noise and vibration, and ultimately reduce CO₂ emissions by up to 10-15%; and
- the re-painting of one of the ferries with silicone antifouling paint, which improves energy efficiency.

Scandlines has committed to continue to make targeted investments with the aim of making the Puttgarden – Rødby route a zero-emissions crossing in the foreseeable future and realising its zero emission vision in the longer term. As a significant shareholder, 3i continues to support these objectives.

Through 3i Infrastructure plc, our main Infrastructure investment vehicle, we invested in Joulz, a Dutch company which, among other services, also designs, installs, leases and maintains medium voltage electricity infrastructure and charging infrastructure for electric vehicles. This is a growing business for Joulz, which we have supported notably through the acquisition, announced in April 2020, of GreenFlux's electric vehicle charging station business.

Alongside charging infrastructure for electric vehicles Joulz has also recently acquired a rooftop solar developer, further strengthening its development into a leading integrated energy transition solutions provider.



Scandlines

Joulz

+ www.scandlines.com/about-scandlines/about-scandlines-frontpage/finance
For more information

+ www.joulz.nl
For more information

Sustainable growth opportunities continued

Circular economy

The concept of a circular economy entails gradually decoupling economic activity and growth from the use of finite resources. It is based on the principles of reducing waste and pollution through innovative design, keeping materials in use and regenerating natural systems.



Private Equity

Weener Plastics

Developing more sustainable plastic packaging

Plastic materials have developed a negative reputation due to low recycling rates and their leakage in the environment. Unfortunately, alternatives to plastics are not always sustainable. Ensuring the responsible use of this material therefore requires a coordinated response from all stakeholders involved in the plastics lifecycle, increasing the number of products made from recycled materials or, where this is not feasible, designing products that can be processed efficiently to maximise material recovery through waste management and recycling. Investment in new packaging designs and technologies is an essential part of this shift.

Weener Plastics ('WP') is a leading manufacturer of innovative plastic packaging systems for fast moving consumer goods companies. It supplies the world's leading A-brands and private label players and focuses on the design, development and manufacturing of value added caps, valve closures and roll-on balls for the personal care, food and beverage, and home care market.

WP is fully committed to playing an active role in supporting the transformation to a circular economy. The company has set out a clear ambition for all of its products to be recyclable, re-usable or re-fillable by 2025, with zero waste to landfill by the same date. To achieve these ambitions, WP published a Design for Sustainability strategy focused on:

- **Design packaging for recycling:** WP has made the recyclability of its packaging central to all of its designs, by consulting with partners through the entire chain, including customers, sorting and recycling companies.

Following extensive research, WP has developed the world's first 100% recyclable valve, that offers fully controlled, clean dispensing. This valve is compatible with a wide range of applications for food, home care and personal care.

- **Rethink packaging:** refillable packaging is a good example of what this approach can deliver. By making it possible to easily and efficiently refill a product's main packaging, it can go through numerous usage cycles, removing the environmental impacts of production and logistics.
- **Low-impact materials:** WP has developed a wide range of sustainable materials that reduce the use of fossil feedstock and are produced with a lower carbon footprint. These materials meet all product specifications and functionality requirements and are also suitable for food applications.
- **Eco-efficient production and optimised logistics:** WP improves its processes and invests in state-of-the-art equipment to optimise production conditions, reducing the greenhouse gas emissions associated with its production processes. The company is also taking steps to minimise the impacts of its inbound and outbound logistics.

Since first investing in 2015, we have supported WP's investments in R&D and in a number of bolt-on acquisitions which have broadened its product portfolio and geographic reach.



+ www.wppg.com/downloads/#sustainability-csr-report
For more information

Sustainable growth opportunities continued

Circular economy continued

Private Equity

Evernex

Reducing the environmental impact of IT equipment

The manufacture, use and disposal of IT equipment can have a high impact on the environment. A single server requires the equivalent of 660 trees to absorb the CO₂ emissions associated with its manufacture and c.50 million tonnes of e-waste are produced globally each year. Reducing the environmental footprint of IT equipment can therefore have a material positive impact.

Headquartered in France, Evernex maintains IT equipment that is critical for customers' business continuity, with full coverage of all equipment (servers, storage and network) and all OEMs. The business maintains over 220,000 IT systems across the world. Its model is built on finding eco-friendly solutions for its clients so that they can manage their IT infrastructure with the lowest environmental impact.



Evernex works with its clients to:

- Repair their IT assets, extending their life cycle and thereby eliminating waste and reducing the amount of new equipment manufactured;
- Reuse IT assets, giving a life to equipment that has been reconditioned and finding alternative ways to use equipment; and
- Recycle used equipment with adequate data erasure capabilities, by reconditioning parts to be used for repairs, or recovering precious resources such as precious metals.

Since first investing in Evernex in 2019, we have funded the company's further growth and development, notably through the acquisition of Technogroup, the leading third-party IT maintenance player in the DACH region.

evernex

+ www.evernex.com/corporate-social-responsibility
For more information

Infrastructure

Attero and HERAmbiente

Recovering and reusing energy and raw materials from waste

Waste is a significant issue worldwide, and growing volumes of waste are being generated as global populations, living standards and consumption increase.

Headquartered in the Netherlands, for over 90 years Attero has been active in recovering and reusing energy and raw materials from waste. Attero owns energy from waste plants, sorting and pre-treatment facilities, anaerobic digestion facilities, composting facilities and landfill sites. The company processes waste from a diverse mix of domestic municipalities, commercial and industrial customers, as well as a number of UK and Irish exporters. As an important player in the recycling of plastics in Europe, Attero makes a significant contribution to the development to a circular economy for plastics.

HERAmbiente is the largest player in the Italian waste treatment and disposal market, with over 90 waste treatment and disposal plants, and a strong and stable market position in its home region of Emilia Romagna and more broadly in Northern and Central Italy. It recycles materials, generates electricity from the waste that cannot be recycled, and sells biogas from landfills.



attero
energizing the environment

HERAmbiente
Società del Gruppo Hera

+ www.attero.nl
www.ha.gruppohera.it
For more information

ESG risks

We make a limited number of new investments every year in countries and sectors that generally have a low ESG risk profile. We have the flexibility to screen out investment opportunities which are overly exposed to ESG or other risks. We are able to sell investments that become or have the potential to become exposed to ESG risks that our Investment Committee considers are unacceptable and we are not obliged to continue to invest in any particular sector or sub-sector. As a result, our portfolio overall has a relatively low ESG risk profile.

We have very strong portfolio risk management processes:

- we systematically screen all new investment opportunities and undertake ESG due diligence before making new investments and monitor all relevant ESG and reputational risks through our rigorous portfolio monitoring processes (see pages 15-17);
- we make majority or significant minority investments and are represented on the boards of our portfolio companies, where we ensure that ESG risks are assessed and that adequate mitigation plans are put in place;
- we ensure that there is board-level responsibility at each of our portfolio companies for the continuous assessment

and mitigation of ESG risks and work with portfolio company management teams to ensure that ESG risks and long-term sustainability are addressed in their strategy; and

- our Investment Committee has responsibility for portfolio risk management, with oversight from the GRC and Board of Directors (see page 9).

Our annual stress test scenario planning, which underpins our Viability statement (set out in our Annual report), also models a range of environmental impacts on our portfolio.

Key portfolio ESG risks Covid-19

The impact of the Covid-19 pandemic has been the most significant risk that our portfolio has been exposed to over the past 16 months and has been at the forefront of our risk assessment and mitigation processes. Throughout this period, our investment teams have engaged with our portfolio companies to support the management of the range of operational and financial issues that have arisen, with employee health and safety being our first priority. The vast majority of our portfolio companies have performed well through the pandemic. With our strong balance sheet, we have been able to provide financial support to two companies that have required additional liquidity to manage through this difficult period.

Climate change

While our portfolio is generally not immediately vulnerable to the risks posed by climate change, we do recognise that climate change affects many of our investments through changes in regulation, changes in consumer preferences or stakeholder pressure to reduce their carbon and broader environmental footprint. To mitigate this risk, we ensure that our portfolio companies understand their own environmental impacts and stay abreast of regulatory and market developments, and that they develop their commercial offering to ensure that it remains attractive to their customers and that it meets stakeholder expectations.

In March 2021 we facilitated a carbon roundtable, hosted by a specialist adviser, which brought together over 20 of our portfolio companies. While many companies measure their carbon footprint to meet regulatory obligations or client requirements, carbon footprinting is still under-used as a potential value creation and risk mitigation lever. The purpose of the event was to highlight the commercial benefits of carbon emission measurement and abatement, including greater operational efficiency, an improved reputation and better access to capital.

Cyber security

Cyber security is an area of increasing vulnerability for many companies, and we have been very alive to the risk of cyber breaches or loss of personal data. As significant shareholders in our portfolio companies we have supported material investment in IT and security infrastructure

to ensure this risk is mitigated appropriately. We also continue to raise cyber risk awareness with our investment teams and our portfolio through regular training and forums and periodically conduct cyber audits of our portfolio through an external network security consultancy. If any incidents occur, appropriate information is shared throughout our investment teams to promote our understanding of this evolving risk. We also ensure that developments and best practice are shared across the portfolio with relevant members of portfolio company management teams.

Occupational health and safety

The safety and wellbeing of our portfolio companies' employees is a key priority for us. Occupational health and safety is a risk across many of our portfolio companies, and particularly in our Infrastructure portfolio, given the nature of those businesses. To mitigate that risk, as significant shareholders we ensure that each portfolio company has robust health and safety policies and procedures in place, that all incidents are logged appropriately and acted upon, that there is clear board-level responsibility for health and safety and that sufficient resources are dedicated to this area.

+ www.3i.com/investor-relations

For more information in our Annual report:

- Our country and sector focus
- A comprehensive risk review
- Our Viability statement

Private Equity case study – SaniSure

Contributing to the development of effective treatments for chronic illness and vaccines

Demographic changes across the world are leading to an increasing prevalence of major chronic diseases, such as cancer and autoimmune disease. Biologic drugs have proven successful in the treatment of many such diseases, with many more applications in the pipeline.

SaniSure is a leading manufacturer of single-use fluid management products and systems used in the bioprocessing of biologics and vaccines.

3i created the SaniSure platform through a buy-and-build process, combining Cellon, Silicone Altimex and TBL Performance Plastics in 2019 and then acquiring Sani-Tech West in 2020.

SaniSure serves the leading pharmaceutical, biotech and contract manufacturing customers worldwide and has a manufacturing and sales footprint across North America, continental Europe and the UK. It is now among the largest independent pure-play bioprocessing businesses in the world, serving a growing market which now includes the development and production of Covid-19 vaccines.

SaniSure's products are used in the production of biologics, including fast growth niche areas such as cell & gene therapies. Biologic drugs are derived from living organisms and require a complex manufacturing process to ensure end-products are stable, safe and produced at optimal yields.

Its single-use bioprocessing fluid management products have significant advantages compared to multi-use technology in the development and manufacturing process, including increased flexibility and cleanliness, lower contamination rates and a lower environmental impact, as the adoption of single-use technology results in 50% less energy and water consumption compared to multi-use steel bioreactors.



SaniSure's contribution to the development and production of Covid-19 vaccines

SaniSure has been contributing its expertise and products to the development and production processes for several of the leading Covid-19 vaccines to have been approved for inoculations globally, including several of the leading FDA and CE approved vaccines.

Partnership with a leading Covid-19 vaccine developer

In February 2020 SaniSure was contacted by a leading institution that was developing a new Covid-19 vaccine. This organisation chose to use SaniSure's PharmaTainer™ to manufacture the first doses of the vaccine which would eventually be used in the Phase 1 clinical trial.

As this programme progressed through clinical trials, SaniSure worked with the organisation and its manufacturing partners to rapidly scale up production.

SaniSure had strong relationships with key members of the supply chain that have leveraged its custom assemblies and PharmaTainer™ for their upstream and downstream processes for critical cancer therapies for several years.

SaniSure helped design, manufacture, sterilise and supply the new assemblies used in the production process. The assemblies produced by SaniSure are used to link bioreactors together to transfer the vaccine aseptically and avoid any contamination. SaniSure was able to produce finalised drawings, manufacture, sterilise and deliver new assemblies in less than five weeks. Its rapid scale up supported achieving fast time to clinical trials and commercial production of the Covid-19 vaccine.

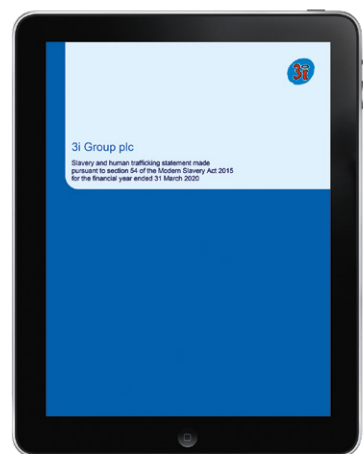
Modern slavery risk in 3i's portfolio

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

3i's approach to modern slavery in the context of its investment portfolio is incorporated within its RI policy, which is described in detail in this document. 3i's policy has, for some time, been to avoid investing in certain businesses which we view as unethical, including those which do not respect the human rights of their workers. We published our statement under the Modern Slavery Act for FY2020 in September 2020 and an updated statement for FY2021 will be published in September 2021.

With particular regard to modern slavery, one of the specific objectives set out in our RI policy is that 3i will only invest in businesses which are committed to:

- 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.



+ www.3i.com/sustainability/modern-slavery/

3i specialises in its core investment markets in northern Europe, the UK and North America, which have a relatively low potential risk of slavery according to the Global Slavery Index ('GSI').

Our Modern Slavery Statement includes detailed information on 3i's assets under management and portfolio turnover by geography. For the year ended 31 March 2020, 97% of 3i's AUM was in northern Europe and North America, while 94% of portfolio turnover was generated in those regions.

However, we are aware that many of the companies we invest in have operations and/or supply chains based outside northern Europe and North America, including in countries which have a relatively higher potential risk of slavery according to the GSI. These risks are assessed for each portfolio company in our detailed portfolio company reviews.

For example, in relation to certain relevant portfolio companies (eg retail companies with supply chains in Asia) there is an increased 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.

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

Our Modern Slavery statement is available on our website.

A responsible employer

The recruitment, development and retention of a capable and diverse pool of talent is key to our success. We provide training and opportunities for career advancement, reward our employees fairly and recognise the importance of supporting the wellbeing and satisfaction of our employees by providing a healthy working environment and work/life balance.

With fewer than 240 employees, we benefit from a flat organisational structure, which facilitates a culture of an open communication. Direct feedback to senior managers is actively encouraged. We are a meritocracy and, as such, our employees are recruited, promoted and rewarded based on merit.

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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.

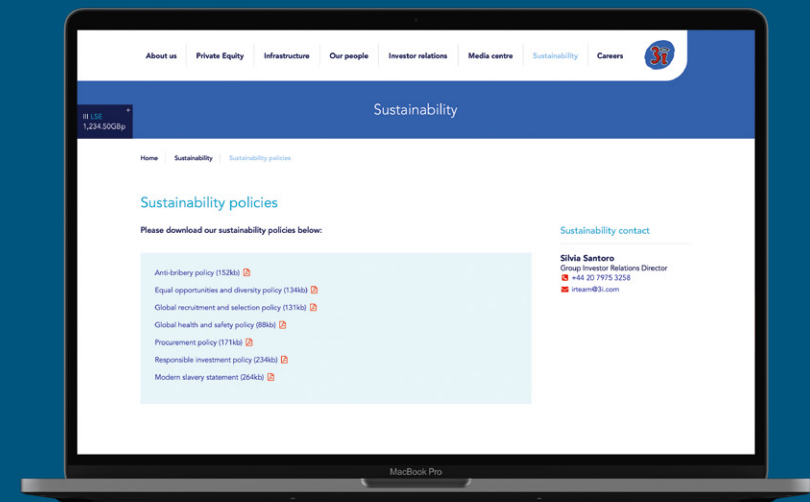
Modern Slavery Act

We published our statement on Modern Slavery for the financial year ending 31 March 2020 on our website in September 2020, and will update this statement in September 2021. 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
For more information



Equal opportunities and diversity

3i is an equal opportunities employer and prohibits unfair discrimination. In light of our small workforce, we do not set specific diversity targets, but we seek to create, through our culture and policies, a work environment that helps to bring out the best in our employees.

Our workforce is very international and our 234 employees at the end of March 2021 were of 21 different nationalities. This is very important to our business and is a bedrock of our success.

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.

We cultivate an inclusive environment for existing and prospective employees which respects, involves and leverages diverse talent for greater organisational good.

We have made reasonable progress in achieving greater diversity within our organisation but recognise that we can do better and strive to improve our performance on an ongoing basis. We consider diversity in all recruitment processes and explore initiatives to address the perceived barriers to entry into our sector. However, we are a small organisation with relatively low turnover and recruitment volumes, which means that achieving better diversity will be a gradual process.

To reinforce our commitment to equal opportunities, our line managers have received training on unconscious bias, focused on raising awareness of the attitude and behaviours associated with a range of important line manager activities, such as performance management, team leadership and, where relevant, recruitment activity.

During the year, no incidents of discrimination were reported.

A summary of our Equal Opportunities and Diversity policy is available on our website.

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.



+ www.3i.com/sustainability
A summary of our Equal Opportunities and Diversity policy

+ www.3i.com/sustainability
A summary of our Global Recruitment and Selection policy

Equal opportunities and diversity continued

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 being a small organisation with modest staff turnover. Of the 16 new hires we made during the year, two were female and 14 were male.

Gender diversity is an issue that the investment industry has long struggled with. Slow progress towards gender parity has been largely attributed to: (i) a narrow candidate pool, as typical feeder industries (such as investment banking, accounting and consulting) tend to hire graduates with more technical or numerate degrees, the majority of whom are male; and (ii) a perception of poor work-life balance, both in the investment industry and feeder industries.

The achievement of gender balance in our industry will therefore need time, and will rely on grass-root education and advocacy work, in addition to positive action taken by us and other investment firms on recruitment, flexible working and parental policies. In addition to focusing on diversity in our recruitment processes, we also offer great flexibility at work and a broad range of family-friendly policies (see pages 38 and 39).

We contribute to industry-wide work and advocacy on gender parity through a number of industry associations and by being an official sponsor of Level 20.

3i is an official sponsor of Level 20

Level 20 is a not for profit organisation dedicated to improving gender diversity in the European private equity industry. It is sponsored by over 80 private equity firms.

Its ambition is for women to hold 20% of senior positions in this dynamic industry. It works to empower women who already work within the industry, encourage new female talent to join and provide leadership teams with insight and best-practice solutions to help them address current gender imbalances within the industry and their firms. It has four key pillars of activity which contribute to its goals:

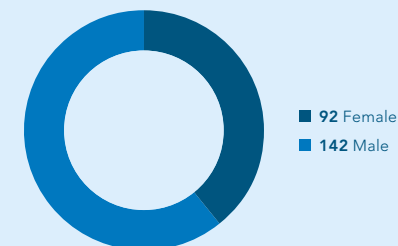
- Mentoring and development
- Outreach and advocacy
- Networking and events
- Research

Level 20's latest study with the British Venture Capital Association, completed in March 2021, shows that 10% of senior investment roles are held by women compared to 6% in 2018.

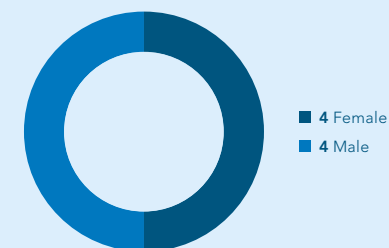
+ www.level20.org

At 31 March 2021, 3i's total of 234 employees was broken down as follows:

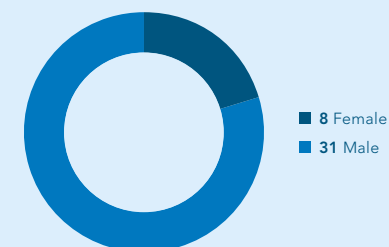
3i employees



3i Group plc Directors¹



Senior managers²



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 Board members. This measure includes those who have responsibility for planning, directing or controlling the activities of the Company or of a strategically significant part of the Company, or are directors of the undertakings included in the consolidation.

Equal opportunities and diversity continued

Ethnic diversity

We have made good progress towards the fair representation of ethnic minorities within our organisation, although we recognise that more can be achieved.

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 and Minority Ethnic ('BAME') 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 BAME background, BAME individuals made up only 10% of the workforce and held only 6% of top management positions.

As at 31 March 2021, more than one in eight of 3i's total UK employees were people with a BAME background. In addition, the proportion of our UK-based employees with a BAME background in mid to higher salary brackets also significantly exceeded the one in eight proportion.

This year, Black Lives Matter ('BLM') brought ethnic diversity and inclusion firmly into focus alongside gender diversity. The BLM movement resonated with our staff, some of whom were motivated to take more positive action. In recognition of this, we recently joined the #100BlackInterns initiative, which aims to help transform the horizons and prospects of young black people in the United Kingdom by offering paid work experience in the investment management industry, as well as world-class training and development. Two interns will join us through that scheme in the Summer of 2021.

3i joined the #100BlackInterns initiative

Through the #100BlackInterns initiative, leading players in the investment management industry have come together to address the chronic under representation of black talent in this sector. Since its launch, the programme has garnered extraordinary support with 200 investment management companies offering internships in the Summer of 2021 to black students in the United Kingdom as a way of attracting a more diverse range of talent to their industry.

Following the successful launch of #100BlackInterns, a new #10000BlackInterns initiative has now been designed to help further transform the horizons and prospects of young black people in the United Kingdom. This expanded programme will offer paid work experience across a wide range of sectors, providing training and development opportunities and creating a sustainable cycle of mentorship and sponsorship for young black people.

+ www.10000blackinterns.com

Equal opportunities and diversity continued

Social diversity

We are committed to promoting social diversity in the workforce. To improve socio-economic diversity within our organisation in 2018 we began a partnership with Bright Network, to help us source more diverse candidates at graduate level.

In 2018, we began a partnership with Career Ready, a social mobility charity based across the UK, that connects employers with schools and colleges to provide disadvantaged young people with mentors, internships, masterclasses and employer-led activities that prepare them for the world of work.

3i has worked with Bright Network to improve the diversity of its graduate intake

Set up in 2013 with a simple mission, Bright Network partners with over 250 leading employers to connect its members (generally young students in search of their first job opportunity) with employers across all sectors. It now has 400,000+ members from all backgrounds, of whom:

- 80% are state educated
- 58% are female
- 15% are BAME

Bright Network has helped partner organisations find thousands of their graduate hires.

+ www.brightnetwork.co.uk
For more information

3i takes part in Career Ready's mentoring programme

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.

3i takes part in the mentoring programme which supports young people aged 16 to 18 who lack the opportunities, professional networks and confidence to find their undiscovered talents.

A number of 3i employees are volunteering as mentors in the current academic year, meeting their mentees for an hour per month for up to 12 months. Face-to-face mentoring meetings have had to stop because of the social distancing measures imposed to mitigate the impact of Covid-19 in the UK, and all students mentored by 3i employees have been offered the option to be mentored through virtual meetings and phone calls.

+ www.careerready.org.uk
For more information

Learning and development

Advancing our strategic objectives 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 2021, we provided formal specialist training on areas and skills including:

- executive coaching;
- financial modelling;
- presentation and communication skills;
- speed reading;
- impact and gravitas;
- virtual presentation training;
- diversity and inclusion workshops;
- mental health first aid;
- disability confidence; and
- sustainability.

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.

As all of our offices have been closed in accordance with local restrictions as a result of the Covid-19 pandemic, we have maintained the opportunity for learning and development through the extensive use of webinars and virtual meetings.

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. Employees are encouraged to make use of an online facility to obtain 360-degree feedback 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.



Learning and development continued

Graduate scheme

We launched our graduate recruitment scheme in 2015. We are committed to recruit from a diverse pool of candidates and the 23 graduates that have joined the scheme to date have been drawn from 10 different nationalities and 18 universities.

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.

Several of the participants have joined 3i permanently and are now integral members of our investment teams.



23

graduate analysts joined us between 2015 and 2020

2

graduate analysts to join us in 2021

10

nationalities

18

universities

Working at 3i

We recognise the importance of supporting the wellbeing and satisfaction of our employees by providing a healthy working environment and 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. Our HR team periodically reviews the policies and legal requirements of our international offices to ensure they are competitive and compliant with local practices. In the UK, where c.65% 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 is available to all eligible full and part-time employees and our policies meet at least the statutory minimum requirements. The summary opposite refers to our UK policies, 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 open to requests for flexible working, subject to business requirements allowing it

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 • Shared parental leave for a period of 50 weeks (after the first two weeks from birth or adoption)

Working at 3i continued

Wellbeing at work

We adopt a holistic approach to employee wellbeing.

Flexible working

Employees across our international network are provided with the tools to work remotely and can apply to work 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.

In August 2020, we relaunched our Cycle to Work scheme, which is available to all UK-based employees. This programme is described on page 50.

Mental health and employee assistance

We place increasing importance on employees' mental wellbeing.

Over the past two years, most employees have participated in workshops organised in partnership with a specialist mental health consultancy providing a basic understanding of mental health, how to develop and strengthen it, and how to spot the early warning signs that indicate an individual may be struggling. Employees with people management responsibilities have also received more in-depth training on mental health issues. We have trained c.20 'mental health champions' across the business, to act as first points of contact for employees experiencing issues.

All UK-based employees (c.65% 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 10 sessions of psychological support without a requirement for General Practitioner referral.

A supportive working environment

In support of our core values, we aim to establish and uphold high standards of behaviour and conduct. This means, amongst other things, that employees must treat colleagues and others with courtesy and respect. Harassment and bullying of colleagues is unacceptable and is an issue that we take extremely seriously and are committed to providing further guidance and support on. We arranged training on anti-bullying and harassment in previous years.

Grievance procedure

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

The UK office 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, Sweden and Singapore 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 at risk of redundancy are offered comprehensive outplacement services with an external service provider. 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.

3i has not furloughed any employees, nor made any employees redundant as a result of the Covid-19 pandemic.

Working at 3i continued

Employee wellbeing through the Covid-19 pandemic

Working from home

For much of the past year, 3i offices have been closed in accordance with local guidance and regulations and our employees have been working mainly from home. We have facilitated this by providing employees with ergonomic guidance on remote working, IT equipment, remote access to systems and online meeting and collaboration tools. The transition to home working was seamless, with the business benefiting from timely investments in IT equipment and infrastructure and video conferencing software.

We have gone to great efforts to keep all of our people informed and engaged through regular updates from management and team leaders. This has been particularly important for junior employees, who are missing the opportunities for ad-hoc engagement with senior employees that office working provides. During periods when offices re-opened, we ensured that staff were able to work in a safe environment, following local legislation and guidance, and that attendance at the office was entirely voluntary. In addition to our direct employees, we employ a number of contractors for a range of services, including reception, cleaning and maintenance services. Even though we have only used our offices sporadically since the pandemic first started, we have decided to maintain this third-party outsourced support, even during office closures.

Flexibility to manage multiple commitments

Throughout this difficult period, our employees have been given flexibility to reconcile their work commitments with other personal and family commitments such as childcare and elderly care, which have posed additional challenges throughout the pandemic.

Mental health

In recognition of the potential mental health consequences of working remotely through prolonged periods of lockdown, we have engaged a specialist mental health and wellbeing consultancy to run a series of webinars and virtual workshops for all staff on how to deal with issues like sharing spaces at home, having limited opportunity to go outdoors, general anxiety, working at home with young children or while home schooling older children, worrying about elderly relatives and living and working alone. We have also arranged a number of webinars on mindfulness and stress management run by an accredited meditation coach.

Physical health

Throughout the pandemic we have ensured that our employees have the resources to continue to focus on their physical health. The bi-weekly fitness and nutrition consultations usually available to London-based employees have been offered to all employees virtually. We have added other resources including exercise classes targeted specifically at children.

Graduates and new joiners

2020 was a particularly challenging year for our most recent graduate cohort to begin their lives in the world of work. As our graduate intakes are small, and only three graduates joined us last year, we were able to offer in-person training in our London office in a safe and socially-distanced environment. Since completing their training, our graduates have worked predominantly from home. We have been careful to ensure that they have regular virtual meetings with their teams and mentors, have arranged opportunities for virtual engagement with senior people within the organisation, as well as a variety of virtual social events to ensure that they integrate within the organisation. All new joiners have also been offered virtual induction programmes and opportunities to engage virtually with a broad range of employees from different departments.

'Business as unusual' intranet hub

In May 2020, we launched our 'Business as unusual' intranet hub, which centralises all resources that have been made available to staff to work and cope in these unusual circumstances. These include resources on mental and physical health, including the recordings of mental health and mindfulness webinars, exercise classes, details on virtual social events to maintain employee engagement, information on access to the office where applicable, IT guidance notes on remote working and more.

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 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 realised investments. Similarly, investment executives in the Infrastructure business line may participate in asset-linked and/or fee-linked incentive arrangements.

Employees participate in local state or company pension schemes as appropriate to local market 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. We 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. Maintaining staff engagement has gained new importance while working remotely during the Covid-19 pandemic, and senior managers and team leaders have made a particular effort to keep staff informed through regular updates and virtual meetings.

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. Unfortunately this has not been possible since the start of the Covid-19 pandemic, however the non-executive Directors have had other opportunities to engage with employees, for example by attending our semi-annual portfolio company reviews, which have been held virtually.

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.

The Chairman aims to visit all our major international offices on a two-year rolling cycle and engages with as many employees as possible during these visits.

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.

88%

Participation in UK SIP¹

7%

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.

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 covers all employees and contractors and 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 2021, we had no RIDDOR ('Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013') reportable incidents, and no work related accidents or cases of work related ill health were reported.

Our approach to health and safety during the Covid-19 outbreak

Throughout the Covid-19 pandemic, all 3i offices have been closed at various times in accordance with local restrictions and our employees have been working mainly from home. We have facilitated this by providing employees with ergonomic guidance on remote working, IT equipment, remote access to systems and online meeting and collaboration tools. Some of our offices have been able to re-open for periods of time, and our employees have been given the option to attend the office during those periods.

We have actively followed local legislation and guidance in order to protect the health and safety of employees and those who may be affected by our activities. This includes carrying out a Covid-19 risk assessment and taking steps to reduce the risk of transmission as far as practical in our workplaces, such as enhanced cleaning and hand hygiene measures, social distancing at workstations, and managed occupancy. We have collaborated with building landlords and other tenants to ensure there is a consistent approach with risk management across common areas and shared facilities of buildings in which we are tenants. We keep our Covid-19 risk assessment and control measures under regular review in light of any changes to legislation or guidance.

We have also implemented a range of measures designed to improve the mental and physical health and wellbeing of our employees while working from home. These are described on pages 39 and 40.

+ www.3i.com/sustainability

A summary of our Global Health and Safety policy is available on our website

 **Pages 39-40**
Wellbeing at work

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 within our organisation. The corporate values are approved by the Board and the Executive Committee sets the tone and leads by example. All employees are evaluated annually against our corporate values.

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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.

All employees receive training on regulatory conduct rules and have a mandatory conduct objective against which they are assessed as part of their annual performance review. 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 teams, overseen by the Board's Audit and Compliance Committee, which also conducts an annual review of risk and internal control effectiveness. Our Compliance team reviews all compliance policies each year.



+ www.3i.com/investor-relations
Download our Annual report



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, and must conduct their business in accordance with relevant regulatory requirements.

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 and corruption, 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; and
- managing inside information.

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 applicable anti-bribery, anti-fraud and anti-money laundering laws and regulations.

Hospitality, gifts and inducements

3i's Hospitality, 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 hospitality or gifts 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 2021, 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 is able to consider actual 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:

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

These e-learning modules are rolled out annually (save for the preventing tax evasion course which is rolled out periodically). All employees, including Executive Committee members, must complete these modules. All new joiners are required to complete all six 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.

During the last financial year we did not receive any substantiated complaints from third parties or complaints by regulatory bodies regarding the use and disclosure of personal data.

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.

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 risk register and dashboard of relevant cyber key performance indicators.

3i runs a periodic cyber resilience e-learning course for all staff and a continuous '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 tested its Cyber Security Incident Response Plan and updated its overall business resilience strategy and governance framework.

Compliance continued

In compliance with government restrictions and advice in place to manage the Covid-19 pandemic in the countries in which we operate, the vast majority of 3i employees are at the time of writing working remotely. All remote workers have full access to 3i's IT systems, which continue to be fully supported by the Group IT team and its managed service providers.

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. In some cases where the cyber maturity of a new portfolio company is deemed to be in its early stages, we ensure that a cyber security review is carried out and that the necessary controls and procedures are implemented across the organisation.

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. We also ensure that developments and best practice are shared across the portfolio with relevant members of portfolio company management teams, including through formal forums such as our portfolio company CIO forum held in 2020.

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 seven office locations may express and report their concerns on a completely confidential and anonymous basis through an independent 'hotline' service provided by EthicsPoint, an independent, external party.

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

There were no incidents of whistle blowing in the year.



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 seven 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 UK tax legislation 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 than 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
- to help facilitate 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.



Environment

3i has fewer than 240 employees worldwide and has a relatively low environmental impact.

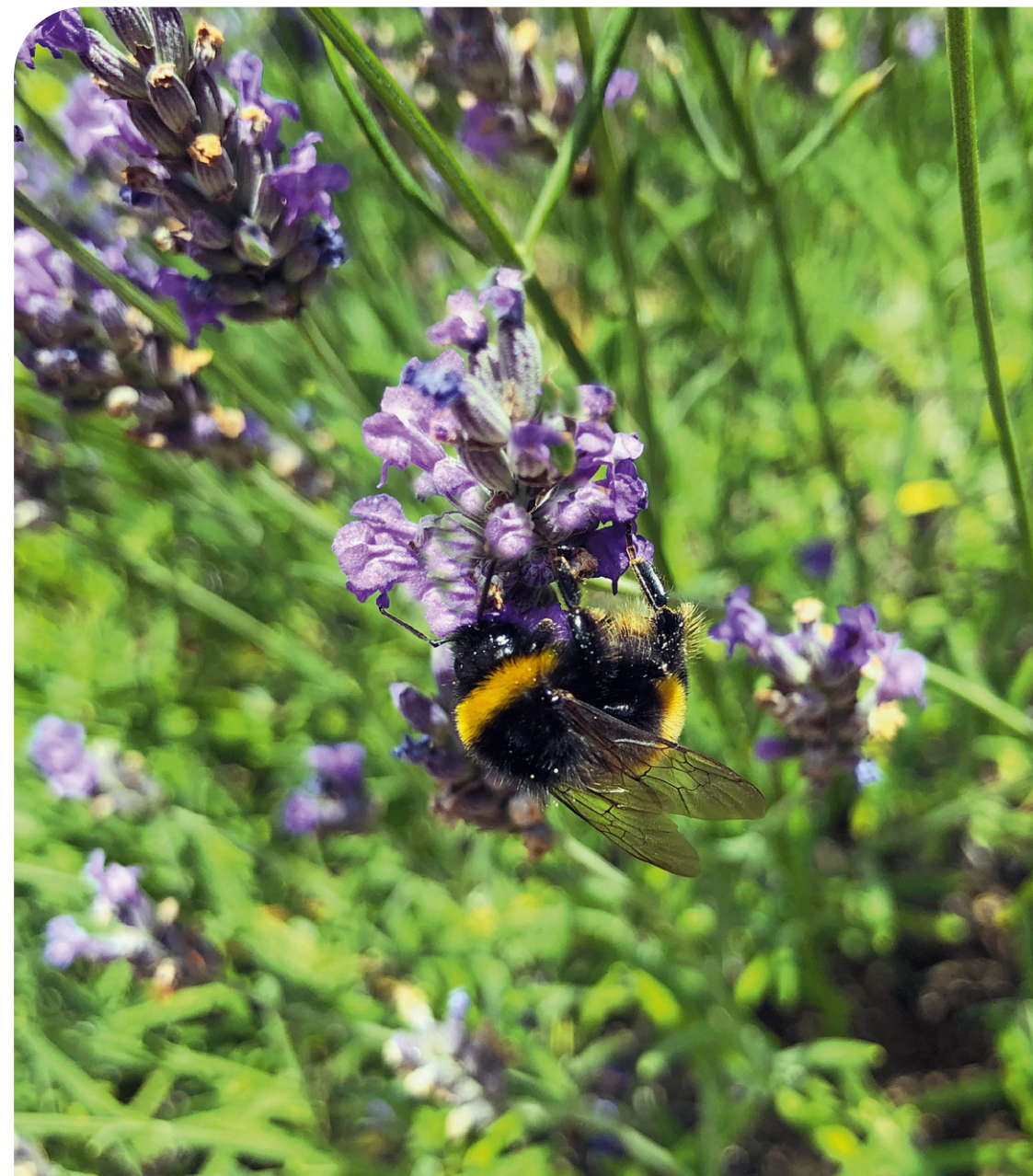
We operate from a network of seven offices across the world, with c.65% of our employees based in our London office. All our offices are leased.

We are 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 manage environmental risk for our business and our portfolio proactively.

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
- report to two external publicly disclosed benchmarking indices and use our performance in these benchmarking indices to assess and improve future performance; we choose the CDP and the S&P 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 portfolio 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. Our London office was refurbished in FY2020. The refurbishment included the installation of new LED light fittings, which can achieve 50% electrical energy efficiency improvement compared with the previous LED fittings, last longer, and will continue to operate at 100% output until they fail, reducing waste over time.

Our London and Luxembourg offices, which accounted for approximately two-thirds of our electricity consumption in FY2021, procure electricity from 100% renewable sources. Where we have control, we plan to switch the energy supplier of our other offices to renewable sources in due course.

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

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.

We undertook our last energy audit in October 2019 as part of our ESOS assessment for our London office. We lease part of a building owned and managed by Landsec and have limited control over the energy efficiency of the structure. However, the ESOS assessment identified a number of potential energy saving areas, which we will implement over the next few years. These potential improvements, which were reported on in our 2020 sustainability report, are relatively modest in scope.

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. The video conferencing facilities in our London office were improved further as part of the office refurbishment in FY2020.

As a result of the Covid-19 pandemic, business travel has been limited to very few exceptions since March 2020. In all cases, we have complied by the travel restrictions in place in the countries in which we operate.

UK Cycle to Work Scheme

In August 2020, we relaunched our Cycle to Work scheme. This is a UK government initiative introduced to encourage more people to commute to and from work by bicycle, enabling people to make healthier choices and reducing the UK's carbon footprint. The initiative also allows employees to make tax and National Insurance savings on the cost of a new bicycle and safety accessories. These savings are achieved via salary sacrifice which is managed by their employer.

Paper usage

We use 100% recycled paper across our print solutions in our London and New York offices, and FSC approved paper elsewhere. We have rolled out Microsoft Office 365 throughout the organisation. This facilitates the sharing and editing of documents online through a variety of mobile devices, significantly reducing the need for printing documents.

Environment continued

Waste management

In our main location in London, we work with our landlord, Landsec, 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.

Over the past few years we have implemented a number of initiatives in our London office to further reduce 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 re-usable take-away coffee cups available to all employees. These cups can be used externally and returned to the office for cleaning;
- we installed dispensers of filtered still and sparkling water, eliminating the purchase of bottled water for staff and replacing an average of c.1,850 500ml bottles of sparkling water per month;
- 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; and
- we made metal cutlery available in our kitchen hubs to reduce the use of plastic cutlery.

Details of waste from 3i's operations in the year to 31 March 2021 are set out in the table below.

Waste disposal method	Weight
Recycled waste – mixed	17.8 tonnes
Recycled waste – paper	3.9 tonnes
Combustion	2.1 tonnes
Anaerobic digestion	2.2 tonnes
Landfill – mixed	19.4 tonnes

Information provided by the waste disposal contractor.



Environment continued

Emissions performance

This section has been prepared in accordance with our regulatory obligation to report GHG emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which implement the UK Government's policy on Streamlined Energy and Carbon Reporting. During the year to 31 March 2021, our measured Scope 1, 2 (location-based) and 3 emissions totalled 2,926 tCO₂e. This comprised:

Scope	FY2021			FY2020 ¹		
	UK	Rest of world	Total	UK	Rest of world	Total
1	104.4	13.3	117.7	122.6	28.0	150.5
2 – location-based	126.0	133.3	259.3	327.8	125.4	453.2
2 – market-based	–	142.4	142.4	–	129.3	129.3
Scope 3	n/a	n/a	2,666.2	n/a	n/a	5,916.9
Total Scope 1, 2 (location-based) & 3	n/a	n/a	3,043.2	n/a	n/a	6,520.7
Total Scope 1, 2 (market-based) & 3	n/a	n/a	2,926.3	n/a	n/a	6,196.8

¹ Some emissions have been updated compared to the disclosures in our Annual report 2020, where estimated data has been replaced by reported data.

This is equivalent to 12.8 tCO₂e per full time equivalent employee, based on an average of 229 employees (2020: 25.6 tCO₂e; 242 employees). Overall, our Scope 1, 2 (market-based) and 3 emissions decreased by 61%, driven principally by a reduction in business travel due to Covid-19 travel restrictions.

This year, in light of the exceptional circumstances we experienced, we chose to include emissions related to home working in our Scope 3 calculation. These were calculated by estimating the energy consumed by employees on using office equipment, lighting, and heating while working from home, using national benchmarks where available.

During the year to 31 March 2021, our total fuel and electricity consumption totalled 1,446 MWh, of which 77% was consumed in the UK. The split between fuel and electricity consumption is displayed below.

Energy consumption (MWh)	FY2021			FY2020		
	UK	Rest of world	Total	UK	Rest of world	Total
Electricity	540.3	278.3	818.6	1,282.5	310.5	1,593.0
Fuel ¹	567.7	60.1	627.8	666.6	139.3	805.9

¹ Natural gas and transportation fuels (petrol and diesel).

Total energy consumption fell by 40% year-on-year, driven by the partial closure of our offices due to Covid-19.

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 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 constituted our operational boundary for the year to 31 March 2021 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: purchased goods and services, fuel-and-energy related activities, waste generated in operations, business travel, employee commuting and home working.

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.

Whilst we have a relatively low footprint on the environment, we are committed to reducing it further. As noted earlier, in our London and Luxembourg offices, which accounted for over 67% of our overall electricity consumption in FY2021, we purchase our electricity from 100% renewable sources. Although the options for energy efficiency improvements for our offices are limited, we are assessing whether it is possible to switch to renewable tariffs in our remaining offices where we do not currently purchase all of our electricity from 100% renewable sources.

Third-party verification

Our emissions have been verified to a reasonable level of assurance by Carbon Intelligence according to the ISO 14064-3 standard.

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 (mainly 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 2025 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.

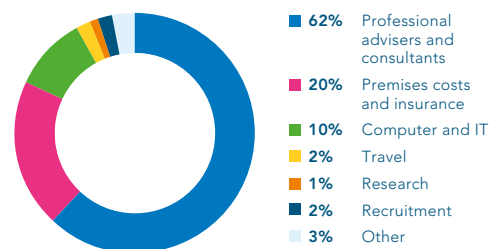
Sustainable procurement continued

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

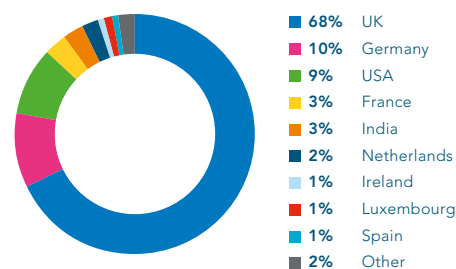
We published on our website our slavery and human trafficking statement in relation to FY2020 in September 2020 and will update this statement for FY2021 in September 2021.

A large majority of 3i's suppliers are professional advisers and consultants engaged to advise 3i on potential investments, divestments, and other matters in relation to our portfolio and various corporate matters. Other significant items in our overall procurement spend were rent, premises costs and insurance, as well as computers and IT. We consider these categories to be relatively low risks in terms of modern slavery. The chart below shows the breakdown of 3i's total relevant spend with suppliers in FY2020 by reference to the type of supplier and by geography.

Supplier spend by type of supplier (FY2020)



Supplier spend by geography (FY2020)



The geographical analysis of our supplier spend shows that (i) the top nine countries represented 98% of total 3i relevant supplier spend in FY2020 and (ii) 95% of total 3i relevant supplier spend was situated in Europe and North America. The highest GSI-ranking geography is India (53rd) which only accounted for c3% of total supplier spend. 84% of the relevant supplier spend in India related to one supplier (Infosys) which provided outsourced financial and accounting services from its centre in Bangalore. Infosys is a NYSE listed global consulting and IT services company and a signatory to the United Nations Global Compact. We consider Infosys as a lower risk supplier in terms of modern slavery.

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 supplier relationship management 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.


Most of the charities that we support have played a key role in protecting a range of different vulnerable groups from the worst impacts of the pandemic and of living under lockdown. In addition to supporting our existing charity partners, we funded a number of Covid-19 focused donations to local charities chosen by our overseas offices during the year and matched our employees' charitable donations during the months of April and May 2020. We also encouraged our employees to volunteer their time with nationally-sponsored schemes or with local charities to provide assistance to vulnerable groups throughout this difficult period.

In May 2020, we set up an additional £5 million charitable fund to help alleviate the impact of Covid-19.

Our portfolio companies have also been doing their part in supporting their local communities and, as majority or significant majority shareholders, we have supported this.

Importantly, some of our portfolio companies, such as SeniSure and Ionisos, have been able to contribute directly to the immunisation effort.

 **Pages 57-59**
Read more about ordinary charitable giving

 **Page 56**
Read more about our Covid-19 charitable fund

Ordinary charitable giving

Our charity budget for the financial year to 31 March 2021 increased by approximately 40% to respond to the additional demands for support arising as a result of the pandemic.

The charities we partner with are supported on the basis of their effectiveness and impact. Our ordinary charitable giving for the year to 31 March 2021 totalled £800,000. This includes supporting our nine charity partners, matching staff fundraising, making a number of one-off donations and promoting the Give-As-You-Earn scheme in the UK, which is administered by the Charities Aid Foundation, and through which 3i matched £67,000 of employee donations.

In addition, during the year our London-based staff arranged a gift collection for Community Links' Christmas Toy Appeal and Foodbank Appeal.

Community continued

Our Covid-19 charitable fund

In May 2020 3i announced it had set up a £5 million Covid-19 charitable fund to help alleviate the impact of the pandemic.

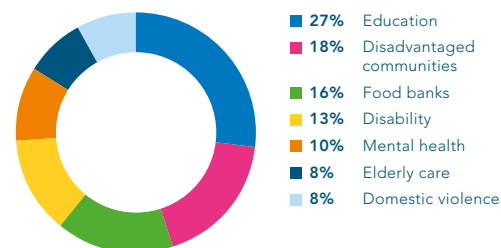
The overarching theme of the fund is to alleviate poverty and all its consequences, by supporting charities particularly affected by the pandemic, focusing on the most vulnerable communities in countries where 3i and its portfolio companies operate. Within this, our donations have targeted a number of areas, including food provision, education, domestic violence, advancement of minorities and disadvantaged groups, community development and mental health. Some funding was provided to offer immediate relief to communities, with other donations being made to support 12 – 24 month recovery programmes as we start to exit the pandemic.

An internal Charity Committee was established in June 2020 to identify guiding principles for the allocation of the fund, agree its geographic split, research and diligence charities and identify a final list of charities to receive 3i’s funding. Recommendations were made to the Chief Executive. Members of the Committee were drawn from across our international offices and business functions. There was great engagement among staff in this initiative, and many employees dedicated a significant amount of their personal time to research appropriate charities and prepare cases for the Committee to consider. Beyond the Charity Committee, over 40 employees also nominated charities, some of which they were personally involved with.

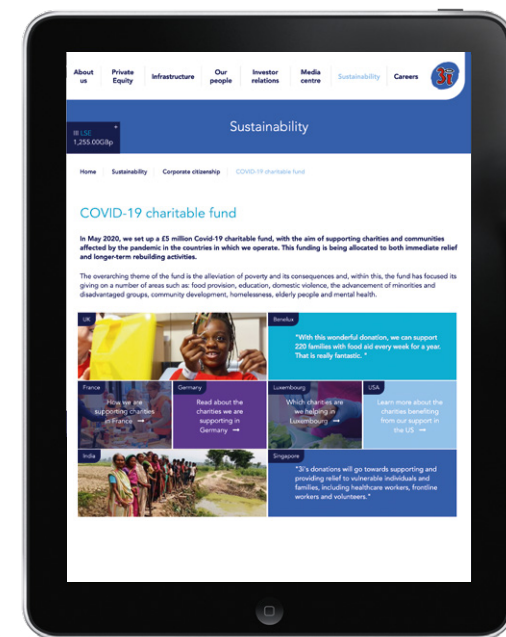
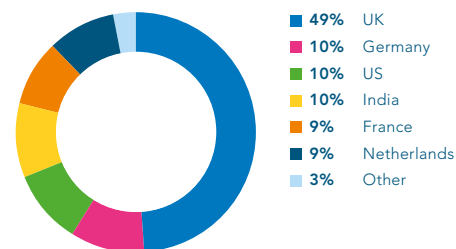
The fund disbursed £4.3 million in the financial year to 31 March 2021 across c.90 charities, as shown in the charts opposite.

The remainder of the fund is expected to be committed or disbursed by 31 May 2021.

Donations by theme



Donations by geography



+ www.3i.com/sustainability/corporate-citizenship/covid-19-charitable-fund

Community continued

3i supports the following charities through its ordinary charitable giving activities

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. During the past year, as a result of the pandemic Community Links saw an unprecedented rise in demand for its services and had to quickly adapt to providing a number of advice services remotely and online as well as offering additional support, such as an emergency food support service.



COMMUNITY
LINKS

+ www.community-links.org
For more information

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. With HRP's sites closed or partially closed during a large part of the year, the charity adapted its public engagement programme to carry out as many activities as possible online and through social media, including offering school resources for children online, creating blogs on historical topics, compiling playlists of some of their past exhibitions and events with behind-the-scenes talks from the people who put them together and hosting online Curator talks.

 Historic
Royal Palaces

+ www.hrp.org.uk
For more information

National Youth Orchestra of Great Britain

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

As well as working together in the orchestra, the teenagers are also encouraged to inspire other young musicians through the NYO Inspire programme which provides free opportunities to Grade 6-8 teenage musicians to develop their orchestral playing through in-depth workshops, rehearsals and public performances. Due to the lockdowns caused by Covid-19, NYO set about creating the largest digital music community that it could, involving musicians from as far afield as America and China, and mobilised its musicians to create large-scale digital projects. The NYO and NYO Inspire musicians also joined in solidarity for racial equality, taking a deep dive into the music of black composers during the Digital Summer Residency.



+ www.nyo.org.uk
For more information

Community continued

The Passage

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

3i supports The Passage's Client Development team which provides clients with life skills and helps them to end their homelessness by returning to work. Support includes computer training, literacy and numeracy classes, help with CVs and finding jobs, and financial and welfare rights advice. The pandemic completely changed the landscape for The Passage, meaning that the charity had to rapidly adapt its service model to provide an emergency frontline response and keep its clients safe from Covid-19 by helping them into suitable temporary accommodation as quickly as possible. In addition, some staff were redeployed to provide floating support for clients in their new accommodation; kitchen staff and volunteers set-up a mobile food service delivering hot meals to clients in temporary accommodation; food parcels were provided to new clients presenting at the Resource Centre; and the charity delivered clean clothing to clients in emergency accommodation with no access to laundry facilities.



+ www.passage.org.uk
For more information

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. Although some students chose to defer their studies due to Covid-19, the charity supported those students who decided to proceed and approved 66 new Snowdon grants for the 2020/2021 academic year, totalling £200,000. In addition, the Trustees approved 12 Snowdon Masters Scholarships for students showing amazing future potential.



SNOWDON

TRUST

+ www.snowdontrust.org
For more information

Re-engage

Re-engage 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. As a lot of Re-engage's support for older people was carried out face-to-face, the charity had to pivot its service model quickly when the pandemic struck. As a result, it set up Call Companions which is a telephone befriending service that matches older and younger people, ideally with similar interests. Since April 2020, Re-engage has signed up almost 1,300 older people to this new service.



+ www.reengage.org.uk
For more information

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.

In response to the pandemic, Independent Age quickly set up the 'Independent Age Grants Fund'. The Fund's aim was to sustain small- and medium-sized charities supporting older people through the crisis, whilst taking the opportunity to build a new ecosystem of support for vulnerable older people across the UK. The Grants Fund supported 214 organisations, allocating c.£2.5 million.

The charity also continued its campaigning work focused on Pension Credit, the impact of Covid-19 on older people, and a call for supermarkets to remove unfair delivery charges and minimum spends from priority delivery slots for people who are shielding.



+ www.independentage.org
For more information

Community continued

Church Homeless Trust

Church Homeless Trust funds specific support or items that an individual needs throughout their journey from being homeless to establishing a home and playing a part in society.

Resettlement grants are given for items for which there is no government funding available and group activities supported include cooking, expressive arts, digital inclusion and health and fitness. Church Homeless Trust also works with partners across England to reach homeless people who need help and offers accommodation in winter night

shelters at Christmas time. The charity runs Street Buddies, a peer-led street outreach team which helps entrenched rough sleepers off the street. The past year was very challenging for Church Homeless Trust and its beneficiaries and demand for their services has increased steadily since March 2020 with the charity hearing many stories of people becoming homeless due to the pandemic. However, Church Homeless Trust continued to work with its partners to reach homeless people and provide them with the support they need, including focusing in particular on areas such as health and wellness and digital access and inclusion due to the pandemic.



+ www.churchhomelesstrust.org.uk
For more information

Royal British Legion Industries

RBLI is a national charity supporting the Armed Forces, people with disabilities and people who are unemployed. They improve lives every day by inspiring those they help and supporting them to find work and lead independent lives.

As the pandemic struck in March 2020, RBLI had to re-focus and change its way of operating to ensure the charity could continue to provide support to its vulnerable veteran community. Covid safe plans were created to ensure the residents could still use communal areas and socialise at a safe distance to help prevent isolation; a Health & Wellbeing suite was set up to support the residents' mental wellbeing and physical health, offering a treadmill, rowing machine and static bicycle as well as free weights and resistance bands to assist with mobility training for veterans with physical disabilities.

A number of nutritionally balanced food parcels were delivered across the Village to enable vulnerable veterans with physical disabilities and mental health issues to follow guidance and not take unnecessary health risks and laptops were provided to certain residents enabling them to connect with the outside world and regularly speak to family members. This access also enabled the veterans to take part in organised fitness sessions with British Military Fitness instructors and join RBLI's employability coaching, LifeWorks.



+ www.rbli.co.uk
For more information

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 and in a way which addresses the issues identified as material to our key stakeholders.

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"> • Regular team meetings and off-sites hosted by executive management and team leaders and periodic engagement with the Board • Regular all-staff updates by email • Comprehensive staff portal • Remuneration policy and performance management system
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 and quarterly performance updates • Sustainability report • Comprehensive Investor Relations website • Regular meetings with executive management and Investor Relations team • Chairman and SID available for meetings • Regular email and telephone communications • CDP and DJSI submissions
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 • UNPRI submission
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 and CEO 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 and 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"> Annual meetings with the Group Finance Director and Treasury team Annual and half-yearly reports and quarterly performance updates Comprehensive Investor Relations website 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 Use of LinkedIn, Twitter and YouTube social media channels to disseminate 3i and portfolio news
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 Supplier relationship management tool and regular meetings
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 13th 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 2020 can be found at www.privateequityreportinggroup.co.uk

The only 3i portfolio companies which met the criteria set out in the guidelines and were included in the 13th annual report for the year to 31 December 2020 were Infinis, held within 3i Infrastructure plc, and East Surrey Pipelines, held within 3i Managed Infrastructure Acquisitions LP, both of which are managed by 3i's Infrastructure business.

3i is represented on the Private Equity Reporting Group through one of its employees.



GRI and SASB

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') core option and Sustainability Accounting Standards Board ('SASB') standards.

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GRI

For a number of years we have been reporting according to the GRI core option and are doing so again this year.

In early 2021 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, FTSE4Good and the Dow Jones Sustainability Index, and engaged with key internal and external stakeholders to understand which sustainability issues are of concern to them. Our stakeholder engagement focused on our employees, existing and potential shareholders, existing and potential fund investors, portfolio companies, policymakers and regulators.

As part of our assessment, we sent out 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 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. We will aim to renew our materiality assessment every five years, or sooner in the event of a material change in strategy.

The themes identified as material to our stakeholders are as indicated in the table opposite.

Themes	Material issues
Environmental	<ul style="list-style-type: none"> • Environmental reporting • Business risks and opportunities • Engagement with supply chain on climate change
Social	<ul style="list-style-type: none"> • Non discrimination • Equality, diversity and inclusion • Employee benefits • Employee training and development • Health, safety and wellbeing • Charitable donations • Supplier screening
Economic/ governance	<ul style="list-style-type: none"> • Economic performance • Corporate governance • Risk management • Business ethics • Anti-bribery and corruption • Data protection • Cyber security • Financial risks of climate change • Tax transparency • Governance of portfolio companies • Incorporation of ESG considerations in our investment and asset management approach • Engagement with portfolio companies on ESG issues • ESG risks and opportunities for the portfolio

GRI content index

GRI standard title	Disclosure number	Disclosure title	Page number	Fully reported/ other comment
General – organisational profile	102-1	Name of the organisation	SR: 02; AR: IFC	Fully reported
	102-2	Activities, brands, products, and services	SR: 04; AR: 04-05 and 12-13	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: 119-120	Fully reported
	102-6	Markets served	SR: 04; AR: 04-05	Fully reported
	102-7	Scale of the organisation	SR: 04; AR: 04-05	Fully reported
	102-8	Information on employees and other workers	SR: 04 and 30-41; AR: 82-84	Fully reported
	102-9	Supply chain	SR: 53-54	Fully reported
	102-10	Significant changes to the organisation and supply chain	SR: 53-54	Fully reported
	102-11	Precautionary principle approach	SR: 49	Fully reported
	102-12	External initiatives	SR: 10; AR: 73-75	Fully reported
	102-13	Membership of associations	SR: 10 and 47	Fully reported
General – strategy	102-14	Statement from senior decision maker	SR: 05-07	Fully reported
	102-15	Key impacts, risks and opportunities	SR: 18-27	Fully reported
General – ethics and integrity	102-16	Values, principles, standards, and norms of behaviour	SR: 08; AR: 50	Fully reported
General – governance	102-18	Governance structure	SR: 09; AR: 81-124	Fully reported
	102-20	Executive-level responsibility for economic, environmental and social topics	SR: 09; 15-16	Fully reported
	102-21	Consulting stakeholders on economic, environmental and social topics	SR: 63; AR76-78	Fully reported
	102-22	Composition of the highest governance body and its committees	AR: 81-124	Fully reported
	102-23	Chair of the highest governance body	AR: 81-82	Fully reported
	102-24	Nominating and selecting the highest governance body	AR: 91-93	Fully reported
	102-25	Conflicts of interest	SR: 45; AR: 121	Fully reported
	102-26	Role of highest governance body in setting purpose, values and strategy	SR: 08	Fully reported
	102-27	Collective knowledge of highest governance body	AR: 90	Fully reported
	102-28	Evaluating the highest governance body's performance	AR: 90	Fully reported
	102-35	Remuneration policies	AR: 107-121	Fully reported
102-36	Process for determining remuneration	AR: 107-121	Fully reported	
102-37	Stakeholders' involvement in remuneration	AR: 107-121	Fully reported	

GRI content index continued

GRI standard title	Disclosure number	Disclosure title	Page number	Fully reported/ other comment
General – stakeholder engagement	102-40	List of stakeholder groups	SR: 60-61; AR: 77-78	Fully reported
	102-41	Collective bargaining agreements	SR: 31	Fully reported
	102-42	Identifying and selecting stakeholders	SR: 60-61 and 64; AR: 76-78	Fully reported
	102-43	Approach to stakeholder engagement	SR: 60-61; AR: 76-78	Fully reported
	102-44	Key topics and concerns raised	SR: 64	Fully reported
General – reporting practice	102-45	Entities included in the consolidated financial statements	AR: 167-170	Fully reported
	102-46	Defining report content and topic Boundaries	SR: 64	Fully reported
	102-47	List of material topics	SR: 64	Fully reported
	102-48	Restatements of information	SR: 52	Fully reported
	102-49	Changes in reporting	SR: 52	Fully reported
	102-50	Reporting period	SR: 02	Fully reported
	102-51	Date of most recent report		31-Mar-20
	102-52	Reporting cycle		Annual
	102-53	Contact point for questions regarding the report	SR: 71	Fully reported
	102-54	Claims of reporting in accordance with the GRI Standards	SR: 63-64	Fully reported
	102-55	GRI content index	SR: 65-67	Fully reported
102-56	External assurance	SR: 52	Fully reported	
Economic performance	201-1	Direct economic value generated and distributed	AR: 04-48	Fully reported
	201-2	Financial implications and other risks and opportunities due to climate change	SR: 27; AR: 63 and 73-75	Fully reported
	201-3	Defined benefit plan obligations and other retirement plans	AR: 156-159	Fully reported
	201-4	Financial assistance received from government	AR: 02, 79, 107	Fully reported
Anti-corruption	205-1	Operations assessed for risks related to corruption	SR: 45; ABP	Fully reported
	205-2	Communication and training about anti-corruption policies and procedures	SR: 45-46	Fully reported
	205-3	Confirmed incidents of corruption and actions taken	SR: 45	Fully reported
Tax	207-1	Approach to tax	SR: 48	Fully reported
Environmental – emissions	305-1	Direct (Scope 1) GHG emissions	SR: 52	Fully reported
	305-2	Energy indirect (Scope 2) GHG emissions	SR: 52	Fully reported
	305-3	Other indirect (Scope 3) GHG emissions	SR: 52	Fully reported
	305-4	GHG emissions intensity	SR: 52	Fully reported

SR: 3i Group Sustainability report 2021 (this report)

AR: 3i Group Annual Report 2021 (<http://www.3i.com/investor-relations/report-library/2021>)ABP: Anti-bribery policy (<https://www.3i.com/sustainability/sustainability-policies/>)

GRI content index continued

GRI standard title	Disclosure number	Disclosure title	Page number	Fully reported/ other comment
	305-5	Reduction of GHG emissions	SR: 52	Fully reported
Environmental – waste	306-2	Waste by type and disposal method	SR: 51	Fully reported
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	SR: 53	Partially reported
Employment	401-1	New employee hires and employee turnover	SR: 33	Fully reported
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR: 38	Fully reported
	401-3	Parental leave	SR: 38	Fully reported
Occupational health	403-1	Occupational health and safety management system	SR: 42	Fully reported
	403-6	Promotion of worker health	SR: 39-40 and 42	Fully reported
	403-8	Workers covered by an occupational health and safety management system	SR: 42	Fully reported
	403-9	Work-related injuries	SR: 42	Fully reported
	403-10	Work-related ill health	SR: 42	Fully reported
Training and education	404-2	Programmes for upgrading employee skills and transition assistance programmes	SR: 36-37	Fully reported
	404-3	Percentage of employees receiving regular performance and career development reviews	SR: 36	Fully reported
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	SR: 33	Partially reported
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	SR: 32	Fully reported
Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SR: 12, 29, 31, 53-54	Fully reported
Forced or compulsory labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	SR: 12, 29, 31, 53-54	Fully reported
Supplier social assessment	414-1	New suppliers that were screened using social criteria	SR: 12, 29, 31, 53-54	Fully reported
Public policy	415-1	Political contributions	SR: 45; AR: 122	Fully reported
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR: 46	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	AR: 73; SR: 11-29	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: 11-29	Fully reported

SASB

For the first time this year, we are choosing to report against the SASB disclosure framework, noting its growing importance among our investor base. The table below summarises 3i's current SASB alignment. We will work to improve these disclosures over time.

	Topic	Code	Indicator	Details
Table 1. Sustainability Disclosure Topics & Accounting Metrics	Transparent Information & Fair Advice for Customers	FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	We have no records of investment-related investigations, consumer-initiated complaints or other regulatory proceedings made against any current employee. Employees may engage in private civil litigation (non investment-related) but we are not aware of any proceedings of significance.
		FN-AC-270.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers	None.
		FN-AC-270a.3	Description of approach to informing customers about products and services	3i does not have 'retail' customers. It has shareholders, for the benefit of whom the Company is managed. Our regulatory customers are professional clients that invest in the private funds that we manage, or act as co-investors in some of our investments. Please refer to: <ul style="list-style-type: none"> • Pages 60-61 of this Sustainability report for a discussion of our stakeholders. • Pages 77-78 and 86-87 of our Annual report 2021, available on www.3i.com/investor-relations for a discussion of how we engage with our shareholders and Fund investors.
	Employee Diversity & Inclusion	FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	We make partial disclosures under this heading due to our small headcount. Please refer to pages 33-34 of this Sustainability report.

SASB continued

Topic	Code	Indicator	Details
Incorporation of Environmental, Social and Governance Factors (ESG) in Investment Management & Advisory	FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of ESG issues, (2) sustainability themed investing, and (3) screening	Amount of assets under management that employ: (1) integration of ESG issues: 100% of total AUM, 100% of Private Equity AUM; 100% of Infrastructure AUM. (2) Sustainability themed investing: none, we do not manage thematic sustainability assets or funds. (3) Screening: 100% of total AUM, 100% of Private Equity AUM; 100% of Infrastructure AUM. Please refer to pages 11-29 of this Sustainability report.
	FN-AC-410a.2	Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies	Please refer to pages 11-29 of this Sustainability report.
	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	Please refer to: <ul style="list-style-type: none"> • Pages 11-29 of this Sustainability report. • Page 120 of our Annual report 2021, available on www.3i.com/investor-relations
Business Ethics	FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	None.
	FN-AC-510a.2	Description of whistleblower policies and procedures	Please refer to page 47 of this Sustainability report.

SASB continued

Topic	Code	Indicator	Details
Systemic Risk Management	FN-AC-550a.1	Percentage of open-ended fund assets under management by category of liquidity classification	Not applicable. 3i does not manage open-ended investment vehicles. Please refer to the following for a description of our business: <ul style="list-style-type: none"> • Page 4 of this Sustainability report. • Pages 4-5 of our Annual report 2021, available on www.3i.com/investor-relations
	FN-AC-550a.2	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	Not applicable. 3i does not manage open-ended investment vehicles that offer frequent liquidity. Please refer to the following for a description of our business: <ul style="list-style-type: none"> • Page 4 of this Sustainability report. • Pages 4-5 of our Annual report 2021, available on www.3i.com/investor-relations
	FN-AC-550a.3	Total exposure to securities financing transactions	None.
	FN-AC-550a.4	Net exposure to written credit derivatives	None.
Table 2. Activity Metrics	FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM)	We do not manage any assets subject to the regulations of the Investment Company Act of 1940 (1940 Act). Please refer to pages 4-5, 34 of our Annual report 2021, available on www.3i.com/investor-relations , for information on our AUM.
	FN-AC-000.B	Total assets under custody and supervision	Not applicable. We do not perform regulated custody or supervision activities.

Contacts

Should you have any questions on the content of this report, please contact:

Silvia Santoro
Group Investor Relations Director
+44 20 7975 3258
irteam@3i.com

www.3i.com/sustainability
www.3i.com/investor-relations