

1. Overview

All fund managers should have business integrity (BI) policies that:

- Clearly articulate the fund's investment principles and values from a BI perspective and conveys the fund manager's strategy, ambitions and business culture with regard to managing BI risks, impacts and opportunities.
- Explain the framework of the whole BI management system, including the BI standards the fund manager will apply and expects portfolio companies to meet (e.g. local regulations and international best practices).
- Highlight the fund manager's/fund's intentions with respect to identifying and realising business opportunities relating to BI themes.
- Specify the individuals who will be accountable and responsible for the implementation of the policies.
- Meet the BI requirements as set out by LPs in the Limited Partners Agreement /side letter that governs the fund.
- Are communicated and available to the fund management team, portfolio companies and current and prospective LPs.
- Are approved by the senior management team and dated.

2. Guidance and advice

- [Developing an approach](#)
The most effective and realistic BI policies evolve where fund managers have properly considered the types and significance of the BI risks to which the fund will be exposed, their own market positioning, their specific circumstances, and the resources available internally to develop their policies and procedures. It is also important to consider investors' priorities and expectations and align the direction of the fund's policies and practices with those of key stakeholders.
- [Elements of a good policy](#)

Good policies typically contain or address the following:

- A summary of the fund’s beliefs and stance on BI matters and responsible investment. This explains briefly how the fund’s values and practices are aligned with, and contribute to, the organisation’s overall mission and objectives, as well as its approach to addressing challenges.
 - A brief statement about the scope and applicability of the policies (e.g. define policies, whether the policies apply to all funds managed by the fund manager or whether they will be retroactively applied to funds already in existence and/or those assets already in the portfolio?)
 - A clear statement regarding BI norms and standards that the fund will follow and which it will hold its portfolio companies to. This may be structured as a hierarchy whereby certain requirements will apply to all portfolio companies.
 - A commitment to work realistically and pragmatically towards the application of these standards over time and a description of how the fund intends to achieve this goal despite the challenges it may face.
 - A reference to internationally recognised initiatives, principles or standards that the fund manager has adopted or committed to follow (e.g. United Nations-supported Principles for Responsible Investment (PRI)).
 - A summary of how the policies will be applied and how progress will be reported.
 - The policies should be clear and understandable.
 - The policies should be formally adopted by top-level management (to demonstrate the fund manager’s commitment) and dated. The policies (and the rest of the BIMS) should be communicated to the fund’s team and revisited with appropriate regularity to ensure it remains relevant and up to date. There should be a process for revising the policies and other components of the BIMS. Changes to the BIMS may need sign-off by LPs.
- [Communicating the policy](#)
Policy documents should be visible, and adequately communicated and explained, to

all members of the fund management team, and should be easily accessible and made prominent (e.g. published on the fund manager's intranet, in the LP zone of its website and potentially disclosed publicly online).

Consideration should also be given to whether and how the policies are communicated externally. It is also important to consider who might be interested in the policies - potential and current portfolio companies, as well as investors - and then make the policies easily accessible to them.

During fund raising, it is important for the fund to disclose enough information on its BIMS to allow potential LPs to assess whether their approaches are aligned. A well-conceived set of policies and a clear BIMS will signal BI commitments to potential investors.