

Procedures

Fund BIMS

Note: This table has been developed to guide fund managers. The table is an example and is not comprehensive.

		POINTS TYPICALLY COVERED BY PROCEDURES (various points would be typically covered under one procedure)	FUND'S REFERENCES AND TOOLS	KEY REFERENCES AND TOOLS PROVIDED BY CDC ESG TOOLKIT (See also Reference materials)
INVESTMENT STAGE	SCREENING	<ul style="list-style-type: none"> • Identification of material breaches of the fund's BI policies. • Identification of key BI risks, impacts and opportunities. • Preparation of IC documentation. 	<ul style="list-style-type: none"> • Fund's BI policies. • Screening/high-level checklists. 	<ul style="list-style-type: none"> • Investment cycle: Screening. • Business integrity. • Sector profiles.
	DUE DILIGENCE	<ul style="list-style-type: none"> • DD process – assessment of BI matters: desktop review, meetings and site visits, assessment of the CCTR and guidance on ensuring influence and oversight during ownership/monitoring. • Engagement of external advisors. 	<ul style="list-style-type: none"> • Site visit and DD checklists/questionnaires. • Action plan template. 	<ul style="list-style-type: none"> • Investment cycle: Due diligence. • Business integrity. • BI checklist. • Sector profiles. • CDC guidance: Working with consultants, ESG action plans, Assessing CCTR, Working with management.
	INVESTMENT DECISION	<ul style="list-style-type: none"> • Preparation of IC papers. • Finalisation of all anti-money laundering and 'know your customer' checks. 	<ul style="list-style-type: none"> • Investment paper template. 	<ul style="list-style-type: none"> • ESG in the investment cycle: Investment decision. • Business integrity. • CDC guidance: Working with management.
	INVESTMENT AGREEMENT	<ul style="list-style-type: none"> • Incorporation of BI terms in the legal agreement(s). 	<ul style="list-style-type: none"> • Legal template/drafting guide. 	<ul style="list-style-type: none"> • ESG legal drafting guide for equity investments. • Business integrity. • ESG in the investment cycle: Investment agreement. • CDC guidance: Working with management and ESG action plans.
	OWNERSHIP AND MONITORING	<ul style="list-style-type: none"> • Monitoring of BI action plans and company's compliance with laws/standards and BI performance. • Engagement with the company. • Management of unexpected events. • Engagement with/reporting to LPs. • Prepare of IC papers (monitoring). 	<ul style="list-style-type: none"> • Companies' reporting forms. • Site visits. • BI reporting templates to LPs (including serious incidents). 	<ul style="list-style-type: none"> • Investment cycle: Ownership and monitoring. • Business integrity. • BI checklist. • Sector profiles. • CDC guidance: Working with management. • CDC good practice: Preventing fatalities and serious accidents.
	EXIT	<ul style="list-style-type: none"> • Preparation of documentation for potential buyers. • Evidence BI improvements. 	<ul style="list-style-type: none"> • Evidence/data gathered during investment period. 	<ul style="list-style-type: none"> • Investment cycle: Exit. • Business integrity.
	FUND'S PERFORMANCE MANAGEMENT	<ul style="list-style-type: none"> • Evaluation of the adequacy of the BIMS as a whole. • Approval and implementation of changes to the BIMS. 	<ul style="list-style-type: none"> • BIMS evaluation guidance. • Questionnaires for staff to get feedback. 	<ul style="list-style-type: none"> • Management systems: Environmental and social management system. • Business integrity.
	FUND EXTERNAL STAKEHOLDER ENGAGEMENT	<ul style="list-style-type: none"> • Reporting on the company's BI performance and the fund's BIMS to LPs. • Whistleblowing mechanism for external stakeholders. 	<ul style="list-style-type: none"> • Reporting templates. • Stakeholder engagement guidance. 	<ul style="list-style-type: none"> • Fund's reporting template. • Investment cycle: Ownership and monitoring. • Business integrity.

DEFINE ROLES AND RESPONSIBILITIES