

Anti-Corruption and Integrity Operating Policy

Document Audience:	All PIDG Companies: including such persons and entities working for or on behalf of PIDG and which receive funding either directly or indirectly from the PIDG
Custodian:	PIDG Ltd Chief Risk Officer
Approver:	PIDG Owners (following review and approval by the PIDG Ltd Board)
Document number:	OPP002
Document status:	Final
Issue date:	23 May 2022
Review date:	Biennial

Table of Contents

1. Introduction 2

2. Scope 2

3. Policy Statement..... 2

4. Policy Standards 3

5. Standards for Investigations 4

6. Process for gaining assurance of compliance..... 5

1. Introduction

This document sets out PIDG's Anti-corruption and Integrity Operating Policy ("Policy") and management framework. It sets out the policy requirements, minimum standards and controls which are designed to prevent and combat financial crime and integrity violations that may occur in connection with the activities of PIDG.

2. Policy Scope

This Policy applies to all activities undertaken by, or on behalf of, the Private Infrastructure Development Group Trust ("PIDG Trust") and PIDG companies.

This Policy applies to all:

- employees, contractors, agency workers, consultants, executives, committee members and non-executive directors of the PIDG companies ("Employees");
- third-party service providers responsible for delivering the core activities of a PIDG company ("Third Parties"); and
- persons and entities which receive funding either directly or indirectly from a PIDG company and/or the PIDG Trust ("PIDG Recipients").

Employees, Third Parties and PIDG Recipients shall together be referred to as "Applicable Persons" and each "an Applicable Person".

Where PIDG's ability to control or direct Third Parties or PIDG Recipients is constrained by external factors all reasonable endeavours will be made to require relevant persons or entities to comply with this Policy or a comparable policy.

For the purposes of this Policy corrupt practices and integrity violations shall include all forms of financial crime, including:

- money laundering
- terrorist financing
- fraud
- bribery and corruption
- facilitation of tax evasion
- insider dealing and market manipulation or abuse
- any other activity defined as financial crime (or equivalent) under any applicable legislation or regulation.

3. Policy Statement

PIDG is committed to the international fight against financial crime and upholding the highest ethical standards and good governance. It has adopted a zero tolerance to all forms of financial crime including fraud, bribery, corruption, money laundering, financing of terrorism, integrity violation and other misconduct.

PIDG shall conduct business in an honest and ethical manner. It shall act professionally, fairly and with integrity in all its business dealings and relationships, wherever it operates. PIDG shall seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism or to become associated with the investment of proceeds of crime.

To these ends, PIDG is committed to taking appropriate steps to ensure that such risks are minimised and mitigated. PIDG and all Applicable Persons shall take all appropriate measures to prevent and combat financial crime and integrity violations.

PIDG and all Applicable Persons shall not:

- a) Engage in any activity, nor enter into any transaction, prohibited by any United Nations Security Council (UNSC) resolution issued under Chapter VII of the UN Charter; or
- b) Have involvement with any party that is an entity or person:
 - i. sanctioned pursuant to any UNSC resolution issued under Chapter VII of the UN Charter;
 - ii. on the World Bank Listing of Ineligible Firms and Individuals (www.worldbank.org/en/projects-operations/procurement/debarred-firms or any successor website or location); or
 - iii. convicted, indicted, or subjected to any similar criminal sanction, by any court or governmental body of competent jurisdiction, for engaging in money laundering or financing of terrorism or any sanctionable practice, unless a governmental body of a competent jurisdiction has confirmed that appropriate remedial action has been taken.

As a minimum PIDG and all Applicable Persons are required to comply with all applicable laws and regulations in respect of anti-money laundering and combating the financing of terrorism (including but not limited to the UK Money Laundering regulations and related legislation), and uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which they conduct business, including the UK Bribery Act 2010 or equivalent legislation. Where local laws specify more stringent or differing requirements these shall prevail.

Ultimately, the PIDG Ltd Board is accountable for PIDG's compliance with this Policy and all applicable international and local laws. Senior management (the group of executives with responsibility for the daily planning, supervision and administration) of each PIDG company has a responsibility to ensure that this Policy is fully implemented within PIDG and that proportionate systems and controls have been defined and are working effectively. This includes activities that are outsourced or undertaken by third party contractors.

If a third-party fails to comply with this Policy or a comparable policy, it will not be possible for PIDG to provide funding to such third-party, either directly or indirectly.

4. Policy Standards

PIDG companies shall apply the following standards in order to achieve the aims and objectives of this Policy to manage PIDG's exposure to financial crime risk:

- i. Business activity – PIDG companies, or any person acting on their behalf, shall not enter into any activity that would result in financial crime, nor may they enter into any activity that would enable others in committing a financial crime.
- ii. Risk assessment – each PIDG company shall ensure that a current assessment of its exposure to financial crime risk is maintained and approved by senior management and that its risk appetite and tolerances are documented and approved in line with the PIDG Risk Appetite Statement. This should be reviewed and updated at least annually.
- iii. Systems and controls – each PIDG company shall design and implement proportionate systems and controls to manage its activities in accordance with this Policy (taking account of its current financial crime risk assessment, appetite and tolerances) and ensure these are operating effectively.
- iv. Due diligence – Due diligence is to be undertaken in accordance with the PIDG Due Diligence Operating Policy. Where PIDG companies enter into a business relationship (including one off transactions) with another party, they shall undertake an appropriate due diligence assessment of the financial crime risks presented by the business relationship and define periodic re-assessments of that risk. Enhanced due diligence measures shall be undertaken where the risk assessment determines the business relationship to be high risk. This may include, inter alia, any business relationship with a person established in a high-risk third country or in relation to any relevant transaction where either of the parties to the transaction is established in a high-risk third country.

- v. Screening – prior to entering into a business relationship, each PIDG company shall take steps to identify whether any party with whom they propose to have a business relationship is subject to any form of sanctions or performs a prominent public role and to assess the risk presented by any such business relationship. This shall be continued for the duration of the business relationship taking account of the financial crime risk assessment.
- vi. Monitoring for unusual activity – each PIDG company shall put in place monitoring, appropriate to the financial crime risk presented, to demonstrate adherence to this Policy and to enable PIDG to identify any suspicious activity.
- vii. Suspicious activity – where an individual has any knowledge or suspicion of a financial crime, they shall immediately report it to the PIDG company’s Nominated Officer designated to receive such reports.
- viii. Safeguards – shall be developed and implemented to ensure that any employee who reports a suspicion of wrongdoing in good faith and in accordance with the PIDG Complaints and Whistleblowing Operating Policy must not suffer detriment as a result of making such a report.
- ix. Record keeping - PIDG shall maintain adequate records to fulfil its regulatory obligations and to meet its business purposes. Personal data obtained to comply with regulatory obligations shall only be processed for the specified purposes; no other use may be made of the data, unless permitted under other law, or the party to whom the data relates provides their consent in accordance with the PIDG Company’s Data Protection Policy and applicable data protection legislation.
- x. Employee vetting - PIDG companies shall determine and document the level of pre-employment and on-going vetting required for all roles that exist within their company, which shall include establishing whether a particular role creates a financial crime risk, the risk of an individual committing or facilitating financial crime, and how that risk will be mitigated.
- xi. Employee awareness and training – PIDG shall ensure that all employees are aware of their obligations in relation to financial crime or integrity violations, most significantly their obligation to report any suspicious activity or wrongdoing and the safeguards in place to protect them if making such a report. Senior management shall ensure that all employees complete the designated training in the timescale directed and more targeted training is provided for those occupying relevant roles. All employees must complete their training in the timescale directed by their senior management.
- xii. Nominated Officer - PIDG companies shall appoint a Nominated Officer who will be responsible for receiving disclosures regarding financial crime or other integrity violation. This role may be fulfilled by a PIDG company’s Money Laundering Reporting Officer (MLRO) where a PIDG company has appointed a MLRO.

5. Standards for Investigations

5.1. Investigative Procedure

PIDG requires that all instances of suspicion, knowledge or allegation of financial crime or integrity violation be investigated thoroughly and, where appropriate, referred to the relevant authorities. The purpose of an investigation is to examine and determine the veracity of allegations of financial crime or other integrity violation for submission to the PIDG Ltd Chief Risk Officer (CRO), the PIDG Ltd Board and PIDG Owners.

PIDG requires that all allegations of financial crime assessed as having, or likely to have, a Medium or above impact in accordance with the PIDG risk assessment be immediately notified by the Nominated Officer to the CRO. The CRO and the Nominated Officer will then agree the investigative procedure to be carried out.

Where appropriate the CRO, acting as the Head of Investigations, may nominate an Investigative Officer (who must not have any real, apparent or perceived conflict of interest) for the purposes of conducting investigations into financial crime and integrity violations by any part of PIDG or an Applicable Person.

The principal responsibilities of the Investigative Officer are to conduct independent and objective investigations in relation to allegations, knowledge or suspicion of financial crime and to report the findings of any such investigation to the CRO.

Where it is determined that the matter is to be referred to the appropriate national authority, the Nominated Officer or Investigative Officer shall, via the CRO, notify the PIDG Ltd Board and PIDG Owners. Where such prior notification is deemed not to be appropriate or practical in the circumstances such officer shall refer the matter to the appropriate authorities and, via the CRO, inform the PIDG Ltd Board and PIDG Owners as soon as practicable.

Where evidence of financial crime or other integrity violation is found, PIDG will seek prosecution of offenders, the application of appropriate penalties (including not using or engaging the offender again) and the recovery of misappropriated funds or assets wherever possible and practical. PIDG will also comply with all obligations regarding the reporting of such matters to the appropriate national authorities.

5.2. Objective, Impartial, Fair and Timely

Any investigation shall be conducted competently and with the highest levels of integrity, objectivity, impartiality and fairness throughout the investigative process. In particular, the Investigative Officer's duties shall be performed independently from their day to day involvement in the operations of PIDG and they shall be free from improper influence and fear of retaliation.

The investigation of allegations shall be conducted promptly, thoroughly and in confidence, with the use of such internal and external resources as considered necessary.

5.3. Obligation to Cooperate

All Applicable Persons shall have an obligation to cooperate with the Investigative Officer. In cases of refusal to cooperate, the Investigative Officer may refer the matter to the CRO (and others within the group, if appropriate) for appropriate action. Failure to cooperate shall include not responding in a timely and complete manner to enquiries, failure to provide relevant documents or other relevant evidence that the Investigative Officer may request (unless any agreed exceptions apply), destroying or concealing evidence, misrepresenting facts, or otherwise inhibiting an investigation.

5.4. Third Parties

All PIDG companies shall use their best endeavours to obtain co-operation of Third Parties and PIDG Recipients and any third parties acting for and, on their behalf, during the course of any investigation.

6. Process for gaining assurance of compliance

The CRO will seek assurance of compliance with this Policy by the:

- Annual attestation process completed by each company;
- Risk issues and risk events raised on risk registers;
- PIDG companies' financial crime risk assessments;
- Management Information showing the status of key control metrics;
- Material concerns raised through audit and compliance review activity; and
- Reporting to relevant company or group-wide committees.

The CRO will escalate identified areas of non-compliance as appropriate, in accordance with PIDG corporate governance arrangements.