

Transparency and Disclosure Policy

July 2018



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1. Introduction

As a publicly-owned body, we understand the importance of operating transparently. The information we publish about our investments, our operations and our governance holds us accountable to a range of stakeholders, including Parliament and the public. By providing accurate and timely information, we can help inform public debate about our effectiveness. At the same time, operating transparently supports our development mandate, by sharing our experiences and demonstrating our successes for the benefit of other investors with an interest in investing in Africa and South Asia.

We have a strong track record on being transparent and we recognise that we can continue to make improvements. We aim to be the most transparent development finance institution (DFI), balancing the public nature of what we do with the commercial status of our investee businesses.

We are subject to the Freedom of Information Act 2000 (FOIA) and UK and other relevant data protection laws. Further information on these responsibilities can be found in section 4. We also make certain information available for inspection by the public in accordance with the UK Corporate Governance Code.

1.1 Policy sponsor and maintenance

The Chief Operating Officer (COO) is the sponsor of this policy and is responsible for maintaining this policy, including a submission to the Board every two years for review and approval.

2. Principles

This transparency policy covers three broad areas where we publish information:

- **Governance:** information about our Board and governance arrangements, to demonstrate that we have a rigorous governance structure and that our Board and the Department for International Development (DFID) exert an effective oversight of CDC.
- **Operations:** information about the way we do business, to demonstrate that we are spending taxpayers' money wisely and managing risks effectively.
- **Investments:** information about the investments we make, to demonstrate that these are made according to our Investment Policy and deliver a positive development impact.

When considering which information to make available to the public, we consider the following principles:

- Whether it helps us to build trust and provide public oversight;
- What the resulting operational burden might be;
- If it is commercially sensitive or would constitute a breach of confidence to, or contract with, a third party – for example, we receive non-publicly available information from investment partners for the purposes of assessing new opportunities and evaluating existing investments. This information may be commercially sensitive and/or subject to confidentiality obligations; and
- If it is personal data that we have an obligation to keep confidential.

We believe transparency is not only about the amount of information we make available, but also its accessibility and usability. Where possible, we try to make information useful to users by considering options such as whether the information can be exported or whether it can be searched.

We also publish data using existing, recognised and widely used systems. We were the first DFI to sign up to the International Aid Transparency Initiative (IATI) and we continue to publish data about our investments using the IATI standard.

Our focus is on publishing current information about our governance, operations and investments. We don't hold information on all the investments we've made in the past, due to the requirements of UK and other relevant data protection laws, the operational resources required to maintain such an archive, and the legal risk entailed. However, we publish information about exited investments from 1 January 2012 for a minimum of ten years after the date of the initial investment (see section 3.3.1), as well as an online archive of all our previous Annual Accounts and Annual Reviews. Other annually updated information related to our financial position (including operating costs, aggregated employee remuneration, gifts and hospitality register) and aggregated portfolio information will remain on our website for a period of five years.

We aim to keep the information that we publish up to date, and depending on its nature, information is updated annually or quarterly.

3. Information disclosed

3.1 Information about CDC's operations

3.1.1 Investment process

We publish information on our investment process including the types of investment offered, the countries and sectors we invest in and eligibility criteria. We also publish information on our environmental and social and business integrity due diligence processes and our approach to development impact, including our monitoring and evaluation framework and methodologies.

3.1.2 People and decision-making structures

We publish information on key people and decision-making structures within CDC, including:

- Our organisational structure
- Information on the role and membership of our Executive Committee and our Investment Committees
- Biographies of senior individuals at CDC including Board members, Executive Committee members and Investment Committee members

3.1.3 Financial information

We publish the following information related to our financial position and policies:

- Information about our source of funds and capital structure (updated annually)
- Information about operating costs (updated annually)
- Information about the remuneration and benefits offered to CDC employees, including
 - Our approach to pay
 - Information on our gender pay gap (updated annually)
 - Information about the remuneration of Directors (updated annually)
 - Aggregate information about the remuneration of individual employees (updated annually)

- A gift and hospitality register, with information about gifts and hospitality given and received by CDC employees (updated annually)

3.1.4 Policies

We publish key policies that govern our operations and decision-making processes including:

- Investment Policy, which sets out the parameters and guidelines within which we conduct our investment business.

Policies related to environmental, social, governance and business integrity issues:

- Code of Responsible Investing, which sets out environmental, social and governance requirements for our investee companies. We also publish guidance for fund managers on how to implement these requirements.
- Environmental and social policies (covering climate change, coal)
- Modern Slavery Act statement
- Business integrity policies and commitments (covering whistleblowing and complaints; and statements on anti-corruption and anti-money laundering). Our process for submitting complaints or whistleblower reports is outlined on our website.
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Policies related to CDC employees:

- Position statement on diversity
- Employee travel and expense policy

Other operational policies:

- Payment of taxes and offshore financial centres policy
- Risk management policy
- Transparency and disclosure policy (this policy)
- Privacy policy

3.2 Information about CDC's governance

We publish information about CDC's governance in line with the requirements of the Corporate Governance Code, including:

- CDC's articles of association and a link to the CDC Act
- Annual Review and Annual Accounts
- Information on the role and membership of the Board
- Information on the role and membership of Board committees, including their terms of reference
- Information on attendance at Board and Board committee meetings
- Minutes of Board meetings

3.3 Information about CDC's investments

3.3.1 Scope of online database

We maintain an online database which includes information on:

- Companies:
 - All companies that CDC is currently invested in (without consideration of the date of the investment)

- All companies that CDC is no longer invested in, but which received a direct CDC investment after 1 January 2012 (for a minimum of ten years after the date of the initial investment)
- All companies that CDC is no longer invested in, but were invested in by funds committed to by CDC after 1 January 2012 (for a minimum of ten years after the date of the fund's investment into the company)
- Funds:
 - All funds that CDC has a current commitment to (without consideration of the date of the commitment)
 - All funds that have finished operations but CDC committed to after 1 January 2012 (for a minimum of ten years after the commitment date)

3.3.2 Updates

The online database is updated quarterly with new investments made by CDC. The accuracy of information provided for ongoing investments is verified annually.

3.3.3 Information provided for all investments

- Status of the investment (active or completed)
- Region of operation
- Country(ies) of operation (if applicable – some funds operate regionally)
- Sector(s)
- Investment type (direct equity, debt or intermediated)
- Domicile
- Link to the website of the company or fund manager
- Description of the company or fund
- High-level description of CDC's investment
- Start date of the investment (investment date for direct investments and underlying fund investments; commitment date for fund commitments)
- End date of the investment (for companies and funds that are no longer invested by CDC)

3.3.4 Additional information provided for direct investments

- The amount CDC invested
- The principal countries where the company pays taxes
- A high-level description of the intended impact of the investment
- A high-level description of the environmental and social aspects of the investment
- A high-level description of the impact achieved by the investment (for companies that are no longer invested by CDC)
- Where appropriate, the type of exit (for companies that CDC no longer invests in)

3.3.5 Additional information provided for fund commitments

- The amount CDC committed
- The name of the fund manager
- A high-level description of the intended impact of the investment
- A high-level description of the environmental and social aspects of the investment

- A high-level description of the impact achieved by the investment (for funds that are no longer invested by CDC)
- A list of all investments made by the fund

3.3.6 Additional information provided for underlying fund investments

- The name of the fund through which CDC has invested in the company
- The name of the fund manager

3.3.7 Aggregated portfolio information

In addition to the online database, we publish the following aggregated data on our portfolio, updated annually:

a) Portfolio structure information

- Aggregate value of our investments, in each country and in each sector
- Number of companies we're invested in, in each country and in each sector
- Sectors receiving investment in each country

b) Environmental and social information

- Information about serious incidents at investee businesses reported to us by our partners and fund managers

c) Impact information

- Aggregated at portfolio level
 - Jobs created by the companies in our portfolio¹
 - Taxes paid by the companies in our portfolio
 - Third-party capital mobilised
- Aggregated at sector level
 - Number of people employed by the companies in our portfolio in each sector^{1,2}
 - Taxes paid by the companies in our portfolio in each sector²
 - Sector-specific impact metrics
- Aggregated at country level
 - Number of people employed by the companies in our portfolio in each country^{1,2}
 - Taxes paid by the companies in our portfolio in each country²

We will also publish thematic impact metrics relating to gender, climate change and job quality, aggregated across the companies that deliver impact in these areas, when data of sufficient quality has been collected from our portfolio companies.

¹ The monitoring of the number of workers directly and indirectly associated with our portfolio companies' operations is calculated from information supplied by portfolio companies on direct employees, sales turnover, earnings and wages. Regardless of how the information has been shared with CDC, if that same information is available in the public domain (e.g. in company annual reports or corporate websites), we reserve the right to publish the results of these calculations.

² For commercial confidentiality reasons, we only publish this data for countries or sectors where we have more than three active portfolio companies.

We commission independent evaluators to undertake periodic studies and evaluations of our development impact and will publish these findings. Such reports may include information on specific investments and such information will be subject to Section 4 below (unless the other party has signed a waiver which overrides the provisions in this legislation).

4. FOIA, data protection and privacy

CDC is subject to the Freedom of Information Act (FOIA) and UK and other relevant data protection laws and we take our responsibilities seriously – both to share information that should be made available and to protect information that should not be shared. CDC will not routinely publish information which is, or is likely to be, exempt from disclosure under FOIA. For more information on how to make a FOIA request, our approach to data protection and privacy and how to make a subject access request, please see cdgroup.com.



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