IGUAKO CAPITAL · Group policy

Responsible Innovation

This policy governs innovation in two directions: what IGUAKO Capital builds for itself, in data, models and technology, and what it finances in the businesses it backs, from new medicines and biologics to breeding programmes and analytical products. It applies the seven principles of the Ethical Technology Charter as a gate that every new product, model, dataset or innovation-led position must pass, and it names the practices the firm will not build or fund at all.

CODE	CATEGORY	VERSION
IGC-SE-003	Sustainability and ethics	1.3
EFFECTIVE	**REVIEW**	**OWNER**
2024-02-01	Annual. Last reviewed January 2026. Next review due January 2027.	Head of Technology and Ethics

1. Purpose and scope

The firm profits from things that are new: a molecule that works, a vaccine for a herd, a dataset nobody else has assembled, a model that sees a pattern first. Novelty is where the advantage comes from and where the harm is least understood. This policy exists so that the firm asks, before it builds or funds something new, what it could do to a person, an animal or a market, and who will answer for it.

The policy applies to every new product, service, model, dataset, system or process the group develops for its own use or for clients, and to every position, facility or mandate whose investment case rests on an innovation: a product in development, a novel technology, a new use of data. It applies in all six divisions and in every jurisdiction.

It sits under the Ethical Technology Charter adopted by the Board in 2023 and overseen by the Ethics & Technology Council. The Model Risk Management policy governs models once built. The Artificial Intelligence Governance policy governs learning systems. The Data Protection and Privacy policy governs personal data. This policy governs the decision to begin, which comes before all of them.

2. The seven principles as a gate

Every proposal within scope passes a Responsible Innovation Review before resources are committed or capital is approved. The review is a written assessment against the seven Charter principles, prepared by the proposing team, examined by the Ethics office and decided by the Head of Technology and Ethics or, for proposals above US$10 million or of a kind not reviewed before, by the Ethics & Technology Council.

The review tests seven things: the named person who will answer for the innovation and its consequences; whether the automation it introduces is proportionate to the cost of its errors; where its data comes from and on what lawful basis; whether it infers anything about an individual beyond what a mandate requires; whether it affects animals and, if so, whether it meets the Group Welfare Standard; whether clients will be able to see where it was used; and whether any client can require a human decision instead.

A review ends in one of four decisions: cleared, cleared with conditions, deferred for more evidence, or declined. Conditions become obligations on the proposing team or covenants in the investment documents, and their fulfilment is verified before launch or before the second drawdown. In the year to 30 June 2026 the Ethics office conducted 27 reviews: 16 were cleared, eight conditioned, one deferred and two declined.

3. Innovation the firm builds

The Quantitative Strategies and Information & Data divisions develop models, datasets and analytical products, and the Technology function develops the systems every division uses. New work begins in a development environment separated from production, in which client data is not used unless the Data Protection and Privacy policy gives a lawful basis for the specific use and the Information Governance Committee has approved it.

No product that makes or recommends a decision about a client is released without the human review point the Charter requires, and no product infers a characteristic of an individual that the mandate did not ask for. Facial recognition is not developed, licensed or used in any group system. Client data is not sold, exchanged or contributed to any pooled dataset outside the group.

Every product carries a named accountable owner at head-of-function level and a written description, kept current, of what it does, what data it uses, where its outputs go and how a client can tell it was used. The description is available to clients under the Charter's transparency principle and to the supervisors of the licensed entities on request.

4. Innovation the firm funds

Innovation-led positions in the origination sectors involve living systems: new medicines and vaccines, biologics manufactured in cell lines or in animals, breeding and genetic programmes, aquaculture technologies, agricultural inputs. The Responsible Innovation Review for such positions is conducted with the Welfare Assessment Unit and, where research is involved, with an external ethics reviewer engaged under the Third-Party Risk and Outsourcing policy.

The firm funds research and development only where the sponsor holds the required approvals from the responsible authority in the jurisdiction, where any use of animals meets the Group Welfare Standard, and where the data supporting the product is held in a form the firm can audit. The investment documents require the business to disclose to the firm every adverse finding in development within ten working days.

Innovation-led positions in the deployment sectors, in data, technology, information infrastructure and financial systems, are assessed on the same seven tests with an emphasis on data provenance, on inference about individuals and on the right to a human decision. A technology business that sells a product the firm would not build under the previous section is not funded.

5. Research of concern and dual use

Some research carries hazards out of proportion to its commercial value. The firm maintains a register of research of concern, approved by the Board on the advice of the Ethics & Technology Council, and it does not fund or advise on any activity on the register. The register is reviewed each year with input from the independent directors and from external scientific advisers.

Proposals adjacent to the register, for example vaccine platforms that could be repurposed, or genetic techniques with applications beyond the one proposed, receive an enhanced review by the full Council with an external reviewer. They are cleared only with conditions that restrict the use of the firm's capital to the stated purpose and give the firm a right to exit if the purpose changes.

- Research intended to increase the transmissibility or lethality of a pathogen.
- Heritable genetic alteration of animals where the purpose is not the health, welfare or disease resistance of the animal.
- Development of systems for the surveillance or profiling of individuals without their mandate.
- Autonomous decision systems in which no named person can be held to account for the outcome.
- Any product whose commercial case depends on the inference of protected characteristics.

6. Records, review and accountability

Every Responsible Innovation Review is recorded in the innovation register with its decision, its conditions and the evidence that conditions were met. The register is reviewed by the Ethics & Technology Council each quarter and by Internal Audit every two years. Records are retained for the life of the product or position and for six years after.

The Head of Technology and Ethics reports to the Board each year on the reviews conducted, the decisions taken, the conditions imposed and any product or position where a review was found afterwards to have been incomplete. Priya Vantongeren, the independent director with a data-governance background, reviews the report before it goes to the Board. Failure to submit a proposal for review before committing resources or capital is a breach of the Code of Conduct.

The policy is reviewed each year by the Ethics & Technology Council in the light of the reviews conducted and of changes in the science and the technology the firm works with. Changes to the seven tests require Board approval, because they are the Charter's principles in operational form, and the Charter is the Board's document.

Key controls

- A Responsible Innovation Review against the seven Charter principles before resources or capital are committed.
- Council-level decision for any proposal above US$10 million or of a kind not reviewed before.
- Conditions converted into obligations or covenants and verified before launch or second drawdown.
- A separated development environment in which client data is used only with a lawful basis and committee approval.
- A named accountable owner and a current written description for every product the firm builds.
- External ethics review for every innovation-led position involving research on living systems.
- A Board-approved register of research of concern, reviewed annually with external scientific advice.
- Quarterly review of the innovation register by the Ethics & Technology Council and Internal Audit review every two years.

Related policies

- Artificial Intelligence Governance (IGC-DT-005)
- Model Risk Management (IGC-DT-004)
- Animal and Biological Welfare in Investment (IGC-SE-002)
- Data Protection and Privacy (IGC-DT-001)

Colophon

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