



NORTHSTAR ADVISORS PTE. LTD.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

PHILOSOPHY, POLICY AND MANAGEMENT SYSTEM

28 FEBRUARY 2022



INTRODUCTION

Northstar Advisors Pte. Ltd. ("**Northstar**") is a private equity fund manager based in Singapore. Northstar manages funds that principally make equity and equity-like investments in entities headquartered, or with significant operations, in (a) Indonesia and (b) to a lesser extent, other countries in Southeast Asia. This document sets out Northstar's Environmental, Social and Governance ("**ESG**") Philosophy and Policy as well as Northstar's ESG Management System ("**ESGMS**").

ESG PHILOSOPHY

Northstar's ESG Philosophy is that carefully assessing and actively managing ESG factors enhances our ability to generate consistent long term returns and positively impact our communities.

ESG POLICY

Northstar will:

- (a) integrate Responsible Investing ("**RI**") / ESG into our investment analysis and decision-making processes;
 - (b) be an active owner and incorporate RI / ESG into portfolio operations practices;
 - (c) seek appropriate disclosure on RI / ESG issues from the companies in which we invest;
 - (d) promote acceptance and implementation of RI / ESG within the investment industry;
 - (e) work with others to enhance our collective effectiveness across RI / ESG; and
 - (f) regularly report on RI / ESG activities and progress.
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ESG MANAGEMENT SYSTEM

(1) Safeguard Requirements

Northstar will ensure that all investments are reviewed and evaluated against the following Safeguard Requirements:

- (a) Northstar's Prohibited Investment Activities List ("**PIAL**") set forth in ANNEX 1.
- (b) All applicable statutes, laws, ordinances, rules and regulations, including, but not limited to, any license, permit or other governmental authorization imposing liability or setting standards of conduct concerning any environmental, social, involuntary resettlement, land acquisition, indigenous people, physical cultural resources, labor, health and safety or security risks (collectively "**Applicable ESG Laws**").
- (c) Ensuring that gender issues are identified, and women's needs and concerns are considered and addressed.
- (d) Compliance with country labor laws and the core labor standards per Northstar's Social Protection Strategy set forth in ANNEX 2.
- (e) Where applicable, the environmental, social and governance requirements of investors in the funds managed by Northstar.

(2) Environmental, Social & Governance Procedures

This ESGMS is a key part of Northstar's overall management structure and is integrated into its day-to-day management activities.

This ESGMS details the procedures and workflow that will be followed for investments made by Northstar. This ESGMS will be primarily administered by Northstar's ESG Officer. Overall responsibility for the implementation of the ESGMS and Northstar's compliance with its ESG Policy rests with Northstar's senior management and Investment Committee.

This ESGMS applies to all Northstar investments and projects. The ESG Policy and this ESGMS will be communicated to all staff and operational employees of Northstar.

The ESG Policy and ESGMS will be subject to periodic review.

Northstar will follow the procedures outlined below for all investments in order to ensure they are reviewed, evaluated, processed, and managed in accordance with the ESGMS.

(a) Initial Deal Identification

Northstar's screening and categorization processes will facilitate review of proposed investments for potential ESG issues at an early stage as follows:

- (i) At an initial stage of reviewing a potential investment, check that the investee company's operations are not included on the PIAL. If the potential investment involves a prohibited activity, the investment will not be considered. Confirmation of the review against Northstar's PIAL and any initial information about the potential investee company from an ESG perspective will be included in the Investment Review Committee materials.
- (ii) Work with the potential investee company to conduct a rapid assessment of the likely ESG effects (including environmental health, safety, social (i.e. labor and working conditions, gender, poverty, social protection requirements, etc.), involuntary



resettlement (“IR”) and indigenous peoples¹ (“IP”)) effects of the proposed investment. The Land Acquisition, Involuntary Resettlement, and Indigenous Peoples Safeguard Screening checklists (ANNEX 3) and Rapid Environmental Assessment and Climate Risk Screening checklists (ANNEX 4) provide a guide for the rapid assessment of impacts and will be used where possible, depending on the nature, location, scale and sensitivity or magnitude of the project and its potential ESG impacts. These checklists are “living documents” which should be updated from time to time.

(iii) Once the checklists and the verification work is complete, each investment is assigned a preliminary categorization (A, B or C) for each of Environmental, IR and IP safeguards and the scope of due diligence to be undertaken is identified in the Investment Review Committee materials.

(iv) The safeguard requirements are summarized in ANNEX 5 for reference.

For **Environmental** screening, a potential investment’s category is determined by the most environmentally sensitive component, including direct, indirect, cumulative, and induced impacts in the investee’s area of influence. Each proposed investment is scrutinized as to its type, location, scale, and sensitivity and the magnitude of its potential environmental impacts. The categorization and scope of due diligence and ESG assessment required are summarized in ANNEX 5.

For **Involuntary Resettlement (“IR”) and Indigenous Peoples (“IP”)** screening, a potential investment is considered to have IR impacts if there is physical displacement (relocation, loss of residential land, or loss of shelter) and/or economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas regardless of whether such losses and involuntary restrictions are fully or partially, permanent or temporary.

IPs are considered affected if a potential investment directly or indirectly affects the dignity, human rights, livelihood systems, or culture of IPs or affects the territories or natural or cultural resources that they own, use, occupy, or claim as an ancestral domain or asset.

Each potential investment is separately assigned to one of the categorizations (A, B or C) for IR and IP safeguards, based on significance of impacts as defined in ANNEX 5.

Northstar will inform each investee company of the applicable safeguard requirements as provided in ANNEX 5.

(b) Term Sheet

Each term sheet should include standard general conditions regarding compliance with Applicable ESG Laws and Northstar’s ESG Safeguard Requirements which are defined in this ESGMS, for example:

Environmental, Social & Governance (“ESG”) Safeguard Requirements: The Company agrees to comply with the Investor’s ESG Safeguards Requirements. If the Investor’s due diligence and monitoring identifies any specific issues of concern in relation to the Investor’s ESG Safeguards Requirements, an appropriate corrective action plan will be negotiated with the Company.

¹ The term Indigenous Peoples is used in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (iv) a distinct language, often different from the official language of the country or region.



The ESG Safeguard Requirements should be defined in the term sheet.

(c) Initial Investment Committee Materials

Initial Investment Committee materials need to include the following:

- (i) Confirmation that the proposed investment conforms with Northstar's PIAL;
- (ii) Environmental, IR, and IP Category (A, B or C);
- (iii) Potential/known ESG status/issues; and
- (iv) Outline the scope of ESG due diligence.

(d) Desk-based Due Diligence

Desk-based ESG due diligence actions depend on the level of risk and case-specific circumstances. Typically:

Category C:

- (i) ask the investee company to warrant/certify in writing that it has all relevant EHS permits and is in compliance with the Applicable ESG Laws, particularly the national and local laws including labor and land/property ownership;
- (ii) is not undertaking any activities prohibited for investment under Northstar's PIAL;
- (iii) if applicable, check that the company's activities are consistent with the Northstar's Safeguard Requirements and Social Protection Strategy; and
- (iv) Summarized findings of the desk-based due diligence. Documentation and evidence regarding the ESDD will be securely retained.

Category B:

- (i) ask the investee company to warrant/certify in writing that it has all relevant EHS permits and is in compliance with Applicable ESG Laws, particularly relevant national and local laws including labor and land/property ownership;
- (ii) is not undertaking any activities prohibited for investment under Northstar's PIAL;
- (iii) verify (by means of document inspection and/or discussions with the relevant authorities) that (a) and (b) are valid; and
- (iv) if applicable, check that the company's activities are consistent with the Northstar's Safeguard Requirements.

Category A: as per Category B plus and ESA and IEE as applicable.

The preliminary due diligence should also seek to review the investee company's existing ESG related policies and procedures such as existing ESGMS (or similar, if any), human resource policies and procedures, and health and safety documents, environmental monitoring reports, worker and external party complaints mechanisms, for example.

If applicable, during this process and following review of the investee company ESG documents, determine the scope of work for an ESA for existing projects, projects under construction, where resettlement or land acquisition has already been completed, and for portfolio investments (fund of funds). If an IEE (or equivalent environmental assessment) has or is being developed, and determine if support is required from independent ESG consultants (see Full Due-Diligence below). Where land has been acquired or is planned to be acquired it is important that the land acquisition approach, compensation laws and arrangements are understood at this stage, including the presence of informal land users / occupants who may not be recognized by the government or receive compensation, thus presenting a risk to the investment. The land acquisition issues and impacts may be covered in the IEE or within the ESA and CAP. Discuss logistical arrangements with the



investee company.

(e) Full Due Diligence

Beyond preliminary screening and categorization and desk top review of investment information Northstar should also undertake additional detailed due diligence to verify and better understand the risks and impacts of the investment. Typical requirements for full ESG due diligence are as follows:

Category C: Not typically required, however where land has been acquired through negotiated acquisition (willing buyer / seller for example) Northstar will review the title deeds and method through which land was acquired to ensure it does / has not involved any coercive practices by the investee in its acquisition of land / property.

Category B: Due diligence will be based on site visit and additional review of available secondary data about the investee company, its proposed use of funds, review of the investee company's inhouse ESG management capacity and resources, and data and documents submitted to Northstar. If necessary, an independent expert or consultant may be needed to provide a second opinion or undertake site visit and review overall ESG compliance and on specific issues.

Category A: As per Category B with an independent expert or consultant providing a second opinion, including undertaking site visit and review overall ESG compliance and on specific issues.

For all Category B and A investments (for Environmental, IR, and IP), Northstar will, based on reasonable efforts, ensure that meaningful consultations and information disclosure with affected people and other stakeholders have been undertaken.

Northstar will further ascertain the consent or "broad community support" of affected IP communities for investments which involve the following activities: (a) commercial development of the cultural resources and knowledge of IPs; (b) physical displacement from tradition or customary lands; and (c) commercial development of natural resources within customary lands under use that would impact the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of IPs.

Northstar will ensure that the investee company will provide documented evidence of consent or broad community support of the IP communities to these activities. Northstar will use reasonable efforts to validate such consent.

For Category B and A investments involving material facilities and/or business activities that already exist or are under construction, or recently completed, Northstar will require the investee company to engage an independent expert to undertake an ESA which may, if applicable, include a Corrective Action Plan ("**CAP**") setting out the actions required to close compliance gaps. Northstar will work with the investee company to prepare the CAP, to resolve any specific issues of concern within a certain time frame. A CAP should include a description of each corrective action, evidence of action undertaken, timeline for each action, responsible party and estimated cost. Certain (relatively straightforward) actions may need to be agreed with the investee company as conditions precedent to the investment. If there are issues outside Northstar's competence, an independent expert may be required to provide a second opinion or undertake a limited review.

For all Category B and A investments, an Environmental, Social & Governance Due Diligence Report ("**ESGDD Report**"), (including the key results of any IEE, ESA and details of any CAP) will be completed by Northstar (a sample ESG Due Diligence Report outline is attached as ANNEX 7). The ESGDD Report will include gender analysis and discussions on labor and working conditions. For portfolio investments that have more than one business line, the ESGDD Report will cover the corporate holding structure and the underlying business(es) that Northstar is investing in and will incorporate relevant findings from any IEE and ESA report.



In line with Northstar's own development impact metrics (e.g. jobs created, improved access to quality healthcare services, increased taxable income etc.), Northstar will determine the development impact metrics which are applicable to the investment and where applicable, request that gender-disaggregated data is provided.

(f) Negotiation

If desk-based (2(d)) and/or full (2(e)) ESG due diligence has identified any specific issues of concern, appropriate corrective actions must be negotiated with the investee company. In some cases, this may require preparation of an agreement to a detailed CAP. Reference to such measures should be included in the term sheet.

Depending on the type of investment and proposed use of funds, Northstar should ensure the investee company have appropriate ESG policies and procedures in place (such as an ESGMS or similar set of documents) commensurate to the risks and impacts of the investment. This will be in line with Northstar's Safeguard Requirements and to adequately manage the potential ESG impacts of its activities.

(g) Final Investment Committee Materials

A brief summary of the relevant ESG issues should be included in the final Investment Committee materials for consideration by Investment Committee. This may be 1-2 lines in the case of a straightforward deal or 1-3 paragraphs if the situation is more complex. This section should briefly describe:

- (i) Environmental IR and IP categories assigned to the investment;
- (ii) ESG due diligence approach and findings;
- (iii) Agreed solution or CAP to resolve any ESG issues; and
- (iv) Any issues which remain unresolved and require consideration by the Investment Committee.

(h) Investment Agreement

In line with the term sheet, the investment agreement (or equivalent instrument) should include appropriate ESG clauses. This may include:

- (i) A warranty that the company is currently in compliance with the Applicable ESG Laws and (if applicable) any Northstar Safeguard Requirements, including those related to core labour standards;
- (ii) A covenant that the company will remain in compliance with the Applicable ESG Laws and (if applicable) any Northstar safeguards and social requirements for so long as a Northstar managed fund remains an investor in the company;
- (iii) For investments classified as Category B or Category A, the investment agreement should also contain an undertaking by the investee company to provide Northstar with an annual report on its EHS and social performance and status. In more complex situations (such as Category A investments or Category B investments with complex components and/or a CAP), a semi-annual report may be required. The format of this report should be decided on a case-by-case basis. In straightforward lower risk cases, it may be sufficient to obtain a short letter representing that the investee company remains in compliance and has not experienced any material incidents. Detailed report templates are provided in Annex 9. Scope for semi/annual Environmental Monitoring Report; and Annex 10. Scope for semi/annual Social Safeguards Monitoring Report;
- (iv) A requirement to report to Northstar on the applicable development impact metrics;
- (v) Any specific conditions decided on a case-by-case basis. In particular, if Northstar's investment is conditional upon the implementation of a CAP, this undertaking should



be clearly set out in the investment agreement and the CAP itself should be included as an annex; and

- (vi) Investee company should notify Northstar in a timely manner should it become aware of any significant ESG event or ESG non-compliance and inform Northstar on follow-up and corrective actions to be undertaken.

(i) Portfolio Management, Reporting and Value Addition

In order to maintain an appropriate level of oversight throughout Northstar's investment in a portfolio company, it will be important to periodically confirm that the investee company continues to meet Northstar's ESG Safeguard Requirements and expectations. In addition, it may be necessary to monitor the progress of any CAP implemented in relation to an investee company.

ESG issues should be given due consideration during routine investment supervision activities (particularly site visits) and appropriate notes should be kept on file. If applicable, ESG reports should be obtained from the investee company and follow-up action taken by Northstar as appropriate.

Northstar will closely review the semi/annual ESG reports received from the investee company and the data on the applicable development impact metrics.

(j) Investment Disposal

ESG issues should be given early consideration prior to Northstar's exit from an investment, as new investors are likely to be interested in the company's EHS performance and ESG risk status. Although the foregoing procedures should reduce the risk of unexpected problems, it may be desirable to obtain additional assurance about the company's readiness to withstand close scrutiny by a potential new investor. In certain cases, a pre-divestment ESG audit may be useful to determine whether there are any potential issues requiring attention prior to disposal. Positive audit findings can also be used to provide new investors with objective information to support a favorable asset valuation.

(k) Monitoring and Reporting

Northstar will prepare an annual Environmental Social & Governance Report ("**ESG Report**"), using Annex 8. The report shall provide a brief review of the EHS and social status of Northstar's portfolio of investments and any issues or problems arising in relation to these and shall cover:

- (i) timing and frequency of reporting from the portfolio companies to Northstar, and from Northstar to investors;
- (ii) staff in charge of the monitoring and reporting and supervision of the management;
- (iii) resource requirements (budget and human resource allocations) for the reporting and monitoring;
- (iv) Summary of semi-annual and / or annual monitoring reports submitted to Northstar by investee companies; and
- (v) a summary of any reportable incidents or events to investors relating to any actual or potential material breach of compliance/safeguard requirements.

Northstar's ESG Officer will promptly report to investors any actual or potential material breach of compliance/safeguard requirements after becoming aware of it.



(3) ORGANIZATION AND RESPONSIBILITIES

Northstar will appoint an ESG Officer. The ESG Officer has responsibility to ensure Northstar's ESGMS is implemented, and has oversight for ESG issues and will report to Northstar's management on these issues. The ESG Officer will ensure resources are made available for ESG management.

The responsibilities of the ESG Officer include:

- a) Evaluation of ESG risks, opportunities and compliance of each potential investee company.
- b) Ensure the screening, categorization and ESG Due Diligence Reports are (i) completed for each targeted Category A and Category B investment, and (ii) that a summary of the ESG Due Diligence Report is submitted to the Northstar Investment Committee in connection with its evaluation of the investment opportunity.
- c) Supervising each portfolio company's (i) on-going compliance with ESG requirements, and (ii) production of an annual ESG monitoring report, including each portfolio company's CAP undertakings, if applicable.
- d) The preparation of an Northstar annual ESG Report, based on the annual ESG report prepared by the portfolio companies.
- e) The review of periodic ESG monitoring reports from portfolio companies, as applicable.
- f) Regular desk based / online reviews of each portfolio company with a view to proactively identifying potential issues.

The ESG Officer will ensure that the ESGMS procedures are implemented for each investment, and that records of ESG reviews are maintained. The ESG Officer will be supported by additional staff resources if required to ensure adequate ESGMS implementation and monitoring for all Northstar's investments.

The ESG Officer (or other designated officer) will ensure that all investment decisions are supported by appropriate due diligence documentation (including, but not limited to, an environmental section in the final Investment Committee materials). Northstar will ensure that investors are notified if and when the current ESG Officer leaves that position and will provide investors the name of the new ESG Officer, as applicable.

The ESG Officer (or other designated officer) will ensure the periodic review of the ESGMS procedures and incorporate changes agreed upon by the management.

(4) TRAINING REQUIREMENTS, RESOURCES AND CAPABILITIES

The ESG Officer will ensure that adequate resources have been committed to allow for the effective implementation of Northstar's ESGMS.

The ESG Officer will be technically qualified and suitably experienced to be able to carry out ESG due diligence, portfolio monitoring and reporting.

The ESG Officer will identify and periodically attend suitable training to ensure that he/she remains up to date on environmental, social and governance issues and mitigation measures.

The ESG Officer will maintain a file of qualified ESG consultants or experts who can be called upon to assist in conducting ESG due diligence reviews, monitoring of portfolio companies and training.

Existing capacity and training requirements of portfolio companies will be reviewed during the due diligence process. The portfolio company's ESG officer or, if no such person has been identified by the portfolio company, a member of the portfolio company's senior management



will need to be adequately qualified to ensure that Northstar's Safeguard Requirements are implemented, and that training is delivered to the portfolio company's employees. Where applicable, Northstar's ESG Officer will provide support to the portfolio company for training requirements to support implementation of the agreed ESG measures.

(5) GRIEVANCE REDRESS MECHANISM

If not already in place, Northstar will use reasonable endeavors to ensure that all of its portfolio companies establish grievance redress mechanisms ("**GRM**") for workers and external stakeholders as part of the portfolio company's own ESG practices. The investee company's GRM(s) for workers and affected people will need to be established with adequate representation of affected people and genders; allow for grievances to be redressed in a consultative manner and with full participation of the affected stakeholders, or their representatives, along with investee company and local government representatives. The local community (associated with investee company construction or development and operational locations) and workers should be informed of the GRM(s) and the appeal procedure so that they can fully understand their rights for grievance and appeal, and that the mechanism is readily accessible to all segments of the affected people at no costs and without retribution. Appropriate data regarding worker or community complaints should be included within the periodic reports produced by the investment companies and submitted to Northstar.

Northstar will maintain a GRM to address any possible concerns and dissatisfaction of affected groups regarding the social and environmental impact of Northstar's activities and seek a proper solution. Northstar's ESG Officer will be responsible for coordinating appeals, complaints, and disputes concerning the environmental and social impacts of investments, and for coordinating, guiding and if required, supervising. Northstar's investee companies to handle any appeals, complaints, and disputes. The Northstar GRM will address affected persons' concerns and complaints promptly, using an understandable and transparent process that is gender responsive, culturally appropriate, and readily accessible to the affected persons at no costs.

Northstar's ESG Officer will determine the severity (i.e. minor or major) and nature of each grievance. If a minor grievance cannot be resolved within thirty (30) working days, it will then be categorized as a major grievance. In the event of a major grievance or if the aggrieved party is not satisfied with the response, an escalation matrix will be put in place with access to independent forum. Northstar shall identify a set of independent experts/personalities for forming an independent forum for grievance escalation.

All possible measures will be exhausted to avoid having grievances referred to the appropriate court of law. The ESG Officer will keep records of all grievances received including contact details of complainant, date that the complaint was received, nature of grievance, agreed corrective actions and the date these were affected and final outcome. The ESG Officer will also monitor the implementation of the remedial action.



(6) RECORDS TO BE MAINTAINED

The following table summarizes the documentation to be retained for each investment type:

Category	Environmental	Involuntary Resettlement Safeguards	Indigenous Peoples Safeguards
Category A	As per Category B	As per Category B	As per Category B
Category B	<p>If required, third party Due Diligence.</p> <p>ESGDD Report as per ANNEX 7.</p> <p>ESA/IEE, or equivalent process.</p> <p>CAP, if applicable.</p> <p>Annual (or semi-annual in complex cases) ESG reports from investee company. (ANNEX 9 and ANNEX 10)</p>	<p>If required, third party Due Diligence.</p> <p>ESGDD Report as per ANNEX 7.</p> <p>Assessment of social impacts and approved IR (if required by national laws) or similar / equivalent.</p> <p>CAP, if applicable.</p> <p>Annual (or semi-annual in complex cases) ESG reports from investee company. ANNEX 9 and ANNEX 10)</p>	<p>If required, third party Due Diligence.</p> <p>ESGDD Report as per ANNEX 7.</p> <p>Assessment of social impacts and approved IP (if required by national laws).</p> <p>CAP, if applicable.</p> <p>Annual (or semi-annual in complex cases) ESG reports from investee company. ANNEX 9 and ANNEX 10)</p>
Category C	<p>Warrant from investee company that it has all relevant EHS permits and is in compliance with the Applicable ESG Laws, particularly the national and local laws, and (if applicable) Northstar's Safeguard Requirements.</p> <ul style="list-style-type: none"> Northstar to include its comments/thoughts on ESG due diligence findings in the ESG questionnaires. CAP, if applicable. 	<p>Warrant from investee company that it has all relevant EHS permits and is in compliance with the Applicable ESG Laws, particularly the national and local laws, and (if applicable) Northstar's Safeguard Requirements.</p> <ul style="list-style-type: none"> Northstar to include its comments/thoughts on ESG due diligence findings in the ESG questionnaires. CAP, if applicable 	<p>Warrant from investee company that it has all relevant EHS permits and is in compliance with the Applicable ESG Laws, particularly the national and local laws, and (if applicable) Northstar's Safeguard Requirements.</p> <ul style="list-style-type: none"> Northstar to include its comments/thoughts on ESG due diligence findings in the ESG questionnaires. CAP, if applicable

(7) REPORTING

Northstar will submit an annual ESG Report (covering all portfolio investments) to its investors, using the pro forma provided in ANNEX 8.

Additional reporting to specific investors will be undertaken in accordance with the requirements in investment documentation.



ANNEX 1 – Northstar’s Prohibited Investment Activities List

	Yes	No
(1) production or activities involving harmful or exploitative forms of forced labor ² or child labor; ³	<input type="checkbox"/>	<input type="checkbox"/>
(2) production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements or subject to international phase-outs or bans, such as (a) pharmaceuticals, ⁴ pesticides, and herbicides, ⁵ (b) ozone-depleting substances, ⁶ (c) polychlorinated biphenyls ⁷ and other hazardous chemicals, ⁸ (d) wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora, ⁹ and (e) transboundary trade in waste or waste products; ¹⁰	<input type="checkbox"/>	<input type="checkbox"/>
(3) production of or trade in weapons and munitions, including paramilitary materials;	<input type="checkbox"/>	<input type="checkbox"/>
(4) production of or trade in alcoholic beverages, excluding beer and wine; ¹¹	<input type="checkbox"/>	<input type="checkbox"/>
(5) production of or trade in tobacco; ¹¹	<input type="checkbox"/>	<input type="checkbox"/>
(6) gambling, casinos, and equivalent enterprises; ¹¹	<input type="checkbox"/>	<input type="checkbox"/>
(7) production of or trade in radioactive materials, ¹² including nuclear reactors and components thereof;	<input type="checkbox"/>	<input type="checkbox"/>
(8) production of, trade in, or use of unbonded asbestos fibers; ¹³	<input type="checkbox"/>	<input type="checkbox"/>
(9) commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests; and	<input type="checkbox"/>	<input type="checkbox"/>
(10) marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats.	<input type="checkbox"/>	<input type="checkbox"/>

² Forced labor means work or services not voluntarily performed (i.e. extracted from individuals under threat of force or penalty).

³ Child labor means the employment of children below the host country’s statutory minimum age of employment or employment of children in contravention of International Labor Organization Convention No. 138 “Minimum Age Convention” www.ilo.org

⁴ A list of pharmaceutical products subject to phaseouts or bans is available at <http://www.who.int>

⁵ A list of pesticides and herbicides subject to phaseouts or bans is available at <http://www.pic.int>

⁶ A list of the chemical compounds that react with and deplete stratospheric ozone resulting in the widely publicized ozone holes is listed in the Montreal Protocol, together with target reduction and phaseout dates. Information is available at <http://www.unep.org/ozone/montreal.shtml>.

⁷ A group of highly toxic chemicals, polychlorinated biphenyls are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985.

⁸ A list of hazardous chemicals is available at <http://www.pic.int>

⁹ A list is available at <http://www.cites.org>

¹⁰ As defined by the Basel Convention; see <http://www.basel.int>

¹¹ This does not apply to companies who are not substantially involved in these activities, meaning that the activity is ancillary to the company’s primary operations.

¹² This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment for which the radioactive source is trivial and adequately shielded.

¹³ This does not apply to the purchase and use of bonded asbestos cement sheeting with asbestos content less than 20%.



ANNEX 1 – Social Protection Strategy

Northstar's Social Protection Strategy requires compliance with applicable labor laws. Northstar will take the following measures to comply with the core labor standards¹⁴:

- (a) carry out its activities consistent with the intent of ensuring legally permissible equal opportunity, fair treatment and non-discrimination in relation to recruitment and hiring, compensation, working conditions and terms of employment for its workers (including prohibiting any form of discrimination against women during hiring and providing equal work for equal pay for men and women);
- (b) not restrict workers from developing a legally permissible means of expressing their grievances and protecting their rights regarding working conditions and terms of employment; and
- (c) engage contractors and other providers of goods and services:
 - (i) who do not employ child labor¹⁵ or forced labor¹⁶;
 - (ii) who have appropriate management systems that will allow them to operate in a manner which is consistent with the intent of (A) ensuring legally permissible equal opportunity and fair treatment and non-discrimination for their workers, and (B) not restricting their workers from developing a legally permissible means of expressing their grievances and protecting their rights regarding working conditions and terms of employment; and
 - (iii) whose subcontracts contain provisions which are consistent with paragraphs (i) and (ii) above.

The above measures should be incorporated in portfolio companies' ESG documentation.

Northstar should monitor the compliance of portfolio companies and include this in this in the annual ESG Report.

¹⁴ The core labor standards are the elimination of all forms of forced or compulsory labor; the abolition of child labor; elimination of discrimination in respect of employment and occupation; and freedom of association and the effective recognition of the right to collective bargaining, as per the relevant conventions of the International Labor Organization.

¹⁵ Child labor means the employment of children whose age is below the statutory minimum age of employment in the relevant country, or employment of children in contravention of International Labor Organization Convention No. 138 'Minimum Age Convention' (www.ilo.org).

¹⁶ Forced labor means all work or services not voluntarily performed, that is, extracted from individuals under threat of force or penalty.



ANNEX 3 –Land Acquisition, Involuntary Resettlement and Indigenous Peoples Safeguards Screening Checklists

1. Involuntary Resettlement Impact Checklist

Probable Involuntary Resettlement Effects	Yes	No	Not Known	Remarks
Involuntary Acquisition of Land				
1. Will there be involuntary land acquisition?				
2. Is the site for land acquisition known?				
3. Is the ownership status and current usage of land to be acquired known?				
4. Will easement be utilized within an existing right of way?				
5. Will there be loss of shelter and residential land due to land acquisition?				
6. Will there be loss of agricultural and other productive assets due to land acquisition?				
7. Will there be losses of crops, trees, and fixed assets due to land acquisition?				
8. Will there be loss of businesses or enterprises due to land acquisition?				
9. Will there be loss of income sources and means of livelihoods due to land acquisition?				
Involuntary Restrictions on Land Use or on Access to Legally Designated Parks and Protected Areas				
10. Will people lose access to natural resources, communal facilities and services?				
11. If land use is changed, will it have an adverse impact on social and economic activities?				
12. Will access to land and resources owned communally or by the state be restricted?				
Information on Displaced Persons:				
13. Will people be displaced? If so, how many will be physically displaced and how many economically displaced?				
14. If people will be displaced, are any of them poor, female-heads of households, or vulnerable to poverty risks?				



15. If people will be displaced, are any of them from indigenous or ethnic minority groups?

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IR Categorization: [A / B/ C]

A = significant IR impacts (≥ 200 people will lose their shelter/housing or when ≥ 200 people will lose at least 10% of their productive assets)

B = insignificant IR impacts (< 200 people affected)

C = no impact

Prepared by: (designated investment officer)

Signature: _____

Name: _____

Designation: _____

Date: _____



2. Indigenous Peoples Impact Screening Checklist

KEY CONCERNS	YES	NO	NOT KNOWN	Remarks
A. Indigenous Peoples¹⁷ Identification				
1. Are there socio-cultural groups present in or who use the land area that the company operates on/in who may be considered as "tribes" (hill tribes, schedules tribes, tribal peoples), "minorities" (ethnic or national minorities), or "indigenous communities"?				
2. Are there national or local laws or policies as well as anthropological researches/studies that consider these groups present in or using the land area that the company operates on/in as belonging to "ethnic minorities", scheduled tribes, tribal peoples, national minorities, or cultural communities?				
3. Do such groups self-identify as being part of a distinct social and cultural group?				
4. Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?				
5. Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?				
6. Do such groups speak a distinct language or dialect?				
7. Have such groups been historically, socially and economically marginalized, disempowered, excluded, and/or discriminated against?				
8. Are such groups represented as "Indigenous Peoples" or as "ethnic minorities" or "scheduled tribes" or "tribal populations" in any formal decision-making bodies at the national or local levels?				
B. Identification of Potential Impacts				

¹⁷ Indigenous Peoples refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (iv) a distinct language, often different from the official language of the country or region.



KEY CONCERNS	YES	NO	NOT KNOWN	Remarks
9. Will the company directly or indirectly benefit or target Indigenous Peoples?				
10. Will the company directly or indirectly affect Indigenous Peoples' traditional socio-cultural and belief practices? (e.g. child-rearing, health, education, arts, and governance)?				
11. Will the company affect the livelihood systems of Indigenous Peoples? (e.g., food production system, natural resource management, crafts and trade, employment status)?				
12. Will the company be in an area (land or territory) occupied, owned, or used by Indigenous Peoples, and/or claimed as ancestral domain?				
C. Identification of Special Requirements <i>Will the company's activities include:</i>				
13. Commercial development of the cultural resources and knowledge of Indigenous Peoples?				
14. Physical displacement from traditional or customary lands?				
15. Commercial development of natural resources (such as minerals, hydrocarbons, forests, water, hunting or fishing grounds) within customary lands under use that would impact the livelihoods or the cultural, ceremonial, spiritual uses that define the identity and community of Indigenous Peoples?				
16. Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied or claimed by Indigenous Peoples?				
17. Acquisition of lands that are traditionally owned or customarily used, occupied or claimed by Indigenous Peoples?				



<p>IP Categorization: [A / B / C]</p> <p>A = significant IP impacts B = insignificant IP impacts C = no impact</p>	<p>Prepared by: (designated investment officer)</p> <p>Signature: _____</p> <p>Name: _____</p> <p>Designation: _____</p> <p>Date: _____</p>
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ANNEX 4 – Rapid Environmental Assessment (REA) Checklists

Target Investee Company:	
Country:	
Project Name (if any):	
Date:	

SCREENING QUESTIONS	Yes	No	REMARKS
A. Company Location			
Does the company operate adjacent to or within any of the following environmentally sensitive areas?			
Cultural heritage site	<input type="checkbox"/>	<input type="checkbox"/>	
Legally protected area (core zone or buffer zone)	<input type="checkbox"/>	<input type="checkbox"/>	
Wetland	<input type="checkbox"/>	<input type="checkbox"/>	
Mangrove	<input type="checkbox"/>	<input type="checkbox"/>	
Estuarine	<input type="checkbox"/>	<input type="checkbox"/>	
Special area for protecting biodiversity	<input type="checkbox"/>	<input type="checkbox"/>	
B. Potential Environmental Impacts			
Will the company cause:			
impairment of historical/cultural areas; disfiguration of landscape or potential loss/damage to physical cultural resources?	<input type="checkbox"/>	<input type="checkbox"/>	
disturbance to precious ecology (e.g. sensitive or protected areas)?	<input type="checkbox"/>	<input type="checkbox"/>	
alteration of surface water hydrology of waterways resulting in increased sediment in streams affected by increased soil erosion at construction site?	<input type="checkbox"/>	<input type="checkbox"/>	
deterioration of surface water quality due to silt runoff and sanitary wastes from worker-based camps and chemicals used in construction?	<input type="checkbox"/>	<input type="checkbox"/>	
increased air pollution due to subproject construction and operation?	<input type="checkbox"/>	<input type="checkbox"/>	
noise and vibration due to subproject construction or operation?	<input type="checkbox"/>	<input type="checkbox"/>	
involuntary resettlement of people? (physical displacement and/or economic displacement)	<input type="checkbox"/>	<input type="checkbox"/>	



SCREENING QUESTIONS	Yes	No	REMARKS
disproportionate impacts on the poor, women and children, Indigenous Peoples, or other vulnerable groups?	<input type="checkbox"/>	<input type="checkbox"/>	
poor sanitation and solid waste disposal in construction camps and work sites, and possible transmission of communicable diseases (such as STI's and HIV/AIDS) from workers to local populations?	<input type="checkbox"/>	<input type="checkbox"/>	
creation of temporary breeding habitats for diseases such as those transmitted by mosquitoes and rodents?	<input type="checkbox"/>	<input type="checkbox"/>	
social conflicts if workers from other regions or countries are hired?	<input type="checkbox"/>	<input type="checkbox"/>	
large population influx during subproject construction and operation that causes increased burden on social infrastructure and services (such as water supply and sanitation systems)?	<input type="checkbox"/>	<input type="checkbox"/>	
risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during subproject construction and operation?	<input type="checkbox"/>	<input type="checkbox"/>	
risks to community health and safety due to the transport, storage, and use and/or disposal of materials such as explosives, fuel and other chemicals during construction and operation?	<input type="checkbox"/>	<input type="checkbox"/>	
community safety risks due to both accidental and natural causes, especially where the structural elements or components of the subproject are accessible to members of the affected community or where their failure could result in injury to the community throughout subproject construction, operation, and decommissioning?	<input type="checkbox"/>	<input type="checkbox"/>	
generation of solid waste and/or hazardous waste?	<input type="checkbox"/>	<input type="checkbox"/>	
use of chemicals or hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	
generation of wastewater during construction or operation?	<input type="checkbox"/>	<input type="checkbox"/>	



A Checklist for Preliminary Climate Risk Screening

Target Investee Company:	
Country:	
Project Name (if any):	
Sector:	
Date:	

Screening Questions		Score	Remarks ¹⁸
Location	Is siting and/or routing of the company's business (or its components) likely to be affected by climate conditions including extreme weather related events such as floods, droughts, storms, landslides?		
	Would the company need to consider any hydro-meteorological parameters (e.g., sea-level, peak river flow, reliable water level, peak wind speed etc.)?		
Business	Would weather, current and likely future climate conditions (e.g. prevailing humidity level, temperature contrast between hot summer days and cold winter days, exposure to wind and humidity hydro-meteorological parameters likely affect the company's business)?		
	Would weather, current and likely future climate conditions, and related extreme events likely affect the company's business?		

Options for answers and corresponding score are provided below:

Response	Score
Not Likely	0
Likely	1
Very Likely	2

Aggregate score of 0 = low risk. Aggregate score of 1-4 (and no score of 2) = medium risk. Aggregate score of 5 or more (which includes a score of 1 in all responses) or a 2 in any single response = high risk.

Result: [Low / Medium / High]

Other Comments: _

Prepared by: _____

¹⁸ If possible, provide details on the sensitivity of project components to climate conditions, such as how climate parameters are considered in design standards for infrastructure components, how changes in key climate parameters and sea level might affect the siting/routing of project, the selection of construction material and/or scheduling, performances and/or the maintenance cost/scheduling of project outputs.



ANNEX 5 – Information on Categorization and Requirements for Investee Companies

Northstar’s Safeguard Requirements provide the overall requirements and framework for Northstar’s ESGMS. In accordance with the Northstar’s Safeguard Requirements, the potential environmental and social impacts of the investee company’s activities will be screened and categorized as A, B or C for Environmental Safeguards (“**ES**”), Involuntary Resettlement Safeguards (“**IR**”) and Indigenous Peoples Safeguards (“**IP**”).

The investment will be assigned an overall categorization (A, B or C) for each of ES, IR and IP based on its most sensitive component. Any subsidiaries under the investment will also be categorized.

Environmental Safeguards

Proposed investments are screened and categorized in to the following three categories according to type, location, scale, and sensitivity and the magnitude of their potential environmental impacts, including direct, indirect, induced, and cumulative impacts:

Category (Risk Rating)	Description	Due Diligence and Investment Requirements
Category A (potential significant impacts)	Activities which, due to their inherent complexity and characteristics, have the potential to cause significant adverse E&S impacts that are irreversible, diverse and unprecedented. The impacts may affect areas larger than the sites or facilities subject to physical works.	As per Category B below plus inform any investors where the relevant investor’s agreements with Northstar provide them with the right to prior notice of such an investment. An investment categorized as A will not likely be pursued by Northstar.
Category B (less significant impacts)	Activities for which potential environmental impacts are less adverse than those of Category A projects. The impacts are site-specific and mostly reversible and the ESG impacts can be readily predicted, prevented and/or mitigated.	Typically, these investments do not need a detailed expert appraisal, but the investee company should comply with applicable national laws, and Northstar should take active steps to verify the investee company’s environmental, health & safety (“ EHS ”) and social risk status and conformity with the ESG Safeguard Requirements. For existing investments, an Environmental and Social Audit (“ ESA ”) is required and for proposed (new or expansion) investments an Initial Environmental Examination (“ IEE ”) or equivalent process (ANNEX 6) is required. Support from an independent expert may be required for specific issues, or in the case of a large potential investment. The consultation for IEE should include meaningful community engagement which is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups. Comply with: (i) Northstar’s PIAL, (ii) national laws and conventions to which host country is



		signatory; (iii) disclosure and consultation requirements of Northstar's Safeguard Requirements, and (iv) social protection requirements.
Category C (minimal or no impacts)	Activities which typically have little or no adverse environmental impact.	No environmental assessment is required, although environmental implications need to be reviewed. Comply with: (i) Northstar's PIAL, and (ii) national laws and international conventions to which host country is signatory.

Involuntary Resettlement Safeguards

Proposed investments are screened and categorized in to the following three categories based on the level of involuntary resettlement:

Category (Risk Rating)	Description	Investment Requirements
Category A (potential significant impacts)	Activities include involuntary resettlement and the impacts are considered to be significant on the basis that 200 or more persons will experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive or income-generating assets.	As per Category B below plus inform any investors where the relevant investor's agreements with Northstar provide them with the right to prior notice of such an investment. An investment categorized as A will not likely be pursued by Northstar.
Category B (impacts not deemed significant)	Activities include involuntary resettlement impacts, but these are not deemed significant.	Comply with: (i) Northstar's PIAL, (ii) national laws and international conventions to which host country is signatory. For projects where land acquisition has already been completed, a Social Compliance Audit should be undertaken to identify potential legacy risk from past land transfers. Comply with information disclosure and consultation requirements of Northstar's Safeguard Requirements 2 & 3.
Category C (no impacts)	Activities will not involve Involuntary resettlement.	Comply with: (i) Northstar's PIAL, and (ii) national laws and conventions to which host country is signatory, and ILO CLS. Where land has been acquired through negotiated acquisition (e.g. willing buyer / seller), NS wil



		review the acquisition process, ensuring legal compliance and ensure no informal users / occupants were forcibly removed.
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Involuntary Resettlement Safeguards do not apply to negotiated settlements unless expropriation would result upon the failure of negotiations. Negotiated land acquisition involving adequate and fair price for land/assets with a documented process with consultation is encouraged and will be reviewed by Northstar’s ESG Officer as part of its due diligence.

Indigenous Peoples Safeguards

The impact of a project on indigenous peoples is determined by assessing the magnitude of impact in terms of customary rights of use and access to land and natural resources; socioeconomic status; cultural and communal integrity; health, education, livelihood, and social security status; and the recognition of indigenous knowledge; and the level of vulnerability of the affected Indigenous Peoples community. The Indigenous Peoples safeguards are triggered if a project directly or indirectly affects the dignity, human rights, livelihood systems, or culture of Indigenous Peoples or affects the territories or natural or cultural resources that Indigenous Peoples own, use, occupy, or claim as their ancestral domain. Proposed investments are screened and categorized in to the following three categories:

Category (Risk Rating)	Description	Investment Requirements
Category A (potential significant impacts)	Activities are likely to have significant impacts on Indigenous Peoples.	As per Category B below plus inform any investors where the relevant investor’s agreements with Northstar provide them with the right to prior notice of such an investment. An investment categorized as A will not likely be pursued by Northstar.
Category B (limited impacts)	Activities are likely to have limited impacts on Indigenous Peoples.	Comply with: (i) Northstar’s PIAL, and (ii) national laws and international conventions to which host country is signatory. Comply with information disclosure and consultation requirements of Northstar’s Safeguard Requirements 2 & 3.
Category C (no impacts)	Activities are not expected to have impacts on Indigenous Peoples.	Comply with: (i) Northstar’s PIAL, and (ii) national laws and international conventions to which host country is signatory.



ANNEX 6 – Outline of Environmental and Social Impact Assessment Report

An environmental and social assessment report is required for all environment Category B investments. Its level of detail and comprehensiveness is commensurate with the significance of potential environmental impacts and risks. A typical IEE report contains the following major elements. The substantive aspects of this outline will guide the preparation of environmental impact assessment reports, although not necessarily in the order shown.

A. Executive Summary

This section describes concisely the critical facts, significant findings, and recommended actions.

B. Policy, Legal, and Administrative Framework

This section discusses the applicable safeguard requirements, including Northstar's requirements and national laws, regulations and standards on environment, health, safety, involuntary resettlement and land acquisition, Indigenous Peoples, and physical cultural resources.

C. Description of the Investment

This section describes the proposed investment, its major components, and its geographic, ecological, social, and temporal context, including any associated facility required by and for the investment (for example, access roads, power plants, water supply, quarries and borrow pits, and spoil disposal). It normally includes drawings and maps showing the investment's layout and components, the investment site, and the investment's area of influence.

D. Description of the Environment (Baseline Data)

This section describes relevant physical, biological, and socioeconomic conditions within the investment's area. It also looks at current and proposed development activities within the investment's area of influence, including those not directly connected to the investment. It indicates the accuracy, reliability, and sources of the data.

E. Anticipated Environmental Impacts and Mitigation Measures

This section predicts and assesses the investment's likely positive and negative direct and indirect impacts to physical, biological, socioeconomic (including occupational health and safety, community health and safety, vulnerable groups and gender issues, and impacts on livelihoods through environmental media, and physical cultural resources in the investment's area of influence, in quantitative terms to the extent possible; identifies mitigation measures and any residual negative impacts that cannot be mitigated; explores opportunities for enhancement; identifies and estimates the extent and quality of available data, key data gaps, and uncertainties associated with predictions and specifies topics that do not require further attention; and examines global, transboundary, and cumulative impacts as appropriate.

F. Analysis of Alternatives

This section examines alternatives to the proposed investment site, technology, design, and operation—including the no subproject alternative—in terms of their potential environmental impacts; the feasibility of mitigating these impacts; their capital and recurrent costs; their suitability under local conditions; and their institutional, training, and monitoring requirements. It also states the basis for selecting the particular subproject design proposed and, justifies recommended emission levels and approaches to pollution prevention and abatement.

G. Information Disclosure, Consultation, and Participation

This section:

- (1) describes the process undertaken during investment design and preparation for engaging stakeholders, including information disclosure and consultation with affected



people and other stakeholders;

- (2) summarizes comments and concerns received from affected people and other stakeholders and how these comments have been addressed in investment design and mitigation measures, with special attention paid to the needs and concerns of vulnerable groups, including women, the poor, and Indigenous Peoples; and
- (3) describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for carrying out consultation with affected people and facilitating their participation during subproject implementation.

H. Grievance Redress Mechanism

This section describes the grievance redress framework (both informal and formal channels), setting out the time frame and mechanisms for resolving complaints about environmental performance.

I. Environmental Management Plan

This section deals with the set of mitigation and management measures to be taken during investment implementation to avoid, reduce, mitigate, or compensate for adverse environmental impacts (in that order of priority). It may include multiple management plans and actions. It includes the following key components (with the level of detail commensurate with the subproject's impacts and risks):

(1) Mitigation:

- (a) identifies and summarizes anticipated significant adverse environmental impacts and risks;
- (b) describes each mitigation measure with technical details, including the type of impact to which it relates and the conditions under which it is required (for instance, continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate; and
- (c) provides links to any other mitigation plans (for example, for involuntary resettlement, Indigenous Peoples, or emergency response) required for the subproject.

(2) Monitoring:

- (a) describes monitoring measures with technical details, including parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits and definition of thresholds that will signal the need for corrective actions; and
- (b) describes monitoring and reporting procedures to ensure early detection of conditions that necessitate particular mitigation measures and document the progress and results of mitigation.

(3) Implementation arrangements:

- (a) specifies the implementation schedule showing phasing and coordination with overall investment implementation;
- (b) describes institutional or organizational arrangements, namely, who is responsible for carrying out the mitigation and monitoring measures, which may include one or more of the following additional topics to strengthen environmental management capability: technical assistance programs, training programs, procurement of equipment and supplies related to environmental management and monitoring, and organizational changes; and



- (c) estimates capital and recurrent costs and describes sources of funds for implementing the environmental management plan.
- (d) Performance indicators: describes the desired outcomes as measurable events to the extent possible, such as performance indicators, targets, or acceptance criteria that can be tracked over defined time periods.

J. Conclusion and Recommendation

This section provides the conclusions drawn from the assessment and provides recommendations.



ANNEX 7 – Outline of ESG Due Diligence Report

The following is a suggested report outline for Northstar to assess past and current ESG performance.

For existing facilities, the ESG Due Diligence Report may need to incorporate the ESG Audit.

A. Introduction

- (1)** Investment background: Project Description, Site and Environment Setting, Land requirement (if any).
- (2)** ESG categorization and rationale.
- (3)** Applicable safeguards: PIAL, National and Local Regulations, the Northstar Safeguards, Northstar's Social Protection Strategy, and other Applicable ESG Laws (as relevant).

B. Scope of Review and Methodology (methodology used, documents reviewed, details of site visit(s) etc.)

C. Corporate ESGMS Review and Gap Analysis (if applicable)

D. Environmental, Social and Governance Compliance Audit of Company's operations

Scope to be determined based on screening and type of investment. Include a review of ESG issues and mitigation by relevant Northstar's Safeguard Requirements. Examine ESG issues in the compliance audit(s) and compliance with respective ESG safeguards, identify any gaps and develop corrective action plans. Examples of areas to cover:

(1) ESG Assessment and Management System

- ESG Assessment
- Management Program
- Organization
- Training
- Community Engagement
- Monitoring
- Reporting

(2) Labor and Working Conditions

- Human Resources Policy and Management
- Mandated wages and remuneration, number of hours worked, other benefits mandated by law
- Worker's Organization
- Non-Discrimination and Equal Opportunity
- Retrenchment
- Protecting the Work Force
- Occupational Health and Safety

(3) Pollution Prevention and Abatement

- Pollution Prevention, Resource Conservation and Energy Efficiency
- Wastes



- Hazardous Materials
- Emergency Preparedness and Response
- Ambient Considerations
- Greenhouse Gas Emissions
- Pesticide Use and Management

(4) Health, Safety and Security

- Community Health and Safety including industry-specific requirements, if applicable, such as biosafety, medical and clinical standards and professional qualifications, hygiene, food safety, complaints, etc.
- Occupational Health and Safety
- Emergency Preparedness and Response
- Security Personnel Requirements

(5) Supply Chain Management (as applicable)

- Quality assurance and control
- Compliance including safety of supplier, supplied materials/ equipment
- Qualifications/ permits obtained by suppliers eg for specialized equipment or services

(6) Land Acquisition and Involuntary Resettlement

- Project Design
- Compensation and Benefits for Displaced Persons
- Consultation and Grievance Mechanism
- Resettlement Planning and Implementation
- Physical Displacement
- Economic Displacement
- Private Sector Responsibilities under Government-Managed Resettlement

(7) Biodiversity Conservation and Sustainable Natural Resource Management

- Protection and Conservation of Biodiversity
- Management and Use of Renewable Natural Resources

(8) Indigenous Peoples

- Avoidance of Adverse Impacts
- Meaningful Consultation and Informed Participation
- Free, prior and informed consent of Indigenous Peoples communities (as required for projects involving relocation of IPs or commercial use of intellectual property of IPs or commercial use of natural resources, customary/ancestral/traditional lands under use by IP communities)
- Impacts on Ancestral, Traditional or Customary Lands under Use
- Relocation of Indigenous Peoples (IPs) from Traditional or Customary Lands



- Cultural Resources

(9) Grievance Redress Mechanism

- Grievance reception channels, management procedures, responsibilities
- Current and past grievance records, follow up actions and outcomes
- Outstanding grievance

(10) Cultural Heritage

- Protection of Cultural heritage in Project Design and Execution
- Project use of Cultural Heritage

(11) Women and other vulnerable groups

- Opportunities to women
- Development activities for vulnerable groups like the poor, elderly, disabled, women and children
- Other community development activities

E. Details of project consultation and local disclosure undertaken

F. Other project specific issues

(1) Resettlement Plan (for IR Category A projects)

(2) Indigenous Peoples Plan (for IP Category A projects)

G. Environment Management /Corrective Action Plan if any

H. Summary and Recommendations

I. Financing Covenants/Conditions



ANNEX 8 – Outline of annual ESG Report

Name:	Northstar ESG Report
Report Completed by (Name):	
Position and Contact Information:	
Report Period:	From: To:
Reporting Date:	
Employment summary	Male: Professional: ____; Administrative: ____ Female: Professional: ____; Administrative: ____

A. Environmental and Social Management System

- (1) ESGMS Implementation. Describe any issues or difficulties encountered with implementation of the 's Environmental, Social & Governance Management System (ESGMS) during the reporting period. Explain any internal reviews and improvements made on 's ESGMS and implementation.
- (2) ESGMS Capacity. (a) Provide the name, position and contact information of the ESGMS officer(s). In the case of staff with new ESG responsibilities, provide a brief summary of their ESG qualifications. (b) Describe ESG training conducted during the reporting period and identified training needs, if any.
- (3) ESGMS Changes. Identify changes made to the ESGMS, if any, including changes to roles and responsibilities or refinement of policies and procedures.
- (4) ESGMS Monitoring. Describe how you ensure the compliance of investee companies with national regulations and any other requirements and the monitoring process of the investee company's ESG performance. Provide details of any accidents/litigation/complaints/regulatory notices and fines.
- (5) ESGMS Reporting. Describe what ESG reporting has been provided to senior management, to investors, and to other stakeholders.
- (6) ESGDDs conducted. Explain how many ESGDDs were conducted for newly proposed investments during the reporting year and what are their (likely) ESG categories. Among these projects, how many have been declined for investment and how many (if any) have been declined on ESG grounds.

B. Portfolio Company Performance Summaries

Provide information for each portfolio company according to the following required areas, and attach any supporting documents as needed:

- Company Description/ main changes of operations to past reporting period
- Environmental/ IR/ IP Categorization (rationale/ need for change)
- Employment Numbers (m/f by role/level if available)
- Retrenchment (if any)¹⁹

¹⁹ IFC PS2 and IFC Guidance Note "Retrenchment means the elimination of a number of work positions or the dismissal or layoff of a number of workers by an employer, generally by reason of plant closing or for cost savings. Retrenchment does not cover



- For Renewables:
 - MW installed
 - GWh produced
- Annual CO2 emissions (if exceed 25,000 metric tons)
- ESG Management (including management structure, roles and responsibilities)
- Describe process of ESGDD or monitoring²⁰, (external) parties involved. Describe any additional audits or studies conducted.
- ESGDD results/ main ESG issues at appraisal, particularly any material issues related to involuntary resettlement, impacts on biodiversity/cultural heritage/local communities, and/or occupational and community health and safety (serious incidents, injuries and fatalities);
- Current ESG compliance status or main issues/ Changes since last reporting period, including any audit/ inspection/ monitoring conducted
- Social Protection Requirements²¹
- Accidents/ incidents (if any)
- Grievance (describe all major grievance received or updates on existing major grievance, for minor grievance please provide an overall summary)
- Date of last visit for ESG purposes
- Social and Environmental Initiatives

Please include the Environmental, Social & Governance Action Plan (ESGAP) or Corrective Action Plan (CAP) agreed with the investee and provide status updates for every item.

Gaps	Related Covenant/ ESGAP Items	Compliance Deadline	Current Status of Completion	If overdue, corrective actions agreed with the investee

isolated cases of termination of employment for cause or voluntary departure. Retrenchment is often a consequence of adverse economic circumstances or as a result of a reorganization or restructuring.”

²⁰ Depending on the status of the (potential) investment.

²¹ Describe how the investee companies carry out their activities of ensuring (i) legally permissible equal opportunity, fair treatment and non-discrimination in relation to recruitment and hiring, compensation, working conditions and terms of employment for its workers (including prohibiting any form of discrimination against women during hiring and providing equal work for equal pay for men and women). (ii) mechanism for grievances management and protecting workers’ rights regarding working conditions and terms of employment. (iii) compliance with core labor standards.



ANNEX 9 – Scope for annual Environmental Monitoring Report (submitted by environment Category B portfolio company)

A. Portfolio Company Performance Summaries

- (1) Location
- (2) Scale/size/capacity
- (3) Reporting period covered by this monitoring report (month/year)
- (4) Key developments and any changes in investment location and design, if any

B. Relevant Environmental, Health and Safety Permits or Compliance Certificates

- (1) Issued by government agency(ies) (include name of agency)
- (2) Issuance dates and duration of validity
- (3) Permit conditions and renewal requirements
- (4) Other standards and/or certificates (e.g., ISO 14000 Environmental Management Systems and Standards)

C. Grievance Redress Mechanism

- (1) Date established and description of organizational arrangements
- (2) Complaints, grievance, or protests received from local communities, recorded dates and organizations involved, actions taken to resolve grievances; any outstanding issues and proposed measures for resolution

D. Occupational and Community Health and Safety

- (1) Training programs carried out
- (2) Incidents²² recorded, including date, scale of damage and injury²³, if any; authorities in charge of investigation/recording, and media or community reactions, if any; action taken to respond to the incident; and any outstanding issues and proposed measures
- (3) Other health and safety events or out-reach activities

E. Environmental, Health and Safety Management Capacity

- (1) Number of staff, qualifications and experience in environmental, health and safety management
- (2) Awareness of: (i) environmental issues, (ii) health and safety, (iii) national environmental laws and regulations, and (iv) applicable Northstar's environmental safeguard requirements
- (3) Training programs carried out
- (4) Assessment of environmental management capacity needs (including planned capacity building programs)

F. Stakeholder Consultation

- (1) Details of information disclosure and consultations, if any, with affected people, local communities, civil society groups, and other stakeholders

²² Including incidents that have caused damage on the environment or to human health, and/or attached attention of outside parties (e.g., fire, explosion, chemical or oil spill, and pollution release).

²³ Including fatalities, serious injuries (requiring emergency treatment or hospitalization), lost time accidents (requiring more than one day off work to recover), and incidents involving compensation claims.



(2) Details of approach/methodology on addressing the concerns and issues raised at consultations

G. Compliance with Applicable Environmental, Health and Safety Safeguard Requirements

Implementation of Environmental Management Plan (“**EMP**”) (citing changes in the EMP, where warranted), focusing on mitigation measures and monitoring program. Attach copies of monitoring reports. If standards or thresholds are exceeded, specify the corrective actions implemented or to be implemented.

Describe outcomes of internal or external environmental audits, or any government inspections which took place during the reporting period. Attach copies of reports and any follow-up/ corrective actions.

H. Other Information and Feedback

Please list any other information that stakeholders should be aware of. This may relate to broader environmental matters, community initiatives, positive media or NGO attention, training activities, management system initiatives or cost savings through process efficiency, environment-friendly processes.

Name and Signature

Name: _____ Date: _____

Position: _____ Phone: _____

Signature: _____ E-mail: _____



ANNEX 10 – Scope for annual Social Safeguards Monitoring Report (submitted by IR / IP Category A or B portfolio company)

A. Introduction

Brief description.

B. Physical Progress of Investment Components with Resettlement and Indigenous Peoples Impacts

List of investment components with resettlement and indigenous peoples impacts and progress updates (including engineering progress, and ground clearing, land acquisition and structure demolition progress).

C. Scope of Resettlement Impacts and and/or Impacts on Indigenous Peoples

- (1) Actual scope of land acquisition and resettlement (including the methodology to determine the actual scope of land acquisition and resettlement, and comparison with the scope of impacts in resettlement plan(s))
- (2) Actual impacts on Indigenous Peoples (including the methodology to determine the actual scope of impacts on Indigenous Peoples, and comparison with the scope of impacts in Indigenous Peoples plan(s))

D. Institutional Arrangements

- (1) Key organizations involved in resettlement plan and/or implementation
- (2) Progress of activities implemented by other organizations
- (3) Specific implementation arrangements for Indigenous Peoples

E. Compensation Rates, Payment and Assistance Delivery

- (1) Compensation rates for land, resettlement subsidies, standing crops, and trees
- (2) Compensation for buildings and allowances for relocation
- (3) Allocation and utilization of resettlement compensation
- (4) Payment delivery to affected village groups and individuals
- (5) Assistance delivery to affected Indigenous Peoples

F. Status of Land Acquisition, Resettlement, and Reconstruction

- (1) Housing relocation and reconstruction
- (2) Provision of replacement agricultural and/or commercial land
- (3) Restoration of affected public infrastructure and facilities
- (4) Restoration of land used for construction-related activities
- (5) Implementation progress of income restoration activities
- (6) Support to vulnerable groups
- (7) Implementation progress of specific measures for affected Indigenous Peoples

G. Status of Provisions for Indigenous Peoples

- (1) Culturally appropriate beneficial measures for each affected IP groups
- (2) Mitigation measures for each affected IP groups
- (3) Capacity Building measures for IP communities in the investment area



(4) Broad community support, where required

H. Consultation and Disclosure Activities and Grievance Procedures

(1) Consultations on compensation standards and fees, relocation options, etc.

(2) Specific consultations conducted with Indigenous Peoples on the investment, its impacts and assistance to Indigenous Peoples

(3) Any good faith negotiation to resolve major disagreements with Indigenous Peoples

(4) Grievances received and actions taken to address them

I. Grievance Redress Mechanism

(1) Date established and description of organizational arrangements

(2) Grievances reported and resolution processes (e.g., nature of grievance, recorded dates and organizations involved, actions taken to resolve grievances, and media or community reactions (if any))

J. Compliance with Applicable Social Safeguard Requirements

K. Concerns and Work Plan

(1) Concerns encountered, solutions provided and good practices established

(2) Work plan (staffing, training, and work schedules)

Name and Signature

Name: _____ Date: _____

Position: _____ Phone: _____

Signature: _____ E-mail: _____