



BINTANG
CAPITAL PARTNERS



December 2024

Disclosure Statement

Operating Principles for
Impact Management

Investing in A Better World



Disclosure Statement

Operating Principles for Impact Management



December 2024

Bintang Capital Partners Berhad (Bintang, the "**Signatory**") hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the "**Impact Principles**").

This Disclosure Statement¹ applies to BCP Asia Fund I LP, Corellia Holdings I Sdn Bhd and Jakku Holdings II Sdn Bhd. The total assets under management in alignment with the Impact Principles is US\$ 25.2 million as of 30 September 2024.

A handwritten signature in black ink, appearing to read "Johan", with a long horizontal flourish extending to the right.

Johan Rozali-Wathooth
Chief Executive Officer
Bintang Capital Partners Berhad
2 December 2024

¹ The information contained in this Disclosure Statement has not been verified or endorsed by the Global Impact Investing Network ("the GIIN") or the Secretariat or Advisory Board. All statements and/or opinions expressed in these materials are solely the responsibility of the person or entity providing such materials and do not reflect the opinion of the GIIN. The GIIN shall not be responsible for any loss, claim or liability that the person or entity publishing this Disclosure Statement or its investors, Affiliates (as defined below), advisers, employees or agents, or any other third party, may suffer or incur in relation to this Disclosure Statement or the impact investing principles to which it relates. For purposes hereof, "Affiliate" shall mean any individual, entity or other enterprise or organization controlling, controlled by, or under common control with the Signatory.

Principle 1 – Define strategic impact objective(s), consistent with the investment strategy

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

- Bintang Capital Partners (“**Bintang**”) is a private equity firm that is committed to deploying capital in an innovative, responsible and sustainable manner that seeks to generate positive, tangible social and environmental impact, whilst pursuing consistently outsized risk-adjusted returns for its investors. Bintang articulates this through its philosophy of Investing in Impact and Innovation (“**Triple-I Strategy**”).
- The impact component of the Triple-I Strategy encompasses three frameworks / benchmarks which are enshrined in our proprietary Responsible and Sustainable Investment Policy (the “**RSI Policy**”) (available on our website [here](#)):

1) United Nations supported Principles for Responsible Investment (“**UNPRI**”) – Our baseline philosophy for sustainability

As a signatory to the UNPRI, Bintang is committed to uphold the six (6) principles of the UNPRI including incorporating environmental, social and governance (“**ESG**”) considerations throughout our investment lifecycle and business operations.

2) Operating Principles for Impact Management (“**Impact Principles**”) – Our execution framework towards impact

As a signatory to the Impact Principles, Bintang is committed to upholding the nine (9) Impact Principles across its investment lifecycle.

In furtherance of Principle 1 (Defining Strategic Impact Objectives) of the Impact Principles, Bintang has used the Impact Management Platform’s (“**IMP**”) Impact Pathway to develop the impact Theory of Change at both fund and investee levels.

3) B Corp Certification (“**B Corp**”) – Our impact measurement benchmark








Bintang has obtained B Corp Certification which verifies that it meets high standards across B Corp’s five (5) impact areas namely Workers, Community, Environment, Customers and Governance (the “**Impact Areas**”).




Commencing with Bintang’s maiden fund, BCP Asia Fund I (“**BCPAF I**”), any investment made by Bintang into prospective investee companies (“**Partner Companies**”) is conditional upon such Partner Companies committing towards obtaining B Corp Certification within a pre-determined timeframe upon receiving said investment.

The B Corp Certification is a globally recognised certification issued by an independent third-party (i.e., B Lab, a global non-profit headquartered in Pennsylvania, USA) that measures a company’s social and environmental performance by rigorously assessing its business model and operational processes (including supply chain management, environmental management system, carbon footprint, community engagement, and employees treatment and


empowerment) via the B Impact Assessment (“**BIA**”), an impact assessment tool developed by B Lab.

- Obtaining the B Corp Certification is the cornerstone of Bintang’s impact creation strategy as it requires Partner Companies to ensure that they commit towards, adopt and quantify through data collection, the various practices and initiatives that benefit not only their bottom line but also their employees, the community, and the environment, in order to be eligible for B Corp Certification.
- Bintang seeks to invest in medium-sized enterprises with proven revenue and profitability track records, focussing on the following six (6) impact themes which are aligned with the United Nations’ Sustainable Development Goals (“**UN SDGs**”):

Impact Themes	Impact Objectives	UN SDGs
Building Climate Resilience	<p>Promoting and catalysing the 4Rs (Reuse, Reduce, Recycle, and/or Repurpose) across production, distribution, and consumption value chains.</p> <p>Focus on emissions reduction targets, propagation of waste management solutions, and innovation and capacity-building in furtherance of environmental preservation goals.</p>	  
Decent Work & Social Mobility	<p>Facilitating the propagation of decent work opportunities to alleviate poverty for underrepresented groups including increasing gender diversity and equity within the workforce.</p>	  
Digital Society & Technology	<p>Creating and enhancing digital access for underrepresented groups.</p> <p>Facilitating the propagation of gender-smart strategies through digital means and creating digital income opportunities for all.</p>	

Impact Themes	Impact Objectives	UN SDGs
Food & Energy Security	<p>Investing in new technology and innovations to create increased food capacity & production, improving food production environmental sustainability, and driving nutritional quality improvements.</p> <p>Investing in new technology and innovation to create increased energy capacity & production and improving energy production environmental sustainability.</p>	
Quality Health & Education	<p>Improved healthcare for underrepresented groups & the elderly.</p> <p>Addressing uneven & inequitable access to education.</p>	 
Competing in Global Markets	<p>Investing in innovative and impactful companies which have the potential to grow to become regional / global leaders and ensure Malaysia's economic relevance and resilience.</p>	-

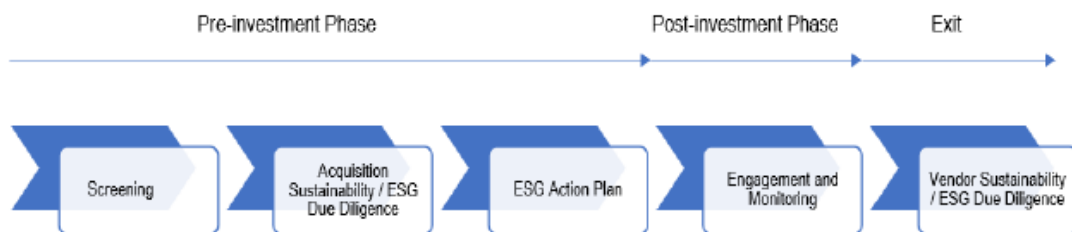
- Commencing with BCPAF I, Bintang will be developing a Theory of Change for (a) each fund managed by Bintang; and (b) each investee company of such fund. The Theory of Change for BCPAF I is set out below:

Input	Activities	Output	Outcome	Impact
<p>Resources provided</p> <ul style="list-style-type: none"> - Financial capital - Human capital - Intellectual capital 	<p>Activities which contribute to the outcomes</p>	<p>Tangible results of our activities – direct, immediate measurable results of our work</p>	<p>The effect that follows delivery of output – indirect, long-standing effects which we contributed to</p>	<p>Indirect and meaningful, sustained impact over the long term</p>
<p>Financial capital</p> <ul style="list-style-type: none"> • Equity <p>Human capital</p> <ul style="list-style-type: none"> • Bintang’s analysts • Bintang’s representative director(s) <p>Intellectual capital:</p> <ul style="list-style-type: none"> • Lead investor (actively source, prepare, negotiate and execute deals) • Culture, connections and competencies • Strategic M&A advisory • Financial & commercial analysis • Investment, innovation and impact expertise • Expert and industry network • Stakeholder engagement 	<p>BCPAF I invests and partners with portfolio companies to achieve full impact and financial returns potential</p> <ul style="list-style-type: none"> • Secondment of Bintang analysts to portfolio companies • Appointment of Bintang representatives on the Boards of Directors of portfolio companies • Technical support and guidance throughout BIA process • Implementation of Value Creation Plan to grow portfolio companies organically and inorganically through: <ul style="list-style-type: none"> ○ Geographic expansion ○ Product development ○ M&A ○ Operational & governance excellence ○ Additional fundraising 	<p>Portfolio company business growth</p> <p>BIA scores of portfolio companies</p> <p>This includes output scaled for additional impact metrics which are tailored to portfolio companies' specific industries, for example:</p> <ul style="list-style-type: none"> • Patients reached • Underrepresented consumers reached • Income for gig workers • Landfills cleared • Waste processed • Second-hand items resold • Energy saved • Women-led businesses 	<p>Market-rate returns</p> <p>This includes outcome scaled for:</p> <ul style="list-style-type: none"> • Increased number of B Corps in ASEAN when Portfolio companies obtain B Corp certification • Improved access to healthcare • Improved self-image for underrepresented groups • Increased income for part-time workers • Reduced land, air, and water pollution • CO2 emissions avoided • Improved diversity metrics 	<p>Additional impact capital inflows into ASEAN region</p> <p>Portfolio companies equipped to drive impact outcomes beyond Bintang's investment horizons related to the following goals:</p> 

Principle 2 – Manage strategic impact on a portfolio basis

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

- The RSI Policy outlines Bintang’s policies and procedures for the assessment and management of ESG issues and impact considerations throughout the investment lifecycle of our Partner Companies from the pre-investment phase, through to the investment holding period, culminating with the exit phase (please refer to the simplified process chart below).



In the pre-investment phase, Bintang applies a preliminary negative screening (the “**Preliminary Screening**”) which identifies and excludes investment in businesses which:

- seek to generate returns from the exploitation of social capital, environmental resources, or human weaknesses and vices, or pose ethical issues;
- have significant environmental uncertainty or are environmentally high-risk industries (such as fossil fuels and mining); or
- pose significant legal, reputational, cultural or political risks;

as more specifically described within the RSI Policy and the investment mandate of the relevant fund(s).

- Bintang then conducts an internal ESG / Sustainability and Impact Due Diligence (“**SDD**”) (in addition to commercial, financial, tax and legal due diligence) and where appropriate, appoints independent third-party advisors to conduct external SDD on the target company to identify the social and environmental risks and opportunities for value creation. Concurrently, the target company may also be required to undertake the BIA, which is aimed at assessing the target company’s current position and performance against the Impact Areas, as well as to obtain a preliminary score of its current practices (“**Preliminary BIA Score**”).
- The Investments team working in consultation with the Sustainability & Impact Committee will define the relevant impact objectives for the target company (“**Identified Impact Objectives**”) based on the SDD findings and the Preliminary BIA Score (if available), taking into consideration relevant factors such as the target company’s operating industry, its ESG / sustainability and impact readiness, its financial position and any other relevant factors. To this end, the Investments team, working in consultation with the Sustainability & Impact Committee and Portfolio Engagement and Stewardship (“**PES**”) team, will develop a Theory of Change based on the IMP’s Impact Pathway for each target company. Each Partner Company has its own Theory of Change which sets out the Identified Impact Objectives in the form of an Impact Pathway. The Impact Pathway clearly identifies

the specific inputs, activities, outputs, outcomes and impacts for each Partner Company which is tailored to its business model, as illustrated in the diagram below:



- The SDD findings and opportunities are reported in the investment memorandums for deliberation by Bintang’s Investment Committee(s) (which includes a designated sustainability and impact member (each, a “**DSIM**”) (the “**Investment Committee**”).
- Bintang’s Investments team and the PES team proactively collaborate with the target company’s management team to develop an ESG action plan which sets out Bintang’s value creation and contribution towards the achievement of the Identified Impact Objectives. The ESG action plan shall reflect and quantify the positive impact potential where applicable and the likelihood of achieving the Identified Impact Objectives. Critical issues to be addressed within the ESG action plan are then incorporated into the 100-Day Plan, while less critical issues or items which require a longer term to achieve (such as the application for B Corp Certification and achievement of the Identified Impact Objectives) will be reflected in the Value Creation Plan.
- Bintang is cognizant that Identified Impact Objectives may vary across Partner Companies and seeks to work with its Partner Companies to manage and achieve the Identified Impact Objectives. To this end, Bintang adopts an active partnership approach through regular and informal engagements with its Partner Companies throughout the investment holding period, including (a) holding a kick-off meeting (immediately post investment) to secure alignment on the key deliverables under the 100 Day Plan and the Value Creation Plan; (b) participation in meetings of the Board of Directors (“**Board**”) of our Partner Companies through Bintang appointed representative directors (each, a “**Bintang Director**”); and (c) regular meetings with the founders and management of the Partner Companies.
- Post-investment, the Investment team works closely with the PES team to execute, monitor and track the Partner Companies’ progress towards achieving the Identified Impact Objectives and B Corp Certification. To this end, each Partner Company will be required to complete and submit to Bintang (a) a qualitative ESG and impact questionnaire (the “**ESG and Impact Questionnaire**”); and (b) a quantitative ESG and impact tracker (the “**ESG and Impact Tracker**”), both of which collect information related to (i) common ESG metrics (applicable to all Partner Companies); and (ii) specific impact output and outcome metrics (based on each Partner Company’s Theory of Change) on a bi-annual basis. Such performance will be included in the reports to our investors on a quarterly and annual basis. Additionally, Bintang may also second a member of its team to each Partner Company on a full-time basis (each, an “**Analyst**”), as part of the Value Creation Plan. The Analyst’s responsibilities include assisting and supporting the Partner Companies towards achieving the Identified Impact Objectives and B Corp Certification.
- For Bintang’s sequel funds, which include BCP Asia Fund II (a sector-agnostic but impact themes specific B Corp Propagator Fund) and Bintang Semiconductor Impact Fund I (a semiconductor-focused impact fund) (collectively, the “**Sequel Funds**”), Bintang intends to subject 25% of its carry entitlement to the achievement of specific impact targets (the “**Carry at Risk**”). Each Sequel Funds’

impact target is to achieve a composite 80-point score for the investee companies on B Lab's BIA, which is the minimum number of points required to achieve B Corp certification. The Sequel Funds' investee companies will be scored on the BIA annually, which feeds into a portfolio (fund level) score calculated as an average of two composites: (a) a composite weighted against the size of the investee company as measured by turnover / revenue (i.e., adjusting individual investee company's contribution by commercial scale); and (b) another composite measured by number of employees (i.e., adjusting individual investee company's contribution by human scale). If, at the end of the fund life, such Sequel Funds fails to achieve 80 points on average (the hurdle score), the Carry at Risk will be forfeited in favour of the Sequel Funds' investors.

- Bintang has in place a compensation structure which includes rewarding its employees based on their contributions towards aligning and assisting Partner Companies with the achievement of their respective B Corp Certifications and Identified Impact Objectives. Employees are assigned specific impact related key performance indicators (KPIs), the achievement of which will determine the employees' annual bonus entitlement and compensation (and promotion prospects) for the following year.

Principle 3: Establish the Manager's contribution to the achievement of impact

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

- Bintang's contribution to the achievement of the Identified Impact Objectives is embedded throughout the entire investment lifecycle, commencing from the Preliminary Screening and SDD to portfolio engagement and monitoring, and through to exit:
 - (a) At the Preliminary Screening stage, Bintang excludes companies based on a set of pre-defined negative screening criteria to avoid investing in companies that are engaged in harmful activities or are responsible for negative social and/or environmental externalities, as further elaborated above.
 - (b) During the due diligence phase, Bintang conducts SDD to assess the target company's baseline impact performance based on B Corp's Impact Areas, as well as to identify its social and environmental risks and opportunities to determine the appropriate impact objectives. To this end, Bintang will develop a Theory of Change based on the IMP's Impact Pathway, clearly setting out the Identified Impact Objectives for each target company.
 - (c) Material SDD findings and opportunities are taken in conjunction with appropriate recommendations and mitigation plans to be incorporated into ESG action plans which detail Bintang's value creation and contributions towards the achievement of the Identified Impact Objectives. These include (but are not limited to) assisting the Partner Companies in their applications to obtain B Corp Certification which involves completing the BIA which covers a comprehensive list of policies and practices across the Impact Areas. Bintang seeks to obtain the target company's management team's alignment on key deliverables including the Identified Impact Objectives under its 100-Day Plan and Value Creation Plan which are jointly developed by Bintang and the management team of the relevant Partner Companies.
 - (d) Post-investment, Bintang directly and proactively supports its Partner Companies through continuous engagement by the Investments and the PES teams with the support of Bintang's Sustainability & Impact Committee and the Legal, Operations and Finance, the Strategic Talent and Culture Development teams, including the following:
 - (i) Bintang may (1) appoint a Bintang Director to the Board of its Partner Company; and (2) second an Analyst to the Partner Company on a full-time basis, as part of the Value Creation Plan;
 - (ii) the Bintang Director (through participation in Board meetings) and Analyst (throughout the secondment period) will provide technical and operational support to the Partner Company to implement the 100-Day Plan and the Value Creation Plan, which includes assisting the Partner Company with its application for B Corp Certification; and
 - (iii) the PES team (through regular meetings with the management team) will engage with management of the Partner Company to detect and address any potential, new or historical ESG issues in addition to tracking the target company's progress in executing the 100-Day Plan and Value Creation Plan.

- (e) As part of Bintang's exit considerations, the firm may choose to undertake further rounds of SDD on the relevant Partner Companies to ensure that ESG / sustainability issues identified during the pre-investment SDD and throughout the investment holding period have been sufficiently addressed. Bintang may also request its Partner Companies to undertake an updated BIA, whereby the difference between the Preliminary BIA Score and the updated BIA score can be used to benchmark any improvements and/or deteriorations in the Partner Company's ESG / sustainability and impact practices since Bintang's investment was initiated.
- (f) Bintang shall also consider at all times the effect upon which the timing, structure and process of its exit will have on the sustainability of the Identified Impact Objectives.

Principle 4: Assess the expected impact of each investment, based on a systematic approach

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

- The RSI Policy sets out a structured and systematic approach by which Bintang assesses and quantifies its Partner Companies' potential impact in addition to identifying ESG risks and opportunities for value creation as part of the SDD during the pre-investment phase, as further elaborated below.
- The SDD revolves around the B Corp's Impact Areas of Workers, Community, Environment, Customers and Governance, with a focus on ESG issues which are peculiar to the industry and operational circumstances of the target company. Where possible, Bintang will also require the target company to undertake the BIA to obtain the Preliminary BIA Score of its current ESG and impact practices.
- The SDD is led by the Investments team and where appropriate, an external SDD advisor, working in consultation with Bintang's Sustainability & Impact Committee:
 - (a) Based on the SDD findings and the Preliminary BIA Score, the Investments and PES teams will work together with the Partner Company's management team to (i) define the applicable Identified Impact Objectives in the form of a Theory of Change; and (ii) develop an ESG action plan, for each Partner Company. In developing the Theory of Change and ESG action plan, Bintang will assess and seek to quantify the Partner Company's positive impact potentials across the Impact Areas.
 - (b) As discussed above, our Partner Companies (commencing from BCPAF I) are required to pursue B Corp Certification within an appropriate timeframe following Bintang's investment. As our Partner Companies work through their respective BIAs as part of the B Corp Certification process, Bintang will further refine and select the relevant metrics and KPIs to track across the Impact Areas. To this end, each Partner Company will be required to complete and submit to Bintang both (a) the ESG and Impact Questionnaire; and (b) the ESG and Impact Tracker, on a bi-annual basis.
- Prior to any investment being made by Bintang, the Investment Committee will scrutinise the SDD findings, the expected impact opportunities and the potential risks as highlighted in the investment memorandums. Each investment memorandum has a specific impact section, which highlights the target company's performance and (reasonably envisaged) opportunities for improvement across the Impact Areas as well as the ESG risks involved and the corresponding mitigation plans (the "Impact Table"). Additionally, in respect of selected target companies, the investment memorandums will also include (a) a spider diagram that visually depicts the current relative strengths of the target company (with scores ranging between 0-non-existent to 5-very strong) across the Impact Areas; and (b) Theory of Change setting out the Identified Impact Objectives in the form of output, outcome and impact. The purpose of this diagram, the Impact Table and Theory



of Change taken together, is to facilitate a robust and open discussion of the impact strengths and weaknesses of the target company by the Investment Committee.

Principle 5: Assess, address, monitor, and manage potential negative impacts of each investment

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

- Bintang has a systematic approach to assess, address, monitor and manage potential negative impacts of each investment, as enshrined in our RSI Policy (available on [our website](#) (under Impact).
- In the Preliminary Screening phase, Bintang filters out companies that are engaged in harmful activities and/or are responsible for negative social and/or environmental externalities. Such companies will be excluded from Bintang's investment universe.
- In the due diligence phase, Bintang conducts SDD to assess the target company's baseline operations with good industry practices, anchored around B Corp's Impact Areas. Any material ESG risks together with their corresponding mitigating strategies and value creation opportunities are summarised in the impact section of the investment memorandum to be presented to the Investment Committee for deliberation.
- If the target company does not sufficiently fulfil the SDD assessment, Bintang then assesses whether (a) identified ESG risks can be sufficiently addressed or mitigated; or (b) the target company's founder and/or its management team demonstrate a strong level of commitment and alignment towards Bintang's ESG and impact aspirations. In the event these assessments result in negative outcomes, Bintang will not invest in the said target company.
- Premised upon the SDD findings and the Preliminary BIA Score, the Investments and PES teams collaborate closely with the Partner Company's management team to (a) define the applicable Identified Impact Objectives in the form of a Theory of Change; and (b) develop an ESG action plan, for each Partner Company.
- It is a condition of Bintang's investment that Partner Companies must pursue accreditations as certified B Corps within an appropriate timeframe following Bintang's investment, as elaborated above.
- Post-investment, the firm through the Bintang Director(s) and Analyst(s) acting in concert with the Sustainability & Impact Committee and the Investments, PES, Legal, HR, Operations and Finance teams, actively engage with the founders and the management teams of Partner Companies to provide operational and technical support to implement the 100-Day Plan and the Value Creation Plan towards achieving B Corp Certification and the Identified Impact Objectives.
- During the investment holding period, the PES team monitors and tracks the Partner Companies' performance to ensure they are meeting the financial, operational, ESG and impact targets set by Bintang. To this end, each Partner Company will be required to complete and submit to Bintang both (a) the ESG and Impact Questionnaire; and (b) the ESG and Impact Tracker, on a bi-annual basis. The PES team provides quarterly updates to our investors that highlight not only the Partner Company's financial performance but also their progress against the Identified Impact Objectives and its progress in obtaining B Corp Certification.

- In addition to monitoring the progress of the Partner Company in executing the 100-Day Plan and Value Creation Plan as discussed above, the PES team will also detect and address any potential, new or legacy ESG issues in accordance with Bintang's MDEA² and CORR³ approach as stipulated in Bintang's Portfolio Management and Monitoring Policy (the "**PMM Policy**").

² *Monitoring, Detection, Escalation and Action framework is Bintang's approach to portfolio management as stipulated in the PMM Policy*

³ *Cause(s), Options, Risk/ Reward framework is the process which Bintang applies in determining a suitable action in response to MDEA as stipulated in the PMM Policy*

Principle 6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately.

The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

- From the onset of any investment, Bintang works closely with its Partner Company's management team to agree on (a) the Theory of Change (which clearly sets out the identified Impact Objectives); and (b) an ESG action plan which sets out, amongst others, Bintang's value creation and contribution towards the achievement of the Identified Impact Objectives as previously described. It is also customary for Bintang to request for the right to receive financial and non-financial information such as operating statistics and impact metrics on a regular basis, as part of the terms of shareholders agreements entered with Partner Companies. Bintang collects such information on a regular basis using through (a) the ESG and Impact Questionnaire; and (b) the ESG and Impact Tracker, both submitted by Partner Companies on a bi-annual basis.
- Bintang's standardised process for monitoring and managing the performance of its Partner Companies includes tracking the Identified Impact Objectives in accordance with the MDEA framework as stipulated in the PMM Policy (this includes scenarios where the monitoring process indicates that the investment is no longer expected to achieve the Identified Impact Objectives or a Partner Company is facing challenges to fulfil its undertaking to pursue B Corp Certification):
 - (a) **Monitoring** – Bintang will monitor the progress, development and performance of its Partner Companies via active engagements with internal and external stakeholders. At least one senior member of the Investments or PES team shall be appointed to the Board of the Partner Company, at least two members of the Investments team (one of whom shall be a senior member (Principal or more senior) shall be responsible to execute the Value Creation Plan and at least one member of the PES team will be responsible for tracking and monitoring the performance of the Partner Company based on Bintang's portfolio tracking template.
 - (b) **Detection** – The PES team shall classify the status of each Partner Company based on its performance against planned financial and non-financial metrics (including ESG and impact metrics such as the Identified Impact Objectives and B Corp Certification). Depending upon performance, a company may be classified into either Green, Amber or Red categories (the "Traffic Light System").
 - (c) **Escalation** – Depending on the classification of the Partner Company:
 - (i) Green-tagged companies: No escalation is required.
 - (ii) Amber-tagged companies: The PES team will must update either Bintang's senior Investment lead or the Chief Executive Officer ("**CEO**") on a quarterly basis until the investment reverts to being Green-tagged status.
 - (iii) Red-tagged companies: The PES team must deliver monthly presentations on the business to Bintang's Executive Committee ("**EXCO**"), and the Investments and PES teams shall jointly make recommendations to the EXCO of their deliberations and recommendations on appropriate actions to be taken.
 - (d) **Action** – Depending on the classification of the Partner Company:

- (i) Amber-tagged companies: the CEO, senior Investments lead(s) and the leadership of the PES team shall jointly discuss and determine the appropriate course of action. In the scenario where a Partner Company is facing challenges to fulfil its undertaking to pursue B Corp Certification within the agreed timeframe, Bintang may consider providing an extension of time for the Partner Company to fulfil its undertaking and/or providing additional support to assist the Partner Company with its B Corp Certification application.
 - (ii) Red-tagged companies: The EXCO will be responsible for deciding necessary remedial actions and agenda via consensus. If a Partner Company falls short of its targets, remedial actions may be considered to recover invested capital.
- Bintang may also elect to impose additional B Corp score targets beyond the B Corp qualification criteria on the Partner Companies with appropriate incentives to further spur the achievement of industry-leading scores and the adoption of further market leading ESG / sustainability and impact practices within the Partner Companies during Bintang's investment period. As of the date of this Disclosure Statement, one (1) Partner Company has recently achieved B Corp Certification and two (2) Partner Companies are in advanced verification stages of their B Corp Certification applications. As the aforementioned Partner Company has only recently achieved its B Corp Certification and pending achievement of B Corp Certification by the rest of its Partner Companies, Bintang has not imposed any additional B Corp score targets on any of its Partner Companies.

Principle 7: Conduct exits considering the effect on sustained impact.

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

- Bintang held the final closing for BCPAF I in June 2022 and made its first investment out of BCPAF I in October 2022 with the most recent investment having been made in June 2023.
- Whilst Bintang has not had any investment exits from BCPAF I to date, Bintang has codified its responsible exit approach within its RSI Policy as described below:
 - (a) In preparation of exit, Bintang may undertake an internal SDD exercise on the Partner Company to ensure that ESG / sustainability issues identified during the initial SDD and throughout the investment holding period have been sufficiently addressed. Bintang may also request that the Partner Company undertake a vendor SDD exercise.
 - (b) Bintang may also request that its Partner Company undertake an updated BIA where such an updated BIA score may be required by B Lab for the purposes of maintaining its B Corp Certification status (recertification is required at three (3) year intervals post initial certification). Since the typical investment holding period for Bintang ranges from between five (5) to seven (7) years, it is generally expected that most Partner Companies shall require an updated BIA Score prior to divestment by Bintang. The difference between the initial BIA score and the updated BIA score shall be indicative of the improvement in the Partner Company's ESG / sustainability and impact practices since Bintang's investment was initially made.
 - (c) Bintang shall consider at all times the effect which the timing, structure and process of its exit will have on the sustainability of the Identified Impact Objectives.

Principle 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

- Bintang has a formal process and standardised templates for monitoring and tracking its Partner Companies' performance to ensure that financial, operational and ESG metrics set by Bintang are being met as stipulated in the RSI Policy and PMM Policy. Bintang collects tracks these metrics on a regular basis using through both (a) the ESG and Impact Questionnaire; and (b) the ESG and Impact Tracker, submitted by Partner Companies on a bi-annual basis.
- Post-investment, the PES team meets the management of the Partner Companies regularly to track their progress in executing 100-Day Plans and Value Creation Plans, which include the Identified Impact Objectives and application for B Corp Certification. These meetings (including meetings of the Boards of the Partner Companies) are opportunities for Bintang to not only review and discuss the progress of the Partner Companies in achieving the aforementioned objectives, but also to detect and promptly address potential, new or historical ESG / sustainability issues which were not previously captured during the pre-investment SDD.
- The Investments and PES teams will review and revise (where necessary) the Value Creation Plans on a quarterly basis (or such shorter period where appropriate). When monitoring indicates that the investment is no longer expected to achieve the Identified Impact Objectives, Bintang will seek to pursue appropriate actions in accordance with Bintang's MDEA and CORR approach as discussed above.
- Bintang also collates and provides performance reports on its Partner Companies and funds to its investors on a regular basis, such as quarterly or semi-annually, in accordance with the procedures set out in the PMM Policy.
- Systematic and regular check-ins with the Partner Companies and reporting, in the manner described above, allows Bintang to not only keep updated with the performance of its Partner Companies but also to identify and address any ESG risks promptly and effectively.
- Post exit, Bintang shall compare the expected impact against the actual impact generated by its Partner Companies based on (a) the findings from the exit SDD; and (b) the improvement in the updated BIA score as compared to the initial BIA score. Positive and negative impacts arising from the investment in the Partner Companies will be documented and used as case studies to guide strategic changes to improve Bintang's operational and strategic investment decisions, as well as management processes.

Principle 9: Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

- This Disclosure Statement reaffirms the alignment of Bintang's policies and procedures with the Impact Principles and shall be updated annually.
- The most recent independent verification was performed by BlueMark in October 2023. Our verification statement can be found on [our website](#) (under Impact).
- In October 2023, Bintang engaged BlueMark to independently verify the alignment of Bintang's impact management practices with the Operating Principles for Impact Management, an industry standard for integrating impact throughout the investment lifecycle. BlueMark's assessment findings covered both areas of strength and areas for improvement, as reflected in the Verifier Statement. BlueMark is a leading provider of impact verification services for investors and companies. Founded in 2020, BlueMark's mission is to "strengthen trust in impact investing." BlueMark's verification methodologies drew on a range of industry standards, frameworks, and regulations, including the Impact Management Project, the Operating Principles for Impact Management, the Principles for Responsible Investment, SDG Impact, and the Sustainable Finance Disclosure Regulation. BlueMark has office locations in London, UK; New York, NY; Portland, OR; and San Francisco, CA and is headquartered at 154 W 14th St, 2nd Floor, New York, NY 100.
- The next independent verification shall be planned in or before 2026.