



## **BINTANG CAPITAL PARTNERS BERHAD**

**Company No. 197501001009 (22728-T)**

### **RESPONSIBLE AND SUSTAINABLE INVESTMENT POLICY**

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## ABBREVIATION / DEFINITIONS

Terms	Description
<b>Bintang</b>	Bintang Capital Partners Berhad and includes any successor-in-title and/or its permitted assigns.
<b>Board</b>	Board of Directors of Bintang.
<b>Chief Executive Officer</b>	The Chief Executive Officer of Bintang.
<b>Designated ESG Member</b>	The individual who is the designated ESG member on the Investment Committee or the Board, as the context may require.
<b>ESG</b>	Environmental, social and governance.
<b>ESG Committee</b>	Bintang's ESG Committee, comprising the Chief Executive Officer, General Counsel, Chief of Staff, Head of PMIR, Head of Finance and Operations and a representative from the Investments team.
<b>Executive Committee</b>	The executive committee of Bintang, comprising the Chief Executive Officer, senior Investments team members (Principal and higher), the General Counsel and the Head of PMIR.
<b>Finance and Operations team</b>	Bintang's finance and operations team.
<b>Investment Committee</b>	Means each of the following:  (a) the Investment Committee of Bintang established by the Board (this being the first level Investment Committee); and  (b) the Investment Committee of the respective Bintang fund (this being the second level Investment Committee),  (collectively, the " <b>Investment Committees</b> ").
<b>Investment Policy</b>	Bintang's investment policy (version 1.0), as may be amended and adopted by the Board from time to time.
<b>Investments team</b>	Bintang's investments team.
<b>Legal team</b>	Bintang's legal team.
<b>Operations and Finance team</b>	Bintang's operations and finance team.
<b>Partner Companies</b>	All existing and future portfolio companies of Bintang, and each a " <b>Partner Company</b> ".
<b>PAT</b>	Means the Profit After Zakat and Tax, defined as revenues (excluding carried interest revenues) less expenses (excluding carried interest expenses) less zakat and tax.
<b>PMIR team</b>	Bintang's portfolio management and investor relations team.
<b>Portfolio Management and Monitoring Policy</b>	Bintang's portfolio management and monitoring policy (version 1.0), as may be amended and adopted by the Board from time to time.

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## 1. GUIDING PRINCIPLES

### *Bintang's philosophies: Innovation Investing and Impact Investing*

Bintang strongly believes in the importance of deploying capital in an innovative, responsible and sustainable manner, while pursuing consistently outsized risk-adjusted returns for its investors. To this end, Bintang focuses on two primary philosophies: *Innovation Investing* and *Impact Investing*.

Bintang's *Innovation Investing* philosophy is the innovation component of its business: Bintang backs businesses with innovation in their DNA to build tomorrow's solutions, services and products today. Bintang believes that sustained innovation a consistent way of generating outsized returns.

Bintang's *Impact Investing* philosophy is the impact and humanity component of its business which emphasizes the three "P"s of sustainability, namely People, Planet and Profit. Such approach (better known as the "**Triple Bottom Line Approach**") seeks to ensure that the planet and its inhabitants are treated with respect and dignity to create a future shaped by shared prosperity. To this end, Bintang seeks to partner with companies that uphold high standards of governance and embrace concepts of people (social) and planet (environment) in their pursuit of growth. Bintang believes that this approach is not mutually exclusive to achieving superior returns: it is synonymous with and an important component of achieving superior returns in a sustainable manner.

### *United Nations' Principles of Responsible Investment ("UN PRI")*

In conjunction with the *Impact Investing* philosophy, Bintang has been a signatory of the UN PRI since December 2021, and is committed to upholding the six principles of the UN PRI:

- (a) Bintang will incorporate ESG issues into investment analysis and decision-making processes;
- (b) Bintang will be active owners and incorporate ESG issues into ownership policies and practices;
- (c) Bintang will promote acceptance and implementation of the PRI principles within the investment industry;
- (d) Bintang will seek appropriate disclosure on ESG issues by the entities in which it invests;
- (e) Bintang will work together to enhance its effectiveness in implementing the PRI principles; and
- (f) Bintang will report on its activities and progress towards implementing the PRI principles.

### *Operating Principles for Impact Management ("Impact Principles")*

Bintang has been a signatory of the Impact Principles since 27 October 2022 and is committed to adopting the nine Impact Principles as part of its impact management system.

### *B Corp Certification Framework*

In addition, Bintang undertakes sustainability / ESG due diligence on all target companies prior to undertaking any investments. Bintang's sustainability / ESG due diligence exercise focuses on the target company's position and performance across five impact areas (namely employees, community, customers, governance and the environment) of the B Impact Assessment developed by B Lab under the B Corp Certification Framework.

### *Active partnership*

As an active investor, Bintang rigorously engages with the founders and management teams of its Partner Companies to drive growth and strengthen governance as part of Bintang's value creation plan (the "**Value Creation Plan**"). Bintang strongly believes that effective stewardship will not only mitigate risks (whether financial, legal or reputational) but also enhances longer-term value and generates better outcomes for all stakeholders: from employees to shareholders, customers to suppliers and ultimately, the wider community and the environment. As such, Bintang is committed towards incorporating responsible and sustainable investing frameworks into its core business and investment process, as well as into its overall corporate identity and culture.

This Policy aims to formalize and consolidate Bintang's ESG practices and provide a broad framework for the integration of ESG considerations throughout Bintang's investment life cycle and business operations based on the following sustainability frameworks: (a) the Triple Bottom Line Approach; (b) the UN PRI; (c) the Impact Principles; and (d) the B Corp Certification Framework.

## **2. COMMITMENT TO INVEST RESPONSIBLY**

Bintang commits to:

### **2.1 Maintaining strong ESG governance at Bintang**

The ESG Committee together with the Investment Committees are responsible for overseeing Bintang's responsible and sustainable investment activities. Each Investment Committee includes a Designated ESG Member who is the voice and champion of ESG at every Investment Committee meeting. Such individual is an independent member with strong background and credentials within the ESG space. The Designated ESG Member is the sole member of Bintang Investment Committee who is entitled to appoint an alternate. This is so that each Bintang Investment Committee meeting incorporates the presence of a Designated ESG member or the member's alternate to ensure the ESG agenda is always adequately covered and discussed.

The Board also includes a Designated ESG Member who is the voice and champion of ESG at every Bintang Board meeting. Such individual is an independent non-executive member with a strong background and proven credentials within the ESG space.

The ESG Committee, in partnership with the PMIR, Investments, Legal and Finance and Operations teams, coordinates Bintang's approach to the management and integration of ESG considerations in Bintang's investment activities and operations.

The ESG Committee and the PMIR and Investments teams are responsible for implementing the practices under this Policy, in collaboration with the Legal and Finance and Operations teams.

Bintang will communicate this Policy to its staff members and conduct periodic training to ensure that all staff members understand the importance of integrating ESG considerations into Bintang's investment activities and operations, and their respective roles under this Policy.

### **2.2 Promoting the adoption and implementation of strong ESG governance within Partner Companies**

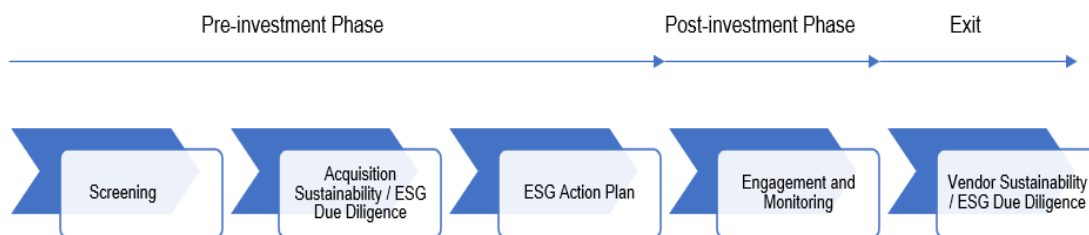
Bintang strongly advocates for the adoption of strong governance and ESG practices by its Partner Companies.

It is a condition to Bintang's investment that its Partner Companies pursue accreditation as Certified B Corporations (each, a "**B Corp**") within an appropriate timeframe following Bintang's investment. The B Corp certification is an independently verified accreditation signifying that the Partner Company has met the highest standards of social and environmental performance, accountability and transparency across 5 impact areas (namely employees, community, customers, governance and the environment) under the B Corp Certification Framework. Bintang will provide guidance and support to its Partner Companies during the application process.

Post-investment, Bintang actively engages with the founders and management teams of its Partner Companies to share best practices, monitor and address ESG-related issues, and pursue ESG initiatives, including but not limited to the B Corp certification.

### **2.3 Implementing responsible and sustainable investment approach and ESG management throughout its investment cycle.**

Bintang integrates ESG considerations throughout its investment life cycle from pre-investment phase to the investment holding period up till exit, as detailed below.



*Diagram 1: Simplified process chart of Bintang’s ESG integration approach*

**A. Pre-investment**

At the pre-investment phase, Bintang will assess a target company for ESG related risks in two primary steps. Bintang will (1) firstly screen the target company against the Exclusion List (as defined below); and (2) subsequently conduct sustainability / ESG due diligence on the target company:

**Step 1: Screening**

Subject to the investment mandate of the relevant Bintang fund and the terms of the relevant limited partnership agreement, Bintang shall refrain from investing in businesses or enterprises that (the list below shall be collectively referred to as the “**Exclusion List**”):

- (a) seek to generate returns from the exploitation of social capital, environmental resources, or human weaknesses and vices, or pose ethical issues. Investments in companies that are engaged in the following activities are excluded:
  - (i) the manufacturing, production, distribution, packaging or marketing of tobacco products;
  - (ii) the manufacturing, production, processing, distribution, marketing or sale of drugs where such drugs and such activities are illegal in the jurisdiction in which such drugs are being manufactured, produced, processed, distributed, marketed and/or sold, as applicable, including but not limited to marijuana and/or recreational drugs;
  - (iii) the business of gambling and/or the operation of gambling establishments (excluding, for the avoidance of doubt, hotels, restaurants, bars and other businesses where gambling is permitted, but is not their core business);
  - (iv) the manufacturing, production, distribution, packaging, marketing or sale of alcohol (excluding, for the avoidance of doubt, hotels, restaurants, bars and other businesses that may engage in the sale of alcohol but not as part of their core business);
  - (v) the manufacturing, production, distribution, packaging, marketing or sale of pornography or prostitution; or
  - (vi) the manufacturing, production, distribution and/or sale of weapons or armaments for military purposes;
- (b) have significant environmental uncertainty or are environmentally high-risk industries (such as fossil fuels and mining); or
- (c) pose significant legal, reputational, cultural or political risks.

**Step 2: Sustainability / ESG due diligence**

Internal due diligence: If a target company passes the negative screening, Bintang will undertake sustainability / ESG due diligence on the target company to identify ESG related risks and opportunities for value creation. To this end, Bintang has developed an internal ESG due diligence questionnaire based on the three elements of the Triple

Bottom Line Approach and the five impact areas under the B Corp Certification Framework (see **Appendix A** for further details of these frameworks). The due diligence questionnaire is sector agnostic and is intended to be supplemented on a case-by-case basis to include additional ESG issues which are peculiar to the industry or operational circumstances of the target company. Additionally, the target company will be required to undertake the B Impact Assessment developed by B Lab to obtain a preliminary scoring ("**Preliminary BIA Score**") of its current ESG practices.

External due diligence: Where necessary, Bintang will also instruct external advisors to perform sustainability / ESG due diligence on the target company.

Due diligence findings: Target companies that do not completely or sufficiently fulfill the sustainability / ESG due diligence assessment shall not be automatically excluded from Bintang's investment universe. In such circumstances, Bintang shall assess whether there are any opportunities for improvement and value creation. However, if (a) the ESG risks are too significant and cannot be sufficiently addressed or mitigated whether pre or post investment; or (b) the ESG risks are not significant but the target company, its founder and/or its management team do not exhibit adequate levels of commitment needed for improvement towards greater adherence to Bintang's ESG aspirations, then Bintang shall not invest in such target company.

The Investments team, working in consultation with the ESG Committee, will define the appropriate impact objectives for each target company (the "**Identified Impact Objectives**") based on the sustainability / ESG due diligence findings and the Preliminary BIA Score and further, considering the industry in which the target company operates in, its ESG readiness, its financial position, and such other factors which the Investments team and ESG Committee deem appropriate.

ESG Action Plan: Material ESG due diligence findings and opportunities shall be summarised in the investment memorandums / papers for deliberation by the Investment Committee. Where improvements are required or where there are opportunities for value creation, the Investment and PMIR teams will work together with the target company's management team to develop an ESG action plan. The ESG action plan will set out, among others, Bintang's value creation and contribution towards the achievement of the Identified Impact Objectives. In developing the ESG action plan, the Investments team, working in consultation with the ESG Committee, will assess, and where possible, quantify the positive impact potential deriving from each investment, and the likelihood of achieving the investment's expected impact.

The ESG action plan will be incorporated into (a) the 100-Day Plan (in respect of critical ESG issues); and/or (b) the Value Creation Plan (in respect of less critical ESG issues and/or value creation items which will require longer term to achieve, including but not limited to the B Corp certification application and the Identified Impact Objectives).

The 100-Day Plan sets out critical action items to be executed by the target company within the first 100 days of Bintang's investment. The 100-Day Plan will be jointly developed by the ESG Committee and the Investment and PMIR teams together with the management team of the target company and will be submitted to the Executive Committee for deliberation and approval.

The Value Creation Plan sets out specific areas of improvements or value creation opportunities (including but not limited to the B Corp certification and the Identified Impact Objectives) to be undertaken by the target company within an appropriate timeframe throughout the investment holding period. The Value Creation Plan will be jointly developed by the ESG Committee and the Investments and PMIR teams and will be submitted to the Executive Committee for deliberation and approval.

### **B. Post-investment (investment holding period)**

Bintang recognizes that impact objectives may vary across its Partner Companies and seeks to work with the founders and/or management teams of its Partner Companies to manage the Identified Impact Objectives. To this end, Bintang adopts an active

partnership approach with the founders and/or management teams of its Partner Companies through regular and informal engagements throughout the investment holding period. Bintang believes that such active partnership approach will allow Bintang to identify, avoid, mitigate, and manage the relevant ESG risks. Bintang will undertake, among others, the following:

(a) Kick-off meeting

Following closing, Bintang will conduct a kick-off meeting with the founder and management team of its Partner Company to (i) communicate and establish dialogues on Bintang's ESG aspirations and goals for the Partner Company; and (ii) discuss and align on the key deliverables under the 100-Day Plan and the Value Creation Plan (including but not limited to the B Corp certification and the Identified Impact Objectives).

(b) Active engagement and implementation of the 100-Day Plan and Value Creation Plan

As part of the investment terms, Bintang may request for the right to appoint a representative to the board of directors of its Partner Company (each, a "**Bintang Director**"). Bintang may also second members of its team to its Partner Company on a full-time basis (each, an "**Analyst**") as part of Bintang's Value Creation Plan.

The Bintang Director and the Analyst, together with the support of the ESG Committee and the Investments, PMIR, Legal and Operations and Finance teams, will collaborate with the founder and management team of the Partner Company and provide the necessary technical and operational support, to ensure the effective implementation of the 100-Day Plan and the Value Creation Plan (including but not limited to the B Corp certification and the Identified Impact Objectives). These include providing the necessary support and assistance to the Partner Company to improve its Preliminary BIA Score to be eligible for obtaining and thereafter, maintaining B Corp certification throughout Bintang's investment holding period.

(c) Monitor

The PMIR team will hold meetings with the management of the Partner Company on (i) a fortnightly basis (or such shorter intervals where appropriate) to track the company's progress in executing the 100-Day Plan; and (ii) a monthly or quarterly basis to track the company's progress in executing the Value Creation Plan (including the Partner Company's progress in achieving the B Corp certification and the Identified Impact Objectives). Minutes of such meetings will be documented for reference and record.

These meetings (including meetings of the board of directors of the Partner Company) are opportunities for Bintang to engage with the management team of the Partner Company to detect and promptly address potential, new or historical ESG issues (which were not captured during the pre-investment due diligence) in accordance with Bintang's MDEA and CORR approach (see the Portfolio Management and Monitoring Policy).

Where appropriate, the Bintang Director may also escalate ESG-related issues to the board of directors of the Partner Company for deliberation and further action.

The Investments and PMIR teams will review and revise (where necessary) the Value Creation Plan 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, the ESG Committee and the Investments and PMIR teams will seek to pursue appropriate actions in accordance with Bintang's MDEA and CORR approach (see the Portfolio Management and Monitoring Policy).



Bintang may also elect to impose additional B Corp score targets (beyond the B Corp qualification criteria) on the Partner Companies (“**B Corp Challenges**”) with appropriate incentives to further spur the achievement of industry-leading scores and the adoption of further market leading ESG practices within the Partner Companies within Bintang’s investment period.

Additionally, Bintang shall aspire to publish details of its Partner Companies’ B Corp status including the status of their B Corp application process, date of their B Corp accreditation, and their B Corp scores (both current and historical, where applicable) on Bintang’s website.

### **C. Exit**

To prepare for exit, Bintang may undertake an internal sustainability / ESG due diligence on the relevant Partner Company to ensure that ESG issues identified during the pre-investment due diligence and throughout the investment holding period have been sufficiently addressed. Where appropriate, Bintang may also request the Partner Company to undertake a vendor sustainability / ESG due diligence exercise.

Bintang may also request that its Partner Company undertake an updated B Impact Assessment (“**Updated BIA Score**”) where such an Updated BIA Score may be required by B Lab for the purposes of maintaining a B Corp certification status (recertification is typically required within 3-year intervals). Since the typical investment holding period for Bintang ranges between 5 to 7 years, it is generally expected that most Partner Companies will require an Updated BIA Score prior to divestment by Bintang. The difference between the Preliminary BIA Score and Updated BIA Score shall be indicative of the improvement in the Partner Company’s ESG practices since Bintang’s investment was initiated.

When conducting an exit for each Partner Company, Bintang shall consider the effect which the timing, structure and process of its exit will have on the sustainability of the Identified Impact Objectives.

Post exit, Bintang 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 its operational and strategic investment decisions, as well as management processes.

#### **2.4 Engaging with stakeholders.**

Bintang strives to be transparent in its approach to responsible and sustainable investment.

Bintang provides its investors with a summary of the ESG issues affecting its Partner Companies and a status update on the relevant ESG action plan as part of the investors’ quarterly updates.

As a signatory of the UN PRI, Bintang commits to report to the UN PRI its responsible investment activities, using the PRI reporting system, on an annual basis.

As a signatory of the Impact Principles, Bintang also commits to publish an annual disclosure statement disclosing the alignment of its impact management system with the nine Impact Principles, supported by an independent verification of such alignment.

### **3. COMMITMENT TO OPERATE RESPONSIBLY**

In addition to the investment activities, Bintang aims to adopt and implement effective ESG practices in its own operations. To this end, Bintang commits to:

#### **3.1 Establishing strong governance**

Bintang has a strong governance structure in place to uphold the highest standards of governance. In addition, Bintang has policies and processes in place to ensure the highest

level of integrity and ethical behavior in all its business conduct. All Bintang staff members are subject to, and receive training on Bintang's policies, including the Employees' Code of Conduct ("**Code of Conduct**"). All Bintang staff members are required to acknowledge that they have received, read and understood and agree to the terms set out in the Code of Conduct upon joining.

### 3.2 **Promoting diversity in the workplace**

Bintang celebrates the principles of Diversity, Equity and Inclusivity ("**DEI**"). Bintang is committed towards creating an environment that welcomes and celebrates differences in its employees' backgrounds, experiences, and perspectives, in the pursuit to create a firm with a strong sense of shared purpose and ownership. Bintang seeks to recruit, retain and develop as diverse a talent pool as possible as part of its vision of "Investing in a Better World" and its ideal of "Building Tomorrow Today". Visit Bintang's website for more information on the key highlights of Bintang's DEI initiative.

### 3.3 **Investing in local communities**

Bintang supports charities that seek to empower young people and underrepresented members of the community. To this end, Bintang aims to allocate 10% of its PAT to the Bintang Foundation which shall be dedicated to funding and supporting ESG, charitable and welfare-related causes.

In line with its vision of "Investing in a Better World" and its ideal of "Building Tomorrow Today", Bintang also allocates a third of the total places available for its bi-annual Bintang Internship Programme for students who come from socially and economically disadvantaged and/or marginalised groups. Bintang staff members are also encouraged to pursue volunteering activities or causes within environmentally and socially impactful areas for which they are passionate about.

## 4. **RESPONSIBILITIES**

The Board is the approving authority for this Policy. The Board will review, and where necessary, update this Policy from time to time as part of the ongoing effort to improve Bintang's responsible investment approach as well as to take into account changes to the regulatory, business, and organizational requirements affecting Bintang and its funds.

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APPENDIX A

**Triple Bottom Line Approach**

The Triple Bottom Line Approach measures a target company's ESG practices across the three "P"s of sustainability:

Areas	Remarks
<b>People (Social Equity)</b>	<ul style="list-style-type: none"> <li>Fair and beneficial practices towards labour / community / region</li> <li>Commitments to treat employees with dignity and respect: corporate, labour and other stakeholder interests are inter-dependent and should be aligned</li> <li>Commitments to community (seeking to proactively give back to the community through employment, health and education)</li> </ul>
<b>Planet (Environmental Equity)</b>	<ul style="list-style-type: none"> <li>Sustainable and environmentally-sound practices</li> <li>Commitments to reduce or even reverse the overall environmental impact</li> </ul>
<b>Profit (Economic Equity)</b>	<ul style="list-style-type: none"> <li>Assessment of the economic equity of enterprise on the community</li> <li>Commitments to create better economic equality and access to opportunities for underprivileged and marginalised segments of society</li> <li>Creation of social profit through welfare and charity</li> </ul>

**B Corp Certification Framework**

The B Corp Certification Framework measures a target company's ESG practices in the following areas, which may be updated from time to time to reflect the latest applicable framework published by B Lab:

Areas	Remarks
<b>Social &amp; Environmental Performance</b>	<p>Assess the target company across the following components of its business operations:</p> <ul style="list-style-type: none"> <li><b>Employee Impact:</b> Demonstrate fair treatment of its labour, in terms of wages, access to non-cash benefits, leave, mutually agreed flexible work arrangements, retirement plans, worker engagement survey.</li> <li><b>Community Impact:</b> Support diversity in workplace, create job opportunities for underemployed population, organize volunteer activities / CSR commitments, localized supply chain, undertake fair salary reviews, reasonable multiple of highest paid worker to lowest paid worker.</li> <li><b>Environmental Impact:</b> Monitor emissions, utility-efficient systems, encourage alternative commuting options, procurement chain is cognizant of environmental impact, shipping considerations.</li> <li><b>Governance Impact:</b> Maintain a balanced board of directors, review of social and environmental performance, commitment to social and environmental responsibility in the target company's mission statement, produce an external report on social and environmental performance.</li> <li><b>Customer Impact:</b> Include product warranty in transactions, third-party certification of processes (for e.g., ISO), quality assurance processes in place, measuring customer satisfaction, transparency in data collection, publicly known mechanism for customers to provide feedback.</li> </ul>
<b>Legal Accountability</b>	Consider the impact of business structure on stakeholders and institutes a structure that best serves the target company.
<b>Public Transparency</b>	Demonstrate a willingness to share their impact reports within the target company, and with stakeholders, and to the extent permitted by law, make efforts to publicise their efforts in changing their business to be better.