

ESG Due Diligence Report

Chowdeck Inc.

April 2025

1 - Purpose of this Report

The purpose of this ESG due diligence report is to provide a comprehensive assessment of Chowdeck’s environmental, social, and governance (ESG) practices to ensure that the company's operations align with Novastar’s principles of responsible investing and to identify material non-financial risks and opportunities that may impact the company’s long-term viability and attractiveness as an investment.

2 - Business Overview

Problem	Nigeria’s food delivery market is inefficient, with long wait times, unreliable service, and limited online access for small vendors. Major market players have exited due to profitability and logistics challenges. Local restaurants struggle to reach customers digitally, while consumers face inconsistent availability and slow deliveries. High fees and poor infrastructure hinder growth.
Company & solution	Chowdeck is solving the above problem by optimizing last-mile logistics, onboarding offline vendors, and ensuring ultra-fast deliveries using advanced routing algorithms. It creates a scalable, sustainable food delivery ecosystem, bridging the gap between local businesses and urban consumers where competitors have failed.
Company Stage	Innovating Chowdeck was founded in 2021
Geographies & facilities	Current Market: Chowdeck operates in Nigeria and Ghana Chowdeck facilities as at the time of due diligence was their head office in Lagos.
ESG Leadership	ESG related responsibility and oversight sits with the COO and Co-founder.
Employees/Workers	<ul style="list-style-type: none">• Workforce: 160 employees.• Delivery Riders: 10,000+ registered riders
Key suppliers	Key Supplier Categories <ul style="list-style-type: none">• Local Restaurants & Food Vendors• Supermarkets & Grocery Suppliers• Pharmacy Partners
Customers	Chowdeck serves a diverse customer base across urban and semi-urban Nigeria, focusing on convenience-driven, on-demand food and grocery delivery.
ESG experience to date	Chowdeck is committed to ESG and sustainability principles and has policies in place such as an ESG Policy, to ensure compliance across its operations. As is typical of young companies at this stage of their development, the company does not have a formal ESMS in place and has not had an ESAP before.

3 - Executive Summary

Investment Policy Conformance

Chowdeck neither operates nor intends to operate in any of Novastar’s excluded business activities. The company will sign onto Novastar’s Mandatory Provisions and ESG Action Plan.

Overall ESG Risk Assessment

Environmental and Social Risk
<div>B</div>
Activities with limited potential adverse social or environmental impacts that are site-specific and readily addressed through well-known mitigation measures.

Environmental and Social: The contextual and business-level environmental and social (E&S) risks underpinning the rationale for this rating are detailed in Section 5 (E&S Focus Areas). Chowdeck is classified as a Category B, reflecting the presence of moderate but manageable environmental, social, and governance (ESG) risks.

As an early-stage, innovative company, Chowdeck does not yet have a formal Environmental and Social Management System (ESMS) in place and has not previously implemented an Environmental and Social Action Plan (ESAP). Nevertheless, the company’s operations have been largely guided by a commitment to sustainability principles. Chowdeck has adopted foundational policies, including an ESG Policy, to drive compliance and ensure responsible business practices across its operations.

Chowdeck operates within a horizontally integrated supply chain model, partnering with a wide network of restaurants, convenience stores, and other retailers to offer a diverse range of products through its platform.

4 - Detailed ESG Assessment

Scope of Review and Methodology

Applicable Environmental and Social Laws and Standards	<ul style="list-style-type: none">• IFC Performance Standards [ifc.org/ps1-8]• IFC Corporate Governance document [ifc.org/corp_gov]• BII Good Practice Note on GBVH [bii.co.uk/GBVH]; Supply Chains [fintoolkit.bii.co.uk/supply-chains]; Road Safety [road-safety-in-emerging-markets]• The Multilateral Development Banks guidelines on Business Integrity [MDB-General-Principles-for-Business-Integrity-Programmes]• ILO Core Conventions• The Nigeria Labour Act 2004• Companies and Allied Matters Acts 2020• Nigeria Data Protection Act, 2023
Examples of documents to be reviewed	<ul style="list-style-type: none">• Chowdeck completed the Novastar ESG due diligence questionnaire, with 200+ questions across all key areas of ESG• The Chowdeck ESG data room contains a comprehensive collection of internal human resources, operations, and onboarding documents designed to support thorough ESG and people-focused due diligence. It includes key policies and frameworks that guide workplace conduct, safety, employee experience, and organizational governance. Among these are policies on change management, code of conduct, communication, continuous learning and training, data classification and protection, disaster recovery, disciplinary processes, and drug and alcohol use. It also covers the employee handbook, equal employment opportunity, ESG principles, expense management, health and safety, hiring practices, housing support, information security, internal transitions, leave, loans, media protection, physical access control, product testing, workplace relationships, and document retention. Collectively, these materials provide insight into the company's approach to fostering a safe, equitable, and well-governed work environment.
Site visits and interviews	<p>Site Inspection comprising visual observations of relevant areas and meetings: Novastar investment team visited Chowdeck's operations in Lagos and Ibadan. They visited food vendors, pharmacy partners, and restaurants partners, and spoke to customers and riders.</p> <p>Interviews with Relevant Stakeholders: The Novastar team interviewed the following stakeholders: riders, vendors, customers, founders, legal officer, Head of Finance, head of operations, and early investors.</p>

Key Focus Areas for ESG Due Diligence

<p>I. Environmental and Social Management System</p> <p>Chowdeck is a young, fast scaling company that is building ESG competence. Given its high operational reliance on delivery drivers who are not employees but rather contractors, logistics-heavy model, and broad vendor network, a formal ESMS is critical to managing the breadth of worker safety, community risks, and vendor compliance.</p>
<p>Environmental and Social Management System (ESMS):</p> <ul style="list-style-type: none">• Chowdeck has already implemented several foundational components, including an Environment, Social, and Governance (ESG) Policy, a Sustainability Policy, Health and Safety Policy, Employee Handbook and Gift Policy, among others. These elements are typical of a fast-growing startup in its early stages. As Chowdeck continues to scale, particularly across multiple geographies, it will become increasingly important to consolidate these components into a formalized and comprehensive ESMS. This system will serve as the backbone for identifying, assessing, managing, and monitoring ESG-related risks and opportunities in a structured and consistent manner. <p>ESG Policy Development:</p> <ul style="list-style-type: none">• Chowdeck has implemented high-level policies which define the company's commitments and responsibilities to make a positive contribution to economic, environmental, and social progress through its business activities and relations. This Policy is guided by other internal policies, including an employee handbook, leave policy, health and safety policy, whistleblowing policy and other relevant industry standards, best practices and global initiatives. While these policies indicate a strong foundational commitment to ESG principles, they need further refinement into comprehensive and enforceable standards. <p>Organizational Capacity and Competency:</p> <ul style="list-style-type: none">• Chowdeck's senior leadership comprises a capable, passionate, and visionary team committed to both commercial success and sustainable development. The company has attracted strong talent to support its mission, including Head of Legal, and Head of Operations. <p>Emergency Preparedness and Response:</p> <ul style="list-style-type: none">• Chowdeck has demonstrated commendable efforts in developing emergency response protocols, particularly concerning road traffic accidents involving riders. The operations team currently responds to such incidents by dispatching a rider coordinator to the accident site, facilitating immediate medical assistance and conducting follow-up hospital visits and monitoring rider recovery. Chowdeck has also implemented internal health and safety protocols and a disaster recovery plan, with human life and safety as the top priority. <p>Monitoring and Review:</p> <ul style="list-style-type: none">• Chowdeck has expressed a strong commitment to improving ESG monitoring and compliance.
<p>II. Fair treatment of low-skilled employees and workers</p> <p>Chowdeck relies heavily on delivery drivers who are contractors across seven Nigerian cities and Accra and a lean operations team – related concerns include:</p> <p>Worker Classification & Protections – Riders are classified as independent contractors. This raises questions related to fair compensation. Wage Compliance & Working Hours – Are contract staff earnings compliant with Nigeria's labor laws, and do they have realistic quotas? Turnover & Worker Retention – What is Chowdeck's rider turnover, and how does it affect service reliability? How about the churn among other contract workers?</p>
Fair Wages, Working Hours, and Benefits

HR Policy:

- Chowdeck maintains a centralized and comprehensive Employee Handbook that provides clear guidance on employment matters and company culture. The handbook includes sections on Company History and Values, Employment Classifications, Personnel Data Management, Employee Benefits and Compensation, Equal Employment Opportunity, Loan Policy, Gift and Conflict of Interest Policy, Leave Policy, Housing Grant Guidelines, Performance Reviews and Appraisals, Relationship and Workplace Conduct Policy, Organizational Structure (Organogram), Internal Communication Policy, Expense Reimbursement Policy. The handbook outlines disciplinary and performance management procedures; contract reviews tied to measurable performance thresholds.

Rider Classification and Policy Gaps:

- Chowdeck's riders are classified as self-employed (gig workers) in compliance with Nigerian labour laws. Riders are free to operate on or off the Chowdeck platform and are not penalized for declining delivery requests. Chowdeck offers a competitive earning structure, with rider income aligned with, or exceeding, industry standards.
- Chowdeck has implemented HR policies in line with local labour laws and ILO standards, including those addressing whistleblowing and grievance mechanisms, sexual harassment, minimum wage compliance, non-discrimination and gender equality, paid leave and equal employment opportunity. While these policies apply to employees, they do not consistently extend to self-employed riders.

Worker's Organization:

- Neither Chowdeck employees nor riders are currently unionized. However, the company does not discourage worker organization or collective representation. Chowdeck respects the right of all workers, including independent contractors, to organize and engage in dialogue.

Working Conditions and Terms of Employment:

- All Chowdeck employees sign formal contracts that specify wages and benefits, working hours, overtime provisions, and leave entitlements for illness, vacation, or holidays. Although riders are not employees, Chowdeck provides key protections to safeguard their working conditions, including identity management and KYC compliance, reducing vulnerability to police harassment, safe riding training during onboarding, vehicle financing, 24/7 emergency response services for riders on the job, dedicated driver welfare team responsible for supporting and advocating for rider wellbeing.
- While Chowdeck has a whistleblower policy, internal complaint and customer feedback mechanism in place, it needs to strengthen these systems and establish an equivalent external mechanism to improve its ability to detect and respond to misconduct, human rights issues, and stakeholder concerns beyond its immediate workforce.

III. Gender Policy and Gender Based Violence and Harassment

- Gender & Diversity in the Workforce:
 - Understanding gender distribution across all business units and comparison to **Egypt's** national average.
 - Prioritisation of gender balance in the workplace such as whether the company tracks and collects gender-disaggregated data to ensure fair representation and inclusivity.
- Consideration of GBVH risks, including in delivery driver-customer interactions
- Interactions with customers
 - Safe & Respectful Engagement – Are there policies or training to ensure riders conduct themselves professionally during deliveries including GBVH?
 - Conflict Resolution & Incident Management – How does Chowdeck handle disputes, harassment claims, or safety incidents involving customers and riders?
 - Customer Privacy Risks – Frequent home deliveries by gig-workers may expose customers to privacy concerns or personal safety risks. Are addresses and personal details protected from misuse?
 - Ethical Marketing & Customer Engagement: Transparent Advertising & Pricing – Are promotions, fees, and delivery charges clearly communicated to customers to avoid deceptive practices? With respect to discounts & incentives, – are promotional strategies fair, avoiding predatory pricing or misleading discounts?

Workforce Demographics:

- Diversity and Inclusion Policy: Chowdeck has documented policies that commit to non-discrimination across race, gender, disability, and other protected categories.
- 54% of the fulltime employees are female and 7 of 13 leadership team members are female which is encouraging in Nigeria where the labour force participation rate for women is estimated to be 52% in 2023 according to TheGlobalEconomy.com.

Workplace Accommodation and Equity Measures:

- Chowdeck has implemented several initiatives to support working mothers and promote an inclusive workplace. These include paid maternity leave for new mothers for up to 3 months post-delivery, flexible working hours (hybrid work models and working remotely) and medical insurance covering maternity expenses, and life insurance.

GBVH Prevention and Response:

- Chowdeck is committed to maintaining a workplace free from harassment and discrimination including but not limited to sexual harassment. The company commits to preventing gender-based violence and discrimination. Employees are encouraged to report any form of harassment to their manager, the people and or any designated company leader.
- Chowdeck has a procedure for lodging a complaint of harassment, discrimination or retaliation and provides details for employees to understand the investigation process and consequences. The policy also states that related concerns will be treated confidentially and should be reported to a manager, the People Team, or any member of the management team, for thorough investigation.

Consideration of GBVH risks in delivery driver-customer interactions:

- The anti-Harassment Policy Covers Customers & Suppliers: Chowdeck's Workplace Anti-Harassment Policy is silent on its applicability to casual workers, contractors, suppliers, service providers, riders, customers, and visitors.

IV. Food & pharmaceutical product risks

- Vendor Standards & Compliance – Many partner restaurants and supermarkets may not meet strict food safety standards putting Chowdeck at reputational risk by associating with them
- Pharmaceutical Product Risks may include counterfeit or expired medications putting the company at reputational risk
- Customer Complaints & Redressal – Does the company have clear customer grievance mechanisms for various issues including spoiled food or faulty medication?
- Emergency Preparedness – Does Chowdeck have policies for handling serious accidents, food-related health incidents, or delivery-related disputes?

Chowdeck operates a horizontally integrated business model and only delivers items for restaurant partners, pharmaceuticals, and supermarkets.

Chowdeck's vendors include a wide range of informal and formal food businesses, some of which lack standardized food safety controls. This diversity, while beneficial for market reach, makes quality assurance difficult. Inconsistent adherence to hygiene standards by vendors can lead to foodborne illness outbreaks, customer health risks, and potential legal liability. Poor vendor performance reflects directly on Chowdeck's reputation, even if the company is not the food producer.

- Vendor Compliance: Chowdeck maintains it has the capacity and can influence its major suppliers to improve their health and safety practices,

potentially by making improved practices a condition for continued business.

- Consumer protection: Chowdeck is governed by the Federal Competition and Consumer Protection Act, 2018 (FCCPA). This Act addresses various aspects of consumer protection, including the right to safe and quality goods, the right to fair dealings.
- Existing Permits and Licenses: Chowdeck reported that it's not required under the law to hold any health and safety permits and certification.

V. Road Safety Risks particularly during deliveries

- High Accident Risk for Riders – Delivery via motorcycles in congested urban areas increases exposure to traffic accidents, injuries, and fatalities. Are there road safety policies, training programs, and incident monitoring systems in place?
- Protective Gear & Insurance – Are riders mandated to wear helmets, reflective gear, and have they got accident insurance?
- Delivery Pressure & Unsafe Driving – Speed-focused delivery targets may contribute to stress, fatigue, reckless driving, increasing risks for riders and the public.

Road Safety and Incidents management:

- Chowdeck has demonstrated a strong and proactive commitment to road safety, maintaining a significantly lower incident rate compared to industry peers. In 2024, the company recorded only five safety-related incidents across its entire delivery network, an impressive outcome given the scale and complexity of its operations. Of these incidents, only one was fatal. To assess the robustness of Chowdeck's current safety framework and identify areas for improvement, we reviewed the company's road safety practices using the BII *Good Practice Note on Managing Road Safety in Emerging Markets* as a benchmark. The assessment below outlines Chowdeck's current practices in relation to the BII guidelines, highlighting both strengths and opportunities for development.
- Corporate Culture and Leadership: Chowdeck's leadership promote a safety-first culture, which is reflected in rider training and performance monitoring. However, from site visits conducted by the Novastar team to observe Chowdeck's riders in operation, as well as a review of documentation provided on road safety policies, several gaps were identified in the company's road safety procedures. These include insufficient training for delivery personnel, limited ongoing monitoring of road safety compliance, and an apparent lack of enforcement mechanisms.
 - Rider Selection and Management: All riders are required to complete driving tests and basic training before joining the platform. Chowdeck enforces limits on rider working hours and caps daily order volume at 15 orders per rider to help prevent fatigue-related accidents.
 - Vehicle Selection and management: Riders supply their own vehicles. Chowdeck only admits riders with roadworthy vehicles, prioritizing electric vehicles and bicycles as part of a broader sustainability strategy. All motorized vehicles must be insured.
 - Road Safety Technology: Chowdeck uses a proprietary routing algorithm to assign deliveries based on rider vehicle type and distance, minimizing risk and exposure. Bicycle riders are allocated shorter, safer routes.
 - Journey Management: Although Chowdeck cannot fully manage riders' (given they are gig workers) activities across multiple platforms, its onboarding training includes journey planning and hazard awareness.
 - Accident and incident investigations and management: Upon receiving notice of an accident, Chowdeck dispatches a field coordinator to assist the rider, notify authorities, and initiate an internal investigation.
 - Vulnerable and other road users: Rider training includes modules on safely navigating traffic and interacting with pedestrians, cyclists, and larger vehicles. However, our diligence identified notable gaps in safety practices, particularly among bicycle riders, many of whom do not wear helmets or high-visibility, reflective gear.

VI. Data Privacy & Cybersecurity Risks

- Chowdeck is processing large volumes of sensitive customer data and financial transactions, exposing it to cybersecurity and regulatory risks.
- Personal Data Vulnerability – Chowdeck collects and stores customer addresses, order history, and payment details, making it a target for data breaches or misuse.
- Third-Party Vendor Access – Are restaurant, supermarkets and pharmacy partners granted access to customer data, and what safeguards exist to prevent data leaks?
- Compliance with NDPR – Does Chowdeck adhere to Nigeria's Data Protection Regulation (NDPR) to ensure lawful data collection, storage, and processing?
- Digital Payment Security – As an app-based platform, Chowdeck handles large volumes of online transactions, increasing the risk of fraud, hacking, and unauthorized transactions. Does Chowdeck implement robust cybersecurity protocols (e.g., data encryption, two-factor authentication, secure API connections)?
- Incident Response & Data Breach Handling – Is there a structured plan for reporting, investigating, and mitigating security breaches?
- Regulatory Challenges – Adapting to evolving global and national data protection laws may be a challenge, requiring ongoing compliance monitoring.

Data Privacy and Security:

- Chowdeck benefits from experienced leadership with deep expertise in data privacy and cybersecurity. Co-founders Femi and Olumide were among the early employees at Paystack, where they played key roles in building and maintaining a secure and scalable technology stack. Their experience at Paystack, one of Africa's leading fintech companies included developing and safeguarding payment infrastructure trusted by banks, fintechs, and thousands of businesses. In addition, Lanre, also a co-founder of the Chowdeck team, brings extensive hands-on experience in front-end development and security architecture. He has led critical projects for high-profile clients such as Flutterwave and CoralPay, further reinforcing Chowdeck's technical depth and commitment to secure, user-centric product development.

Regulatory Requirements:

- Chowdeck is governed by the Nigeria Data Protection Act (NDPA) 2023. A legislative act that was set to protect the rights and freedoms of data subjects, promote responsible data processing practices and ensure that personal data is handled in a secure and ethical manner.
- In compliance with the Nigeria Data Protection Act (NDPA), Chowdeck has appointed a designated Data Protection Officer (DPO) to oversee the company's data protection strategy and ensure adherence to applicable legal and regulatory requirements. The DPO is an in-house resource with specialized training in the provisions and obligations set forth under the NDPA.
- Chowdeck has a document and robust data protection policy and procedure including principles relating to the processing of personal data, guidance on contracts involving the processing of personal data and breach notification. The company has a documented Data Protection Impact Assessment process, Personal Data Analysis Procedure, Data subject request procedure.
- Chowdeck has a publicly available Privacy Policy (<https://www.chowdeck.com/privacy/>). The Privacy Policy reflects strong ESG alignment through its commitment to data protection, user transparency, and regulatory compliance. It outlines how personal data is collected, used, and safeguarded across its platforms, with clear protections for both customers and delivery workers. The policy includes robust safeguards (e.g., encryption, fraud detection), user rights (e.g., consent, data access), and responsible data use practices. Overall, the policy showcases Chowdeck's maturity in data governance and reinforces its broader commitment to responsible, secure, and user-centric business operations.

VII Packaging Waste & Sustainability

- Excessive Plastic & Non-Recyclable Waste – Deliveries often rely on single-use plastics, increasing environmental impact
- Vendor Packaging Policies – Are restaurant and supermarket partners encouraged or required to use biodegradable or recyclable packaging?
- Consumer Awareness & Incentives – Does Chowdeck offer opt-in sustainable packaging options or incentives for waste-conscious choices?

Food Waste from Cancellations & Delays

- Spoiled & Rejected Orders – Unclaimed or delayed deliveries contribute to food waste and financial losses. Are there policies for redistribution, discounts, or donations?
- Temperature-Sensitive Storage – Perishable food and pharmaceuticals require proper handling to avoid unnecessary spoilage – does Chowdeck have this in place?

Energy Use & Emissions from Deliveries

- Carbon Footprint of Logistics – Motorbike deliveries contribute to emissions. Is Chowdeck measuring emissions savings compared to what customers would have created without a delivery service and is there an intention to transition to electric vehicles (EVs), bicycles (currently 47% of delivery fleet), or hybrid models?
- Sustainable Last-Mile Solutions – What measures does Chowdeck have in place to improve fuel efficiency, such as route optimization, grouped deliveries, or micro-fulfillment centres/cloud/dark kitchens?

Packaging Policy and Control:

- While many of Chowdeck's vendors and restaurant partners currently rely on non-recyclable plastic packaging, Chowdeck has taken steps to address this environmental concern. The company has introduced an option for customers to select eco-friendly paper bags at a minimal additional cost, encouraging more sustainable consumer behavior.

Food Waste:

- Chowdeck is tackling food waste through its local market vertical, which helps bridge the gap between small-scale food and groceries vendors and urban consumers. The company is committed to expanding this segment to support local producers and reduce waste in the food supply chain.
- With an average delivery time of approximately 34 minutes, Chowdeck ensures that meals are delivered promptly, preserving food quality and minimizing the risk of spoilage.

Sustainable Delivery:

- Chowdeck is making significant progress in building a sustainable delivery fleet. As of 2024, 47% of its fleet comprises eco-friendly vehicles, including bicycles and electric two-wheelers up from just 13% in 2023. The company has set a target to transition more than 90% of its fleet to sustainable options within the next 2–3 years, demonstrating its long-term commitment to reducing emissions from last-mile logistics.
- Chowdeck also plans to introduce dark stores in strategic locations. These hubs will enable more efficient order fulfillment and lower environmental impact by consolidating deliveries and reducing unnecessary mileage.

Benchmarking of the Company's Performance Against ESG Standards

IFC Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts

Chowdeck currently lacks a formal Environmental and Social Management System (ESMS) and does not have a structured ESG risk assessment framework in place although this is not unusual for an early stage company. Compliance with environmental laws is affirmed, and the company maintains an environmental and social (E&S) risk register, but it does not appear to apply concepts like area of influence, cumulative impacts, or the mitigation hierarchy. Roles and responsibilities for ESG are minimally defined, but there is no indication of ESG-specific staffing, senior oversight, or budget allocation. Additionally, there is no documented E&S procedures, action plans, indicators, or KPIs to track performance.

Chowdeck shows early commitments and some foundational elements for ESG, but lacks the comprehensive systems, structured processes, and continuous improvement mechanisms required for a robust ESG framework.

IFC Performance Standard 2: Labor and Working Conditions

Chowdeck has established foundational labor and safety practices, including compliance with local labor laws, provision of employment contracts with policies on overtime, maternity, and sick leave, as well as a basic grievance mechanism for employees. The company confirms there is no child or forced labor, and it maintains basic occupational health and safety policies.

IFC Performance Standard 3: Resource Efficiency and Pollution Prevention

Chowdeck demonstrates basic environmental compliance by contracting a licensed waste management firm for waste disposal and adhering to minimum regulatory requirements.

IFC Performance Standard 4: Community Health, Safety, and Security Performance

Chowdeck demonstrates strength in data protection by maintaining a robust privacy policy that is publicly accessible on its website
Acceptable

5 – Environmental and Social Action Plan (ESAP)

Corrective Action	Deadline (Post investment))
Develop and implement an Environmental and Social Management System (ESMS) aligned with IFC Performance Standards and other applicable standards.	6 months
Assign ESG oversight responsibilities to existing staff and clarify ESG governance structure.	3 months
Ensure ESG roles and responsibilities across the organization (and at country-level) are well defined including: <ul style="list-style-type: none"> • Person with overall ESG responsibility. • Environmental Lead. • Health & Safety Officer • Community Engagement Focal Point 	6 months
-Specifically for road safety risk, Chowdeck must confirm that the Health and Safety Officer has the appropriate expertise <u>and</u> seniority to implement effective risk management measures.	3 months
The Chowdeck team members with ESG responsibility to attend an onboarding session with Novastar - Thereafter, Chowdeck must inform Novastar whenever there is a change in personnel of the team member tasked with ESG reporting to Novastar.	3 months

Develop a comprehensive Emergency Response Plan aligned with global standards	6 months
Establish and implement a formal external grievance mechanism for ESG-related concerns.	10 months
Create and operationalize an internal grievance mechanism for gig workers and full-time employees	
Establish a centralized system for tracking, investigating, and resolving ESG-related incidents such as workplace accidents, complaints, sexual harassment.	6 months
Develop and implement a comprehensive Road Safety Management System to reduce transport-related risks across operations (including for riders), covering policies, rider management, route planning, monitoring, training, incentives, and incident response.	9 months
■ Develop and implement a robust vendor management system to ensure compliance with ESG expectations across labour conditions, health and safety, and food safety.	10 months
■ Strengthen the company's GBVH prevention and response system in alignment with globally recognised standards.	6 months
■ Strengthen GBVH safeguards during riders-customer interactions including accessible reporting channels for riders and customers and communicate behavioral expectations and reporting options.	6 months
Using benchmarks relevant to the company's sector and geography such as 2X criteria, formalize gender equity targets, accountability structures, and monitoring indicators.	
■ Develop and implement strategies to reduce greenhouse gas (GHG) emissions from transportation.	4 months
Establish food waste policy with restaurant partners with written expectations for compliance with the policy.	6 months
■ Develop and enforce hygiene standards for food handling and delivery:	6 months
Board composition following the Series A closing: Following the close of the Series A round, formalize board membership.	1 month
-establish a quarterly reporting to the Board, including income statements, cash flow updates, delivery KPIs, fleet performance, and ESG metrics.	4 months
Constitute ESG committee and agree appropriate committee terms of reference	4 months
Develop a specific Anti-Money Laundering Policy and corresponding training for employees and contractors.	4 months

6 – Monitoring and Reporting Mechanism between the investee and Novastar

Novastar's monitoring and reporting mechanism, outlined in ESMS Section 9.4 (and summarised below), applies to the investee, including keeping Novastar and GCF informed of its E&S performance and the ESS performance of activities using GCF proceeds.

The investee must provide all reports required under the ESAP, which also form part of the standard covenants in the legal documentation. This requires the investee to submit periodic reports on ESG matters, as well as any changes in corporate governance practices or ESMS.

Novastar will comply with all ESG reporting obligations to GCF. Novastar will also provide the Limited Partners (including GCF) with an Annual Monitoring Report summarising the ESG performance of each portfolio company. This includes execution of the ESAP, material and serious ESG incidents (with mitigating actions taken), and new ESG risks identified during the year.

The investee must immediately report any serious or unforeseen ESG issues, including incidents and accidents resulting in loss of life, material effect on the environment, human rights, or material breach of law, to the Fund. Novastar will, within three days of receiving a serious incident report from an investee, provide the Advisory Committee with a report of any serious incidents related to any investee that result in loss of life, material effect on the environment, material breach of law, or high-risk GBVH incidents.

Monitoring is typically anchored by Novastar's right to board representation, as well as the right to access and inspect an investee's books, offices, and sites as set out in the legal documentation. Novastar may employ various supervision methods depending on the risk category of the investee's business activities, with higher-risk investees subject to more intensive monitoring.

As part of the monitoring process, Novastar may conduct site visits and consider independent ESG audits, involving external consultants if necessary. The details of monitoring or supervision processes will be informed by issues identified during ESG risk assessment, ESG due diligence for new investees, or existing audits of current investees.

There are numerous ESG touchpoints during the investment period, which prompt monitoring and improvement. These include quarterly ESG performance monitoring, annual ESG compliance monitoring, portfolio company board meetings or ESG sub-committee meetings, and serious incident reporting.

Novastar is a multi-round investor, making follow-on investments in portfolio companies that are performing well. These follow-on investments, which can occur every 18–24 months, provide a natural opportunity to review the company's ESG practices, address new and emerging risks, assess performance against the action plan, and set new action plans as the company enters a new stage of growth. ESG due diligence (including site visits where appropriate) will be conducted as part of the investment process, with an ESG report and ESAP submitted to the Investment Committee for approval.

For active companies where Novastar is no longer undertaking fresh ESG due diligence, monitoring visits will be conducted at the frequency detailed in the Novastar ESMS. These visits will be carried out by the Investment Lead or Head of Sustainability.