ESG due diligence report

Tayar

Seed investment round

September 2026

1 – Purpose of this report

The purpose of this ESG due diligence report is to provide an assessment of Tayar'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 affect the company's long-term viability and attractiveness as an investment.

Novastar is proposing an investment in Tayar's seed round. As a condition of this investment, Novastar will receive a Board seat and the company will implement an ESG Action Plan.

Founded in late 2024, Tayar is a seed-stage company operating today in Egypt. As is typical of a young company its ESG practices and systems are generally informal or undocumented. This report assesses the company against expectations proportionate to its stage, while setting out a recommended action plan.

2 – Business overview

Problem	Motorcycles carry last-mile delivery across MENA. There are 800,000 active delivery drivers regionally and around 400,000 in Egypt, with over 90% still riding fuel-powered motorcycles. The sector is characterised by informality, gig workers, high accident rates, rising fuel costs and driver churn of 40–60% per month in Egypt.
Company and solution	Tayar is an EV fleet platform for last-mile delivery in Egypt. It provides delivery and e-commerce platforms with trained, equipped gig-worker drivers, and equips those drivers with electric two-wheelers via its fleet-as-a-service model. Its two contracted clients are a leading regional food delivery platform and a global e-commerce platform. Tayar is the only licensed EV fleet provider in Egypt today. Tayar plans to launch in the UAE with the same model alongside piloting the provision of its own supporting battery infrastructure. Tayar's mission is to electrify 100,000 drivers across MENA by 2030 while improving driver livelihoods through financial inclusion, safety and ownership opportunities.
Company stage	Seed. Tayar was founded in late 2024 and has grown rapidly since launch.
Geographies	Egypt — core operating market today. Operating across the Cairo, Giza and Alexandria Governorates Company preparing to launch in the United Arab Emirates.
Corporate structure	TAYAR, INC. (Delaware) holding company. Operating entities: • Egypt: the Egyptian operating company, trading as Tayar. Holds an LTRA (Land Transport Regulatory Authority) licence, commercial registration, tax card and VAT certificate. The Delaware holding company (which was established in 2026) is in the process of acquiring the Egyptian operating company and this will take place before the investment. Once acquired, Tayar Inc will own 99% of the Egyptian operating company. • UAE: an ADGM entity holding a commercial licence. (100% owned by Tayar INC) • UAE: a Dubai mainland single-owner company wholly owned by the ADGM entity. This is the operating entity for the fleet business. (100% owned by Tayar INC)
Leadership	• Co-founder and CEO • Co-founder and CCO • Co-founder and CFO • Co-founder and Head of Mobility
Business model	**Today:** Fleet-as-a-Service (FAAS) model: a commission per completed order from its client delivery platforms. Drivers provided with electric bike on rental or lease to own model, financed through an off-balance sheet SPV. Planned: Launching a battery-as-a-Service pilot in the UAE to support the FAAS model.

Employees	Currently employs 70+ full time employees across a range of roles, with 13.6% female representation.
Drivers	All drivers are gig workers and engaged as contractors. Drivers are recruited largely through a community model: supervisors recruit friends, relatives and acquaintances from their home regions, which are among the lower-income parts of the country.
Key suppliers	Two OEMs, one for electric motorcycles and one for swapping stations
Customers	Delivery and e-commerce platforms. A leading regional food delivery platform and a global e-commerce platform are the two contracted clients.
Other key stakeholders	• Egyptian government — Ministry of Labour, Ministry of Social Solidarity, Ministry of Planning and Ministry of Insurance. Tayar sits on a government committee advising on delivery driver welfare and social insurance. • Regulators: LTRA in Egypt; Dubai RTA • Insurers: a local accident insurer and a local medical insurer.
ESG experience to date	✓ Tayar engaged openly and transparently throughout diligence. The team has engaged constructively and taken a pragmatic approach to strengthening its ESMS moving forwards. ◆ As is expected for a Seed stage company, practice runs ahead of documentation in almost every area given its early stage. Safety culture, grievance handling, discipline and HR all in operation but without documentation. ✗ No environmental and social management system, no board, no dedicated ESG resource, and no code of conduct or grievance policy of Tayar's own.

3 – Executive summary

Investment policy conformance

Tayar 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. Novastar will also hold a board seat which will provide visibility into the company's adherence to these commitments.

Overall ESG risk assessment

Risk category	Proposed rating	Rationale
Environmental and social	**B — medium risk**	Activities with limited potential adverse impacts that are site-specific and readily addressed through well-known mitigation measures. Road safety is the dominant risk and is real and measured, but the mitigations are conventional.

4 – Detailed ESG assessment

Scope of review and methodology

Applicable environmental and social laws and standards	**International standards:** • IFC Performance Standards 1–8; IFC Corporate Governance Methodology • BII Good Practice Note on gender-based violence and harassment; Supply Chains; Road Safety in Emerging Markets • The Multilateral Development Banks' General Principles for Business Integrity Programmes • ILO core conventions and the indicators of forced labour; the Employer Pays Principle on recruitment fees; the Dhaka Principles for Migration with Dignity **National law:** • Egypt: Labour Law No. 14 of 2025, in force from 1 September 2025; Social Insurance and Pensions Law No. 148 of 2019; Personal Data Protection Law No. 151 of 2020; Traffic Law No. 66 of 1973 as amended; LTRA licensing. Egypt is an ILO signatory. • UAE: Federal Decree-Law No. 33 of 2021 and its executive regulations, applying through MOHRE to the Dubai mainland operating entity; Dubai RTA standards.
Documents reviewed	✓ Novastar's ESG documentation request was issued and responded to. ✓ An ESG data room was provided including a road safety incident log, GHG methodology and workings, technology certifications, gender-disaggregated organisation chart, the RTA permit and the master service agreement with the food delivery platform.
Site visit and interviews	✓ Two-day due diligence visit to Cairo, 26–27 August 2026, by the Novastar investment team. The visit included operating zones, a driver accommodation inspection conducted before drivers left for shift, conversations with drivers, supervisors, customers, key partners and extended discussions with leadership team on driver operations and ESG topics.
External consultation	No external ESG consultant has been engaged, which is proportionate to the company's stage, the size of the investment and a medium risk rating.

Key focus areas for ESG due diligence

I. Fair treatment of drivers

Classification and contracts

- How does Tayar classify drivers? Which labour regulations does it consider itself bound by as a result?

Pay, hours, benefits and social protection

- What policies ensure drivers receive fair earnings, rest, reasonable hours and appropriate benefits — medical, accident, theft, life cover? How are these terms communicated?
- What limits apply to daily and weekly hours, and how are they enforced?

Recruitment, supervision and discipline (forced labour and modern slavery risks)

- Describe how drivers are recruited, screened, onboarded, managed, disciplined and terminated.
- What does a supervisor control, and what oversight sits above them?

Voice, grievance and representation

- Does Tayar have a grievance mechanism for drivers? How are complaints recorded, escalated, resolved and tracked? Is anonymous reporting possible?
- Can a driver raise a complaint about the supervisor who recruited them, manages them and lives with them?
- What process handles complaints made against drivers, including by customers and clients?

Fair treatment of drivers is central to Tayar's value proposition, both to its client platforms and to the drivers themselves. The commercial model depends on low driver churn, so treating drivers well is not a compliance obligation but a core tenet of the company's culture. The supervisor–driver relationship is the key risk area, because supervisors own recruitment, work allocation and discipline. A positive welfare culture has cascaded from the founders and has worked well at the company's current size. The practices that safeguard fair treatment are therefore real and operating, but they are neither systematic nor documented.

Driver classification

- ◆ All drivers are currently engaged as contractors, chosen for workforce flexibility in a high-turnover industry. There are no formal driver contracts in Egypt. This is typical for fleet providers in Egypt reflecting the informality of the labour market and is compliant with local regulations/laws regarding formal and informal labor (Law 12/2003 and Law 14/2025). However, as the company scales it will need to formalise the relationship and associated expectations between the company and the driver.
- ◆The Egyptian Ministry of Labour and Ministry of Social Solidarity is considering mandating that delivery drivers be brought under the national social insurance system, which requires full-time employment status. Tayar sits on the advisory committee and has been advocating for drivers to be included within the social insurance system which will give drivers benefits such as pension, full medical care at no charge and 100% of earnings until they recover.

Earnings and cost of participation

- ✓ An active driver earns roughly twice the Egyptian median monthly salary.
- ✓ Driver operating costs are fixed and transparent: a weekly bike rental plus a battery subscription giving unlimited swaps and no fuel cost.

Supervisor ownership model

A Tayar supervisor manages 10-20 drivers. The supervisor recruits the driver, onboards drivers, allocates their shifts and is the primary point of contact for support and grievances. Supervisors are formally contracted as full-time employees with full-time benefits. Supervisor pay is heavily weighted to KPI-linked variable earnings.

- ◆ Tayar cascades its safety culture and operating norms through supervisors and peer learning rather than written learning. New supervisors shadow a senior supervisor for one to two months while managing their own team under supervision.
- ✓ Supervisors often recruit from their own communities so there is a strong community culture which has cultivated positive driver welfare so far.
- ✓ A supervisor may onboard a maximum of five new drivers at any one time. New drivers are accompanied on their first orders and coached in person over the course of one-month, with the intensity reducing as the driver gains experience.

Grievance mechanisms

- ◆ An informal grievance route exists and is used regularly. Drivers raise any issues with supervisors and also have a direct line to the Area Manager and CEO on whatsapp. Drivers can also use the client platforms' own grievance channels on the driver app.
- ✓ Complaints against drivers are handled through the client platforms' apps and then investigated.
- ✗ No formal grievance policy or mechanism exists today.

Working hours and rest

- ✓ Working hours, shifts and leave follow the client platforms' local operating models, which are aligned to Egyptian labour law. Egypt is also an ILO signatory so these are aligned with the ILO.
- ✓Working hours are capped at 60 hours per week and drivers must have a day off for every six days worked. Shifts are 12 hours long, with at least 2 hours of break. Drivers are blocked from working back-to-back shifts. Working hours and shifts are controlled via the customer's platform – i.e. the platform will block drivers from taking any more orders after a driver has hit the cap. Tayar also monitors this through the dashboard.
- ◆Drivers are assigned shifts by supervisors. First, drivers inform supervisors on their availability for upcoming days and then the supervisor assigns shifts based upon the demand that the customer is forecasting.

◆ As contractors, drivers do not get paid annual leave. Drivers are permitted to take unpaid leave at their discretion (up to 2 days per week). In practice, many drivers have family outside Cairo and opt to go home for 1-2 months and then return.

✗ In the event of a medical emergency or bereavement, drivers receive a small financial support from Tayar but this is not a formalised process today.

Driver recruitment and housing

Egypt

Tayar has predominantly built its driver-base through a community recruitment model. Supervisors recruit friends, cousins and acquaintances from their home regions, which are among the lower-income parts of the country; the recruited drivers frequently live together in shared accommodation with the first month paid by Tayar. Given these drivers are dependent on the company for both their income, their bike and their housing, the concentration of dependency — job, home, and asset all controlled by one counterparty — brings forced-labour and modern slavery risks, even where intentions are positive.

We visited some driver housing on our trip to Cairo. We intentionally visited before the driver shifts started so that we could interview the drivers.

✓ We inspected an apartment that housed eight drivers across two rooms, with a total of eight beds, a kitchen, bathroom and living area. We found that the physical standards of the accommodation was aligned with the IFC and EBRD accommodation guidance note as follows:

Item	IFC and EBRD Benchmark	Tayar observation
Floor space	~4–5.5 m^2 per person (or 10–12.5 m^3 volume); ceiling ≥ 2.1 m	✓
People per room	Collective rooms minimised; 2–8 workers max; single-sex dorms	✓ (4 people, single sex)
Beds	One bed per worker (no hot-bedding); ~1 m apart; no triple bunks	✓
Toilets	~1 per 6–15 people; gender-separated; lockable, private	✓
Showers	~1 per 6–15 people; hot & cold running water	✓
Wash basins	~1 per 6–15 workers	✓
Storage	Personal lockable cupboard/locker per worker	✓

✓ There are no ILO forced labour red flags; no passport retention, no restriction on freedom of movement, no debt bondage, no withholding of wages, no abuse of vulnerability, no excessive overtime and no intimidation or threats.

✓ Drivers do not have to pay anything to get or keep the job (e.g. recruitment fees or relocation fees).

✓ Drivers can return the bike and walk away at any time with no penalty or residual debt. For those on lease to own, bike repayments are made monthly and taken out of earnings earned.

Health Insurance and social protection

✓ Medical cover through a local medical insurer covers day-to-day healthcare including doctor appointments and medicines. It currently reaches 300 drivers, with a target of full coverage by the end of 2026.

✓ Tayar is engaged with the Egyptian government on establishing the first formal pension programme for delivery drivers. Tayar is proposing a model to enact as national law.

UAE pilot launch

Our due diligence focus has been on Egypt given that it's the core operating geography today. Tayar plans to launch a pilot in the UAE and therefore we have explored how the driver recruitment will translate to the UAE. Tayar will recruit drivers exclusively from the local UAE market during the pilot phase.

✓ Drivers will be free to leave contract at any time. Driver sponsorship can be transferred to another employer or, if cancelled, the driver has a six-month grace period to give drivers time to find a new contract, during which Tayar continues to bear the sponsorship obligation.

Local recruitment does not remove migrant labour risk. Around 9m of the UAE's 10m residents are foreign nationals, so drivers initially will consist of sponsored migrant workers transferring sponsorship to Tayar. Beyond the pilot, Tayar will recruit drivers into the UAE. The company is currently building a recruitment strategy which is aligned with local regulations, ILO guidelines on modern slavery and the Employer Pays Principle[1].

✗ There is currently no driver recruitment and housing policy for either Egypt or the UAE.

[1] https://www.ihrb.org/projects/employer-pays-principle

II. Road safety risks

- Explore the approach to managing road safety risk across delivery operations, including any road safety or fleet management policy, driver vetting and training, safety equipment, incident and near-miss tracking, how performance incentives are balanced against safe riding, how audits are conducted, and incident logs for the past 12 months.
- How many road traffic accidents, injuries and fatalities involving Tayar drivers have occurred? What was the root cause and corrective action in each case?

Tayar takes a serious and proactive approach to managing road safety risk. The leadership team sees this as a differentiator against other fleet providers and as part of what the company offers drivers. To date Tayar has worked to the safety requirements of its two client platforms — large global businesses that mandate road safety guidelines for fleet partners and treat safety compliance as a KPI. Tayar regards those requirements as an operational baseline and aims above it, using a mix of incentives and penalties covering safety equipment and incident performance. What it does not yet have is a road safety policy and set of guidelines of its own.

Driver onboarding, monitoring & discipline

✓ Tayar collects driver national identity documents, driving license, criminal record and background checks. Drivers undergo mandatory onboarding with the client platform they have been allocated to.

✓ Onboarding – including safety training - runs through two stages. Each client platform delivers a mandatory one-week classroom programme covering CPR, road safety and conduct, developed with the Ministry of Labour and the Ministry of the Interior. Tayar then operationalises this with a one month of internal onboarding via a buddy system, with a supervisor accompanying the new driver on early orders.

✓ Performance is tracked using telematics, client platform data, internal dashboards.

✓ Disciplinary actions are documented and include repeated violations, poor performance, account suspension, all of which can result in lease termination.

Safety equipment

◆ Tayar follow customer safety standards and provide equipment to drivers – typically comprising of a helmet, high-visibility safety gear, full-finger gloves, mobile device holder and knee and elbow protectors (one client only). Given both client platforms are large, global companies, the standards are robust and Tayar is responsible for enforcing these standards.

Incentives and Accountability for driver safety

◆ Safety compliance is a key KPI for both client platforms, Tayar, Tayar's Supervisors and its Drivers. Strong safety practices are enforced by rewards for good safety compliance and penalties, and retraining, in instances of breaches. To date, a safety culture is transmitted through the guidance from supervisors and these incentives rather than formal documentation.

✓ Tayar refuses to incentivise orders per hour and any delivery time targets that it considers unsafe. This is an important structural safety decision available to a delivery operator, despite being under pressure from key customers to adopt such targets.

Accident insurance

✓ Accident cover through a local insurance pool is activated from day one for every driver, providing approximately US$1,000 per incident.

✓ Tayar support income after serious injury. Tayar pays US$40–50 a week for up to two weeks directly to a driver unable to work, extendable through the insurer on submission of medical reports.

Incident measurement and reporting

✓ Tayar measures, classifies and reports on incidents based upon severity: L2 is "moderate" and requires an off-site clinic or pharmacy visit, and L3 is "severe" involving hospitalisation or fatality. Tayar have suffered no fatalities to date. Across the twelve months to Q2 2026 the incident rate averaged 2.25 per 10,000 orders, and the most recent quarter was the lowest in the period at 0.89 per 10,000 orders. Incidents tend to be higher in the winter due to higher moisture on the roads, lower temperatures and reduced daylight.

- ◆ Each quarter, supervisors compile Excel sheets, send them by WhatsApp to Area Managers, who share them with the Leadership team.
- ✓ Retraining after an incident is mandatory. Drivers must complete retraining before returning to work following a Level 2 or Level 3 incident.
- ✓ The client platforms' systems independently trigger retraining where its algorithm detects speeding or repeated near-misses. Tayar supervisors can suspend a driver for up to a week and require retraining.

Emergency response

- ✗ The supervisor is the key respondent when there is a road safety incident and will facilitate access to emergency services if necessary. However, there is no documented emergency response protocol: who is called, in what order, who informs the family, what happens to the bike and to the driver's rental obligation.

III. Fair lending and driver financing practices

- What are the key terms of the financing offered to drivers — interest rate, repayment period, penalties, ownership transfer — and how are these communicated to drivers who may not be able to read them?
- Does Tayar assess a driver's ability to repay before extending financing? How are terms structured to avoid over-indebtedness?
- What protections apply to drivers who fall behind — grace periods, restructuring, repossession policy?
- What data is collected from drivers as part of financing, how is it stored and used, and is informed consent obtained?

Tayar is well aligned with responsible lending principles. It extends credit to drivers through a lease-to-own product funded by an off-balance sheet SPV, and has so far taken a human-centred approach to affordability and to drivers who fall behind — an approach that supports the strong driver retention which differentiates it from competitors. What it must now do is put that approach in writing, through a hardship and lease restructuring policy, so that it is applied systematically and consistently as the company scales.

Product structure and terms

A majority of Tayar drivers receive their vehicle via a lease-to-own product financed by an off-balance sheet SPV.

✓ The financing cost of the asset is affordable relative to average driver earnings.

✓ Key terms are clearly documented in the lease agreement and reinforced during the onboarding.

Affordability and over-indebtedness

◆ No affordability assessment or credit check takes place. Tayar has clear line of sight on the drivers' income generating potential by working with the client platforms and therefore is confident in repayment rates.

✓ Continuous earning monitoring enables early detection of financial strain and prevents over-indebtedness. A fixed share of the monthly lease payment is deducted weekly from the driver's platform earnings, with earnings monitored daily through platform data feeds. Around 3–4% of drivers end a month with a small shortfall; this is carried forward and recovered from the following month's earnings. No fee or interest is applied to the carried balance.

Borrower protections

Tayar conducts an empathetic and flexible approach to drivers experiencing payment challenges. Ultimately driver retention is a key objective and Tayar is motivated to have a non-punitive culture focused on long-term driver success.

✓ 15 day hardship and / or grace period for drivers.

✗ There is no formal written policy around fair lending or driver financing. Reliance on informal criteria may limit consistency and transparency as the company scales.

Data privacy and consent

✓ Tayar collects national identity documents, criminal record and background checks, GPS location and speed, delivery performance and earnings.

✗ No data protection policy, privacy notice, consent process or retention schedule exists.

IV. Gender policy, and gender-based violence and harassment

- Describe your approach to promoting gender inclusion and preventing gender-based violence and harassment across your workforce — employees, contractors and drivers — including gender representation by business unit and seniority, whether gender-disaggregated data is collected, and any policies supporting gender equity.
- Can the company demonstrate a structured approach to preventing and addressing GBVH — a policy framework, grievance mechanisms, training including for drivers and investigators, and leadership accountability?
- Drivers interact with customers at their homes, largely unsupervised and often at night. What controls address harassment of customers by drivers, and of drivers by customers?
- Provide examples of up to three GBVH incidents in the past year and how each was addressed.

Tayar has taken early steps towards gender inclusion and GBVH prevention, but there is room to strengthen them. It has some gender equity policies in place and has proactively enforced a zero-tolerance approach to GBVH in driver interactions with end customers. It has no written GBVH policy or training of its own. Delivery driving in Egypt is heavily male dominated — the larger of the two platforms estimates that fewer than 1% of drivers are women — which makes the female driver programme encouraging: a 100-driver cohort with a core objective of raising the female share to 20–30% by the end of 2026.

Commitment to Gender Inclusion

✓ Tayar tracks and records gender in its organisation chart and across all departments.

✗ Gender parity remains low across operations with overall female representation of 13%. This imbalance is primarily due to the supervisors – many of whom were previously drivers - being entirely male.

✗ No formal gender strategy or long-term inclusion targets exist.

✓ Female driver programme: Following engagement with regional government, Tayar has a cohort of drivers on the ground in a second city and is targeting 100 by the end of 2026, of which 20–30% are intended to be women.

Gender equity policies

◆ Tayar has gender equity policies that go beyond the statutory minimum such as maternity leave for six months, female employees permitted to work off-site after 5pm; and a full work-from-home option available to female staff.

✗ Community recruitment model reproduces the existing composition by design: male supervisors recruit from male networks in their home regions. Without a deliberate intervention this will not change as the company scales.

GBVH

The driver–customer interaction remains the sharpest exposure.

✓ The client platforms include gender-based violence and harassment training in driver onboarding, covering harassment, aggravation and professional conduct when client-facing.

✓ Tayar enforces a zero-tolerance standard in practice and has enforced this. Two drivers have been terminated for harassment with incidents reported to the client platform.

✗ There is no Tayar GBVH policy, no GBVH grievance mechanism or trained focal points for GBVH response.

V. Safety of battery swapping and charging infrastructure, and environmental management

- Describe your charging and swapping infrastructure, how it is designed and operated, and what certifications are held.
- Do you have a documented emergency response plan for incidents at charging points? How are incidents reported, tracked and investigated?
- Who supplies your cells, from where, and what due diligence has been done on the cell supply chain?
- What happens to batteries at end of life? Which recyclers, and what is operational today rather than planned?

In Egypt, the battery swapping and charging infrastructure is provided by a local infrastructure partner. As part of the ESG due diligence on key partners, we visited the battery swap stations. The partner is responsible for battery management, bike safety, maintenance and charging infrastructure. The planned UAE expansion will see Tayar pilot a Battery-as-a-Service (BaaS) model. The company is in the process of obtaining all the necessary certifications for its bike, batteries and swap stations.

Egypt: the infrastructure partner

✓ *Battery management system:* The infrastructure partner tracks the bike and battery and monitors them for performance and safety. The battery and the bike are tracked independently. When an issue is identified, batteries undergo maintenance. Maintenance shops have been set up next to swap stations where drivers typically congregate.

✓ The bike holds EU whole-vehicle type approval under Regulation 168/2013.

✓ The partner provides a battery swapping system. Drivers locate swapping cabinets or depots distributed throughout Egypt swap batteries on a subscription model.

✓ Battery end of life: the infrastructure partner sources its cells from one of the leading Chinese cell manufacturers, which has a contractual take-back arrangement where they take back the used batteries. The battery packs returning with 60–80% of original health are repurposed for lower-power applications rather than recycled.

Supply chain governance

✗ No supplier code of conduct, supplier due diligence, audit or contractual ESG requirement exists for any supplier.

UAE launch: battery-as-a-service pilot

Tayar plans to launch in the UAE and some ESG considerations remain in process. Given that 100% of the business today is in Egypt, we have focused our due diligence on the operations in that market. Below is a summary of the company's ESG preparations for the UAE launch. These remain in progress and will be monitored post investment.

✓ Vehicle: the bike holds EU whole-vehicle type approval.

✓ Swap station components are individually certified.

◆ A new battery pack has been co-developed with the same cell manufacturer and is expected to carry ASME, IEC and ISO certifications consistent with the manufacturer's existing products.

✓ End of life: The manufacturer operates one of the few end-of-life programmes among Chinese cell manufacturers. Depleted or damaged batteries are shipped back to the manufacturer's facility in China in dangerous goods containers, where they are recycled to recover rare earth metals or repurposed for lower-power applications. The programme is ISO 14001 compliant and is reinforced by China's policy of retaining rare earth materials domestically. Packs returned with 60–80% of original health are repurposed for lower-power applications rather than recycled.

✓ Vehicles and stations are RoHS (Restriction of Hazardous Substances) certified and the hardware is recyclable as scrap aluminium in Egypt and the UAE.

Emergency response

- A battery fire response protocol is in place, aligned to the cell manufacturer's guidance. This needs to be documented and operationalised.

5 – Environmental and social action plan (ESAP)

Performance standard	Risk	Mitigation Measures	Risk Significance	Responsible Person	Expected Deliverable	Deadline
IFC Performance Standard 1 — Assessment and management of environmental and social risks and impacts						
IFC PS 1.1: Environmental and Social Assessment and Management System	E&S risks are neither systematically identified nor monitored. With no ESMS or ESG policy, unmanaged risks could emerge as the company scales its driver base, new client platforms or a second market.	Develop and implement an Environmental and Social Management System (ESMS) aligned with IFC Performance Standards. The ESMS should include a process to systematically identify and assess potential ESG risks falling under IFC Performance Standards 1-8, across operations, communities, and any new geographies for expansion.	Medium	Head of Mobility	• Documented ESMS Framework • Initial ESG performance report(s) and monitoring logs showing how the ESMS is being used in practice. Examples of documents to share include (but are not limited to) internal dashboards, tracking templates, meeting minutes discussing ESG performance.	18 months from investment
IFC PS 1.5: Organisational Capacity and Competency	With no ESG ownership, there is no defined escalation path for driver welfare or safety issues, and no capacity to meet the monitoring and reporting obligations attaching to this investment.	Ultimate responsibility for ESG must be assigned to one of the co-founders. Assign ESG responsibilities to existing staff and clarify ESG governance structure. Report to the Board on key ESG matters The Tayar team members with ESG responsibility to attend an onboarding session with Novastar ESG on ESG & Business Integrity matters, including reporting requirements. • Thereafter, Tayar must inform Novastar whenever there is a change in personnel	Medium	Head of Mobility	• Confirm name of person in charge of ESG • ESG Roles and Responsibilities Matrix: a clear document outlining ESG-related responsibilities across relevant staff • Board reporting • Confirmed attendance of relevant Tayar team members at the Novastar onboarding session on ESG matters	1 month from investment 3 months from investment. 3 months from investment Novastar ESG onboarding session within 1 month of investment

Performance standard	Risk	Mitigation Measures	Risk Significance	Responsible Person	Expected Deliverable	Deadline
		of the team member tasked with ESG reporting to Novastar.				
IFC PS 1.9: External Communications and Grievance Mechanisms	Existing grievance mechanisms are informal and unsystematic. Without formal grievance mechanisms, grievances go unrecorded and not escalated.	Develop and implement a formal driver grievance mechanism for ESG-related concerns. • As part of the process, maintain records of grievances and demonstrate timely resolution and feedback. • The mechanism must be accessible to drivers with limited literacy, and must provide at least one route that does not run through the driver's own supervisor. • Drivers trained on grievance mechanism as part of onboarding • Develop an external grievance mechanism to be publicly accessible and visible (e.g. website)	Medium	Head of Mobility	• Driver Grievance Policy • Training and Communication Materials: evidence of how the grievance mechanism has been shared with stakeholders and that information about the mechanisms is easily accessible • Grievance Log Template or Register: a standardised log to record grievances received, actions taken, and resolution timelines, ensuring transparency and accountability • External grievance mechanism functioning	Policy at 6 months from investment; Training and communication materials at 9 months from investment; Grievance register at 12 months from investment. External grievance mechanism at 6 months from investment
IFC PS 1.6: Emergency Preparedness and Response	Response to a road or battery incident depends on the judgement of the supervisor on duty, with no written protocol, no defined roles and no drills. This presents a risk of inconsistency in how emergency	Emergency Preparedness and Response Plan (EPRP) Development: establish and validate a lean EPRP, commensurate with the company's stage, where operations present potential risks of significant harm due to accidents, natural disasters, conflict (e.g. social protests or sector worker strikes), or infrastructure failure.	Medium	Head of Mobility	• EPRP Framework Document • Evidence of validation, e.g. a walk-through or drill record	12 months from investment

Performance standard	Risk	Mitigation Measures	Risk Significance	Responsible Person	Expected Deliverable	Deadline
	incidents are responded to depending on location.	Scenarios to consider include: road accidents and related medical emergencies for drivers, battery fires, theft or vandalism, protest action, charging-station hazards, severe weather, and cybersecurity outages. The EPRP must include: • Likely emergency scenarios • Roles and responsibilities of key personnel • Notification and communication protocols (internal, external, public) • Evacuation procedures • First aid, fire-fighting and other emergency equipment and instructions • Contact details for local emergency services • Procedures for coordinating with public emergency response agencies				
IFC Performance Standard 2 — Labour and working conditions: fair treatment of drivers						
Driver Handbook/ Contract (inc. Code of Conduct)	Drivers and Supervisors have nothing in writing setting out their terms, or the conduct expected of them. The current informality means that treatment may vary between supervisors as the company scales and the company cannot evidence terms and standards in a dispute.	Develop and roll out a Tayar driver handbook/ contract, covering working hours, leave, payment terms, medical leave etc. This document should be signed by drivers at onboarding to confirm commitment and understanding. Develop and roll out a Tayar Code of Conduct covering supervisors and drivers. • Supervisors: define the standards governing the supervisor–driver relationship, recognising that supervisors recruit, allocate work to,	High	Head of Mobility	• Tayar Driver Handbook / Contract • Tayar Code of Conduct (supervisors and drivers)	6 months from investment

Performance standard	Risk	Mitigation Measures	Risk Significance	Responsible Person	Expected Deliverable	Deadline
		discipline and in many cases share accommodation with the drivers they oversee. • Drivers: define expected conduct on the road, with end-customers, and at client premises. • The Code may be adapted from the client platform codes of conduct Tayar's teams already operate under, but must be Tayar's own and must apply to every driver regardless of the client served. • Delivered in Arabic and in verbal or visual formats appropriate to driver literacy levels. Training administered on Code of Conduct as part of onboarding. Code of Conduct signed by drivers.			• Training and communication materials, including non-written formats	
Road safety	Road safety performance rests on standards set by the two client platforms, not by Tayar. New smaller clients may not demand that discipline, leaving no company baseline and safety standards varying with whichever client a driver serves.	Establish Tayar's own baseline road safety culture, standards and training rather than relying on the enforcement of client standards. • As Tayar expands to new (smaller) clients, road safety standards cannot be inherited from the current client platforms. Tayar must set and enforce its own baseline that applies to every driver regardless of the client served. • Document the existing safety culture and practices, define minimum standards (including PPE, daily vehicle checks and post-incident retraining), set training frequency, and establish accountability and monitoring.	Medium	Head of Mobility	• Road safety policy and minimum standards applying to all drivers across all clients and markets • Documented driver safety training curriculum and refresher schedule, with attendance records • Supervisor road safety responsibilities defined and training delivered • Road safety KPIs reported to Novastar	9 months from investment

Performance standard	Risk	Mitigation Measures	Risk Significance	Responsible Person	Expected Deliverable	Deadline
Driver recruitment and housing	No policy governs recruitment or accommodation creating conditions for forced labour if not appropriately managed. The UAE pilot adds sponsorship and recruitment-fee exposure.	Develop a Driver Recruitment and Housing Policy designed to identify and mitigate modern slavery and forced labour risks. • Recruitment: define permitted recruitment channels, the use and vetting of any third-party agencies, documentation and age verification requirements, and prohibited practices. • Housing: define minimum standards for any company-provided or company-arranged accommodation, including occupancy, sanitation, fire safety, cost to the driver, and whether continued accommodation is tied to employment. • Include controls against the ILO indicators of forced labour, covering retention of identity documents, debt bondage, restriction of movement, and freedom to leave employment. Establish driver recruitment strategy for UAE which is aligned with local regulations, ILO guidelines on modern slavery and the Employer Pays Principle • No worker should bear the cost of recruitment, relocation, visas, permits, medical tests and related expenses — whether charged directly, through an agency, or recovered by deduction from earnings.	Medium	Head of Mobility	• Driver Recruitment and Housing Policy • ILO aligned recruitment strategy confirmed for UAE • Accommodation minimum standards and inspection checklist	6 months from investment
IFC Performance Standards 2 and 4 — Gender equity and gender-based violence and harassment						
Gender diversity	Lack of gender diversity in key positions elevates risks such as GBVH.	Using benchmarks relevant to the company's sector and geography such as 2X criteria, formalize gender equity targets, accountability structures, and	Low	Head of Mobility	• Board approved gender equity targets • Gender-disaggregated headcount reported to	18 months from investment

Performance standard	Risk	Mitigation Measures	Risk Significance	Responsible Person	Expected Deliverable	Deadline
		monitoring indicators at various seniority levels including board level, leadership, management, supervisors, associates, and drivers.			Novastar at each seniority level, on a defined frequency	
GBVH	With no GBVH policy and no focused training, an incident may go unreported, or be handled inconsistently and without record.	Strengthen the company's GBVH prevention and response system in alignment with globally recognised standards such as BII's (British International Investment) detailed in the Good Practice Note on GBVH [bii.co.uk/GBVH]. • A formal and separate GBVH policy. • Integrate GBVH awareness and response modules into onboarding for all new hires and drivers. • Ensure GBVH integration into the company's policies and practices including but not limited to: Code of Conduct; HR policies; grievance mechanisms and incident trackers.	Low	Head of Mobility	GBVH Policy GBVH Training Materials • Content used for employee and driver training, including onboarding modules. • Training Attendance Records — logs demonstrating employee and driver participation and completion rates.	12 months from investment
Responsible lending and consumer protection						
Fair lending	No Hardship & Restructuring Policy means that company response depends on discretion and drivers have no stated entitlement to hardship relief, and consistency will erode as the number of drivers grow.	Formalize Hardship & Restructuring Policy • Develop and publish a transparent, written hardship and loan-restructuring policy that clearly defines grace periods, eligibility criteria for restructuring, and appeal mechanisms — replacing any informal, ad hoc practices to ensure equal treatment across drivers. • Training administered drivers as part of lease to own onboarding.	Medium	Head of Mobility	• Formal and documented policy on hardship & restructuring, accompanied by training materials and records of at least one Tayar staff and driver training session	12 months from investment
Business Integrity						

Performance standard	Risk	Mitigation Measures	Risk Significance	Responsible Person	Expected Deliverable	Deadline
MDB General Principles for Business Integrity Programmes	There is no formal anti-bribery guidance for interactions with authorities (including external stakeholders such as unions, and police) and no dedicated channel to capture and escalate requests for informal payments.	Develop anti-bribery and corruption policy Establish an anonymous reporting and whistleblowing mechanism. Document this in a whistleblowing policy. Train all existing, new employees and drivers on these policies and procedures	Low	Head of Mobility	Anti-bribery and corruption policy Whistleblowing Policy Evidence of training administered.	12 months from investment 12 months from investment 12 months from investment
Corporate Governance						
IFC Corporate Governance Methodology	No formal board composition	Constitute a formal board in line with the agreed Term Sheet.	Low	CEO	Board constituted	3 months from investment

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 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.