

## SIX PILLAR SCREENS & QUESTIONS

**NorthStar believes that no publicly traded company is socially responsible.** However, we also believe that thoughtful due diligence related to our six pillars can mitigate risk and uncover opportunities where we, as investors, can make social change through shareholder activism.

In pursuit of our socially responsible investing philosophy, NorthStar maintains a social screening policy. The policy is described below, organized by NorthStar's Six Pillars. In addition to our general social screening policy by pillar, we collated sample questions that guide how we analyze each potential or current portfolio company by pillar.

### EVALUATION PROCESS:

NorthStar conducts a tiered evaluation process. Investment research and activism teams begin by performing a short review of each company that appears promising. This review is tailored to the company in question but often includes limited reviews of key diversity indicators, recent political contributions history, and broad environmental and social considerations of the company's manufacturing or product usage in terms of potential concerns or positives.

If the company passes these early screens, NorthStar's investment research team, with the activism team as a resource, performs a complete Six Pillars Review, including examining a broad range of issues and factors. The Review will be halted if the Review uncovers either *too many* concerning responses or problems that are *too severe* to be included in the NorthStar Portfolio at the time of review. This review involves collecting numerous qualitative and quantitative data points using investee company resources, online bench research of various nonprofits and research agencies, and data from Bloomberg resources. This research is contained in the internal Equity Research and Shareholder Activism database.

### QUESTIONS THAT GUIDE OUR RESEARCH PROCESS:

As noted above, NorthStar maintains an evolving list of questions that often guide our research process for potential Portfolio companies and/or for periodic review of existing Portfolio companies. Specific questions asked of each company may vary based upon documents that are publicly available, issues that NorthStar is prioritizing as a company, new controversies, and/or the sector or industry of the issuer. This information is gathered over time as relevant events occur and is revised as needed throughout each year. Below is a sample of these questions;

Pillar	Screening Philosophy and Sample Questions to Ask
<b>Racial Justice</b>	<p><b>Philosophy:</b> The U.S. economy was built on the unpaid forced labor of enslaved people and continues to suppress Black and Brown members of society. In performing diligence on current or potential Portfolio companies as well as identifying engagement opportunities, NorthStar examines a variety of issues related to race.</p> <p>We believe that promoting racial justice and equity is not only the right thing to do but is also financially sound with fundamental economic and evidential rationale equating it with better company performance.</p> <p><b>Sample Questions:</b></p> <ol style="list-style-type: none"><li>1. What is the ratio of racially/ethnically members to white board members? Same for senior management.</li></ol>

	<ol style="list-style-type: none"> <li>2. What is the workforce diversity? How does that compare to the diversity in company's headquartering city or major work sites?</li> <li>3. Does the company have DEI policies and practices? Do we believe they are sufficient? What could be improved?</li> <li>4. Has the company made political contributions to any political candidates that have espoused racist, xenophobic, anti-immigrant, misogynistic, or hateful rhetoric in the past 5-10 years?</li> <li>5.</li> </ol>
<b>Gender Equality</b>	<p><b>Philosophy:</b> Corporate America has been integral in this oppression as well as the repression of women and LGBTQIA+ people.</p> <p>We believe that promoting racial justice and equity is not only the right thing to do but is also financially sound with fundamental economic and evidential rationale equating it with better company performance.</p> <p><b>Sample Questions:</b></p> <ol style="list-style-type: none"> <li><b>1. What is the ratio of gender diverse board members to male board members? Same for senior management.</b></li> <li>2. What is the workforce diversity? How does that compare to the diversity in company's headquartering city or major work sites?</li> <li>3. Has the company made political contributions to any political candidates that have espoused misogynistic, anti-LGBTQIA+ or support of anti-gender affirming care in the past 5-10 years?</li> <li>4. Has the company spoken out in support of women's rights and/or women's reproductive health in the past 5 years? LGBTQ+ rights? If yes, how?</li> <li><b>5. Does the company provide paid family leave for all employees regardless of gender?</b></li> </ol>
<b>Economic Equality</b>	<p><b>Philosophy:</b> Similar to our concerns about race and gender, we believe that corporations are a significant cause of historic and modern economic inequality. Through white supremacy and misogyny, companies have promoted white male culture and economic status.</p> <p><b>We recognize and name that we, as investors, are inherently promoting this system and benefitting from it while we also seek to make change.</b></p> <p>Through our diligence and engagement on economic equality issues, we seek to solve an evolving list of issues such as: shrinking race and gender pay gaps, restoring worker voice and economic power, holding companies to account for overpaid CEOs, and prioritizing marginalized voices such as that of migrant workers. We seek to invest in companies that treat their employees and customers fairly, pay employees generously, and that support the local communities in which they do business.</p> <p><b>Sample Questions:</b></p> <ol style="list-style-type: none"> <li>1. What is the CEO or NEO (named executive officers) pay ratio to its median employee? How has the pay increased/decreased in the past 5 years? Did the pay package vary due to the COVID pandemic?</li> </ol>

	<ol style="list-style-type: none"> <li>Does the company have a commitment to pursuing economic equality, redistribution of wealth, or similar sentiments? If yes, how does it pursue those goals?</li> <li>Does the company have a union? Is it known for union-busting?</li> <li>Does the company offer health insurance, sick time, and other benefits to its full employee base, including part-time employees?</li> <li>What are the companies processes and policies related to hiring/retaining employees with criminal records? Does it ask about prior convictions on job applications? Does it have data on what percent of applicants and hired employees have criminal records? Does it examine this process for bias, including racial bias?</li> </ol>
<b>Human Rights</b>	<p><b>Philosophy:</b> Violations of human rights are direct threats to a company's reputation, brand, and value, as well as the long-term sustainability of communities around the globe. Human rights concerns vary by country and industry, but include child/forced/prison labor, human trafficking, building siting, Indigenous rights and land use consent, cultural competency, and community grievance.</p> <p>Because investors have limited insight into supply chains, NorthStar has a policy of developing and maintaining relationships with human rights experts on the ground in the highest risk regions and sectors. Currently, NorthStar seeks expert advice related to palm oil, conflict minerals, and pollution from semiconductor manufacturing.</p> <p><b>Sample Questions:</b></p> <ol style="list-style-type: none"> <li>What human rights policies does the company have in place? Does the company have a supplier or vendor code of conduct? Do the company's policies align with international standards?<sup>1</sup></li> <li>Does the company conduct third-party social audits? If yes, how often? Do they apply to down-tier suppliers?</li> <li>Is there a grievance mechanism process for local communities? What evidence is there that local communities know and use this process?</li> <li>Are workers in the manufacturing supply chain exposed to hazardous chemicals or dangerous conditions? What safeguards are in place?</li> <li>Does the company use AI or satellite or drone footage to uncover human rights and environmental hazards?</li> </ol>
<b>Environmental Justice</b>	<p><b>Philosophy:</b> As a global community, we are currently experiencing the confluence of extractive growth and ecological limits referred to by scientists as the Anthropocene period – a new geological era characterized by the influence of humans on nature. Our collective ecological footprint exceeds the capacity of the earth to regenerate, and we witness this every day in the form of climate change, natural disaster, social and political upheaval, and pollution and waste.</p>

<sup>1</sup> Examples of appropriate international standards include but are not limited to the: UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, OECD Guidelines for Multinational Enterprises, and Universal Declaration of Human Rights.

	<p>As individuals and companies that use natural resources, each and every company has a duty to the environment. Humanity and all of our social, political, and cultural systems are intimately connected to the physical environment. Many of our most critical issues of inequality and discrimination are inextricably linked to exploitive and extractive practices related to material resources. When possible, we seek out the views of Indigenous groups and Black and Brown environmental leaders as input into our perspectives.</p> <p><b>Because nearly all production relies on fossil fuels - as a raw material or an energy source - we do not believe any portfolio can be “fossil fuel free.”</b> However, NorthStar excludes companies that produce fossil fuels, other extractives, and chemical or nuclear power from its Portfolio. We aim to understand and weigh the need in society of fossil fuel-adjacent technologies or products, and we seek to invest in companies that implement innovative environmental programs and safe, reliable products.</p> <p><b>Sample Questions:</b></p> <ol style="list-style-type: none"> <li>1. What environmental issues are related to the company’s revenue sources? These should include considerations of GHG emissions, water use and pollution, air pollution, chemical production, hazardous waste and non-hazardous waste production and disposal.</li> <li>2. What practices does the company have in place to manage these risks?</li> <li>3. Does the company have a history of violations related to waste or pollution disposal? If yes, were these violations related to an event that happened before or after an acquisition of the violating entity?</li> <li>4. How does the company ensure that water use or wastewater does not impact the surrounding and downstream communities?</li> <li>5. What are the company’s climate change mitigation practices? Are they aligned with Science Based Targets Initiative?</li> </ol>
<p><b>Governance</b></p>	<p><b>Philosophy:</b> Shareholders provide checks and balances on the management of public corporations and, by virtue of their decisions to become public companies, the corporations should be held accountable as such. Strong governance, including shareholder input, protects firm value by preventing missteps or allowing for shareholder feedback when corrective action is needed. Corporate governance is the undergirding that determines all company actions, procedures, and policies that affect each of the other four pillars through which examine companies.</p> <p>In our investment due diligence, we ask ourselves whether and how each company in our portfolios provides a long-term benefit to society by studying the company through its overall product offering, community investments, political contributions alignment with company values, services to the marginalized communities or unbanked, the structure of its interactions and efforts to promote equal access to education and services, and the firm’s own vision of its role in the world.</p> <p><b>Sample Questions:</b></p> <ol style="list-style-type: none"> <li>1. How many classes of board members make up the board?</li> </ol>

	<ol style="list-style-type: none"><li>2. Is the board chair an independent director (not employed by the company)?</li><li>3. Does the board use a plurality or majority voting structure?</li><li>4. In which country is the company incorporated?</li><li>5. For foreign issuers, are there any significant political or governance issues related to the government? Is the company based in a country with an oppressive regime in power?</li></ol>
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