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SCIF Sifi Salem

Sustainability Policy

# INTRODUCTION

SCIF SiFi Salem (SSS) is responsible for building and managing an open access optic fiber network in the city of Salem, California.

SCIF SiFi Salem provides essential infrastructure for key digital services in rural/urban/suburban areas within the United States and are dedicated to act in accordance with the highest legal, ethical and professional standards throughout their business and operations.

This Sustainability Policy (the “**Policy**”) sets out the aims and commitments related to Environmental, Social and Corporate Governance (“**ESG**”) issues of SSS. The Policy applies to the Board of Directors (the “**Board**”), management team, main service providers and staff of SSS.

Sustainability principles and practices will be embedded within SSS’s strategy, risk management and day-to-day operations. This policy summarizes our commitment to sustainability, along with our framework of programs and initiatives.

The Board of SSS is responsible for updating and approving this document. The Management Team is responsible for its proper implementation and reporting to the Board. As Manager, SiFi Networks America LLC (the “**Manager**”) plays a fundamental role in the implementation of this policy, in accordance with the terms of the Management Agreement entered into between SCIF HoldCo and the Manager. In many instances, the Manager will act for and on behalf of SCIF for the implementation of this policy.

SCIF regularly engages with our stakeholders, both internal and external, to understand priority sustainability issues for our business. We will continue to develop our sustainability reporting, as well as our engagement efforts with our stakeholders.

SCIF is dedicated to a culture of continuous improvement in regard to sustainability, and will participate in the GRESB annual assessment to help identify areas of improvement and alignment to industry best practice. With regards to environmental management specifically, SSS is committed to applying best practices in line with the ISO 14001:2015 standard where relevant to its operations.

The majority shareholders are signatories of the [United Nations Principles for Responsible Investment](https://www.unpri.org/download?ac=4141&adredir=1) (UN PRI) and [UN Global Compact](https://unglobalcompact.org/what-is-gc/mission/principles) and aim to adhere to all its standards in relation to ESG matters through all of their investments. SSS’s sustainability efforts will align with aforementioned policies. Additionally, SSS will use, where appropriate, [International Finance Corporation (IFC) Performance Standards](https://www.ifc.org/content/dam/ifc/doc/2010/2012-ifc-performance-standards-en.pdf) or best practice standards to guide our near term implementation/data collection efforts as well as our long term sustainable execution.

At SCIF SiFi Salem, our purpose is to be recognized as a firm that achieves customer expectations safely, profitably and in a manner that is environmentally responsible, socially aware and rewarding for all our stakeholders, including our employees, customers, subcontractors, suppliers, investors and the communities in which we operate. We want to attain profitable growth through an organizational framework that provides excellent service delivery; establishes a reputation of integrity within the communities in which we work; and provides our team members opportunities in a diverse, inclusive and injury-free environment.

Approved by the Board of SCIF SiFi Salem on 10 February 2025 and reviewed annually.

# ENVIRONMENTAL

## Biodiversity and habitat

The aim of SSS is for their activities to have minimal impact on the surrounding biodiversity. Where possible we will improve biodiversity and will actively mitigate and monitor impacts of their construction activities, whether positive or negative. Where necessary and possible we will investigate and complete adaptation and mitigation measures to support these aims.

We aim to achieve this through:

* Following applicable laws and regulations related to biodiversity
* Working to minimize negative environmental effects across our operations, including historical areas, wetlands and other areas critical to biodiversity
* Measuring, mitigating and addressing direct environmental impacts through third-party environmental assessments via SiFi, as required by local and/or state jurisdictions.

## Climate change adaptation and resilience

The aim of SSS is to understand the future risk and opportunities of climate change on their fiber optic networks and will conduct and integrate climate risk studies in their operational decisions. Where necessary and possible SSS will investigate and complete adaptation and mitigation measures for climate change. SSS will engage with their customers, suppliers and local community to consider the role their fiber optic networks can play in the resilience of the urban environment to catastrophes or natural disasters.

Areas of opportunity are the following:

* Investing in the use of renewable energy
* Work with our vendors to understand plans to transition fleet to low and no emission vehicles
* Integrating forward-looking, actionable climate data into our planning systems to inform infrastructure decisions for the future
* Encouraging municipalities, businesses, non-governmental organizations and others to assess and address their vulnerabilities and build climate resilience

## Energy and Greenhouse Gas Emissions

Fiber-optic technology is by far the most energy efficient broadband technology. Fiber not only provides consumers with the fastest possible internet speeds, but it is also better for the environment than legacy broadband solutions such as copper. It uses more sustainable materials, has a smaller carbon footprint and reduces waste and pollution.

The nature of SSSs’ activity positions it on the low side of the environmental impact spectrum and the underground infrastructure is not subject to soil contamination or other hazards linked to other utilities’ assets. During the operation of the asset the focus will be put on an efficient use of power and aim to move to the use of renewable energy sources. In this regard, SSS will proactively work with the respective commercial power utilities within each of our deployed markets to understand their ESG strategy and associated impact.

SSS has the ambition of reaching net zero carbon by 2050 across scope 1 and 2 emissions, or to align with the targets of the jurisdictions it is subjected to. In 2022, SSS began mapping and calculating its scope 1, 2 and 3 operational emissions via a third-party platform, based on a methodology aligned with the GHG Protocol. Based on the results of that exercise, SSS will determine interim targets through 2030 to begin monitoring, tracking, and development of implementation strategies to provide all stakeholder’s transparency toward meeting our net zero carbon objective.

Our targets will be approved by and reported annually to the SSS Board.

## Pollution and Environmental Impact

During construction, the focus on the environment will lay on avoiding hazards linked to breaking of existing utilities in the ground which may not be identified. Avoiding these hazards, we aim to reduce our possible intrusion or cause of contaminated land and hazardous substances. SSS will also abide by regulation in terms of disposal of waste produced during construction.

SSS will strive to minimize air, noise, and light pollution during deployment, and where applicable during the operation of the asset. During deployment we will also look to minimize our impact on local biodiversity and habitats.

## Water

SSS aims to ensure sustainable use of water resources by their suppliers. Although our operations do not require as much water as other industries, it is important to our business has an input for landscape restoration/remediation and hydro- excavation equipment, and supply challenges can impact how we operate.

Our efforts to reduce our water usage include:

* Implementing energy efficiency measures that also reduce water consumption for landscape restoration/remediation
* Implementing energy efficiency measures that also reduce/recycle water consumption for hydro excavation equipment

## Waste

SSS will aim to support their operators and suppliers in reducing waste generation and the diversion of materials to landfill. Where relevant SSS will reduce its waste generation and work with their suppliers to improve recycling and circular efforts.

Our approach to waste management includes:

* Working to reduce waste to landfill volume, by using analytics to help identify opportunities for waste diversion solutions, and reduce waste sent to landfill over time and increase usage of recycle material
  + Identify total waste handled(MT), versus total waste recycled/used (MT)
* Keeping electronic materials out of landfill through reuse, refurbishment and recycling efforts
* Responsibly managing hazardous waste by complying with all applicable environment, health and safety laws and regulations and promoting pollution prevention by minimizing the generation of hazardous waste

## Pollution

SSS intends to minimize air, light and noise pollution. They will engage with suppliers to further support this aim.

## Sustainable Supply Chain

SSS will ensure a sustainable supply chain, selecting materials based on environmental impact and increasing resource efficiency. Where possible this will focus on using locally sourced materials, reducing transportation requirements for material delivery and considering the embodied carbon of the development.

Our approach will be as follows:

* Actively engaging our suppliers to provide accurate data for the products and services they develop, including sustainability-related metrics
* Minimizing the impacts of packaging through industry collaboration and utilizing recycled materials
* Supporting suppliers in setting targets to reduce emissions in their operations and SSS value chain

Due diligence will be performed on any new suppliers, and alternative suppliers will be sought if a new supplier is identified as high risk.

# SOCIAL

## Labour Standards

The Board, Management Team and main service providers of SSS will ensure that all employment engagements are subject to the labor laws of the United States of America.

SSS strongly opposes the use of child labor and modern slavery and will pass this through to its engagement with its suppliers. SSS will implement such checks through its procurement processes.

No person employed by SSS or suppliers may be below the minimum legal age for employment. SSS and its suppliers must comply with all applicable labor, wage and hour laws, and regulations.

## Employee Engagement

SSS is dedicated to creating an engaged and supported staff. They will also look for similar attributes amongst the suppliers they work closely with. All employees will receive regular training on sustainability and ethics. SSS will leverage internally developed ESG training materials as well as engagement by our asset management partner’s ESG subject matter experts for annual training. SSS employees will be required to review an updated Employee Handbook that will outline recent changes to our Code of Conduct and general ethics policy.

## Equality and Diversity

SSS wholeheartedly believes in the value and importance of equality and diversity and strive for broad diversity across directors, management and staff. We are focused on driving policies and practices that provide equitable opportunities.

In order to support ED&I goals, SSS will implement the following path forward:

1. Define the ED&I vision for SSS
2. Benchmark current SSS
3. Architect and plan the right initiatives
4. Act/Execute against the plan

## Health and Safety

The objective of SSS is zero workplace accidents, and it will put in place a series of Health and Safety (H&S) KPIs as follows:

* Number of lost time accidents per 30, 60, 90 days
* Percentage of accidents followed by a root-cause analysis and an action plan to prevent reoccurrence
* Percentage of contractors having received H&S training.

to be monitored and discussed periodically on Board meetings to identify improvement areas and prevent any incidents. This extends from contractors to the supply chain, and where applicable the community.

The Manager for SSS will implement a safety management system consistent with ISO 45001:2018 or equivalent best practices.

The main contractor for SSS has the responsibility of Health & Safety during construction. TheManager will be monitoring its performance and reporting to the main contractor and to the Boards any deviations or potential risks.

The main contractor will carry out training and tool meetings every day in order to identify potential risks and make sure they are dealt with and avoided. SSS require their main contractors to have in place an emergency and communication plan in case of accidents. The contractor must be compliant with [Occupational Health and Safety Administration (OHSA)](https://www.osha.gov/) as well as any state, local and municipal requirements. SSS will take the following steps to ensure respective vendors are in OSHA compliance, by confirmation the vendors are doing the following:

* Display the official OSHA Job Safety and Health: It’s the Law poster on-premises.
* Provide safety training to employees in a language they can understand.
* Keep accurate records of all workplace injuries and illnesses.
* Provide required PPE to employees at no cost to their employees.
* Post any OSHA citations and injury and illness data where employees can easily see them.
* Refrain from retaliating against employees who use their rights under the law, including their right to report a workplace injury or illness.

## Local Community Support

SSS aims to promote development in the local community, by not only supporting the technological advancement of the city, running community engagement activities and local sponsorship, but also through encouraging the hiring of local people, overall highlighting their commitment to the community. SSS aims to connect with local social enterprises, supporting the area through multiple platforms.

## Stakeholder Engagement

SSS is committed to engaging with and fostering strong relationships with relevant stakeholders, these include local communities, contractors, operators, suppliers and customers. Our proactive stakeholder engagement practices will provide us with valuable insight and feedback throughout the year. Our engagement process includes formal and informal channels of communication, including quarterly investor meetings, investor presentations, one on one meetings, employee feedback, customer, subcontractor and supplier discussions, community and industry events, among others. The feedback we receive from these engagements informs our understanding of the issues most significant to our stakeholders. We seek to monitor these issues and effectively communicate with our stakeholders to strengthen these relationships.

SSS engages stakeholders to understand their perspectives, as well as gain insights into emerging trends, risks and opportunities for improvement. We obtain feedback in the following approach:

* Periodically, we will engage our key stakeholders to share our sustainability plans and priorities to better identify risks, challenges and opportunities
* Quarterly we will reach out to community / municipal leadership to understand their sustainability efforts to align with new policy direction, if applicable

This level of stakeholder engagement, whether through dialogue, structured collaboration, or formal alignment, is critical to achieving our sustainability goals to improve the communities where SSS is having an impact.

The Manager for SSS will look to implement a stakeholder engagement approach consistent with the AA1000 Stakeholder Engagement Standard (AA1000SES).

# GOVERNANCE

**Governance Processes**

The Boards have an active role in the sustainability drive of SSS and support continuous improvement of their ESG decision making. SSS adheres and subscribes to its shareholder’s responsible investment practices. SSS will adhere to [Sustainable Finance Disclosure Regulations (SFDR)](https://esgtree.com/a-brief-guide-to-sfdr-reporting-and-compliance/) requirements on Good Governance Practices in respect of management structure, employee relations, renumeration of staff, and tax compliance for investee companies. Adhering to SFDR requirements, SSS, will at a minimum disclose the following: Negative impacts an investment decision may have on ESG factors, such as energy consumption and/or, biodiversity consideration of ESG risks in any investment decision-making process, whether sustainability risk might impact financial performance of any potential investment.

**Fiduciary Duties**

SSS and all their Board members are compliant with the highest anti- corruption standards and explicitly pursue non-ethical behavior at all of the organization’s levels. SSS has zero tolerance to bribery. This applies to all the levels of the organization, in particular on dealing with public officers, including contractors and sub-contractors. SSS has zero tolerance to Anti-Money Laundering. The application of these principles will be discussed in Board meetings.

Anti-bribery and anti-money laundering trainings are provided to all employees, pursuant applicable local and national regulations.

SSS encourages its employees to speak out about unacceptable conditions, violations of rights, legal rules and internal policies or breaches of ethical norms. As detailed in the Whistleblowing Policy, a grievance mechanism is in place for all employees to make anonymous reports and share any concerns, which will then be investigated by the Board directly.

Additionally, SSS is committed to executing our fiduciary duties responsibly, such as taxation fulfillment, which reflects that commitment and is guided by our relationships with internal and external stakeholders, including our customers, employees, and investors as well as the communities and governmental authorities in the jurisdictions where we do business.

SSS taxation fulfilment applies to all taxes, including but not limited to, income taxes (federal, state and local), indirect taxes, property taxes, telecommunications taxes, and payroll taxes. SSS seeks to fully comply with all applicable tax laws and regulations. Our goal is to make accurate and timely tax filings and disclosures of tax information for both external reporting and statutory filing requirements.

Our tax professionals are well educated in their field and are committed to high standards of compliance. Our tax functions are subject to oversight and governance through internal Board review approval and regular external audits.

## Data Protection and Cybersecurity

SSS ensures it meets federal and state level data protection and cybersecurity requirements. As owners of fiberoptic network, SSS understands the importance of upholding strong data protection and cybersecurity measures across all of its subsidiaries and relevant supplier.

SSS has an information security management system in place, via the Manager, which is consistent with ISO 27001:2022.

In addition to ISO 27001:2022 the following policies will be adhered to:

* SiFi-SEC-POL08 - Information Security Incident Management Policy
* SiFi-SEC-PRD003 - Information Security Incident Management Procedure
* SiFi-SEC-TMP04 - Security Incident Report Form

## Transparency

SSS is committed to good corporate governance driven through transparency and supported by annual external audits. SSS’s current activities are as follows:

* + Monthly operational KPIs reporting
  + Monthly / quarterly financial reporting
  + Monthly / Quarterly Governance Meetings w/ associate board material
  + Associated meeting minutes transcribed, documented and signed
  + Annual financial audits

SSS is determined to ensure transparency to our broad range of stakeholders across all parts of our business activities.

Its Board of Directors agree to share any information which may result in a conflict of interest for SSS and this is confirmed at every Board meeting. At the beginning of each project, related parties of SiFi are subjected to an additional due diligence assessment in order to identify potential related issues. It is mandatory for all employees and suppliers to disclose a potential conflict of interest and SSS maintains detailed records of disclosure to assess and manage these conflicts effectively.

## Sustainability Governance

Control systems include approvals involving different organizations and different people as well as a monthly control on financials. During construction phases,

ESG is integrated throughout all activities, with the Board having oversight and final decision making upon issues. The Boards and Management Team will actively ensure that this policy is effectively complied with and implemented by the Manager. Compliance with and implementation of this policy is actively discussed in the Boards.

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