

School Infrastructure Management, LLC and School Infrastructure Fund II, LLC Sustainability Policy

Effective Date: April 2, 2024

School Infrastructure Management, LLC and School Infrastructure Fund II, LLC ("SIM" and "SIF" respectively) have adopted a Sustainability Policy to formalize our longstanding view of considering all stakeholders in our investment and management decisions. We hold ourselves to the highest business and ethical practices.

SIF does not market its activities, or its primary purpose, as a formal "ESG Fund". This document serves only to outline our policy as related to social impact and sustainable investing.¹

1. Purpose

The purpose of this policy is to define SIM and SIF's approach to integrating the consideration of sustainability risks and value creation opportunities into investments made through its infrastructure fund. SIM and SIF commit to improving the communities in which it invests, and to enhancing the role of the educational facilities and their communities. As such, SIM and SIF may consider material sustainability issues, as detailed in SIM and SIF's Investment Committee Criteria, during its due diligence and in the monitoring of portfolio investments, to the extent reasonably practical under the circumstances, subject to the fiduciary responsibility of SIM and SIF. For the purposes of this policy, "material" sustainability issues are defined as those issues that SIM and SIF, in its sole discretion, determines to have, or the potential to have, a direct substantial impact on an organization's ability to create, preserve, or erode economic value, as well as environmental and social value for itself and its stakeholders.

2. Scope

This policy will apply to all infrastructure investments considered by the SIM and SIF Investment Committee following the date hereof and will be interpreted in accordance with local laws and regulations.

3. Roles and Responsibilities

SIM and SIF's Investment Committee is responsible for ensuring that consideration of sustainability issues is integrated into investment decisions. Where additional subject matter expertise is needed, SIM and SIF utilizes external resources as relevant and necessary.

4. Goals

SIF invests in primary and secondary educational facilities where tuition is publicly funded.

Subject to the scope described in Section 2, SIM and SIF seek to:

1. Consider environmental, public health, safety, and social issues associated with target investments when evaluating whether to invest in a company or entity, as well as during the period of ownership.
2. Be accessible to, and engage with, relevant stakeholders as appropriate.
3. Use governance structures and committees of the Board of Directors that provide appropriate levels of oversight in the areas of audit, risk management, investment parameters, potential conflicts of interest, and compensation.
4. Remain committed to compliance with applicable national, state, and local labor laws; support the payment of competitive wages and benefits to employees; and provide a safe and healthy workplace.
5. Provide timely information to SIM and SIF's limited partners on the matters addressed herein, and work to foster transparency about SIM and SIF's activities.

5. Sustainability Integration in Infrastructure Investments

SIM and SIF will seek to integrate the consideration and thoughtful management of sustainability issues throughout the investment cycle.

¹As defined by the United States Securities and Exchange Commission, MSCI, Russell, Morningstar, or any other authorities or organizations in the financial industry.

5.1 Pre-Investment:

To ensure the integration of sustainability considerations in the pre-investment phase of infrastructure investments, and subject to SIM and SIF's determination of what is reasonable and appropriate, SIM and SIF will:

Undertake Sustainability Due Diligence: SIM and SIF will conduct due diligence on sustainability elements as outlined in the Investment Committee Criteria; this due diligence may include third party assessments as deemed applicable.

Documentation: In cases where sustainability-related issues are considered during the due diligence process, SIM and SIF will document, for internal use, the issues considered, findings, and next steps, if any.

5.2 During Investment:

To manage sustainability risks and value creation opportunities in its infrastructure investments post-investment, and subject to our determination of what is reasonable and appropriate, SIM and SIF will:

Monitor Progress:

Where there are material issues identified during the diligence process, include the management of these issues in a post-close plan, or otherwise monitor ongoing progress on sustainability issues, as applicable. Process improvement efforts will be initiated, where applicable.

Documentation:

In cases where material sustainability-related risks and opportunities are being monitored or managed, SIM and SIF will document, for internal use, the issue, progress, and next steps, if any.

5.3 Transparency and Stakeholder Engagement

We will seek to be transparent in our approach to incorporating sustainability considerations in our infrastructure investments by reporting annually on its progress and outcomes at the fund level. The format of this reporting may vary among written public reports, verbal informal reports, or confidential fund or asset-level reports to SIM and SIF investors. Where appropriate, throughout the investment cycle we will seek to actively engage relevant stakeholders to make informed decisions that may affect these stakeholders.

United Nations-Supported Principles for Responsible Investment ("PRI")

American Infrastructure Partners and Grow Schools are signatories to the United Nations-supported PRI. The PRI Initiative is an international network of investors working together to put the six following principles for responsible investment (the "Principles") into practice:

1. Incorporate sustainability issues into investment analysis and decision-making processes.
2. Be active owners and incorporate sustainability issues into the firm's ownership policies and practices.
3. Seek appropriate disclosure on sustainability issues by the entities in which the firm invests.
4. Promote acceptance and implementation of the Principles within the investment industry.
5. Work together to enhance the firm's effectiveness in implementing the Principles.
6. Report on the firm's activities and progress towards implementing the Principles.

Policy Review

This policy will be reviewed and updated, as necessary, regularly at SIM and SIF's Executive Team or Board of Director meetings.