

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

Responsible Investment Policy

Effective Date: April 15, 2024

School Infrastructure Management, LLC and School Infrastructure Fund II, LLC ("SIM" and "SIF" respectively) have adopted a Responsible Investment Policy ("Responsible Investment") 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

I. Purpose

The purpose of SIM and SIF's responsible investment policy is to outline a framework that integrates sustainability considerations into investment decision-making. The primary objectives of this policy are to enhance long-term financial performance, mitigate risks, and promote sustainable development within our investment activities.

II. Compliance with Applicable Laws and Regulations

SIM and SIF commit to comply with all relevant laws, regulations, and legal guidelines related to responsible investing, including those specific to real estate investments.

III. Integration of Sustainability Factors

Within the context and constraints of its fiduciary responsibilities, SIM and SIF integrate sustainability factors into its investment decisions. This includes assessing the environmental risks of properties and evaluating social and governance opportunities, as defined in our Investment Committee Criteria.

i. Environmental Conditions Considerations

SIM and SIF may consider environmental factors when applicable. When it is determined that a corrective action should be taken, this action may be performed and financed by SIM, SIF, the seller, or another party. SIM and SIF will consider certain environmental factors when making investment decisions, both upon initial asset acquisition and when making subsequent asset management decisions.

Using third party reports, SIM and SIF will assess building and environmental conditions per our investment criteria, including but not limited to:

1. Underground storage tank issues.
2. "Friable Asbestos"; if identified, SIM or SIF will require the seller to mitigate asbestos issues
3. Safety considerations (see Safety Policy)

Phase I and Phase II Environmental Assessments will be used where applicable. SIM and SIF may also consider other environmental factors when applicable.

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

SIM and SIF will assess and manage climate resilience risks associated with properties, considering factors such as flood zones, storm resilience, fire, and rising sea levels. See investment criteria document.

ii. Social Impact Considerations

As defined by our investment criteria and process, SIM and SIF comprehensively assess educators to review each school's impact on students with qualitative and quantitative measures where applicable.

Our team seeks to support communities by identifying school operators with track records of improving student educational outcomes and serving their community.

iii. Governance Considerations

1. **Transparency and Ethics:** SIM and SIF work with public educational institutions, which are held to high standards of transparency, integrity, and ethical conduct. SIM and SIF are committed to these same values, as stated in our Anti-Bribery & Anti-Corruption Policy.
2. **Diversity:** SIM and SIF encourage diversity, recognizing the benefits of diverse perspectives and inclusive decision-making. See Diversity, Equity, and Inclusion policy.
3. **Risk Management:** SIM and SIF integrate risk management practices into its investment strategy, ensuring that potential risks related to governance issues are identified and mitigated where applicable. These practices are outlined in the Investment Criteria and Process.
4. **Stakeholder Engagement:** SIM and SIF engage with stakeholders, including investors, tenants, employees, and communities, to understand their concerns, gather feedback, and foster transparency and accountability.

IV. Commitments

SIM and SIF only invest in assets intended for use by primary and secondary educational institutions where tuition is publicly funded.

V. Policy Review

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

This responsible investment policy aims to guide SIM and SIF's investment decisions toward responsible business practices and the long-term creation of value while considering the broader impacts of its investments on the environment and society.