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Green Finance Framework



S C A L A
DATA CENTERS



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1 Introduction

1.1 Scala Data Centers

Scala Data Centers (“Company” or “Scala”) is a leading Latin-American sustainable data center platform, in the Hyperscale segment. Headquartered in Brazil and founded in 2020 by DigitalBridge, it was developed to meet and exceed the growing demand for digital access in Latin America.

Among its investors are the International Finance Corporation (IFC), a branch of the World Bank Group, and the Olayan Group, a multinational company with a multibillion-dollar, global investment portfolio.

Currently, Scala is a benchmark in the Hyperscale market, with more than 50 MW of installed IT power capacity in Brazil and more than 900 MW of expansion power capacity in Latin America.

The Company has four main pillars in its operation, as described below:

- **Solutions:** solutions customized to each customer, using innovative construction, design, operation, and management practices in order to deliver state-of-the-art data centers, with high availability, stability, the best energy efficiency and high density.
- **Innovation:** the success is measured by the financial result and the commitment to innovation, which operates across the entire company, whether in the development of new projects or through the implementation of continuous improvements in existing services and products.
- **Collaboration:** vision of responsibility and commitment to customers, employees and society, scaling results for the construction of a digital future. Whether it’s financial, marketing, personal or social result, the Company works to be always bigger, growing and limitless.
- **Sustainability:** to reduce the environmental impact of the activities by carefully selecting its investments in sustainable projects. These actions improve operations, so that the Company can offer state-of-the-art solutions to its customers, while sharing benefits with the society.

The Company has five data centers in operation in Brazil, and in the strategic plan for the following years there is an expectation of expanding capacity, as well as building new data centers. It is worth noting that, in just 2 years, Scala quadrupled its construction potential at Campus Tamboré, which has the potential for approximately 400 MW of IT capacity, considering the planned expansions, that make it the largest in Latin America and one of the largest in the world in its first stage of development.

Table 1: Scala’s data centers in operation in Brazil

Data Center	Location	IT Power Capacity	Area
SGRUTB01	Campus Tamboré (SP)	21 MW	15,700 m ²
SGRUSP02	São Paulo (SP)	4 MW	6,300 m ²
SGRUTB03	Campus Tamboré (SP)	9 MW	7,600 m ²
SGRUTB04	Campus Tamboré (SP)	12 MW	13,000 m ²
SVCPCP01	Campinas (SP)	4 MW	12,000 m ²

To ensure the highest quality projects in the market and bring faster deliveries, Scala innovated and created the Engineering Center of Excellence (CoE). With more than 150 engineers and architects, the CoE assumes the management of the entire chain of projects for construction, operation and design of Scala’s data centers, including the stages of technical due diligence, test fit, conceptual and executive projects, construction management and commissioning. This vertical integration provides technical diligence for the Company and, for the customer, benefits such as scale gains, reduced delivery times, greater visibility and control, in addition to efficiency gains.

Scala goes beyond the traditional offering of data center services and offers a broad and deep intelligence service in technology and infrastructure for its customers. To make it viable, it has a team of more than 500 high-performance professionals who integrate an environment of collaboration, respect, transparency and a culture of meritocracy. The knowledge, diversified experience and discipline of the team are Scala’s greatest value. The executive team has extensive experience



in publicly traded companies and meets quarterly to review plans and achievements with investors.

1.2 Scala's Approach to Sustainability

Sustainability is a non-negotiable priority for Scala Data Centers. The Company offers today what its global customers demand as a standard for the years to come. Since its foundation and with the conception of the ESG (Environmental, Social and Governance) program, the company seeks to integrate responsibility and commitments in the environmental, social and corporate governance spheres to its strategy, generating value for customers, partners, employees, investors and the community. The Company implemented an Environmental and Social Management System (ESMS) aligned with the requirements of IFC Performance Standard 1 to address environmental, occupational health and safety, labor and community risks and impacts.

The pillars of the ESG Program are:

1. Commitment to Net Zero: concrete actions to reduce your carbon footprint.
2. Energy and water: Use of 100% renewable and certified energy and efficiency in the use of water and energy.
3. Social Responsibility: Professional and educational training for the communities in which we operate.
4. Ethics and Compliance: Integrity and transparency, always.
5. Diversity and Inclusion: Respect the diversity of opinions, profiles, origins and personalities.

Environmental

Scala operates, since the beginning of its activities, with 100% renewable energy through long-term contracts (Power Purchase Agreements - PPAs) backed by renewable energy certificates (RECs), becoming the first data center company in Latin America to reach this milestone. There is 2,900 GWh of clean energy guaranteed by 2033, enough to supply the city of Campinas (~1 million inhabitants) for one year.



The commitment to increase projects that significantly increase energy efficiency and reduce water consumption led the company in 2021 to be, once again, a pioneer in the sector, positioning itself as the first data center company in Latin America to achieve neutrality and the only one in the sector to be carbon neutral since the beginning of its operations.

These projects are led by the Center for Engineering Excellence (CoE) which develops innovative technological solutions to increase energy and water efficiency in data centers, which are responsible for Scala's portfolio having the lowest PUE (Power Usage Effectiveness) in the region.

Our GHG emissions inventories were prepared with the support of leading companies in the sector. The 2020 inventory was carried out by Natural Capital Partners and in 2021 by Schneider Electric. Residual emissions were offset by the purchase of carbon credits from projects that, in addition to significantly reducing carbon emissions each year, offer a series of benefits from the development of educational programs focused on STEM (science, technology, engineering and mathematics) for low-income youth, and, in 2021, financed 52 sustainable programs for local communities. It is an approach that links social impact to environmental actions as a fundamental pillar of the Company's sustainability strategy.

Another major sustainable development action is the Company's recycling program. In partnership with Furukawa's Green IT Program, it directs waste from the disposal of structured cabling products from the data centers to recycling, promoting the sustainable destination of these items. More than 5.7 tons of cables have already been recycled because of this partnership. In addition, Green IT Program promotes the circular economy, to progressively reduce environmental impacts in the data center segment. The value returned to Scala is reinvested in social actions for the community.

Social

Scala believes that, through the promotion of social projects based on education and training, it contributes immensely to transforming society. For this reason, it invests in Scala's employees and also in the communities in which it operates. In 2020, it awarded 28 full scholarships for bachelor's degree in Electrical, Mechanical and Civil Engineering to young people in situations of social



vulnerability. In 2021, it awarded 24 additional scholarships, totaling 52. This program was carried out in partnership with Instituto IT Mídia, in São Paulo (SP), which operates and manages the Program. Through this transformative project, these young people have the opportunity to work at Scala as trainees and develop their professional careers in the data center segment. Scala has not only changed the lives of these students, but also the lives of their families.

Scala is committed to investing in the communities where it operates to improve the quality of life through the creation of job opportunities and the offering of technical training courses. The Company understands the importance of maintaining ongoing communication with the community and is implementing processes to address their interests and concerns, establishing a relationship of trust relying on open, ongoing and transparent communication.

In 2022, it joined Infrastructure Masons (iMasons), a professional non-profit organization of technology and business leaders representing more than \$150 billion in infrastructure projects in more than 130 countries. Scala assumed the leadership of the entity's Brazilian Chapter and, through it, it will contribute even more to the development of sustainable digital infrastructure in Latin America, addressing topics such as professional training, education, environmental projects and innovation initiatives.

For 2 years in a row the Company has been recognized by the Great Place to Work® (GPTW) certification. It offers a fair, respectful and vibrant environment that encourages the professional development of its employees, a team driven by challenges, opportunities and a sense of collaboration. The culture is focused on results and bold targets, always combined with an attractive compensation program, which values meritocracy and makes the team proud to belong.

Governance

The Company was created within a professional investment structure. Scala's founder and largest investor, DigitalBridge, has more than \$45 billion in assets under management and is a leader in digital infrastructure investments with operational experience and global presence. The World Bank, through the International Finance Corporation (IFC), is its partner. The other investor is the Olayan Group, a multinational company with an actively managed global investment portfolio.



Olayan's main parent company is headquartered in Vaduz, Liechtenstein. Olayan professionals manage a multi-billion investment portfolio.

The company's executive team has extensive experience in publicly traded companies and meets quarterly to review plans and achievements with the investors.

The ESG Program is made up of company directors and reports directly to the CEO. Quarterly, the ESG leaders of all DigitalBridge investees meet to exchange experiences, share best practices and team building.

Among the metrics focused on ESG aspects, the Company monitors performance in: safety, diversity and inclusion, employee engagement, GHG emissions, energy consumption, interruption of services and cyber security.

Among its ethical practices towards employees, the community, suppliers and customers, Scala has an Ethics Channel and reporting mechanisms to ensure the confidentiality and anonymity of the complaints.

For Scala, quality, availability and safety are super important. The company has an all-time record in this industry: more than 22 years of uninterrupted availability. That's why the new data centers are the first and only colocation operators to be ANSI/TIA-942 Rated 3 certified, which covers all the criteria for a mission-critical data center.

Scala has a robust Environmental, Health and Safety (EHS) Program that implements best practices to ensure the safety and well-being of our employees, customers and third parties. The Information Security team monitors and leads cybersecurity projects. The Command Center manages the operations of Scala's data centers using intensive technology, artificial intelligence and strict quality processes.

All this strategy impacts on recognition – in awards and nominations. In 2022 Scala was recognized for the third successive time as the Brazilian leader in the Colocation Quadrant of the Next Generation Private Cloud/Hybrid ISG Provider Lens™ - Data Center Services & Solutions 2022 and recognized at the Latin America Data Center Development Award by Datacenter Dynamics in 2021. The Company also won the Social Impact and Environmental Impact categories of the DCD Latam Awards in 2022, with its CEO, Marcos Peigo, appointed as Industry Leader.

For the Company, certification is a consequence and not an end goal. The Company is certified with relevant certifications, that highlight the transparency and ethics in Scala's processes:

ISO 27001 - Information Security Management System

Information Security is a topic of extreme importance for companies of any segment, with emphasis on the data center market. ISO 27001 ensures that Scala is in line with the best practices on the subject, guaranteeing the confidentiality, integrity, and availability of the items and data which are necessary to operate, regardless of the audience.

ISO 27701 – Data Privacy Management

Scala was the first Hyperscale data center operator in Brazil to achieve ISO 27701 certification. Considered an extension of ISO 27001, it attests to the compliance of Information Security systems with the General Data Protection Law (LGPD, in portuguese), ratifying the care and protection of personal data and its entire ecosystem.

ANSI/TIA-942-B RATED 3

Data centers built by Scala follow the worldwide quality standard established by the ANSI/TIA-942-B rated 3 Construction and Design standard. More comprehensive than other market certifications, such as Tier III from the Uptime Institute, the assessment is carried out by experts and considers more than 1,200 criteria on topics such as location, architecture, electrical, mechanical, telecommunications, security, and monitoring, only granting the seal to data centers that meet the mapped requirements.

PCI-DSS

PCI-DSS certification is critical to Colocation service providers which support companies operating payment card data transactions, attesting to compliance with the best practices of financial protection. At Scala, the excellence of this process is guaranteed using Information Security requirements with a high-quality standard.



ISAE 3402

The recognition of the ISAE 3402 standard attests that Scala has been properly audited in its operational controls for security and data center infrastructure. This means that the company is 100% adhering to the standards required in the industry, ensuring site governance and process coherence in data centers.

I-REC – RENEWABLE ENERGY

Scala operates with 100% renewable and certified energy, through long term power purchase agreements with the biggest energy providers of the world. The energy utilized by Scala is certified through The International REC Standard, that emits renewable energy certifications (I-REC), guaranteeing the clean power source used by our data centers. The I-REC standard is recognized by the main international protocols such as the GreenHouse Gas Protocol (GHGP), the CDP and the RE100.

ISO 9001 - Quality Management Systems

The main objective of ISO 9001 is to establish a quality management model, aiming at the control and continuous improvement of processes. With this certification, Scala reinforces its commitment to the standard of excellence of its deliveries and remains aligned with its beliefs and values, so the expectations of its clients are met and exceeded.

ISO 14001 - Environmental Management System

The achievement of ISO 14001 proves that Scala is in line with the requirements of a high-level environmental management system. The entire cycle of contracting, consumption, maintenance, and disposal, combined with the awareness and training of those involved in activities on this topic, applies serious criteria for protecting the environment and following the company's EHS policies. This gives the ability to quickly respond to changing environmental conditions and provides Scala with a leading position in the sector in terms of environmental management.

ISO 45001 - Occupational Health and Safety Management System



ISO 45001 attests that Scala's concerns and actions regarding topics related to health and safety at work, applied to its employees and to the entire value chain which sustains its services, adhere to best practices. This international seal is based on data from the International Labor Organization (ILO) and highlights that Scala promotes and protects the physical and mental health of its human capital.

Carbon Neutral

The data center market is a huge energy consumer and Scala has a role in influencing the segment's transition to a low-carbon economy. Scala has been operating with this commitment since its foundation, in a pioneer position and certified as a CarbonNeutral company by Moss.Earth, with projects certified and verified by Verra, a leading global organization that helps facing the most difficult environmental and social challenges of the world.

2 Rationale for the Framework

This Framework ("Framework") was developed to encompass Scala Data Centers' transactions, such as green bonds, green loans, other securities and bilateral transactions ("Green Instruments"), including capital markets transactions, bilateral or syndicated loans, with financial institutions and/or multilateral agencies, in the domestic or international market. With this Framework, Scala aims to finance and/or re-finance new and/or existing eligible green projects with clear environmental benefits, keeping up its position as a leader in best practices in the data center sector.

The eligible categories for this Framework were selected based on internal processes and definitions and are fully aligned with Scala's long-term strategy. The issuance of Green Instruments is expected to inspire other similar companies to do the same and to engage in a sustainable journey, integrating their business strategy with the Sustainable Development Goals (SDGs) defined by the United Nations (UN).

Scala may participate in different financial agreements that may or may not be aligned with this Framework, given that the Framework can be used as a unified suite for Scala's Green Instruments. Therefore, it is recommended that investors



refer to the relevant documentation for any specific new issuance, to check if it is aligned with this Framework.

3 Scala Green Finance Framework

3.1 Alignment with the Green Bond Principles and the Green Loan Principle

This Framework is aligned with the Green Bond Principles, 2021 (“GBP”) published by the International Capital Market Association (“ICMA”)¹ and with the Green Loan Principles, 2021 (“GLP”) published by the Loan Market Association (“LMA”)². Green Instruments are any type of financial instrument where the proceeds will be applied to finance or re-finance, in part or in full, new and/or existing eligible green projects, which contribute to environmental objectives. The GBP and the GLP recommend a clear process and disclosure for issuers to utilize the proceeds of the issuance for eligible green projects.

This Framework is aligned with the four core components of the GBP and the GLP, which are:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

And the key recommendation for heightened transparency:

- (i) External Review

3.2 Use of Proceeds

The net proceeds obtained from Scala Data Centers’ Green Instruments will be used to finance or re-finance, in part or in full, one or more, future or past eligible green projects. The eligibility criteria is described below, considering projects with clear environmental benefits.

The eligibility criteria considers green projects with related expenditures beginning on the issuance date of the instrument, to be allocated within the tenor

¹ Please check the Green Bond Principles at: https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf

² Please check the Green Loan Principles at: <https://www.lma.eu.com/sustainable-lending/documents#>

of the transaction, or those that have been completed within 24 months preceding the date of each Green Instrument. Scala intends to fully allocate the net proceeds as soon as possible, before the maturity of any Green Instrument related to this Framework.

Table 1: Eligibility Criteria for Scala’s Green Instruments

Eligible Projects	Description	Indicators	SDG’s alignment
<p>Renewable Energy</p>	<p>Investments related to the construction, development, acquisition, maintenance and/or operation of renewable energy facilities, including solar (where at least 85% of the electricity generated will be from solar power) and wind energy.</p> <p>Long-term investments in certified renewable energy (I-RECs) tied to a purchase power agreement (PPA).</p>	<ol style="list-style-type: none"> 1. Renewable certified energy acquired (GW); 2. Annual GHG Emissions reduced / avoided in tonnes of CO2 eq. 	 
<p>Energy Efficiency</p>	<p>Investments related to the construction, development, maintenance and/or operation of data centers, but also investments in equipments and/or technologies that reduce energy consumption and/or increase energy savings in data centers, with a PUE target < 1.45 on an annual basis, considering an IT Load of at least 60%. Some examples include, but are not limited to:</p> <ul style="list-style-type: none"> • Hot aisle containment with air return by plenum; • Cutting-edge equipment to ensure high levels of efficiency and less waste; • Indirect free cooling systems, with high-efficiency full inverter air cooled chillers; • Adiabatic systems where the weathering profile is favorable; • Higher water temperature working points, with Leaving Water Temperature (LWT) of 20°C; • Investments in equipment and/or technologies to maintain temperature and/or humidity at ideal levels for energy efficiency in data centers. 	<ol style="list-style-type: none"> 3. Data Centers’ average annual PUE; 	 



Green Buildings	Investments in Green Building Certifications (eg.: LEED Gold or Platinum; EDGE) for the data centers, considering the structure of the building or its operation (with a PUE target < 1.45 on an annual basis, considering an IT Load of at least 60%).	4. Number of certified data centers.	
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3.3 Process for Project Evaluation and Selection

The ESG Program, composed of representatives of the Sustainability team and the Company's Executive Board, will be responsible for evaluating projects eligible for allocating the net proceeds of the Green Instruments according to the Eligible Categories described in Table 1.

The ESG Program representatives elect the applicable projects and take them to the board for final approval. Representatives of the ESG Program meet at least annually and will seek to (i) ensure that the projects to which the resources of the Green Instrument(s) will be allocated comply with the Eligibility Criteria described in this Framework, (ii) appoint projects that meet the Company's environmental and social risk mitigation process and (iii) ensure compliance with applicable legal and environmental requirements.

3.4 Management of Proceeds

The Green Instruments might be issued by Scala Data Centers and/or any of its subsidiaries. The net proceeds will be managed by the Company, led by the Financial Department. The Financial Department will monitor and track the net proceeds through its internal accounting system.

The net proceeds will be allocated to eligible projects as defined in the topic "Use of Proceeds" of this Framework. The resources must be fully allocated until the maturity of the Green Instrument. In cases of reimbursement, this will be limited to expenditures on projects/assets that occurred within 24 months prior to the funding.

Until the complete allocation of the net proceeds, the proceeds must be kept in cash, cash equivalents or other low-risk liquid investments, provided they do not

generate any negative socio-environmental impact. Likewise, the Company won't use the same green project for more than one funding, avoiding double counting.

3.5 Reporting

The Company will report annually on the allocation of resources to eligible projects, including the evolution of qualitative and quantitative environmental indicators (as described below). The report will be made until the full allocation of the net proceeds. The annual reports will present information on the resources allocated on Green Instruments carried out in the context of this Framework, including information on the progress of the indicators, amounts allocated to Eligible Green Instruments, the percentage of net proceeds allocated to Green Projects and the balance of unallocated proceeds, in a dedicated report ("Annual Report") that will be publicly available on its website (www.scaladatacenters.com). The Annual Report might be included in the Company's Sustainability Report, in an annual financial report or in a specific report, at the sole discretion of the Company.

The report of qualitative and quantitative environmental performance indicators is in line with the ICMA Harmonized Framework for Impact Reporting as of June 2022³. Indicators may change from year to year.

Examples of indicators that may be included are:

- Renewable certified energy acquired (GW);
- Annual GHG Emissions reduced / avoided in tonnes of CO2 eq.
- Data Centers' average annual PUE
- Number of certified data centers.

3.6 External Review

Scala obtained a Second-Party Opinion (SPO) from an external consultant with renowned environmental and social expertise, to attest the environmental benefits of this Framework, including the alignment with the *Green Bond Principles* from ICMA and the *Green Loan Principles* from LMA.

The SPO is publicly available on its website (www.scaladatacenters.com).

³ https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022v2-020822.pdf



Annually, for each issuance under this Framework, an external verifier will review the projects for which the proceeds were allocated, and the issuer's reporting practices, assessing compliance with the eligibility criteria. The external verifier will then develop a brief report informing that the Green Instrument continues to comply with the pre-established criteria and the Framework.

Scala will review this Framework in case of material changes in the perimeter and categories selected. Such review may result in this Framework being updated and amended. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting, including the corresponding review by an external verifier. The updated Framework, if any, will be published on Scala's website and will replace this Framework.

4 Disclaimer

This Framework does not constitute a recommendation with respect to any securities of Scala or any of its affiliates. This Framework is not, does not contain, and cannot be considered as an offer to sell or a solicitation of any offer to buy any securities issued by Scala or any of its affiliates.

In particular, neither this document nor any other related material may be distributed or published in any jurisdiction where it is illegal to do so, and any distribution or publication is subject to prior authorization from Scala, except in circumstances that will result in compliance with any applicable laws and regulations. Persons in possession of such documents must be aware of and observe all restrictions applicable to the distribution or publication of this document and/or any other related material.

Any debt instruments that may be issued by Scala and/or any of its affiliates from time to time, including any sustainability-linked securities, must be offered by a separate prospectus or offering document in accordance with all applicable laws and regulations. Accordingly, any decision to purchase such securities must be made solely on the basis of the information contained in the respective prospectus or offering document provided in connection with the offer of such securities, and not on the basis of this Framework.



This Framework may contain information about future events, such information would not only be historical facts, but would reflect the wishes and expectations of the Company's management. The words "believes", "expects", "plans", "anticipates", "estimates", "projects", "aims" and similar are intended to identify statements that necessarily involve known and unknown risks, so that they may or may not be realized.

Known risks include uncertainties, which are not limited to the impact of price and service competitiveness, market acceptance of services, the Company's and its competitors' service transactions, regulatory approval, currency fluctuation and other risks described in the Company's reports.

This Framework does not constitute an offer, recommendation or solicitation to purchase any securities of the Company.

The information and opinions contained in this Framework consider the Green Bond Principles issued in 2021 by the International Capital Market Association and the Loan Market Association's Green Loan Principles issued in 2021 and are provided as of the date of this document, so are subject to change without notice. The Company is not obliged to update this Framework through new information and/or new guidelines and/or future events. This Framework is not intended and cannot be invoked to create legal relationships, rights or obligations.