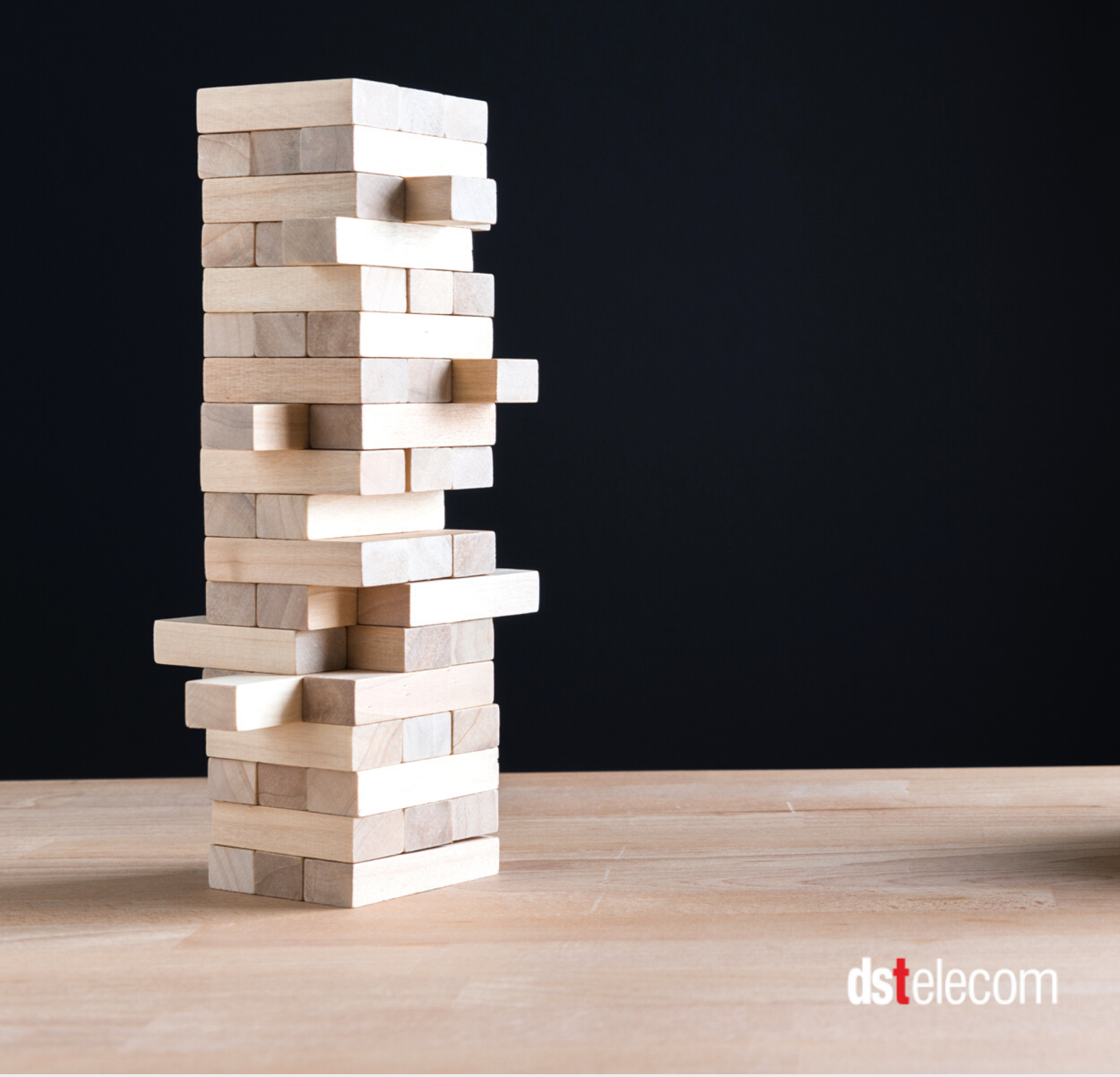


PHYSICAL RISKS POLICY

INTRODUCTION

Physical Risks Policy

This policy essentially consists of structuring, defining, and enforcing the guidelines for identifying and mitigating potential physical risks caused by the networks and infrastructures managed by dstelecom, S.A.

SCOPE

Physical Risks Policy

During its daily operation, dstelecom, S.A. identifies four areas where physical risks are possible or can be mitigated:

·Construction;
·Maintenance;
·Installation;
·Processes.

CONSTRUCTION

Physical Risks Mitigation Rules

Dstelecom, SA has several processes for constructing fixed telecommunications networks in its daily operation. The wholesale business model that supports the construction of those networks promotes the mitigation of risks since it's based on multi-operator infrastructures and avoids duplication of those by the other retail operators in the market, minimizing the susceptibility of the entire sector. Dstelecom, SA construction processes are based on engineering manuals and best practices and must-have, in essence, a set of rules and ideals for securing the infrastructure and mitigating physical risks, namely:

01

·Prioritize existing infrastructure suitable for the installation of fiber optic networks (even if belonging to third parties) while minimizing the creation and duplication of infrastructure (example: poles and ducts);

02

·Prioritize underground infrastructure, minimizing the exposure of cables and other optical elements to adverse external events;

03

·Prioritize, weather in new construction or in the use of existing infrastructure, the use of concrete poles once they are more resistant to external events and efforts;

04

·During the engineering and network design process, ensure that the support of cables on poles is made using theoretical calculation of stress rate, combined with on-field analysis every time needed;

CONSTRUCTION

Physical Risks Mitigation Rules

05

·Ensure that in case of coexistence of telecommunications infrastructures with other infrastructures, namely electricity, the installation is made at a safety distance, avoiding mutually upsets;

06

·Ensure that cable fixing during the construction process follows all standards and best practices using suitable and resistant fixing accessories;

07

·Ensure that the entire aerial cable network is installed at an adjusted height following all security rules in place;

08

·Guarantee the construction of points of interconnection closer to the houses of possible clients, reducing the length of last-mile cables, which are smaller and lighter and more susceptible to fall;

09

·Ensure that central offices, commonly known as Point of Presence (PoP), are structurally prepared to withstand the most varied adverse meteorological and geological events, such as winds, storms, heavy rains, snow, earthquakes, etc.;

CONSTRUCTION

Physical Risks Mitigation Rules

10

·Ensure that all-optical distribution cabinet, pulls, and passive elements are installed in places with little influence on the public road;

11

·Ensure, especially in rural areas, that the infrastructure does not condition the approach and fighting of wildfires;

12

·Ensure that all-optical distribution cabinets, poles, and other similar infrastructures are fixed following current standards and market best practices.

MAINTENANCE

Physical Risks Mitigation Rules

dstelecom, S.A. ensures the preventive and corrective maintenance of the infrastructures it operates, having as one of its main objectives the mitigation of risks.

01

·Ensure a preventive maintenance plan for the infrastructures based on the visual inspection of the technical teams, guaranteeing the resolution of all detected anomalies;

02

·Equipment maintenance teams with equipment that allows the analysis and monitoring of infrastructure safety conditions and cable accommodation;

03

·Create and maintain a network and infrastructure resilience plan, which identifies, mitigates, and corrects more serious situations;

04

·Stipulate and comply with a contingency plan that reacts operationally to adverse weather conditions as early as possible;

05

·Ensuring network and service availability greater than 99.95%, enabling critical institutions such as firefighters, police, hospitals, and the general population to have telecommunications service even during adverse events;

MAINTENANCE

Physical Risks Mitigation Rules

06

·Ensure permanent 24/7 remote supervision of the infrastructure, network, and services through a Network Operations Center (NOC);

07

·Ensure the existence of 24/7 maintenance teams, distributed in territory strategically in order to have a faster response every time needed.

INSTALLATION

Physical Risks Mitigation Rules

As part of the business model, dstelecom, S.A. guarantees the installation to the end customer of the last mile cables to supply fiber optic services. In this sense, this process is also subject to risk mitigation.

01

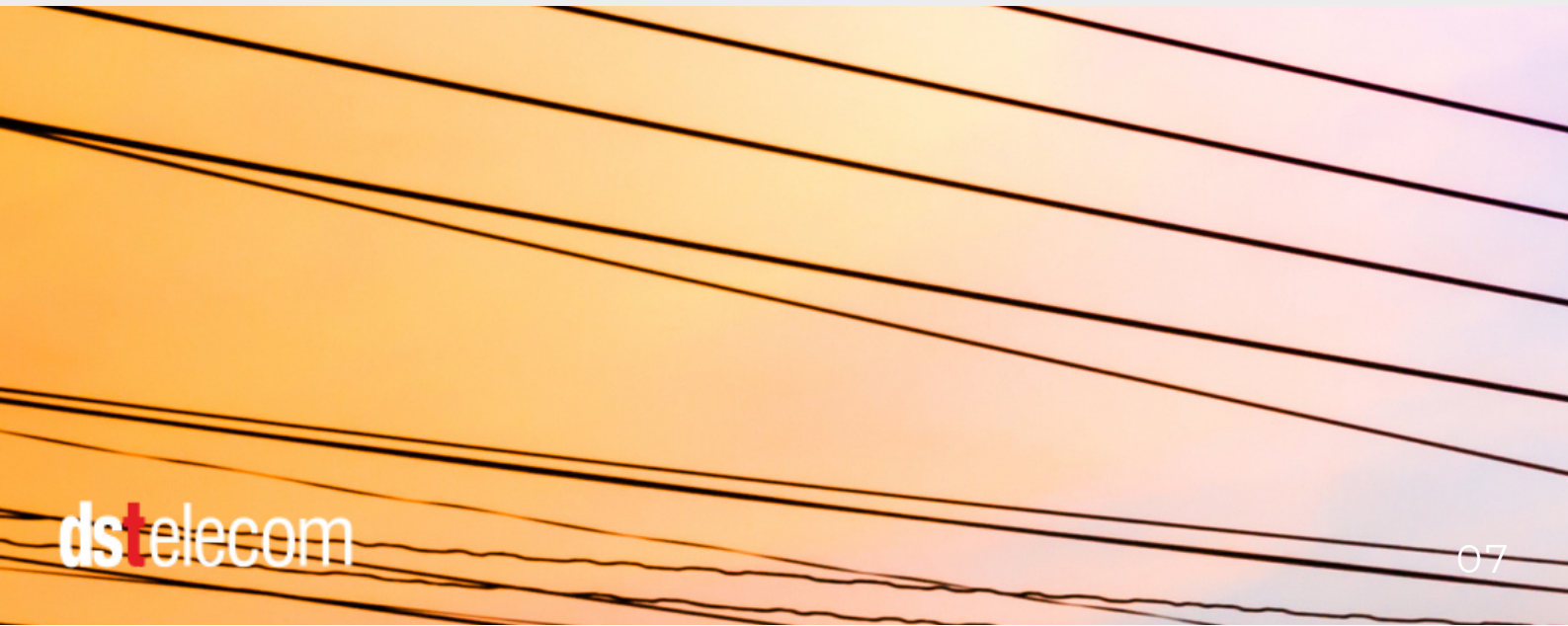
·Ensure that all installations are carried out using suitable and resistant fixing accessories, following all standards and best market practices;

02

·Take advantage of the wholesale market position to reuse the last mile cable when an end customer switches its service provider;

03

·Take advantage of the wholesale market position to reuse the last mile cable when an end customer switches its service provider.



PROCESSES

Physical Risks Mitigation Rules

Risk mitigation must also be present in several of the organization's processes, taking the following points as critical:

01

·Ensure that construction, maintenance, or installation works that are considered to be of high risk for the public road, goods, or people are accompanied by the competent authorities;

02

·Ensure response and travel times for infrastructure incidents, namely those that put assets or people at risk for less than 2 linear hours;

03

·Ensure resolution times for infrastructure incidents, namely those that put assets or people at risk of less than 4 linear hours;

04

·Ensure that the organization's permanent operational contacts are shared and are known to the competent authorities, namely, civil protection, firefighters, and police;

05

·Guarantee zero tolerance reacting to evidence of infrastructure at risk, even if there are doubts about responsibility or ownership thereof.