GLOBAL SWITCH

Task Force on Climate-Related Financial Disclosures

TCFD Report 2023

Contents

To our stakeholders

Global Switch (“the Company”) recognises the urgent need to address climate change and its potential impact on our business and the broader economy.

As a leading provider of large scale, multi-customer data centres, we understand the crucial role we play in promoting sustainable practices and mitigating climate-related risks.

Embracing the Task Force on Climate-related Financial Disclosures (TCFD) framework, we are committed to transparently disclosing our climate-related financial information. By aligning with the TCFD's recommendations on governance, strategy, risk management, metrics and targets, we aim to foster a comprehensive understanding of our climate-related risks and opportunities. Through proactive disclosure, Global Switch strives to contribute to a low-carbon future while ensuring the resilience and long-term success of our business.

Governance

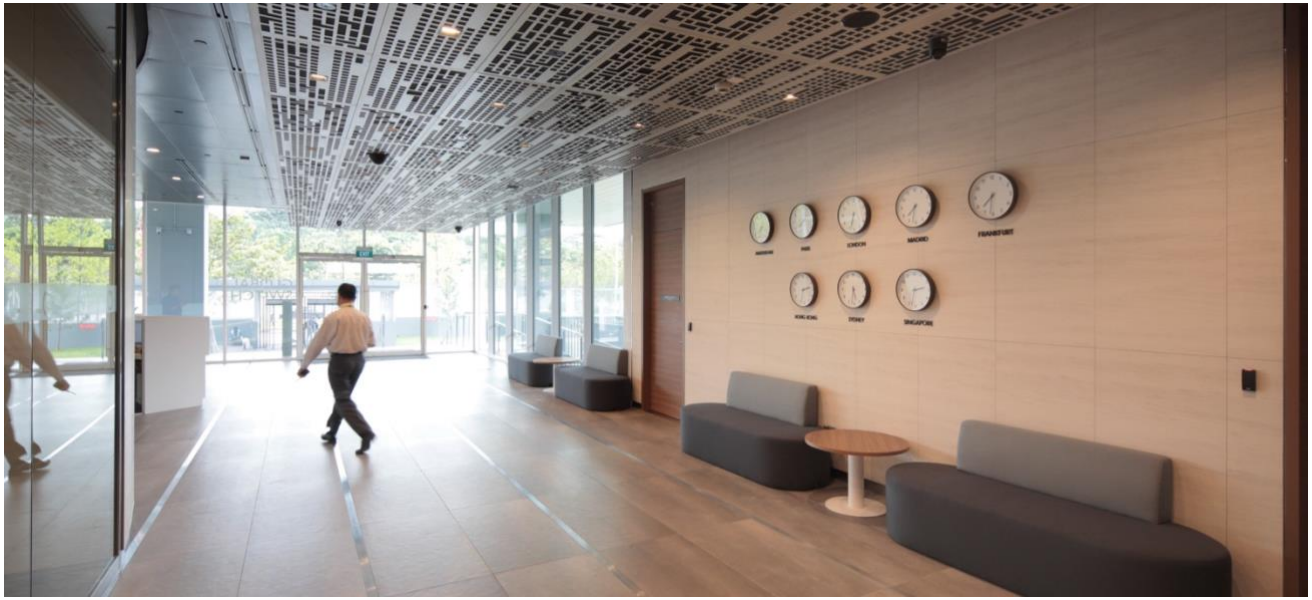
Climate-related risks and opportunities

Board Oversight

Global Switch's Board of Directors is comprised of a Chairman, two Executive Directors (our Chief Executive Officer (CEO) and Chief Financial Officer (CFO)), three Non-Executive Directors and one Independent Non-Executive Director.

The Board is informed on Environmental, Social and Governance (ESG) issues – including climate-related business risk and opportunities – through their regular interactions with senior management and through board papers presented in board meetings, which are held on a regular basis.

The CEO of Global Switch has oversight, monitors and oversees progress of the Company's ESG goals and targets and informs the Board. The Board considers climate-related issues during board meetings and through board reports, when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets and business plans, as well as when setting the Company's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions and divestitures.



Management Oversight

At an Executive level, the Company operates an Executive Committee (ExCo). ExCo also acts as the Company's ESG Steering Committee and is comprised of leads of functions across the business including: the Chief Design Officer (CDO) (ESG Committee Chair), CEO, CFO, Chief Operating Officer (COO), Chief Legal Officer, Chief Commercial Officer and Executive Regional Directors.

ExCo meets regularly to discuss business-related ESG issues, including climate change-related risks and opportunities. ExCo assesses those risks and opportunities, monitors progress, and prepares updates and proposals to the Board relating to the strategy, goals and targets for the management of ESG matters. Progress on ESG matters is reported by the ESG Chair to ExCo through monthly reporting. ExCo discusses, prepares and reviews the annual ESG Report prior to its submission to the Board for approval and publication.

Global Switch maintains a set of comprehensive internal control and risk management procedures to address various strategic and operational risks that can arise in our business, including health and safety, financial project management and data centre operations. Such risk management policies use the precautionary principle and contain procedures for the level of relevant risk reporting identified in our operations. The COO is responsible for the oversight of risk management and internal control systems whereas the CDO is responsible for climate-related financial

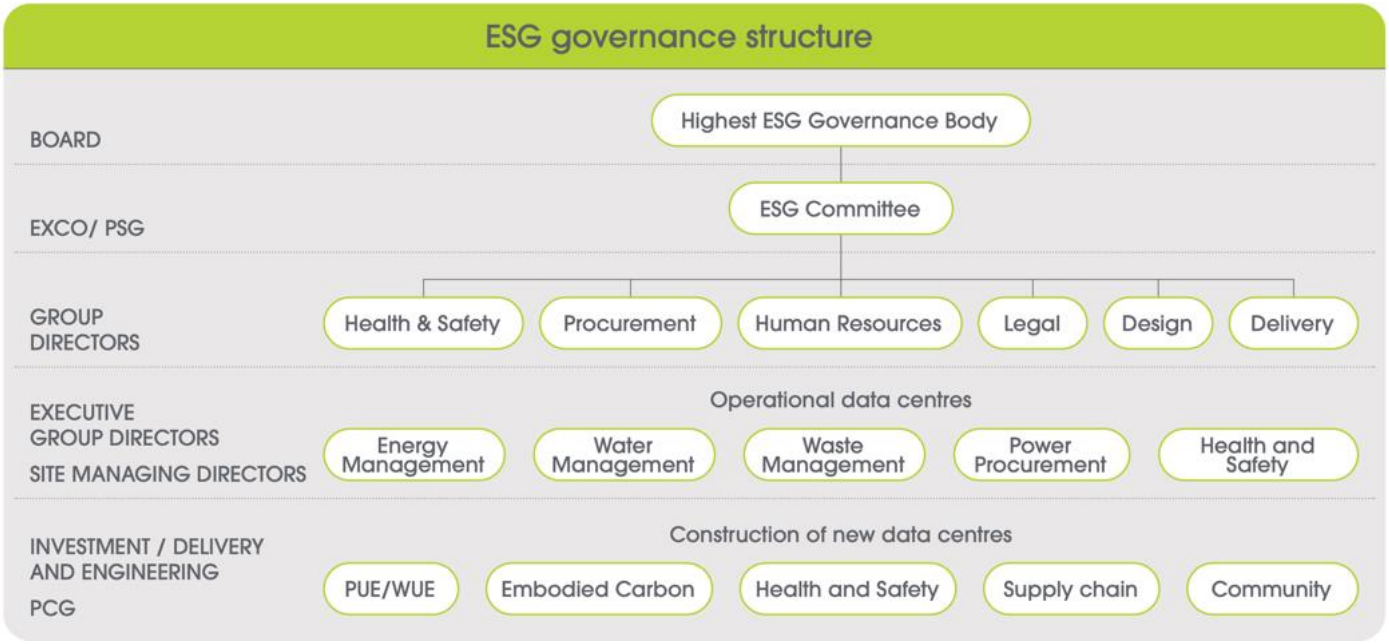
risks and broader ESG risks including alignment with TCFD recommendations for businesses.

The below illustration sets out the ESG governance structure with ExCo's role in assessing and managing climate-related risks and opportunities. The Board has the highest level of accountability and oversight on ESG matters. The ESG Steering Committee is formed of members of ExCo.

We have implemented a comprehensive risk management framework for our global data centres through our Critical Environments Programme (CEP), which is managed by a dedicated Critical Environments team. The CEP covers a wide range of risks, including climate-related risks on an individual data centre basis.

The Executive Regional Directors as well as the Managing Directors of the data centres who are responsible for the operation of their respective data centre(s) report on Power Usage Effectiveness (PUE), Water Usage Effectiveness (WUE), waste, procurement targets and health and safety issues through a monthly management report submitted to all members of ExCo.

For new developments and redevelopments, the Project Control Group (PCG) (led by the Delivery team with representation from Investment, Engineering and the Client Group (which is in turn led by the data centre(s)' Managing Director with representation of the site Operations team)) reports monthly to the Project Steering Group (PSG) on the performance of a project. This reporting discloses progress on ESG matters in terms of PUE, WUE and other climate-related risks, procurement and health and safety. Strategy



Strategy

Impacts of climate-related risks and opportunities

An assessment of the management of the climate-related risks and opportunities material to the business was initiated by Global Switch in 2022 and completed in accordance with the TCFD recommendations and guidance in early 2023.

For the assessment, physical and transition risks and opportunities were considered over three time-horizons. This assessment took into account the useful life of the Company's assets, the geographical location of the assets and the fact that climate-related issues often manifest themselves over the medium and longer terms (short-term horizon: between now and 2030, medium-term horizon: 2030-2040, long-term time horizon: beyond 2040).

A description of risks and opportunities that could be significant to the Company, based on likelihood and impact to the business, is shown below together with the time horizon these are likely to occur.

Transitional Risks

Market

Risk Description	Time Horizon
Customer requests for carbon disclosure	Medium (2030-2040) to Long (2040-2050)
Customers move over to liquid cooling IT	Medium (2030-2040) to Long (2040-2050)
Customer demand for lower PUE and higher efficiencies	Short (2020-2030) to Long (2040-2050)
Increased cost of renewable power	Short (2020-2030) to Long (2040-2050)
Increased cost of infrastructure because of regional restriction	Medium (2030-2040) to Long (2040-2050)
Availability of local grid power/infrastructure	Short (2020-2030) to Long (2040-2050)
Supply and demand price volatility due to climate impacts	Medium (2030-2040) to Long (2040-2050)

Policy and Legal

Risk Description	Time Horizon
Renewable Energy Certificate (REC) phase-out in lieu of other forms of renewable energy purchase	Medium (2030-2040) to Long (2040-2050)
Where governments have a Net Zero target to reach by a specific date, energy use by data centres is restricted in order to cut carbon emissions	Medium (2030-2040) to Long (2040-2050)
Introduction of regulations on waste heat export	Short (2020-2030) to Long (2040-2050)
Greater regulation on the energy efficiency of data centres	Medium (2030-2040) to Long (2040-2050)
Enhanced emissions-reporting obligations and transition to carbon accounting systems with provision of additional resources internally	Medium (2030-2040) to Long (2040-2050)
Activities such as construction, refurbishment and demolition contributing significantly to carbon emissions, with options to cut carbon possibly resulting in higher costs	Short (2020-2030) to Long (2040-2050)
Litigation risk of failure to adapt, mitigate or disclose to meet legislation	Medium (2030-2040) to Long (2040-2050)

Reputation

Risk Description	Time Horizon
Reputational damage of a social license to operate	Medium (2030-2040) to Long (2040-2050)

Technology

Risk Description	Time Horizon
Lithium and other green transition minerals scarcity	Medium (2030-2040) to Long (2040-2050)
Adiabatic coolers/cooling tower water use	Medium (2030-2040) to Long (2040-2050)
Limiting the use of diesel generators for back-up power	Medium (2030-2040) to Long (2040-2050)
F-gases restriction for data centre equipment - SF6	Short (2020-2030) to Long (2040-2050)
F-gases restriction for data centre equipment - refrigerants	Short (2020-2030) to Long (2040-2050)
Technology advancements provided to combat climate change	Short (2020-2030) to Long (2040-2050)

Physical Risks

Risk Description	Time Horizon
Temperature extremes	Short (2020-2030) to Long (2040-2050)
Drought	Short (2020-2030) to Long (2040-2050)
Wildfire	Short (2020-2030) to Long (2040-2050)
Water stress	Short (2020-2030) to Long (2040-2050)
Coastal flooding	Medium (2030-2040) to Long (2040-2050)
Fluvial flooding	Short (2020-2030) to Long (2040-2050)
Tropical cyclone	Medium (2030-2040) to Long (2040-2050)

Opportunities

Market

Opportunity Description	Time Horizon
Customers moving to liquid cooling IT	Medium (2030-2040) to Long (2040-2050)
Seeking opportunities for lower-carbon operations	Medium (2030-2040) to Long (2040-2050)
Providing products and services with lower emissions to improve competitiveness	Short (2020-2030) to Long (2040-2050)

Policy and Legal

Opportunity Description	Time Horizon
Regulation on waste heat export	Short (2020-2030) to Long (2040-2050)
Development of adaptive capacity to respond to climate change	Short (2020-2030) to Long (2040-2050)

Technology

Opportunity Description	Time Horizon
Heat rejection plant - consider alternative water sources to reduce impact on water scarsity	Short (2020-2030) to Long (2040-2050)
Shift in energy sources towards low emission options	Short (2020-2030) to Long (2040-2050)
Savings generated from resource efficiency in energy, water, transport and waste management	Short (2020-2030) to Long (2040-2050)

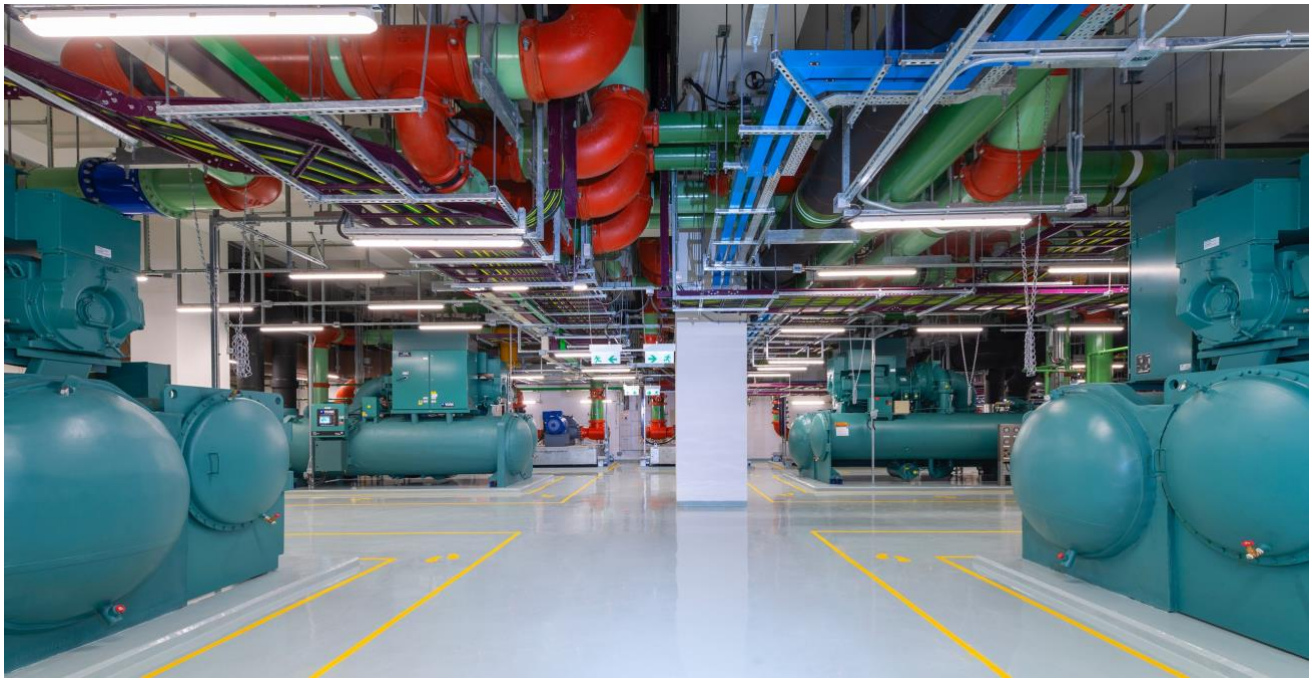
Business Strategy

Operations

Global Switch operates large scale data centres globally. The identified climate risks and opportunities have a significant impact on the operations of these data centres. To address the risks, the Company is implementing a strategy to reduce carbon emissions, aiming to minimise exposure to climate risks and leverage the opportunities of the transition to low carbon data centres. This includes our target to purchase 100% renewable electricity across all Global Switch data centres by 2030. The transition to long-term energy agreements with renewable energy generators under Power Purchase Agreements (PPAs) will improve certainty in energy pricing and reduce reliance on unbundled RECs which are subject to market pricing. Taking a step further, Global Switch is also working towards setting near-term Science-Based Targets for our Scope 1, 2 and 3 emissions as well as a net zero carbon target. The Company also conducts regular technology reviews to drive our adoption of cost-effective energy-efficient technologies.

Products and Services

Global Switch recognises the opportunity to provide products and services with lower emissions, which can improve competitiveness. The Company has set a goal to use low impact switch gear and refrigerant gases at our data centres and to phase out diesel for standby generators. We plan to set a Sustainability Supply Chain Policy to address material selection and align with improved low-emission products and services requirements. By undertaking Whole Life Cycle Assessments for new developments and redevelopments, the Company can achieve carbon savings by selecting alternative materials and processes. Regular reviews and alignment of policies with market developments and expectations ensure that we remain competitive in offering low-emission products and services.



Supply Chain and/or Value Chain

The risk of supply and demand price volatility due to climate impacts can result in increased costs and potential disruptions. Global Switch plans to address this risk by setting a Sustainability Supply Chain Policy that considers material selection, alternative sourcing options and procurement timelines to minimise disruption. By considering alternative materials and locally sourced materials as well as assessing the impact of extreme weather events on material availability, we aim to mitigate potential supply chain risks and maintain smooth operations.

Adaptation and Mitigation Activities

Global Switch recognises the importance of developing adaptive capacity to respond to climate change. Conducting TCFD assessments and local climatic risk mitigation reviews helps identify risks and opportunities for individual data centres. By capturing these findings in a Risk Mitigation Register (RMR), we

can implement appropriate actions to improve operations, reduce downtime and increase resilience. These adaptation and mitigation activities align with our business strategy of ensuring the long-term sustainability and resilience of our operations.

Investment in Research and Development:

Global Switch actively undertakes technology reviews as well as research and development to ensure we are selecting energy-saving, resource efficient and cost-effective products. The Company aims to improve energy efficiency by setting targets for PUE and WUE for new developments and redevelopments and Global Switch is a signatory in Europe for the Climate Neutral Data Centre Pact, which has pre-set PUE and WUE targets. Collaboration with vendors to obtain Environmental Product Declarations (EPDs) helps drive down embodied carbon in assets. By continually updating our Reference Design Templates and investigating new technologies such as liquid cooling, we aim to stay at the forefront of technological advancements in the industry.

Finance Planning

Revenue

The financial implications of the identified climate risks and opportunities are incorporated into Global Switch's planning. Our strategy to reduce carbon emissions, purchase renewable electricity and provide low-emission products and services aligns with market trends and customer demands, and can lead to increased revenue as part of a value-added offering.

Operating Expenses

Global Switch's financial planning considers the impact of climate risks and opportunities on operating expenses. The Company aims to improve resource efficiency in energy, water, transport and waste management to generate operational savings. By regularly reviewing and optimising mechanical, electrical and plumbing (MEP) technology, implementing waste heat export opportunities and setting targets for PUE and WUE, we can reduce operating expenses and improve cost efficiency.

CAPEX

Climate risks and opportunities influence Global Switch's capital expenditure (CAPEX) planning. An example of this is our redevelopment programme which seeks to increase power density and upgrade infrastructure to improve energy efficiency. Our commitment to reducing carbon emissions and transitioning to renewable energy sources may result in increased capital costs to adopt improved technologies in the short term, but these investments can lead to long-term operational savings and improved energy efficiency, aligning with Global Switch’s sustainability goals and financial planning.

Acquisitions or Divestments

Climate risks and opportunities may influence Global Switch's decision regarding acquisitions or divestments. As we focus on sustainability and low-emission operations, we evaluate potential acquisitions or divestments based on their alignment with these goals. Assessing the climate risks associated with specific locations and considering factors like flood and extreme temperature risks are crucial in determining the suitability of those acquisitions or divestments.

Access to Capital

Global Switch recognises that climate risks and opportunities can impact access to capital. The Company successfully issued a Green Bond for €700 million in 2020, the proceeds of which were allocated to new developments and redevelopments, promoting low energy design and sustainable development through Building Research Establishment Environmental Assessment Methodology (BREEAM) and Leadership in Energy and Environmental Design (LEED) assessments. We have in place a Green Bond Framework for future Green Bonds to be issued. By proactively addressing climate-related risks, such as carbon pricing and reputational damage, and capitalising on opportunities such as resource efficiency and low-emission operations, and public disclosure using the GRI framework and EcoVadis, the Company enhances its attractiveness to capital providers. We believe that aligning our business strategy with sustainability goals and demonstrating a commitment to climate risk management can improve access to capital.

Liabilities

The identified climate risks, such as the threat of litigation and reputational damage, can result in potential liabilities for Global Switch. To manage these risks, the Company has implemented strategies to ensure legal obligations are met, required information is disclosed and reporting processes are in place. By adhering to reporting frameworks such as the GHG Protocol, the GRI and TCFD, we have aligned with current and emerging legislation requirements with the

aim of minimising potential liabilities associated with climate-related risks.

Summary

In summary, Global Switch recognises the impact of climate risks and opportunities on our business, strategy and financial planning. The Company has implemented a range of actions and strategies to mitigate risks, capitalise on opportunities, reduce carbon emissions, ensure compliance with legislation, improve resource efficiency, shift to renewable energy sources, provide low-emission products and services, and enhance adaptive capacity. These actions aim to mitigate financial risks, increase revenue and position Global Switch as a sustainable and resilient data centre owner, operator and developer.

Resilience

In developing a resilient climate risk strategy, Global Switch used the S&P Global Climanomics hazard modelling which reflects the climate-related change in the level of hazard exposure of an asset over time, relative to a historical baseline. Each hazard is associated with a specific metric, which defines how the hazard is measured and expressed. The data for all of the hazard metrics come from a variety of climate models and other data sources. S&P Global Climanomics incorporates scenarios based on the Representative Concentration Pathways (RCPs) from the International Panel on Climate Change (IPCC). Four RCPs are included in the IPCC AR5: RCP8.5, RCP6, RCP4.5 and RCP2.6. The pathways are labelled by the total radiative forcing of the emissions assumptions (cumulative measure of human emissions of GHGs from all sources expressed in watts per square metre) in 2100.

The RCPs given in the climate modelling by Climanomics and used by Global Switch represent a broad range of climate outcomes.

RCP8.5 “High Emissions”

This scenario assumes that no major global effort to limit greenhouse gas emissions will go into effect. RCP 8.5 is characterised by increasing greenhouse gas emissions over time representative for scenarios in the scientific literature on potential climate scenarios that lead to high greenhouse gas concentration levels. It is estimated that end-of-century increases in global mean surface temperature will be in the range of 3.2 to 5.4°C.

RCP6.0 “Moderate-High Emissions”

This scenario assumes a high greenhouse gas emission rate with radiative forcing stabilisation after 2100. It is estimated that end-of-century increases in global mean surface temperature will be in the range of 2.0 to 3.7°C.

RCP4.5 “Low Emissions”

This scenario implies coordinated action to limit greenhouse gas emissions to achieve a global temperature warming limit of approximately 2 degrees Celsius. It is a stabilisation scenario where total radiative forcing is stabilised before 2100 by employment of a range of technologies and strategies for reducing greenhouse gas emissions. Within this scenario itself, it is estimated that end-of-century increases in global mean surface temperature will be in the range of 1.7 to 3.2°C. If the current pledges and voluntary agreements of the Paris Agreement were implemented in full, the implied warming is approximately 3.0 degrees Celsius.

RCP2.6 “Very Low Emissions”

This scenario assumes that emissions peak early and then fall due to the active removal of greenhouse gases from the atmosphere. It is estimated that end-of-century increases in global mean surface temperature will be in the range of 0.9 to 2.3°C.

The modelling was carried out for all our data centres over three time horizons (short-term horizon: between now and 2030, medium-term horizon: 2031-2040, long-term time horizon: 2041-2050). We modelled the climate-related physical risks (temperature extremes, drought, water stress, wildfire, coastal flooding, fluvial flooding and tropical cyclone) as well transitional risks (carbon pricing, litigation, reputational damage, new technology and markets) and opportunities (resource efficiency, energy source, products and services, markets and resilience).

According to the results of the modelling, the main risks and opportunities are:

Financial risks

- Carbon pricing especially for 2041-2050 at RCP2.6 “Very Low Emissions” scenario where aggressive government policies could add higher costs through carbon emissions taxation schemes.
- Temperature extremes could bring about very significant costs across all climate scenarios as rising temperatures will impact current and future heat rejection infrastructure which may require early replacement to keep pace with a rapidly changing climate.
- Drought could bring about very significant costs across all climate scenarios due to lack of precipitation that could cause structural instability.
- Coastal flooding and fluvial flooding could bring about higher costs after 2030 across all climate scenarios due to sea level rises and the frequency of extreme weather events.

Financial opportunities

- Offering low emissions products and services could bring in revenue across all climate scenarios through attracting customers with strict carbon targets and through making adoption of low emissions products and technologies more affordable as carbon forces reduce prices.
- Locating data centres outside of water stressed areas or minimising the use of potable water in our data centres presents as a competitive advantage after 2030 across all climate scenarios, as low access to clean water could be placing a large strain on data centres in severely water stressed areas.

The results of the modelling are influenced by high levels of uncertainty, but the trends they show and the risks they highlight are still useful as inputs to our ESG strategy. The findings highlight the importance of our commitment to set Science-Based Targets for carbon reduction across our Scopes 1, 2 and 3, to make investments in technologies that will offer resilience to temperature extremes and to carry out thorough processes for the assessment and mitigation measures of all relevant physical risks at data centre-level.

Global Switch places great importance in assessing the climate-related business impacts and taking proactive action, such as using forward-looking scenario analysis. We therefore plan to repeat the modelling exercise every 2-3 years or so to extract any useful findings that can help us further improve the resilience and sustainability of our business.

Risk Management

Identify, assess, and manage climate-related risks

Global Switch recognises the importance of risk management as an essential practice to achieve effective governance and safeguard strategic and operational objectives.

The objectives of our risk policy are as follows:

- Align our risk management system with the principles of ISO 31000, the International Standard for Risk Management.
- Communicate and reinforce Global Switch's commitment to risk management in achieving strategic and operational goals.
- Establish risk management as a core management capability and commitment to staff.
- Ensure compliance with relevant local laws, regulations and statutory requirements.
- Enable informed decision-making by senior management based on appropriate risk assessment.
- Identify, assess and treat all risk threats or concerns through the Risk Mitigation Committee.

- Assign accountability to staff for risk management within their areas of control, including reporting risks across the Company.
- Continuously review and improve our risk management performance to ensure efficiency, effectiveness and consistency.
- Prepare data centres to deal with foreseen climate-related risks.
- Minimise our impact on the local environment and carbon emissions.

At group level, we have recently developed a Climate Impact Risks and Opportunities Register. This is managed by ExCo and is communicated to the Board. ExCo delegates the regular appraisal of risks to the Climate Impact Working Group, which is comprised of senior management from various teams. This approach ensures a comprehensive evaluation of climate-related risks right across the Company. The Climate Impact Risks and Opportunities Register has been developed based on current and emerging standards and regulatory frameworks, including the TCFD recommendations and guidance. Risks and opportunities assessments are carried out at both group and regional level.

We have used scenario-based analysis, as well as reviewed the risks and opportunities at short-, medium- and long-term time horizons. The Register is reviewed regularly, updated as necessary and its findings are presented to the Board to inform our ESG strategy.

To determine the relative significance of climate-related risks and opportunities, we use a systematic approach that takes into account multiple factors. These factors include the potential impact of climate-related risks on our business operations, financial performance and long-term sustainability, as well as the likelihood and timing of these risks materialising. We also consider the broader context of the industry and the evolving expectations of stakeholders, including customers, shareholders, bondholders and rating agencies, in assessing the significance of climate-related risks.

We have a long established and comprehensive risk management framework for our data centres through our CEP which is managed by a dedicated Critical Environments team. The CEP covers a wide range of risks, including climate-related ones. To address these risks, Risk Mitigation Registers have been prepared for each data centre and regularly updated by the local site team in accordance with our risk mitigation policy. This ensures that risks are identified, assessed, controlled and managed effectively across the organisation. We maintain a culture of risk management by continuously reviewing and monitoring the implementation and effectiveness of our risk management process.

In addition to operational activities, project-related works also require risk management. Any new data centre requires technical due diligence to be completed, which will incorporate Climate Resilience Appraisals. Technical due diligence is conducted on specific sites to assess physical risks related to geographic location, such as flooding and drought, as well as other risks like transport and proximity to hazardous operations. Our Facility Design Policy and supporting documents, such as Reference Design Templates and Engineering Guides, inform the design process to address climate-related risks, extreme ambient temperatures, water management, flood defences and embedded carbon targets aligned with our ESG commitments for Scope 1, 2 and 3 emissions. At each design stage, we conduct design reviews and climate resilience appraisals to minimise risks identified during technical due diligence and ensure compliance with our design policies.

To determine the relative significance of climate-related risks at a site level, Global Switch incorporates various factors into the assessments for determining likelihood and impact. These factors include the specific geographic location of the site and its susceptibility to climate-related hazards such as flooding, drought or extreme temperatures. The team also considers local regulatory requirements related to climate change along with other relevant factors such as proximity to sensitive ecosystems or vulnerable communities.

By considering existing and emerging regulatory requirements related to climate change, Global Switch ensures that our risk management processes align with evolving expectations and industry best practices. The Company recognises the importance of staying informed about regulatory changes and incorporates them into the risk assessment and mitigation strategies. We also take a holistic approach by considering other relevant factors, such as market dynamics, technological advancements and stakeholder expectations in assessing and prioritising climate-related risks both at group and site levels.

Managing climate-related risks

Global Switch has established robust processes for managing climate-related risks, encompassing issues including policy and legal, technology, market, reputation and physical assets. These processes involve

making informed decisions to mitigate, transfer, accept or control the identified risks. The Company also recognises the opportunities that arise from addressing climate-related risks, such as resource efficiency, energy sources, products and services, markets and resilience.

Policy and legal risks:

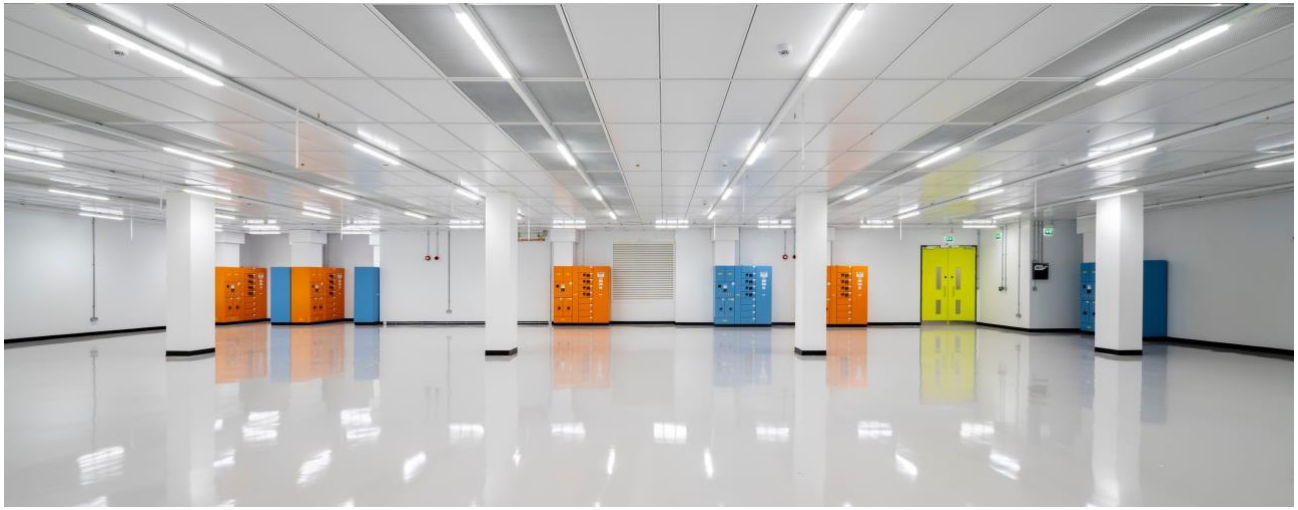
Global Switch closely monitors existing and emerging climate-related policies and regulations to ensure compliance and minimise policy and legal risks, and we actively participate in relevant industry and regulatory forums to stay informed about evolving requirements. This enables Global Switch to make proactive decisions regarding mitigation strategies, resource allocation and engagement with regulatory bodies.

Technology risks:

Global Switch continuously assesses emerging technologies and innovation to manage climate-related risks. This includes evaluating advancements in energy efficiency, renewable energy sources and carbon reduction solutions. By incorporating these technologies into operations and infrastructure design, we can minimise climate-related risks associated with outdated or inefficient technologies.

Market risks:

The Company analyses market trends and dynamics related to climate change, including shifts in customer demands, investor expectations and market opportunities. By considering market risks, we can make strategic decisions to position ourselves as a leader in providing environmentally sustainable data



centre solutions, thereby reducing market risks and capitalising on emerging opportunities.

Reputation risks

Global Switch recognises the importance of maintaining a positive reputation and stakeholder confidence. We actively engage with customers, suppliers, employees and other stakeholders to understand their expectations and incorporate their feedback into risk management processes. This proactive approach helps us mitigate reputation risks associated with climate-related issues, ensuring transparency and accountability in how we address environmental concerns.

Physical risks

Global Switch has developed comprehensive physical risk mitigation strategies to address climate-related hazards. These strategies include investing in infrastructure design, engineering and maintenance practices to enhance the resilience of our data centres against physical risks such as extreme weather events, rising sea levels and changing temperatures. We also carry out ongoing monitoring and regular upgrades to meet evolving standards and regulations.

Prioritising climate-related risks and determining materiality

Global Switch utilises a structured approach to prioritise climate-related risks and determine their materiality within the Company. The following factors inform this process:

Impact and likelihood

We evaluate climate-related risks based on their potential impact on business operations, financial performance and long-term sustainability. The

likelihood and timing of risks materialising are also considered to assess their significance.

Stakeholder Expectations

Global Switch considers the expectations of stakeholders, including investors, customers, employees and regulators. This includes understanding their concerns, preferences and evolving standards to prioritise risks that align with stakeholder interests.

Materiality determinations

We conduct assessments to identify and evaluate the significance of climate-related risks. These assessments consider both financial and non-financial factors, such as regulatory requirements, market trends, reputational impacts and potential opportunities for resource efficiency and resilience.

By integrating these considerations into the risk management process, Global Switch ensures that climate-related risks are effectively managed, while also capitalising on the opportunities presented by resource efficiency, renewable energy, emerging markets and enhanced resilience.

Integrating processes

Global Switch integrates the processes for identifying, assessing and managing climate-related risks into our overall risk management framework. This integration ensures that climate-related risks are treated with the same level of importance and rigor as other risks, aligning them with the Company's broader risk management practices.

Governance and leadership

The integration starts at the governance level, where climate-related risks are recognised as a key component of the overall risk landscape. ExCo reports to the Board and oversees the management of climate-related risks, ensuring their integration into the Company's risk management framework. Senior management from all teams form the Climate Impact Working Group, which appraises climate-related risks and informs the Board on their impacts and mitigation strategies.

Risk identification and assessment

The risk identification process encompasses a comprehensive evaluation of climate-related risks alongside other risks. The CEP, managed by the dedicated Critical Environments team, serves as the foundation for identifying and assessing risks. This includes the preparation and regular update of Risk Mitigation Registers (which incorporate climate-related risks) for each data centre.

Risk mitigation and control

Global Switch employs a risk mitigation policy and framework that encompasses climate-related risks. The site teams are responsible for treating and controlling risks identified in the Risk Mitigation Registers. This involves implementing measures to mitigate, transfer, accept or control climate-related risks, aligning them with the broader risk management strategies of the company. These include resilience measures in data centre design, infrastructure upgrades and the adoption of energy, water and carbon-efficient technologies.

Monitoring and reporting

The effectiveness of risk management processes for climate-related risks is continuously monitored and reviewed. Regular review and monitoring of the risk management process are conducted to ensure its implementation and effectiveness. The Company also maintains a group Climate Impact Risk Register, managed by the ESG Committee, which provides ongoing monitoring and reporting of climate-related risks to inform our ESG strategy and decision-making processes.

Integration with strategic decision-making

Climate-related risks are considered in strategic decision-making processes across the Company. By incorporating climate-related risks into the decision-making framework, we ensure that these risks are taken into account when evaluating investment opportunities, new developments and other strategic initiatives. This integration helps to align business objectives with climate resilience, resource efficiency and sustainable practices.

Through this integration, Global Switch establishes a holistic and proactive approach to managing climate-related risks. By treating climate-related risks as an integral part of the overall risk management framework, we can effectively identify, assess and manage these risks in a manner consistent with our broader risk management practices.

Metrics and Targets

Assessing climate-related risks

Global Switch uses a range of metrics to measure and manage climate-related risks and opportunities. These metrics help assess our progress, inform decision-making and align with TCFD recommendations. Some of the key metrics we use include:

Carbon emissions

Global Switch measures and discloses Scopes 1, 2 and 3 carbon emissions in accordance with the GHG protocol. This includes emissions from electricity consumption, water consumption and other relevant sources. We are also in the process of setting Science-Based Targets to reduce emissions in line with the goals of the Paris Agreement. These targets align with the latest climate science and help guide our emissions reduction strategies.

Renewable energy consumption

We track and report the percentage of renewable electricity consumed across our data centres. The goal is to achieve 100% renewable electricity procurement by 2030 to become carbon neutral.

Power Usage Effectiveness (PUE)

PUE is a metric used by the data centre industry to evaluate the effectiveness in terms of energy in the delivery of infrastructure against IT services. Global Switch sets targets for annualised PUE for both new developments and redevelopments, aiming to improve operational efficiency and reduce energy consumption. The annualised PUE targets at full load are less than 1.2 in Europe and 1.4 in Asia-Pacific for new developments. We are a signatory of the Climate Neutral Data Centre Pact, under which existing data centres commit to achieve a full load annualised PUE of 1.3 by 2030.

Water Usage Effectiveness (WUE)

WUE is a metric that measures the effectiveness of water consumption in data centres. Global Switch sets WUE targets for our European and Asia-Pacific data centres to minimise water usage and improve water management practices. Annualised WUE targets are currently 0.75 in Europe and 1.0 in Asia-Pacific for new developments.

Risk Mitigation Register (RMR)

Global Switch maintains a Risk Management Register to capture and manage climate-related risks and opportunities. This includes tracking identified risks, taking associated action and monitoring progress towards mitigation.

EcoVadis assessment

Global Switch conducts an annual company-level assessment through the EcoVadis online platform. This assessment evaluates our environmental performance, including carbon management, resource efficiency and sustainability practices.

Climate-related opportunities

Building sustainability certifications: Global Switch pursues certifications such as BREEAM and LEED to validate the energy efficiency and sustainability of our data centres. We have set a minimum new target of Excellent for BREEAM and Gold for LEED for new developments. We have certified all recent new development under either one of these sustainable assessments and are committed to undertake these assessments on future new developments.

Financial impact analysis

Global Switch conducts future climate-scenario-based financial assessments to quantify the potential costs and benefits associated with climate-related risks and opportunities. This analysis helps inform our strategic decision-making and resource allocation.

Physical risks

We have identified that Madrid is an area with high water stress and that Global Switch Madrid represents 7.8% of total water consumption by all of our data centres. We are addressing this with a WUE optimisation project that is currently being implemented to reduce the WUE by around 20%.

Capital deployment

Global Switch successfully issued a Green Bond for €700 million in 2020, the proceeds of which were allocated to new developments and redevelopments which promoted low energy design and sustainable development and met the overall committed metrics for BREEAM/LEED and PUE.

Summary

These metrics collectively enable Global Switch to monitor our environmental performance, track progress towards sustainability goals, identify areas for improvement and make informed decisions to effectively manage climate-related risks and capitalise on opportunities.

More information can be found in Global Switch's 2022 ESG Report on our website.

Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions

GHG emissions data can be found in Global Switch's 2022 ESG Report on our website.

Targets

Our targets can be found in Global Switch's 2022 ESG Report in the section Taking Climate Action – Our Commitments.

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