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Data Centre Services

2023 Sustainability Highlights Report

Version 1.0 20/06/2024

Contents

About this report

This Sustainability Highlights report covers the period 1 January to 31 December 2023, unless otherwise stated. The report includes sustainability performance data across our environmental, social and governance material topics identified and prioritised as part of the materiality assessment conducted in 2021. This report covers Colt Data Centre Services Limited ("Colt DCS").

The Colt Group Sustainability Report has been independently verified by the British Standards Institution (BSI). More information can be found in Appendix External Assurance statement by BSI in our Group Report.

For questions and feedback on this report, please contact: sustainability@coltdatacentres.net

Message **from our CEO**

Today, achieving our vision 'to be the most trusted and customer centric data centre operator in the industry' means investing in a future that is better for people, places and the planet.

It's exciting to be part of an industry that enables the rapid advances in technologies such as AI through its physical infrastructure. It makes it even more important for our business to ensure we design, build and operate our data centres responsibly. 2023 was a challenging year for our industry, with persistent inflation and volatile energy markets causing supply challenges, and more frequent climate extremes testing operations teams. Despite these difficulties, we have made important strides across the three strategic areas of our ESG strategy: Decarbonising our business, Connecting people and Safeguarding our company.

This report reflects on the key areas in which we have the greatest impact. We want our colleagues, customers and all other stakeholders we work with to understand what we have achieved so far and where we are going.

In 2023, progressing towards our Net Zero by 2045 target remained a focus area for our business. A milestone that impacts our global carbon footprint is the achievement of 100% renewable electricity procurement in Europe, India and partly Japan. We also continued to create a better understanding of our impact and dependency on biodiversity across our operations using the Biodiversity Net Gain metric as guidance.

As part of our mission to become an employer of choice, we took a big step by launching the AIM Framework that helps colleagues navigate their career journey. This framework was built on the insights gathered from our colleagues to understand what motivates them and what we can do to make sure they can perform at their best.

Another significant achievement this year was the record-breaking 74 customer satisfaction score (NPS). We will continue to be on the lookout for new opportunities that drive efficient operational and environmental outcomes for our customers.

These and many other initiatives earned us a variety of external benchmark awards, including a Platinum score by EcoVadis and an A- score by CDP Climate.

I'm deeply grateful for the support and trust from our customers, suppliers, partners, communities and colleagues in this journey. While reaching our ESG goals comes with many challenges, I remain optimistic as we continue to work together to shape a sustainable hyperscale data centre future.

Niclas Sanfridsson
CEO
Colt Data Centre Services

About **Colt Data Centre Services**

Colt DCS provides data centre solutions to some of the largest Cloud Service Providers and Enterprise businesses across 18 state of the art data centres across Europe and APAC.

Colt DCS was established as an operationally independent business in 2015 to accelerate the business's ambitious growth plans. The following year, we secured a number of global expansions to add to our data centre footprint within key markets across Europe and Asia.

Our services in the design, build, delivery and operational management of hyperscale data centres allow our customers the freedom to plan effectively for the growth of their business, knowing that their data centre strategy is ready for the demands of tomorrow.

Our mission is to become the most trusted and customer-centric data centre operator. It exemplifies our commitment to the highest customer excellence standards and is used as a framework to deliver long-term sustainable and profitable growth.
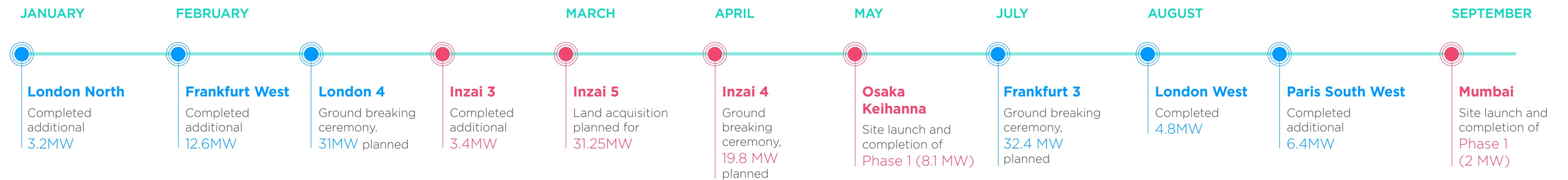
A complete description of the services we provide and our locations, are provided on our website.

18
State of the art data centres spanning two continents

100%
Carrier neutral sites

Supported by
24/7
local language customer service desk

2023 data centre developments

JANUARY	FEBRUARY		MARCH	APRIL	MAY	JULY	AUGUST		SEPTEMBER

London North
Completed additional
3.2MW

Frankfurt West
Completed additional
12.6MW

London 4
Ground breaking ceremony.
31MW planned

Inzai 3
Completed additional
3.4MW

Inzai 5
Land acquisition planned for
31.25MW

Inzai 4
Ground breaking ceremony,
19.8 MW planned

Osaka Keihanna
Site launch and completion of
Phase 1 (8.1 MW)

Frankfurt 3
Ground breaking ceremony,
32.4 MW planned

London West
Completed
4.8MW

Paris South West
Completed additional
6.4MW

Mumbai
Site launch and completion of
Phase 1
(2 MW)

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2023 **in a glance**

-67%
Reduction in Scope 1 & 2 emissions (market-based) compared to 2019

6
Data centre sites on the road to receive TRUE Zero Waste certification

46%
of suppliers by emissions engaged on ESG

AIM Framework
Launched which serves as the foundation of our vision to become an employer of choice

-38%
Reduction in Scope 3 emissions compared to 2019

Biodiversity Net Gain
Study completed for London Hayes and London North, improving our GRD document

Successfully launched our new
Customer Portals
in the UK, India, the Netherlands, Germany, France and Japan

A-
Score on CDP Climate (improved from a B) and a Platinum Score for EcoVadis

63%
Renewable electricity globally

TRUST Values
developed for and by our employees

74
NPS Score Globally

DCS Governance Committee
was formed and is responsible for global governance, compliance and risk management

ISO 50001
Energy Management certification in Les Ulis, and compliance with EU Code of Conduct on Data Centre Energy Efficiency

83%
Of employees affirm Colt DCS as an excellent place to work

88%
Participation rate in our 2023 People Matters Survey

Environmental Policy
Stand-alone DCS Environmental Policy

● **Decarbonising our business**   ● **Connecting people**   ● **Safeguarding our company**

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Our approach **to sustainability**

At Colt DCS, we believe in building a sustainable hyperscale data centre future.

In 2023, Colt DCS launched its ESG Strategy outlining our goals and actions across three strategic priorities: Decarbonising our business, Connecting people and Safeguarding our company.

In 2021, we conducted a comprehensive materiality assessment to understand the ESG topics that are most relevant to our business. We engaged with staff members across different levels in our organisation and key external stakeholders through interviews and surveys. Looking ahead, we'll be conducting a Double Materiality Assessment in 2024 in preparation of the EU Corporate Sustainability Reporting Directive (CSRD).

Decarbonising our business

- Our climate strategy
- Shifting towards a sustainable energy future
- Designing for the future
- Eliminating waste and protecting natural resources

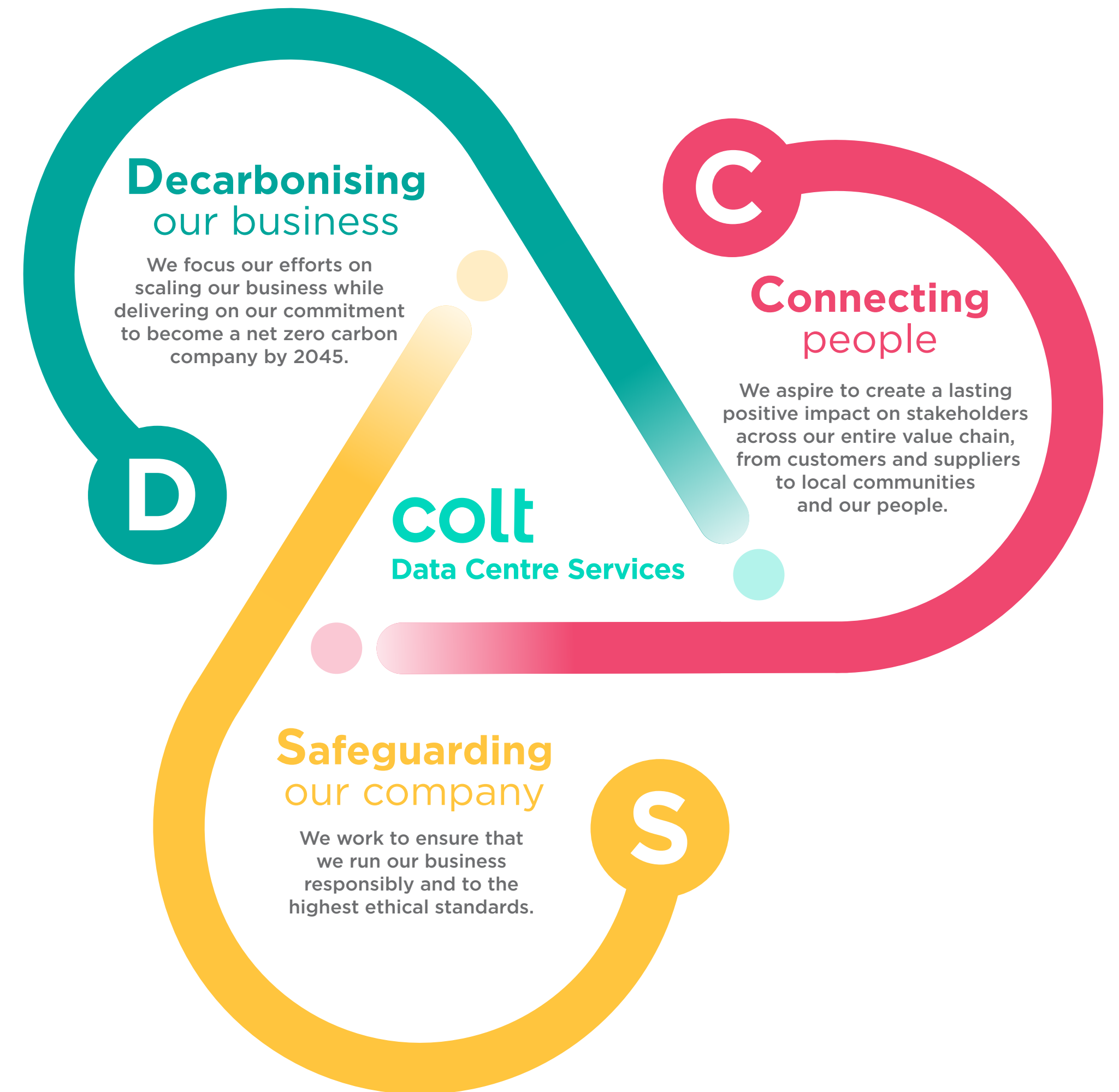Read more on .

Connecting people

- Be an employer of choice
- Raising the bar on customer excellence
- Working closely with our suppliers
- Strengthening community engagement

Read more on .

Safeguarding our company

- Responsible business conduct
- Risk management

Read more on .

Decarbonising our business

We focus our efforts on scaling our business while delivering on our commitment to become a net zero carbon company by 2045.

Connecting people

We aspire to create a lasting positive impact on stakeholders across our entire value chain, from customers and suppliers to local communities and our people.

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Safeguarding our company

We work to ensure that we run our business responsibly and to the highest ethical standards.

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Decarbonising our business

At Colt DCS, we focus our efforts on scaling our business, while delivering on our commitment to become a net zero carbon company by 2045.

Our climate strategy: from operations to development

Colt DCS commits to reduce absolute Scope 1 & 2 emissions by 47% and Scope 3 emissions by 28% by 2030, from a 2019 base year. Long-term, our goal is to achieve net-zero greenhouse gas (GHG) emissions by 2045.

Decarbonising our business starts within our direct operations by focusing on reducing the environmental impacts of our existing data centres and our new developments in line with our updated Environmental Policy.

Our near- and long-term climate targets are approved by the Science-based Targets initiative (SBTi) in line with their latest Net Zero Standards.

Our operations

At the end of 2023, Colt DCS has 18 data centres across two continents under their management. Our data centres vary in sizes, with our newest data centre in Mumbai being the largest (62,000 m2) in our portfolio.

Data centres are the physical infrastructure that houses large amounts of data. Main equipment within data centres are the IT servers managed by our customers. Cooling systems are required to offset the heat produced by the servers which requires a significant amount of energy. Other primary equipment includes uninterruptible power supplies (UPS), standby generators and networking.

Maintaining optimal performance and ensuring operations are uninterrupted is essential as our economy, and in some ways, society, is dependent on the data that is stored, managed and exchanged in data centres. At the same time, the industry needs to transition towards low carbon solutions if we are to meet the targets established by the Paris Agreement.

Operational emissions (Scope 1 and 2) account for 4% of our carbon footprint, coming from purchased electricity, refrigerant leakages, company-owned vehicles and fuel consumption.

One of the key levers for reducing emissions in our direct operations is transitioning to renewable energy. At Colt DCS, we procure 100% renewable electricity in Europe, including UK, India and partly in Japan. Going beyond electricity procurement, we're working hard to reduce our direct emissions through a combination of energy efficiency initiatives, digitalisation and equipment replacements.

In 2024, we're looking to conduct individual site-level sustainability assessments covering environmental and social indicators, including greenhouse gas emissions, water, waste, biodiversity net gain, and community impacts.

New developments

As access to the internet and digital technologies has grown, so too has the number of data centres across the globe. We're expanding existing and constructing new data centres across India, Japan, the Netherlands, France, Germany and the UK.

Making sure that decisions on the design, construction and management of these new developments are in line with our climate strategy is essential. Our Global Reference Design (GRD) document sets out the design requirements to develop and operate resilient and more sustainable data centres for the future. The document is aligned with best practices and global standards, including LEED, BREEAM and GRESB. Our new data centres are designed and constructed in line with the GRD.

The GRD includes criteria, such as renewable electricity procurement, on-site renewable energy generation, heat recovery, biodiversity principles, low Global Warming Potential refrigerants, HVO and low carbon construction materials.

CASE STUDY

Mumbai

Colt DCS has completed the first phase development of one of the largest data centres in our current portfolio, a 120MW data centre offering a gross site area of 62,000m^2 located in Navi, Mumbai.

India's digital demand has soared in recent years. According to the leading real estate consulting companies, India's demand for data centre capacity will reach 1.4 GW by 2025. Navi Mumbai accounts for 50% of data centre capacity. Built to satisfy the growing demand of India's mass cloud migration, mobile internet, and rapid digitalisation of industries, this tier 3 data centre is perfectly designed to meet the requirements of hyperscalers and large enterprise organisations operating within some of the world's most data heavy industries.

Certified with a Platinum rating by IGBC

The IGBC – Green Data Centre, developed by the India Green Building Council, is a widely used green building rating system in India. The Platinum rating is an indicator of a building designed with overall sustainability and occupant wellbeing in mind through design, construction and operations.

By aligning our Mumbai data centre with the requirements of the IGBC, we are lowering our greenhouse gas emissions, reducing operational costs and conserving resources while prioritising the health of our employees and contractors.

Designing for the future

At Colt DCS, we strive to have all our data centres running on renewable electricity by 2030. Our Mumbai data centre will be running on 100% renewable electricity. The data centre will also be looking into on-site renewable electricity generation in 2024.

Additionally, we're striving to reduce our waste generation in line with our Global Zero Waste to Landfill policy. Our collection and segregation processes enable us to conserve resources, and reuse and recycle materials. Besides minimising our environmental impact, this approach enables us to streamline operations, cut inefficiencies and cut costs by repurposing waste.

Health and safety standards

Health and safety (H&S) is highly valued at Colt DCS, and there is no exception with the Mumbai data centre team. During the construction of the facility, great responsibility was placed on the health and safety of all employees, staff, and workers on-site. A number of comprehensive H&S and quality control programmes have been implemented by the team. Furthermore, the Mumbai team celebrated the 51st National Safety Awareness Week to recognise the importance of health & safety and to promote accident reduction and risk mitigation across the workplace.

<1.40
Designed
PUE level

100%
Renewable
electricity

120MW
Designed
PUE level

" Colt DCS' entry into the Indian market reaffirms our commitment to become the leading customer-centric data centre operator in the industry. Our innovative and sustainable approach, coupled with our dedication to safety and reliability, positions Colt DCS as the partner of choice for hyperscale cloud service providers and enterprises expanding their reach in India.

Niclas Sanfridsson
CEO

More information about our Mumbai data centre can be found on our website.

Breaking down our carbon footprint

Understanding the sources and types of greenhouse gases (GHG) across direct operations and wider value chain forms the basis of any climate strategy. We use the GHG Protocol Corporate Standard and the Corporate Value Chain (Scope 3) Standard to calculate our emissions. We report our emissions data annually through CDP Climate, EcoVadis, the Group Sustainability Report and this DCS-standalone report.

To improve the quality and accuracy of the data, we are planning to integrate more data points into our Building Management System and select a technology-led platform in 2024 that will provide more effective reporting capabilities.

In 2023, our total carbon footprint was 159,613 tonnes of CO_2 equivalent (tCO_2e) (market-based).

Scope 1 emissions

Our Scope 1 GHG emissions result from owned or controlled sources, such as company vehicles, gas consumption, refrigerant leakages and fuel use for generators. In 2023, our total Scope 1 emissions were 1,840 tCO_2e, representing 1% of our carbon footprint.
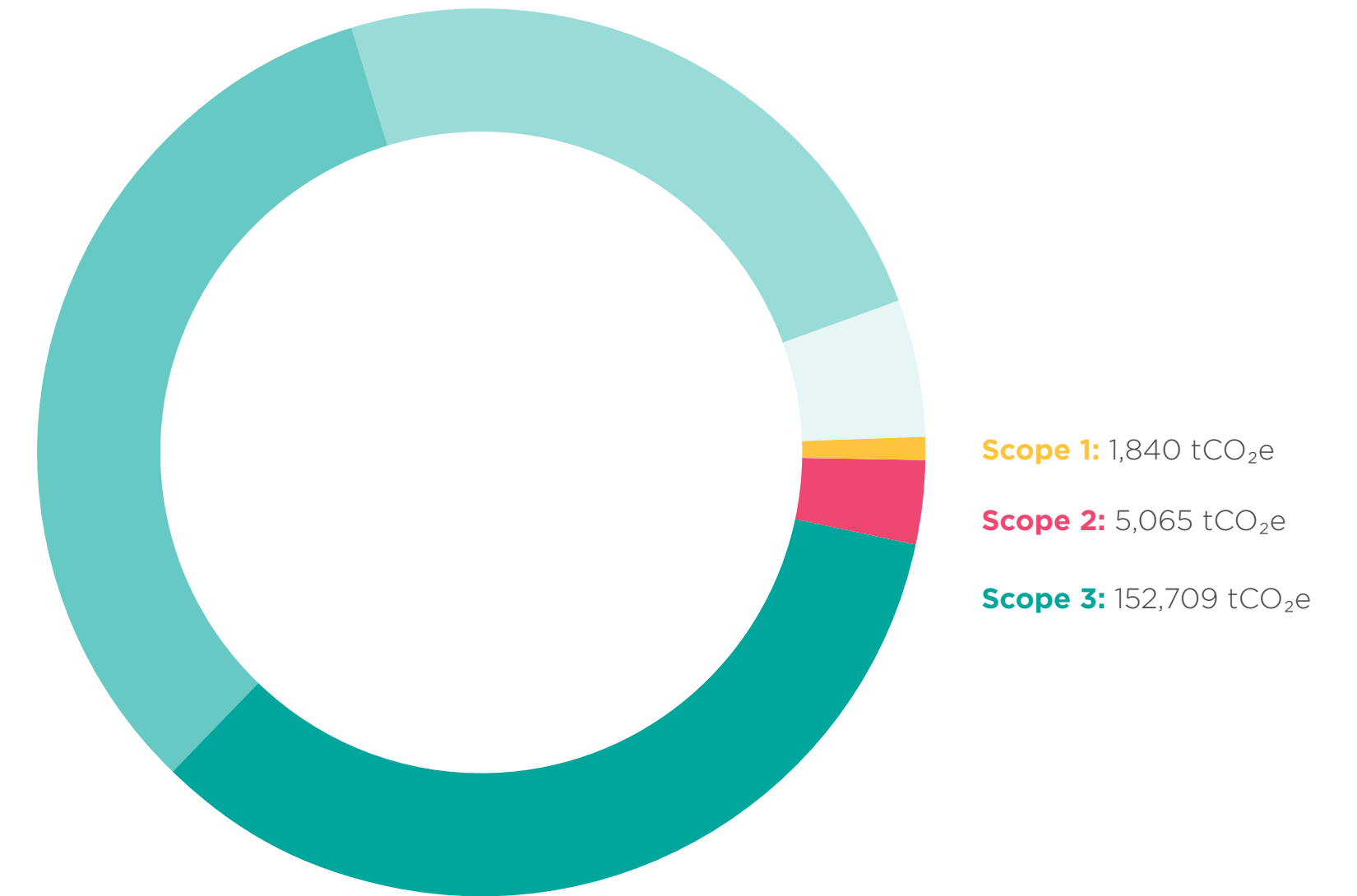
Scope 2 emissions

Scope 2 GHG emissions come from purchased electricity, steam, heating, or cooling consumed by our sites. Around 3% of our carbon footprint comes from our Scope 2 (market-based) emissions, which were in total 5,065 tCO_2e.

Scope 3 emissions

These emissions come from the rest of the value chain and are made up mostly from supply chain emissions. This scope also includes business travel, employee commuting, downstream leased assets, and waste disposal. Scope 3 emissions represent the largest part of our carbon footprint (96%, 152,709 tCO_2e).

More information about our calculation methodology can be found in the Annex.

Scope 1: 1,840 tCO_2e

Scope 2: 5,065 tCO_2e

Scope 3: 152,709 tCO_2e

			Share
Scope 1	●	Direct emissions	1%
Scope 2	●	Market-based	3%
Scope 3	●	Capital goods	34%
Scope 3	●	Purchased goods and services	33%
Scope 3	●	Downstream leased assets	24%
Scope 3	●	Other*	5%

*This includes Fuel- and Energy-related Activities, Waste Generated in Operations, Business Travel, and Employee Commuting.

Progress on decarbonising our operations and value chain

Absolute Scope 1 and 2 (market-based) emissions in tCO$_2$e

Chart values: 2019 (base year): 21,114; 2022: 10,209; 2023: 6,904 (-67%); 2030 SBTi target: 11,190 (-47%)
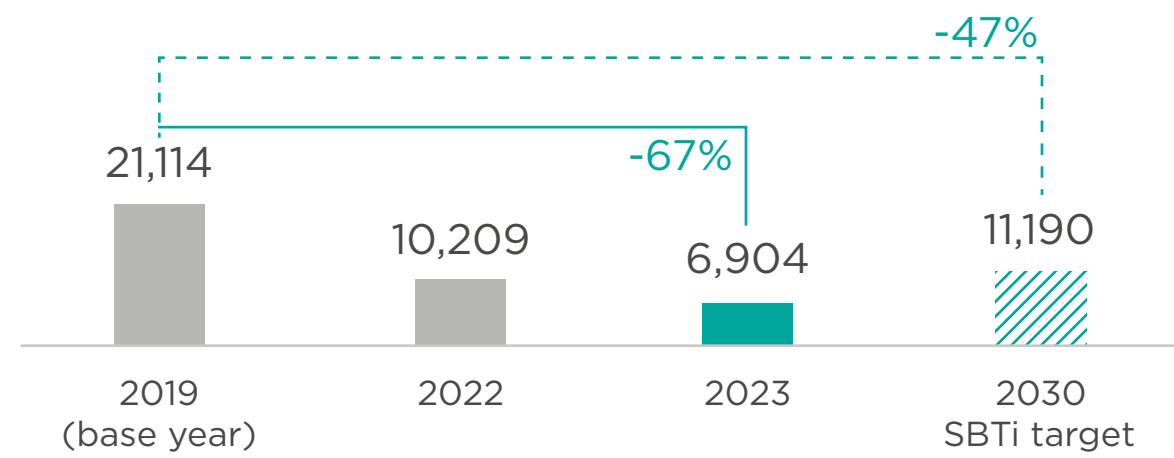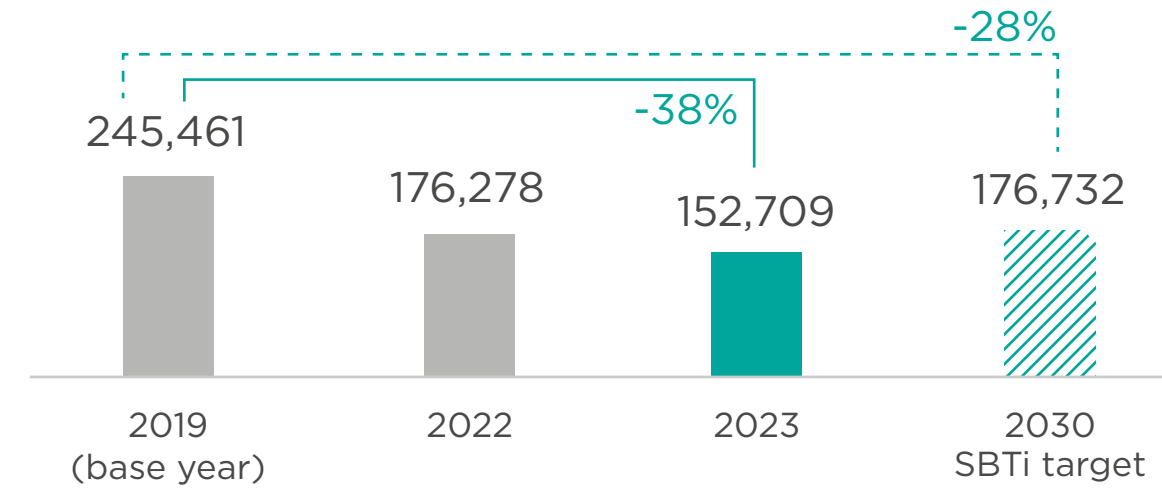
By 2030, reduce absolute Scope 1 and 2 emissions by 47% compared to the 2019 baseline

In 2023, our Scope 1 and 2 (market-based) emissions were 6,904 tCO$_2$e, which is a reduction of 67% compared to the 2019 base year and 32% reduction compared to the previous year. Colt DCS Scope 1 emissions mostly arise from using fuel for our back-up generators and leakages from refrigerants, while Scope 2 emissions are from the electricity we purchase for our own operations. In 2023, we continued to decrease our absolute Scope 1 and 2 emissions below our 2030 target and we are currently on track to reach our 1.5 degrees science-based target. The reduction is primarily due to the increase in renewable electricity procurement in Europe, the UK and Japan and the sale of our European sites in 2021. Additionally, we've been working with our customers to improve energy efficiency across our operations.

Absolute Scope 3 emissions in tCO$_2$e

Chart values: 2019 (base year): 245,461; 2022: 176,278; 2023: 152,709 (-38%); 2030 SBTi target: 176,732 (-28%)
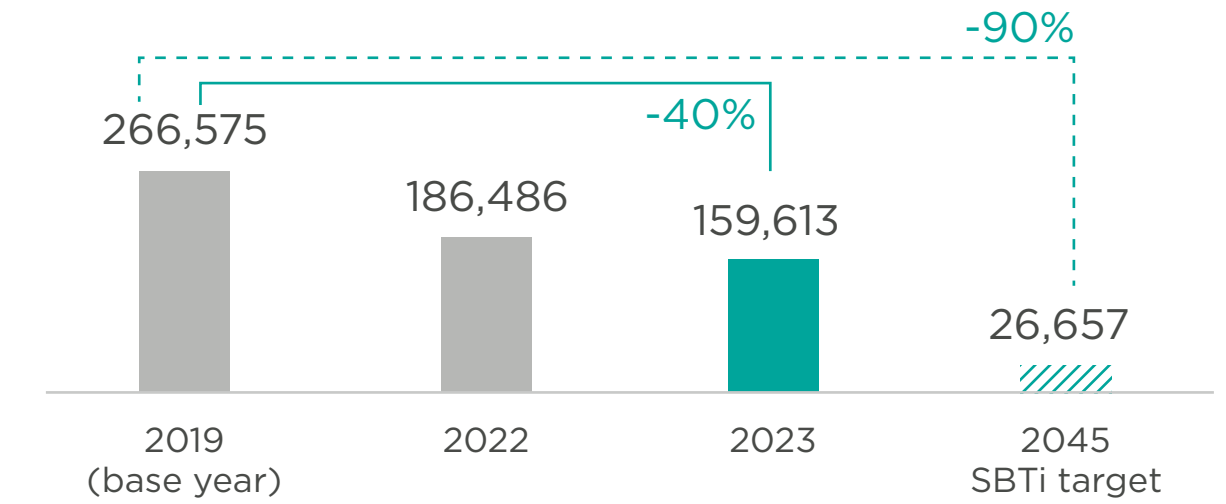
By 2030, reduce absolute Scope 3 emissions by 28% compared to the 2019 baseline

Our Scope 3 emissions remains the biggest source of our GHG emissions. In 2023, we reduced Scope 3 emissions by 38% compared to the 2019 baseline. Within Scope 3, the main sources are related to our supply chain and customer emissions. Customer emissions relate to the electricity consumed by our customers on-site (downstream leased assets). Supply chain emissions relate to the sourcing of construction materials or equipment, and services provided by contractors. Our Capital Goods emissions reduced with 49% compared to the 2019 due to an improvement in calculation methodology by transitioning to supplier-specific emissions data. The updates in our methodology have led to enhanced accuracy in calculating supplier emissions, complementing our engagement with suppliers to drive positive impacts on our scope 3 emission reduction.

Absolute Scope 1, 2 and 3 emissions in tCO$_2$e

Chart values: 2019 (base year): 266,575; 2022: 186,486; 2023: 159,613 (-40%); 2045 SBTi target: 26,657 (-90%)

By 2045, reduce absolute Scope 1, 2 and 3 emissions by 90% compared to the 2019 baseline

To reach our Net Zero target, Colt DCS commits to reduce its Scope 1, 2 and 3 emissions by at least 90% by 2045. Any remaining emissions we will then neutralise with carbon removals. We have identified six emission reduction programmes across our operations and value chain. For new development and expansion projects, we have included environmental sustainability criteria in the Global Reference Design document, which includes the use of low carbon materials and alignment with green building certifications such as LEED or BREEAM.

Emission reduction programmes

The aim of our emission reduction programmes is to drive emissions reductions consistent with the 1.5°C temperature goal of the Paris Agreement, and to reach net zero emissions across our value chain by 2045. The focus of our efforts between now and 2045 is to deliver absolute GHG reductions, even as we grow our business. We identified six emission reduction programmes capable of delivering our near- and long-term targets.

Shifting towards a sustainable energy future

We are committed to decarbonise our own energy consumption across Scope 1 and 2. Our aim is to procure 100% renewable electricity (Scope 2) by 2030 for all sites globally.

Read more on page 13.

Creating biodiversity net gain across our sites

We are committed to accelerate our efforts to protect and restore biodiversity areas throughout the construction and operating stages of our data centres.

Read more on page 16.

Designing and operating sustainable and resilient data centres

We will continue to improve operational efficiency, transition to alternative cooling and fuel sources, and strive to achieve LEED Gold or equivalent in all future data centres in line with our Global Reference Design document.

Read more on page 14.

Measuring and reporting our progress

Transparency and traceability remain priority areas for us. We will continue to participate in external benchmarking initiatives, including CDP Climate and EcoVadis.

Read more on page 28.

Future proofing our supply chain

Our aim is to actively engage with our suppliers, representing 93% of our supplier base by emissions, to set science-based targets for Scope 1 and 2 by 2025, and report on their emissions.

Read more on page 22.

Educating and partnering for net zero

People remain at the heart of our climate strategy. We want to give our people the confidence to take action and unlock the potential across the business in line with our climate targets.
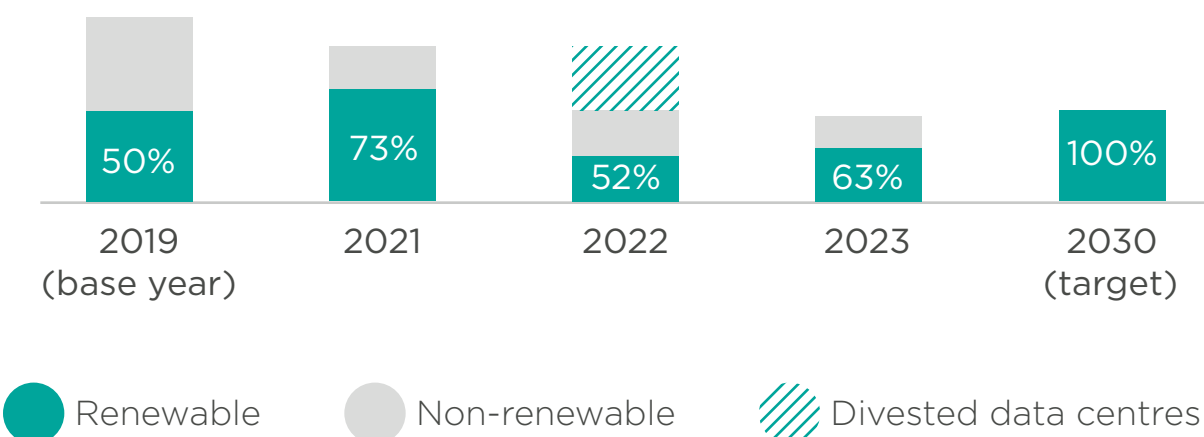
Read more on page 18.

Shifting towards a
sustainable energy future

Our Net Zero roadmap focuses on facilitating a shift towards a sustainable energy future. Our target is to procure 100% Scope 2 renewable electricity by 2030 globally.

We've made strides to align our commitments with our customers' strategies and we will continue to help our customers understand their environmental impact. Colt DCS is procuring 100% renewable electricity across its operations in Europe, India and partly Japan.

In 2023, our global share of renewable electricity across Scope 2 increased from 52% in 2022 to 63% in 2023 due to procurement of renewable electricity in Japan in Q4.

% Renewable electricity procurement across Scope 2

- ● Renewable
- ○ Non-renewable
- ▨ Divested data centres

2019 (base year): 50%
2021: 73%
2022: 52%
2023: 63%
2030 (target): 100%

Energy efficiency

As part of our efforts to reduce our global emissions, we ensure that all our data centres meet energy efficiency requirements. In line with our Global Reference Design guidelines for the build and operation of data centres, we use efficient cooling systems and LED lighting with motion detection to minimise energy consumption. Additionally, we use certifications and management systems to improve our environmental performance.

Our Paris South West data centre was awarded the Energy Management certification (ISO 50001). ISO 50001 is the international benchmark standard for implementing processes to continually improve energy performance. To be able to achieve the certification, a business must have a measurable and data-driven energy efficiency management system in place.

Greening our vehicles

We continue to upgrade our vehicle fleet to electric vehicles. At the end of 2023, 30% of our Group vehicle fleet were full Battery Electric Vehicles (BEV) and a further 38% were Plug-in Hybrid vehicles (PHEVs). In absolute terms, out of our 336 active cars, Colt Group has 101 BEVs and 128 PHEVs. Based on open orders for new vehicles, our projections are that by the end of the year

CASE STUDY

Energy efficiency at London North

We've made a number of energy efficiency improvements to our London North site over the years, including upgrading the Uninterruptible Power Supply (UPS) systems. Working collaboratively on-site with our customer, our Ops and Lifecycle project team successfully powered down, decommissioned the old UPS's and reinstated new and significantly more efficient systems which will save 60KW energy per new system. Additionally, the team conducted critical electrical maintenance on the 11,000-volt and 400-volt transformers, switchboards and associated switchgear. Phase 1 of the UPS replacement project, completed in 2023, has resulted in a 2.1 GW energy per annum saving (26.9% decrease). The team is looking to complete Phase 2 in early 2024.

the Colt Group fleet will be 32% BEVs and 45% PHEVs. While EVs are better environmentally over their lifetime, we do not want to needlessly accelerate the end of life of our fleet; this is the key reason we are phasing in EVs over time.

At Colt DCS, we have EV charging points installed at five data centres across four countries. In total we have installed 15 charging points across our operations, and have installed a further 14 in 2023. By electrifying our car fleet and installing EV charging points, we aim to support sustainable transport and reduce our emissions. Looking ahead, we will continue to assess strategies to improve the infrastructure needed for our operations.

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Designing **for the future**

Our innovative design principles are focused on helping our customers deliver greater business value and resilience. From inception to decommissioning, the design, development, operations and end-of-life stages are all approached with sustainability in mind.

Sustainable building design

Our Global Reference Design (GRD) framework outlines our design requirements to develop and operate resilient and more sustainable data centres for the future. The framework includes several requirements to reduce our environmental impact, from carbon management and the use of sustainable materials, to energy efficiency and biodiversity. We are committed to design all our future data centres in line with the GRD requirements. This means that we strive to achieve LEED Gold certification (or equivalent), with a specific focus on improving energy efficiency, transitioning to alternative fuels and reducing operational waste.

Our approach is underpinned by our DCS Environmental Policy, which affirms our key commitments to climate, waste management and more. Environmental management systems support our operations to meet environmental regulations and permits. We have implemented ISO 14001 (environmental management system) across most of our operations in Europe, and are exploring equivalent standards in Asia.

Data-driven sustainability

Hyperscale and enterprise customers are now able to use real-time telemetry data to support the management of their data centre workloads by using our Central Telemetry Platform (CTP). The globally available solution, developed in partnership with Protiviti, a leading consulting firm and Microsoft Solutions Partner, uses the latest technology to collect intelligence about the operational performance of data centre capacity. Users of the platform are able to identify, monitor and review data centre efficiencies in order to drive operational excellence.

With access to on-site data in real-time, we and our customers can make accurate decisions. Being able to monitor data centre power usage, internal and external temperatures, and electricity usage for cooling, means that customers can immediately act upon this data by shifting processing loads to where it's more cost-effective and reduces their carbon footprint.

Our CTP is uniquely placed to capture information relating to environment and sustainability metrics from all of our globally located data centres across Europe and APAC, and can provide additional value to local or centralised sustainability teams.

"
There is a growing need for our hyperscale customers to have access to live reporting metrics for their data centres, so they are equipped with the information they need to succeed. The Central Telemetry Platform positions Colt DCS as the partner of choice for hyperscale Cloud Service Providers and large enterprises and supports our innovative and sustainable approach, and our goal to be the most customer-centric data centre operator. Working alongside Protiviti, with its extensive experience of data and analytics, has helped us to bring an innovative solution to market that will bring significant benefit to our customers.
"

Quy Nguyen
Chief Sales Officer

CASE STUDY

London Hayes

Located west from central London, Hayes will be the largest data centre in our UK portfolio, offering 57 MW of IT power across a gross site area of approx. 49,000 m2.

The London Hayes data centre will include two state of the art data centre buildings and significant enhancements to landscaping that will revitalise the site and adjacent area. These facilities will provide 57MW of IT power and will mark Colt DCS' third and fourth hyperscale data centres in the London vicinity that can support the requirements of large enterprises and cloud service providers. In addition, there is further land on the site to develop a third 30MW IT power data centre.

Supporting the local community

The site will provide a major boost to the local economy through the creation of around 230 permanent jobs, 350 constructions jobs and 50 apprenticeships. Colt DCS is committed to delivering ongoing social value in the surrounding area by working with local schools to create an understanding of, and pathway to, jobs in the technology sector. Read more about our community engagements initiatives in the London Hillingdon Borough on page 24.

Creating a sustainable hyperscale future

As the London Hayes data centre is designed and constructed in line with the Global Reference Design document, the site will operate on 100% renewable electricity and have on-site solar electricity generation. We strive to develop the site in line with BREEAM certification requirements. Additionally, the site will have heat pump technology, back-up biodiesel powered generators and low Global Warming Potential refrigerants. Biodiversity design principles, including green walls and roofs, will be applied to ensure Biodiversity Net Gain, and waste generation is minimised in line with TRUE Zero Waste certification.

During the construction of the data centre, Colt DCS made the following commitments to reduce waste:

• Prioritise reuse of existing structures and materials
• Increase the use of recycled content
• Use materials that can easily be reuse at end of life
• Use appropriate durable materials
• Optimise design for longevity, flexibility, adaptability and standardisation
• Use low carbon and non-toxic materials

57MW
of IT
power

100%
renewable
electricity
procurement

Strive towards
BREAAM
Certification

" We are excited to learn about the UK Government's plans to take the digital economy to the next level in the global marketplace, and our expansion in Hayes will increase the UK's capacity and capability in creating a vibrant environment for growth. We are committed to creating a lasting sustainable impact on the local communities near our facilities and remain a trusted partner for our customers worldwide. "

Richard Wellbrock
Chief Commercial Officer

Eliminating waste and
protecting natural resources

We collaborate with our customers and value chain partners to work towards zero waste in our operations and conserve natural resources, such as nature and water, to prevent environmental degradation.

Reducing waste in our operations

We have an ambitious target of sending zero waste to landfill, targeting a 90% diversion rate across six data centre sites. At Colt DCS, we follow the guidelines of the TRUE Zero Waste certification to reduce potential loss of resources and environmental impacts.

Our Zero Waste to Landfill Policy outlines the guidelines on how to manage the waste generated by our activities. In 2022, the Policy was implemented across our global operations and includes requirements for our employees, contractors and supply chain partners.

We monitor the volume of waste, by type and route, across our global operations and identify actions to divert waste to landfill. In 2023, we have seen an increase in the amount of waste generated compared to 2022. This is mainly due to the fact that we have increased the waste data coverage across three new sites. We engage with external waste treatment businesses to reuse or recycle waste streams.

Design to eliminate waste

Circular economy principles have been incorporated in the design and development of our new data centres to conserve resources, increase efficiency and source sustainably. This means that our new data centres are designed for longevity, adaptability and reusability or recovery. When a data centre is replacing an existing industrial site, opportunities to retain and reuse existing materials are explored. For instance, where possible, structural steel is recovered for recycling and concrete is segregated and crushed for reuse. Hazardous materials are segregated and removed for disposal separately. As a data centre has significant cooling demands, we strive to utilise waste heat in new developments. Management of construction waste will be supported by sufficient segregation, and storage facilities throughout the site. These will allow for the separation of plastics, card, metal, glass, food, green and general waste during operations.

Impact on biodiversity

At Colt DCS, we strive to create and improve biodiversity by aligning our new data centres with design principles that create Biodiversity Net Gain. The UK Government defines Biodiversity Net Gain as "an approach to development that makes sure that habitats for wildlife are left in a measurable better state than they were before the development."

In 2023, we conducted a study to understand the application of the Defra Biodiversity Net Gain Metric 4.0 on two of our data centre sites: London Hayes and London North. On-site assessments, an ecological assessment, and satellite imagery were used to map the habitat and perform the assessment. This has resulted in the identification of key design principles to maximise the opportunity for Biodiversity Net Gain. These principles have been included in our Global Reference Design Document which is used as the basis for the design of our new data centres.

Managing water consumption

We monitor the water we consume for our offices and cooling systems globally. All wastewater generated is assessed before being discharged to ensure the wastewater is meeting quality standards and regulatory requirements.

Our new data centres are designed with air cooled chillers, following a zero water approach where possible. Furthermore, rainwater harvesting systems are included to reduce water wastage. Looking ahead, we're planning to implement a water conservation initiative in Mumbai in 2024.

Connecting
people

We aspire to create a lasting positive impact on stakeholders across our entire value chain, from customers and suppliers to local communities and our people.

18   Be an employer of choice
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Be an **employer of choice**

We created AIM, our talent framework to describe how DCS will become an even stronger Employer of Choice. AIM is a bespoke framework designed with employees in mind to help connect and navigate their career journey to the heart of DCS.

The rapid growth of artificial intelligence is leading to profound shifts in the design, construction and management of data centres. To ensure there is enough talent to support this digital transformation, data centre operators are in need of clear programmes aimed at attracting and training the next generation of experts and engineers.

Whether its building a support system for graduates or fast-tracking managers towards leadership positions, our AIM framework is designed to ensure that we support our people globally throughout every stage of their career journey at Colt DCS.

An effective HR strategy focuses on how we Attract, Develop and Retain key talent. AIM defines this outcome. This holistic approach underpins our mission to not just succeed as a business but to be an employer of choice. Existing initiatives, such as our Early Career Programme, panel interviews and MentorU, play an important role in providing relevant and focused career support and a proven path into high-value jobs. More information about our initiatives can be found on .

> At Colt DCS, we designed AIM, the employee framework which guides us on how we attract, develop and retain the best talent. It underpins our company values, in particular, trust, respect, and unity. It ensures that as we grow, we do so by enriching our people's careers, integrating them into our values, and helping employees to bring out their best self. AIM is more than just a strategy, it's a mutual promise between employees and our company to create a sustainable future for all.

Gilly Cooper
Chief People Officer

When we talk about **Activate Careers**, we mean giving our team the tools and opportunities they need to grow right from the start. Our focus is on ensuring that everyone's career journey at Colt DCS is dynamic and rewarding, paving the way for lasting success, for new joiners but just as much as accelerating careers of existing talent. This approach also feeds into our broader sustainability goals by fostering a workforce that is skilled, versatile, and ready for the future.

Integrate into the Culture is all about ensuring everyone feels connected with our company's culture and values. From day one, we want our people to understand and embrace our values, which are essential for driving our sustainability agenda forward. A shared culture leads to a united effort in achieving our ESG goals, as well as a more cohesive and supportive work environment.

Motivate Performance is about inspiring our team to excel every day. By linking performance motivation with sustainability, we ensure that our team is not just working towards individual or team goals but is also aligned with broader, long-term objectives that benefit both the planet and our business.

Engaging with our people

At Colt DCS, fostering a workplace culture where every individual feels heard and esteemed is fundamental to our ethos. Our People Matters survey serves as a vital instrument to make the workplace better for everyone. This year, we achieved an impressive 88% participation rate, a 10% increase compared to the previous year, which indicates our team's strong commitment to support improvements.

The survey results commend our achievements in various areas, including fostering inclusivity, maintaining customer satisfaction, empowering our workforce, employee wellbeing, nurturing career growth, and communicating a clear organisational direction. Notably, 83% of our employees affirm Colt DCS as an excellent place to work, surpassing benchmarks set by similar companies. Moreover, 80% are optimistic regarding the company's strategic direction. This feedback serves as a roadmap for our leadership team, highlighting our successes and areas for improvement with the goal to make Colt DCS into a workplace where everyone is excited to come to work, feels supported, and believes in what we are doing together.

MentorU programme

Our innovative mentoring programme stands as a testament of our dedication to fostering an inclusive and supportive workplace environment. This initiative directly responds to insights derived from our People Matters and Pulse Surveys, highlighting mentoring as an opportunity for enhancing employee engagement and development. By prioritising the integration of new joiners, our programme ensures that all employees are equipped to contribute effectively from day one, creating a welcoming atmosphere that nurtures a sense of community and belonging. In 2023, 30% of our workforce participated in the MentorU programme.

At the heart of the mentoring programme lies the ambition to embed our TRUST values within the company culture, thereby facilitating the consolidaton of professional growth and ethical commitment among our workforce. This approach not only accelerates the personal development of our employees, but also serves as a key strategy in reducing attrition rates, particularly during the crucial initial years of employment. Through personalised guidance, mentors play a pivotal role in helping mentees align with our organisation's ethical, social, and environmental principles, thereby reinforcing our dedication to sustainable and responsible business practices.

Moreover, our mentoring programme is instrumental in building long-lasting professional relationships across the organisation, effectively dismantling silos and fostering a spirit of collaboration and unity. This initiative exemplifies Colt DCS innovative approach to integrating ESG considerations into the fabric of our operations, showcasing our commitment to not just achieving business success, but doing so in a manner that is ethically sound and socially responsible. Through this programme, we are setting a new standard for corporate culture, one that is deeply rooted in values of growth, support, inclusivity, and sustainability.

Fostering an inclusive workplace

As part of our dedication to fostering an inclusive workplace, we have refined our onboarding process by updating guides and introducing regular 30, 60, and 100 day check-ins to gather feedback and provide support. Our goal is to ensure a smooth integration for every new joiner, enhancing their experience and enabling them to thrive. Moreover, we aim to cultivate a supportive culture where all employees feel valued and empowered.

Additionally, we have refined our recruitment practices to prioritise fairness and consistency. A key aspect of this strategy is the adoption of formal panel interviews, involving a diverse group of three interviewers. This inclusive approach ensures that each candidate receives a thorough assessment, drawing on a range of perspectives to minimise bias. By standardising our interview process, we aim to promote transparency and fairness throughout recruitment. It not only strengthens the integrity of our hiring procedures, but also cultivates a culture of inclusivity and equal opportunity within our organisation, reflecting our broader values.

Participation rate in our 2023 People Matters Survey
88%

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Recognising talent

Our mission to become the most trusted and customer-centric data centre operator acts as a compass towards our ultimate goal, while our five global TRUST values reflect what we believe in, how we operate, and how we interact with each other.

TRUST **R**ESPECT **U**NITE **S**USTAIN **T**RAILBLAZE

Following the launch of our new TRUST values, we improved our recognition programme by linking them to the new values and behaviours, whilst promoting both inclusiveness and fairness. In addition, we launched the annual TRUST Hero Awards, recognising employees who continuously demonstrated our values throughout the year. All employees across the business have the opportunity to nominate a peer for one of the five awards. Winners received a financial prize, professional external coaching sessions and a trophy. Our Inspire platform continues to give all colleagues the opportunity to give and receive peer to peer recognition linked to each of our values through the use of e-cards and financial awards.

Health, safety and wellbeing

In 2023, we continued to implement our global Health, Safety and Environment (HSE) Plan to improve our performance and ensure we are in line with global best practices. As part of the plan, we refreshed our Environmental Policy and Health & Safety Policy. Our ambition is to continue to advocate and take responsibility for the health, safety and wellbeing of employees, while minimising the impact on the environment and society. We comply with various ISO standards, including ISO14001 (environmental

management) and ISO45001 (occupational health and safety management) to align our activities with global best practice.

Additionally, we continued to offer four wellbeing days to all employees to encourage them to take a break and focus on their mental and physical wellbeing. These are in addition to annual leave, public holidays and any sickness leave. These four wellbeing days are highly valued by employees and the business has decided to continue offering these in 2024. We have several Mental Health Firs Aiders (MHFAs) across the organisation who are now fully trained. The role of the MHFAs in the workplace is to be a point of contact for an employee who is experiencing poor mental health or emotional distress. This interaction could range from having an initial conversation to supporting the person to get the most appropriate help.

All employees have access to an Employee Assistance programme. The Employee Assistance Program provides confidential telephone and face-to-face counselling, as well as support with everyday matters such as finding childcare or eldercare, legal issues and debt management.

Nurturing career growth

To enhance people management skills and to ensure consistency in management practices, we created a new company-wide Management Matters training programme. The programme consists of three key areas: Managing Self, Managing Others and Managing Culture, and was delivered in person to all line managers at Colt DCS, covering the importance of effective 1:1 conversation, goals setting and performance reviews, as well as driving the balanced scorecard forward.

We continue to cultivate the next generation of data centre professionals through our ever expanding graduate programme. With innovation at the centre of a more sustainable future, we believe that giving young people a prominent voice within our organisation is essential to embracing change and new ideas. We typically have between 10 to 15 graduates within the business spanning multiple divisions including Engineering, Operations,

Finance, Legal and Real Estate Development. We are delighted that our active programmes in Europe and Japan are being complimented by our first graduate intake in Mumbai in 2024.

Colt DCS is invested in developing local communities in which we operate, attending schools, colleges and Universities to speak to young people about our industry and the opportunities it can provide.

Our offboarding process offers benefits for both Colt DCS and its departing employees. Maintaining open lines of communication throughout this process could potentially result in future rehires or referrals. It also provides us with valuable insights into their experiences, enabling us to pinpoint areas of improvement. By levering this feedback, we can enact changes to enhance retention strategies and create a positive, always evolving work environment.

Raising the bar on
customer excellence

As our vision is to be the most trusted and customer centric operator in the industry, we are always on the lookout for new opportunities to support and collaborate with our customers.

In line with our vision, we always strive to put the customer at the heart of everything we do. We measure this through our Net Promoter Score (NPS). This is a key metric indicating the company's ability to meet our customers' needs. A strong NPS score is synonymous with customer loyalty and satisfaction. In 2023, we improved our global NPS to an all-time high of 74, compared to 72 in 2022. This improvement underscores our unwavering commitment to delivering exceptional services and exceeding expectations across all touchpoints. By utilising NPS, we can effectively identify areas of strength and opportunities for enhancement, allowing us to refine our strategy and tailor solutions to better serve our customers' needs.

74
NPS Score
Globally

71
NPS Score
in **Asia**

79
NPS Score
in **Europe**

Customer Loyalty Month

In April 2023, we organised Customer Loyalty Month, a dedicated period designed to celebrate and appreciate our valued customers both internally and externally. Internally, the month was marked by

various initiatives aimed at recognising and fostering customer-centricity throughout our organisation, such as the Customer Centric Employee Awards and drop-in and learn sessions to further educate and empower employees to better serve our customers. Over 90 employees were nominated for the Customer Centric Employee Award, of which 50% in Japan, followed by France and the UK. The month serves as a reminder of the vital role our customers play in our success, and underscores our dedication to prioritising their satisfaction and loyalty.

Improved customer portals

We have successfully launched our new Customer Portals to streamline and enhance our interactions with clients. The portal offers several benefits to our customers and employees to efficiently manage customer requests, incidents and planned work in one single portal. The platform offers Customer Workgroups which gives customers full control of who is allowed access to their space. Our Technology, Customer Experience, and Operations teams have delivered training to over 100 colleagues and organised customer demonstrations.

The portal was successfully launched to customers in the UK, India, the Netherlands, Germany and France. In 2024, we are planning to launch the portal to our customers in Japan. Future

phases of the customer portal will allow us to offer integration with customer ticketing systems and the ability to request a wider range of services, including audit support, connectivity services and booking facilities.

Feedback devices at DC's

In addition to existing channels, site visitors now also have the option to anonymously leave feedback at 5 data centre sites across Europe and Japan. With real-time customer experience insights, the site team has a better understanding when action is needed and how to improve. In H2 2023, we received over 500 responses, of which 89% selected 'Happy faces' and indicated 'Staff professionalism' to be the highest contributor of satisfaction.

Working closely with
our suppliers

Today, over 57% of our emissions stem from our supply chain. To improve transparency and accelerate emission reductions, we have begun to implement our Supply Chain Decarbonisation Program.

Supplier assessment

We consider sustainability criteria in the selection, management and evaluation of our suppliers and we use our Vendor Risk Management System (VRM) and our Request For Proposal (RFP) scoring to measure ESG supplier performance. All new suppliers are subject to the full VRM Standard as a condition for approval. Existing suppliers are assessed when their contracts are due for renewal. Our Supplier Code of Conduct and our Sustainable Procurement Policy set out the standards of sustainability and corporate governance that we expect from our suppliers.

The VRM covers a wide range of ESG issues including environmental sustainability, health and safety, anti-bribery and corruption, data protection, cyber security, and human rights and modern slavery protection. We also assess suppliers' approach to Diversity, Equity and Inclusion and we are keen to improve this part of our work with our value chain.
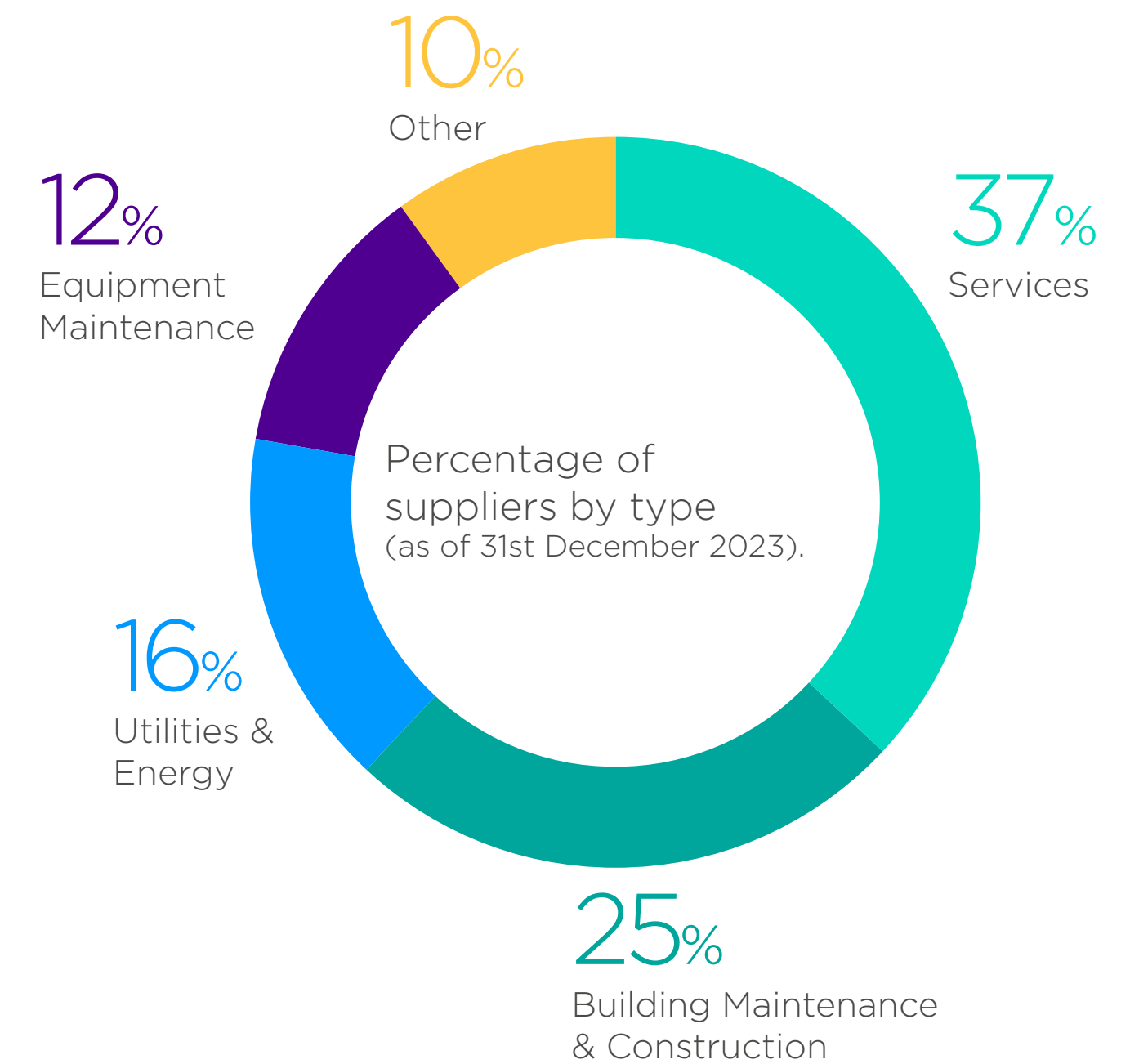
To support our own science-based targets, we have commenced the incorporation of a new Sustainability Schedule into contractual agreements with key suppliers, which entails reporting on GHG emissions, setting science-based climate targets, and covering electricity consumption with renewable electricity. In 2023, we have improved the way we monitor those suppliers that

have set or committed to a science-based target. In addition, we are using data from CDP Climate and EcoVadis to evaluate supplier performance.

We understand that the changes in the ESG reporting legislation will require a robust approach to data quality and insights, particularly as we move closer towards disclosure against the EU Taxonomy and EU Corporate Sustainability Reporting Directive (CSRD), and we continue to invest in improved reporting capabilities, incorporating quarterly reports that provide ratings to assess ESG supplier performance. Sustainability performance is always included in our Quarterly Business Reviews with suppliers. In 2024, we will continue to seek deeper supplier engagement to improve our supply chain performance.

"Our supplier engagement program is all about bringing suppliers on the journey with us. The program enables suppliers and partners across the value chain to contribute to our and their own ESG commitments.

Ammar Tahir
Senior Procurement Manager, Europe

10%
Other

12%
Equipment
Maintenance

16%
Utilities &
Energy

37%
Services

25%
Building Maintenance
& Construction

Percentage of
suppliers by type
(as of 31st December 2023).

Supply chain performance

We actively engage with our suppliers on a wide range of ESG topics, ranging from environment, to health & safety, and our Code of Conduct. In 2023, we engaged with more than 73% of our suppliers on ESG criteria. On environmental sustainability specifically, we engaged with 46% of our suppliers by emissions in 2023. Our target remains to engage with 93% of our suppliers by emissions (covering Purchased Goods and Services, and Capital Goods) to set Scope 1 and 2 science-based targets by 2025. By the end of 2023, 27% of our supplier emissions are with suppliers that have set a science-based target.

2025 (target) — **93%**

2023 — **46%** — 107,195 tCO_2e

2022 — **9%** — 125,469 tCO_2e
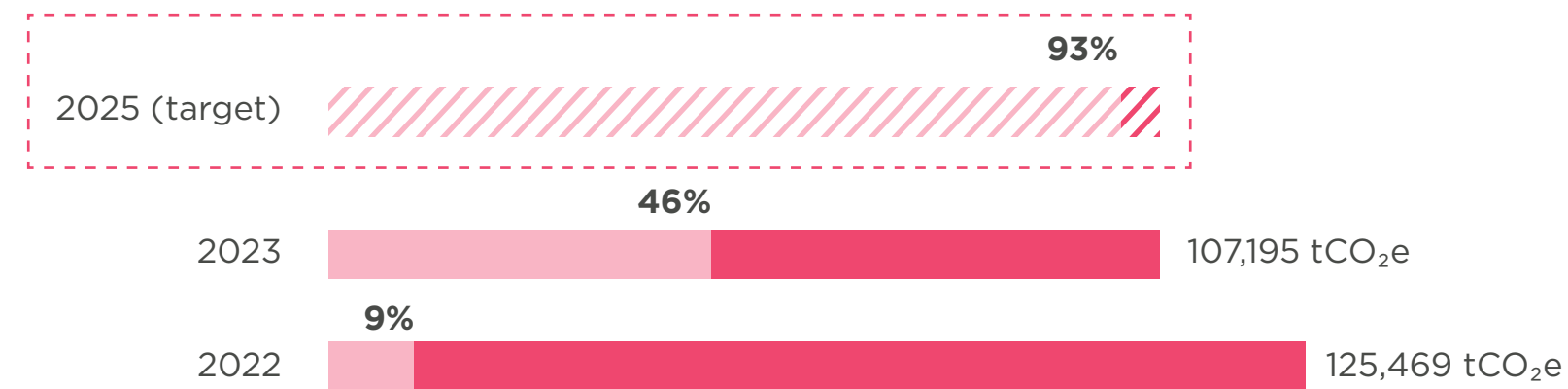
While our supplier base grew by 32%, our supplier emissions reduced by 14% (compared to 2022). Compared to our 2019 baseline, we reduced our supplier emissions by 24%. This is the result of decarbonisation initiatives implemented by our suppliers and an increase in data quality through the use of supplier-specific data that is third-party verified.
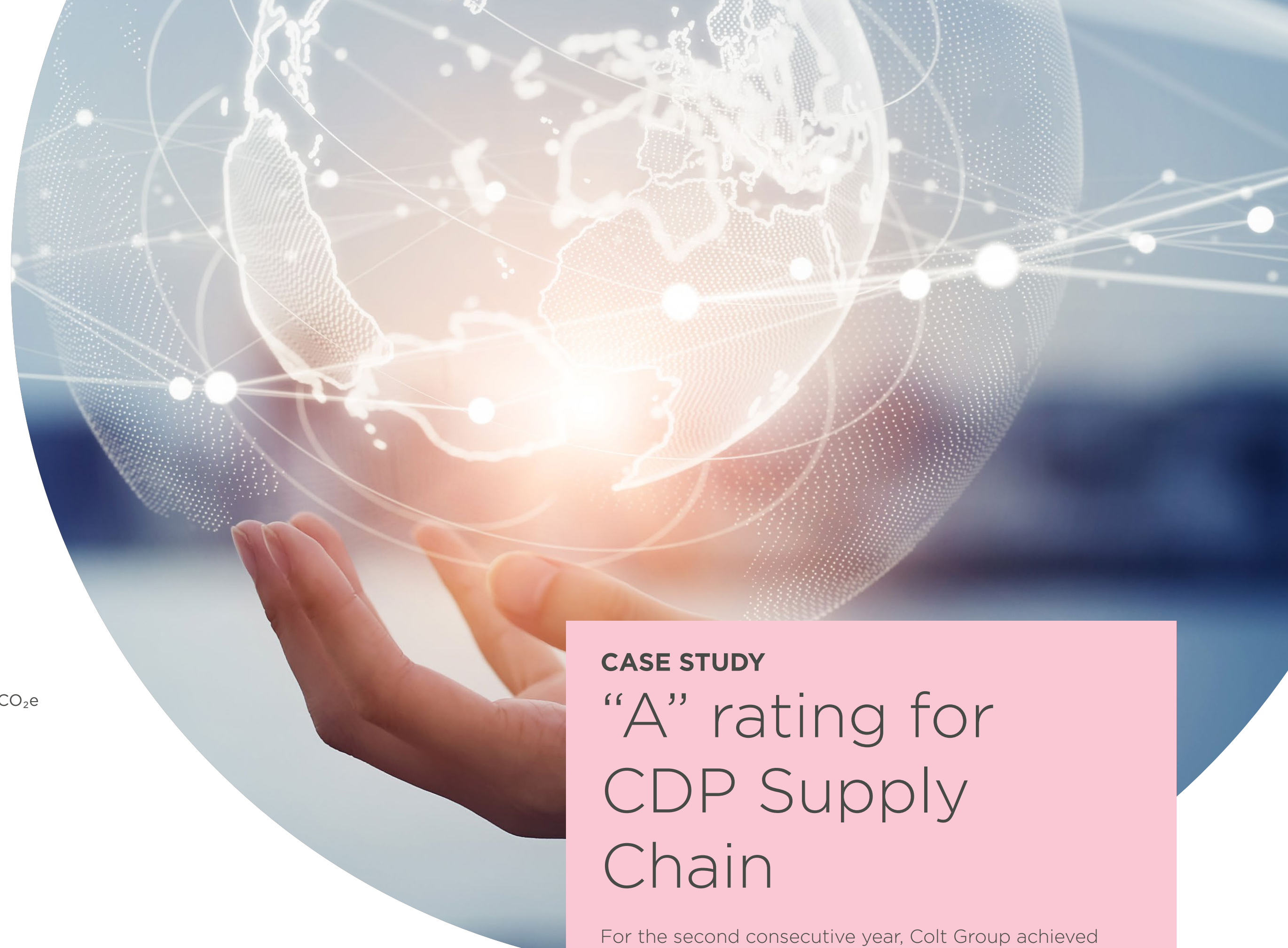
CASE STUDY

"A" rating for CDP Supply Chain

For the second consecutive year, Colt Group achieved an A rating from the Carbon Disclosure Project (CDP) for collaboration with suppliers on climate change mitigation. The A rating puts us firmly in the leadership category, showing our commitment to implementing top-tier practices regarding value chain engagement on climate matters. Focusing on improving value chains makes a significant environmental impact and this award acts as a pledge for us to do more.

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Strengthening
community engagement

With the growth in the development of new data centres, engagement with local communities has become intrinsic to the industry's future. At Colt DCS, we are committed to building meaningful relationships and retaining trust by playing our role in shaping resilient communities in the regions where we operate.

In 2023, our activities were focused on identifying key stakeholder groups and partners across our local operations while preparing for a more standardised and efficient approach on a global scale. The global approach will provide greater support for cross-border collaboration and scalable impact. We will continue to encourage employees to use their two paid annual volunteering days, giving them the opportunity to provide their time and skills to have a positive impact.

Our community engagement initiatives encompasses donations, partnerships and employee-led initiatives that are focused on four areas:

• **Opportunities for young people**
• **Conservation of the environment**
• **Empowering communities**
• **Healthy communities**

All initiatives are selected based on the needs and requirements of the communities involved, and are managed in close collaboration with our partners to ensure effective impact.

Opportunities for young people

We invest in young people through mentorship programs, educational partnerships and sponsorships aimed to empower youth with the skills, insights and valuable experience needed to ensure a skilled workforce for the future.

By nurturing the talents and aspirations of young people, we not only empower young individuals with education, skills and opportunities, but also contribute to building a robust and dynamic workforce capable of tackling complex global issues and driving positive change. In 2023, we continued to support the children's concert at Keihanna-Plaza in Japan. As the joint developer of the land, Keihanna-plaza hosts annual free concerts to support and nurture young musicians.

In the UK, we are participating in a mentoring program with local schools and colleges together with our construction partner ISG. In April, we attended the Guru Nanak Sikh Academy Careers Fair to support the school in providing valuable mentoring and career advice to students aged 11-18 years. This was a great opportunity to educate young people about what we do as a data centre

operator, and the skills and education required to pursue a career within this growing sector.

Another initiative we are especially proud of is our collaboration with the charity Mirai no Mori. Mirai no Mori is a non-profit organisation that creates life-changing outdoor programs for abused, neglected, and orphaned youths in Japan, supporting their growth into happy and successful youth adults. We invited a group of five students and two instructors to our data centre for a day of education, engagement and tours. Throughout the day, the students asked us many complex and thought-provoking questions. We are confident that given opportunities, they will all be very successful in whatever they decide to do.

" Through our work with the Mirai no Mori charity, we strive to create a fairer future where young people lead the way in building a more sustainable, digital world. "

Padraig MacColgain
VP Asia Pacific

Conservation of the environment

In line with our Net Zero Roadmap, we are directing our initiatives towards environmental conservation in order to safeguard natural resources and mitigate climate change impacts. These initiatives do not only contribute to long-term sustainability but also societal wellbeing. Among our activities, our team in India participated in a tree planting initiative to increase local biodiversity around our Mumbai data centre site.

In the UK and Japan, we collaborated with several local partners in clean-up drives. Colt DCS participated in the Seika Town Clean Partner initiative in Keihanna together with NTT-AE and ALSOK. Volunteers were involved in weeding and cleaning public facilities such as roads and parks, resulting in the collection of 40 kg waste. In Hayes (West-London, UK), 30 volunteers across Colt DCS and our project partners spent the day collecting waste and filled over 50 bags with rubbish in the Hillingdon borough.

Together with our construction partner ISG, Colt DCS attended and sponsored the Hayes Canal Festival. Organised by the Canal & River Trust, the festival aims to raise awareness of the canal and the biodiversity it provides, as well as to encourage more people to use and enjoy it in a variety of different ways, from watching wildlife to boating and walking. This free festival showcased a fun packed day of exciting entertainment for the local community including face painting and circus activities, paddle boarding and canoeing on the canal, plus live music and dancing organised by the local hospital radio station. There was also an organised litter pick along the canal banks.

Empowering communities

We strive to support aspiring small and medium businesses and organisations that not only stimulate job creation and economic resilience, but also strengthen community cohesion and resilience.

To foster economic development and strengthen resilience of local communities, Colt DCS sponsored the Hillingdon Business Expo 2023 in collaboration with the Hillingdon Chamber of Commerce and Brunel University. With over 1,500 visitors and almost 700 delegates attending, the event provides networking opportunities and presentations for businesses in West London. The event was a valuable opportunity for Colt DCS to share an overview of our upcoming London 4 data centre and planned investments within the community.

For a second year in a row, our UK team organised a charity fundraiser for Comic Relief's Red Nose Day. The fundraising is aimed to support struggling families affected by conflict and climate change by helping put food on plates and roofs over heads.

> " With sustainability high on the agenda in the Hillingdon borough, it has been an honour to partner up with ISG, the Hillingdon Chamber of Commerce and Brunel University London to develop programs that make our communities thrive. "

Matthew Grant
Development Director

Healthy communities

In the area of promoting a healthy community and workforce, Colt DCS has sponsored several events that contribute to the overall health and vitality of the communities in which we operate. For example, in Japan we sponsored the Tour of Japan Bicycle Race, which is a professional bike race that starts in front of our Keihanna data centre.

We also sponsored the Financial Industry in Tokyo (FIT) for Charity Run, in which our employees participated as runners and volunteers to make a difference in the community. In total over 4,500 people ran and more than 400 people volunteered. The event raised JPY44,888,000 (approx. EUR 273,485), which was donated equally to eight beneficiary charity organisations.

Safeguarding
our company

We work to ensure that we run our business responsibly and to the highest ethical standards.

Responsible **business conduct**

Good governance and responsible business practices enable us to maintain consistency across our operations and meet stakeholder expectations, as well as comply with regulations and our own commitments.

Governance

We are fully committed to a clear governance structure to help us deliver our ESG strategy and meet our targets. Since its launch in 2023, the DCS Board has reviewed and approved the ESG strategy. The Audit Committee and the Remuneration Committee members are exclusively non-executive directors.

The ESG Steering Committee and Governance Committee were constituted in 2024 to support the Executive Leadership Team (ELT). The ESG Steering Committee will oversee the strategic direction and execution of the ESG strategy. It is an executive level Committee chaired by the Director of Energy & Sustainability, and is responsible for agreeing and approving the global ESG strategy and policies, and for the delivery against annual targets.

The Committee covers issues including climate change, water, waste, biodiversity, employees, supplier engagement, community engagement, transparency and corporate governance. Performance data across these topics is generated every quarter and progress is shared with internal stakeholders. The Committee meets on a quarterly basis.
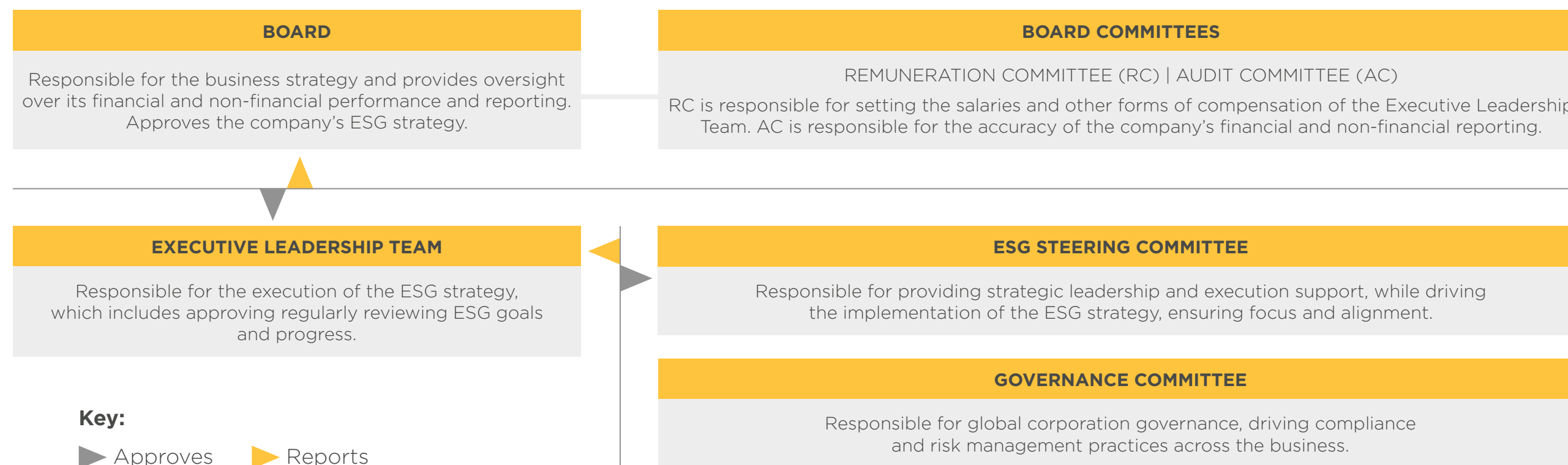
Business ethics

Our Code of Business Conduct sets out the way we do business. It covers our standards and commitments towards ethical conduct, anti-corruption, anti-bribery, anti-fraud, conflicts of interest, whistle-blowing and legal compliance. There were no major changes to our Code of Business Conduct in 2023, though there were some drafting amendments and alterations in line to specifically cover the UK Bribery Act and the US Foreign Corrupt Practices Act. Further detail was incorporated into the 2023 Code update in relation to conflicts of interest, environmental sustainability and public reporting of non-financial information: in line with our ESG practices.

Our policy is to instil a true culture of compliance with all laws, rules and regulations wherever we do business to ensure we run our business to the highest ethical standards, as well as meeting our legal obligations. Each person acting for Colt DCS has a responsibility to comply with all relevant standards and all employees are required to complete mandatory training on the Code of Business Conduct annually.

We encourage employees to raise breaches of the Code of Business Conduct through the independent Business Ethics Line or by reporting to the Governance Committee. We have the structures in place for anonymous whistleblowing wherever it is permitted by local law. The Governance Committee is responsible for reviewing any suspected compliance breaches. The Committee runs regular awareness campaigns about the importance of ethical behaviour and adherence to the Code of Business Conduct and how employees can report actual or suspected breaches of the Code of Business Conduct. The Audit Committee oversees the Governance Committee regarding breaches or suspected breaches of the Code.

BOARD	BOARD COMMITTEES
Responsible for the business strategy and provides oversight over its financial and non-financial performance and reporting. Approves the company's ESG strategy.	REMUNERATION COMMITTEE (RC) | AUDIT COMMITTEE (AC)
	RC is responsible for setting the salaries and other forms of compensation of the Executive Leadership Team. AC is responsible for the accuracy of the company's financial and non-financial reporting.

EXECUTIVE LEADERSHIP TEAM	ESG STEERING COMMITTEE
Responsible for the execution of the ESG strategy, which includes approving regularly reviewing ESG goals and progress.	Responsible for providing strategic leadership and execution support, while driving the implementation of the ESG strategy, ensuring focus and alignment.

GOVERNANCE COMMITTEE
Responsible for global corporation governance, driving compliance and risk management practices across the business.

Key:

▶ Approves   ▶ Reports

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Transparency

Our annual sustainability report and external benchmark scores help us to provide a high level of transparency on the progress we make and the challenge we face when implementing our ESG strategy. The ESG Steering Committee tracks our progress on the ESG strategy and input to reporting matters throughout the year.

Our sustainability reports and other additional disclosures are provided in the Report Hub on the Colt DCS website, which is updated throughout the year. The Group Sustainability Report is in adherence to the principles of the Global Reporting Initiative (GRI) Standards. We also support efforts towards standardising ESG reporting by participating in a number of corporate sustainability benchmarks.

EcoVadis

Colt Group received a Platinum rating for a second consecutive year, reflecting our ranking in the top one percent on our performance on environmental, social and governance-related topics.

CDP Climate

Colt Group received an A- from the Carbon Disclosure Project (CDP) for our climate change performance, positioning us within the leadership category for sustainability.

UN Global Compact

Colt Group has been a participant in the UN Global Compact since 2023. The UNGC is a voluntary initiative, based on CEO commitments, to implement the universal sustainability principles and to take steps to support the UN Goals.

Human rights

We strive to maintain the highest ethical principles and to respect human rights. We have zero tolerance to slavery and human trafficking. We will not tolerate any such activities within our own operations or within our supply chain, and we are committed to taking appropriate steps to ensure that everyone that works for Colt DCS benefits from a working environment in which their fundamental rights and freedoms are respected.

Our basis in this regard is the International Labour Organisation's five Fundamental Principles:

1. **Freedom of association and the right to collective bargaining**

2. **Elimination of all forms of forced or compulsory labour**

3. **Abolition of child labour**

4. **No discrimination**

5. **Safe and healthy working environment**

Collective bargaining

Globally, some of our employees are covered by collective bargaining agreements, which cover working conditions and terms of employment, and provide for elected employee representation in line with national laws. For employees not covered by collective bargaining agreements, workings conditions and terms of employments are confirmed in the employment contracts, global and local HR policies and the employee handbook.

We have an active dialogue with our employees National Works Councils (NWC). In countries where there is no National Works Council, we have other forms of information and consultation forums, including elected employee representatives and Colt DCS Ambassadors.

Data privacy and cybersecurity

The Data Privacy Statement enables us to manage privacy, and protect personal and corporate data. We apply the joint principles of Privacy by Design and Privacy by Default at the inception of every product, application, policy and system, and ensure those principles are the basis for decision-making throughout their entire lifecycle.

Our rules for data protection and data transfer are defined by our Binding Corporate Rules (BCR). These rules have been approved by the European Data Protection Board (EDPB), which also approved the Group's Privacy and General Data Protection Requirements (GDPR) compliance programme. The main change to international data protection regulations in 2023 was the introduction of a new Digital Personal Data Protection Act in India. The measures are close to the EU's GDPR legislation, meaning it did not require substantial changes to the compliance activities.

We have implemented data breach procedures and a complaints procedure for employees, customers and third parties. Annual training in Data Breach and Data Privacy compliance is provided to all employees.

Colt DCS does not manage customer information. Instead, it is responsible for the buildings, their power, lighting, air conditioning and the connection to the Internet. We use Cyber Essentials Plus, the highest level of certification offered under the Cyber Essentials scheme. It is certified to ISO 27001, covering information security management systems.

All data centres are Statement of Organisational Control 2 certified, which assesses a company's system security, availability, processing integrity, confidentiality and privacy. An extra layer of security comes from monthly updates from external security consultants.

Risk **management**

Our Group's Enterprise Risk Management Framework assesses all risks relevant to our business, including those related to environmental sustainability and our social impact. The Group risk management process is guided by ISO 31000 standards and follows a five-stage process of identifying risks, assessing them, deploying the appropriate measures and on-going monitoring.

Climate change-related risks

At a Group level, we updated the climate risk register which identifies all climate related risks to our operations including those regarding the transition to a lower-carbon economy, as well as the physical risks of a changing climate. We completed a climate scenario analysis in line with the Task Force for Climate-related Financial Disclosures (TCFD) guiding principles. Colt Group completed its first-time reporting according to mandatory climate-related financial disclosure, as part of Colt Group annual report and consolidated financial statements.

Beyond climate-related risks, we operate a group enterprise risk management program and analyse a broad range of financial, project, operational, regulatory and strategic risks that impact our business. As part of the groups risk management process, two key risks were identified: non-compliance with ESG reporting requirements and failure to plan for the impact of climate change.

ESG reporting will be subject to increasing scrutiny. We are working hard to ensure we are fully compliant with EU Corporate Sustainability Reporting Directive (CSRD) requirements. In addition, we have conducted pilots to assess our alignment with

EU Taxonomy regulations and we will expand that programme in 2024. The impact of climate change is managed through our environmental strategy.

Additionally, as part of our TCFD scenario analysis we identified two additional material risks around carbon pricing mechanisms and extreme weather events.

Going forward our key priorities in 2024 will be to: ensure climate related risks are taken into consideration in financial planning, strategic planning and to expand the scope of the physical risk assessments to assess a broader range of social and environmental hazards to meet EU Taxonomy requirements.

In 2024, DCS will be implementing our own enterprise risk management program. This will further expand on risks at an individual data centre build and operate level, along with our supporting central functions.

Our own standardised approach to risk monitoring will enhance our risk management capability and allow us to adapt faster as risks arise. The Group Risk team will continue to provide support through independent review of DCS new risk management framework effectiveness.

Annex

We quantify and report our organisational GHG emissions in alignment with the World Resources Institute's (WRI) Greenhouse Gas Protocol Corporate Accounting and Reporting Standards and its supporting standards:

- **Scope 1 emissions –** WRI/WBCSD: Greenhouse Gas Protocol: A Corporate Accounting and - Reporting Standard, Revised Edition (the GHG Protocol)
- **Scope 2 emissions –** WRI: GHG Protocol Scope 2 Guidance: An Amendment to the GHG Protocol Corporate Standard
- **Scope 3 emissions –** WRI: GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard

Colt DCS consolidates its organisational boundary according to the operational control approach, which includes all assets that have an environmental impact over which Colt DCS has operational control. This means having full authority to introduce and implement operating policies.

- **Scope 1:** Natural Gas, Fuel from Own Fleet, Refrigerants, Generation of Renewable Energy and Other Fuel (in generators) consumption.
- **Scope 2:** Electricity consumption at Colt DCS-owned and operated sites, including operation of EVs.
- **Scope 3:** Purchased Goods & Services; Capital Goods; Fuel- and Energy-Related Activities (FERA); Upstream Transportation & Distribution; Waste Generated in Operations; Business Travel, Employee Commuting, Upstream Leased Assets, and Downstream Leased Assets.

GHG emissions include all data centres with the exception of:

- Data centres part of the Fidelity and Mitsui joint venture

Emission Factors used:

- Defra 2023, 2022, 2021 & 2019 for Scope 1, Scope 2 in the UK, and the following Scope 3 categories - Fuel-and-Energy-Related Activities FERA, Waste, Waste, Business Travel and Employee Commuting
- IEA 2023, 2022, 2021 & 2019 for Scope 2 electricity in Europe, Asia and US, Scope 3 categories (Homeworking and Downstream Leased Assets)
- EORA emission factors for Scope 3 Purchased Goods and Services and Capital Goods spend-based GHG emission calculations in 2023. Quantis emissions factors were used for those categories in 2022-2019.

We are continually working towards best practices, collecting actual data (even if it is from previous years), and updating methodologies. Since last year, we have established a quarterly emissions reporting programme. This allows us to collect data more frequently, accurately track anomalies and improve overall accuracy. This has resulted in a restatement of the previously reported 2022 emissions due to the collection of actual data to replace estimations. In particular, we collected additional 2022 actual electricity consumption data in the UK and France, leading to an update to the energy consumption and to Scope 2 location-based emissions. All data changes in 2022 are minor and immaterial to overall emissions.

If any updates lead to a material change in the overall emissions for a reporting period, Colt DCS will initiate a process to determine whether it is practicable to formally restate. we define a significant change as +/-5% of total emissions.

colt
Data Centre Services

For more information on our ESG strategy,
please visit **www.coltdcs.com**