

GREEN BOND FRAMEWORK





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1. Introduction

Global Switch was established in 1998 with the objective of developing data centres that set new standards in scale, resilience and connectivity. Over the past 22 years, Global Switch has built new data centres, re-developed existing ones and completed upgrade programmes across our campuses. Front of mind for all development or re-development projects is the commitment to our customers and our communities to increase energy efficiency, reduce carbon emissions and provide green energy solutions.

As part of our commitment to sustainability, Global Switch has developed this Framework under which we can issue Green Bonds. The proceeds of the Green Bond will be used to continue to improve the environmental footprint of our portfolio by financing projects that meet both our business objectives and our sustainability goals.

2. About Global Switch

Global Switch is the leading owner, operator and developer of large scale, network dense, carrier and cloud neutral multi-tenanted data centres in Europe and Asia-Pacific. We currently operate 13 data centres in super prime locations in eight markets (including seven of the ten Tier 1 markets in Europe and Asia-Pacific) and offer our customers a rich, carrier and cloud-neutral ecosystem with reliability, security and flexibility in which to house their IT infrastructure. We offer over 390,000sqm of technical space with further developments underway. Our business objective is to continue growing our position as the leading provider of strategically located data centres and to do so in a sustainable way. As a company, we are committed to developing new data centres, or re-developing existing ones, which achieve a minimum of BREEAM Very Good or LEED Gold environmental standards. We are also committed to implementing best practices in our corporate and social responsibilities and to positively impact the communities in which we operate.

2.1 Sustainability at Global Switch

Data centres, by their very nature, are substantial consumers of energy. Less well recognised is most of the energy consumed is absorbed by the IT equipment installed by our customers and their infrastructure required to keep the IT equipment functioning 24x7x365. Somewhat counter intuitive is that a successful data centre operator will attract customers which in turn leads to an increase in energy demand. The important concept is that the increase is achieved in an efficient manner. Housing IT equipment in specialist data centres is more efficient as the plant and operations are tailored for such loads, compared to trying to squeeze IT equipment into an office type environment. As a result of this, Global Switch has established rigorous environmental standards that ensure when our infrastructure is constructed or modified every reasonable opportunity is taken to improve the efficiency of the infrastructure supporting the customers' IT equipment, e.g. cooling. Operationally our infrastructure is managed to minimise the environmental impact of maintaining customer services.

Through innovation in design, operation and working closely with our customers, Global Switch has continually improved the energy efficiency of our data centres, resulting in some of the lowest Power Usage Effectiveness (PUE – a ratio that describes how effectively a data centre uses energy) figures across the industry for newly constructed buildings and those data centres that have been redeveloped.

Our key sustainability objectives are:

- Design, implement and maintain an Environmental Management System that conforms to the requirements of the ISO 14001 and an Energy Management System that conforms to the requirements of ISO 50001 international standards and any relevant local laws, regulations and statutory requirements.
- Design and build all European developments targeting BREEAM standard 'Very Good' and all Asia-Pacific developments targeting a minimum LEED standard 'Gold'.
- Work with customers to optimise their energy consumption and use the plant and space as effectively and efficiently as possible.
- Champion the use of energy from sustainable renewable sources, develop procedures for energy use consistent with best practice and always use green energy alternatives where available.



- Minimise the production of waste and dispose of waste in a way which reduces adverse effects on the environment.
- Optimise the proportion of waste which is recycled and the amount of recycled materials used within the data centres.
- Measure energy performance improvements against an established baseline.
- Continually review activities and operations in order to identify, understand and evaluate energy efficiency and their impact on the environment, and seek ways to continually improve energy use and environmental performance, implementing those measures that are appropriate and cost effective.
- Design and build our data centres, and any new infrastructure within existing data centres, to recognised industry best practice standards utilising centralised systems scaled where possible to maximise efficiency.
- Operate our data centres to recognised industry best practice standards to reduce energy consumption consistent with our business and without adversely affecting reliability or resilience.
- Take into consideration the impact of energy in the procurement of goods and services and support the purchase of those products with the lowest impact on the environment.
- Achieve 100% renewable energy for our European portfolio and a long-term goal of making 100% renewable energy available to customers of our Asia-Pacific data centres.

2.2 Sustainability Governance

Whilst we have hitherto incorporated sustainability goals into individual project management, to ensure we remain on track to meet our short, medium and long term sustainability goals, Global Switch is establishing an Environmental, Social and Governance (ESG) Committee. The ESG Committee will be comprised of various representatives from teams across the business and their key role will be to evaluate and report on environmental, social and governance matters on a regular basis as well as prepare our annual ESG Report for publication. The ESG Committee will report to the Global Switch Board and is chaired by our Chief Financial Officer.

On a project specific basis, our developments are overseen by our Project Control and Project Steering Groups. These two groups are also comprised of representatives from across the business, including a large overlap with the ESG Committee, and are responsible for ensuring all group and site level projects are executed on time, on budget and to scope. A substantial part of our development scope is the environmental sustainability component, so these regular meetings ensure that ESG elements remain a focus.

3. Global Switch's Green Bond Framework

To help Global Switch deliver on our sustainability objectives, we plan to issue Green Bonds and have elected to create a Green Bond Framework to govern use of the proceeds of such issues. This framework is in line with the ICMA Green Bond Principles (GBP) 2018. In alignment with these Principles, for each Green Bond issued, Global Switch asserts that it will adopt the following, as set out in this Framework:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

Global Switch will, where possible, adhere to best practices in the market and will review the Framework's alignment to updated versions of the ICMA Principles as and when they are released. As such, this Framework may be updated and amended from time to time.

3.1 Use of Proceeds

Global Switch is raising funds through the issuance of Green Bonds to further the development of our business in the following eligible Green Bond project categories:



ICMA Green Bond Project Category	UN SDGs Alignment	Use of Proceeds
Green Buildings	 	Investments in the construction and operation of buildings that have received or will be: <ul style="list-style-type: none"> ▪ LEED: Gold or above. ▪ BREEAM: Very Good or above. ▪ Other local ‘green’ certifications. Construction, refurbishment, or operation of eco-efficient data centres with an annualised PUE of less than 1.2 in Europe and due to climate conditions, 1.4 in APAC.
Energy Efficiency		Investments in the re-development of existing data centres to improve energy efficiencies such as: <ul style="list-style-type: none"> ▪ Installing “free cooling” systems. ▪ Replacing the internal cooling delivery units and the cooling plant with more efficient equipment combined with improved control and monitoring systems . ▪ Replacing UPS equipment with the latest generation models with more energy efficient operation, and allow the power densification of existing space

The Green Bond Framework allows companies to allocate proceeds to green initiatives funded in the 2 years prior to the issuance. We will aim to refinance Eligible Green Initiatives that have been completed or charged (in the case of operating expenditures) in the last 2 financial years. We may also finance on-going and future Eligible Green Initiatives, ideally within two financial years of finance raised under this Framework.

3.2 Process for Project Evaluation and Selection

All investments in assets and expenditures carried out by Global Switch must follow the Group’s strict risk management and procurement policy. The approval process for all projects involves approval by senior management in line with the Group’s Delegation of Authorities. This approval process will identify Eligible Green Projects which will be considered for funding from the Green Bond Proceeds.

The Eligible Green Projects will be subject to the following due diligence, which ensures that they meet the criteria set out above in the Use of Proceeds.

3.3 Management of Proceeds

Global Switch intends to apply the equivalent amount of proceeds from Green Bonds to an Eligible Green Project Portfolio. We will form a “Green Bond Committee” consisting of representatives from Finance, Group Projects and other subject matter experts which will determine the Projects to which funds are allocated in accordance with the identified project categories within the Use of Proceeds.

The net proceeds of any finance raised under the Framework will be managed by the Treasury team and may be used for the repayment of outstanding indebtedness or other capital management activities of Global Switch.

Global Switch will hold or invest, at our discretion, any unallocated net proceeds as per our usual treasury management.

As part of our standard business and regulatory reporting requirements, we already monitor our assets and expenditures on a regular basis. The Finance team will provide a data set of all the Company’s capital and



operational expenditures annually and on request to the Committee. Management will then determine, to the best of its judgement, whether an expense category is Green. All expenditure items will be tracked and managed accordingly to ensure no double counting occurs.

Our Treasury team will always ensure that the amounts represented by the Eligible Green Project Portfolio will exceed, or at least be equal to, the amount of finance raised under this Framework (subject to amounts remaining to be allocated within the two years after funding has been raised).

3.4 Reporting

Global Switch will make and keep available reports covering the allocation of net proceeds to the Eligible Green Project Portfolio and seek to develop reporting on the impact of the Portfolio. Reporting will take place annually until full allocation of the Green Bond net proceeds. The first report will take place not more than one year following the issuance of the applicable Green Bond and will be made available on our website.

Global Switch intends to provide aggregated reporting for all outstanding green financings.

Allocation Reporting: The allocation report will provide:

- The total amount of investments and expenditures in the Eligible Green Projects Portfolio; and
- The balance of unallocated proceeds.

Impact Reporting: The impact report may include performance metrics such as:

- Energy performance and percentage of energy use reduced compared to a local baseline;
- Proportion of energy use from renewable sources; and/or
- Annual analysis of carbon emissions.

Global Switch intends to request a limited assurance report or an auditor comfort letter to be produced on the information contained in the allocation of Green Bond proceeds report.

4. External Risk Assurance

4.1 Second Party Opinion

Global Switch intends to seek a Second-Party Opinion (SPO) to provide investors with added assurance that we are adhering to the requirements of the Green Bond Principles and that the issuance of our Green Bonds fits into our overall corporate Sustainability Framework. The third party reviewer will be examining our eligible projects' alignment with market standards, including an assessment of difference certification schemes, and will provide feedback on our selection of projects, management of bond proceeds, key performance indicators and impact reporting – as set out in this document. To this end, Global Switch has engaged Sustainalytics as our SPO provider and their report will be made available on Global Switch's website.

4.2 Verification

Global Switch's annual reporting will also be subject to external verification by an external auditor. The auditor will verify:

- The compliance of assets financed by the Green Bond proceeds with eligibility criteria defined in the use of proceeds section in this Framework.
- Allocated amount related to the eligible Green projects financed by the Green Bond proceeds.
- The management of proceeds and unallocated proceeds amount.

The external auditor's report will be published on Global Switch's website.



4.3 ESG Risk Rating

Global Switch currently holds a ranking with Sustainalytics ESG Risk Rating scorecard. We intend to help Sustainalytics fine tune their assessment of our business and will work with other providers to discuss similar risk assessments to add further support to our ESG credentials.

5. Amendments to this Framework

Treasury will review this Framework on a regular basis, including its alignment to updated versions of the GBP as and when they are released, with the aim of adhering to best practices in the market. Such review may result in this Framework being updated and amended. Any future updated version of this Framework will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an external reviewer. The updated Framework, if any, will be published on Global Switch's website and will replace this Framework.