Eco Data Center

2023 Sustainability Report

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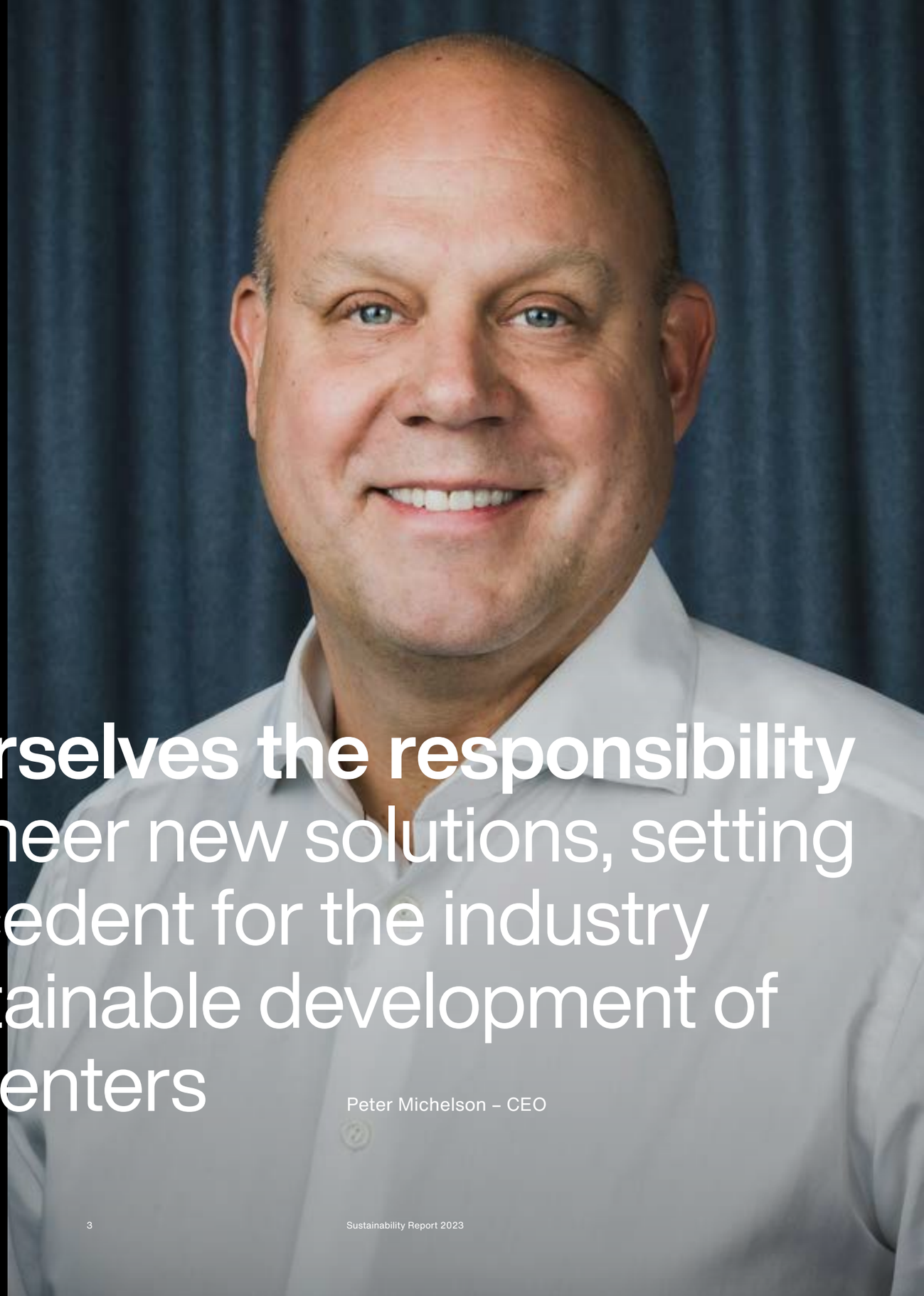


We have taken upon ourselves the responsibility to pioneer new solutions, setting a precedent for the industry in sustainable development of data centers

Peter Michelson – CEO

Foreword by the CEO

We live in a digitalized world that relies on digital infrastructure. Now, in the dawn of AI, we are witnessing the emergence of a new landscape — one that demands careful stewardship of society's resources. AI will exert pressure on our energy systems and challenge the way we design, construct, and manage data centers. We have taken upon ourselves the responsibility to pioneer new solutions, setting a precedent for the industry in the sustainable development of data centers. This is a source of immense pride for us.

Our new Sustainability strategy, aligned with our business plan, and the targets we have set ourselves will help us demonstrate our commitment. Our Sustainability strategy has three pillars.

Responsible digitalization. We are ensuring ethical business conduct, mitigating environmental and social risks in our supply chain, saying no to crypto, and ensuring transparency and compliance with laws and standards.

Reduce pressure on nature. We're aiming for net zero and will use less than 1% of fossil-based energy by 2028. We will keep sharing our waste heat and support the energy system. We will aim to discontinue our dependence on groundwater for cooling by 2028 and increase the share of recovered waste to 90%. We will find ways to minimize the negative impact on biodiversity.

Care for people. To support the local economy, we want to contract local workers for the construction of new sites. We minimize human rights risks through our value chain, we have set targets for diversity, and we respect parental leave, freedom of association, and collective bargaining according to The Swedish model.

Additionally, we recognize the importance of transparency in our journey. Sharing our progress and areas for improvement allows others to learn from our experiences. As a company, we believe that our ongoing efforts are already making a meaningful impact. With the publication of our inaugural sustainability report, we are not only showcasing our achievements but also outlining our future targets. There are still areas where we can improve.

Together, through collaboration and innovation, we are shaping a more sustainable future for AI and digital infrastructure.

Peter Michelson – CEO

Our belief

Digitalization is making the world a better place, improving the lives of billions of people, and enabling businesses to thrive. For digitalization to be possible, data centers are needed.

Data centers are now a crucial part of our global and local economies. While society today faces a host of major challenges. Digitalization is an important part of the solution, and it needs to be sustainable.

At EcoDataCenter, we aim to both enable and drive society's green transformation. We believe that this is achieved by pushing boundaries and adopting a different approach to how data centers fit into our societies. A data center possesses unique capabilities that assist those around it. If we were to design data centers to integrate seamlessly into the local community ecosystem, they would function differently and enable other industries to thrive even more.

Our history

2012. An idea is born. In March 2012, the idea of a circular system with the data center as the heartbeat started to evolve. The idea that we are only at the beginning of digitalization and that society needs to think about how data centers are to be built quickly gained pace. Together with the local Energy utility in Falun, we started to explore a data center in symbiosis with the pellets factory.

2014. Formal start. In April 2014, we finally formed the company ECODC AB. The idea, concept, and timing were finally right.

2019. Launch of EcoDataCenter 1. After years of hard work, we opened the door to our first facility in Falun.

2020. Signing with BMW. In 2020, we got our biggest proof of concept so far. BMW GROUP became our largest customer. Our thinking was also approved by the best minds in the business. At the DCD Awards our circular thinking on how the data center should function as one with society won the category "Best Design".

2021. AI has started to gain traction. We signed up with a world-leading AI company in DeepL. We also invested EUR 100 million and began building the expansion at EcoDataCenter1 focusing even more on the wooden structure.

2022. Scope 3 GHG reporting to customers and sustainability awards. We broke new ground when we, to the best of our knowledge, became the first data center to give customers a monthly report on their Scope 3 emissions. We were also recognized as the most sustainable data center companies in the world by Data Center Magazine.

2023. Together with WA3RM, we launch a partnership where our data centers will enable large-scale food production.

2023. We announce the project EcoDataCenter 2. One of the largest data center campuses in the Nordics. A unique project that will enable our clients to grow with sustainable capacity.

2023. We raise over EUR 600 million together with our owner Areim to supercharge our growth.

2023. Expansion of EcoDataCenter 1. Our campus in Falun will more than double its current capacity with a EUR 200 million investment.

2023. We win one of the world's leading companies as a client. Adding further insurance our design is validated by the top minds in the industry.

2023. Our client, DeepL, was recognized for having one of the world's largest computer clusters, which is hosted at EcoDataCenter 1.

Turning risks into opportunities

AI is on the rise

→→ Digitalization and data centers will come under increased scrutiny in the coming years. Communities and regulations are starting to put more and more pressure on data centers to show their value.

At EcoDataCenter we see this as an opportunity to show what a data center is and can be. By ditching energy-intensive cryptocurrency mining, building in wood, and reusing waste heat, and by designing as efficient data centers as possible. With the increasing demand for computing power, data centers are consuming more and more energy and are expected to use even more in the future. This, in turn, translates to a massive carbon footprint – especially for companies that rely on high-performance computing (HPC) and for those using AI.

We help our customers cut their GHG emissions, reducing the carbon footprint by up to 98% compared to a data center in central Europe (based on a German standard mix of power production). ←←

Located in the Sweden – a great opportunity

We are a Swedish company. We pay our taxes in Sweden, and we operate in Sweden. Therefore, we have unique capabilities. Sweden is known for its abundance of low-cost, renewable energy sources such as hydropower and wind power. Sweden also benefits from an abundance of water and a cold climate, making it a perfect location to harness these benefits.

These features help reduce the carbon footprint of the data center. In 2023, Sweden had one of the lowest electricity prices in Europe while being the second biggest exporter of energy in Europe (only behind France). Additionally, Sweden has a well-developed electricity grid that can support the large power requirements of data centers. This creates a win-win situation for both our business and our customers, as we can offer immensely competitive prices while still maintaining a low carbon footprint from operations.

Water is another key resource we have plenty of in Sweden. All our sites are located in the lowest risk areas according to the Aqueduct Water Risk Atlas. Even though climate change is making our winters shorter and summers drier and warmer, the climate in Sweden is relatively cold, so we don't need to cool the data centers as much as in many other places. Because of the cold climate, the excess heat from our data centers is a welcomed resource for heating buildings in the cold period.

Another advantage of being in Sweden is the country's political stability and access to a highly skilled workforce. This provides a level of security and predictability that is important for data centers. Additionally, by being in Sweden, we can provide a level of security and predictability that is important for data centers. We also naturally have a very low risk of natural disasters such as earthquakes, hurricanes, and flooding.

All these factors combined, together with our design and the way we build and operate EcoDataCenter, make it a cost-competitive and low-carbon alternative for our customers. ←←

Our Company

We are Swedish pioneers

EcoDataCenter is a private un-listed Swedish company that designs and operates data centers in Sweden. We are Swedish pioneers who aim to be the Nordic region's leading provider of low-carbon and secure data center solutions.

We are a growing company. The IT load is the energy that our customers use for their servers (and a tiny bit of it is energy used for our servers). During 2023 EcoDataCenter decided to more than double the capacity (18 to 40 MW) at the EcoDataCenter 1 facility in Falun.

All our clients rely heavily on the service that we provide. When choosing EcoDataCenter as their colocation provider, security, redundancy, and sustainability have been at the core of many of our clients' priorities.

From our sites in Falun, Stockholm, Piteå, and soon Östersund, our clients can serve their customers both in Sweden as well as both Europe and globally depending on their specific demands. The characteristics (such as latency, data sovereignty, full stack requirements, hardware configuration, rendering time, etc.) of their product decide both what market they serve as well as how often the client needs to interact with their hardware. We offer Remote-/Smart Hands services to support our customers or if they choose, they have their personnel either stationed on-site or visiting.

Reliable data center partnerships

Since our clients vary enormously in size, global presence, country of origin, and what service or product they provide the complexity of their organizations as well as their supply chain and the activities therein are a cross-section of modern businesses. Whether it is complex computations that are run, sensitive data that is stored, or the ability to provide services 24/7/365 from our data halls, having a reliable data center partner is considered a crucial part of our client's value chain.

Since we design and build our own data centers, our upstream supply chain activities can be described as more project-based than typical goods-producing companies. Rather than purchasing high volumes of raw materials to produce physical products, EcoDataCenter is characterized by sporadic purchasing of certain key items for its infrastructure which drives its core business of selling data center services. These seldomly purchased goods are purchased predominantly from Swedish suppliers and mainly include electronics, backup power generators and installations, and construction materials for new data centers.

We choose local

We choose local suppliers and contractors whenever possible. We purchase most of our construction materials such as wood, concrete, and steel from Sweden. We also buy installations when we buy new data centers such as generators, HVAC, pods, and other types of electrical equipment to keep the servers and data centers in the right temperature, humidity, and air quality. The equipment is typically manufactured in Sweden or Europe, following European standards. However, electronic equipment typically has complex supply chains and contains many different materials such as rare earth metals and other metals. We contract local construction companies when we are building our data centers. We also purchase large amounts of power and water.

More information about the supply chain can be found in the section "Our supply chain". EcoDataCenter's downstream value chain is characterized by its core business of selling data center services to customers in Sweden and globally. Additionally, EcoDataCenter also sells its waste heat from its data centers as an additional circular revenue stream.

Between 2022 and 2023, there were no significant changes in EcoDataCenter's core business activities, value chain, or supply chain although the construction of a new data center did affect the supply chain and procurement activities related to the selection of new contractors and suppliers.

Governance

EcoDataCenter was founded based on a vision of being the most sustainable data center company in the world. This means that sustainability has been embedded in our DNA, decisions, and business processes such as marketing, sales, design, procurement, and operations from the start. Over the last few years, it has become more formalized.

EcoDataCenter AB is a group of Swedish companies where each data center forms its own company under the umbrella of EcoDataCenter AB group, formally called EcoDC AB. Our headquarters are in Falun, Sweden. All operational sites are also located in Sweden. We have three other sites in addition to the headquarters, located in Stockholm, and Piteå. Our owners are Areim, an independent Nordic fund manager and property owner.

Corporate governance at EcoDataCenter is governed by the Swedish Companies Act, as EcoDataCenter AB is a Swedish limited liability company.

The board of directors

The board of directors is responsible for decision-making and overseeing the management of the organization's impacts on the economy, environment, and people within the framework of EcoDataCenter. The board is responsible for making strategic decisions, where sustainability impact and risks are embedded, that guide the company's direction.

The Board is ultimately responsible for EcoDataCenter, making all significant decisions regarding management agreements, sustainability strategy, objectives, policy documents, budgets, targets, risk limits, and reports.

The board is also responsible for appointing the CEO, who has the main responsibility for developing and updating the organization's purpose, value or mission, statements, strategies, policies, and goals related to sustainable development while the board of directors is responsible for its approval. EcoDataCenters' CEO is present during the board meetings.

The board oversees the organization's operations and steers the operations targets through ongoing reporting of KPIs (including sustainability KPIs) showing its impacts on the economy, environment, and people. Pre-defined KPIs are reported quarterly to the board. The Board gets relevant updates from the management team on the sustainability measures taken in the company and follows up on the quarterly reported KPIs. Certain additional reporting is done annually to the board (such as the employee satisfaction index).

To advance the knowledge and skills in sustainable development, the board has implemented regular meetings on ESG matters and regulatory issues to encourage employee development on sustainability topics. In addition, the board has introduced internal training courses on various topics.

The board was allowed to review and approve this sustainability report, including the material topics informing the sustainability strategy, objectives, and controls. →→ The board received a draft of the sustainability report. One week later, the limited assurance firm presented the results to the board.

Before a new member joins the Board, other engagements where there might be conflicts of interest are discussed and evaluated. Every board member is obligated to prioritize the interests of the company's shareholders. Should a conflict of interest arise, individual board members are expected to abstain from relevant discussions or decisions.

Conflicts of interest

Conflicts of interest are a natural part of all business and may arise in any situation towards stakeholders. The most important task for each board member is to objectively identify any conflicts of interest to be able to avoid them or prevent them, or if not avoidable to manage them appropriately. If a conflict of interest concerns a board member, this person will not take part in the decision. This ensures an impartial and fair decision-making process.

Before a new member joins the board, other engagements where there might be conflicts of interest are discussed, evaluated, and handled. Board members need to disclose any potential conflict of interest. Every board member is obligated to prioritize the interests of the company's shareholders. Should a conflict of interest arise, individual board members are expected to abstain from relevant discussions or decisions.

Disclosures such as related party transactions are done in the annual report, which the board signs. There is no cross-shareholding with suppliers for the board members.

The composition of the board

The Board comprises experienced industry leaders, representing different ages, genders, and nationalities. No minorities, stakeholders, or executives from the company are represented on the board. The board's competencies cover the Nordic real estate market, infrastructure, and private equity and capital markets as well as telecommunication, IT, and the data center market. Leif Andersson, the founder, and chairman of our owners Areim, serves as the Chair of the Board of EcoDataCenter. He does not hold a senior executive position within EcoDataCenter. Four men and one woman are on the board. Below is an overview of the board members, their experience, and commitments.

Leif Andersson

Significant commitments outside of EcoDataCenter
Leif Andersson is the sole founder of Areim and serves on the Board of Directors. He works actively with fundraising and transactions. Leif is also one of three voting members of the Investment Committee for Areim DC Fund as well as one of four voting members of the Investment Committee for Areim's flagship fund series.

Competencies
Has more than 30 years of experience in the real estate industry. Before founding Areim in 2003, Leif worked as the Head of Investments at AP Fastigheter.

Independence or dependence
Dependent

With the board since date
2019-09-13
2024-03-15 (Chair)

Erik Bertman

Significant commitments outside of EcoDataCenter
CEO Conscia full time role Chairman of Djursholms Country Club.

Competencies
25 years of experience and expertise in telecommunication and IT. Worked at EQT, E.ON, and COO at Microsoft Sweden

Independence or dependence
Independent

With the board since date
2023-07-06

Johan Dettel

Significant commitments outside of EcoDataCenter
Senior advisor to Areim. Voting member of the Areim DC Fund IC. Serving on the board at Iver.

Competencies
15 years of experience in private equity and capital markets, focused on the TMT sector. Most recently, Johan was a partner at EQT where he acted as an investment advisor to the EQT funds and as a board member in several investments, including Iver, IP-Only, Adamo and Epidemic Sound.

Independence or dependence
Dependent

With the board since date
2022-05-20

Therese Norling

Significant commitments outside of EcoDataCenter
Fund Manager for the Areim DC fund. Responsible for Areim's DC platform and the DC fund, including implementing its investment strategy and fundraising activities. Full time role.

Competencies
14 years of experience in financial markets and real estate. Worked at Nordea before joining Areim 10 years ago.

Independence or dependence
Dependent

With the board since date
2022-05-20

Alex Lukesch

Significant commitments outside of EcoDataCenter
Head of European Investments at Madison International Realty. Full time role.

Competencies
19 years of experience in financial markets and real estate. Before joining Madison, Alex worked at Lincoln Property Company and Corus Bank

Independence or dependence
Dependent

With the board since date
2023-07-06

Election of the board

The board is elected by an election committee and appointed by the shareholders during the Annual General shareholder Meeting, according to the Swedish Company Act (aktiebolagslagen in Swedish).

The principal owner reviews the types of competencies needed on the board. Based on this competency review, board members may be added or replaced. The board member selection process is guided by identifying competencies that facilitate the company's expansion. Areim, as the primary owner, proactively champions diversity, inclusion, and equality, ensuring equitable treatment for all employees irrespective of gender, nationality, age, or background.

The Board is evaluated by the shareholders of the company through the general annual meeting. If deemed in the best interest of the company, the shareholders will re-elect the board for an additional year during the Annual General meeting. However, members can be reelected earlier than the next AGM if there is a majority vote at an Extraordinary General Meeting (EGM) to replace one or several board members.

Evaluation of the board

The board is evaluated annually to ensure that it has the right skills for its responsibilities, which includes ensuring that the company reduces negative impacts on the environment from its activities.

The Board is evaluated by the shareholders of the company through the annual general meeting, AGM. The annual general meeting will decide on the discharge of the Board annually. If deemed to have acted in the best interest of the company, the shareholders will re-elect the board for an additional year. However, members can be re-elected earlier than the next AGM if there is a majority vote to replace one or several board members.

Remuneration of the board

Dependent board members are not remunerated for their seat on the board of directors. Independent board members are compensated at the market level for a company in the same industry and size. Members of the board who are not employees of the main owner get a remuneration package consisting of fixed compensation in line with the market for a company of the same size and industry. In addition to the fixed remuneration, board members who are not employees of the main owner are also offered the opportunity to invest in the company through an incentive program. No other remuneration is given to the members of the board.

The fixed remuneration for the board is decided upon at the general meeting by the shareholders. The fixed remuneration for the CEO is decided upon by the board. The fixed remuneration for the management team has been decided by the CEO. Each body holds the responsibility that the remuneration levels are kept at market levels.

Responsibilities for the Executive Managers

EcoDataCenter's CEO is responsible for and manages the day-to-day operations of EcoDataCenter under the Board's guidelines and instructions. The CEO is supported by the executive management team, a team that consists of nine members of which two are women. The executive management team has extensive experience in senior positions across technology, IT, finance, and real estate in both Swedish and international companies. EcoDataCenters executive management team is responsible for developing, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development.

The Management team is responsible for developing and approving all sustainable development strategies and targets. The strategies and targets that have been decided were finalized by management in February 2024 and anchored with the board of directors in March 2024. Sustainability is represented in the Executive management team by the CMO, heading up marketing and sustainability.

Management is directly involved with stakeholders to ensure that processes are followed and monitored. They adhere to a yearly planning cycle where key KPIs →→

→→ and projects are continuously monitored. As part of our management system and by ISO management standards, we conduct an annual Management review where sustainability topics are assessed, and annual environmental and other targets are established. The outcomes are aligned with the sustainability strategy and are evaluated based on predefined KPIs. Additionally, as part of our management system and ISO standards, we conduct Management reviews annually. Quarterly, the executive team conducts reviews, analyzing the current situation based on the set sustainability targets.

Remuneration is not linked to sustainability performance, but sustainability is deemed an integral part of the executive senior managers' work. We do not currently have a bonus scheme, but we offer executive managers the possibility to invest in shares in a long-term incentive program. All managers have fixed pay in the form of a monthly salary. All payments related to employee terminations are according to collective bargaining agreements, i.e. if the notice period is 3 months the employee is paid his/her monthly salary for 3 months. When employment ends, all outstanding vacation is also paid out. We do not currently have clawbacks. Retirement benefits are paid according to collective bargaining agreements.

All executive managers (senior management) are local, meaning they are based in Sweden around our significant locations (Stockholm, Falun, and Piteå). All are hired from the local community in our significant locations of operations, often close to the sites where they work. Roughly 50% of the executive management team is from around Falun and the rest are from the larger Stockholm area.

Sustainability Acknowledgments

During 2023 we received 2 acknowledgments of our sustainability performance:

We received an EcoVadis Gold medal in 2023

In 2023 EcoDataCenter received a UN Global Climate Action Award from the UNFCCC

Our material topics

Determining Material Topics

Material topics are the topics that matter the most to a company from a sustainability perspective, but also from a business perspective. They have two sides, so-called double materiality, where one is the impact that a company is causing on society and nature such as emissions of greenhouse gases or giving jobs. This is the inside-out perspective or how the inside of the company affects the outside. The other side of double materiality is the outside-in perspective, how issues on the outside can have an impact on the company – ultimately financially. This can for example be flooding or new legislation.

In this section, we present the process of determining our material topics, as well as an overview of the topics and related impacts, risks, and opportunities. The topics, targets, controls, and performance are then further elaborated in the three main sections Governance Responsible Digitalization, Environment – Reduce pressure on nature, and Social – Care for people.

Process to determine material topics

The process to identify our material topics from a sustainability perspective started with training on sustainability and a workshop in 2023. With input from the training, the employees discussed and identified issues for the company related to sustainability – where we do well, where we have a negative impact, and what we can do better.

We then went through various sources of information such as standards, associations such as the Climate Neutral Data Center Pact and UN Global Compact, the UN Sustainable Development goals, competitors, sustainability rating agencies such as EcoVadis, and customers' expectations to ensure we had identified relevant topics, targets, and requirements. Environmental impacts and risks are also assessed as part of our environmental and quality management system as external and internal issues, environmental aspects, impacts, risks, and opportunities. This information was also considered in the identification of our company's material topics.

The identified impacts, risks, and opportunities were assessed and prioritized by the management team, and from them, we identified our draft material topics.

We then collected feedback from our key stakeholders through interviews and asked them to rate our material topics according to their importance from their perspective. The stakeholders we interviewed were owners, partners, suppliers, municipalities, and employees. The topics we selected were deemed very relevant according to the stakeholders and got on average above 4 on a scale of 1-5. The most important topics according to our stakeholders were Ethics, anti-corruption, responsible business (5,0), energy use and energy efficiency (5,0), Legal compliance (4,9), and Climate impact (4,8).

We also asked our stakeholders about risks, opportunities, what we do well, and what we can do better including what other sustainability aspects are important to their relationships with us. During these dialogues, we identified a new material topic, Health, and safety for employees, through interviews with our employees and added that to the list. In total, roughly 60 people were involved in the materiality assessment, and 20 organizations' documents and websites were benchmarked to ensure we had captured the relevant issues and aspects.

We then assessed all impacts, risks, and opportunities to identify the significant ones and the material topics linked to them. We set a threshold for impact, opportunity, and risk based on the scale, scope, and remendability of the effects and the risk levels related to likelihood and financial impact. The significant ones with scores above a certain level are presented below in the table. Based on the severity and potential severity of our impact, risks, and opportunities, we defined our material topics. →→

→→ Our material topics have shaped our sustainability strategy, reporting, training programs, and controls that needed to be put in place.

Innovation and Technology were identified as material topics in the beginning, but as we worked with our materiality analysis, we realized that these aspects are rather prerequisites for everything that we do, and they were hence omitted from the final list. We also identified overlapping impacts, risks, and opportunities for the two topics Energy use and Climate impact, so these two topics were merged below in the presentation in the report.

We will gradually align with CSRD and the requirements on double materiality assessment in the ESRS. In 2023, we did the materiality assessment for the first time. It will be reviewed every year to ensure we capture changes in the company and outside of the company.

We will keep ensuring that we have a comprehensive understanding of the issues that are the most important to us, the world around us, and our partners so we can measure and work with them to make sure we do what matters the most to those we care about the most and where it matters the most.

List of material topics

When assessing our impacts, risks, and opportunities, we looked at the whole value chain. This list on page 22–23 contains our material topics which have informed our strategy including our targets to reduce negative impact and increase positive impact and plans to mitigate risks and leverage opportunities.

More about our impacts, risks, and opportunities and how we manage our material topics can be found in the later sections of the report.

Material Topic		Inside out Significant actual and potential positive and negative impacts	Outside in Key opportunities and risks	How we manage it
Social impact from use of data	⊕	Digitalization is an enabler for knowledge and sharing across the globe. We are indirectly helping society to develop through digitalization.		• We will continue working with customers who share our purpose of providing the benefits of digitalization. • We will develop a customer risk assessment process to minimize reputational risks related to customers and their data. • More on this topic: In the sections Our company and Digitalization for sustainable development (choosing our customers). Targets, metrics, and controls – Performance against targets found in the Governance Responsible Digitalization section. • Related GRI standards: GRI: 2-6 Activities, value chain and other business relationships GRI 202 Market Presence 2016.
	⊖	There is potential negative impact from use of the data that is stored on our site if we choose high risk customers.	There are reputational risks related to our customers and to the data they store or compute in our data centers. Customers' risks are also our partners' risks, for example suppliers, municipalities, and owners.	
Ethics and responsible business	⊕	No crypto currency showing integrity and being a role model for other companies in the sector since crypto currencies use a lot of energy and data center capacity.	Opportunity to gain access to powered land by being a local company with high ethical standards. This is valued highly by our stakeholders such as municipalities and can give us access to powered land which is a prerequisite to grow and develop the company.	• We will develop an Ethics program including training in ethics and anti-corruption. • Our Code of Conduct will be signed by our suppliers. • We will follow up regularly on our sustainability targets and assign ownership as well as setting plans for how to reach them. • More on this topic: In the chapter Governance and in the Governance Responsible digitalization section in the chapters Responsible business, Bribes and anti-corruption, Remediation and Grievance mechanisms etc. Targets, metrics, and controls – Performance against targets found in the Governance Responsible Digitalization section. • Related GRI standards: GRI 205: Anti-corruption 2016, GRI 206: Anti-competitive Behavior 2016, GRI 2 General disclosures.
	⊖	Potential negative impact on the economy if we don't act responsibly with regards to corruption and bribery.	Risk of not getting access to powered land and keeping agreed effect from the power grid being a large power consumer if not acting responsibly as a company. Risk of not meeting sustainability targets.	
Compliance with legislation and standards – New sustainability legislation and requirements	⊕	New sustainability regulations across Europe and globally help data centers become more sustainable.	Opportunity to win customers because of our security and IT security practices.	• We have already started implementing the processes needed to report according to CSRD and we will keep adopting the principles of legislation and frameworks even when it does not legally apply to us if we think it improves our performance. • We see CSRD, the supply chain transparency legislation and other legal and voluntary initiatives as a chance to improve. We believe it also strengthens our competitiveness when the bar for what is a sustainable data center is raised. • We acknowledge that positioning around sustainability can be risky from a reputational perspective. However, we will keep inspiring our competitors and other stakeholders with sustainability and the only way is to communicate how we do this – with proper scientific back up for any claims we make. • We will keep working to ensure top security on our sites. • More on this topic: In the Responsible business chapter, in the chapter About this report. Targets, metrics, and controls – Performance against targets found in the Governance Responsible Digitalization section. • Related GRI standards: GRI 418: Customer Privacy 2016. GRI 2 General disclosures.
	⊖		Risks related to new legislation. Risk of not having processes in place to comply with new legislation. Risk of greenwashing If we position around sustainability, we need proof for every claim.	
Supply chain risks and impact on environment and human rights	⊕		Opportunity since we use local contractors with collective bargaining agreements and collaboration with unions and no guest workers. Many of our suppliers are located in Sweden where Swedish legislation applies.	• We will keep working with local contractors and suppliers whenever possible. • We will strengthen our supplier onboarding process with further sustainability requirements. • We will continue to work closely with our critical suppliers and develop and deploy our Supplier sustainability program to reduce the negative impact in our supply chain. • More on this topic: In the section about Supplier Sustainability. Targets, metrics, and controls – Performance against targets found in the Governance Responsible Digitalization section. • Related GRI Standards: GRI 204: Procurement Practices 2016, GRI 308: Supplier Environmental Assessment 2016, GRI 408: Child Labor 2016, GRI 409: Forced or Compulsory Labor 2016, GRI 412: Human rights assessment 2016, GRI 407: Freedom of Association and Collective Bargaining 2016, GRI 414: Supplier Social Assessment 2016.
	⊖	Social and environmental negative impact and potential negative impact in the supply chain beyond our tier one suppliers. We buy a lot of electronics, known for complex supply chains and use of many metals. This negative impact may be forced labor and child labor as well as pollution further up the supply chain, as shown from studies.	Reputational risks if suppliers are not managing environmental and social aspects well in their supply chains.	
GHG Emissions & Energy use	⊕			• Targets on 99% fossil free energy. We will phase out the use of fossil fuels from our operations. • We purchase 100% renewable electricity. • Plans for PPAs. • Climate-related transitional and physical risks in the value chain will be assessed further. • We will keep developing business models where we use energy in a circular way – sharing the waste heat with surrounding communities and partners. • We will investigate how we can further be an energy hub in society. • More on this topic: In the Environment Reduce pressure on nature section, in the chapters Our Energy use, Our GHG Emissions, Towards Net Zero, and Climate risks. Targets, metrics, and controls – Performance against targets found in the Environment – Reduce pressure on nature section. • Related GRI Standards: • GRI 302: Energy 2016, GRI 305: Emissions 2016
	⊖	Use of large quantities of electricity. Use of diesel for backup.	Risks related to power availability and reputation related to using power being a large power consumer (transitional climate risks). Risks related to ground water use related to climate change,	

Water use	⊕	We are strengthening the water infrastructure by connecting surface water from a lake to Falun enabling secure water supply for the city in case of water scarcity.	Sweden is a place with low water scarcity, ideal for data centers. In the places where all our sites are located (Piteå, Falun and Stockholm), the water risk is 0-1 low according to Aqueduct Water risk Index meaning that we can reduce energy use through use of cooling water.	• We will only use surface water for cooling in our permanent sites by 2028, this means phasing out the use of potable ground water for cooling making us more resilient to climate change. • We will replace use of ground water in Falun with surface water. • We are reusing water where we have water cooling. • More on this topic: In the chapter about Water in the Environment section. Targets, metrics, and controls – Performance against targets found in the Environment – Reduce pressure on nature section. • Related GRI Standards: GRI 303: Water and Effluents 2018
	⊖	Use of ground water for cooling, the impact might get worse with climate change.	Risks of water use related to low ground water levels when we need water the most during July-August. Water scarcity will increase with climate change.	
Generation of waste	⊕		Opportunity for helping our customers give their servers a secure second life when replacing them.	• We have a target to recover 90% of our waste, including construction waste. We will keep monitoring our waste and develop waste reduction programs. • More on this topic: In the chapter about Circularity in the Environment section. Targets, metrics, and controls – Performance against targets found in the Environment – Reduce pressure on nature section. • Related GRI Standards: GRI 306: Waste 2020
	⊖	Use of materials and generation of waste during construction. Downstream generation of e-waste.		
Biodiversity	⊕		Opportunity to increase biodiversity on our sites or off site.	• We will assess our biodiversity impact and set a biodiversity target by 2025. • More on this topic: In the section on Biodiversity. Targets, metrics, and controls – Performance against targets found in the Environment – Reduce pressure on nature section. • Related GRI Standards: GRI 304: Biodiversity 2016 (omitted because of lack of information, new material topic)
	⊖	Impact on biodiversity from power use. Potential negative impact upstream in our supply chain.	Risks related to site selection related to biodiversity	
Local communities & Employees	⊕	Contracting Swedish contractors means giving back to the local society. Helping society develop locally and learning about datacenter construction, IT, power, and operations. Offering apprenticeships.	Opportunities for further development of rural areas in Sweden when we establish our data centers. Opportunity to grow, being a Swedish company with local executive management team, employees, and contractors, being from Sweden knowing the cultures, legislation etc.	• We will continue our dialogue with stakeholders such as the local authorities and the local communities but also to further share our ideas about the data center as part of the ecosystem of infrastructure. • We will keep working with our partners to ensure industrial symbiosis and circular business models. • More on this topic: In the chapters about Supply chain Sustainability, Impact, Infrastructure investments, and Local commitment, Stakeholder engagement. Targets, metrics, and controls – Performance against targets found in the Social Care for People section. • Related GRI Standards: GRI 413: Local Communities 2016, GRI 204: Procurement Practices 2016, GRI 408: Child Labor 2016, GRI 409: Forced or Compulsory Labor 2016, GRI 412: Human rights assessment 2016, GRI 414: Supplier Social Assessment 2016, GRI 308: Supplier Environmental Assessment 2016
	⊖	Potential negative social impact from contractors' guest workers is a risk, according to stakeholders.	Risk of not getting social acceptance for new sites in the local communities. Risk of societal push back for data centers with the AI boom.	
Attraction and retention of talent	⊕	Satisfied employees, according to employee survey.		• We will continue our efforts to stay an attractive employer for existing and new talents. • We have set gender diversity targets for our company and our ambition is to increase the share of women on leading positions. • More on this topic: In the chapter about Diversity and Working conditions. Targets, metrics, and controls – Performance against targets found in the Social Care for People section. • Related GRI Standards: GRI 401: Employment 2016, GRI 402: Labor/Management Relations 2016, GRI 404: Training and Education 2016, GRI 405: Diversity and Equal Opportunity 2016, GRI 407: Freedom of Association and Collective Bargaining 2016
	⊖	Few women in the company, low diversity in general.	Risk for the company if we cannot attract and retain talent and employees from a diverse pool of talents. Risks if we grow as a company without a workforce that is trained in sustainability and other topics important to use as a company. Risk of not attracting women if gender diversity is too low.	
Health and safety	⊕			• We will implement ISO 45001 to better work proactively with health and safety. • Work environment management is an integrated part of our work and the decisions we make. Creating and maintaining a healthy and safe work environment is a high priority. EcoDataCenter's health and safety manual describes how we work to create a good and safe working environment. • More on this topic: In the section on Health and Safety. Targets, metrics, and controls – Performance against targets found in the Social Care for People section. • Related GRI Standards: GRI 403: Occupational Health and Safety 2018
	⊖	Health and safety incidents.	Risk of incidents related to health and safety such as injuries and stress.	

Our sustainability strategy

We want to inspire

Digitalization and AI are increasing the pressure on the environment and society. Datacenters are the backbone of digitalization, and we have decided to be frontrunners when it comes to practices bringing social value and minimizing harm to nature.

We want to inspire our peers, customers, and suppliers to reduce the environmental impact of digitalization. We want to push the standards for reducing environmental impact from data centers. We want to build data centers that help the local communities where we operate to thrive, using renewable energy and surface water to store or compute information.

Together with our stakeholders, we have identified where we have actual and potential negative and positive environmental, social, and economic impacts as well as financial risks and opportunities related to sustainability. These material topics have informed our sustainability strategy and targets. We have set targets to protect our planet, to protect people across our value chain, and to ensure responsible governance of the company and how we do business.

Based on our material topics and aligned with our company's strategy and business plan, we have developed a Sustainability strategy with targets for the environment, governance, and social aspects of our business. The material topics and the sustainability strategy were developed in 2023 and all employees were offered to give input, as well as other external stakeholders and they were approved by the board early in 2024.

Our new Sustainability strategy, aligned with our business plan, and the targets we have set ourselves will help us demonstrate our commitment. Our Sustainability strategy has three pillars.

Responsible digitalization

We are ensuring ethical business conduct, mitigating environmental and social risks in our supply chain, saying no to crypto, and ensuring transparency and compliance with laws and standards.

Reduce pressure on nature

We're aiming for net zero and will use less than 1% of fossil-based energy by 2028. We will keep sharing our waste heat and support the energy system. We will discontinue our dependence on groundwater for cooling by 2028 and increase the share of recovered waste to 90%. We will find ways to minimize the negative impact on biodiversity.

Care for people

To support the local economy, we want to contract local workers for the construction of new sites. We support local development by having apprenticeships, and we want to minimize human rights risks in our operations as well as in our value chain through our supplier sustainability program and customer risk assessment process. We have set targets for diversity, and we respect parental leave, freedom of association, and collective bargaining according to The Swedish model.

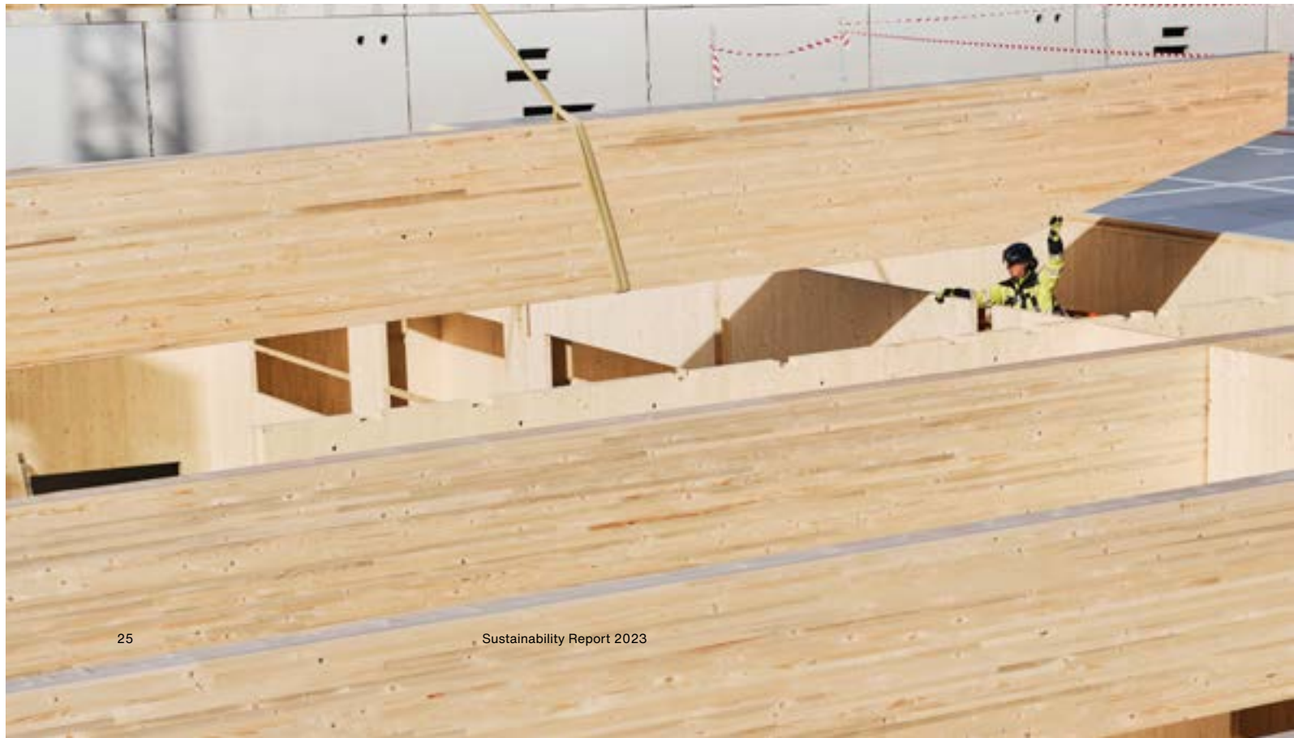
Transparency is key to credibility and credibility is the currency of sustainability. We will measure and disclose our sustainability performance on our website, in the present and future annual sustainability reports, and on the CDP reporting platform. →→

→→ Since the company was founded, sustainability has been part of everything that we do, how we think, and the decisions we make daily. With our new strategy, this work will become more strategic, formalized, and long-term. Since the strategy was formally decided in 2024, we have not yet finalized all ownership and roadmaps. However, various sustainability targets and controls will be embedded into our company's processes, and ownership throughout the organization will be set. The targets will be followed up regularly in the executive management team as well as in other teams. The work and ownership sit with the executive management team and are delegated to the company's managers, processes, and operating procedures in the data centers. To address our value chain outside of our operations, we will deploy a supplier sustainability program. We will also develop a risk assessment process for potential customers.

To integrate the sustainability strategy, with its risks, opportunities, impacts, KPIs, and controls, we will see how we can plug in these separate processes into existing company processes such as procurement, enterprise risk management, and the ISO processes of management review, target setting, etc. The action plans and performance review of the targets will be done as part of the management review, an essential part of our work according to our management system and the ISO standards 9001 and 14001. Part of being certified with ISO standards is an internal audit of the effectiveness of actions, targets, and controls, as well as regular external audits. The performance is also visualized in our sustainability reporting system and the annual sustainability report.

Throughout the sustainability strategy development, the entire staff, along with the management team, actively participated in creating an understanding of how the targets will affect the company and my role as an employee.

As part of our onboarding process for new employees, we will make sustainability training mandatory for all new and existing employees.



Stakeholders' expectations related to our material topics

Material topics	Stakeholders' expectations	Our targets and plans
Social impact from use of data	• Innovation and technology a driver for sustainability • No crypto currency • Low-risk customers and suppliers • Partnerships with suppliers • Zero corruption programs • Compliance with new legislation	Innovative or circular use of energy in all our data centers ** through co-creation with partners
Supply chain risks and impacts on environment & human rights		Zero crypto currency**
		Customer risk assessment
Ethics & Responsible business		Zero tolerance for unethical behavior
Compliance with legislation and standards		Compliance with new legislation and frameworks, EU Taxonomy, GRI, CDP, ISO 14001, ISO 45001, Eco Vadis
		Supplier sustainability program for critical suppliers 2025
Energy use	• Low PUE – energy efficiency • Renewable energy • Low CUE – carbon intensity • Climate risk awareness – future risks • Water awareness – future risks • Waste targets • Biodiversity programs	More than 99% Fossil free operations
GHG Emissions		-70% carbon intensity CUE
		Refrigerants below GWP 675
		Help our partners avoid 200 t CO2e per year by selling waste heat
		Set Scope 3 targets
Water use		Climate risk assessment
		No permanent use of ground water for cooling
Waste		Support local water infrastructure where we have water cooling
		Minimum 90% recovered waste by 2028 (incl. Construction waste)
Biodiversity		Offer E-waste take back programs to our customers
		Map biodiversity loss and compensate on site and offset by 2025**
Local communities and stakeholders	• Ensure local employment, development and social acceptance • No guest workers • Physically and mentally safe work environment for employees and contractors • Diversity ambition	Local contractors and suppliers for all our sites
Attraction and retention of talent		Strengthen the local communities and data center construction capabilities by working with local suppliers, universities and schools. Apprenticeships in operations and in all our sites during construction.
Health and safety		ISO 45001 certified by 2025
		Customer & Employee satisfaction above 80
Diversity		70% Men 30% Women in the leadership team and managerial positions by 2028
		80% Men 20% Women in the company by 2028

Governance **Responsible Digitalization**

We promise to keep innovating and using our technology to push the bar for a more sustainable digital ecosystem with a lower negative impact on the planet, and more value to society.

Our ambition is to be the most competitive, reliable, secure, ethical, and sustainable data center services on the market. We promise to secure the customer's data at a competitive price with excellent customer service. We demonstrate transparency and have zero tolerance for unethical behavior across our value chain and we stay away from cryptocurrency and keep finding partnerships with customers and other stakeholders who share our values.

We monitor, assess, and comply with the requirements required by our stakeholders. We are located in Sweden, one of the countries with the most stringent environmental and labor laws where workers' rights and participation are natural. We are certified with ISO 9001, 14001, and ISO 27001, and this helps us systematically, and continually improve our practices and performance.

Targets, metrics and controls – Performance against targets

Below are the targets, metrics, and controls where we track performance. Various stakeholders have been involved in shaping the strategy and related targets, such as our owners, municipalities, employees, and banks. Since the targets were set in 2024, we cannot evaluate the effectiveness of the actions.

Material topic	Target, KPI or controls	2023	2022	Trend	Comment
Social impact from use of data	Zero tolerance for crypto currency activities	Yes	Yes		
Social impact from use of data	Implement a customer risk assessment process by end of 2025	N/A	N/A		Risk identified in 2023
Supply chain risks and impacts on environment & human rights	Implement a supplier sustainability program for critical suppliers by end of 2025	Pilot deployed	N/A		Pilot started in 2023
Ethics & Responsible business	Zero tolerance for unethical behavior in own operations and value chain				Identified need to improve competence and awareness in the organization
Ethics & Responsible business	Number of confirmed corruption incidents	0	0		
Ethics & Responsible business	Number of confirmed information security incidents	0	0		
Ethics & Responsible business	Security incident with impact for customers	0	0		
Ethics & Responsible business	Information security incident with impact for customers	0	0		
Ethics & Responsible business	Internal information security incident – access to our data	0	0		
Compliance with legislation and standards	Deploy annual sustainability training for all employees beginning in 2023	Training and workshop conducted.	N/A		
Compliance with legislation and standards	Third-party validation of our sustainability data and performance through for example EcoVadis, CDP, and ISO 14001 certification				First EcoVadis assessment – we won a gold. Sustainability report launched according to GRI standards and subject to a limited assurance. Implemented a sustainability reporting system to follow up on sustainability data. Reported progress to UN Global Compact.

Responsible business

We do business responsibly

We want to be a role model and a sustainable business partner which includes environmental stewardship, safe and healthy working conditions, and high ethical standards. We comply with the ten principles of the UN Global Compact deriving from the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. We contribute to and support UN SDGs and we do business responsibly. This is shared with all new employees in the Staff Handbook and our Code of Conduct.

We aim to conduct due diligence with our business partners, and we apply the precautionary principle meaning that if something we do can cause harm to the public or the environment, the policy or action in question should not be carried out or be done differently. Some examples of where we have applied this in the design of our data centers. For our next data center, we have altered the design of cooling to avoid traditional refrigerants. We have also changed the fire extinguishing gas for our future data centers to one that does not contain PFAS.

Our Code of conduct, sustainability policy, strategy, and targets have been approved by our Executive Management team.

Our core values

Our core values guide how we act and make decisions in our everyday lives. They describe what we stand for, how we work, what we can achieve, and how we want to be perceived.

- **Engaged:** We engage ourselves to make the most of every situation and opportunity. With positive energy, we make things happen.
- **Responsible:** By being responsible, we build long-term relationships.
- **Attentive:** We have a keen sense and are receptive to signals that require our action.
- **Innovative:** We are driven to exceed our own and our customers' expectations

Our Code of conduct

EcoDataCenter's code of conduct clarifies how we should behave in everyday life – as individual employees as well as business partners, employers, and social actors. Our code of conduct applies to all employees, consultants and contractors, board, and other partners, and contains the minimum requirements for us. The code of conduct ensures that our business is ethical and complies with legislation and other rules, ensures financial statements and other types of communications are correct, and protects the company's assets and immaterial rights.

All new employees and contractors sign the Code of Conduct. Everyone is responsible for complying with our code of conduct. The managers are responsible for ensuring that it is known by the employees who are reporting directly to them.

Legal compliance

EcoDataCenter is committed to adhering to the laws and regulations applicable to our operations. We engage solely in business activities that align with legal requirements and agreements and are by our code of conduct. We do not involve ourselves in any activities that we cannot openly endorse or disclose, and we do not make business decisions based on personal interests or relationships.

To make sure that we comply with and find information on new and updated laws and regulations, we subscribe to a third-party service. A review of upcoming changes in laws and regulations takes place twice a year. We are going through the new legislation in the Management review, and we're externally audited to ensure this process is followed, to keep our ISO certificates.

During the reporting periods of 2022 and 2023, no instances of non-compliance with laws that resulted in administrative or judicial sanctions and fines were committed by EcoDataCenter.

EU Taxonomy, CSRD and new legislation

We have identified the new legislation from the EU to pose a risk and an opportunity for us as a company. Some legislation will apply to us earlier, being a company in an Article 8 fund according to the Sustainable Finance Disclosure Regulation, SFDR. We have started implementing parts of CSRD inspired by the double materiality assessment to future-proof our reporting. We also implemented a new reporting system for sustainability reporting, to increase transparency and traceability of our sustainability data. In 2023, we reported according to the EU Taxonomy to our owners, because they fall under SFDR. To increase our share of Taxonomy-aligned activities, we have identified areas of improvement such as certifying with the standards and investigating the feasibility of replacing refrigerants with low-GWP ones below 675.

Trusting relationships

EcoDataCenter aims to build trusting relationships with customers, suppliers, and contractors and therefore follows the procurement and sales rules established within the company. We do not engage suppliers or contractors if we are aware that they have disregarded their obligations towards business partners or employees, violated laws, regulations, or agreements, or have unclear ownership structures.

We treat our own and our customers' and partners' information with care and we do not disclose information that we are not allowed to and that can harm us or our partners or give us unfair benefits on the market.

Bribes and anti-corruption

Bribes, hidden commissions, anti-competitive behavior, or any other illegal or unethical advantages are not permitted. EcoDataCenter employees must not participate in any form of cooperation or engage in any actions that could be perceived as anti-competitive, according to our Code of Conduct. EcoDataCenter supports international efforts to combat money laundering and takes its legal obligations seriously.

During the reporting period 2022-2023, to the best of our knowledge, no instances of corruption, anti-competitive behavior, or otherwise unethical behavior were committed by EcoDataCenter.

Risk assessments of anti-corruption

In our enterprise risk process, we have not identified any significant risks of anti-corruption related to our operations or our value chain activities. However, we acknowledge that this may be an underestimated risk when working with large contracts, construction, and public officials.

In our assessment of sustainability-related risks, we have identified the overall area of anti-corruption as a risk for our company. However, we have not assessed the share of our operations that is subject to corruption risks. We have also identified the need to train people in this area since we have not had any formal and recorded training on this in the company.

We have identified a need to improve our processes to minimize potential risks. This is also a target in our new sustainability strategy, to deploy a program. We will further identify and assess risks related to this area, and we will roll out a program containing training and procedures to address risks related to business ethics in the coming years.

Anti-corruption policy

Anti-corruption and anti-competitive behavior are regulated by our Code of Conduct, communicated to our business partners and on our website. All our employees are responsible for complying with our code of conduct. All managers are responsible for ensuring that it is known, understood, and complied with, by their employees. All new employees and recently assigned contractors read and sign the Code of Conduct.

All signed copies of the Code of Conduct are stored in our digital HR system.

Conflicts of interest

Our Code of Conduct describes how to manage conflicts of interest when an individual or the entity for which they work is confronted with choosing between the duties and demands of their position and their private interests. We choose to be transparent about how we conduct our business while protecting our business assets and the privacy of individuals.

We do not engage in activities that we cannot openly support or account for, and we do not make business decisions based on personal interests or relationships. Bribes, hidden commissions, or other illegal or unethical favors are not allowed. EcoDC employees shall not engage in any form of collusion or otherwise act in a way that could be perceived as anti-competitive.

Audits and Internal controls

The financial auditor assesses EcoDataCenter's financial records, its yearly statement, and sustainability report. The financial audit is performed per the Swedish Companies Act, the Swedish Annual Accounts Act, the International Standards on Auditing (ISA), and accepted auditing norms in Sweden. The management of the Board and the CEO presents an audit report at the Annual General Meeting.

Internal controls are managed via our management system. The system consists of defined policies, guidance, and routine descriptions, as well as customer agreements, laws, and regulations that are followed on a day-to-day business. The management system is certified according to ISO 9001, ISO 14001, and ISO 27001.

Digitalization for sustainable development (choosing our customers)

Digitalization, much like electricity or roads, is a neutral infrastructure that holds no inherent moral value. Its impact depends on how we utilize it. At our core, we advocate for responsible and sustainable resource management, refraining from supporting industries that harm the environment or society. Instead, we implement sustainable practices across all our operations. Our commitment to offering a sustainable and conscientious solution for businesses seeking data storage and management sets us apart.

While we strive to construct our data centers in the most sustainable manner possible, it is crucial to pair this with meaningful purposes to benefit society. This is why we actively collaborate with esteemed customers such as DeepL translation services, the University of York, and Green AI leveraging digitalization for positive societal impact.

Cryptocurrencies

At EcoDataCenter, we are committed to sustainability and ethical business practices. For this reason, we have made the decision not to engage in any activities related to cryptocurrency. Cryptocurrency mining uses a large share of the energy consumed by data centers in the world and has a significant carbon footprint. It also raises ethical concerns related to the potential for illegal activities and lack of regulation. We understand that this decision may not align with the views of everyone, but we stand firm in our commitment to sustainability and ethical business practices.

Supply chain sustainability

Upstream sustainability challenges

Environmental and social risks in our supply chain are one of our material topics. We deem the environmental and social risks from our tier-one suppliers to be limited, but further up the supply chain there are risks related to the environment and people.

As a company, it is naturally very difficult to know the social and environmental impacts across the whole supply chain, especially higher upstream in the supply chain for the electronic equipment we put in our data centers and building materials for our new constructions. Potential negative social and environmental impacts can come from further upstream in the supply chain, such as from the mines where the metals we use in our data centers are extracted. There are several known cases of forced labor, child labor, and environmental negative impacts from mining, and we have little knowledge about all materials in the components purchased by our direct suppliers for complex products. Building new data centers with electrical installations, our contractors also face health and safety risks.

Since suppliers' environmental and social risks and impacts are one of our material topics, we will further strengthen our supplier assessment process going forward, through our Supplier Sustainability program which we piloted in 2023.

Supplier qualification

To ensure that the evaluation and selection of our tier 1 suppliers are controlled and documented, we follow our supplier qualification process. The evaluation of our suppliers is managed and documented in our supplier management tool. According to our procurement process, new suppliers undergo financial due diligence control, and we ensure that they meet the technical criteria for the service or product they supply.

Critical suppliers are those with high spend, single source suppliers, or suppliers deemed to have a strong impact on quality or on the environment. All critical suppliers undergo further assessment. Besides meeting our financial and technical criteria, they need to have both quality and environmental management systems in place, and be certified with ISO 9001 and ISO 14001. For suppliers and contractors, we do not require collective bargaining agreements, but we ask for similar agreements and require them to follow Swedish law whenever working on our sites.

We did not use social screening criteria for any new critical suppliers in 2023, since our top 90% suppliers were already existing partners where only environmental screening criteria had been used.

Supply chain risks and impacts assessed for the top 90% of suppliers

We have identified a need to better assess and document the sustainability performance of both our direct suppliers and their supply chains. We also see strengthened legislation coming up on supplier sustainability, and there is also a risk of future non-compliance if we don't address this.

We have done desktop environmental and social assessments of our 2023 top 90% spend suppliers and contractors. The assessment contained direct risks and impacts from the suppliers or their services such as risks related to the companies that are selling products to us or for example construction activities on our sites, as well as indirect environmental and social impacts and risks such as environmental risks or known negative impact in their supply chain from the products we purchase.

The highest risk or impact was found for safety in construction and electrical →→ installation work. Since we work on long-term contracts closely with our suppliers, we bring this topic up regularly. The topic is also high on our contractors' agenda.

The assessment of our 86% spend suppliers also showed risks in our suppliers' and contractors' supply chain. However, in our suppliers' supply chain, we have deemed some environmental risks and impacts to be medium, for example, related to electronics and construction materials.

There is a negative environmental impact on almost everything that is produced. One way of reducing the environmental impacts from our supply chain is by choosing suppliers with strong sustainability performance.

Of the 7 assessed suppliers covering 90% of our 2023 spend, one of them have been identified as having an overall significant potential or actual negative environmental or social impact scores in their own operations. The potential negative impact from our contractor for construction works, was deemed to have a significant potential risk related to health and safety because of the nature of the work on a construction site, however, health and safety practices are in place. We also understand that our suppliers and contractors may have impacts also in their upstream supply chains. None of the current suppliers received any formal requests for improvement actions from EcoDataCenter during 2023, apart from the regular alignment meetings and feedback between us and our contractors. No supplier partnerships were terminated during 2023 related to suppliers' negative environmental or social impacts.

Based on the assessment of our top 86% spend suppliers, we think that our top suppliers' sustainability performance is very strong, especially for those with higher impacts and risks, but we also see a need to further collaborate to address negative impacts in their supply chain.

Assessment of suppliers' supply chains

To better understand and address our suppliers' environmental and social impacts, risks, and opportunities, we have started a pilot with supplier dialogues and by sending out a self-assessment questionnaire. In 2023, we had dialogues with two suppliers including their sub-suppliers, to understand how well they know their supply chains. This was done in several meetings and by piloting our self-assessment with environmental and social criteria.

The assessment contains questions about the companies, how they address risks and negative environmental and social impacts in their operations and supply chains, and if they have third-party verifications of their performance. We also reviewed one of our suppliers' GHG accounting maturity and decarbonization plans through the interactions. In 2024, we will further develop our supply chain understanding and performance through our new Supplier sustainability program.

Improvements in the supply chain

Life cycle assessments (LCAs) of our data centers show that more than 60% of the embodied carbon in our data centers comes from the equipment. In our LCAs, we identified that backup generators are a large contributor to embodied carbon emissions, representing roughly 40% of the embodied carbon related to equipment in the data centers. Diesel generators are large, and they contain a lot of metals. One of the supplier dialogues we had in 2023 was with one of our suppliers of generators. To understand their environmental impact, they are doing LCAs of their products to bring more visibility into the environmental hotspots of their products. We have had several meetings to share knowledge and exchange ideas with them in 2023.

The main source of emissions in our operations is from the diesel used in testing our backup generators. To further reduce the environmental impact of backup power, we have also worked closely with Neste to ensure that we can move away from diesel and use fossil-free HVO in our backup diesel generators. "Om allt annat fallerar – då litar vi på HVO100 och våra Rolls-Royce generatorer för att säkerställa driften av datacentret." | Neste

Climate control equipment is also a key driver for embodied carbon in our data centers. Eco Data Center was the first data center company to utilize Alfa Laval heat exchangers that use SSAB Zero™ steel. The introduction of Alfa Laval heat exchangers made using SSAB Zero™, recycled and emission-free steel, is a step forward in EcoDataCenter's mission to reduce emissions within the supply chain.

Our steel pipe manufacturers' products have a 50% lower carbon footprint than the global average because of their extensive work in decarbonizing their operations, and thanks to using a large share of recycled steel.

Low risks for child labor and forced labor

We and our contractors on our site follow Swedish legislation on child labor and forced labor, which has been prohibited for almost 100 years. According to Swedish Work Environment legislation, child labor is not permitted in Sweden, and work for people below 18 is regulated. However, there is a risk of child labor and forced labor in our upstream supply chain since we purchase electronic equipment with complex value chains. We have not yet identified any significant negative environmental or social violations from any of our suppliers. →→

→→ Since our operations and direct suppliers are all located in Sweden, the risks of child labor or forced labor are generally very low. Despite this low level of risk, there are still processes in place in case any such human rights violations are identified. If any cases of child labor or forced labor are identified among our tier-one suppliers, we have a crisis plan to manage this.

De-risking the supply chain by choosing local suppliers.

One way to de-risk our supply chain is by carefully selecting our contractors for our significant locations of operation in Falun where we build new data centers. We strive to use local construction partners contractors, and local suppliers, whenever possible because we want to support the local economy in the communities where we operate, ideally companies in the same city or county. The bulk of our spending on suppliers is for the construction of new data centers, including the installations in the data centers, construction worker contractors, and the wood we use to build the data centers which is locally sourced.

Our significant locations of operation are our headquarters site and data center sites, which are all located in Sweden.

Most of our capital expenditures come from the construction of new data centers. More than half, roughly 60% of our capital expenditure is spent locally on companies in the same region of Sweden as our data centers are built. Another ~12% is spent locally on Swedish companies with headquarters and operations in Sweden. Therefore, roughly 80% of our annual capital expenditure is spent locally on companies located in Sweden, and roughly 20% of our capital expenditure is spent on Swedish companies headquartered globally outside of Sweden. Notably in 2023, our top 10 suppliers by spend, accounted for 90% of our annual capital expenditure.

Laying the foundation for next generation of district heating

Suppliers

Purchase	Supplier sustainability impact, risks and controls	Supplier sustainability committments	% of 2023 spend
Construction works (Local supplier)	The average environmental and social risks and impacts related to the supplier and its supply chain are deemed medium (2/3), safety being one high risk in construction. We have regular dialogues on environmental topics and safety with the contractor. They are reporting sustainability data regularly to us.	The supplier has a commitment to become climate neutral by 2030. They have a long experience of LCAs and sustainable constructions with wood. The supplier has a collective bargaining agreement and works closely with trade unions as most companies in Sweden. They have an anti-discrimination policy and work to promote equality in the construction sector. The supplier also works with local sub-suppliers, and it is largely part of the company's policy. They offer apprenticeships and collaboration with schools. Purchased goods for our data centers is also included in the expenditures.	40,6
Power utility (Local supplier)	The average environmental and social risks and impacts related to the supplier and its supply chain are deemed low (1,25/3). We are purchasing renewable power. The company is also recycling our waste and supplying water. The company is strictly controlled by laws and regulations.	Strictly controlled operations in Sweden.	11,3
Piping from ConTub (Local supplier) with pipes from OSTP	The average environmental and social risks and impacts related to the supplier and its supply chain are deemed low-medium (1,5/3). This supplier is a contractor for piping, and we have had a sustainability dialogue with the supplier as well as the suppliers' supplier of the pipes OSTP where the main environmental impact is from the stainless steel. A self-assessment was done by the sub-supplier showing strong sustainability performance. We received EPDs from the supplier for the products we buy. The emissions from their products are significantly lower than market average according to their data.	The supplier (contractor) is a local supplier with quite limited environmental and social impacts and risks associated with the work carried out at our sites. The sub-supplier of pipes, OSTP, has a larger environmental impact and ambitious targets. OSTP commits to climate neutrality in their sites by 2025 and wants to be an industry leader when it comes to their carbon footprint. The products are made with recycled content and are 100% recyclable. They use renewable power. OSTP works with social aspects too, such as safety and is certified with ISO 14001, 45001, and 9001.	9,4

Purchase	Supplier sustainability impact, risks and controls	Supplier sustainability committments	% of 2023 spend
Installations in the datacenter from Schneider Electric Sweden (National supplier from a global company)	The average environmental and social risks and impacts related to the supplier and its supply chain are deemed low-medium (1,5/3). The upstream environmental impacts and risks from electronics is deemed medium. We have a long-term partnership with the supplier. They were also part of our stakeholder engagement process to identify and assess our material topics. Ongoing supplier collaboration to co-create future data center solutions.	CDP A, Carbon neutral by 2040. Net-zero in the value chain by 2050 (SBTi 1,5 degree). Highest ranked on sustainability rankings year on year.	8
Electrical installations (National supplier, Swedish company)	The average environmental and social risks and impacts related to the supplier and its supply chain are deemed low-medium (1,5/3). The social risks are deemed medium to high, working with electrical installations. Contractor dialogues daily on safety.	Climate neutral in the value chain by 2045.	7,4
Backup power generators (National supplier from a global company)	The average environmental and social risks impacts and risks related to the supplier and its supply chain are deemed low-medium (1,5/3). The supplier sells backup generators to us. We have an ongoing dialogue with their sub-supplier of generators. Self-assessment done by sub-supplier. They are developing LCAs and ensuring HVO can be used in their generators.	ISO 14001 and ISO 9001 certified.	5,3
Fire equipment (National supplier)	Close collaboration on construction site. The average environmental and social risks and impacts related to the supplier and its supply chain are deemed low-medium (1,25/3).	ISO 14001 and ISO 9001 certified.	4,4
Share of total spend			~86 %

Impact and infrastructure investments for local communities

At EcoDataCenter we believe that data centers designed and built the right way will give back to the wider society, and the local communities, and be a part of a larger ecosystem of infrastructure. We invest a lot to make this happen. In 2023, more than 100 MSEK was invested as non-commercial related costs.

During 2023 we have advanced across four major projects:

- District heating piping has been laid to a new real estate area near EcoDataCenter 1 in Falun. This will make it possible for the new residential area to be heated with our waste energy.
- In collaboration with the local energy company Falu Energi och Vatten, we have strengthened the municipality's grid capabilities by contributing to the construction of a new substation. This will enable the city of Falun to grow further.
- Piping has been installed to redirect water from a decommissioned reservoir, alleviating pressure on the utility water system. This will also provide our site with surface water instead of groundwater, which will increase the resilience to drought in the area as well as reduce our dependence on potable water.
- At our Piteå site, we've implemented a Battery Energy Storage solution, poised to provide balancing services to the Swedish grid.

Local commitment

All EcoDataCenter sites contribute to local communities where they are located, by hiring local employees and working with local contractors. For each new data center location, there are various task forces and working groups that aim to establish a more participatory and inclusive development process. Although data centers have very minimal impacts on the local communities related to ongoing operations, there are more significant impacts related to new data center construction. These impacts include but are not limited to, land excavation noise or pollution, removal of forest and other green spaces, and construction noise or pollution.

We believe that building a sustainable future starts with investing in our community and supporting local businesses and organizations. That's why we have committed to sourcing locally as much as possible in our data center operations. By using local labor and working with local companies, we are not only reducing our carbon footprint through shorter transportation distances, but we are also investing in the growth and development of our local economy. This creates jobs, supports small businesses, and helps to build stronger communities. →→

→→ We collaborate with the local university, and we are investigating collaborating with local schools and with our suppliers for apprenticeships. Thanks to our expansion and operations, we are helping to increase data center expertise in the area. In Falun, we have also started work with the floorball club, IBF Falun.

Additionally, we strive to use locally sourced materials in the construction and maintenance of our data centers. This not only reduces our environmental impact but also supports the local economy by keeping money within the community. We understand that building a sustainable future is a collective effort, and we are proud to be a part of that effort by supporting our community and local businesses. Together, we can create a sustainable and thriving society for future generations to come.

For all new site developments, we engage with the local communities. This has been the case in Falun, where we have the largest share of our operations, employees, and IT load. We do environmental impact assessments as well as an inventory of nature conservation value. We have also started a project to quantify biodiversity for new sites.

- We disclose our impacts according to Swedish law, for example when it comes to reporting to authorities or construction decisions, and in this report.

In Östersund, we have started looking into how we can deploy local community development programs, and the dialogue has already started. In Falun, there is an ongoing dialogue with the local community (see more in the section about Stakeholder Engagement).

We also work with our employees and the occupational health and safety committee (see more under the section about health and safety). More about local grievance processes can be found in the section about Remediation and grievance mechanisms.

Remediation and grievance mechanisms

We are not always right, and sometimes we need to be told we did wrong. When something has gone wrong and people are negatively affected because of our actions, things need to be put right. We try to solve the problems before they appear through dialogues with our stakeholders, but in the event of a conflict or some of our stakeholders think we did wrong, there are several ways complaints can be made against us by our stakeholders.

We try to meet people in dialogues to understand their perspectives when we build data centers that affect them, these people can be local organizations, NGOs, local communities, or other types of local stakeholders. We also listen to how we can improve communication and how to accommodate meetings and interaction with them. However, some of the processes of capturing critical concerns, are formalized such as for whistleblowing, or part of a process according to Swedish law such as appeals, etc.

Trade unions and work councils

Sweden is one of the countries in the world with the highest standards in employees' rights. Unions are part of our organizations and collective agreements are made. Employees can seek advice and raise concerns via the unions. Employees can also turn to the unions on legal matters, in case of non-compliance with legislation or other types of issues in the companies. Much of the grievance and remediation mechanisms are also built into the Swedish model and the Swedish workers' legislation.

Complaints on any type of discrimination can be made via the human resources function, the manager, workers' representative, the union, or the Whistleblower function on our external website.

Anyone in Sweden can also raise a complaint to Arbetsmiljöverket, the Swedish Workers' environment agency which can then inspect. The grievance can be individual, on a group level, for a policy, or anything violating human rights and inclusion. If a person or a group is deemed to have been discriminated against or harassed, there are investigation and remediation processes according to Swedish law.

The right to appeal decisions on the construction of new data centers

All our data centers are in Sweden, built according to the Swedish building permit process. An environmental impact assessment (EIA) needs to be done before we are given an environmental permit. In the assessment noise, impact on groundwater, impact on the local environment, biodiversity, and culture is assessed. A part of the process is to invite interested parties to give their views and to assess if the environmental impact is significant.

When we have proved that our new data centers will comply with legislation, we receive a building permit where the environmental impact, impact on health and safety, cultural impact, and how well the proposed building fits in with the surrounding landscape have been assessed.

After approval, any concerned party is allowed to formally appeal a permitting decision for four weeks, ensuring that anyone who is affected by our new data centers has the right to be heard.

Listening to our customers

It is important to us to understand how our customers perceive us. Every year we evaluate our customers' experience with us through an interview. Our latest Net Promoter Score (NPS) in 2023 reached 84 out of 100.

Our recent NPS, surpassing both the global average of 31 and the industry average of 61, reflects a profound collaborative effort between our dedicated team and our invaluable customers. This margin is not so much an indication of us outdoing others, but rather a testament to our collective commitment to excel – both within our industry and globally.

Our customers' feedback plays an essential role in our growth and development, →→ as it influences all decision-making and strategic planning. Customer feedback and how we act upon it are intertwined – one cannot succeed without the other. And while we stand behind our products and services, what truly matters is their perspective. We have regular meetings to capture our customers' views.

Voices from our NPS survey
- "Trustworthy, green and innovative."
- "Very accommodating and supportive. Great organization."
- "EcoDataCenter are always there for us and delivers to the highest level and are always very service-oriented and knowledgeable."

Dialogue with local communities and neighbors

Complaining neighbors and local communities will typically report any perceived harm to the municipality, but we want to capture their views before that. To keep the people living close to our data centers and construction sites informed, in Falun, we send an information letter to neighbors to ensure they know of updates and expansion plans. We also offer study visits to our site for neighbors and other interested people. Several study visits were held in 2023, approximately more than 50 but we have not counted them. We regularly present our plans in various local forums to ensure a dialogue with people affected by our operations. Before new establishments take place, we engage early with local communities. In Östersund, where we are planning to build our next data center, we have already had regular meetings for a year to understand the affected stakeholders. We have had meetings with the municipality, the electricity provider, NGOs, etc.

Critical Concerns and Whistleblowing

In the event of a violation or suspicion of a violation of the code of conduct or other types of unethical behavior, a report should be made. Critical concerns should be reported immediately to the highest governance body, the board.

Handling of critical concerns

The management team is directly involved in handling complaints of any type of critical concern. These can be done via the manager, workers' representative, the union, the Whistleblower process, or the Swedish Work Environment Authority. Thereafter, concerns deemed critical are swiftly communicated to the highest governance body, the board.

During 2023 we had no critical concerns reported.

Whistleblower process

In 2022, we implemented a whistleblower procedure. The whistleblower procedure is limited to serious misconduct and irregularities and not to reporting minor offenses between individuals or general dissatisfaction and complaints.

The whistleblower channel functions as an alternative avenue for reporting, distinct from the standard reporting channels. Individuals have the option to report via our external website, where a dedicated link is provided. There is a third-party person in the whistleblower function to ensure independence. Employees have the option to remain completely anonymous when whistleblowing.

Since we implemented the procedure, in 2022, we have not had any cases of whistleblowing.

Stakeholder engagement

We interact with several stakeholders on many levels of the organization for different reasons. Engaging with stakeholders means that we can work proactively and identify risks and opportunities earlier in the process. The key stakeholders we engage with are those directly affected by our operations and those that directly affect us. Some of them, if not already mentioned in previous sections of this report, are mentioned below.

Stakeholder	**Type, frequency, and level**
Local authorities	We are in close dialogue with local authorities to ensure social acceptance and that we can collaborate on various topics such as education or our operations. Where we have new projects, we keep an even closer dialogue to reduce the risk of misunderstandings.
Customers	We have several ways of following up with our customers to hear their views. For new customers their requirements are collected during the sales process and are then implemented into operations. For existing customers, we capture customers' views in operations meetings monthly. We also follow up how they perceive us through a customer satisfaction survey. Requirements for existing customers are also implemented through change requests.
Employees	We do our employee satisfaction survey annually and annual personal development assessments. In addition, managers meet employees one-on-one on a regular basis so managers can understand if there are any health and safety-related issues and ensure that the employees develop. We have a working environment committee and a workers' representative.
Unions	According to Swedish labor law, we meet with union representatives in formal negotiations (MBL) but also in informal meetings such as the union Unionen doing study visit at the sites.
Suppliers	We have a close collaboration with our suppliers, especially our contractors building our data centers to discuss various sustainability topics such as environmental topics, construction materials, health and safety or reporting. We have regular meetings with the contractors and with our critical suppliers. We have also piloted our supplier sustainability program which will help us understand where our suppliers are and how we can collaborate to reduce negative impact on nature and ensure good social conditions in the supply chain.
Local community	It is important to us that we feel valued in the local communities where we operate. We send out information letters to the local community in Falun, the neighbors to our site. We also have an ongoing dialogue with the municipality, and we invite the local community for study visits at our site. Where we plan to build new data centers, dialogues are even more important, forums where local people can vent their concerns and we can get valuable Input. The right to appeal decisions is granted according to Swedish legislation.
Utility and energy companies	Regular dialogue with utilities about power and other utilities are held to ensure we can get the capacity needed for future establishments and in supporting the grid.
Owners	We have regular meetings with our owners on various levels of the organization, to ensure we have mutual understanding and collaboration.
Partners	We have several partners who we keep a dialogue with, these are for example Wa3rm, which use waste heat from, for example data centers. For our new establishment in Östersund, we have regular meetings with Wa3rm to ensure local acceptance and the best possible design of our new data centers and connected greenhouses.

Security and information security

Our location in Falun provides world-class security. It is a site with very low natural disaster risks (flooding, landslides, earthquakes, volcanoes, tornados, etc.) In addition, there are extremely small risks for manmade disasters, such as aircraft, truck, or railway accidents. The closest major road is 300 meters away from the site, the nearest railway is 1.4 km away and the closest airport is 21 km away. There are no airway corridors or holding stacks for aircraft waiting to land nearby.

The fact that EcoDataCenter handles sensitive information for our customers places high demands on our staff. Therefore, background checks are carried out on all staff and long-term contractors working on-site. For some roles, the background checks are more rigorous. Furthermore, drug and alcohol tests can be carried out.

Employees and contractors working at our construction sites need to undertake EcoDataCenter-specific training where security is part of the content. The training is carried out via a web portal SSG and is registered. After the training, the participants need to pass an exam. This training needs to be renewed on an annual basis. It is mandatory to use an electronic personnel ledger on our construction sites.

Layered Security Concept

EcoDataCenter's basic approach to site security design is the concept of layers of defense. This means that multiple consecutive layers of protective measures are deployed in concentric circles around our buildings and within the data center building itself around each data room. The circles start from the outer perimeter with a unique natural rock wall and move inward to the area of the building or room with the greatest need for protection. We have cameras all over our sites, several fences, vehicle control, electronic access control, and secure doors throughout our buildings.

Information security

We are certified according to ISO 27001, a standard for information security. The certification requires us to have an information security management system that meets the requirements of the standard, such as a system for detecting, reporting, and addressing information security weaknesses, and incidents and handling sensitive data.

The work with information security is a central part of the company. Guidelines, policies, informational texts, and visualization are implemented to ensure a formal reporting structure with support systems. A Management Review is carried out on →→ an annual basis where participants from the executive management team together assess the effectiveness of the information security management system regarding business objectives and goal achievement.

Assigned employees are trained in how to act if an incident occurs, and awareness training is carried out every quarter. Reporting of information security incidents for a full year is carried out on an annual basis on the management review.

Information security includes for example:
- proper handling of information.
- secure management of IT resources and third parties.
- general safety awareness/behavior.
- compliance with internal rules and external laws and requirements materials.

A security incident management process is defined, covering the following activities:
- Security incidents (physical & logical) are detected via monitoring systems or reported by personnel.
- If an incident occurs, the guideline for Incident Management and Procedure for information security incidents is executed and the incident is evaluated.
- Depending on type of incident and severity, information is communicated to stakeholders, such as: EcoDC Executive management team, EcoDC Board of Directors, Customers, Authorities.

Every year the incident management guidelines are revised and reviewed to ensure that incidents are handled in a structured manner, in the management review.

Customer privacy

Data can be very sensitive, and many of our customers do not want anyone to know where their servers and data are located. We have no access to our customer's data in the servers in our data centers, even if they are stored with us. We keep information about our customers confidential unless we have agreed to share customer stories. If information about our customers leaks, we have an incident management process for how to manage the situation.

No instances of customer privacy complaints and losses of customer data were identified in 2022-2023.

Certifications and standards

EcoDataCenter and all the sites are certified for quality management according to ISO 9001, environmental management according to ISO 14001, and ISO/IEC 27001 for information security. Our data center B in Falun is validated for EN 50600. We have also used the EN50600 standards as base requirements for the design of our data centers in Falun to a minimum of availability class 3. Datacenter 1 B in Falun is validated for the data center standards EN 50600 as per below:

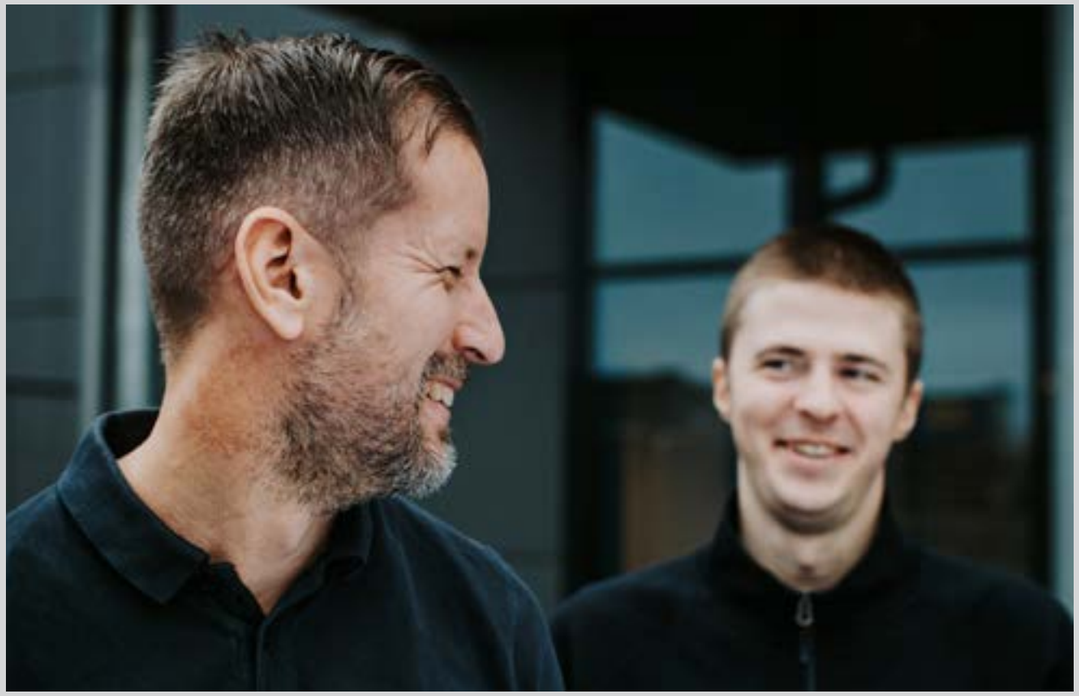
- BS EN 50600-1 2019 IT DC facilities and infrastructures, June 2019
- BS EN 50600-2-1 2021 Building construction, April 2021
- BS EN 50600-2-2 2019 Power supplies and distribution, June 2019
- BS EN 50600-2-3 2019 IT DC Environmental controls, June 2019
- BS EN 50600-2-5 2021 Security, April 2021

In 2023, we were awarded an EcoVadis Gold medal with an overall score of 70. This puts us in the 94th percentile of companies in our industry. In Environment, we scored 80, In Labor and Human Rights 70, in Ethics 70, and Sustainable Procurement 50. The results from EcoVadis have informed our internal programs to improve our performance in sustainability.

Memberships and commitments

We are seeking to support and be members of networks and associations that help us develop and influence others. We are currently members of the following sustainability-related associations:

- UN Global Compact
- Carbon Neutral Data Center Pact signatory



Environment
Reduce pressure on nature

Our ambition is to reduce the pressure on the planet from our operations. This implies cutting our carbon footprint across the value chain to mitigate our climate impact as much as possible. We purchase renewable electricity and will keep phasing out fossil fuels and reduce emissions from our cooling equipment. Data centers use a lot of electricity and water, scarce resources that we share with the rest of society, we will use these resources wisely.

We build our data centers to be future fit with higher requirements from our stakeholders for liquid cooling. We are also adapting to reliably store data in the increased temperatures and increased frequency of extreme weather.

We apply the 3R principles of reducing, reusing, and recycling resources. We strive to optimize the use of energy, water, and materials in the design of new data centers, in equipment and materials we buy, in our operations, and through sharing excess heat with others.

Targets, metrics and controls – Performance against targets
On page 53 are the targets, metrics, and controls where we track performance. Various stakeholders have been involved in shaping the strategy and related targets, such as our owners, municipalities, employees, and banks. Since the targets were set in 2024, we cannot evaluate the effectiveness of the actions.

Communications of performance against targets
As part of our management system, we conduct an annual management review of our performance against targets. We also set new targets and analyze how to improve. We share our performance with all our employees through our sustainability report, on the dashboard in our reporting system, on our intranet, and our external website. We also share emissions with our customers in a monthly GHG emissions report, and we communicate our emissions in an open report on our website.

Material topic	Target or KPI	2023	2022	Trend	Comment
Energy use	PUE Power usage effectiveness	1,38	1,47		Our PUE went down in 2023 because of increased IT load. This is not a target, but a KPI we monitor.
GHG Emissions	More than 99% fossil free operations by end of 2028 (blackouts excluded)	98,20%	99,30%		Our share of renewable energy decreased because of more test runs with diesel.
GHG Emissions	-70% carbon intensity CUE (blackouts excluded)	6,2	4,9		Our CUE (CO2e/ IT load) went up in 2023 because of more test runs with diesel. We have started using HVO in our sites in Falun.
GHG Emissions	-70% carbon intensity CUE (blackouts included)	6,2	4,9		Our CUE (CO2e/ IT load) went up in 2023 because of more test runs with diesel. We have started using HVO in our sites in Falun.
GHG Emissions	Define Scope 3 emissions targets by end of 2024	Scope 3 assessment done	N/A		
GHG Emissions	Help our partners avoid minimum 200 tons CO2e per year by facilitating reuse of our waste heat by 2028	165 tons CO2e avoided	163 tons CO2e avoided		We will identify new ways of getting use of our waste heat.
GHG Emissions	Share of reused energy	10%	18%		We will identify new ways of getting use of our waste heat.
GHG Emissions	Implement low-impact refrigerants below GWP 675 in all new datacenters by end of 2028	Yes	Yes		We have mostly low-impact refrigerants in our newest Datacenter 1 A, and ammonia in the design for our future data center C.
Water use	No permanent use of ground water for cooling by the end of 2028	Work ongoing in Falun	Plans to replace ground water in Falun		We have initiated a project to replace ground water for cooling with surface water in Falun.
Water use	WUE (liters of cooling water withdrawal /kWh IT load)	0,91	0,84		Cooling water is only consumed in Falun. WUE is calculated only for Falun site. WUE increased in 2023 because of tests of the cooling system in our new Datacenter 1 A.
Waste	Achieve minimum 90% recovered solid waste by end of 2028 (including construction waste, recovered including incineration with energy recovery)	89%	90 %		Our share of waste that was not recovered went up slightly in 2023. This waste comes from construction works. We will keep finding ways to reduce waste according to the 3R waste hierarchy.
Waste	Offer E-waste take back programs to our customers by end of 2024	Discussions started	N/A		Discussions started with suppliers for a company-wide program.
Biodiversity	Map, reduce, and compensate negative biodiversity impacts by end of 2025	Discussions started	N/A		Discussion started for new site developments to assess biodiversity impact and reduce negative impact as well as boosting biodiversity where we can.
Biodiversity	Share of green area on sites	8%	Unknown		Estimated share of green space per site. Total green space area across all sites amounts to 8% of total site area in 2023.

Our Energy use

Powered by renewable sources

Data centers require a lot of energy to run the servers and to cool our customers' servers. Most of the energy we use is electricity from renewable sources. We use a power mix of 75% hydropower and 25% wind power. In Sweden, there are a lot of renewables. According to the Swedish Energy Agency, Electricity generation in 2023 consisted of 40% hydropower, 29% nuclear power, 21% wind power and 2% solar power. The remaining 8% consists of mainly thermal combustion-based power, coming from combined heat- and power plants.

Availability is at the core of our commitment to our customers, this is why redundancy, proper care, and maintenance of our technical installations are essential. We always have two redundant feeds of electricity to our data centers and onsite backup power generation. We also need to ensure power supply in case of a blackout. To do this, we have backup power from UPSs with batteries which immediately take over if the grid supplies are simultaneously unavailable. When that happens, we then start our onsite power generators and keep them running until the grid supply is available again. Thankfully though, we rarely use our generators since the Swedish power grid is highly reliable, but to ensure proper functionality of our onsite power generation, we perform regular tests, which is why we use fuels.

Roughly 98% of our energy used is from renewable sources. We are looking into how we can replace the diesel we use in our generators with HVO. In Stockholm, we supply the generators with the low-emissions fuel EcoParA, and we also have solar panels in our data center, producing roughly 250,000 kWh per year. In Falun, we started replacing diesel with HVO at the end of 2023.

Our total energy usage increased from 2022 to 2023, because we commissioned our new data center in Falun, Datacenter 1 A. The electricity used by our customers increased by roughly 50%, from 17 GWh to 26 GWh between 2022 and 2023 because of this. During this time, we also continued building our new data centers, using electricity for construction.

With digitalization comes great opportunities for society, but we need to make sure we don't create the problems of the future when solving the ones of today. We promise our customers and other stakeholders that we will aim for the most energy-efficient and future-proof technology and design in our data centers. This means using technology with the highest energy efficiency while not sacrificing other environmental impacts over the life cycle of our data centers. We do not engage with cryptocurrency because we think energy should be used better.

The IT load is the energy that our customers use for their servers. This is the largest part of the total energy use and it increased between 2022 and 2023 because of more customers. We also have our servers on-site, however, this impact is very limited.

Our Energy Use in 2022 and 2023

Energy category	2023 (kWh)	2022 (kWh)	Comment
Purchased electricity	35 490 867	24 459 803	100% renewable electricity purchased
Own produced electricity	248 401	264 049	Own solar panels in Stockholm
Electricity used by customers	25 725 210	16 277 140	IT load electricity
Electricity used by EcoDataCenter	9 765 657	8 446 712	Non IT-load electricity including construction
of which electricity used for construction	1 021 693	1 099 802	Electricity used in Falun site for construction
Own vehicle fleet energy consumption	0	1 000	Fossil fuel used in one company car in Piteå, which was sold in 2022
Fuel* consumption (normal use)	650 624	186 046	Diesel used in Falun and Piteå, and EcoPar used in Stockholm
Fuel* consumption (abnormal use)	6 099	N/A	Diesel used in testing of backup generators and blackouts in 2023 (Not measured in 2022)
District heating consumption	76 586	76 427	District heating consumption only in Piteå site
Total energy use	**36 472 577**	**25 250 374**	
Electricity sold	0	0	
Heating sold	3 529 432	4 426 843	Waste heat sold to local district heating networks

*For fuel conversion from liters to kWh, we used conversion factors from DEFRA for diesel.

Our Power usage effectiveness (PUE)

PUE (exluding power used for construction)	2023 (kWh)	2022 (kWh)
Fuels*: total HVO fuel consumed	0	0
Fuels*: total fossil fuel consumed (kWh) including EcoPar and Diesel	656 723	187 046
District heating consumed	76 586	76 427
Electricity purchased excluding site works	34 469 174	23 360 001
On-site solar energy consumed	248 401	264 049
Total energy consumption (kWh)	**35 450 884**	**23 887 523**
Total IT load (kWh)	**25 725 210**	**16 277 140**
KWh energy consumption/KWh IT-load	**1,38**	**1,47**

**PUE2 (incl. Office, guard house NOT site works). Energy used for buildings (F2, F3, Piteå, Datacenter 1 A, B, Atlas, Tellus, and Office)/IT Load

Power usage effectiveness (PUE, ISO/IEC-30134) is a baseline metric used to evaluate the energy efficiency of a data center. By calculating the ratio of the total energy consumption of a data center, including energy used to power IT equipment and cooling systems, divided by the energy utilized by the IT equipment itself, we can determine how efficiently the data center uses energy. This is typically done through the metric PUE, power usage effectiveness (PUE, ISO/IEC-30134).

In 2023, our power usage effectiveness went down, meaning that we increased energy efficiency in our data centers or share of energy that went to the servers. Our PUE went down from 1,47 in 2022 to 1,38 in 2023. The reason for the reduced PUE is that the IT load (the denominator for the KPI), went up because of an increased customer load. When we calculate our PUE, we have excluded power used for construction on our site but included all other energy sources used to run our operations such as electricity, district heating, and backup power.

When we calculate our PUE, we have excluded power used for construction on our site but included all other energy sources used to run our operations such as electricity, district heating, and backup power.

A PUE value of 1,0 represents perfect energy efficiency, indicating that all energy consumed is used to power the IT equipment without waste. In other words, a lower PUE value means higher energy efficiency – which translates into reduced energy costs and a smaller carbon footprint.

This metric should however not be used to compare different data centers with each other. A very low PUE can quite easily be achieved by removing all the redundancies in electrical and mechanical systems in a data center, resulting in a substantial loss of expected availability. Outdoor air can be pushed directly through a data hall to save energy, but all contaminations will be brought in and risk damaging the equipment, and the possibility of capturing the excess heat is lost. The physical security of the said data hall will also be substantially impaired.

Share of renewable energy

More than 98% of our energy use comes from renewable sources, and our target is to reach more than 99% by the end of 2028. In 2023, however, the share of non-renewable energy increased because we did more test runs of our diesel generators. We also had a small blackout, resulting in backup power energy use. Going forward, we will see a decrease in these figures, since we have started using HVO in Falun. In 2023, this did not show in our figures though.

Renewable energy consumption	2023 (kWh)	2022 (kWh)
Electricity “other than IT load”	9 765 657	8 446 712
Electricity “IT load”	25 725 210	16 277 140
District heating (renewable sources)	74 288	74 134
On-site electricity (solar)	248 401	264 049
Total renewable energy consumption	**35 813 556**	**25 062 035**
Fuel consumption (normal use)	650 624	186 046
Fuel consumption (abnormal use)	6 099	-
District heating (non-renewable sources)	2 298	2 293
Total non-renewable energy consumption	**659 021**	**186 046**
Share of renewable energy consumed (%)	**98,19%**	**99,26%**

For fuel conversion from liters to kWh, we used conversion factors from DEFRA for diesel, supplier emission factors for EcoPar A and HVO.

Reuse of energy

Reuse of energy (ERF Reused energy/energy construction power excluded)	2023 (kWh)	2022 (kWh)
District heating recovery	3 529 432	4 426 843
Fuels: total HVO consumed	0	0
Fuels*: total fossil consumed (kWh) including EcoPar and Diesel	656 723	187 046
District heating consumed	76 586	76 427
Electricity purchased excluding power used for construction	34 469 174	23 624 050
On-site solar energy consumed	248 401	264 049
Total energy (kWh)	35 450 884	25 251 374
KPI Share of reused energy (%)	**10%**	**18%**

*For fuel conversion from liters to kWh, we used conversion factors from DEFRA for diesel, supplier emission factors for EcoPar A and HVO.

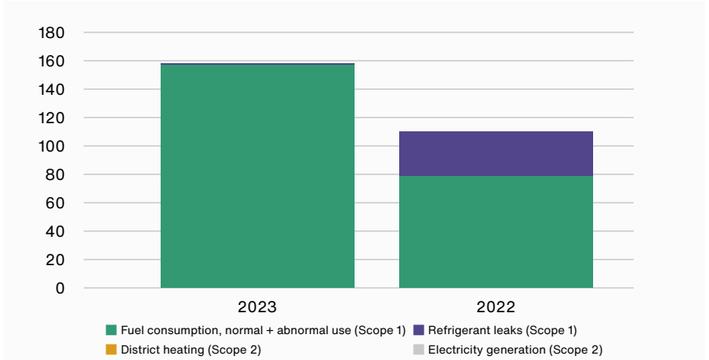
**ERF1 District heating recovery/(kWh incl. Office, guard house NOT site works). Energy used for buildings (F2, F3, Piteå, Datacenter 1 A, B, Atlas, Tellus, And Office).

Our GHG Emissions

Our base year for environmental performance and GHG emissions is 2022. This was the first year we collected energy and GHG emission data, and when we started our operations on a larger scale with our new data center in Falun. In 2023 we did the first scope 3 emission inventory and assessment, and we will keep refining the methodology. Being a scaleup company, we will keep increasing our emissions, especially our scope 2 location-based emissions. Our scope 3 emissions will be quite irregular since we will account for most of them when we construct a new data center and when our customers move in.

During 2023 the direct scope 1 emission sources of GHG emissions were fuels and refrigerants. Sources of indirect scope 2 emissions were purchased electricity and heating. The largest part of our scope 1 and 2 emissions comes from testing the generators for backup power for our data centers. The main sources of indirect scope 3 upstream and downstream emissions were capital goods, purchased goods and services, and fuel and energy-related activities.

Scope 1 and 2 emissions



Since we use predominantly renewable-sourced electricity and heating, our scope 1 and scope 2 GHG emissions mainly come from testing our backup diesel generators.

Scope 1 emissions

Our scope 1 emissions come from testing our backup diesel generators to ensure that we have backup power for our customers. We have set a target to have more than 99% renewable energy by 2028. We also have scope 1 emissions from refrigerants in the HVAC systems from our cooling and in 2022, a leak was recorded because of a broken cooler. In 2023, a small leak resulting in 840 kg of CO2e was recorded. In our new data centers, we are using no-GWP refrigerants.

Scope 1 emissions	**2023**	**2022**
Fuel consumption* (normal and abnormal use) (tonnes CO2e)	159	48
Refrigerant leaks (tonnes CO2e)	1	31
Total tonnes CO2e	**160**	**79**
Scope 1 emissions data coverage (% of emission sources)		100%

*Fuel consumption is calculated for most parts.

Scope 2 emissions

Scope 2 emissions come from the infrastructure, production, distribution, and transmission losses related to purchased electricity and purchased heating. We use our waste heat to heat our facilities, except for in Piteå where we purchase district heating. We purchase 100% renewable electricity with no GHG emissions from the generation phase.

Scope 2 emissions - location based (tonnes CO2e)	**2023**	**2022**
Electricity consumption (tonnes CO2e)	936	562
District heating (tonnes CO2e)	1	1
Total (tonnes CO2e)	**937**	**563**

Scope 2 emissions - market based (tonnes CO2e)	**2023**	**2022**
Electricity consumption (tonnes CO2e)	0	0
District heating (tonnes CO2e)	1	1
Total (tonnes CO2e)	**1**	**1**

*We purchase 100% renewable electricity; this is accounted for as market-based emission factors.

Scope 3 emissions

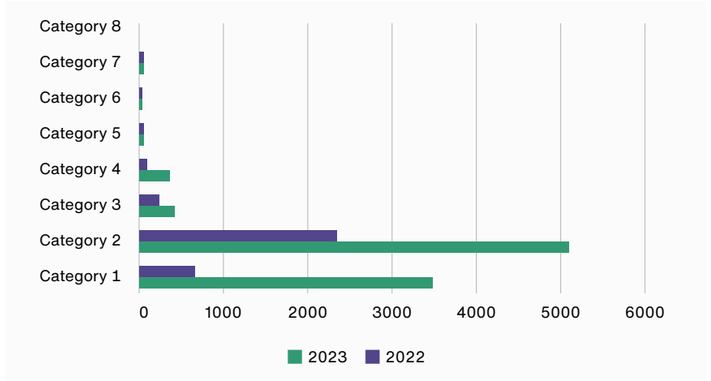
To understand the emissions from our offerings and help our customers know their emissions from their use of our offerings, we have done life cycle assessments (LCAs) or product carbon footprints (PCFs) for all our data centers. In 2023 we did a scope 3 emissions inventory and a first assessment of our emissions along the value chain. Our GHG inventory including scopes 1, 2, and 3 will be updated annually and the methodology will be continually improved as we grow more mature.

We account for purchased goods and services and capital goods when the data centers go from the construction phase to operations. Our emissions from the construction of new data centers will keep being irregular, depending on when we commission them. We also expect some increased scope 3 emissions from upstream use of energy because of growth in the company. This makes target-setting with absolute figures difficult in a scale-up company, especially concerning scope 3 where there are challenges in finding low-emission or zero-emission building materials.

Embodied carbon from the equipment and construction materials of our data centers is the key driver for our scope 3 emissions, the second largest source of emissions is the emissions from energy-related activities. This category includes emissions from transmission losses, emissions from manufacturing hydropower plants and wind turbines, and well-to-tank emission factors from the fuels we use. We used market-based emissions factors for the life cycle power generation emissions and the grid losses.

We have accounted for our customers' emissions (IT load) as scope 2 emissions. We have not included our office space in Stockholm in the reporting since the impact of 5 people in a shared office is deemed negligible.

Graph Scope 3 emissions 2022 and 20223 (tCO2e) per category

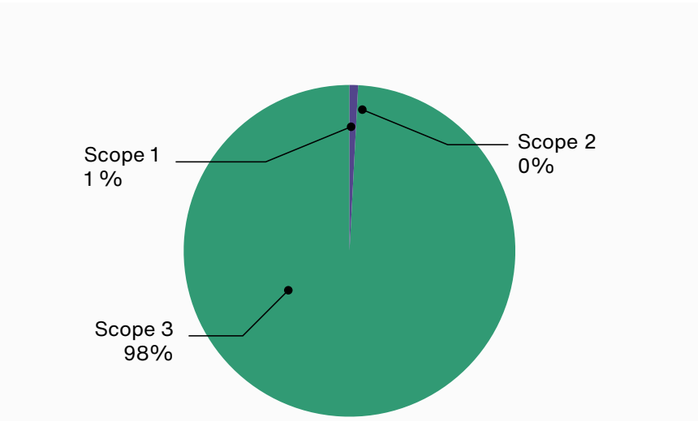


Actual scope 3 emissions (tonnes CO2e)	2023	2022
Category 1: Purchased goods and services	3 502	672
Category 2: Capital goods purchased for commissioned buildings that year	5 125	2 336
Category 3: Fuel- and energy-related emissions not included in scope 1 or scope 2	408	263
Category 4: Upstream transportation and distribution	350	99
Category 5: Waste generated in operations	31	56
Category 6: Business Travel	36	36
Category 7: Employee Commuting	72	72
Category 8: Upstream Leased Assets	2	2
Total Scope 3 emissions	**9526**	**3511**

Emissions per scope (market-based emissions)

The Scope 3 emissions are usually the largest share of a company's emissions. In 2023, our scope 3 emissions were 98% of our total emissions.

Our emissions scope 1, 2 and 3 in 2023 and 2022



Scope 1, 2, and 3 emissions

Scope 1, 2, and 3 emissions (tonne CO2e)	2023	2022
Scope 1 and 2 emissions - location based	1 096	641
Scope 1 and 2 emissions - market based	160	79
Scope 3 emissions	9 526	3 534

CUE – Carbon Usage Effectiveness

Carbon Usage Effectiveness (CUE) is a relative data center metric to measure the CO2e from scopes 1 and 2 related to the IT load. CUE is defined as the relation between the CO2 emissions produced by the data center and the energy consumption of IT equipment. Our CUE went up in 2023. This was because we did more test runs before we had any IT load in our new data center 1 A in Falun.

Year	2023 *	2022 *	2023 **	2022 **
Scope 1 kg CO2e from fuels	159 024	47 625	157 561	47 625
Scope 1 kg CO2e from refrigerants	840	31 300	840	31 300
Scope 2 kg CO2e from district heating	559	558	559	558
Total scope 1 and 2 emissions kg CO2e	160 423	79 483	158 961	79 483
Total IT load (kWh)	25 725 210	16 277 140	25 725 210	16 277 140
KPI gCO2e/kWh	**6,2**	**4,9**	**6,2**	**4,9**

* = CUE Blackouts included. ** = CUE Blackouts not included.

Our solutions for heat recovery – reducing our partners' emissions

We believe that it is our responsibility to act against climate change. That's why we have implemented innovative solutions that not only reduce our carbon footprint but also actively work to reduce emissions in our surrounding community.

Unlike traditional data centers that release heat into the environment and contribute to the formation “of "heat islands", we have found a way to harness the excess heat from our server halls and transport it to the nearby thermal power plant or to other places where the heat is needed.

Additionally, by increasing the thermal power plant's pellet production with our help, we are reducing CO2 emissions in and around Falun. This not only helps to mitigate the impact of climate change, but it also has a positive impact on the local community by supporting the development of sustainable energy solutions.

We want to sell more waste heat but are dependent on the recipient. We are constantly trying to find new ways of getting use of our waste heat. Here are examples of how we use our waste heat.

- In Falun, our surplus heat is used to produce dry pellets. We also heat our ancillary and office buildings with heat from our customers' loads.
- We are also preparing to use our low-tempered excess heat in a new residential area in Born in Falun. We have enabled the use of low-temperature district heating from our data centers for a new residential area close to our site.
- In Stockholm, our excess energy is used for district heating – warming up our neighbors' houses – as well as for our office buildings.
- In Piteå, we are looking for solutions to use the waste heat.
- In our new data center campus in Östersund, we will provide our excess heat to greenhouses to grow vegetables fueled by the leftovers from data power.

Avoided emissions Scope 4

We believe that using energy wisely in a symbiotic industrial system is way better than just letting it out. We also know that letting it out is much cheaper in the short term. Our ambition is to give the waste heat from our data centers a second life. We sell waste heat in Falun which is used to produce pellets and in Stockholm we sell it to the district heating network, using a heat pump to get the right temperature. We also use the waste heat to warm up our facilities.

All this second-life energy means it does not have to be produced somewhere else, avoiding emissions from energy generation. However, the share of our energy use being reused is quite low. We would like to share more, and we are investigating new ways of sharing our waste heat.

We want to show that we have made these investments in liquid-based cooling systems and that we use the energy more wisely than many of our competitors looking beyond the company's energy use. We think that the best way of quantifying this is through assessing and sharing our scope 4 avoided emissions.

We do not consider the savings in boiler size from the district heating company nor the negative impact of the water piping and extra equipment on our site. Neither have we included the energy produced from our solar panels in our avoided emissions calculations.

Reuse of energy (ERF Reused energy/ energy construction power excluded)	**2023 reuse energy (kWh)**	**2023 avoided emissions (tCO2e)**	**2022 reuse energy (kWh)**	**2022 avoided emissions (tCO2e)**
District heating recovery Stockholm	2 940 730	160	3 717 185	156
District heating recovery Falun	588 702	5	709 658	7
Totals	**3 529 432**	**165**	**4 426 843**	**163**

The emission factors used for avoided emissions are the local emission factors in the district heating network where our sites are located.

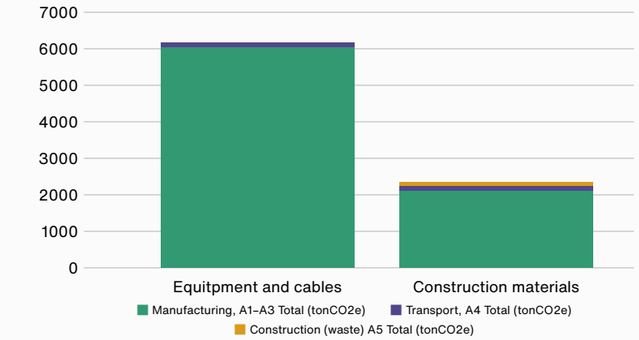
Avoided emissions from waste heat

To quantify our avoided emissions, we calculated avoided emissions from using our waste heat instead of producing new district heating. In 2023, thanks to the use of our waste heat, the avoided emissions were 165, in 2022 they were 163. In 2023, less waste heat was used than in 2022 but because of a higher average emission factor from district heating in 2023, the avoided emissions were larger.

Embodied carbon in our data centers

We have done LCAs or product carbon foot printing of all our data centers. The data centers in Falun are to a large extent built of wood, which is why the emissions from the construction materials is lower than in our other data centers. The largest share of emissions comes from equipment in the data centers. In our most recently built Datacenter 1 A, the emissions from equipment and cables amount to 6,000 tonnes of CO2e. The emissions from construction materials in our most recently built data center are roughly 2,500 tonnes of CO2e. The 192 km of cables represent around 500 tonnes of CO2e. They have roughly the same impact as the structural steel used in the whole building.

Carbon footprint Datacenter 1 A (Falun)



Towards net-zero

In this section, we will describe some of the actions we have taken towards net-zero in our operations as well as in the design of our data centers.

Data centers supporting the energy system

Data centers use a lot of electricity, but they can also be used as energy storage helping the power grids to stabilize and support storage during peak power reducing the need to burn fossil fuels. Data centers are poised to play an increasingly vital role in the energy system as the world shifts towards renewable energy sources to meet electricity demand. As renewable power production often delivers electricity in an unbalanced manner, the need for a stable grid becomes more crucial.

Data centers offer significant potential to assist utilities due to their large energy storage capacities and operational efficiencies.

In 2023, we implemented a Battery Energy Storage Solution (BESS) at our Piteå site, marking the initial step before a broader rollout across our company. Currently, we are evaluating a wider range of approaches to optimize grid services and our energy solutions further, aiming to enhance societal benefits beyond our current contributions.

Energy efficiency by design

The most sustainable energy is the energy that is not consumed. We work holistically when designing our data centers. Here is what we do to cut emissions through energy efficiency across the life cycle.

1. Being in Sweden, our data centers are in cool places naturally where we can use free cooling and reuse the excess heat. This saves energy for us, but it also gives the energy we use a second life when our partners use it.

2. We place our data centers where there is plenty of renewable electricity so that the energy we do use, is causing as little impact on the climate as possible.

3. We build our data centers out of wood to a large extent. The energy used to produce wood compared to steel or concrete is very low across the life cycle. The wood we use is also grown and processed locally, not far from our sites, which makes the energy used for transport lower. We even modified our building design so that we could source our wood locally.

4. Our topology for the electrical and mechanical installations, which is called distributed redundancy, means a higher utilization rate per installed capacity component. Our customers' servers require two redundant electrical feeds, and we have four separate feeds. We combine these feeds in six different ways allowing the latent power to be reduced compared to a traditional dual feed system. The bottom line is that we can operate our capacity components at a 75% utilization rate instead of 50% and this leads to smaller quantities of copper, steel, electronics, and equipment and in the end a smaller building footprint compared to a traditional topology. For the customer, the feeds to the servers are always separated and redundant but they still benefit from the environmental and financial savings.

5. All the equipment we use in our data centers is chosen with a life cycle cost in mind. This means a large investment to start with, but lower energy use and energy cost in the long term. A few examples from our data centers in Falun are high-efficiency UPS systems, properly sized pipes to reduce pressure drop and thereby pump power, VFD-controlled pumps and fans, LED lights, HVAC that is on when people are in the building and motion-controlled lighting.

6. We have optimized redundant solutions in our data centers to enable varied utilization rates, which often is the case in data centers. During ramp-up, the data center will not operate on design load and equipment will be oversized. All systems are at the same time designed to provide additional capacity if another system should fail, which is extremely rare, but the additional capacity is a requirement of our customers. This means that the systems normally operate at a much lower load than nominal load, and often not at the most efficient operating point. To overcome this, we always evaluate if a single large component can be replaced with two smaller and different-sized components. Instead of having one optimal operating pump we then get three optimal operating points. This gives us more flexibility and enables more efficient operation of the data centers over time. For our new data centers, we utilize this philosophy for pumps, UPS systems, and power production.

Energy-efficient cooling

Much of the energy we use in our data centers for our installations is for ensuring a proper temperature for our customers' servers. Our design allows for flexibility with utility we base or cooling on being either water or electrical energy. Either we use more water for adiabatic cooling and less electrical energy for chillers, or vice versa, less water and more electrical energy to increase condenser temperatures. We can also offer our customers server liquid cooling since all our data centers are chill water-based. Liquid cooling means that the heat from the customer's servers is being transferred directly to a liquid instead of the traditional intermediate medium air. In Falun, to save energy, we have chosen adiabatic cooling because of the abundance of water. In Stockholm and Piteå we do not utilize adiabatic cooling water.

1. The cooling systems in all our data centers are chill water-based, which means they can directly connect liquid-cooled customer loads. Chill water-based cooling systems also enable the reuse of excess heat.

2. We always try to influence our customers to choose hardware that can withstand higher temperatures, so we 'don't need to cool the servers so much. This means that energy usage capability is improved or that we can more easily use the naturally cold air from outside, also during summer, thereby requiring less energy for cooling.

3. We also try to influence our customers to use new technology, such as liquid cooling of the servers. Liquid can transport heat more effectively and liquid cooling is also more energy efficient at a system level. Liquid cooling enables the CPU or GPU hardware to be utilized at 100% or more since the liquid extracts the heat from the components much quicker than air. This means that fewer liquid-cooled servers can be installed to achieve the same computing capacity compared to air-cooled servers. This in turn means more computing capacity per data center and less materials used and consequently less energy used to produce the materials.

4. In Falun, we have large water tanks, or thermal buffers, containing more than a thousand cubic meters of chilled water. This water is cooled during the night, or when renewable power is abundant in the electrical grid but can then be used during the warmest hours of the day, enabling us to offload mechanical chillers and thereby save energy. It can be compared to what a BESS (Battery Energy Storage System) does for the electrical system, but we do it indirectly with a thermal buffer. These water tanks also provide onsite makeup water for adiabatic cooling if all our utility water feeds become unavailable simultaneously.

5. We have adiabatic free cooling which means that the chillers will have to be engaged at a higher external temperature than if we had only dry coolers.

LCAs and Eco-design – refining sustainability by design

Building sustainable datacenters

EcoDataCenter is dedicated to building data centers in the most sustainable way possible to support the world's increased need for digitalization. We use eco-design principles to reduce the environmental impact of our buildings. Our commitment is to use building materials with lower environmental impact and to implement sustainable practices in all aspects of our operations. Our ambition is to be leading the way in sustainable data center construction and to innovate and push the boundaries in the industry.

We are passionate about building data centers in wood, and we think we were the first data center company to build in wood. We have chosen wood for several reasons, it is locally produced close to where we build our data centers, it has a low environmental impact compared to many other construction materials, especially when it comes to its carbon footprint, it is regenerative, and it is easy to manage at end of life.

Wood as a construction material

Building in wood also improves the work environment for our contractors. Wood as a construction material has fewer health hazards such as dust and noise, compared to concrete. We also discovered that the construction time is faster than the traditional way, and the actual construction is easier due to the large pieces that are prefabricated and delivered in complete pieces.

We have so far designed and built two data centers in wood. These are the two data centers we have in Falun, known as Datacenter 1 A and Datacenter B, which represent roughly 90% of our current IT load. We have also just finished our office building In Falun, which was also built mostly using wood. The third and fourth data centers in Falun are on their way.

We have done life cycle assessments, LCAs, or product carbon footprint assessments of all our data centers with the aim of learning and improving our design as well as getting a baseline for our targets.

Enhanced sustainable design

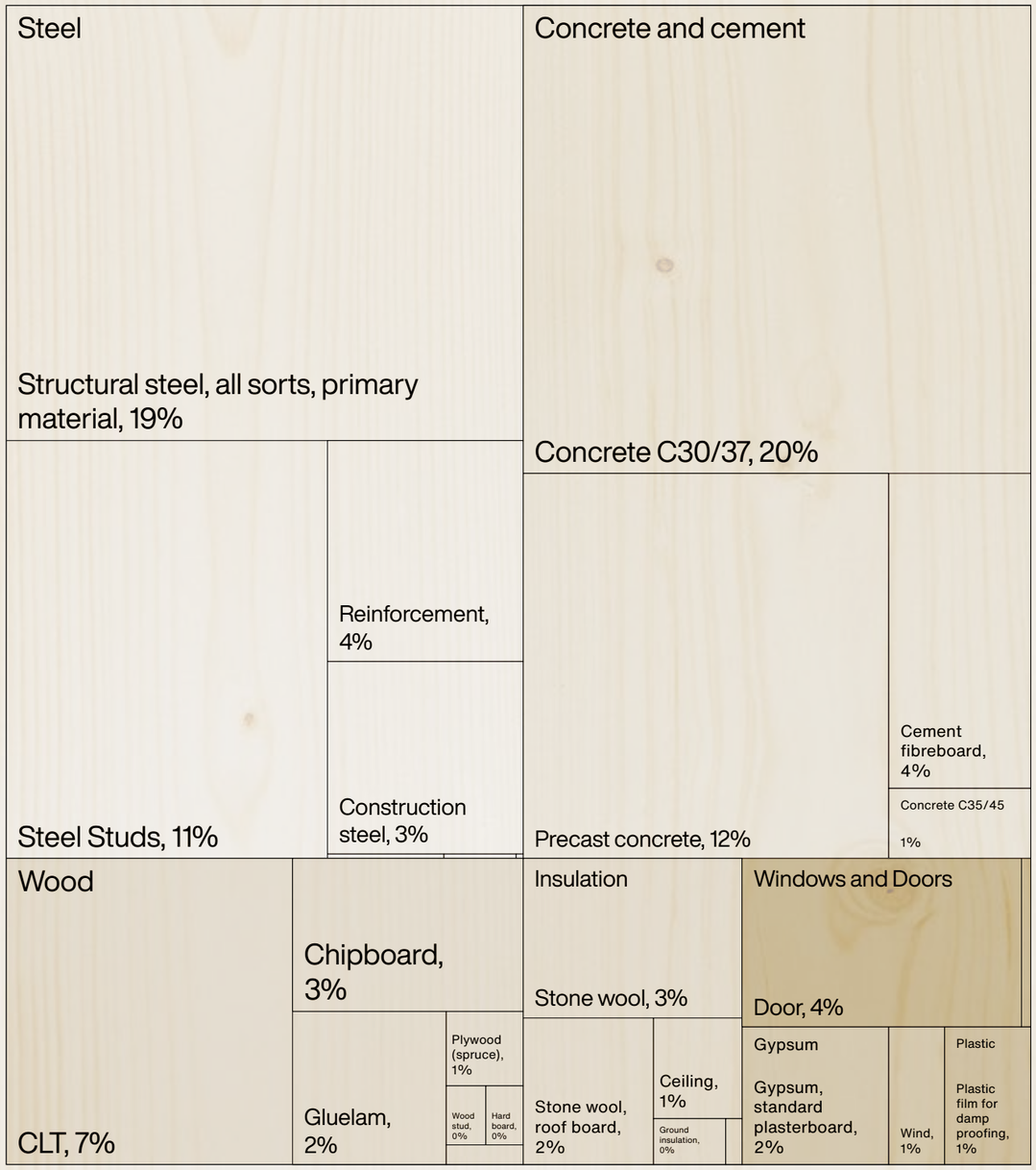
The first data center we built was Datacenter 1 B in Falun. The framework was built using renewable cross-laminated timber (CLT). CLT is a type of engineered wood that is a sustainable building material that has a significantly lower carbon footprint compared to traditional building materials such as concrete and steel.

Based on LCA results from the first data center, we updated the design of the second data center (Datacenter 1 A). Mainly we replaced concrete and steel with more wood, giving our second data center a lower carbon footprint than the first one.

Our most recently built data center, the 11 000 m2 Datacenter 1 A, has roughly 2 500 tonnes of embodied carbon from the construction materials. Steel is behind roughly 35-40% of the embodied carbon from the construction materials and concrete contributes with roughly the same share of the emissions. Wood represents 46% of the volume of the building but still only accounts for less than 15% of the GHG emissions.

Besides building in wood, which significantly lowers the carbon footprint, we also chose other low-carbon materials. For example, our steel pipes supplier OSTP, produces pipes with a large share of recycled content.

Carbon footprint per material and type in Datacenter 1 A



Low-carbon construction materials cuts emissions

Wood reduces carbon

By choosing low-carbon materials, our most recently built data center, called Datacenter 1 A, has a ~60% lower carbon footprint per m2 compared to our other data centers, because much of the concrete, steel, and insulation has been replaced by low-carbon materials such as wood.

Wood is one of the main construction materials that we use. The almost 2,000 tons of wood used produced only around 300 tons of CO?e. On average, for Datacenter 1 A, the environmental impact per kg of wood is around 13 times less than that of steel.

In Datacenter 1 A, we used around 6 km of wooden beams and columns. This process avoided almost 1,000 tons of CO?e, compared to building with steel. One example of how we used wood for construction is a glue-laminated timber beam, that could replace a steel beam with almost 30 times less carbon footprint.

Comparison of embodied carbon in our data centers

If we take the embodied carbon per m2 of the data center, our data centers built in steel and concrete have roughly 0,5 t CO2e per m2, whereas the most recently built data center Datacenter 1 A, has roughly 0,2 t CO2e, according to the LCAs performed.

If we scale this up to fictitious 5,000 m2 data centers, the difference of embodied carbon in the buildings amounts to approximately 2600-2700 t CO2e for the data centers built in concrete and steel, and 1000 t CO2e for the data center built mostly in wood.

This means that we reduce roughly 1,600 tonnes of carbon emissions in a 5,000 m2 fictitious data center when built mostly using wood compared to a data center built with more conventional methods.

Data center	Embodied tCO2e in building	Key building materials	tCO2e / m2	tCO2e in baseline 5000 m2 data center	Comments
Atlas (3275 m2)	1 690	Concrete and sandwich panels	0 , 52	2 600	Concrete 350 t CO2e , stone wool 350 t CO2e
Tellus (2175 m2)	1 180	Concrete and sandwich panels	0 , 54	2 700	Concrete 360 t CO2e , stone wool 350 t CO2e
Datacenter 1 A (~11000 m2)	2 160	Wood and cross-laminated wood	0 , 20	1000	Built in CLT and wood to a large extent

Comparison: We compared the construction materials of our data centers where we have different types of design. Atlas and Tellus, data centers we have not designed ourselves, contain more concrete and steel, and the GHG emissions per m2 are much higher than in Datacenter 1 A which are our in-house-designed datacenters.

Reduced emissions compared to an average European Scenario

Beyond the reduced embodied carbon in our data centers, our studies also show that operational emissions are lower with us compared to data centers in other countries. This means that our customers typically reduce their carbon footprint from data when they have their servers with us compared to an average data center.

We have compared the emissions for a fictitious customer in our data center in Falun with average fictitious data centers in Europe. For our data center in Falun, we applied the PUE we have there, and we used the market-based emission factor of 0 for power for the EcoDataCenter scenario in the comparison. We compared our operational emissions with one with average energy efficiency PUE value and local-based emission factors for different countries in Europe.

Our study shows that we can help our customers cut their emissions by roughly 5 tonnes per year, depending on the energy they use for their IT load. The study was conducted by an independent company Carbon 3IT.

100% Renewable electricity

We are only buying renewable electricity. The energy mix we purchase is 75% hydropower and 25% wind.

Solar power from our site in Stockholm
The roof of one of our data centers in Stockholm has solar panels generating energy use for roughly 10 Swedish houses per year. An average Swedish home uses roughly 25000 kWh, and in 2023 our data center PV plans produced roughly 250 000 kWh. The record so far was in June 2021, when the panels generated almost 50,000 kWh in one month.

From diesel to more sustainable fuels for backup power

Our scope 1 emissions mainly come from diesel generators being tested regularly. To cut our emissions, we have decided to step away from the use of fossil fuels wherever feasible. We have set a target to use more than 99% renewable energy by 2028. This means that our future sites will use HVO. In 2023, we filled up our tanks with HVO in Falun. We also started investigating the feasibility of moving away from the use of fossil fuels. →→

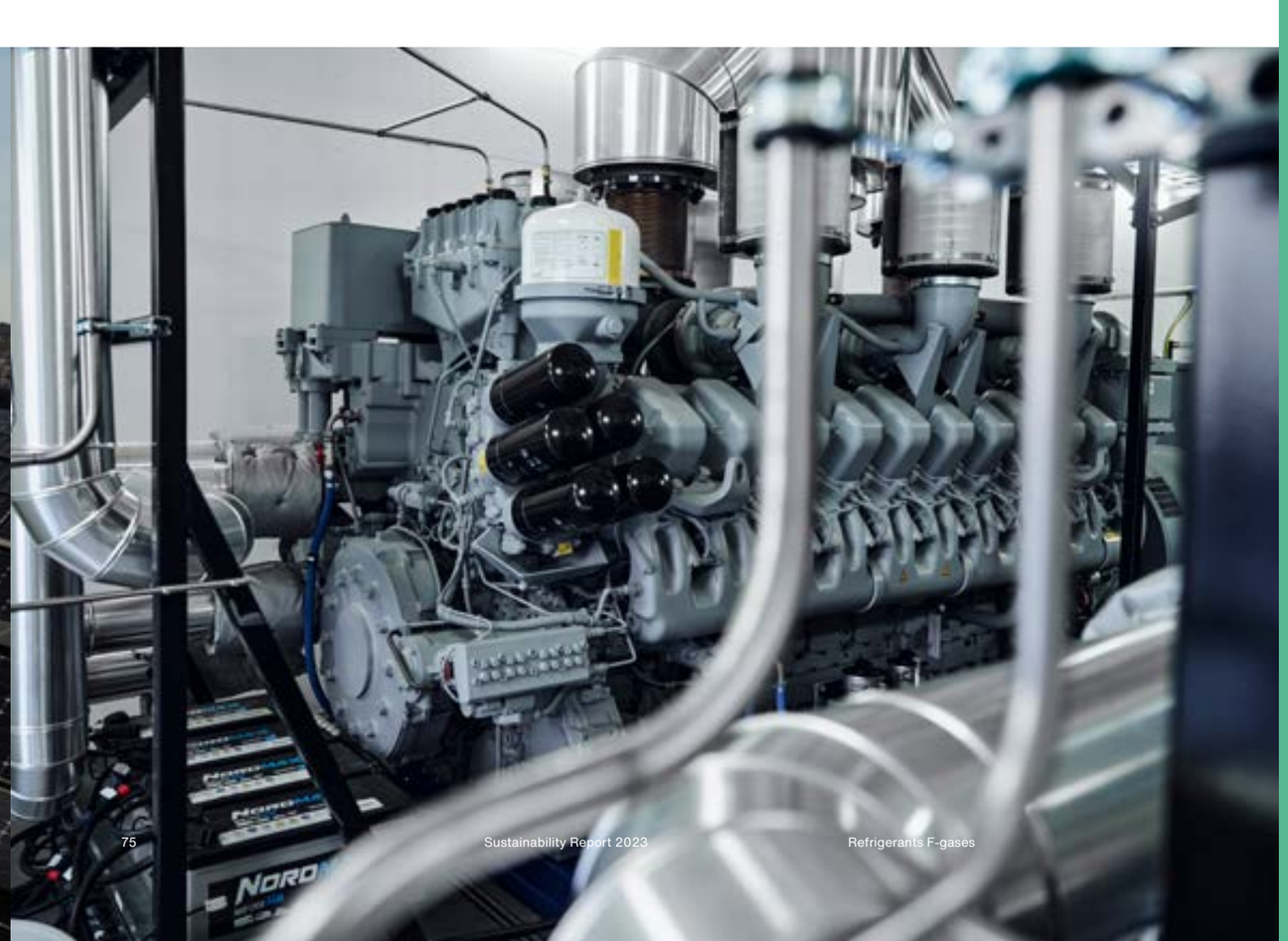
→→ The transition to nearly fossil-free data centers will increase operational costs by roughly 2 million SEK and will also avoid emissions of 750 tonnes of CO2e in 2028, compared to if we had used diesel in our future expansions.

Refrigerants – towards low and no GWP

Refrigerants are liquids and gases which are needed for cooling. If they leak, they can cause a climate impact. In Sweden, it is required by law to report leaks annually to the authorities for companies with more than 14 tonnes of CO2e in refrigerants.

In 2023, we leaked 0,840 tonnes of CO2e in Stockholm. In 2022 we identified leaks of refrigerants which caused emissions of 31 tonnes CO2e.

In Falun, we have primarily installed chillers with R-1234ze, which is a refrigerant with a very low GWP. In our new data centers in Falun, which are currently under construction and will be commissioned in 2024, we will use R-717 ammonia as refrigerants, with 0 GWP. These chillers will also allow a much more efficient operation with the COP, the coefficient of performance being almost doubled. The only downside with these chillers is the capital investment, which is substantially higher.



Climate report Customer Monthly Scope 3 GHG emissions

In 2023, we updated our Climate report and the methodology behind it to help our customers report their Scope 3 emissions from our data centers, a requirement of material in CSRD. In our new Climate and water report, we will share our customers' share of emissions and water use from having the data in our data centers.

We also account for embodied carbon emissions. The buildings, the infrastructure, the staff working in our company, and the business travel have also been allocated to our customers' data for more transparency. We have created a methodology based on this and also applied our scope 3 emissions to our customers' data, inspired by the carbon accounting methodology developed by the E-liability Institute.

Electric cars and EV chargers

Our ambition is to have an electric benefit car fleet. In our benefit car fleet, all six benefit cars were electric as of 2023-12-31. In 2023, we installed EV chargers. We currently have 7 EV chargers at our sites in Falun, Stockholm, and Piteå.

Smart hands and remote hands – reducing our customers' travel emissions

We also offer remote services, reducing GHG emissions and travel time for our customers. Our Remote Hands and Smart Hands services cover everything from simple tasks like cabling and rack installation to more advanced operations. It is performed by staff with broad and solid knowledge about data centers and can be customized to fit the client's needs.

Climate risks

→→ Physical climate risks overall, are not deemed material for our operations. In a separate climate risk assessment with a deep-dive on our Falun site and a more general overview of our other sites (separate from our materiality assessment), the financial impact from physical climate change risks to our operations is deemed low to medium, and low after the targets and controls we have put in place as a response to the risks.

The chronic physical risks were all deemed low except for the groundwater risk, which was deemed medium with regards to when we need water for cooling as well as the risk of heat waves and heavy precipitation. The groundwater levels are the lowest when we need cooling water the most, in July and August. This may also cause reputational risks if not managed. The potential negative impact of water use in the future was deemed material and has been reported under the Water section in this report. Transition risks are risks related to how the company manages to adapt to changes in legislation and public pressure. To mitigate risks related to groundwater, we have decided to not use groundwater permanently for future sites which reduces the physical and reputational (transition) risk.

Being a data center using electricity in an increasingly electrified society may cause reputational harm if power becomes increasingly scarce. We monitor this regularly, and we are considering various ways of supporting renewable power production and the grid. When it comes to adapting to a low-carbon society, we are already on our way with transition plans to phase out the use of fossil fuels to more than 99% of our energy use. Reporting related to our material topic Energy use is done in the section about Energy use in this report. Reporting related to the material topic of GHG Emissions is done in the corresponding chapter in this report.

However, when taking our mitigating actions into account, the financial implications from physical risks are deemed negligible to low. (Negligeable: 0-1% drop or increase of EBITDA, Low 1-5%, Medium: 5-25%, High: 25-50% Critical: Above 50% drop of EBITDA).

A further assessment should be done of our sites in Stockholm and Piteå, given that the focus of this assessment was on Falun. However, the physical climate risks for Sweden, even with high emission climate scenarios are relatively small compared to many other countries, this means that the risks are also deemed as relatively small for us as a company. We have also not looked deeply into the impact on resources and materials used to build and operate our data centers, beyond power.

The physical climate change risk was assessed with external tools and resources from reputable sources–s - such as SMHI, World Bank, UN, and W–I - when available. Each climate change risk was also classified as low, medium, or high.

Most chronic and acute climate change impacts were categorized as low risk, a select few impacts were categorized as medium risk, and no impacts were categorized as high risk (see Tables 1 and 2 below for a complete summary).

The assessment of our Falun site was completed according to the guidelines from the EU Taxonomy Appendix A: Generic criteria for DNSH to climate change adaptation, in the section “I. Criteria” and in the section “II. Classification of climate-related hazards”. It was also completed using inspiration from the guidelines from the EU CSRD ESRS E1 Climate Change ESRS 2 IRO–1 - Description of the processes to identify and assess material climate-related impacts, risks, and opportunities. We have plans to complete additional climate risk assessments for our other sites in the future.

A “high emission climate scenario” was considered in this climate change risk assessment, whenever possible in the available tools used. RCP 8,5 was used when possible.

Climate risk assessment of new sites
When we plan new data centers, we take environmental and social criteria into account according to EN 50600 and best practices. We do an Environmental Impact assessment according to Swedish and EU legislation. We also take biodiversity into account; it is linked to EIA and the environmental permit. ←←

Our relation to water

We use water for cooling our data centers

Water scarcity is becoming an increasing problem across the globe and will increase with rising temperatures and climate change. Being in the Northern Hemisphere, we have reasonably cold temperatures. This means less cooling and less water use. We also have a low risk of flooding where we have our data centers, and the water risk is deemed low according to the Aqueduct Water Risk Atlas.

We use water for cooling our data centers, and typically the use is very low around the year except for during the summer period from mid-June to mid-August when the outside temperatures are high. This is why we have set a target to reduce dependency on groundwater because when we need cooling, the groundwater levels are typically the lowest. We will move away from the use of potable groundwater and use surface water from a nearby lake in Falun. We also use some domestic water, but very limited amounts.

We realize that water use from data centers in other parts of the world is causing both environmental and social issues. This is also reflected in customers' requirements and general expectations of the sector to cut the dependency on water. We are lucky to live in a place in the world where there are more lakes than days of the year, but that is not a reason to waste and displace more water than needed.

Much of the water we use is evaporated and is not released as effluent. We have very limited water discharge, mainly from toilets in the office, going into the municipal sewage system and its water treatment.

The warm air is sprayed with water, cooling the air through the external cooling coils. This adiabatic cooling saves energy from cooling.
Photo: Johanna Flood.

Our water use

Type of water	2023 Water Withdrawal m3	2022 Water Withdrawal m3	2023 Water Consumption m3	2022 Water Consumption m3	2023 Water Discharge m3	2022 Water Discharge m3
Third-party water ≤1,000 mg/L Total Dissolved Solids	0	0	0	0	1 402	709
Grey Third-party water >1,000 mg/L Total Dissolved Solids	0	0	0	0	0	0
Surface water ≤1,000 mg/L Total Dissolved Solids	595	663	0	0	59	0
Grey Surface water >1,000 mg/L Total Dissolved Solids	0	0	0	0	0	0
Groundwater ≤1,000 mg/L Total Dissolved Solids	19 440	7 458	18 574	7 412	0	0
Grey Groundwater >1,000 mg/L Total Dissolved Solids	0	0	0	0	0	0
Seawater >1,000 mg/L Total Dissolved Solids	0	0	0	0	0	0
Recycled wastewater to or from other organizations	0	0	0	0	0	0
Rainwater collected	0	0	0	0	0	0
Produced water	0	0	0	0	0	0
Total water volumes (areas with high water stress)	**0**	**0**	**0**	**0**	**0**	**0**
Total water volumes (areas with low water stress)	**20 035**	**8 121**	**18 574**	**7 412**	**1 461**	**709**

The Water is purchased from a third party, the water consumption entered represents the source of the third-party provider. Cooling water is evaporated.

Sources of water

In Piteå our water comes from the Municipal utility provider, and in Stockholm from Lake Mälaren through our utility company. In Falun, we currently use groundwater from the neighboring municipality through a local utility company but will replace it with surface water.

Runoff water

To reduce runoff water from our data centers, we have sedum roofs that absorb the water in Falun. We have little runoff water because our sedum roofs absorb the water in our largest site in Falun, leading to less eutrophication, pollution, and other negative impacts on local water bodies. We recycle the cooling water in Falun, leading to less water discharge from the site. The water is recycled for 24 hours and is then discharged to minimize the risk of listeria.

In Falun, we have also covered the land containing old pollution from the sulfur acid factory in the area, resulting in less hazardous runoff water. In Falun, the runoff water from the campus area can also be contained in a dam constructed by us. In case of external leakage of fuel or other liquid, or if there is a risk of contaminated water because of the emergency services putting out a fire, this water can be contained and then collected for proper treatment.

Water discharge

We have very limited polluted water discharge, most of our water impact is water displacement when the water evaporates in the cooling of the data centers. Our water discharge is normally not polluted; it is mainly water from toilets and sinks to the sewage system and from cooling to the stormwater system, this water is not measured. All our domestic water goes to the municipal water treatment facilities. The water treatment in Sweden is strictly regulated and monitored.

Reducing water use for cooling

Cooling our data centers is a tradeoff between water use and energy use. Either we use more energy for cooling, or we use more water. To save electrical energy in chillers we have deployed adiabatic cooling. This means that we don't need to use water for cooling. In case of drought or water shortage, we can minimize our water consumption at the cost of higher electricity consumption.

To reduce water consumption, we recycle our cooling water for 24 hours in Falun, then we let it out in the stormwater system to mitigate the risks of bacteria. This makes it hard for us to know exactly how much water has evaporated and has been returned to the stormwater system. The water is not polluted when it is discharged, however, it will be slightly condensed. We assume that roughly 98% of the cooling water withdrawn is evaporated (consumed) and the 2% remaining is discharged. In Stockholm and Piteå we don’t use water for cooling.

To detect leaks, we monitor the pressure in all our pipes that contain liquids. For critical systems, we also utilize external water sensors under the pipes.

We are future-proofing our data center for liquid cooling which will enable low energy consumption cooling and no use of water in the future. The cooling systems in all our data centers are all chilled water-based which means they can receive liquid-cooled servers. We encourage our customers to choose liquid-cooled technology. We also encourage our customers to choose hardware that can withstand higher temperatures – this means that we use less energy and water for cooling.

Reducing dependency on groundwater and supporting water infrastructure

We choose between using energy for cooling or water for cooling and in places with an abundance of lakes, this can be an easy choice. By using adiabatic cooling – supported by water – we can reduce the energy used for cooling.

We think groundwater is a precious resource, and in Sweden, we have plenty of lakes and surface water. We therefore want to avoid using groundwater since this is becoming increasingly scarce, especially in the summer when we need it the most. →→

→→ Increased temperatures and fewer areas covered with snow in the winter will lead to larger fluctuations of groundwater levels which will have a social impact on people and their water supply. 50% of the Swedish population gets their water from groundwater.

In Falun, we will replace the groundwater with surface water. We also have a target to not use groundwater permanently for cooling for future sites. In Falun, we have started the work to replace the use of potable groundwater with water of lesser quality. We will, together with the local water provider, invest in new pipes and an upgrade of the water system for processing water from a nearby lake. Through this investment of roughly 15-20 MSEK, we are strengthening water infrastructure locally.

The water will not need any chemicals to be cleaned, only filters, and it will be clean enough to meet our technical requirements to ensure that our equipment does not wear out, but it will not be used for drinking. Other industries will also be able to use the same water connection, so our investment can bring value to the local communities. We are also, through this investment, increasing the water resilience in the city of Falun by supporting the local water supply.

The new water pipe will be in use late in 2024 or early 2025. This means that we will not use groundwater for cooling from then.

Water footprint across the value chain

Across our value chain, the water use mainly comes from the materials we use in our data centers. Concrete, steel, glass, and batteries have a large water footprint related to their production.

Producing steel, cement, and glass consumes a lot of water in several processes. Cooling water is often used in the mines where ore and other minerals are extracted. However, there are limited studies of water footprint since they depend on where the materials are produced and refined, and materials often have complex supply chains, which is why we cannot quantify the water footprint. In our design, we are striving to find the sweet spot of wood use. We have replaced much of the concrete and steel used in traditional data center designs with wood. The wood that we use has a low water footprint and is grown in areas with low water risks in Sweden.

Water risks

Our data centers are in central and northern Sweden where the water risks are low, according to the World Resources Institute Aqueduct Water Risk Atlas tool.

Site	Current Overall annual water risk	Projected Change In Water Stress *	Projected Change In Water Stress *
Falun, Sweden	Low (0-1)	Low (<10%)	Low (<10%)
Piteå, Sweden	Low (0-1)	Low (<10%)	Low (<10%)
Stockholm, Sweden	Low (0-1)	Low (<10%)	Low-medium (10-20%)
Östersund, Sweden	Low (0-1)	Low (<10%)	Low (<10%)

* Value In Year To 2040 Optimistic

Source: WRI Aqueduct Water Risk Atlas

Circularity

Generation of waste

We fully support the 3R waste hierarchy of reducing the use of materials, reusing products, and materials as long as possible and finally recycling them. When recycling is not possible, the waste is used for energy recovery. Only a small fraction of our waste is disposed of in landfills.

We generate most of our waste in construction activities when we build or adapt our data centers. When we build new data centers, we try to reduce the generated waste as much as possible, both for circular reasons but to be honest, also because buying waste is a bad business idea.

Packaging is a large waste stream, coming from things we buy during construction. The packaging waste is sent to recycling. Almost all our waste is recycled, most of it to become new paper or plastic, but also to become compost or energy.

Some waste is also generated during operations, from our offices and lunchrooms. The waste operators used for our operations are municipality-owned waste operators, controlled by Swedish authorities. The combustible waste is sent to incineration with energy recovery, the heat is used for heating the houses and the food waste is composted and used to produce biogas Our contractors' construction waste is handled by a private company, certified with ISO 9001, 14001, and 45001, and controlled by the Swedish state.

Looking at the whole value chain, the waste footprint from producing the materials we build our data centers of is large. According to a study by IVL, the waste generated from producing one laptop of a few kg is 1200 kg. Another example is steel which during extraction produces a lot of waste. Producing one tonne of steel uses 1400 kg of iron ore, 800 kg of coal, 300 kg of limestone, and 120 kg of recycled steel.

Our data centers have a long lifespan, we don't know yet, but we assume at least 30 years. Probably longer. The installations inside of the datacenters are expected to be replaced every 15-50 years. We do what we can to increase the life span of the installations if it does not affect the quality of our services, for example. At the end of life, they will be taken care of by recycling companies to ensure as much of the material as possible is reused, recycled, or incinerated. If we look at the broader value chain, the replacement of our customers' servers in our data centers contributes to a lot of electronic waste. The servers are usually replaced every 3-5 years. To help our customers take care of the waste from their old servers when replacing them with more efficient and modern servers, we offer a take-back service, partnering with waste operators which can reuse or recycle the servers in a safe and secure way to ensure data privacy.

Reduce

Our data centers are built for the future. We design our data centers smartly to use the equipment most efficiently. We do what we can to prolong the life span of our data centers and the installations inside of them.

Reuse (and prolonging lifespans)

We build future-proof data centers with good performance which will last in the future. We sell our waste energy to our partners to reuse. We offer reuse solutions for our customers' servers through partnerships with circular companies. In 2023, we joined an EU-funded project together with Rise and Atea, to investigate →→ environmental break even from replacing servers or keeping the old ones. The project is focusing on reducing e-waste in the EU.

Recycle

Most of our waste is recycled. Cardboard, compost, packaging materials, plastic. Our combustible waste is incinerated with heat recovery and used in the Swedish district heating network.

Material use in our data centers

Roughly 90% of our total data center capacity is in our in-house-designed data centers in Falun. We have three data centers which we acquired after they were built and two larger data centers we have designed and built ourselves. Naturally, the data centers we design ourselves are the ones we have the most control over. We have designed them to reduce the material impact and a large share of the materials is wood.

- Concrete
- Steel
- Wood
- Sandwich panels
- Batteries – back up power
- Technical installations HVAC
- Substations

Hazardous waste

We have a waste management procedure for how to ensure safe management of hazardous waste. It is not allowed to transport hazardous waste without authorization. We use authorized waste operators for all our sites to take care of the hazardous waste. The transport of hazardous waste is registered through the Swedish Environmental Protection Agency Naturvårdsverket, and the amount of waste is reported annually to Naturvårdsverket. We typically have very little hazardous waste.

Materials in our newest Datacenter 1 A

During 2023, we started operating our newest Datacenter 1 A. This roughly 11,000 m2 building is our largest data center so far and it is mostly built in wood, a regenerative material. We used approximately 1800 tonnes of wood in Datacenter 1 A, replacing tonnes of concrete and steel.

For more information about this, please see the section on LCAs under GHG emissions.

IT Recycling – reducing e-waste

In 2023, we started to investigate if we could offer customers take-back of their servers at the end of life. We are close to offering this service to our customers. The servers can then be reused or recycled depending on the customers' IT security practices.

Our waste

Origin of waste	Type of waste	Weight 2023 (kg)	% of waste 2023	Weight 2021 - 2022 (kg)	% of waste 2021 + 2022	Waste management
Construction waste	Cardboard and paper	23 190	5%	11 105	21%	Recycled
Construction waste	Plastic	1 820	0%	8 983	17%	Recycled
Construction waste	Mixed metal	38 760	8%	1 056	2%	Recycled
Construction waste	Gypsum	52 560	11%	3 617	7%	Recycled
Construction waste	Wood, incinerated	171 460	34%	3 498	7%	Recycled
Construction waste	Sewage	7 150	1%	No data	N/A	Recycled
Construction waste	Inert material	3 920	1%	No data	N/A	Recycled
Operational waste	Food waste to compost and biogas	2 760	1%	3 672	7%	Recycled
Operational waste	Metals for recycling	80	0%	243	<1%	Recycled
Operational waste	Plastic	2 820	1%			Recycled
Operational waste	Paper for recycling	5 680	1%	140	0%	Recycled
Total recycled		310 200	62%		54%	Recycling
Operational waste	Combustible waste to energy recovery	6 410	1%	9 394	18%	Energy recovery
Construction waste	Combustible waste to energy recovery	127 640	26%	5 082	10%	Energy recovery
Total Incinerated with energy recovery		134 050	27%		35%	Energy recovery
Operational waste	Unsorted waste to recycling and disposal	-	0%	660	1%	Unknown
Construction waste	Other waste for disposal	54 180	11%	2 270	4%	Disposal
Total Unknown handling or disposal		54 180	11%		10%	Unknown or disposal
Total		498 430	100%	52 492	~99%	

Our waste targets

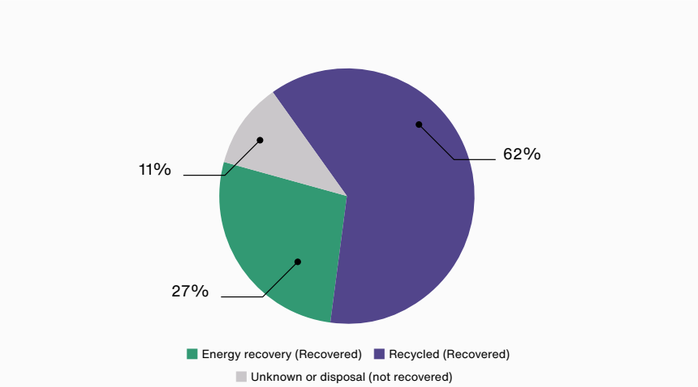
Being a company in a growth sector, it is nearly impossible to set absolute targets and meet them. We will continue building data centers and the construction process will inevitably produce waste. More data centers will also generate more waste from operations. This is why we have set a target to minimize disposed waste. 90% of our waste will be reused, recycled or if no other option exists, incinerated with energy recovery by 2028, this is what we refer to as recovered waste. Our target definition of recovered waste is not the same as what GRI refers to. According to GRI's definition incinerated waste with energy recovery is not deemed recovery, but disposal. To meet the target for construction waste, we need to work closely with our contractors for correct waste management.

To keep the target of 90% recycling or incineration with energy recovery, we need to identify how the waste from our construction works can be reduced, reused, or recycled.

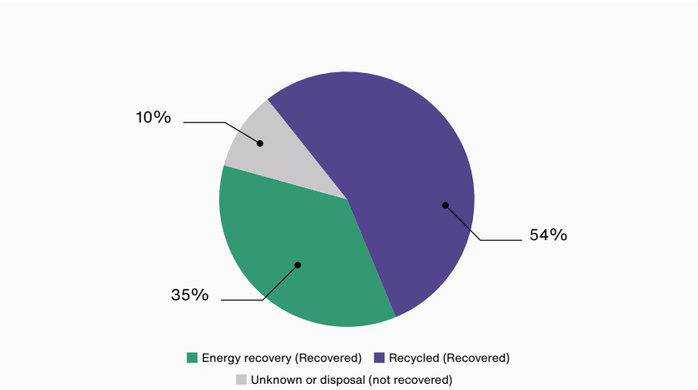
In 2023, 62% of our operational and construction waste was recycled and 27% was incinerated with energy recovery. The remaining 11% of our waste was disposed of by other methods. This waste comes from the construction works of our new data centers. In 2023, our contractors reported their waste figures to us directly.

In 2022-2022, 90% of our waste was reused, recycled, or incinerated with energy recovery. The data for 2022 also included some construction waste from 2021 because the data could not be separated.

2023



2021–2022



Biodiversity

Our dependence and impact on nature

We and other companies need to do what we can to protect nature and prevent pollution across our value chains. We want to understand our dependence and impact on nature and boost biodiversity to compensate for the use of nature to build and operate our data centers.

We are dependent on nature as a company and as humans – without nature, we cannot build our data centers, and we as humans cannot survive. Sadly, almost everything we do has a negative impact on the planet. This is why biodiversity is a material topic to us (and to everyone on this planet). However, for 2023, we did not report on the GRI standards for biodiversity because we did not have the information.

We have identified three types of impact on biodiversity across our value chain. Apart from the obvious impact of land use to build data centers and pollution on our site during construction works and operations, we also have an impact on biodiversity from the materials we use to build our data centers as well as from the power we use.

Impact from our sites

Our site in Falun is not impacting biodiversity to a very large extent, since it is built at the site of an old chemical factory and close to the old Falu copper mine, which was in operation for almost a millennium. The Falun site is also contaminated due to previous chemical production. The site has been remediated but is still contaminated because of sulfuric acid production. The impact on the cultural environment was also deemed low. There is a limited negative impact on waterways from our site in Falun, according to the Environmental impact assessment done by third-party consultants. In Stockholm, our data centers are in industrial areas. →→

→→ For future sites, we are taking biodiversity into account, choosing sites where the impact on nature is low. We also see financial risks related to biodiversity impacts, because of longer lead times, which is why we will implement biodiversity criteria into our site selection process.

Biodiversity Impact in our supply chain

It is hard to scientifically quantify the biodiversity impact from our supply chain, but LCAs give us an idea of the negative impact by understanding the impact on climate change, acidification, and eutrophication.

Acidification means more acidic land and water systems. It leads to the dissolving of soil and leakage of its components into water. This pollutes water and leads to a reduction of species and even negative effects on human health. Some of the most significant raw materials from an acidification point of view, we build our data centers of are steel, concrete, aluminum, and various wood-based products such as wood.

We build our data centers in wood; this material has a low environmental impact compared to concrete and steel which it often replaces in our case.

We intend to buy Swedish wood to build our data centers, responsibly grown and sawn nearby. The timber for the cross-laminated wood is certified according to FSC and PEFC's Chain of Custody and FSC Controlled Wood. The wood planks for our data centers come from Sweden and are also FSC Chain of Custody certified. However, we also use a lot of other materials with unknown biodiversity impacts from mining and other activities upstream.

Biodiversity impact from energy use

We use a lot of power to run our data centers, and even if we purchase renewable power, there is still a negative impact on biodiversity. According to the life cycle assessment of the first data center we built, the majority of acidification, which has a negative impact on biodiversity, comes from wind power.

Eutrophication is another issue that leads to a negative impact on biodiversity. Through eutrophication, near the bottom of lakes or coastal waters die since they cannot reach sufficient oxygen intake. Freshwater eutrophication from our data centers is almost entirely caused by operational energy use, specifically from hydropower.

Greener sites

We have set a target to better understand our biodiversity impact, to minimize it for new site developments, and to compensate for the loss. We have started measuring biodiversity, but we have not reported according to all GRI indicators for 2023 because of a lack of data.

However, we did measure or assess the share of green area on our sites and found that 8% of all site area is green space (not counting green roofs on our buildings). Although the share of green area is small in most of our sites, the Tellus site has reported 50% green area.

Site name	Green area (m2)	Total area (m2)	Ratio of green space to total space (%)
Piteå	114	16 200	1%
Falun	4 789	83 000	6%
Tellus	3 500	7 000	50%
Atlas	0	4 000	0%
	8 403 m2	110 200 m2	8%

In 2023, we started a dialogue with Ecogain, a Swedish company assessing and supporting biodiversity, to understand how we can collaborate to quantify, minimize, and compensate for our negative impact on future site developments. This project will start in 2024.

Sedum roofs

Our datacenters in Falun have sedum green roofs covered with plants. This compensates to some extent for the land use of our datacenters on site and they boost biodiversity compared to a normal roof. Sedum roofs also have other benefits such as preventing flooding from runoff water by giving good drainage. With climate change, extreme weather such as heavy rainfalls will be more frequent, which is why we would also argue that sedum roofs are a climate adaptation measure. Water is stored in the plants instead of running off roofs and into the sewage system. The sedum roofs also have a long lifespan, reducing use of materials from roof replacements. Sedum roofs also typically provide better energy performance of the buildings and improve air quality along the life cycle, also upstream in the supply chain.

Environmental protection on our sites

Continual environmental improvement

We work according to ISO 14001 which means understanding our negative impact on the environment and reducing it through continual improvement. Our activities are also subject to an environmental permit, based on an environmental protection assessment and therefore there are special conditions for:

- Emissions to air
- Emissions to water
- Management of waste
- Noise

Chemical management

Anyone who buys or uses chemical products or goods must assess the risks and only approved chemicals can be used. Chemicals are stored in the designated area.

We either have a system helping us to monitor chemical use, or we use external contractors to ensure we manage chemicals safely. We avoid dangerous chemical products and articles that can be replaced by less dangerous ones or use alternative technologies. This is called the substitution or product choice principle. The PRIO prioritization guide is a tool to help our employees eliminate hazardous substances and products to reduce risks to health and the environment. The PRIO list is developed by The Swedish Chemicals Agency.

The Swedish Work Environment Authority is responsible for rules and requirements for systematic work environment management for workplaces with chemical risks. The requirements include, for example, investigating and assessing risks, taking measures, and labeling containers and pipelines. Operations that are subject to authorization and notification under the Environmental Code are subject to self-monitoring requirements under the Ordinance (1998:901) on the self-monitoring of operators.

Anyone using chemicals must be able to account for the chemicals used and provide safety data sheets and risk assessments for them upon request. The chemicals must be well labeled with their contents, and safety data sheets are available at the workplace.

When we use chemicals in places where there is a risk of release directly into the environment, temporary protective measures should be applied such as absorbent cloth and spill trays.

We have procedures for incidents related to leaks of chemicals. For larger leaks, we have containment in place.

Phasing out PFAS

To reduce our dependence on PFAS, often called the forever chemicals from their persistence, we have for our new developments decided to change our standard design for fire extinguishing gas from one containing PFAS to a gas only containing inert gases such as nitrogen and argon. This requires changes in building and technical design, but we believe it is the right thing to do to protect people and nature from PFAS, and to mitigate future financial risks related to potential PFAS bans.

Reduced NOx and SOx from alternative generator fuels

Emissions to air, except for GHG emissions, are not deemed material. We have limited emissions to air from the combustion of fuels in our diesel generators. The emissions are NOx and CO, hydrocarbons, and particle matter.

In Falun, we started using HVO instead of diesel at the end of 2023. This will reduce pollution to air resulting in less NOx, SOx, and particles. Reduced pollution from our diesel generator tests will lead to reduced negative impact locally and globally, both for nature and humans.

Our data centers in Stockholm use diesel made from natural gas. This type of fuel emits less CO2, less sulfur oxides (SOx), and nitrous oxides (NOx) leading to reduced acidification from our backup generators. Also, the particle matter from the combustion of this type of fuel is lower making the air quality better.

Dust from construction works

For any work that may lead to dust formation, we have specific procedures to ensure dust is not spread. The dust is controlled through water and salt reducing the air pollution for neighbors and employees. Dust is not deemed a material topic to us.

Noise levels

We check our noise levels and report this to the municipality when testing the generators and when changes in operations may lead to higher noise levels. When a new data center is built, near-field measurements and calculations are done. Noise levels are not deemed a material topic to us.

Social
Care for people

We believe in caring and sharing. This is why the heat from our data centers will boost tomatoes to grow in greenhouses in Sweden and make cold houses warm. We care for our stakeholders such as employees, suppliers, contractors, customers, local communities, and our partners. We also care for our indirect stakeholders, the consumers of data, and the communities along our value chain who might be impacted negatively by the extraction of materials to build our data centers, or using data from our data centers.

We think that safe, healthy, and happy employees are more committed and perform better. We want our company to be psychologically and physically safe, which is why we eliminate hazards in our workplace and reduce occupational health and safety risks in a systematic way. We commit to all internationally recognized human rights across our value chain and seek to work in accordance with the UN International Bill of Human Rights and the principles concerning fundamental rights. We mostly do this by choosing local suppliers and contractors whenever possible, giving back to the communities where we operate.

Targets, metrics, and controls – Performance against targets

Below are the targets, metrics, and controls to follow up on our performance. Various stakeholders have been involved in shaping the strategy and related targets, such as our owners, municipalities, employees, and banks. Since the targets were set in 2024, we cannot evaluate the effectiveness of the actions.

Material topic	Target or KPI	2023	2022	Trend	Comment
Local communities and stakeholders	Apprenticeships in our own operations and in all our sites for construction works	Yes	Yes		Various apprenticeships and student workers in 2023.
Local communities and stakeholders	Local contractors and suppliers for all our own operations and construction sites	Yes	Yes		40% of our spend went to local contractors for our construction works in Falun.
Attraction and retention of talent	Maintain customer & Employee satisfaction above 80	Customer satisfaction score 84 Employee satisfaction score 86	Customer satisfaction score 79 Employee satisfaction score 82		
Diversity	Minimum 20% Women in the whole company by end of 2028	17% women, 83% men (including consultants)	12% women, 88% men (including consultants)		Target was set in 2024, action plan under development
Diversity	Minimum 30% Women in the executive management team by end of 2028	25% women, 75% men	33% women, 67% men		Target was set in 2024, action plan under development
Diversity	Minimum 30% Women in managerial positions by end of 2028	19% women 81% men (including executive management team)	Not measured		Target was set in 2024, action plan under development
Health & Safety	Third-party validation of occupational health and safety system according to ISO 45001 certification by end of 2025	N/A	N/A		Target was set in 2024.

Our employees

EcoDataCenter AB currently at the end of 2023 had 60 total people in its workforce where 49 were employees and 11 were consultants. Employees are individuals who are in an employment relationship with the organization, according to national law or practice. Workers who are not employees are agency workers, apprentices, contractors, sub-contractors, self-employed persons, and other persons working for organizations other than the reporting organization. The total workforce is currently 17% women (10 people) and 83% men (50 people). Although EcoDataCenter AB is characterized by a predominantly male workforce, we do have targets to increase female representation throughout all levels of the company.

The total workforce includes people of various ages but predominantly consists of people between the ages of 30 and 50. Additional information about the workforce, hiring, and turnover can be found in the tables below. All data about the workforce presented in the tables below was gathered using a simple headcount method by the Human Resources department after the end of 2023. Since we are a small and growing company, the total workforce is quite small and, in some cases, it is dependent on external consultants.

We have not divided the workers per region because of the small population and that individuals can easily be identified.

2023 summary of work force, hires, and turnover by gender

	Men		Women	
Total workers (including consultants)	50	83%	10	17%
Total employees (excluding consultants)	41	84%	8	16%
Number of hires	18	78%	5	22%
Number of turnover	1	100%	0	0%

2023 summary of work force, hires, and turnover by age

	under 30		30 to 50		over 50	
Total workers (including consultants)	4	7%	38	63%	18	30%
Total employees (excluding consultants)	4	8%	33	67%	12	25%
Number of hires	3	13%	15	65%	5	22%
Number of turnover	0	0%	1	100%	0	0%

2023 summary of work force by type of employment

Permanent, temporary, or non-guaranteed hours	Men	Women
Permanent employees (excluding consultants)	41	8
Consultants	9	2
Temporary employees	0	0
Non-guaranteed hours employees	0	0

Full-time or part-time	Men	Women
Full-time employees	41	8
Full-time consultants	9	2
Part-time employees	0	0

Workers who are not employees

We contract local companies for construction work, related to groundwork and excavation, electrical work, pipework, and building construction. During 2023 we had an estimated number of workers who were not employees on-site reaching over 200 people, according to our project manager and the contractors. Workers who are not employees are agency workers, apprentices, contractors, sub-contractors, self-employed persons, and other persons working for organizations other than the reporting organization. A standard headcount approach was used to collect this information about the total number of workers for one month, and the data was extrapolated to estimate the full year 2023. These workers primarily worked with three types of tasks including building construction, electrical work, and pipe work. Our project manager also estimated that these workers dedicated over 450,000 work hours to our new construction projects in CDC, DDC, and Solveig during 2023.

Some fluctuations in the number of workers on-site occurred throughout 2023, but only due to normal reasons related to the nature of large construction projects and how different skills and workforce are needed at different stages. While the number of our own employees is growing steadily, our engagement with contracted workers is less predictable and is dependent on when we begin construction of new data centers. Since we did not monitor data related to workers who are not employees prior to 2023, we are not able to compare 2023 to any previous years.

2023 summary of workers who are not employees

Type of work tasks	Number of workers
Construction work	97
Electrical work	65
Pipe work	54
Ventilation work	6
Land excavation work	5
Total number of workers	**227**

Diversity, equity and inclusion

EcoDataCenter is based on a fundamental view of the equal value of all people. All employees should have equal rights, opportunities, and obligations regardless of gender, transgender identity or expression, ethnicity, religion or other beliefs, disability, sexual orientation, or age. The equity and diversity work at EcoDataCenter aims to create a tolerant work environment free from discrimination, offensive behavior and harassment, a work environment where all employees'' abilities are developed and utilized.

Inclusion and anti-discrimination

Science shows that diversity in the workforce increases creativity, broadens our horizons, and increases competitiveness. We want everyone to feel welcome and valued in our company and we want everyone to feel listened to so we as a company can grow stronger by harvesting the best ideas from everyone. We foster a welcoming and inclusive working environment where individuals of all sexes, genders, ethnicities, religions or faiths, disabilities, sexual orientations, and ages are valued and respected.

Diversity and discrimination are regulated by Swedish legislation, and internally we have a Diversity and Equal Treatment Policy and our Employee handbook guiding us how to do this. Complaints on any type of discrimination can be done via the manager, workers' representative, the union, the Whistleblower function, or the Swedish Work Environment Authority. If an incident of discrimination occurs, it would be reported internally to the relevant manager and HR department, either by personally reporting the incident or anonymously reporting the incident in our whistleblowing system. An investigation would then be completed.

We also follow our inclusive recruitment process to ensure we treat people equally in the recruitment, promotion, salary-setting, and onboarding of employees. As part of the onboarding process, we ensure awareness on inclusion and anti-discrimination. Managers are trained in anti-discrimination, harassment, and victimization in the workplace, in our internal Basic Leadership and work environment training. Zero cases of discrimination were reported or identified during 2023, 2022, or 2021. Our new office is also accessible by wheelchair.

Gender diversity

The data center industry is largely dominated by men, and this goes also for us. We have set targets to increase the share of women in our company. The global average in data centers is 10% women, according to a study by Uptime Institute. In the wider sector, roughly 30% of people in managerial positions are held by women.

Our target may seem low, but we have decided to try to get 20% women in the company by 2028, and to have 30% women in both managerial positions and in the executive management team.

Up until mid-year 2022, all people in the management team were also over 50 years old. Now, the age diversity in the management team is higher.

EcoDataCenter

17%
Women in the company as of 2023

Goal: 20% women in the company by 2028

12%
Women in managerial positions 2023

Goal: 20% women in managerial positions by 2028

25%
Women in executive team as of 2023

Goal: 30% women in the executive team by 2028

Global Outlook

10%
Women in datacenter companies

Few women in datacenters (UI)

~30%
Women in managerial positions

* Uptime Institute

Diversity disclosures

2023 was the first year we collected this data, we therefore don't show the data for 2022 in this section.

2023 gender diversity of employees	Men	Women	2023%	Targets
Board of directors (separate from employees and consultants)	4	1	20% women 80% men	No target for EcoDataCenter
Executive management	6	2	25% women 75% men	30% Women in the executive management team by 2028
Managerial positions (excluding executive management)	7	1	12% women 88% men	
Managerial positions (including executive management)	13	3	19% women 81% men	30% Women in managerial positions by 2028
All employees (excluding executive management and managerial positions)	37	7	16% women 84% men	
All employees (including executive management and managerial positions)	50	10	17% women 83% men	20% Women in the company by 2028

2023 age diversity of employees	<30	30 - 50	>50
Board of directors	0	3	2
Executive management team	0	6	2
Managerial positions (excluding executive management team)	0	6	2
All employees	4	26	14

Family-friendly parental leave

It is illegal in Sweden to discriminate anyone during recruitment because of family plans. Sweden has some of the most generous parental leaves in the world, and to be home with the children is a legal right for more than one year for the parents. On top of the generous family-friendly legislation in Sweden, EcoDataCenter also offers extra compensation for parents, ensuring they will get 80% of their pay during their parental leave.

In 2023, only men were on parental leave which is making us happy since science shows it helps equal parenting. This also comes naturally, as our workforce is predominantly men. The rate of employees returning to work after parental leave was 100% in 2023. The rate of retention of employees retained 12 months after returning to work following a period of parental leave was also 100% in 2023. Noting that only men took parental leave during 2023, and no women employees took parental leave.

2023 summary of parental leave by gender	**Men**	**Women**
Number of employees entitled to parental leave	41	8
Number of employees who used parental leave	7	0
Number of employees who returned from parental leave	7	0
Number of employees who returned from parental leave (and were still employed after 12 months)	7	0

*Permanent employees are eligible for parental leave, while consultants are not eligible.

Working conditions, unions, and collective bargaining

The direct impacts, risks, and opportunities related to collective bargaining and rights to join unions have been deemed low in our operations as well as from our contractors and tier-one suppliers, mainly because we and our suppliers operate in Sweden. However, there are potential risks further up our supply chain related to human rights (see more in the section about our supply chain). We can also see an opportunity for us being a company with collective bargaining agreements and a model of doing business which includes collaboration with the unions and having local contractors with the same standards.

In Sweden, the conditions for workers are regulated by law. Sweden has one of the most stringent legislations globally for workers' rights. There is even a model called the Swedish Model which is almost 100 years old, which welcomes a dialogue between employers and employees, often with the union in close collaboration. All workers are allowed to associate freely and to join trade unions, in fact, they are encouraged to join unions because it is how we do business in Sweden.

We have a representative for the employees, which is required by Swedish legislation. We have a working environment committee meeting regularly to improve employee health, safety, and well-being consisting of the representative for the employees and the employer. Any employee or the union can also reach out to the local authority Arbetsmiljöverket (Swedish Work Environment Authority) if they feel the work environment is not satisfactory or safe, the authorities can also do inspections on demand or unexpected. To ensure physical health and safety, we do risk assessments and have a systematic approach to mitigate risks.

We also have collective bargaining agreements for 100% of the employees (except for the CEO) and all our employees have the legal right to join unions. →→

→→ The collective bargaining agreement controls working hours, breaks, vacation, overtime, pay, and where and how work takes place.

Social and organizational work environment to create a psychologically safe work environment to prevent stress, working hours, and discrimination, is regulated by Swedish law.

We source most of our products and services locally from Sweden, where collective bargaining typically applies and collaboration with unions is standard. We will not engage suppliers or contractors if we are aware that they have breached their obligations to business partners or employees, violated laws, regulations, or contracts, or have unclear ownership structures.

Notice periods for changes

Notice before the implementation of significant operational changes that could substantially affect employees is provided to employees and their representatives, according to collective bargaining agreements. This is only different in the case of the CEO, who has a 6-month notice period.

Notice of major changes is required by law and collective bargaining agreements to be negotiated with the employer's side. This is done in a multiple-step process. The employer sends a request for negotiations to the trade unions. The trade unions typically want at least 10 days' notice. A negotiation takes place and is concluded by consensus. The change is implemented. Depending on the type of change, this can take anywhere from a week to a month for implementation. For example, a change in a working time schedule must be notified at least two weeks in advance.

The only notice period specified in our collective bargaining agreement (Technical Services Agreement) is for changes in work schedules, where the notice period must be at least 2 weeks. But normally this process is longer to also includes a few weeks for negotiation with relevant trade unions. Otherwise, there are no specified timeframes for operational changes, other than for dismissal.

The collective bargaining agreement also stipulates the notice period for termination of employment by the employer. People hired less than 2 years have a 1-month notice period, from 2-4 years of employment the notice period is 2 months, and then the notice period increases by the years of employment with up to 6 months.

In the event of termination of employment for a larger number of employees, we would communicate this to the Swedish authority Arbetsmiljöverket. If 5-25 people are affected, the notice should be made at least two months before the employees' employments are terminated. If the number of affected employees is higher, the notice period to the authorities is four months.

Employee satisfaction

To assess the physical and psychological work environment perceived by our employees, we do an annual employee satisfaction survey. The questions are based on science. In 2023, in our employee satisfaction survey we scored 86 of 100. In 2022, we got 82 of 100 and in 2021 83 of 100.

Salary and remuneration

We have all our operations in Sweden where minimum wages don't exist as in many other countries. In general, this also applies to temporary workers and contractors.

The highest governance body, the board, is not involved in remuneration policies, only for the CEO. How we set salaries and remuneration are decided by the collective bargaining agreement where it is stipulated what general factors decide the remuneration. The union is one key stakeholder in remuneration policies for the company, but also the employees get to have a say. For executive managers, the salary and incentive programs is decided by the CEO with support from HR.

For suppliers and contractors, we do not require collective bargaining agreements, but we ask for similar agreements and require them to follow Swedish law whenever working on our sites.

Equal pay
Equal pay is regulated by law, and we do an annual salary mapping of men and women to ensure there are no unreasonable differences in salary between men and women. Unreasonable differences can be that the salary differs for two individuals with the same education and experience. The mapping is documented and stored. We do not have a bonus scheme for any person in the company.

Because of our small workforce, we currently do not have enough data to do a statistical comparison between men and women in the same role.

The ratio of the basic salary of women to men for employees and managerial staff is presented in the table below. The average woman employee earns 78% of the average employee salary for men. The average woman in a managerial position earns 113% of the average salary in managerial positions for men. Because of the small number of employees, we have chosen not to break down the figures by site of operations.

2023 ratio of basic salary of women to men by employee category

Employee category	Ratio of basic salary of women to men
Employee	82%
Managerial positions (including executive management team)	112%

Compensation for working overtime, odd hours etc.

Employees have the right to special overtime compensation except where otherwise agreed. The employer and the salaried employee may agree that special compensation for overtime work will not be paid since the overtime is compensated by a higher salary or extra days of annual leave above the statutory annual leave. Such agreements will apply to salaried employees in managerial positions or salaried employees who have working hours not susceptible to verification or who are free to decide on the disposition of their own working hours. In other cases, special reasons must exist. The agreement should relate to a period of one annual leave year, except where otherwise agreed by the employer and the salaried employee.

Ratio of annual compensation

In 2023: The CEO's annual compensation vs median annual compensation excluding the CEO was 431%. In the same year, the highest paid non-CEO vs the median annual compensation for the employees (except the highest paid and the CEO) was 313%. The highest paid increase was 6,3%, the median pay increase was +4,1%.

The data was extracted from actual salary revision documentation.

Employee development and training

Our employees' development is managed through annual performance development assessments where we look back at the previous year and look ahead to what future training or other types of personal development are needed. We also have regular meetings between employees and managers.

Development is an ongoing process, and we encourage our employees to grow. According to Swedish law, any employee has the right to study and take a break from work and then come back. All new employees complete onboarding training, including an introduction to the Code of Conduct.

We have started developing EcoDataCenter Academy, a set of internal training courses in various levels. Training hours during 2023 were not documented in all cases, but the data in the tables below show the estimated training hours, provided by the HR department.

Trainings will be recorded from 2024 in our HR system for more detailed monitoring. In 2023 we got the training hours data for some trainings from our training platform, and the average number of hours per training was estimated to be two hours. We held a sustainability training and workshop with all employees, and only a few were absent because they had to run the operations. The workshop lasted for several hours.

In the case of need for transition assistance programs to facilitate continued employability, we would do this on a case-by-case basis. We would also support employees' career endings resulting from retirement or termination of employment.

2023 summary of total employee training hours by gender and employee type

Type of training	Training hours for men	Training hours for women
Standard employee training	224	48
Managerial training	104	16
Sustainability training	136	28

2023 summary of average training hours per person

Gender	Average training hours per person
Men	11.3
Women	11.5

Employee type	Average training hours per person
Employees	8.0
Managerial	15.0

Performance appraisal

Currently, all employees receive annual performance reviews from their managers, but these reviews are not recorded centrally. In 2024 and forward such performance reviews will be stored centrally making them easier to monitor and report on. During 2023, performance reviews were documented for most employees. We have chosen to not break down these figures per employee category, because the numbers are too small, and people can be identified too easily.

2023 performance reviews by gender*

	Men	Women
Number of employees that received performance reviews	31	5
Number of total employees	41	8
Percentage of employees that received performance reviews	76%	63%

2023 performance reviews by age*

	<30	30 - 50	>50
Number of employees that received performance reviews	3	22	11
Number of total employees	4	33	12
Percentage of employees that received performance reviews	75%	67%	92%

*Only permanent employees receive annual performance reviews and consultants do not receive such performance reviews.

Fun at work

Having fun at work is important to us. We believe that this contributes to a strong commitment and a good team spirit, which in turn produces the right results. There is a connection between our employee satisfaction scores and our customer satisfaction scores: Happy employees make happy customers.

Flexible work arrangements

Today's technology offers great opportunities to work anywhere, anytime, providing flexibility that, when used properly, is good for both the individual and the organization. However, technology does not replace the need for physical presence in the workplace and the human encounter is superior when it comes to building co-operation, team spirit and culture. It is the responsibility of every manager to ensure that tasks and responsibilities do not give rise to unhealthy workloads and that the organization of working time does not lead to ill health among employees.

Benefits

We offer our employees fruit, coffee, and tea. All employees are also offered SEK 3 000 as a wellness allowance. Through the collective bargaining agreement, we offer pensions and group life insurance, security of employment insurance, and the option for extra pension installments.

Occupational health and safety

Work environment management is an integrated part of our work and the decisions we make. Creating and maintaining a healthy and safe work environment is a high priority for us so everyone comes home safe. We are not yet certified with ISO 45001, but this is one of our targets for 2025 for a more systematic approach to health and safety.

EcoDataCenter's health and safety manual describes how we work to create a good and safe work environment. The manual is based on the Work Environment Act (AML) and associated regulations (AFS) from the Swedish Work Environment Authority. The AML contains basic provisions and sets out general requirements which we apply across all our operational sites. The regulation that clarifies the employer's responsibility for work environment management and how it should be fulfilled is AFS 2001:1 on systematic work environment management, SAM.

The health and safety manual serves as the foundation of our occupational health and safety management, although our work is not currently audited by external or internal parties. The health and safety management system of EcoDataCenter applies to all employees and all workers who are not employees who work on-site with groundwork, construction, piping, electricity, and other tasks related to new building activities. The manual contains instructions, guidelines, procedures, forms, permits, and checklists.

Since the work performed during construction of our new data centers is carried out by external contractors, such workers are not as highly controlled by our OHS practices as our own employees. In the future we also aim to have all our operational sites certified according to ISO 45001 for occupational health and safety management.

Roles and responsibilities

Managers with direct reports have a delegated responsibility for tasks related to the work environment, including ensuring that the work environment is satisfactory regarding the nature of the work. We regularly, and when changes occur such as related to new or leaving employees, examine, and risk-assess our physical, organizational, and social work environment to take the necessary measures to create a safe and secure workplace.

The key activities we use in our health and safety work consist of:

- All incidents and accidents that occur are reported and investigated so that we can learn from them and take action to prevent similar incidents from occurring again.
- We do safety rounds at all our operational sites at least quarterly, and weekly for our construction sites.
- Occupational health and safety factors are considered when evaluating contractors and purchasing new equipment.
- We comply with relevant legislation in the work environment area.
- We annually monitor our systematic work environment management.

Preventative work

Once a year, HR, together with management and safety representatives, if available, review sickness absence from the previous year to see if the reasons for absence are work-related. The results of these reviews can form the basis for further investigation of the work environment.

The health and safety committee launched in 2023 and consists of 4 people from management and 2 people from the general employee workforce. The committee meets every 4 months and manages the health and safety manual, training materials, review of risk assessments, review of safety rounds, communication, and other relevant materials related to health and safety. This committee is the decision-making body for any changes to the existing health and safety practices.

Although data centers are not as high-risk as many other types of work environments, Eco Data Center employees conduct regular health and safety rounds. These aim to identify risks and hazards at Eco Data Center's operational sites, which could potentially cause injuries. Risks and hazards can also be identified after an accident has occurred. The identified risks and hazards identified during 2023 include cuts hazard in goods reception areas, falling and slip hazards in loading docks, and hazard for head injury in outdoor areas with low staircases. Most of the hazards were identified during safety rounds, although the hazard related to cut injuries was identified after an accident occurred. Results from health and safety rounds and accident investigations are the basis for identifying actions to eliminate or minimize hazards and risks, and continually improving workplace health and safety. Employees also have the right to remove themselves from workplace hazards, without reprisal. Although only one incident occurred and very few hazards were identified in 2023, we strive to further improve our incident reporting and work to minimize risks and hazards.

We have emergency procedures for how to act in case of emergencies. We regularly perform fire drills and emergency evacuation drills, in line with Swedish regulations. These ensure that if any emergencies do occur, our employees are aware of how to safely react.

Health and safety training

Eco Data Center conducts health and safety training based on the risk profiles of employees, for example a person working with construction has a higher risk profile safety-wise, than an office worker. Trainings cover topics including PPE, fire safety, emergencies, accidents, injuries, first aid, and more. CPR trainings are held every year for existing employees, and for all new employees when relevant. Training material is managed by the operations department, which also keeps records. Additionally, fire alarms and evacuation drill trainings are performed on a regular basis, in line with Swedish law.

Construction health and safety

When we build our data centers, our sites are also construction sites with all that entails. Health, safety, and responsibilities in a construction site are regulated by Swedish law, through what is called (BAS-P, Principal Designer) and the performing phase (BAS-U, Principal Contractor). We ensure that our customers follow our safety procedures since they operate on a construction site. For each project, a project-specific health and safety plan is written and is provided to customers.

Risk assessments

We carry out a risk assessment before starting new work to identify, assess, and address risks before starting any work. The risk assessment should be completed and sent to the responsible people at the site. This also applies to contractors. Quarterly health and safety rounds are conducted by employees on an ongoing basis and at all operational sites, and weekly for our construction sites. The objective of such health and safety rounds is to identify risks and hazards which could potentially cause accidents and injuries. Furthermore, this allows for precautionary actions to be taken to eliminate or minimize hazards.

Specific safety risks

There are some hazardous jobs in our operations that require extra care and planning. We have special procedures, training, and permits to ensure safe working. Our staff work according to the electrical safety instructions SSG 4500, and we require that anyone carrying out switching or electrical work in our facility has valid electrical safety training according to SSG 4500, ESA, or equivalent. This means that electrical installations and repairs may only be carried out by or under the direction of a qualified installer. Access to electrical rooms, such as switchboards, is prohibited to unauthorized persons.

We also have specific health and safety controls in place for different types of work such as hot works, working with electricity, chemical handling etc.

Permit to work

To carry out certain high-risk work at our sites, employees and contractors shall always have a work permit in the form of a clearance from their contact person. Some work requires specific permits, such as hot work, electrical work, and work with scissor lifts, in consultation with the contact person.

Incidents

Incidents and accidents should always be reported to prevent injuries and accidents at work. The same applies to hazards and near misses. In 2023 and previous years, accident and injury data was reported at each operational site and recorded locally. Beginning in 2024, more detailed data will be more systematically reported using a sustainability reporting platform.

During 2023 only one reportable accident occurred with an employee in our Falun site. This accident happened when an employee in the goods reception area was cut on the arm by a plastic item and resulted in a minor injury. No other types of reportable accidents or injuries occurred in 2023. No work-related fatalities or high-consequence injuries occurred in 2023. Since only one reportable injury occurred in 2023, the rate of work-related injuries was one injury per 114 400 hours of work.

Workers who were not employees, present at Eco Data Center's sites, also experienced 16 reportable accidents during 2023. These accidents occurred in Falun and were related to the construction activities for a new data center. Since 16 reportable injuries occurred to such workers in 2023 and the total number of worked hours of such workers was 454,596 in 2023, the rate of work-related injuries was one injury per every 28,412 hours of work.

2023 incidents and injuries among employees

Type of injury	Incidents	Description	Injury rate*
Fatalities	0	N/A	0
High-consequence injuries	0	N/A	0
Minor injuries	1	Minor cut to hand	0.000006

*Based on number of injuries per total 2023 own employee worked hours (144 400)

2023 incidents among workers who were not employees

Type of workers	Type of injury	Incidents	Description	Injury rate*
Construction, electrical, pipe, vent, and land workers (12 incidents with contractor own employees, 3 incidents with contractor sub-contractors, 1 incident with apprentice)	Minor injuries	16	5 finger injuries 4 hand injuries 2 foot injuries 2 face injuries 1 arm injury 1 eye injury 1 incident without injury	0.000035

*Based on number of injuries per total 2023 estimated work hours of workers who were not employees (454 596 hours).

Type of hazard	Identification method	Management action
Cuts	After incident occurred in goods reception area	Implementation of PPE rule for using gloves
Slips and falls	Regular safety rounds, in loading area	Installation of new warning signs
Head impact	Regular safety rounds, in outdoor area with staircase	Installation of new foam padding

Alarms at data centers	In the data centers we have an extinguish system that is activated automatically. When the extinguishing system is blocked, the fire alarm will be activated in the event of a fire. The evacuation alarm is linked to the emergency services. There is a gas alarm installed in the cooling corridors.
Evacuation and assembly point	We have evacuation procedures with alarms and assembly points. Evacuation plans are posted in appropriate places in all premises and the assembly point for the building is marked on them. We also have this information in our on-site app. We keep escape routes clear when working in the facility, and don't block them with work equipment or materials.
First aid and defibrillator	First aid supplies are available within the site area at several locations, we also have a defibrillator.

Healthy employees

In the collective bargaining agreement, there is an insurance that if our employees fall ill, they will still get 80% of their pay. On top of this, all our employees are offered private health insurance.

We are investigating the need for health checkups for our employees. For the time being corporate healthcare service is provided when necessary.

As part of the annual appraisal between employee and manager, there is an opportunity to discuss both physical and mental health and work-life balance. If there is a need for further dialogue on employee health, the occupational health service is available to employees through their manager or HR.

Preventative health measures

Eco Data Center also promotes health and safety among employees by offering an annual health benefit of 3,000 SEK. Ample vacation days are provided to all employees, in line with relevant collective bargaining agreements. Parental leave is also granted to all employees in line with relevant collective bargaining agreements and Swedish law. Employees are also offered working from home possibilities, allowing for more flexibility. Occupational health care is also offered to employees when necessary.

Work-related ill health

Work-related ill health of employees during 2023 was very minimal, amounting to only 2% of all worked hours (2,592 hours of ill health leave compared to 114,400 total worked hours). There were 2 significant cases representing most of the work-related ill health leave, and both these cases were related to stress. Other minor cases accounted for a much smaller portion of ill health leave. Currently the HR department does not clearly define what is work-related or non-work-related ill health, therefore some of the ill health leave reported in 2023 was related to reasons outside of the workplace. There were no cases of fatalities because of work-related ill health. In general, data centers are not as high-risk for work-related illnesses compared to many other industries such as chemicals, manufacturing, mining, transport, or fossil fuels.

The main hazards for work-related ill health are loud work environments in server rooms and chemical handling of coolants in pump rooms. These hazards have been identified by regular health and safety rounds performed at the operational sites. The loud work environment hazard was addressed via implementing requirements for using ear protection (PPE). The chemical handling hazard related to coolants was addressed by implementing safe storage requirements. Additionally, work-related stress was identified as a work-related ill health hazard, due to a very limited amount of such ill health leave during 2023.

The ill health hazards identified in the safety rounds have not resulted in any ill health leave during 2023. Work-related ill health of onsite workers who were not employees, such as construction workers, electricians, or excavation workers, are not currently monitored by Eco Data Center. Eco Data Center aims to further develop such reporting in the future to better monitor, understand, and minimize hazards related to such worker illnesses.

2023 work-related ill health of employees

Total worked hours	Total ill health hours	Percentage ill health	Description of cases
114 400	2 592	2%	Majority of ill health leave was related to two cases of stress (both work-related and non work-related)

About this report

This is our first external sustainability report, there are therefore no restatements of information in this report. We will release a sustainability report on an annual basis. We had an internal sustainability report for 2021-2022, but the content was not formalized and externally verified.

EcoDataCenter's independent financial audit firm, KPMG, performed a limited assurance of EcoDataCenter's sustainability report and greenhouse gas emissions. This entailed reviewing qualitative and quantitative sustainability-information and data, and potential additional information such as reporting principles, reporting processes, and internal controls.

Senior executives have been involved in the decision to have this external assurance, as well as the process of screening various assurance providers.

The reporting period and scope are the same as for our financial reporting, and both our sustainability information and financial information are presented in this report. The reporting period is from January 1, 2023, to December 31, 2023, and for sustainability data we have also added data for our base year, 2022.

EcoDataCenter's sustainability report is prepared in accordance with the Global Reporting Initiative (GRI) Standards and the Greenhouse Gas Protocol standards for emission accounting and is also EcoDataCenter's sustainability report according to the requirements of Swedish Annual Accounts Act.

This report was published in April-May 2024 after review and approval from the executive team of EcoDataCenter.

For questions about this sustainability report, contact John Wernvik, Chief Marketing & Communications Officer john.wernvik@ecodatacenter.se.

Entities in reporting

The entities included in this report are our headquarter site in Falun and its operations (ECODC AB, 556969-1065, EcoDataCenter i Dalarna AB, 559083-6317, EcoDC Falun AB, 559083-6366), our two sites in Stockholm (EcoDC Stockholm AB, 559261-3177), and our site in Piteå (EcoDC Piteå AB, 556668-1044). Not included in this report is the environmental data for the shared office we rent in Stockholm. This is the same scope as for our financial reporting in this report.

During the year, no mergers, acquisitions, or disposal of entities were made. One newest data center opened in 2023, in Falun. The material topics are applied for the organization, but environmental aspects are assessed locally for each data center too, closer to the operations as part of environmental management according to ISO 14001. The material topics related to construction mainly apply for the Falun site.

Controls of reported data

Health and safety data and environmental data such as energy, water and waste have been reported from each data center as well as from our main contractor. The environmental data used in this report was reported from each data center. One person and one backup were appointed to report environmental and safety data. The people were trained on the platform and were offered help from the sustainability team whenever needed. The environmental data such as energy, fuels, and water are something →→

→→ we monitor monthly. We also charge customers based on the power used from their servers, and we have electricity meters for all customers. The waste data was provided by the waste operators and logged into our system. The safety data was reported in a separate system and the incidents and hazards were then reported in our sustainability reporting system. Company-wide information was collected and reported by the company functions responsible for the processes. HR data was collected by HR in excel tables provided by the sustainability team. Qualitative data was collectively collected by various functions and reviewed by the whole management team including the sustainability function.

The ambition was that data reported is reviewed by at least two more people than the one reporting it. The data was also compared to the previous year to ensure no units of measure had been used incorrectly. Emission factors were applied in our sustainability reporting system.

In the future, we will strive to integrate our IT systems with our sustainability reporting tool to minimize the risk of reporting errors as well as reducing time for reporting to increase actions needed to improve our performance.

ANNEX GHG
emission methodology

Scope and approach

EcoDataCenter strives to consistently and transparently report on its scope 1, 2, and 3 GHG emissions. Our base year is 2022 because it is the first year we collected reliable sustainability data. In 2023, we completed our first annual Scope 3 emissions inventory and assessment, resulting in a full scope 1, 2, and 3 emission inventory. Our approach to GHG emission accounting follows the Greenhouse Gas Protocol standards and we will keep refining the methodology.

Our GHG emission accounting approach includes EcoDataCenter Group and the data centers owned by the Group. This includes the office, data centers, and construction works in Falun; the two data centers in Stockholm; and the two data centers in Piteå. We account for all GHG emissions and removals from facilities over which we have financial or operational control. We have complete financial control over our data centers, while operationally the customers' choices influence our emissions to some extent. As an example, we can choose to purchase renewable electricity and the type of fuels we want to use, but our customers' hardware influences the amount energy we use. This is why we chose financial control as the GHG emission accounting approach. Our customers' energy related GHG emissions are hence accounted for as Scope 1 and 2 emissions, rather than scope 3 emission because they are largely in our control.

Our GHG inventory including scope 1, 2, and 3 will be updated annually and the methodology will be continually improved as we grow more mature.

Biogenic emissions, emission factors and greenhouse gases included

There are no biogenic emissions considered in our operations or value chain emissions. According to DEFRA methodology, biogenic CO2 emissions are one of several activities labelled 'outside of scopes' by the GHG Protocol Corporate Accounting and Reporting Standard because the Scope 1 impact of these fuels has been determined to be a net '0' (since the fuel source itself absorbs an equivalent amount of CO2 during the growth phase as the amount of CO2 released through combustion). The emissions of greenhouse gases from all our scope 1, 2, and 3 activities (containing any of the Kyoto protocol greenhouse gases CH4, N2O, HFCs, PFCs, SF6, NF3) have been converted to CO2-equivalents. For the refrigerants, the emission factors used came from accredited service staff and reported annual data to the local municipalities. For fuels, the emission factors used for diesel came from DEFRA, and for EcoPar A from the supplier. Scope 3 emission factors came from DEFRA, Boverket, and supplier EPDs, guarantees of origin, or other climate footprints.

Data collection and quality

The operational GHG data is managed and collected in the reporting software as of 2023. Prior to 2023, all data was reported manually. The data related to GHG emissions is reported from each data center. It will also be publicly disclosed through CDP annually and in our sustainability report. Data for 2022 and 2023 is considered to have sufficient quality and accuracy, allowing for the completion of a full Scope 1, 2, and 3 GHG inventory. The methodologies are transparently described and applied consistently and thoroughly during data collection, data review, and emission calculations. The 2022 and 2023 GHG emissions inventories are considered to be relevant, inclusive, and transparent – following the accounting approach. The LCAs or PCFs that are produced to calculate emissions for category 1 and 2, are done by external consultants and reviewed by us.

Data reporting and assurance

We apply a four-eye principle for the data we collect. The Sustainability manager is responsible for reviewing data, emission factors, calculations, and methodologies. The Sustainability manager is also responsible for ensuring that people who report and verify data are trained to have the right skills for reporting. The Sustainability manager manages the annual sustainability reporting and ensures assurance requirements are met. data is partly collected in our sustainability reporting system where emission factors are pulled from the sources we have chosen. Our 2023 emissions data was subject to a limited assurance by KPMG.

Emission factors

Emission factors used in our calculations are documented in the sustainability reporting platform. Our emission factors are sourced primarily from respectable public databases, but also from supplier data, EPDs, and PCFs in some cases. Key emission factor sources include the DEFRA Emission Factor Set for Advanced Users, Boverket (the Swedish National Board of Housing, Building and Planning) building climate database, and EPDs for purchased electricity and heat from suppliers such as Vattenfall and Pite Energi.

Key assumptions

In general, very few assumptions are made in our GHG emission accounting. In scope 1 and 2, we have highly accurate activity data, emission factors, and ability to identify errors or abnormalities. Therefore, we do not have any significant assumptions in scope 1 and 2. In scope 3, some assumptions must be made for calculations related to business travel, employee commuting, and purchased goods and services. Assumptions for employee commuting were that 50 employees commuted an average of 30 km round-trip per day for 226 total commuting days because there were 251 workdays in Sweden in 2023 and an assumption of 25 vacation days per employee was made (and 10 employees were assumed to have worked at home). In a small number of cases, certain business travel assumptions were made related to travel distance based on origins and destinations, round-trip travel distances, average distance per SEK, and hotel country locations. Wastewater is omitted from scope 3 because it was deemed insignificant, and the DEFRA emission factors are the only available but are not relevant in a Swedish context given how the energy mix in the UK differs from the energy mix in Sweden. GHG emission values for capital goods come from EPDs from the product suppliers when available, and when not available the values come from EPDs of similar products scaled as necessary. Lastly, we allocate GHG emissions from construction materials and capital goods to the year the data center is commissioned.

Recalculations

It is important to compare our GHG emissions year-on-year. We also commit to recalculate our baseline 2022 emissions according to the GHG Protocol, ISO 14064-1, and SBTi recommendations when necessary. If we sell or buy a data center, we recalculate the baseline because the changes are typically large and will have an impact on the baseline and targets. If we build new data centers, however, the change is deemed organic, and a baseline adjustment is not required according to the standards. If relevant emission factors change, or if we identify calculation or reporting errors, this may trigger a baseline adjustment if the changes are above 5% of the years' emissions. When recalculating GHG emissions, we use an all-year approach reducing the need to recalculate the baseline the year after. We reassess our Scope 3 emissions annually, at least for the categories with the largest impact such as Scope 3 Categories 1, 2, and 3 and as our assessment methodology matures.

Auditor's Limited Assurance Report on ECODC ABs Sustainability Report

To ECODC AB, Corp. id. 556969-1065

Introduction

We have been engaged by the Board of Directors and the Executive Management of ECODC AB to undertake a limited assurance engagement of ECODC ABs Sustainability Report for the year 2023. ECODC AB has defined the scope of the Sustainability Report on pages 118-131 in this document.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with applicable criteria, as explained on pages 112-115 in the Sustainability Report, that are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information*. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. A limited assurance engagement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of ECODC AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusion

Based on the limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by Board of Directors and the Executive Management.

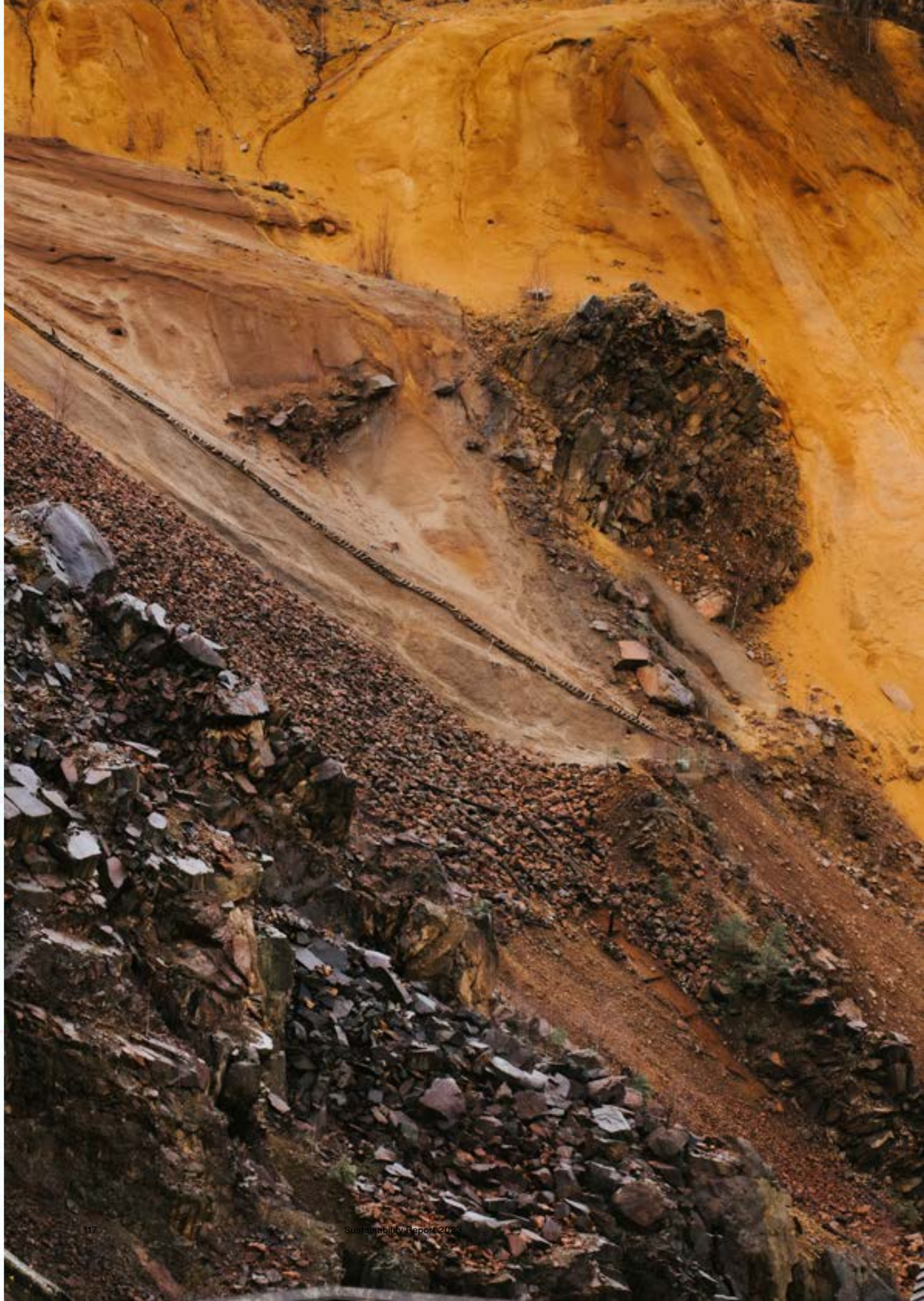
Stockholm, May 3, 2024

KPMG AB

Jenny Barksjö Forslund
Authorized Public Accountant

KPMG AB

Christopher Larsson
Expert Member of FAR



EcoDataCenter 2023 GRI Content Index

EcoDataCenter has reported in accordance with the GRI Standards for the period January 1, 2023, to December 31, 2023.

The information in our 2023 Sustainability Report and in this GRI Content Index have been prepared in accordance with the international GRI Standards for sustainability reporting of economic, environmental, and social impacts. The GRI Universal Standards were used and no GRI Sector Standards were used for the 2023 reporting.

GRI Standard	Disclosures	Related material topic	Location in 2023 annual report	Requirement(s) omitted	Reason(s) for omission	Comments
General Disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	Mandatory	Our company			
	2-2 Entities included in the organization's sustainability reporting	Mandatory	Entities in reporting			
	2-3 Reporting period, frequency and contact point	Mandatory	About this report			
	2-4 Restatements of information	Mandatory	About this report			
	2-5 External assurance	Mandatory	About this report			
	2-6 Activities, value chain and other business relationships	Mandatory	Our company			
	2-7 Employees	Mandatory	Our employees			
	2-8 Workers who are not employees	Mandatory	Our employees			
	2-9 Governance structure and composition	Mandatory	Governance (p. 14-18)			
	2-10 Nomination and selection of the highest governance body	Mandatory	Governance (p. 14-18)			
	2-11 Chair of the highest governance body	Mandatory	Governance (p. 14-18)			
	2-12 Role of the highest governance body in overseeing the management of impacts	Mandatory	Governance (p. 14-18)			
	2-13 Delegation of responsibility for managing impacts	Mandatory	Governance (p. 14-18)			
	2-14 Role of the highest governance body in sustainability reporting	Mandatory	Governance (p. 14-18)			
	2-15 Conflicts of interest	Mandatory	Governance (p. 14-18)			
	2-16 Communication of critical concerns	Mandatory	Governance (p. 14-18)			
	2-17 Collective knowledge of the highest governance body	Mandatory	Governance (p. 14-18)			

GRI Standard	Disclosures	Related material topic	Location in 2023 annual report	Requirement(s) omitted	Reason(s) for omission	Comments
	2-18 Evaluation of the performance of the highest governance body	Mandatory	Governance (p. 14-18)			
	2-19 Remuneration policies	Mandatory	Governance (p. 14-18), Salary and remuneration (p. 102-103)			
	2-20 Process to determine remuneration	Mandatory	Governance (p. 14-18), Salary and remuneration (p. 102-103)			
	2-21 Annual total compensation ratio	Mandatory	Salary and remuneration (p. 102-103)			
	2-22 Statement on sustainable development strategy	Mandatory	Foreword by the CEO (p. 2-4)			
	2-23 Policy commitments	Mandatory	Responsible business (p. 30-31), Our sustainability strategy (p. 24-27)			
	2-24 Embedding policy commitments	Mandatory	Our sustainability strategy (p. 24-27)			
	2-25 Processes to remediate negative impacts	Mandatory	Remediation and grievance mechanisms (p. 44-45)			
	2-26 Mechanisms for seeking advice and raising concerns	Mandatory	Remediation and grievance mechanisms (p. 44-45)			
	2-27 Compliance with laws and regulations	Mandatory	Legal compliance (p. 31)			
	2-28 Membership associations	Mandatory	Memberships and commitments (p. 51)			
	2-29 Approach to stakeholder engagement	Mandatory	Stakeholder Engagement (p. 46)			
	2-30 Collective bargaining agreements	Mandatory	Working conditions, unions, and collective bargaining (p. 100)			
Material Topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Mandatory	Our material topics (p. 20-23)			
	3-2 List of material topics	Mandatory	Our material topics (p. 20-23)			
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	Local communities	Working conditions, unions, and collective bargaining, Our material topics (p. 20-23)			
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Local communities	Responsibiliites for the Executive Management (p. 19)			
Procurement Practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental and social impact, risks, and opportunities in the supply chain	Supplier sustainability, Our material topics (p. 20-23)			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Environmental and social impact, risks, and opportunities in the supply chain	Supplier sustainability			

GRI Standard	Disclosures	Related material topic	Location in 2023 annual report	Requirement(s) omitted	Reason(s) for omission	Comments
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Ethics and compliance	Responsible business, Our material topics (p. 20-23)			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics and compliance	Responsible business			
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics and compliance	Responsible business			
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics and compliance	Responsible business			
Anti-competitive Behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Ethics and compliance	Responsible business, Our material topics (p. 20-23)			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics and compliance	Responsible business			
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy use and energy efficiency	Our energy use, Our material topics (p. 20-23)			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy use and energy efficiency	Our energy use			
	302-2 Energy consumption outside of the organization	Energy use and energy efficiency	Our energy use			
	302-3 Energy intensity	Energy use and energy efficiency	Our energy use			
	302-4 Reduction of energy consumption	Energy use and energy efficiency	Our energy use			
	302-5 Reductions in energy requirements of products and services	Energy use and energy efficiency	Our energy use			
Water and Effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	Water use	Our relation to water, Our material topics (p. 20-23)			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water use	Our relation to water			
	303-2 Management of water discharge-related impacts	Water use	Our relation to water			
	303-3 Water withdrawal	Water use	Our relation to water			
	303-4 Water discharge	Water use	Our relation to water			
	303-5 Water consumption	Water use	Our relation to water			

GRI Standard	Disclosures	Related material topic	Location in 2023 annual report	Requirement(s) omitted	Reason(s) for omission	Comments
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Biodiversity	Biodiversity, Our material topics (p. 20-23)			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity	Biodiversity	Yes	Information unavailable/incomplete	Information not available for 2023. Data collection will begin in 2024.
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity	Biodiversity	Yes	Information unavailable/incomplete	Information not available for 2023. Data collection will begin in 2024.
	304-3 Habitats protected or restored	Biodiversity	Biodiversity	Yes	Information unavailable/incomplete	Information not available for 2023. Data collection will begin in 2024.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity	Biodiversity	Yes	Information unavailable/incomplete	Information not available for 2023. Data collection will begin in 2024.
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate change	Our GHG emissions, Our material topics (p. 20-23)			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate change	Our GHG emissions, Annex GHG Emissions methodology (p. 114-115)			
	305-2 Energy indirect (Scope 2) GHG emissions	Climate change	Our GHG emissions, Annex GHG Emissions methodology (p. 114-115)			
	305-3 Other indirect (Scope 3) GHG emissions	Climate change	Our GHG emissions, Annex GHG Emissions methodology (p. 114-115)			
	305-4 GHG emissions intensity	Climate change	Our GHG emissions			
	305-5 Reduction of GHG emissions	Climate change	Our GHG emissions			
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste	Circularity, Our material topics (p. 20-23)			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste	Circularity			
	306-2 Management of significant waste-related impacts	Waste	Circularity			
	306-3 Waste generated	Waste	Circularity			
	306-4 Waste diverted from disposal	Waste	Circularity			
	306-5 Waste directed to disposal	Waste	Circularity			
Supplier Environmental Assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental and social impact, risks, and opportunities in the supply chain	Supplier sustainability, Our material topics (p. 20-23)			

GRI Standard	Disclosures	Related material topic	Location in 2023 annual report	Requirement(s) omitted	Reason(s) for omission	Comments
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Environmental and social impact, risks, and opportunities in the supply chain	Supplier sustainability			
	308-2 Negative environmental impacts in the supply chain and actions taken	Environmental and social impact, risks, and opportunities in the supply chain	Supplier sustainability			
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Attraction and retention of talent	Our employees, Our material topics (p. 20-23)			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Attraction and retention of talent	Our employees			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Attraction and retention of talent	Our employees			
	401-3 Parental leave	Attraction and retention of talent	Our employees			
Labor/Management Relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	Attraction and retention of talent	Notice periods, Our material topics (p. 20-23)			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Attraction and retention of talent	Notice periods			
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Health and safety	Occupational health and safety, Our material topics (p. 20-23)			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health and safety	Occupational health and safety			
	403-2 Hazard identification, risk assessment, and incident investigation	Health and safety	Occupational health and safety			
	403-3 Occupational health services	Health and safety	Occupational health and safety			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and safety	Occupational health and safety			
	403-5 Worker training on occupational health and safety	Health and safety	Occupational health and safety			
	403-6 Promotion of worker health	Health and safety	Occupational health and safety			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and safety	Occupational health and safety			
	403-8 Workers covered by an occupational health and safety management system	Health and safety	Occupational health and safety			
	403-9 Work-related injuries	Health and safety	Occupational health and safety	Partially	Information unavailable/incomplete	Ratios based in 200 000 or 1 000 000 worked hours are not included because of only one recorded injury.

GRI Standard	Disclosures	Related material topic	Location in 2023 annual report	Requirement(s) omitted	Reason(s) for omission	Comments
	403-10 Work-related ill health	Health and safety	Occupational health and safety	Partially	Information unavailable/incomplete	Data about work-related ill-health of workers who were not employees was not reported for 2023.
Training and Education						
GRI 3: Material Topics 2021	3-3 Management of material topics	Attraction and retention of talent	Employee development and training, Our material topics (p. 20-23)			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Attraction and retention of talent	Employee development and training			
	404-2 Programs for upgrading employee skills and transition assistance programs	Attraction and retention of talent	Employee development and training			
	404-3 Percentage of employees receiving regular performance and career development reviews	Attraction and retention of talent	Employee development and training			
Diversity and Equal Opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity and inclusion	Diversity disclosures, Our material topics (p. 20-23)			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity and inclusion	Diversity disclosures			
	405-2 Ratio of basic salary and remuneration of women to men	Diversity and inclusion	Salary and remuneration			
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity and inclusion	Inclusion and anti-discrimination, Our material topics (p. 20-23)			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity and inclusion	Inclusion and anti-discrimination			
Freedom of Association and Collective Bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	Attraction and retention of talent	Employees – trade unions and work councils, Supplier sustainability, Our material topics (p. 20-23)			EcoDataCenter identifies very low risk in its own operations. This disclosure is material, but only relevant to suppliers in the supply chain.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Attraction and retention of talent	Employees – trade unions and work councils, Supplier sustainability			EcoDataCenter identifies very low risk in its own operations. This disclosure is material, but only relevant to suppliers in the supply chain.
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental and social impact, risks, and opportunities in the supply chain	Supplier sustainability, Our material topics (p. 20-23)			EcoDataCenter identifies very low risk in its own operations. This disclosure is material, but only relevant to suppliers in the supply chain.

GRI Standard	Disclosures	Related material topic	Location in 2023 annual report	Requirement(s) omitted	Reason(s) for omission	Comments
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Environmental and social impact, risks, and opportunities in the supply chain	Supplier sustainability			EcoDataCenter identifies very low risk in its own operations. This disclosure is material, but only relevant to suppliers in the supply chain.
Forced or Compulsory Labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental and social impact, risks, and opportunities in the supply chain	Supplier sustainability, Our material topics (p. 20-23)			EcoDataCenter identifies very low risk in its own operations. This disclosure is material, but only relevant to suppliers in the supply chain.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Environmental and social impact, risks, and opportunities in the supply chain	Supplier sustainability			EcoDataCenter identifies very low risk in its own operations. This disclosure is material, but only relevant to suppliers in the supply chain.
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	Local communities	Local communities, Our material topics (p. 20-23)			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Local communities	Local communities			
	413-2 Operations with significant actual and potential negative impacts on local communities	Local communities	Local communities			
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental and social impact, risks, and opportunities in the supply chain	Supplier sustainability, Our material topics (p. 20-23)			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Environmental and social impact, risks, and opportunities in the supply chain	Supplier sustainability			
	414-2 Negative social impacts in the supply chain and actions taken	Environmental and social impact, risks, and opportunities in the supply chain	Supplier sustainability			
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Ethics and compliance	Information security, Our material topics (p. 20-23)			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Business Ethics and compliance	Information security			

Enabling the **green transition**

EcoDataCenter

Sustainability Report 2023