

Second-Party Opinion CyrusOne Green Finance Framework



Evaluation Summary

Sustainalytics is of the opinion that the CyrusOne Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2023. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Energy Efficiency, Green Buildings, Renewable Energy, Sustainable Water and Wastewater Management and Clean Transportation – are aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 7, 9 and 11.



PROJECT EVALUATION AND SELECTION CyrusOne’s Green Finance Committee will evaluate, select and monitor eligible assets against the eligibility criteria. CyrusOne’s environmental and social risk assessment process is applicable to all allocation decisions. Sustainalytics considers these risk management systems to be adequate and the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS CyrusOne’s Green Finance Committee will be responsible for the management and allocation of proceeds to eligible assets and will track the proceeds through an internal accounting system. CyrusOne intends to reach full allocation of proceeds within 36 months of issuance. Pending allocation, unallocated proceeds will be temporarily held or invested in accordance with CyrusOne’s cash investment policy or used to repay outstanding debt. This is in line with market practice.



REPORTING CyrusOne intends to report on the allocation of proceeds and corresponding impact on its sustainability website on an annual basis until full allocation. Allocation reporting will include the amount of proceeds allocated to each eligible green project, the list of eligible projects funded, the balance of unallocated proceeds and the proportion of financing versus refinancing. In addition, CyrusOne is committed to reporting on relevant impact metrics. Sustainalytics views CyrusOne’s allocation and impact reporting commitments as aligned with market practice.

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Issuer Location Dallas, US

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For inquiries, contact the Sustainable Finance Solutions project team:

John-Paul Iamonaco (Toronto)
Project Manager
john-paul.iamonaco@sustainalytics.com
(+1) 416 861 0403

Sameen Ahmed (Toronto)
Project Support

Han Xing (Toronto)
Project Support

Lokesh Jain (Mumbai)
Project Support

Lindsay Brent (Toronto)
Client Relations
susfinance.americas@sustainalytics.com
(+1) 646 518 9623

Introduction

CyrusOne (“CyrusOne”, the “Issuer” or the “Company”) provides IT infrastructure and specializes in designing, constructing and operating data centres. Founded in 2001, CyrusOne owns and operates more than 50 data centres worldwide and provides digital infrastructure services to more than 1,000 corporate customers. The Company is headquartered in Dallas, US, and employs nearly 550 employees as of February 2023.

CyrusOne has developed the CyrusOne Green Finance Framework dated March 2023 (the “Framework”) under which the Issuer or its subsidiaries or special-purpose vehicles¹ intend to issue green bonds, commercial papers, securitizations,² and obtain loans including construction loans, term loans, revolving credit facilities, guarantee lines or letters of credit (the “Green Financing Instruments”)³ and use the proceeds to finance or refinance, in whole or in part, existing or future projects that are expected to demonstrate positive environmental impacts (the “Eligible Projects”). The Framework defines eligibility criteria in five areas:

1. Energy Efficiency
2. Green Buildings
3. Renewable Energy
4. Sustainable Water and Wastewater Management
5. Clean Transportation

CyrusOne engaged Sustainalytics to review the CyrusOne Green Finance Framework and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)⁴ and the Green Loan Principles 2023 (GLP)⁵. The Framework has been published in a separate document.⁶

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁷ opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2023, as administered by LMA, APLMA and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.13.1, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of CyrusOne’s management team to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. CyrusOne representatives have confirmed that: (1) they understand it is the sole responsibility of CyrusOne to ensure

¹ CyrusOne has communicated to Sustainalytics that it will have operational control over the issuance process of its subsidiaries and special-purpose vehicles as it pertains to any financings under the CyrusOne Green Finance Framework. The Issuer has further confirmed that it will be responsible for ensuring continual alignment of any issuances with the criteria defined in the Framework.

² For securitizations, the Framework requires the Issuer to clearly distinguish between a secured green standard bond and a secured green collateral bond per the voluntary process guidelines published in the June 2022 Appendix 1 of the GBP 2021. For such issuances, the Framework additionally requires: (i) the proceeds of a secured green standard bond to be allocated to the Eligible Projects; and (ii) the collateral underlying the securitization of a secured green collateral bond to align with the criteria in the Framework. CyrusOne commits to ensuring no double-counting of Eligible Projects under the secured green standard bond, secured green collateral bond and any other outstanding green financing.

³ Sustainalytics has reviewed only those types of green loans that are specified under the Framework.

⁴ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

⁵ The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>

⁶ The CyrusOne Green Finance Framework is available at: <https://cyrusone.com/about/sustainability/>

⁷ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

that the information provided is complete, accurate and up to date; (2) they have provided Sustainalytics with all relevant information and (3) any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and CyrusOne.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. CyrusOne is encouraged to update the Framework after 24 (twenty-four) months from the evaluation date, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realized allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that CyrusOne has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Green Finance Framework

Sustainalytics is of the opinion that the Green Finance Framework is credible and impactful, and aligns with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of the CyrusOne Green Finance Framework:

- Use of Proceeds:
 - The eligible categories – Energy Efficiency; Green Buildings; Renewable Energy; Sustainable Water and Wastewater Management; and Clean Transportation – are aligned with those recognized by the GBP and GLP.
 - CyrusOne has established a look-back period of 24 months for all refinancing activities for the Eligible Green Projects other than green collateral underlying securitizations.
 - Under the Energy Efficiency category, CyrusOne intends to finance or refinance costs related to improving the energy efficiency or performance of new or existing data centres. The financed investments under the category will meet one of the following thresholds:
 - Energy efficiency improvements of data centres that have a design or an annualized operating power usage effectiveness (PUE) of 1.5 or below.
 - Upgrades, retrofits or improvements to data centres that improve the energy efficiency of the facilities by at least 2% per annum such as through the installation of more efficient mechanical and district heating and cooling equipment.
 - Sustainalytics views these investments as aligned with market practice based on the defined PUE thresholds.
 - Under the Green Buildings category, the Company may finance the design, construction or maintenance of new buildings for data centres or offices, which meet one of the following criteria:

- Buildings that have or will achieve one of the following green building certification levels: i) BREEAM Excellent or Outstanding;⁸ ii) LEED Gold or Platinum;⁹ iii) Green Globes 3 or 4 Globes;¹⁰ or iv) Energy Star 85 or greater.¹¹
 - Sustainalytics considers these certifications to be credible and the minimum levels to be indicative of positive environmental impact.
 - Under the Renewable Energy category, CyrusOne may finance projects that include expenditures related to the generation or procurement of renewable energy for data centres and offices, including: i) solar photovoltaic power (PV) and concentrated solar power (CSP); ii) onshore or offshore wind energy; iii) geothermal energy; and iv) hydropower. The financed expenditures under the category may also include: i) battery storage assets that are connected to renewable energy projects defined in the Framework; and ii) the purchase of renewable energy through long-term (greater than five years) power purchase agreements and virtual power purchase agreements.
 - CyrusOne has confirmed to Sustainalytics that at least 85% of the electricity generated from CSP plants will be derived from solar energy.
 - Geothermal energy facilities will be limited to those with life-cycle GHG emissions below 100 gCO₂e/kWh.
 - Hydropower projects financed will meet at least one of the following criteria: i) run-of-river plant without an artificial reservoir, ii) a power density above 5 W/m², or iii) have a life-cycle carbon intensity below 100 gCO₂e/kWh. The Company has confirmed to Sustainalytics that it will require an environmental and social impact assessment by a credible body for all new hydropower projects.
 - Sustainalytics considers investments under this category to be in line with market practice.
 - The Sustainable Water and Wastewater Management category may include financing or refinancing of activities to upgrade or replace water-efficient cooling solutions that aim to increase water management or water efficiency by 20% as determined by the water usage effectiveness (WUE). Sustainalytics considers these investments to have a positive environmental impact.
 - Under the Clean Transportation category, CyrusOne may finance expenditures related to the installation, acquisition, modernization or maintenance of infrastructure associated with electric vehicles and electric vehicle charging stations. Sustainalytics considers expenditures under this category to be aligned with market practice.
- Project Evaluation and Selection:
 - CyrusOne's Green Finance Committee (the "Committee") will be responsible for evaluating and selecting the eligible projects against the eligibility criteria in the Framework. The Committee will also be responsible for evaluating the eligibility of the collateral underlying the securitization in the case of secured bonds. The Committee will consist of representatives from the Company's Environmental, Health, Safety & Sustainability; Accounting; Finance; Capital Markets; and Legal departments.
 - The Committee, which also includes members of the board's ESG sub-committee and the Company's Sustainability Working Group, is tasked with ensuring that key ESG policies and practices, as well as an evaluation of environmental and social risks, are integrated into all allocation decisions made under the Framework. Sustainalytics considers this risk management process to be adequate and aligned with market expectations. For additional details, please see Section 2.
 - Based on the establishment of the Committee and the presence of adequate environmental and social risk management systems, Sustainalytics considers this process to be in line with market expectations.
- Management of Proceeds:
 - CyrusOne's Committee will be responsible for managing and allocating proceeds to the eligible projects. It will track the proceeds through an internal accounting system.

⁸ BREEAM: <https://bregroup.com/products/breeam/>

⁹ LEED: <https://www.usgbc.org/leed>

¹⁰ Green Globes: <http://www.greenglobes.com/about.asp#introduction>

¹¹ Energy Star: https://www.energystar.gov/buildings/building_recognition/building_certification

- CyrusOne has communicated to Sustainalytics that it intends to reach full allocation within 36 months of issuance. Pending full allocation, the proceeds will be temporarily held or invested in accordance with the Company's cash investment policy or be used to repay outstanding debt that is not associated with carbon-intensive activities. CyrusOne has confirmed to Sustainalytics that if multi-tranche loans are obtained, only those tranches that finance the eligible projects under the Framework will be categorized as "green" by the Issuer.
- Based on the use of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - CyrusOne commits to reporting on the allocation of proceeds and corresponding impact, which will be published on its sustainability website on an annual basis until full allocation. For revolving credit facilities, the Issuer has confirmed that reporting will continue until the maturity of such facilities. In the case that the report is not published on the website, it will be directly shared with investors or lenders.
 - Allocation reporting will include: i) the total amount of proceeds allocated to each eligible category, ii) the list of eligible projects funded from the proceeds; iii) the balance of unallocated proceeds; and iv) the share of financing versus refinancing of eligible projects.
 - Impact reporting may include metrics such as PUE; annual energy savings (in MWh); estimated avoided GHG emissions (in mtCO₂); the level of green buildings certification achieved; electricity generated from renewable energy sources (in MWh); water use savings (in gallons) and WUE; and the number of electric-vehicle charging stations installed.
 - Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021 and Green Loan Principles 2023

Sustainalytics has determined that the CyrusOne Green Finance Framework aligns with the four core components of the GBP and GLP. For detailed information, please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of CyrusOne

Contribution to CyrusOne's sustainability strategy

Sustainalytics is of the opinion that CyrusOne demonstrates a commitment to sustainability, with a focus on the following environmental and social areas in its sustainability strategy: i) reducing the environmental impact of the Company's operations and facilities; ii) supporting energy and water conservation in the design, maintenance and operation of the Company's facilities; iii) promoting safe and fair working conditions across the value chain; and iv) providing support to partners to further their environmental and social responsibility goals.¹² The Company publishes its sustainability report in accordance with the Sustainability Accounting Standards Board guidelines,¹³ the Global Reporting Initiatives standards¹⁴ and the Task Force on Climate-related Financial Disclosures recommendations.¹⁵

To support its sustainability ambitions, CyrusOne has adopted a strategy to reduce its carbon footprint and simultaneously improve energy efficiency by i) incorporating energy efficiency measures into the design of new data centres; ii) reducing carbon emissions through smart operational practices across existing facilities; and iii) strategically selecting new sites and energy procurement that reduce the impact on biodiversity and increase the use of renewable power sources in the Company's operations.¹⁶ As a founding member of the European Union Climate Neutral Data Centre Pact,¹⁷ CyrusOne has committed to achieving carbon neutrality across its European facilities by 2030.¹⁸ The Company has also set targets to achieve net zero carbon

¹² CyrusOne, "2022 Sustainability Report", at: <https://cyrusone.com/wp-content/uploads/2022/07/CyrusOne-2022-SustainabilityReport.pdf>

¹³ SASB Standards: <https://www.sasb.org/standards/download/>

¹⁴ Global Reporting Initiatives Standards: <https://www.globalreporting.org/standards>

¹⁵ Task Force on Climate-related Financial Disclosures: <https://www.fsb-tcfd.org/recommendations/>

¹⁶ CyrusOne, "2022 Sustainability Report", at: <https://cyrusone.com/wp-content/uploads/2022/07/CyrusOne-2022-SustainabilityReport.pdf>

¹⁷ The Climate Neutral Data Centre Pact is an agreement between more than 100 data centre operators, cloud service providers and industry bodies in Europe that creates binding terms for members to adopt a target of becoming climate neutral by 2030 to achieve Europe's goal of becoming carbon neutral by 2050. The agreement requires its members to report on the progress towards this target on an annual basis. Climate Neutral Data Centre, "Climate Neutral Data Centre Pact", at: <https://www.climateutraldatacentre.net/>

¹⁸ CyrusOne, "2022 Sustainability Report", at: <https://cyrusone.com/wp-content/uploads/2022/07/CyrusOne-2022-SustainabilityReport.pdf>

emissions from its operations by 2040. This target includes obtaining electricity from 100% renewable sources for the Company's facilities, deploying water-free cooling in all new data centres and maintaining net-positive water facilities in high-stress regions by ensuring that water restoration exceeds water usage. As of June 2021, CyrusOne has transitioned to 100% renewable electricity for all facilities in Europe. Additionally, by improving the design of its facilities for greater energy efficiency and increasing the share of renewable energy, CyrusOne has improved the PUE of data centre facilities from 1.36 in 2018 to 1.28 in 2021 in warmer climates, and from 1.32 in 2018 to 1.18 in 2021 in cooler climates.¹⁹

The Company also undertakes several initiatives to further its goal of supporting its partners in their energy transition journeys. Some of these initiatives include offering recycling services to customers to recycle packaging material such as cardboard boxes, paper and drinking containers; recycling batteries that power the uninterruptible power supply systems of customers and, where feasible, replacing these batteries with longer-life lithium-ion batteries to build greater operational resilience.²⁰

Sustainalytics is of the opinion that the Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental and social impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks potentially associated with the eligible projects may include issues related to land use and biodiversity risks associated with large-scale infrastructure development; community relations; emissions, effluents, and waste generated in construction activities and data centre operations; occupational health and safety; and cybersecurity, compliance and privacy risks.

Sustainalytics is of the opinion that CyrusOne is able to manage or mitigate potential risks through the implementation of the following:

- To manage land use and biodiversity issues associated with large-scale infrastructure development, CyrusOne uses environmental impact assessments and protected areas assessments to identify and monitor the impact of its operations on surrounding biodiversity and local communities.²¹ The Company's Environmental Policy lays out its commitment to preserving biodiversity by not operating in World Heritage areas and areas protected by the International Union for Conservation of Nature Category I-IV.²² The Company also aims to maintain environmentally responsible practices across its supply chain through clear guidelines that require its suppliers to conform with all applicable environmental regulations and best practices.²³
- To address the environmental risks related to emissions, effluents and waste generated in construction and data centre operations, CyrusOne has in place an Environmental Policy, which lays out the Company's commitment to transitioning its business towards more sustainable operations that prioritize renewable energy, water conservation and waste reduction, and to conforming to environmental laws and regulations where it operates.²⁴ The Environmental Policy further outlines the Company's commitment to following international norms and industry standards in case of weak local laws and regulations. Furthermore, to reduce the risks associated with water loss, CyrusOne examines the water risk for every watershed where it operates a data centre by using the World Resources Institute Aquaduct Water Risk Atlas.²⁵ The Company's Vendor Code of Conduct & Ethics requires vendors, suppliers and contractors to have policies in place to reduce their environmental impacts and conduct business in compliance with all applicable laws.²⁶
- Regarding occupational health and safety risks, CyrusOne has developed an Occupational Health and Safety (OH&S) Policy in compliance with the principles of ISO 45001.²⁷ Through this management system, the Company is committed to achieving full compliance, implementing best-in-class OH&S practices, maintaining a safe workplace, and improving safety measures across its

¹⁹ Ibid.

²⁰ Ibid.

²¹ Ibid.

²² CyrusOne, "Environmental Policy", (2022), at: <https://cyrusone.com/wp-content/uploads/2022/01/CyrusOne-Environmental-Policy-01-20-22.pdf>

²³ CyrusOne, "2022 Sustainability Report", at: <https://cyrusone.com/wp-content/uploads/2022/07/CyrusOne-2022-SustainabilityReport.pdf>

²⁴ CyrusOne: "Environmental Policy", (2022), at: <https://cyrusone.com/wp-content/uploads/2022/01/CyrusOne-Environmental-Policy-01-20-22.pdf>

²⁵ CyrusOne, "Compatible with A Sustainable Future", at: <https://cyrusone.com/about/about-us/sustainability-4/sustainable-future/>

²⁶ CyrusOne, "Vendor Code of Conduct & Ethics", at: <https://cyrusone.com/wp-content/uploads/2021/06/CyrusOne-Vendor-Code-of-Ethics-Conflict-of-Interest-Code-2021.pdf>

²⁷ CyrusOne, "Occupational Health and Safety Policy", (2021), at: <https://cyrusone.com/wp-content/uploads/2021/06/CyrusOne-Health-and-Safety-Policy.pdf>

operations around the globe. The Company is committed to continually improving its OH&S management systems by having both internal and third-party audits as well as quarterly discussions between its executive and operations leadership teams on OH&S risks, targets, and progress. The Vendor Code of Conduct & Ethics guides vendors, suppliers and contractors to uphold the same commitment to comply with all applicable legal and regulatory requirements relating to employees' occupational health and safety.²⁸

- CyrusOne addresses cybersecurity, compliance and privacy risks through a dedicated Compliance Management team, which is responsible for managing the Company's assessment and audit processes and maintaining independent third-party compliance certifications for its data centre customers such as ISO/IEC 27001, SSAE 16 (SOC 1 Type II), Type 2 AT 101/SOC 2 & 3, PCI DSS, FISMA-High, HIPAA/HITECH, Business Continuity and Disaster Recovery, and TRUSTe.²⁹ CyrusOne also has a Cybersecurity Program which includes a dedicated internal team to actively monitor and respond to potential threats, as well as controls that are designed to ensure data confidentiality, integrity and availability.³⁰
- Sustainalytics also notes that the Eligible Projects financed under the Framework will primarily be located in the US, the UK, and other European countries,³¹ which are recognized as Designated Countries by the Equator Principles, indicating the presence of robust environment and social governance systems, legislation and institutional capacity for protecting environment and communities.³²

Based on these policies, standards and assessments, Sustainalytics is of the opinion that CyrusOne has implemented adequate measures and is well positioned to manage or mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All five use of proceeds categories are aligned with those recognized by the GBP and GLP. Sustainalytics has focused on one where the impact is specifically relevant in the global context.

Importance of energy and water efficiency in data centres

Data centres contain a large number of energy-intensive technologies and services such as servers, storage equipment, backups and power cooling infrastructure.³³ This translates to a significant electricity demand from data centres. Globally, the electricity demand for data centres reached 220-320 TWh in 2021, accounting for approximately 0.9-1.3% of global electricity demand.³⁴ In the EU, data centres consumed 76.8 TWh of energy in 2018, and it is predicted that data centres will reach 3.21% of electricity demand in the EU by 2030.³⁵ Although the data centres' electricity use has grown only moderately globally, electricity use in some smaller countries with expanding data centre markets is experiencing rapid growth.³⁶ For instance, electricity consumption by data centres in Ireland grew by 32% from 2020 to 2021.³⁷

To curb the increase in power consumption of data centres, continual improvements in energy efficiency through advanced servers, storage devices, network switches and infrastructure are required.³⁸ As a result of energy-efficiency improvements, global data centre energy consumption saw only a 6% between 2010 and 2018 despite a sixfold increase in the computing power of data centres, a tenfold increase in internet traffic and a significant increase in storage capacity.³⁹ There are continued efforts by the US Government to advance

²⁸ CyrusOne, "Vendor Code of Conduct & Ethics", (2021), at: <https://cyrusone.com/wp-content/uploads/2021/06/CyrusOne-Vendor-Code-of-Ethics-Conflict-of-Interest-Code-2021.pdf>

²⁹ CyrusOne, "Physical Security", at: <https://cyrusone.com/solutions/data-centers/physical-security/>

³⁰ CyrusOne, "2022 Sustainability Report", at: <https://cyrusone.com/wp-content/uploads/2022/07/CyrusOne-2022-SustainabilityReport.pdf>

³¹ All European countries where CyrusOne currently operates are recognized as Designated Countries by the Equator Principles.

³² Equator Principles, "About the Equator Principles", at: <https://equator-principles.com/about-the-equator-principles/>

³³ Ratka, S. et al., (2020), "The nexus between data centres, efficiency and renewables: a role model for the energy transition", Energy Post, at: <https://energypost.eu/the-nexus-between-data-centres-efficiency-and-renewables-a-role-model-for-the-energy-transition/>

³⁴ IEA, "Data Centres and Data Transmission Networks", (2022), at: <https://www.iea.org/reports/data-centres-and-data-transmission-networks>

³⁵ European Commission, "Energy-efficient Cloud Computing Technologies and Policies for an Eco-friendly Cloud Market", (2020), at: <https://digital-strategy.ec.europa.eu/en/library/energy-efficient-cloud-computing-technologies-and-policies-eco-friendly-cloud-market>

³⁶ IEA, "Data Centres and Data Transmission Networks", (2022), at: <https://www.iea.org/reports/data-centres-and-data-transmission-networks>

³⁷ Central Statistics Office, "Data Centres Metered Electricity Consumption 2021", (2022), at: <https://www.cso.ie/en/releasesandpublications/ep/p-dcmec/datacentresmeteredelectricityconsumption2021/keyfindings/>

³⁸ The Privacy Shield Frameworks were designed by the US, EU and Switzerland to provide companies with a mechanism to comply with data protection requirements when transferring personal data from the EU and Switzerland to the US. Privacy Shield Framework, "Privacy Shield Overview", at: <https://www.privacyshield.gov/Program-Overview>

³⁹ Moss, S., (2020), "Huge data center efficiency gains stave off energy surge - for now", Data Centre Dynamics, at: <https://www.datacenterdynamics.com/en/analysis/huge-data-center-efficiency-gains-stave-energy-surge-now/>

energy efficiency in data centres in the country. The US Federal Energy Management Program’s Centre of Expertise for Energy Efficiency in Data Centres provides technical support, tools, analysis and best practices to contribute to the implementation of energy efficiency projects in data centres.^{40,41} The European Code of Conduct for Data Centres also provides an annual revision of the Best Practices guidelines for the Code of Conduct and awards participating companies that significantly reduce their data centre energy consumption.⁴²

Along with electricity demand, data centres consume a significant quantity of water to support their operations, specifically to support cooling technologies used for servers and thermoelectric power plants.⁴³ In 2021, data centres in the US were estimated to consume approximately 1.7 billion litres of water per day.⁴⁴ This is further exacerbated by the fact that less than a third of data centre operators track water metrics.⁴⁵ As per the International Energy Agency, carbon emissions from data centres would need to decline by 50% by 2030 to achieve the net zero emissions target and keep global warming levels to below 1.5°C to be in line with the Paris Agreement.^{46,47}

Given this context, Sustainalytics considers CyrusOne’s investments aimed at improving the energy and water efficiency, and therefore PUE and WUE of data centres, as contributing to the reduction of the industry’s energy and water footprint, thereby generating a positive environmental impact.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Green Buildings	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Sustainable Water and Wastewater Management	6. Clean Water and Sanitation	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport,

⁴⁰ US Government Office of Energy Efficiency & Renewable Energy, “Energy Efficiency in Data Centers”, at: <https://www.energy.gov/eere/femp/energy-efficiency-data-centers>

⁴¹ Center of Expertise for Energy Efficiency in Data Centers, “Who We Are”, at: <https://datacenters.lbl.gov/who-we-are>

⁴² European Commission, “Code of Conduct for Energy Efficiency in Data Centres”, at: https://joint-research-centre.ec.europa.eu/energy-efficiency/energy-efficiency-products/code-conduct-ict/code-conduct-energy-efficiency-data-centres_en

⁴³ Water Footprint Calculator, “Data Center Water Usage: Tackling Challenges Amid Historic Droughts, Wildfires”, (2021), at:

<https://www.watercalculator.org/news/news-briefs/data-center-water-usage/#:~:text=Data%20center%20water%20usage%20is%20growing%20year%20over,up%20to%20360%2C000%20gallons%20of%20water%20a%20day.>

⁴⁴ Mytton.D. (2021). “Data center water consumption”, Nature, at: <https://www.nature.com/articles/s41545-021-00101-w>

⁴⁵ Ibid.

⁴⁶ IEA, “Data Centres and Data Transmission Networks”, (2022), at: <https://www.iea.org/reports/data-centres-and-data-transmission-networks>

⁴⁷ United Nations, Paris Agreement, (2015),at: https://unfccc.int/sites/default/files/english_paris_agreement.pdf

		with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
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Conclusion

CyrusOne has developed the Green Finance Framework under which it may issue green bonds, commercial papers, securitizations and obtain loans, including construction loans, terms loans, revolving credit facilities, guarantee lines and letters of credit (the “Green Financing Instruments”) and use the proceeds to finance and refinance project costs related to improving the energy and water efficiency of new or existing data centres and associated infrastructure. Sustainalytics considers that the projects funded by the green finance proceeds are expected to provide positive environmental impacts.

The Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Framework is aligned with the overall sustainability strategy of the Company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 6, 7, 9, and 11. Additionally, Sustainalytics is of the opinion that CyrusOne has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that CyrusOne is well positioned to issue or obtain Green Financing Instruments and that the Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2023.

Appendix

Appendix 1: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	CyrusOne
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	CyrusOne Green Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	March 17, 2023

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories for the use of proceeds – Energy Efficiency, Green Building, Renewable Energy, Sustainable Water and Wastewater Management, Clean Transportation – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental and social impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 7, 9, and 11.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input checked="" type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

CyrusOne’s Green Finance Committee (the “Committee”) will be responsible for evaluating and selecting the eligible projects against the eligibility criteria in the Framework. The Committee will also be responsible for evaluating the eligibility of the collateral underlying the securitization in the case of secured bonds. The Committee will consist of representatives from the Company’s Environmental Health and Safety & Sustainability, Accounting, Finance, Capital Markets and Legal departments.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer’s environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification
- In-house assessment
- Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

CyrusOne's Green Finance Committee will be responsible for the management and allocation of proceeds to eligible assets and will track the proceeds through an internal accounting system. CyrusOne intends to reach full allocation of proceeds within 36 months of issuance. Pending allocation, unallocated proceeds will be temporarily held or invested in accordance with CyrusOne's cash investment policy, or used to repay outstanding debt. This is in line with market practice.

Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other *(please specify)*:

Additional disclosure:

- Allocations to future investments only
- Allocations to both existing and future investments
- Allocation to individual disbursements
- Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds
- Other *(please specify)*:

4. REPORTING

Overall comment on section *(if applicable)*:

CyrusOne intends to report on the allocation of proceeds and corresponding impact on its sustainability website on an annual basis until full allocation. Allocation reporting will include the amount of proceeds allocated to each eligible green project, the list of eligible projects funded, the balance of unallocated proceeds, and the proportion of financing versus refinancing. In addition, CyrusOne is committed to reporting on relevant impact metrics. Sustainalytics views CyrusOne's allocation and impact reporting commitments as aligned with market practice.

Use of proceeds reporting:

- Project-by-project
- On a project portfolio basis

- Linkage to individual bond(s) Other (please specify):

Information reported:

- Allocated amounts Green Bond financed share of total investment
- Other (please specify):

Frequency:

- Annual Semi-annual
- Other (please specify):

Impact reporting:

- Project-by-project On a project portfolio basis
- Linkage to individual bond(s) Other (please specify):

Information reported (expected or ex-post):

- GHG Emissions / Savings Energy Savings
- Decrease in water use Other ESG indicators (please specify): Power Usage Effectiveness (PUE), level of green building certifications, water usage effectiveness (WUE), electric vehicle charging stations installed

Frequency

- Annual Semi-annual
- Other (please specify):

Means of Disclosure

- Information published in financial report Information published in sustainability report
- Information published in ad hoc documents Other (please specify): Information published in a report
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. Second-Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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For more information, visit www.sustainalytics.com

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