



Green Financing Framework

Date

AUGUST 2022

Part 1 Introduction

Company Overview

AirTrunk is a best-in-class hyperscale data centre specialist creating a platform for cloud, content, and large enterprise customers across the Asia-Pacific region. The company develops and operates data centre campuses with industry leading reliability, technology innovation and energy efficiency.

AirTrunk is headquartered in Sydney, with regional headquarters in Singapore and Tokyo supported by local teams. AirTrunk's data centre platform currently includes eight hyperscale facilities across Asia Pacific – in Australia, Singapore, Hong Kong, and Japan.

1.1 Approach to Sustainability

At AirTrunk, we've reimagined the data centres of yesterday to meet the needs of today's most transformational companies to enable a data-driven future. We design, build, and operate the critical infrastructure that enables our customers to drive this transformational change.

Aligned to the United Nations Sustainable Development Goals (SDGs) and the Paris Climate Agreement, AirTrunk's sustainability strategy is our long-term commitment to the planet, people, and progress.

a) Our Planet Commitment

- At AirTrunk, we are always looking to find better ways to reduce our impact on the planet and manage resources responsibly.
- We actively monitor our energy, carbon, water, and waste management practices as part of our environmental conservation efforts.

b) Our People Commitment

- At AirTrunk, we work to achieve safe delivery everyday by empowering our people and providing a safe working environment where all employees, customers and contractors can thrive.
- We believe in enhancing the lives of our team, customers and the wider community and uplifting all people by making a positive social impact in the communities in which we operate.

c) Our Progress Commitment

- Through innovation, growth and transparency, we're helping to shape a progressive and sustainable future. Based on a foundation of clear principles and sound governance, we're challenging the status quo to come up with new and better ways.

1.1.A. Our Planet Objectives

a) Energy Management

Continue to deliver the lowest PUE in the region through efficient designs, developments and operations.

b) Carbon Management

Set emission reduction targets to align with the Paris Agreement in 2022.

c) Waste Management

To reduce the waste we generate, and the waste disposed to landfill annually.

d) Water Management

Optimise water efficiency through water conservation strategies for all operational data centres.

Setting APAC Benchmarks for Energy Efficiency

The scale of our deployments allows AirTrunk to achieve better efficiency results. We work closely with our customers to design the electrical and mechanical configurations for optimal Power Usage Effectiveness (PUE) performance in the local climatic conditions and, together, deliver innovation. We have, as one example, adopted elevated supply air temperatures that reduce cooling requirements and reduce electrical losses through efficient UPS design.

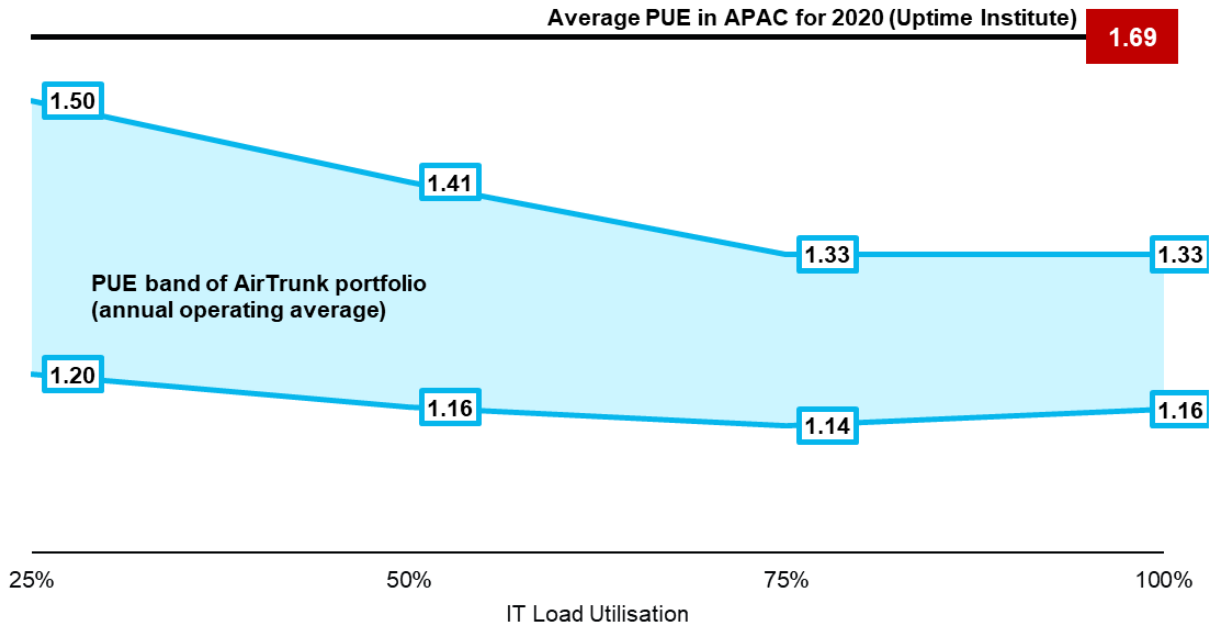
Given our exclusive focus on hyperscale deployments, the design PUE of our data centres far exceeds common industry benchmarks. AirTrunk facilities can achieve average annual operating PUEs as low as 1.16 as shown in the figure below. The AirTrunk PUE band shows the average annual operating PUE values our facilities achieve. We do not report the best instantaneous performance as this has limited influence on actual energy consumption over time. The average annual operating PUE number will depend on several factors:

- Utilisation;
- Climatic conditions; and
- Customer deployment.

These average annual operating PUE values are quoted in accordance with the Green Grid PUE definition. This reflects the ratio of total facility energy consumption at high-voltage utility meters to IT energy consumption at low-voltage data hall meters.

It is worth noting that since AirTrunk receives power at extra high voltages through on-site substations (usually at 66kV or higher), this average annual operating PUE calculation includes transformation losses inside the PUE averages. Other loads that contribute to the facility energy consumption include technical and office spaces, which are also included in the average annual operating PUE calculations.

AirTrunk Average Annual Operating PUE



1.1.B Our People Objectives

a) Environmental Health and Safety

Provide a safe working environment where all employees, customers and contractors can thrive.

b) Talent attraction and Retention

Attract, empower and grow a diverse team who is constantly raising the bar.

c) Community Engagement

Better our local communities through job creation, digital development and community partnerships.

d) Customer Data Protection and Cyber Security

Ensure best-in-class control environment to secure and protect our customer data.

Environmental Health and Safety

AirTrunk aims to achieve the highest safety standards everyday in a way that positively impacts the health, safety and well-being of everyone associated with our business. By fostering safe work environments, we make a positive social impact in the communities in which we operate and have a more fulfilled and happier workforce. AirTrunk actively engages with our workers and partners to create a safe working environment, recognising that our people are best placed to identify and mitigate risks and hazards.

We focus on training, coaching, mentoring and oversight to ensure safe execution of our projects and operations. Our EHS management system is aligned to the ISO45001:2018 Occupational health and Safety standard. We conduct safety maturity modelling to inform our safety strategy and initiatives.

Working with our people, customers, delivery partners and suppliers, AirTrunk aims to achieve industry-leading safety performance that demonstrates EHS leadership in the data centre sector.

Our Progress Objectives

a) Innovation

Focus on innovation and growth across APAC and work across an increasing number of markets.

b) Customer Experience and Satisfaction

Meet or exceed our customer commitments for projects and services while achieving the highest quality standards.

c) Risk Management

Remain ahead of trends, proactively manage risks and take advantage of opportunities.

d) Corporate Governance

Conduct operations lawfully, ethically and responsibly in accordance with internationally accepted principles.

Innovation

AirTrunk's vision is to continually redefine and deliver the hyperscale data centres of tomorrow. Innovation is an imperative for us to achieve our vision. AirTrunk will continue to focus on innovation and growth throughout Asia Pacific and work across an increasing number of markets.

AirTrunk's existing \$2.5Bn+ Sustainability Linked Loan and this Framework provides it with the opportunity to embed this innovation and sustainability commitments to its funding platforms.

Sustainability Reporting

We publish a sustainability report annually, highlighting our commitment to delivering value to all our stakeholders, and our progress towards integrating sustainable practices across our operations.

AirTrunk's goals are aligned to the long-term global goals of society, as articulated in the United Nations Sustainable Development Goals (SDGs). We aim to create long-term sustainable value, while driving positive outcomes for business, society, and the planet. In our report, AirTrunk provides an account of our ambitions, yearly performance, and challenges.

Part 2 Framework

Summary

AirTrunk has created this Framework to govern potential green loans or green tranches of loans (Green Facility), that align to the four core components of the LMA Green Loan Principles (GLP), as follows;

1. Use of Proceeds;
2. Process for Project Evaluation and Selection;
3. Management of Proceeds;
4. Reporting.

This Framework has been developed so that it may be used to govern greenfield and brownfield projects across APAC where standalone ring-fenced funding platforms are required, complimenting AirTrunk's existing \$2.5Bn+ Sustainability Linked Loan ("SLL"). With this Framework alongside the SLL, AirTrunk intends to link all of its financing platforms with its sustainability commitments, encourages greater transparency and showcases its market leading design capability and data centre sites. AirTrunk recognises sustainability is a collective responsibility and its ambition is to be a leader in sustainability financing.

2.1.1 Use of Proceeds

An amount equal to the net proceeds of any Green Facility issued under this Framework is intended to be applied to fund or refinance¹, in whole or in part, Eligible Green Projects which have a clear and positive environmental impact. The Framework identifies three eligible green categories aligned with the United Nations SDGs



1. Green Data Centre;
2. Renewable Energy;
3. Water Efficiency.

The projects selected under this Framework help AirTrunk work towards its long-term sustainability commitment to the planet, people, and progress and drive positive change.

¹ Look back period is maximum of two years

GLP Categories	UN SDG	Eligibility Criteria															
Green Data Centre		<p>Expenditures related to the study, design, construction, financing, operations and maintenance of data centres and offices that have recently or are expected to achieve:</p> <p>a) Energy-efficient data centres that achieve or are expected to achieve site average annual operating Power Usage Effectiveness² (PUE) below the upper bound of the AirTrunk PUE band below</p> <div data-bbox="662 526 1423 974" data-label="Figure"> <p style="text-align: center;">AirTrunk Average Annual Operating PUE</p> <table border="1"> <caption>AirTrunk Average Annual Operating PUE Data</caption> <thead> <tr> <th>IT Load Utilisation</th> <th>Upper Bound PUE</th> <th>Lower Bound PUE</th> </tr> </thead> <tbody> <tr> <td>25%</td> <td>1.50</td> <td>1.20</td> </tr> <tr> <td>50%</td> <td>1.41</td> <td>1.16</td> </tr> <tr> <td>75%</td> <td>1.33</td> <td>1.14</td> </tr> <tr> <td>100%</td> <td>1.33</td> <td>1.16</td> </tr> </tbody> </table> <p style="text-align: right;">Average PUE in APAC for 2020 (Uptime Institute) 1.69</p> </div> <p>b) Water-efficient data centres that are designed to a water productivity threshold whereby each kilolitre of water used reduces energy consumption by at least 15kWh compared to a waterless solution</p>	IT Load Utilisation	Upper Bound PUE	Lower Bound PUE	25%	1.50	1.20	50%	1.41	1.16	75%	1.33	1.14	100%	1.33	1.16
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100%	1.33	1.16															
Renewable Energy		<p>Expenditures and costs associated to the construction, development, acquisition, maintenance and production of renewable energy with GHG emissions below 100gCO₂e/kWh, such as:</p> <ol style="list-style-type: none"> 1. Installed solar PV; 															

² 12-month average annual PUE and utilisation. During construction and ramp up of the data hall to 25% utilisation the average annual PUE of that data hall (assuming 25% load) will be applied in the calculation of the site operating PUE

Water Efficiency	 	<p>Expenditures related to the acquisition, study, design, construction, financing and operations of data centres and offices that contribute to an increase in water management performance of new or existing AirTrunk sites, such as:</p> <ul style="list-style-type: none"> a) Water infrastructure upgrades (including metering and reporting, upgrades and replacement of components in mechanical cooling equipment using water, control systems and technology for water use optimisation); b) Water-efficient cooling solutions; c) Schemes that reduce the stormwater runoff: green roofs, landscape (for example, on site water storage tanks fed by rainwater runoff), SUDs, etc; d) Rainwater capture systems.
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Process for Project Evaluation and Selection

Projects funded and/or refinanced, in whole or in part, with net proceeds from Green Facilities are evaluated and selected by AirTrunk’s sustainability committee based on the Eligible Green Project criteria above. AirTrunk’s sustainability committee consists of leaders from the Technology, Operations, Energy, Sustainability, Innovation, Development, Health & Safety, Legal, People and Culture, Treasury, and Risk function, and is chaired by our Head of Risk & Sustainability, who reports directly to AirTrunk’s Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Technology Officer and the Board. The Sustainability Committee will manage any future updates to the Framework including any extension to the list of eligible categories and changes in market developments and oversee its implementation. The Sustainability Committee meets on a monthly basis, with more frequent meetings possible depending on specific circumstances.

Prior to each project, AirTrunk conduct an in-depth environmental and social assessment with qualified and reputable expert. Depending on the site and region, the scope will differ slightly but usually covers: environmental impact, waste impact, ecological sustainable development, GHG efficiency and cultural heritage. The assessment is performed during due diligence at first stage and continuously monitored throughout the project as part of our ongoing risk management process.

Depending on the results from this initial assessment process and any identified risks AirTrunk may engage further due diligence. All mitigating controls in place are documented in a project risk register and action plans are implemented to manage both existing and emerging risks throughout the project delivery. Example of mitigating control include:

- **Environment:** Assessment of the air quality impacts of the development during construction and operation, prepared in accordance with the relevant Environment Protection Authority guidelines.
- **Water:** Assessment of potential surface and groundwater impacts associated with the development, including potential impacts on watercourses, riparian areas, groundwater, and groundwater-dependent communities nearby
- **Ecologically Sustainable development:** Principles of ecologically sustainable development incorporated in the design, construction and ongoing operation of the development
- **GHG and energy efficiency:** Assessment of the energy use and all reasonable and feasible measures that would be implemented on site to minimise the GHG emissions.

- **Cultural Heritage:** Identify and Document Aboriginal cultural heritage values that exist across the development site in an Aboriginal Cultural Heritage Assessment Report (ACHAR)

At a minimum AirTrunk complies with all local regulations in the geographies it operates, and for core areas of focus such as Health and Safety implements the highest standards of safety practices.

Management of Proceeds³

To ensure complete transparency and accountability AirTrunk’s sustainability committee will monitor all Green Facility proceeds for Eligible Green Projects in accordance with the Eligibility Criteria. With Green Facilities expected to be raised for designated purpose projects with separate bank accounts a robust and transparent framework should ensure the management of proceeds to the highest standard.

Pending allocation, or in the event of unallocated proceeds, AirTrunk may temporarily use unallocated net green proceeds in accordance with the Company’s general liquidity measures until re-allocation to Eligible Green Assets. AirTrunk intends to re-allocate any proceeds within 12 months, and to report on the balance on any unallocated proceeds as part of the commitment to reporting. Where possible sustainability committee monitoring process will be reconciled against Independent Engineering reporting for a particular project.

Reporting

Reporting will detail both the allocation of proceeds and the potential impact of the Eligible Green Projects. Further recognising the importance of transparency and disclosure has on influencing positive change, AirTrunk plans to continue undertake this reporting whilst the Green Facility is outstanding.

Allocation report

AirTrunk intends to report on the allocation of net outstanding Green Financing proceeds to all outstanding Eligible Green projects to the respective financiers, including:

- Total net allocation to Eligible Green Projects;
- Percentage of financed versus refinanced Eligible Green Projects;
- Breakdown of Eligible Green Projects by GLP Category; and
- Any balance of unallocated proceeds.

Impact Reporting

Where feasible, AirTrunk intends to report on the impact of the Green Facilities, including:

- A description of each Eligible Green projects;
- Metrics regarding the Eligible Green projects’ positive environmental impacts, as outlined in the table below.

GLP Categories	Examples of Impact Metrics
Green Data Centre	<ul style="list-style-type: none"> • Average annual site PUE • 12-months average annual operating site PUE

³ All green proceeds will be allocated to Green Eligible projects within a 12-month period

	<ul style="list-style-type: none"> ○ During construction and ramp up of each data hall up to 25% utilisation the average annual design PUE of that data hall (assuming 25% load) will be applied in the calculation of the site average annual operating PUE • Total estimated energy savings through the use of water (in kWh/m³) •
Renewable Energy	<ul style="list-style-type: none"> • Percent renewable energy for green project portfolio (MWh renewable / MWh electricity consumption) • Annual GHG emissions reduced/avoided (mtCO₂e)
Water Efficiency	<ul style="list-style-type: none"> • Water savings (m³/year) • Reclaimed (greywater or rainwater) water used (litres)

External Review

Second Party Opinion

This Green Finance Framework has been reviewed by Sustainalytics who has issued a Second Party Opinion. The Second Party Opinion and this Framework are available via AirTrunk's website <https://airtrunk.com/>

Verification (post-issuance)

AirTrunk intends to request, in the first Sustainability Report reporting period after issuing each Green Facility, and annually until the respective maturity or the respective loan is repaid, limited assurance by its external auditor or other third party of a management statement on the allocation of the Green Facility net proceeds to the Eligible Green Projects. AirTrunk will be disclosing allocation and external assurance in a separate independent report. Where possible, AirTrunk may also seek a review of any impact metrics reported from a qualified third party.