



Luxembourg, 26 October 2022

## Environmental and Social Data Sheet

### Overview

Project Name:	OVH EUROPEAN CLOUD EXPANSION
Project Number:	2022-0104
Country:	France – Germany - Poland
Project Description:	The project is composed of different components, which enable the company's growth and European expansion strategy. The key investments concern the increase of server capacity complemented by investments for the construction of several new datacentre facilities, either at existing or new sites in order to support also the geographic expansion. Furthermore, the project includes software and hardware R&D to expand the range of services. The main location of these investments is France, complemented by Germany and Poland to further grow the business inside Europe.
EIA required:	To be confirmed
Project included in Carbon Footprint Exercise <sup>1</sup> :	Yes

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

### Environmental and Social Assessment

#### Environmental Assessment

Due to the strong demand of cloud services combined with an internationalisation strategy, the promoter needs to invest in new IT equipment as well as in the related data centre facilities to house it. In most cases, the data centre facilities make use of already existing buildings located in business zones of larger cities. The promoter selects sites based on a careful assessment of the site risks. If possible, the promoter even transforms existing buildings to a data centre. In exceptional cases, new data centre facilities will be constructed in business zones as part of an approved land use plan. Further parts of the investment programme will relate to the connectivity links of the sites to the public power grid and the telecom fibre networks.

The main project components, the server manufacturing and the data centre extensions / constructions, are not explicitly mentioned in any Annexes of the EIA Directive 2011/92/EU amended by the Directive 2014/52/EU. However, such projects may fall under urban development and require screening for an EIA, if they exceed the defined thresholds for urban development depending on local regulation. The promoter is required to seek a construction permit including a form of environmental assessment for each new data centre whether new construction or refurbishment. Key environmental concerns of the competent authorities are issues such as the battery handling/storage, the diesel storage and the exhaust of diesel generator sets. Depending on the size of the site, such assessments are more detailed and conclude with an environmental authorisation before the construction is allowed to start.

<sup>1</sup> Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20 000 tonnes CO<sub>2</sub>e/year absolute (gross) or 20 000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.



Luxembourg, 26 October 2022

### **EIB Carbon Footprint Exercise:**

Estimated annual emissions of the project performed under EIB owned methodology, and with reference to a standard year of operation:

- absolute (gross) 22.2 kilo tonnes of CO<sub>2</sub> equivalent per year and
- relative (net) 17.8 kilo tonnes of CO<sub>2</sub> equivalent per year

The above emissions concern the additional power consumption of the newly installed servers plus auxiliary systems such as cooling. The relative emissions are lower as part of the newly installed servers are existing refurbished servers brought back again into operation.

For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

### **EIB Paris Alignment for Counterparties (PATH) Framework:**

The OVH group is in scope of a PATH assessment as it is a Corporate, but it was screened-out as it does not operate in a high-emitting sector as defined by EIB's PATH procedure.

### **Other Environmental and Social Aspects**

OVHcloud has a vertically integrated industrial model: it not only runs its data centers but also manufactures servers internally. This enables the company to operate its data centers based on a proprietary and innovative water cooling technology, which allows for a higher cooling efficiency and lower energy consumption (no air conditioning in server room), compared to the sector benchmarks. The PUE (Power Usage Effectiveness) of the Group's data centers remained stable in the range of 1.1 to 1.3 over the last two years while the industry average is between 1.3 and 1.6. It is measured according to ISO 30134 norm. The company will continue to optimise the cooling technology and expects to maintain its competitive edge in Power Usage Effectiveness (one example of future development is immersion cooling). OVHcloud also reduces water usage in data center operations as, by design, servers only need misting when the temperature is above 26°C. In addition, the company uses dry coolers instead of humid air heaters. This results in a very low WUE, an indicator of water consumption, of 0.17-0.2L/kWh.

OVHcloud also implements a reverse supply chain, which includes servers' full disassembly, sorting, and testing of components to assess their performance. In case they do not reach top-notch performance, the company either recycles, repairs, reconditions, sells, or ultimately destructs components. As most of a server's carbon footprint comes from its manufacturing, reusing components drastically reduces the environmental impact of OVHcloud's servers.

In order to prepare the company for these future environmental plans the company has successfully achieved the ISO 50001 (Energy Management) certification this year.

OVHcloud is leveraging its position as a European "trusted cloud" provider, answering security and data sovereignty needs of European companies and public sector entities handling highly sensitive or strategic data. It has publicly committed not to use or sell its customers' data, which is stored in locations chosen by its customers.



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It offers a very high level of security with numerous recognized certifications, including the SecNumCloud qualification delivered by the French National Cybersecurity Agency (ANSSI). OVHcloud has also launched the Trusted Zone Sovereign Solution, which is designed to meet the highest security standards of public sector and critical services operators. Further specific reporting is related to the banking sector such as the SOC (System and Organisation Controls) audit report standard.

## Conclusions and Recommendations

In case an EIA is requested for any of the subprojects included in the project, the Promoter shall make the full Environmental Impact Assessment (EIA) / and Environmental Impact Statement (EIS) available to the EIB. The Bank will also request a copy of the construction permit for new Greenfield data centres constructions.

Considering the above, the project is acceptable for the Bank's financing in environmental and social terms.