nlighten

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nLighten Sustainability Strategy.

Contents

Version no.	Version date	Type of revision	Authored/ approved by
1.	**March 2026**	**V1.0 first published version**	VP Energy Operation and Sustainability
2.			

Definitions

Version no.	Version date
GHG	Greenhouse Gas – Gases that trap heat in the atmosphere, including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and fluorinated gases (e.g. refrigerants). Measured in tonnes of carbon dioxide equivalent (tCO_2e).
CSRD	Corporate Sustainability Reporting Directive – EU directive requiring companies to disclose environmental, social, and governance information using standardised European Sustainability Reporting Standards (ESRS). Applies to large EU companies and, progressively, to qualifying non-EU entities.
ESRS	European Sustainability Reporting Standards – The detailed reporting standards developed by EFRAG underpinning CSRD disclosure requirements. Organised into cross-cutting (ESRS 1, ESRS 2), environmental (E1–E5), social (S1–S4), and governance (G1) topical standards.
SBTi	Science Based Targets initiative – A partnership between CDP, the UN Global Compact, WRI, and WWF that defines and promotes best practice in science-based target setting. Validates corporate emission reduction targets against the latest climate science to ensure alignment with the Paris Agreement.
DMA	Double Materiality Assessment – A methodology required under CSRD that evaluates sustainability topics from two perspectives: impact materiality (the company's effects on people and the environment) and financial materiality (how sustainability matters create risks and opportunities for the company).
BNG	Biodiversity Net Gain – A UK planning requirement (Environment Act 2021) mandating that developments deliver at least a 10% increase in biodiversity value compared to pre-development conditions, measured using the statutory biodiversity metric.
CFE	Carbon Free Energy – A metric that measures the percentage of electricity consumption matched by carbon-free energy sources on an hourly basis. A 24/7 CFE approach goes beyond annual certificate matching by tracking real-time alignment between consumption and generation.
PUE	Power Usage Effectiveness – An industry-standard metric expressing total facility energy divided by IT equipment energy.
ERF	Energy Reuse Factor – A metric measuring the proportion of total data center energy that is reused outside the facility, typically as waste heat exported to district heating networks or adjacent buildings.
WUE	Water Usage Effectiveness – A metric assessing the efficiency of a data centre in terms of the water consumption caused by the operation of IT.
PPA	Power Purchase Agreement – A long-term contract between an electricity generator (typically renewable) and a buyer, providing price certainty and supporting the financing of new renewable capacity.
GoO	Guarantee of Origin – An EU certificate proving that electricity was generated from a renewable source. Each GoO represents 1 MWh of renewable generation.

1. Executive Summary

This document presents nLighten's comprehensive Sustainability Strategy, developed in alignment with the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS), the Paris Agreement, and the Science Based Targets initiative (SBTi). As a pan-European edge data center platform operating over 30 facilities across France, UK, Germany, Netherlands, Belgium, Switzerland, and Spain, nLighten is committed to achieving net zero for Scope 1 and 2 emissions by 2050 at the latest, with a near-term target of 50% reduction per MW IT by 2030 (with respect to 2024 baseline). For Scope 3, nLighten is creating a roadmap for engagement towards achieving near net-zero emissions by 2050. The ambition is to be a competitive, profitable, pan-European leader in data center sustainability.

nLighten will achieve its emission reductions through real, measurable operational improvements. Carbon credits and offsets do not form any part of this strategy; all targets are to be met through emission reductions driven by energy efficiency, renewable energy procurement, refrigerant transition, and heat recovery.

Our Sustainability Strategy is built upon three interconnected pillars:

1. Operational excellence and proximity
2. Energy innovation and sector coupling
3. Sustainable value chain and ecosystem

These directly addresses the topics identified through our double materiality assessment (DMA) as Climate Change, Water Resources, and Affected Communities.

This strategy integrates and complements existing policies for environmental sustainability, water management, and biodiversity.

KEY STRATEGIC COMMITMENTS:

- **100% Carbon Free Energy (CFE) by 2026:** Carbon-free electricity procurement across all facilities (achieved) with 70% time-matched carbon free energy by 2027.
- **50% scope 1+2 reduction per MW IT by 2030 compared to 2024 baseline using the market-based methodology and a firm commitment to net zero in Scope 1 and 2 by 2050 at the latest.**
- **Heat reuse in at least 3 sites by 2030: Exported to communities, equivalent to approximately 3,000 tCO_2e/year avoided in our communities.**
- **Scope 3 engagement for roadmap: Engagement with suppliers representing 50% of procurement spend by 2027, building towards a full value chain decarbonisation roadmap.**

2. CSRD Framework and Double Materiality

2.1 Why CSRD as Our Foundation

While nLighten is not currently required to report under CSRD, we have adopted the framework voluntarily because this European Directive provides a rigorous, structured approach to sustainability that aligns with investor expectations, customer requirements, and our own commitment to transparency. The CSRD methodology enables us to:

- Identify and prioritise material sustainability topics through double materiality assessment
- Establish comparable metrics aligned with European Sustainability Reporting Standards
- Demonstrate credible climate commitments to investors, customers, and regulators
- Prepare for future mandatory reporting requirements as we scale

2.2 Double Materiality Assessment

Our assessment evaluates sustainability matters from two complementary perspectives:

Impact Materiality: How nLighten's operations affect people and the environment – including energy consumption, greenhouse gas emissions, water use, waste generation, and community impacts.

Financial Materiality: How sustainability factors create risks and opportunities affecting nLighten's financial performance – including energy costs, carbon pricing exposure, regulatory compliance, and customer requirements.

2.3 Material Topics and ESRS Alignment

Based on our double materiality assessment, considering both impact and financial perspectives, the following table summarises our ESRS topic evaluation. Only topics scoring HIGH on both dimensions, or HIGH/MEDIUM combinations with strategic significance, are deemed material and subject to target-setting and detailed reporting.

ESRS Topic	Impact	Financial	Material?	Justification
E1: Climate Change	HIGH	HIGH	YES	Core to operations: significant energy consumption, GHG emissions. High financial exposure to energy costs, carbon pricing, renewable energy requirements of customers.
E2: Pollution	LOW	LOW	NO	Data centers do not generate significant air, water, or soil pollution beyond GHG emissions (captured under E1). No industrial processes or hazardous materials.
E3: Water Resources	MEDIUM	MEDIUM	YES	Cooling water use in some facilities creates regional water stress concerns. Regulatory requirements increasing. Policy commitment to zero-potable cooling.
E4: Biodiversity	LOW-MED	LOW	NO	Current portfolio focused on retrofit/brownfield sites with no greenfield developments planned.

				UK BNG requirements addressed through compliance, not strategic priority.
E5: Circular Economy	LOW	LOW-MED	NO	Colocation model means IT equipment owned by customers. nLighten controls infrastructure lifecycle only. Waste volumes limited; managed through standard practices.
S1: Own Workforce	MEDIUM	MEDIUM	NO	Talent market competitive but not unique challenge for data center sector.
S2: Value Chain Workers	LOW	LOW	NO	Supply chain limited to construction phase (project-based) and equipment from established manufacturers with ESG programs.
S3: Affected Communities	MEDIUM	MEDIUM	YES	Social licence to operate critical for expansion. Noise, visual impact, heat export opportunities. Heat reuse creates positive community value proposition.
G1: Business Conduct	LOW	LOW	NO	Standard governance practices in place. Compliance-focused; no specific elevated risks.

3. Paris Agreement and SBTi Alignment

3.1 Paris Agreement 1.5°C Pathway

nLighten's climate targets are designed to align with the Paris Agreement goal of limiting global warming to 1.5°C above pre-industrial levels. This requires achieving net-zero emissions by 2050 at the latest and demonstrating ambitious near-term reductions consistent with science-based pathways.

nLighten commits to achieving all emission reductions through real operational measures. Carbon credits, carbon offsets, and any form of purchased emission reductions are explicitly excluded from this strategy. All targets represent absolute, real-world emission reductions.

Paris Agreement Alignment Table

Target Type	**Scope(s) Covered**	**Target Value**	**Year**	**Paris Agreement Compatibility**
Long-Term Commitment	Scope 1 and 2	Net Zero	2050	Yes – Aligned with Paris Agreement requirement for net-zero GHG emissions by 2050. Achieved through absolute emission reductions only; no carbon credits or offsets.

Long-Term Goal	Scope 1, 2, and 3	Net Zero (full value chain)	2050	Yes – Scope 3 roadmap under development through supplier engagement; 2050 target consistent with 1.5°C pathway for full value chain.
Interim Target	Scope 1 and 2	50% absolute reduction vs 2024 baseline	2030	Yes – SBTi-aligned near-term target consistent with 1.5°C pathway. Minimum 4.2% linear annual reduction achieved through operational measures.

In addition to targets and goals that directly contribute to the delivery against the Paris agreement, targets and reporting is done at an operational level which delivers on the building blocks to enable the Paris agreement.

Target Type	**Scope(s) Covered**	**Target Value**	**Year**	**Comment**
Roadmap Target	Scope 1 and 2	Publication of implementable roadmap to net zero	2030	Demonstrates credible planning towards accelerated decarbonisation beyond the 50% interim target, bridging to the 2050 net-zero commitment.
Interim Target	Scope 3	Engagement with 50% of spend suppliers	2027	Consistent with SBTi supplier engagement pathway; builds foundation for Scope 3 quantification and reduction targets.
Operational Target	Scope 2 (Market-Based)	100% Renewable Electricity	2025	Eliminates market-based Scope 2 emissions; achieved through GoO procurement and PPAs.
Operational Target	Scope 2 (Location-Based)	70% hourly CFE match	2027	Moves beyond certificate matching to real-time carbon-free energy alignment, reducing actual grid emissions impact.
Efficiency Target	Portfolio PUE	≤1.5 (2027) / ≤1.35 (2030)	2027/2030	Reduces absolute energy consumption and associated emissions through operational efficiency improvements.
Innovation Target	Heat Recovery (ERF)	3 heat network projects	2030	Contributes to system-level decarbonisation by displacing fossil heating in adjacent communities. Equivalent to approximately 3,000 tCO_2e avoided.

3.2 Science Based Targets Initiative (SBTi) Alignment

nLighten is not committed to SBTi validation for our near-term and net-zero targets at this stage. However, our targets are designed to meet SBTi requirements on the near term Scope 1 and Scope 2 target with 50% reduction in MW IT Scope 1+2 emissions against 2024 baseline.

On the long-term target (2050), net zero is to be achieved across Scope 1 and 2 by 2050 at the latest. Near net-zero across full value chain with absolute reduction targets to be developed following Scope 3 supply chain engagement and roadmap. Full SBTi alignment on long-term Scope 3 emissions requires better data to assess and target at least 67% of scope 3.

4. Strategic Sustainability Pillars

nLighten's Sustainability Strategy is structured around three interconnected pillars that directly address our material sustainability topics (E1, E3, S3). Each pillar focuses on areas where we have the greatest impact and opportunity.

4.1 Operational Excellence and Proximity

Strategic Objective: Optimise edge data center operations for maximum efficiency while minimising environmental impact through operational excellence and proximity to end users.

Material Topics Addressed: E1 (Climate Change), E3 (Water Resources).

Key Initiatives:

- Energy efficiency optimisation across all 30+ locations with portfolio-wide PUE targets
- Upgrade of legacy sites
- Priority on air-cooling and closed-loop water cooling systems, in line with Water Policy
- Edge computing infrastructure reducing data transmission energy requirements
- Assessment and review of the refrigerant gases (Scope 1 reduction driver)

4.2 Energy Innovation and Sector Coupling

Strategic Objective: Drive innovation in sustainable energy solutions through renewable integration, heat recovery and grid stabilisation services.

Material Topics Addressed: E1 (Climate Change), S3 (Affected Communities).

Key Initiatives:

- Carbon-free energy procurement with 24/7 time-matching goals (current member of 24/7 Energy Compact)
- 70% time-matched renewable energy by 2027 across 4 key countries (Germany, France, UK and Spain)
- Waste heat recovery systems for district heating integration in urban locations
- Power Purchase Agreements (PPAs) with renewable energy developers
- Grid services and demand response participation to support grid stability

4.3 Sustainable Value Chain and Ecosystem

Strategic Objective: Build a resilient, sustainable ecosystem through carrier partnerships, customer collaboration, and supply chain engagement.

Material Topics Addressed: E1 (Climate Change – Scope 3), S3 (Affected Communities).

Key Initiatives:

- Supplier engagement on sustainability standards with information request as part of tendering
- Customer sustainability reporting support through transparency data portal
- Employee training and development programmes with sustainability awareness integration

5. Policy Framework

This strategy is supported by a comprehensive policy framework that addresses specific environmental topics. The following policies are currently in place or under development:

5.1 Environmental Sustainability Policy (Active)

Owned by the Energy Operations and Sustainability (EOS) department, this policy establishes nLighten's high level overarching environmental commitments including decarbonisation goals, operational sustainability through renewable energy development, resource efficiency and circular economy principles applying the 4R approach (Reduce, Reuse, Recycle, Recover).

5.2 Water Policy for Data Center Cooling (Active)

This policy establishes nLighten's approach to water use in cooling operations. Core principles include:

- **No consumptive water use** where there is risk of depriving others of water access or where the is water stress.
- **Prohibition of new water uses** in water stress areas.
- **Total water calculation** including grid water consumption factor (WCF) for design decisions.

5.3 Biodiversity Policy (Draft)

This policy establishes nLighten's approach to biodiversity enhancement, following the mitigation hierarchy:

- Avoid and Preserve: Design layouts to avoid high-value habitats and protected species
- Minimise and Mitigate: Deploy noise and pollution control during construction
- Restore and Enhance: Create diverse habitats on-site or through off-site partnerships
- Monitor and Adapt: Establish monitoring programmes with clear success metrics

This policy is still in early draft with this section to be updated once the biodiversity policy is implemented.

5.4 The Acquisition Integration Standard (Draft)

Every site acquired must be brought to portfolio carbon intensity standards within a defined window. Without this, an inherited brown-grid site sits outside the commitment indefinitely – a material diligence risk at exit. Recommended standard:

- **Within 3 months:** Integration of asset into the current energy contracts.
- **Within 12 months:** Scope 1+2 pathway review and commitment.
- **Within 18 months:** Site fully included in portfolio intensity reporting on location-based basis.

6. Key Performance Indicators and Targets

The following metrics align with ESRS requirements and data center industry standards. A detailed metrics tracker with 2024 baseline data and annual targets is provided in the accompanying spreadsheet.

6.1 Climate Change Metrics (ESRS E1)

Metric	2024 Baseline	Adj. Baseline (tCO2eq/kW IT)	2030 Target	2050 Target
Scope 1 GHG Emissions (tCO_2e)	265	0.04	-50%	Net Zero (no offsets)
Scope 2 GHG Emissions – Location (tCO_2e)	15,000	2.44		
Scope 2 GHG Emissions – Market (tCO_2e)	1,869	0.30	-100%	
Scope 3 GHG Emissions (tCO_2e)	44,000	7.16	Roadmap published	Near Net Zero (no offsets)
Renewable Energy Factor (%)	80%	-	100%	To be established
Portfolio Average PUE	1.9	-	≤ 1.35	To be established
Energy Reuse Factor (% facilities)	0%		20%	To be established

Table will create the basis for 2024 baselining and operational data from April 2024 to March 2025

6.2 Water Metrics (ESRS E3)

Metric	2025 Baseline	2030 Target
Water Usage Effectiveness[1] (L/kWh)	0.86	In line with adjusted WUEmax

Sites with Zero Consumptive Potable Water Cooling (%)	9%	100%
Sites in Water-Stressed Areas (%)	44%	Mapped

[1] *Only to be established in sites that use water for cooling (more details to be found in the Water Policy).*

6.3 Social Metrics (ESRS S1 – Monitoring Only)

Note: S1 (Own Workforce) is assessed as non-material but we maintain these metrics are tracked for good practice:

Metric	2024 Baseline
Lost Time Incident Rate (LTIR)	TBD*
Training Hours per Employee	TBD*
Women in Leadership (%)	TBD*
Supplier ESG Assessments (%)	0%

7. Implementation Roadmap

Phase 1: Foundation (2026)

- Establish baseline from 2024 and 2025 data
- Execute renewable energy procurement strategy for 100% portfolio coverage
- Implement Environmental Sustainability and Water Policy and finalise initial Biodiversity policy

Phase 2: Acceleration (2027–2028)

- Initiate first heat export project
- Achieve at least 70% CFE across 4 regions (Germany, France, UK and Core+)
- Establish sustainability governance structure, data collection and reporting systems
- Deploy heat recovery systems to 3 facilities
- Achieve portfolio average PUE ≤ 1.5
- Implement supply chain data collection through questionnaires during tender process

Phase 3: Leadership (2029–2030)

- Achieve 50% reduction in Scope 1+2 emissions per MW IT vs. 2024 baseline
- Achieve supplier engagement across 50% of the value chain in Scope 3 emissions
- Expand heat recovery to 4 facilities
- Publish updated roadmap confirming pathway to net zero in Scope 1 and 2 by 2050
- Develop Scope 3 absolute reduction targets based on supplier engagement data

Phase 4: Net Zero Pathway (2031–2050)

- Continue absolute emissions reductions to net zero to Scope 1 and 2
- Implement advanced technologies (next-generation refrigerants, on-site renewables)
- Achieve net zero in Scope 1 and 2 by 2050 at the latest through operational measures only

–Execute Scope 3 absolute reduction targets based on established roadmap

8. Governance and Reporting

8.1 Governance Structure

–**Board oversight:** Quarterly reviews of sustainability performance and strategy.
–**Executive accountability:** CTO ownership.
–**Cross-functional teams:** ESG Working Group with operational representation every 4 months

8.2 Reporting Framework

–Annual sustainability report aligned with ESRS quantitative metrics
–Quarterly internal performance dashboards
–Customer transparency portal for site-level sustainability data

8.3 Data Management

–Platform for real-time operational monitoring
–ESG reporting platform for centralised data collection and validation
–Carbon accounting tool for automated GHG calculations (aligned with GHG Protocol)

9. Investment Trajectory

Achieving our net-zero targets requires strategic capital allocation across efficiency improvements, renewable energy procurement, and innovation initiatives. The following investment areas have been identified:

9.1 Priority Investment Areas

1. Legacy Site Upgrades: Significant refurbishment investments by 2030
2. Carbon Free Energy: PPAs and time-matching to achieve 70% CFE by 2027
3. Heat Recovery Systems: District heating integration at urban facilities
4. DCIM and Monitoring: Real-time data collection

9.2 Return on Investment

Sustainability investments deliver multiple returns: reduced energy costs through efficiency, avoided carbon costs as pricing mechanisms expand, enhanced customer relationships with sustainability-focused enterprises, improved access

to green finance, and strengthened regulatory positioning. Detailed IRR analysis will accompany individual investment proposals.

10. Conclusion and Next Steps

This Sustainability Strategy positions nLighten at the forefront of sustainable data center operations across Europe. Our approach integrates environmental excellence, social responsibility, and strong governance into our business model while meeting the rigorous requirements of EU sustainability frameworks and Paris Agreement climate goals.

All targets in this strategy are to be achieved through real, measurable operational improvements. nLighten does not and will not purchase carbon credits or offsets; this principle is fundamental to our approach and applies across all scopes and time horizons.

Immediate Actions (Q1–Q2 2026)

1. Approval of Sustainability Strategy and targets
2. Complete 2025 baseline data collection for all metrics
3. Establish sustainability governance structure
4. Select reporting platform